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Editorial AS WE SEE IT

Strange as it may seem, we are still in need of reminding ourselves again and again just what it is that we expect and want of our economic system. A man from Mars hearing the ordinary garden variety of politician orate would suppose that the chief, if not the only function of an economic system, is that of creating jobs. At times one might get the impression that paying taxes in large amounts so that a paternalistic government may be able to do this and that for the unfortunate, is the prime duty of the businessman. Or it might be the production of goods to be used in buying the underdeveloped nations away from communism, or the development of production potentials that can be employed in times of war. And, of course, one of the functions must be to keep growing at a fast pace—or so it would seem from much that is being said these days in Washington and elsewhere.

Some of these things we indeed do expect of our economy in one degree or another, but they are either by-products of a properly functioning economic system or are needed at present by reason of the existence of a disordered world. The real function of a business system is very, very simply stated. It is to produce and distribute as equitably as may be, and in such abundance as is feasible, those good things of life that the people who own and operate the system want and are willing to pay for at prices commensurate with the cost of producing them. It is the normal function of the individual businessman to do his part in the process in order to earn a profit. It is all as simple as that.

Equitable Distribution

"Equitable distribution" may be easily defined as the apportionment of the output of industry and trade to individuals in proportion to their contribution to the production thereof. Of course, there are the ill, the maimed and the intellectually incompetent whom ordinary humanitarian considera- (Continued on page 16)

Imperative Need to Reshape Free World Into Real Economic Forum

By Professor Walter Hallstein,* *President of the Commission of the European Economic Community*

A ringing call for a real western economic alliance to outclass communist COMECON is made by head of new force in international affairs. Mr. Hallstein warns of the imperative necessity of going beyond O. E. C. D. to a real economic forum for cooperation. He praises E. C. M. as a bulwark and a force of attraction for the free world; points out that the problems of agricultural surpluses, developing countries, "sixes and sevens" and our balance of payments would have existed without E. C. M.; and recommends linear tariff reductions and acceptance of Rome Treaty rules to non-E. C. M. countries.

It is my belief that a capacity for detached and cool appraisal is more than ever necessary today. It is difficult enough to master the political and economic forces that rule our world; and unless we can study them impartially and begin to understand them, we shall be condemned forever to the kind of fatalistic resignation with which our grandfathers regarded, for example, the ever-recurring business cycle. I am not saying—by any means—that we are in a much better position on this particular subject. But in some spheres at least we are beginning to replace hopeless fatalism by joint action. This is true in a number of fields in Europe, where the establishment of the European Economic Community has already solved some problems, such as the age-long enmity between France and Germany, which used to be thought inevitable and eternal. With the help of our allies in the free world, I think we can hope to master our fate in other fields as well. I mention the European Community because the Community itself is one of the new factors in world affairs with which we all have to reckon, and which it is important for us all to understand. The European Community, in the first place, represents a new stability in the front line of the free world. Economically and politically, it is a guarantee that none of its members can be "picked off," attracted out of the orbit of the free world by political threats or economic promises from the East.

Prof. W. Hallstein

Secondly, the European Community is itself a force of attraction—once again both political and economic. I am not one of those who believe that we in the West should foment revolt among the subject peoples of Eastern Europe. The dangers and the human cost are too high for such decisions to be lightly taken. But we must never forget that we owe a duty to those peoples. We must continue to strive for their liberty. More than this, we must prove to them, and to peoples throughout the world, that a free system not only is better than any other but that it **works** better. The Communist bloc can offer many inducements—many deceptive promises. It is up to us to show that we can go on better, and offer both help and freedom.

Already, the force of attraction of the European Community is making itself felt. We have just signed with Greece, one of our NATO partners in the Eastern Mediterranean, a draft Agreement of Association. We are working towards another with Turkey, whose position as a member of NATO is perhaps even more exposed. And there are signs that Great Britain, so long the absent partner in our move towards European integration, is at last beginning to rethink her whole relationship with continental Europe, and may one day be ready to participate fully in this great enterprise that we call European integration. A bulwark, then, and a force of attraction. But the Community is more than this. One of the reasons, indeed, for its force of attraction is its size. Our population is almost as big as yours, although (Continued on page 25)

PICTURES IN THIS ISSUE: Candid photographs taken at the Annual Outing of the Security Traders Association of Connecticut 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.

ALAN C. POOLE
Research Consultant, Hemphill, Noyes & Co., New York City
Members: New York Stock Exchange and Principal Securities Exchanges

HOOGOVENS ADR's (Koninklijke Nederlandsche Hoogovens en Staalfabrieken N. V.)

While in Europe recently the writer naturally looked for good values over there. Like the United States market, stock prices are inflated in many cases, but the situation presented here, we feel, compares favorably with any investment-grade issue offered at current prices in this country.


Alan C. Poole

Hoogovens has an iron and steel plant located near the North Sea to which raw materials may be readily shipped. Labor costs are relatively low, making this company one of the lowest cost producers in Western Europe. Furthermore, Holland still imports a great deal of the steel it uses and therefore the growth of Hoogovens is currently limited only by its productive capacity. The plant and equipment is modern even by American standards while its management is progressive.

Typical of some of our large domestic companies, Hoogovens has diversified into other industries, including fertilizers and cements. The company's Mekog fertilizer plant operation is an example of its ingenuity. Coke oven gas from Hoogoven's steel plant is processed for use in making ammonia.

Financially Hoogovens is sound. The stock recently appreciated in market value because it was announced that 1961 plant and equipment expansion would be financed out of earnings. In 1962, and probably in later years, the company will need additional capital as continual growth of productive facilities is anticipated for several years. This capital is likely to be raised through the issuance of valuable rights to stockholders.

In 1960 earnings per share of Hoogovens ADR's were approximately $4.40 per share with an increase to over $5 quite likely in 1961, although the company has recently lowered some of the prices of its steel products. Final results of course depend on whether present price levels can be maintained. Earnings growth, based on projections, are expected to show an annual increment of over 10% for several years. A cash dividend of 77-cents per share has already been paid to holders of American Depository Receipts and a similar or somewhat larger dividend should be paid later in the year. When rights are issued, holders of American Depository Receipts are paid approximately their equivalent value in cash.

The ADR's are currently selling around 58 (Over-the-Counter Market) on a price/earnings ratio of approximately 14 times 1960 earnings and estimated 12 times 1961 earnings. Cash return on investment should be a little over 2½%. For long-term capital appreciation even in 1961 the shares look attractive to the writer.

THOMAS W. L. CAMERON
Hopper, Soliday & Co., Philadelphia, Pa.
Members: Philadelphia-Baltimore Stock Exchange

Philadelphia Suburban Water Company

Water is my candidate for the growth industry of the next decade. Vast sums of money will be spent, huge profits will be made, great good for mankind will be done, and yet water is one of the least known and understood of all industries. Oil is power—water is life itself.


T. W. L. Cameron

Philadelphia Suburban Water Company is my candidate for "The Security I Like Best" in this industry for profit, progress, and quality.

PSW is, in my opinion, the outstanding water utility property in the country, and if history casts shadows for the future, consider PSW's net earnings per share which have almost quadrupled from 88 cents to $3.22 (before 2 for 1 spilt May, 1961) since 1950. Total sales revenue has risen 179% from $4,180,399 to $11,694,281 in the same period in the population explosion of PSW's territory which surrounds Philadelphia. PSW's present service territory of 300 square miles is three times the area of the city of Philadelphia and an appreciable part of the territory still awaits development. PSW's management project—a 52.7% increase in customer accounts within the next 15 years from the current 180,000 customers to approximately 275,000 by 1975.

Analysts are continually looking for unknown or overlooked growth situations. Fantastic price earnings ratios and rosy predictions are quickly fastened on small untested companies in highly competitive and rapidly changing frontier science fields. I submit that against such a background, PSW is a true gem.

First, PSW is in a field which is largely unknown to the investing public. Most water suppliers are municipal operations. Most chemical companies that serve the water purification areas are small and unpublicized. Desalinization of salt or brackish water has been a romantic dream since ancient days but, until recently, theories have not proved practical at a competitive price. Finally, there has been no one major company which tackled the overall water problem with the brains, imagination, and great amounts of capital which will be required to dramatically demonstrate and fully capitalize these developments on a vast scale.

Second, PSW is a company whose superb record is almost unknown outside Philadelphia and its service area. PSW was almost wholly owned by the Geist family interests until 1959. Institutions that knew the wonderful operating record of the Geist management always eagerly snapped up the A rated bonds which supported capital expansion. However, annual reports to common stockholders were scanty because PSW was essentially a family affair and the family knew what was going on.

This attitude changed dramatically in January, 1959 when a syndicate bought 550,000 of the then outstanding 790,363 shares or 61% of the common stock from the Geist estate and installed Thomas Moses as President. This young (39) aggressive lawyer and former associate of the Murchison interests backed up by his blue chip board of directors has completely changed the company's corporate image. Mr. Moses says frankly that operating management was so superior that it has been continued to a man. He just wanted the company, customers and the financial public to know just how good the company and its people are.

Once seen, the record speaks for itself. Where else can you buy a common stock at about twenty times earnings that is:

(a) an outstanding growth company in its field with a franchised operating area that precludes competition.
(b) operates in a field that has no overseas competition, no excess inventory problem, and a better than twenty year proven raw material supply.

Third, PSW is led by a management group that is extremely able, aggressive, and visionary. Mr. Clark, PSW's Chairman and Mr. Moses, PSW's President, are both very substantial stockholders in the company and are absolutely dedicated to the profit motive. Net profit per share is a real concern to them.

Evidence of the vision of the management is the joint statement of Messrs. Clark and Moses in the just released annual report, "Although not of any immediate significance, we believe that one of the outstanding developments of the year was our decision to enter the general field of water treatment through an investment in Water Treatment Corporation (formerly Ster-O-Matic). In our judgment no field has a more promising long-term future. While Water Treatment Corporation is primarily a research and development effort, we expect to have some products on the market by the middle of 1961. Our interest covers the whole spectrum of the treatment of water, from softening to desalinization of sea water. Our initial commercial effort will be pointed toward the swimming pool, boiler feed water and small system purification markets. We believe we have a small but effective organization in this new venture and our corporate partners are substantial companies."

Water Treatment Corporation is not a dream. Mr. Clark, PSW's Chairman, stated at the April, 1961 annual meeting. "This probing venture into water development was entered into for the simple reason that it will be profitable to stockholders." Mr. Clark further stated that the Water Company subsidiary will move cautiously," and that "this is a big field with room for some large

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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

The New Frontier Economics And Investment Outlook

By Dr. Julius Grodinsky, Wharton School of Finance & Commerce, University of Pennsylvania*

Economist indicts the modern welfare state for making it increasingly difficult for a large part of mining and manufacturing output to be sold. To back up his case, he explains why certain stocks in the D-J average have gone up and others down between the 1959 high and the present one; he also names companies to illustrate points made. His evidence shows that high prices for services lessen consumers' ability to purchase durable goods. In contrasting the economic growth deceleration in the past five years with the New Frontier attempts to accelerate it, Dr. Grodinsky finds the latter "gallops at fearful speed along the price rising welfare route." The economist advocates lowering costs and prices, bolstering business incentives and nourishing our productive machine. He doubts our cyclical expansion will lead to an accelerated rate of growth and reveals how the interplay of inflation, deflation and technological breakthroughs affect equities. The modernized consumer service industries and technologically fruitful ones are expected to buck the "inflationary corrosion of the welfare state economy"—but not the basic ones.

Julius Grodinsky

The economy in the last five years has slowed up both on a short-term and on a long-term basis. This deceleration of economic growth is largely a creation of the welfare state. The New Frontier Economy is based on the economics of the accelerated welfare state. Its mid-twentieth century version is based upon the thought that every human being is entitled to a full share of all the good things in life, and that these benefits should be realized now and not later.

In the national economy the basis for the mass distribution of material goods is the efficiency of the production mechanism. Capital, skilled labor, and modern technology are mobilized by business leadership. Without these there would be no distribution problem because there would be little produced. Capital, technological skill, and business ability lead to reduced costs. Only they make possible an increase of real wages. In the pre-welfare state, the benefits of the business-capital-technology team were distributed in higher wages and lower prices. In the modern welfare state almost all the reduced costs are passed on in higher wages.

Reduced Costs Now Mean Higher Prices

In the welfare state economy, the high compensation to labor in the productive industries of manufacturing, mining and agriculture is passed on to the other, largely service industries. Here increases in productivity are either absent or minimal. The service industries include many rapidly growing areas. One of the most important is the government sector including Federal, state and local. Government expenditures have increased from about 10% as a percentage of the country's Gross National Product in 1929 to approximately 28% in 1960. Other service areas with a strong growth factor embrace personal adornment, educational, travel, religious, hospital, medical, amusement, house and automobile repairs, advertising, wholesale and retail, finance and brokerage. In most of these industries, among many others, an increase in wages and salaries cannot be balanced by any substantial increase in output per person per unit of time. Hence, a large part, and in many cases all, of the wage and salary advances are passed on in the form of higher prices. This is disclosed in the Consumer Price Index. Between 1951 and 1956, for example, the entire price rise in this Index reflected the cost of services. The expenditures for services, furthermore, tend to be inflexible. In the business recessions of 1949, 1953 and 1958 service prices increased. Just as significant is the fact that most of the jobs are furnished by the service industries. The productivity-creative industries of agriculture, mining and manufacturing supply only about 30%. The balance come from the service industries. A revealing statistic is the 1953 to 1957 experience. An annual increase in service jobs of 3.4% accompanied a decline of 1% in the mining, manufacturing, transportation and public utilities. Rising service wages and salaries mean higher prices.

The high wage costs and high price levels in the service industries—an adjunct of the modern welfare state — is probably the most important factor in the creation and maintenance of a high cost, high price economy. The inflationary forces herein set up are balanced and, to a considerable degree, absorbed in the technologically creative agricultural, mining and manufacturing industries. A combination of inventiveness, technical skill, heavy capital investment combined with effective business leadership has created a powerful industrial plant. In almost every branch of the three basic segments of the economy, capacity is in excess of market demand. Unutilized capacity can take care of a substantial enhancement of purchasing power

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OBSERVATIONS...

BY A. WILFRED MAY

STOCK MARKET CREDIT AND MARGINS —A PERENNIAL QUESTION

The current data on stock market credit, released by the New York Stock Exchange and covering the month of May, remind us that this perennial controversial question still has wide "open ends". Customers' net *debit* balances carried by member firms rose $110 million during May to a total of $4,096 million. This increase constituted the third consecutive new monthly high, and the total compares with $3,151 million a year ago.

Customers' free *credit* balances, the more significant item indicating credit expansion during present times of high margin requirements, declined $55 million to $1,453 million — the first substantial decrease in this statistic since April 1960.

In the setting of margin requirements by the Federal Reserve Board the basic question persists whether the Governors are guided by the amount of security credit in use, or by the market's behavior. The discussions attending the initiation of the legislation, as finally incorporated in the Securities Exchange Act in 1934, ended in choice of the *credit* criterion. But the succeeding official explanations of their administration of the margin changes by the Board have oscillated between the credit and the "market" situations. While the two, that is, the amount of credit used and prices, usually move in the same direction, the *degree* of correlation varies. Since July 28, 1960, the date of the margin requirements' last change—from 90% to 70%—the Dow Jones Industrial Average has risen by 16%, and the aggregate of customers' debit balances by 31%.

Surely it is necessary for the investment community's understanding, and generally constructive, for the authorities to make clear once and for all just how they are guided—and, if possible, to devise a formula.

Proposed Formulae

The New York Stock Exchange has taken a long and useful step in this direction in proposing to the Federal Reserve authorities, quantitative criteria for measuring and curtailing the use of stock market credit.

It poses its conclusions that (1) security credit is not excessive unless (a) the ratio of stock market credit to total bank loans exceeds 6½% for an extended period; or (b) the average growth rate of security credit exceeds the 7.2% average growth rate for total bank loans for an extended period.

(2) Increases or decreases of 10 percentage points are warranted to prevent credit from becoming excessive if (a) the ratio of security credit to total bank loans departs significantly from a normal range of 5.25% to 5.75%; or (b) the growth rate of security credit deviates significantly from the 5.4% average of recent years.

Irrespective of whether these particular prescriptions are agreed to, the principle of the establishment of some such formula is most desirable.

A $64 Answer

Another essential step on the margin "agenda" should be an objective determination of market credit's functions. The pro-credit-men assert its far-reaching economic usefulness. They maintain that non-restrictive margins are indispensable to the stock market's functioning in its alleged role of providing the nation's needs for capital investment. ("Margins constitute a very important instrument by which we affect the tone and resiliency of the whole capital market — that delicate and immensely important focal point of our economy"—President Keith Funston of the N. Y. Stock Exchange before the Toledo Chamber of Commerce, Jan. 10, 1961).

Such typical assumption of the Exchange's capital facilitating function seems questionable in its two main areas. First, in daily trading volumes of three to five million shares, the market performs no direct service in fetching new capital for industry.

Of course, the point is frequently advanced that while this is true, exchange activity—and "liquidity"—are useful *indirectly* as attractions for the buyers of new offerings *off* the Exchanges. But even if this assumption is valid, not realized is the extent to which such underwritings and other offerings do not bring new capital to business.

Realism About the Capital Financing Function

Actually, the proceeds of substantial proportions of new securities offerings go merely into the coffers of already existing shareholders. Data made available by the SEC show that while the proceeds of $1,643,811,000 of new corporate common stock issues went into the account of the respective corporations in 1960, $621,000,000 were sold for the account of existing shareholders. In 1959 the respective amounts were $2,027,-109,000 and $892,000,000.

"Going Public," particularly in boom-time, may merely mean the owners' grasping of the opportunity to make a favorable "out" for themselves.

The usually successful *Secondary* offering off the Exchange of a listed stock, likewise brings not a penny to the economy's capital requirements.

The "Liquidity" Thesis

"Soft margin requirements are similarly advocated on the basis of their contribution to Exchange *liquidity per se*, or at least as a constructive convenience — an "auction market"— for existing "investors."

An authoritative and we believe, a fair statement of the *liquidity - volume* credo follows. It is quoted (at length, to avoid a taking - out - of - context) from Mr. Funston's above-cited talk:

"I have already indicated their [margins'] *personal* importance for the man who wants to accumulate assets. But margin buying has a much deeper *economic* significance. By supporting a larger volume of stock market transactions than could be handled by cash alone, they give added *liquidity* to the market.

"Liquidity is a word, I must confess, that is easier to illustrate than define. And the most dramatic illustration I can think of is the impressive performance on the New York Stock Exchange in 1959 —the latest period for which complete figures are available. During that year some 820 million shares of stock changed hands on the floor. Each and every transaction had to find its own bid and offer. What was the result? Seventy-two percent of all trades were made either at no change in price from the last sale, or within a range of one-eighth of a point, or 12½ cents from the last price!

"That degree of price continuity which is a clear mirror of liquidity is something we are prone to take for granted. But think for a moment what the market would be like *without* this liquidity. Prices might fluctuate wildly from sale to sale. [sic] Consider how this would affect *the hundreds* of companies planning to issue new shares and wondering how to price them; or *the thousands* of businessmen who follow the trend of the market an an indicator of the economic climate; or the *millions* of Americans—now one out of every eight adults—who invest part of their savings in stocks. . . .

We know from extensive reseach that when margins are raised sharply, *volume* tends to fall off — that is, liquidity is lessened. Volume, of course, does not fall precipitously. But it has decreased by as much as 25% following a substantial margin increase. In other words, margins are not just a means of extending personal credit to people who wish to increase their portfolios. Over and above that, margins constitute a very important instrument by which *we affect the tone and resiliency of the whole capital market—that delicate and immensely important focal point of our economy.*" [Emphasis supplied.]

Surely a fine statement of the case for the liquidity-volume function of the "auction market"! Space considerations prevent our detailed submission of the other side of the medal—embracing the exploitation of these mechanics including the entire high-powered quotation system, for speculation-gambling purposes.

The Earlier Philosophy

SEC legislation as originally passed represented a compromise with those designers of the statute who wanted to cut out margin trading altogether. Ferdinand Pecora, chief counsel of the Stock Exchange Investigation bearing his name declared that margin trading should be eliminated "to end this abuse of stock market gambling with the money of other people."

And contrary to the above-cited Funston pro-liquidity thesis, "Brains-Truster" Tom Corcoran testified that a main objective of margin regulation is "to protect the national business system from the fluctuations that are induced by fluctuations in the market, which in turn stem back to the very *exquisite* liquidity you get when you have a lot of borrowed money in the market."

And right on that beam in contradicting the *liquidity* thesis of the Exchange, was the contention of the Dickinson Committee (made up of Assistant Secretary of Commerce Dickinson, and Messrs. A. A. Berle, Jr., Arthur Dean, James Landis, and H. J. Richardson). They felt that while margin requirements might, as charged, impair the liquidity of securities, "the social cost of liquidity has yet to be explored."

Now, in 1961, we still need such a major study, authoritative and objective, hopefully to be foundation-financed.

Collateral Reading

The need for such data assembled under a single cover has now become partially filled, by a full length volume, "Security Credit; Its Economic Role and Regulation," by Dr. Jules I. Bogen and Dr. Herman E. Kroos (Prentice-Hall, N. Y., 194 pages, $4.95). It embodies a study conducted by the two New York University economists, with the financing partly furnished by the New York Stock Exchange.

The volume assumes, and enlarges on, the above-cited premise, as re-stated in the preface, by Dean Taggart, of the NYU Graduate School of Business Administration that "the use of credit is essential to the functioning of the capital market, as to other sectors of the economy."

The authors point out the many varied uses of security loans: (1) Financing the origination and distribution of security issues and security dealers' carrying of inventories. (2) Borrowing by investors and speculators, not only for capital appreciation, but for anticipatory investment of future income, the financing of rights subscriptions; (3) use of securities as collateral for business or consumption purposes; and also claimed, (4) provision of an attractive market for lenders' funds.

To the extent that some of these uses are important and constructive, we would ask whether the credit rules applicable to them could not be differentiated from those used for Stock Exchange trading?

Impact of Margins

The authors find that the amount of security credit has not significantly influenced the level of security prices in recent years. In a majority of cases margin increases have slowed down the stock market's price rise, but in no case have they halted or reversed the upward trend. On the other hand, a lowering of margin requirements was followed by a rise in stock prices or a slackening of the pace of a decline in each instance.

Particularly stressed by the authors, and their sponsors, is their finding that small margin increases generally have proved to be as effective as large increases in influencing the trend of customer borrowing. Similarly, they conclude that trading volume has not been affected in any important degree by small margin increases; but has been reduced materially by each of the three increases by 25 percentage points. Hence, they, as well as the Stock Exchange protagonists, can argue for a low maximum margin of 50%.

Our discussion, then, indicates the need for further top-flight authoritative inquiry into the following unresolved items:

Items for a Full-Dress Inquiry

(1) An authoritative over-all "portrait" of the Stock Market, including especially an appraisal of the speculative and investment proportions of market activities.

(2) The real effects of stock market "liquidity" on the economy.

Specifically, does security credit actually perform the service to the economy of promoting the flow of capital into productive investment?

(3) The uses made of security credit; including apportionment to long-term and short-term carrying.

(4) The "leakage" effect, if any, of margin regulation. Does, and if so to what extent, money borrowed elsewhere at more favorable terms, creep into the security markets "through the back door"?

(5) The direct effects of margin changes on stock prices, and volume.

Authoritative and objective answers to these questions would constitute an immense service to a broad range of the community, ranging from the speculator to the economist.

Schramm Names Syndicate Mgr.

Jack Rubenfeld has been appointed syndicate manager of S. Schramm & Co., Inc., 80 Pine St., New York City.

Formerly with Cohen, Simonson & Co., Mr. Rubenfeld has been active in the Wall Street community for the past 15 years. His background also includes extensive experience in the field of hotel management and operation.

Lubetkin, Regan To Admit Partner

Lubetkin, Regan & Kennedy, 44 Wall Street, New York City, members of the New York Stock Exchange, on July 1 will admit Leon Schop to partnership.

Manley, Bennett To Admit Partners

DETROIT, Mich.—Manley, Bennett & Co., Buhl Building, members of the New York and Detroit Stock Exchanges, on July 1 will admit Richard A. Carman, Milton A. Manley, Jr. and Robert P. Seeber to partnership in the firm.

W. E. Burnet to Admit Partner

W. E. Burnet & Co., 80 Pine St., New York City, members of the New York Stock Exchange, on July 1st will admit James C. Paul to partnership.

Cady, Roberts to Admit Partner

Cady, Roberts & Co., 488 Madison Avenue, New York City, members of the New York Stock Exchange, on July 1st will admit Arthur F. Bohner.

Forms Anderson Agency

RICHLAND, Wash.—Don R. Anderson is engaging in a securities business from offices at 707 The Parkway under the firm name of Don R. Anderson Agency.

P. D. Mogler Opens

LESTER, Iowa—Philip D. Mogler is engaging in a securities business from offices here.

1961's Municipal Borrowing And Threats to Tax Exempts

By Alan K. Browne,* *Vice-President, Bank of America, N. T. & S. A., San Francisco, Calif.*

Prominent Californian writer anticipates a $7.8 billion total municipal financing volume this year compared to $7.2 billion in 1960. The net increase, after debt retirement, is put at $4.9 billion leaving outstanding municipal volume at close to $70 billion. Mr. Browne strongly criticizes the attacks being made to remove tax exemption. He also inveighs against the grave threat being posed by municipal industrial aid financing. The banker expects the long-term interest rate to be somewhat lower this year than last and doubts the Administration will be able to prevent their rise as business picks up. Turning to the plight of commercial bankers losing a municipality's idle funds to short-term competitive investments, and what it does to the economic well-being of the community, the banker-municipal expert suggests public officials consider the over-all harm they do when funds normally banked are placed elsewhere. He further suggests they discuss this problem with their local bankers.

I
Introduction

Two years ago it was my privilege to address the Association in Montreal on the subject of "The Prospective Market for Municipal Bonds." While my remarks at this time will not necessarily cover the same ground as the 1959 presentation, I think it will be interesting to see how well we did in our projections as to the volume of financing, the availability of investment funds and the outlook for interest rates.

Alan K. Browne

In the time allotted I hope to also discuss some of the problems that you as finance officers are facing as we cross the border into the land of "The New Frontier." The views expressed are my own. You may not agree with all of my observations, but I do hope they will serve to stimulate your thinking.

II
Available Funds for Investment 1961/62 (A Projection)

A. Municipal Securities

My guess as to the net increase in the amount of municipal bonds that will be absorbed during 1961 by the major classes of investors in tax exempt securities will be approximately $4.9 billion, after giving effect to retirement of maturing debt.

Insurance companies, including—life, fire and casualty, mutual savings banks and state and local pension funds will account for $2.1 billion; commercial banks $1.6 billion; individuals $.6 billion and other investors $.6 billion.

To comment briefly on what might influence types of investors, the level of the stock market may chill some private investors because of potential capital gains and the threat of inflation. On the other hand the new municipal mutual funds might account for many new individual investors.

Fire, casualty and marine insurance companies will continue to be an important source of funds for tax exempt securities.

Commercial banks have been providing some evidence of adding substantially to their municipal bond holdings partly because of the decline in loan demand and higher operating costs, including interest on time deposits.

One area which might produce some significant results will be the acquisition of municipal bonds by Federal agencies under some of the proposed Federal aid programs.

1962 should continue the same trends established in the last quarter of 1961 and will reflect the business outlook.

In 1959 I anticipated that some $6.5 billion municipal bonds would find their way into similar investment channels. I was overoptimistic by approximately $1.4 billion due principally to a decline in purchases by commercial banks during the period of tight money.

B. Other Types of Securities and Their Influence on the Muncipal Market

Much will depend upon the business picture as so many anticipated demands for funds are based on this potential.

As there seems to be ample funds for mortgage requirements, no competitive factor affecting municipal bonds should occur unless money tightens and interest rates tend to rise. As commercial banks are in business to accept deposits and loan money, increased demand for mortgage money would curb their interest in tax exempt securities.

Corporate requirements have not posed a serious threat to municipal bonds since funds have been easy. Recent corporate borrowing has reflected short supply which has been gradually met with a corresponding increase in yield. Commercial banks providing short term lines of credit would feel the pressure for funds if business picked up.

Probably the most significant impact on the municipal bond market will be borrowing by the U. S. Treasury to meet its normal demands, offset deficits and to refund either at maturity or in advance of maturity. While the greatest amount of funds will probably be raised in the short term market, occasional forays into intermediate and longer maturities—will be reflected in the level of the bond market.

The municipal bond market through the law of supply and demand acts in its own way to influence interest rates. Timing of municipal bond sales and king-sized issues adjust market levels in order that borrowers may compete for investment funds.

III
Municipal Securities Underwriters and Dealers

A. Outlook for Interest Rates

Having been quoted several times at the close of 1960 and early 1961 as to the outlook for interest rates, it would not be appropriate to be inconsistent. Therefore to repeat previous guesses, I believe that long term interest rates will tend to be somewhat lower in 1961 than in 1960. Trends towards higher interest rates will reflect a business upturn and an increased demand for money. With so much discussion as to when business will turn up and measures taken or to be taken to produce an upturn, my inclination is to support the idea that business recovery will be slow and will not be significantly better until the last quarter of 1961. This should carry forward into 1962 with some acceleration.

In my 1959 (June) treatise I suggested that long term interest rates would be somewhat higher during the year, level off towards the end of the year and be somewhat lower during early 1960.

Here the projections were fairly accurate. Using the Bond Buyer's 20 bond average, yields increased from 3.40% in January 1959 to 3.64% in June, reached 3.81% in July, fluctuated somewhat below the high point finally settling to 3.60% in December. During the first six months of 1960 the highest yield was reached in January equaling 3.78%, the lowest in April at 3.50% and declining from 3.61% in June to 3.43% in December.

B. Marketing of Municipals

My guess as to the volume of long term municipal financing in 1959 was that it would exceed $8 billion by a small amount and 1960 would be pushing $9 billion. I was overly optimistic as 1959 produced $7.68 billion and 1960 $7.2 billion, both substantial amounts in any year.

So far the volume for the first four months of 1961 is running slightly ahead of 1960, indicating that this year should equal or exceed 1960, possibly reaching $7.8 billion.

There is ample evidence, despite the sizable annual volume and occasional periods of saturation, that municipal bond dealers are able to handle this important segment of the capital markets. This indicates more efficient handling of the details of buying new issues, improved marketing techniques, use of electronic tabulating equipment, increased staffs including many young men and women with relatively few years of experience and many new firms. Ads and listings in *The Daily Bond Buyer, The Blue List, The Security Dealers of North America* and the *Directory of Municipal Bond Dealers of the United States* are mute evidence of the growth of the industry.

The secondary or over-the-counter market on outstanding issues also reflects the greater capacity of the market as dealer interest has increased and regional markets have strengthened. With some $66 billion state and municipal bonds reported outstanding as of June 30, 1960 and close to $70 billion anticipated this year, a strong dealer organization is vital to an orderly market and a free flow of municipal credit. A governmental agency to buy state and municipal bonds at rates lower than those determined by a free market is not necessary, serves no useful purpose, substitutes Federal bureaucracy for state and local determination and ignores the fundamental economics of the money market.

It is to be expected that municipal dealers will produce many of their own headaches through over-optimism or excessive gloom. This is best expressed in terms of unsold inventory. Not all inventory problems are the result of dealer mistakes as they are frequently the victims of unforeseen market declines, unanticipated bond sales and technical marketing problems.

Cooperation and understanding of the dealers problems by municipal finance officers will be most helpful in insuring continued favorable interest rates under all market conditions.

IV
Status of Tax Exempt Interest

A. Municipal Industrial Aid Bonds

The Municipal Finance Officers Association adopted a resolution at its 46th Annual Conference in Boston on June 18, 1952 and reiterated its position at the 47th Annual Conference in Miami on June 3, 1953, opposing the issuance of municipal debt obligations usually considered "industrial aid bonds."

The Section of Municipal Law of the American Bar Association adopted a similar resolution on Sept. 16, 1952.

The Investment Bankers Association adopted a resolution in November, 1951, reaffirmed and clarified the resolution on Nov. 29, 1959 and did so again at its recent Board of Governors meeting at the Greenbrier.

There can be no doubt as to the intent of the resolutions. Each Association in its own wording expresses concern as to the effect on municipal credit and the grave threat to tax exemption posed by municipal industrial aid financing. As the volume of such financing increases and as individual bond issues grow larger the temptation to encourage the use of public credit for such purposes will become greater. All such proposals should be examined in the light of what serves the greatest public need and who stands to benefit. The next issue of "Municipal Finance" should provide pertinent reference material.

B. Life Insurance Company Income Tax Act of 1959

The Life Insurance Company Income Tax Act of 1959 through its application of the theory of proration also serves as an example of the oblique attack on tax exemption of interest on state and municipal bonds. The last word has not been heard of on this act. We can expect that many life insurance companies will protect their investment position by some legal action.

C. Committee for Economic Development

Another effort to treat tax exemption as though it went out of style with the 16th Amendment, is the recent recommendation of the Sub Committee of the Committee for Economic Development which in effect suggests that rather than tax exemption of interest, a credit be established. I strongly urge that finance officers express their views on this proposal to members of the Committee for Economic Development that they may know.

D. Influence on Municipal Market

There seems to be a decided difference of opinion as to the value of tax exemption as expressed in borrowing costs to the issuers. This is of vital concern to finance officers, the public bodies they represent and local taxpayers.

Would removal of tax exemption double interest cost? Would yields approximate corporate bond yields or government bond yields? Probably the increment would vary according to the individual borrower — some would fare much better than others while some would be unable to borrow within constitutional and statutory interest rate, tax and debt limits. This would give rise to either a trek to Washington, D. C. for Federal assistance, and/or other means of financing without the safeguards of voter approval and would probably be infinitely more costly.

As there are important studies contemplated to establish concrete values for tax exemption, I urge prompt attention to insure a fair and equitable determination. In other words never let an opportunity pass to express views on tax immunity of the interest on state and municipal bonds.

V
The Government Bond Market

I briefly touched upon the impact of U. S. Treasury financing needs on the municipal bond market. Therefore it would be appropriate to express some views on the outlook for the government bond market.

The Administration has made it very plain that it wants long term interest rates to decline with short-term rates holding firm. So as to continue to retain or attract foreign funds, among other considerations. At least it wants easy money until the economy is strongly on the road to recovery. This would indicate that short-term rates should rise somewhat during the year as business recovers. Long-term rates will depend upon the competition for the investment dollar and what long-term financing or refunding will be accomplished by the Treasury Department.

The Administration's efforts to influence long-term interest rates should be successful during the year but this should not hold, particularly as business picks up.

The Federal Reserve System's "nudging" venture into intermediate and longer maturities in its open market operations has been interesting. I would doubt that the intent and the result will be identical. To bring about a strong bond market with declining long-term rates, much more confidence on the part of institutional investors is necessary. They have suffered too many setbacks in the past, to risk another trip on the "merry-go-round."

There is no doubt that the various moves to influence interest rates will also have an effect on municipal bond prices. Most institutional investors are well informed and have had experience

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TAX-EXEMPT BOND MARKET

BY DONALD D. MACKEY

The state and municipal bond market has not been as active during the past week as during earlier in June. Part of the answer lies in less new issue volume for the past weekly period, and part lies in the tendency of dealers to mark up prices from the attractive level that prevailed for the heavy volume of issues underwritten during the previous ten days (Connecticut; Philadelphia, New York City; Nassau County, etc.).

The *Commercial and Financial Chronicle's* 20-year general obligation bond yield Index shows the market down slightly from a week ago. Whereas the average yield was 3.388% on June 14, it is figured at 3.40% as of June 21. Were the large new issues a criterion in establishing an average yield Index, the market would have been substantially off during the period of heavy financing in middle June. Mark-ups would have since compensated for the temporary sell-off; this our Index quite accurately shows.

Pending Volume Light

The new issue calendar for the next month is unusually light for this time of year. Only about $300,000,000 appears as likely to be underwritten as the schedule goes today. Moreover, the negotiated issue calendar appears much less prolific than is normal or desirable for this active investment period.

However, this circumstance may change abruptly and the capital requirements of our states and municipalities may put great pressure on the market during the weeks and months ahead. With the Treasury bond market nervous and unreceptive, and with substantial cash financing likely during July, it seems unlikely that the general bond market can relax its defensive posture in the foreseeable future.

Whither Business?

Of course business conditions will have a large bearing on the bond market trend. The economy may suddenly thrive with a consequent further depressing of the bond market; it might continue in its present gradual upturn and thus exert little pressure on bond rates. In reading the published opinions of economic experts, even the knowledgable seem confused on this general subject. The Treasury Secretary predicts an economic boom for next year with possible tax cuts for all. Other respected attitudes are more conservative and cautious.

Although gross national product may increase next year through Federal and other public spending and general consumer expenditures, so-called dynamic growth may be ruled out because of the progressive profit squeeze throughout all industry and the less than boom prospects for most of our major industries.

Setting a Poor Example

The general morale of our country seems at present not united enough to spur enthusiastic, let alone dynamic, national effort. It appears to many that only supine efforts for more realistic and conservative dealings with foreign nations are being exhibited by both the Administration spokesmen and by Congress. We seem inexorably dedicated to policies that seem to lead to a financially and economically less virile America. Policies persist that either directly dissipate our real wealth and resources, or which unrealistically pledge them in favor of almost any foreign nation or group. These policies seem perennially perpetrated as a matter of national policy through fear; fear that Uncle Sam's image might be that of the traditionally shrewd Yankee trader.

Our traditional and typical American policies seem carefully and methodically avoided and even derogated as we exhort policies involving international profligacy, as against policies that by their sound example might lead ultimately to a strong respect for our leadership. This apparently overpowering inertia toward extravagant "give away" has so long dominated our thinking and actions that it may only be moderated by great qualities of statesmanship exerted by the President or by a strong loyal opposition. Unfortunately, these developments seem not imminent enough to generate any high hope for those who reverently feel that only by our sound example may we honestly lead. It's terribly late and the image could be reduced to national impotence.

Bond Market Affected

The bond market is not immune to these stern economic realities. The Federal Reserve Bank of Kansas City has recently pointed out in its monthly bulletin that achieving a favorable balance of payments is far from fulfillment and that pressures for rising wages and profits may likely prevent U. S. goods from gaining needed competitive advantages.

It is apparent that the recent respite in gold outflow could be short-lived. It is also notable that the Treasury Secretary continues to recommend doing away with the 25% gold reserve. None of this is conducive to anything but a nervous bond market ahead; even for municipals.

Recent Awards

Although the competitive new issue calendar was relatively light this week for this time of the year, two sizable issues came to market on Thursday, June 15. The largest involved $24,957,000 Philadelphia, Pa. general obligation (1962-1991) bonds, which attracted three bids. The high bid for the bonds was submitted by the syndicate headed by The First National City Bank of New York and included Halsey, Stuart & Co., Inc. and The Philadelphia National Bank as associate managers. Among the other major underwriters were Harris Trust and Savings Bank, C. J. Devine & Co., The Northern Trust Co., Goldman, Sachs & Co., and Salomon Bros. & Hutzler.

The issue was priced to yield 1.70% in 1962 to 3.75% in 1989. The last two maturities, which bore a one-quarter of one per cent coupon, were reoffered to yield 4.40%. About three-fourths of the issue was sold upon initial reoffering and, at this writing a balance of $4,000,000 bonds remains in account.

The other sizable issue to sell on June 15, was $20,000,000 Municipality of Metropolitan Seattle, Wash. sewer revenue serial and term bonds. The group managed by Blyth & Co., Inc. and including Smith, Barney & Co., Harriman Ripley & Co., White, Weld & Co., Merrill Lynch, Pierce, Fenner & Smith Inc., R. W. Pressprich & Co., and many others was the successful bidder for these bonds.

The proceeds from this sale, the first part of the $125,000,000 authorized by the voters of the Municipality of Metropolitan Seattle, will be used to finance a comprehensive program leading to the reduction and elimination of the pollution of the waters in and around the Lake Washington area. This district was established in 1958 subsequent to passage of legislation enabling cities and counties within metropolitan areas to establish a metropolitan municipal corporation. These may work toward the solution of area sewerage and other problems including that of water pollution wherever common to each city and county, but beyond the capacity of each individually to resolve.

The $8,100,000 serial (1964-1987) bonds were scaled to yield from 2.40% to 3.80% and are about 50% sold at this writing. The $11,900,000 term bonds due in 2000 which were reoffered at par for a 4% coupon were immediately sold out of account.

Also last Thursday, Lake Charles Harbor and Terminal District, La. awarded $7,000,000 general obligation (1962-1991) bonds to the syndicate managed by The First National City Bank of New York and including Chemical Bank New York Trust Co., Harris Trust and Savings Bank, Kuhn, Loeb & Co., W. H. Morton & Co., Dominick & Dominick, and others. The issue was scaled to yield from 1.90% to 3.875% in 1983. The bonds due 1984 to 1991 were not reoffered. Initial investor demand was good and at present only $1,000,000 bonds remain in account.

This Week's Sales

On Tuesday, June 20, Norfolk, Va. sought bids on $7,000,000 general obligation (1962-1986) bonds. In close bidding the issue was won by the group managed jointly by the Morgan Guaranty Trust Co. of New York, Kuhn, Loeb & Co., and Glore, Forgan & Co. Yields ran from 1.75% to 3.70% in 1985. The 1986 maturity was not reoffered. The issue was well received by investors and the current balance is $600,000.

Pittsburgh, Pa. also came to market on June 20, with $5,220,000 serial (1962-1981) bonds. The group composed of First Boston Corp., Bankers Trust Co., Chase Manhattan Bank, Drexel & Co., and Smith, Barney & Co. outbid eight other accounts for the bonds. The issue was reoffered to yield 1.60% to 3.45% for a 3⅜% coupon. The present balance is reported as $2,300,000.

Kentucky Turnpike a Smashing Success

The $118,000,000 Turnpike Authority of Kentucky, serial term bond issue offered late Wednesday (June 21) was a smashing success. These Western Kentucky Toll Road revenue bonds are set up as $20,000,000 serials, maturing 1967-1985, and $98,000,000 terms, due 2000. These bonds are payable solely from lease rentals or other revenues. Yields available on the serial portion ranged from 3.75% to 4.70%. The term issue bore a 4.85% coupon and was priced at 99½.

This negotiated financing was done by Allen & Co. in association with John Nuveen & Co., Inc., B. J. Van Ingen & Co., Inc., Merrill Lynch, Pierce, Fenner & Smith Inc., A. C. Allyn & Co., Inc., The Kentucky Co., and others. The offering was made subject to award.

Massachusetts Turnpike Financing Blocked

Wednesday afternoon, investment bankers announced they were unable to underwrite a $183,000,000 bond issue for the Massachusetts Turnpike Authority. A brief statement from the four managing underwriters, F. S. Moseley & Co., First Boston Corp., Blyth & Co., Inc., and Tripp & Co., Inc. said: "The managers of the proposed offering of $183,000,000 of bonds, Series A, B, and C of the Massachusetts Turnpike Authority - Boston Extension, announced that they were unable to obtain underwriters for the full amount of the proposed issue. Consequently, there is no contemplation of an offering of bonds at this time."

Inventories Remain High

Although the calendar is light there has been no leavening of the inventory situation. On June 21 the *Blue List* reported a state and municipal bond total of $510,474,000; up from $495,819,500 a week ago and from $373,915,000 on May 11. Despite the favorable prevailing price level, swollen inventories persist as a market negative.

The *Smith, Barney & Co.* toll road bond index reflects lower quotations as of June 15, the last reporting date. The yields then averaged at 3.78%; up from 3.75% the week before. This spread in yields would indicate a one-half point sell-off for the week.

MARKET ON REPRESENTATIVE SERIAL ISSUES

	Rate	Maturity	Bid	Asked
California (State)	3½%	1978–1980	3.70%	3.55%
Connecticut (State)	3¾%	1980–1982	3.50%	3.40%
New Jersey Highway Auth., Gtd.	3%	1978–1980	3.50%	3.40%
New York (State)	3%	1978–1979	3.35%	3.20%
Pennsylvania (State)	3⅜%	1974–1975	3.25%	3.15%
Vermont (State)	3⅛%	1978–1979	3.35%	3.20%
New Housing Auth. (N. Y., N. Y.)	3½%	1977–1980	3.40%	3.30%
Los Angeles, Calif.	3¾%	1978–1980	3.75%	3.60%
Baltimore, Md.	3¼%	1980	3.45%	3.35%
Cincinnati, Ohio	3½%	1980	3.45%	3.35%
New Orleans, La.	3¼%	1979	3.70%	3.55%
Chicago, Ill.	3¼%	1977	3.70%	3.60%
New York City, N. Y.	3%	1980	3.60%	3.55%

June 21, 1961 Index=3.40%

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 22 (Thursday)			
Loudoun County, Va.	2,000,000	1962-1981	Noon
Riga, Ogden, Chili & Sweden Cent. School District 1, New York	1,111,000	1962-1981	2:00 p.m.
Texas (State of)	25,000,000	1966-1991	10:00 a.m.
Warren, Ohio	2,850,000	1967-1999	11:30 a.m.
Winnebago County, Ill.	1,800,000	1963-1968	8:00 p.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 26 (Monday)			
Sioux City, Iowa	3,150,000	1962-1991	3:00 p.m.
June 27 (Tuesday)			
Georgia State Highway Authority	30,000,000	1962-1991	11:00 a.m.
Glastonbury, Conn.	1,484,000	1962-1971	11:30 a.m.
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	1964-1985	7:00 p.m.
Second Perry Township, Ind.	2,900,000	1964-1991	2:00 p.m.
Stanley County, N. C.	1,500,000	1963-1985	11:00 a.m.
June 28 (Wednesday)			
Columbia Hgts. Ind. S. D. 13, Minn.	1,100,000	1964-1991	7:30 p.m.
Dallas Ind. Sch. Dist., Texas	10,000,000	1962-1981	8:00 p.m.
Harris County, Texas	29,500,000	1962-2001	11:30 a.m.
Jackson, Miss.	1,500,000	1962-1986	10:00 a.m.
Maryland State Roads Comm., Md.	15,000,000	1962-1976	11:00 a.m.
Mount Vernon, New York	1,085,000	1962-1981	11:00 a.m.
New Castle & Mt. Pleasant Cent. School District 4, N. Y.	1,265,000	1962-1991	2:00 p.m.
Schenectady, New York	1,607,000	1962-1987	11:00 a.m.
Tennessee Valley Auth., Tenn.	50,000,000	--------	--------
University of Delaware	1,190,000	1963-2000	10:00 a.m.
June 29 (Thursday)			
Altoona Sch. Dist., Pa.	1,000,000	1962-1986	7:30 p.m.
Atlanta, Ga.	1,000,000	1962-1991	11:00 a.m.
El Paso, Texas	2,520,000	1962-1985	9:30 a.m.
North East Ind. S. D., Texas	1,000,000	1962-1985	7:30 p.m.
Savannah, Ga.	1,300,000	1962-1988	11:00 a.m.
July 6 (Thursday)			
Jackson U. S. D., Mich.	4,300,000	1964-1987	7:30 p.m.
July 10 (Monday)			
Cinnaminson Twp. S. D., N. J.	1,300,000	1963-1982	8:00 p.m.
Flint, Mich.	5,580,000	1962-1991	3:00 p.m.
North Monterey Co. U. S. D., Cal.	1,600,000	1962-1986	10:30 a.m.
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	1962-1981	9:30 a.m.
Memphis, Tenn.	13,500,000	1962-1991	2:30 p.m.
July 12 (Wednesday)			
Ketchikan, Alaska	1,450,000	1962-1991	8:00 p.m.
New York State Housing Finance Agency	51,865,000	1964-2004	--------
[Negotiated offering headed by Phelps, Fenn & Co., and including Lehman Brothers, Smith, Barney & Co., Inc., & W. H. Morton & Co., Inc., as co-managers.]			
Sacramento-Yolo Port Dist., Calif.	7,000,000	--------	--------
July 13 (Thursday)			
Milwaukee County, Wis.	11,429,000	1962-1981	11:00 a.m.
July 18 (Tuesday)			
Kentucky (State of)	35,000,000	--------	--------
Knoxville, Tenn.	2,000,000	1962-1981	10:00 a.m.
Monroe, Louisiana	1,700,000	1962-1986	10:00 a.m.
Stockton Unified Sch. Dist., Calif.	2,674,000	--------	--------
July 24 (Monday)			
Eugene, Ore.	1,000,000	1962-1981	10:00 a.m.
July 26 (Wednesday)			
Alaska (State of)	13,975,000	--------	--------

The State of TRADE and INDUSTRY

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

The following summary of general business and financial condition has appeared in the June issue of the Federal Reserve Bulletin.

Industrial production recovered sharply further in May, and construction activity also increased. Employment and income continued to rise and retail sales advanced. Commercial bank credit rose further. In late May and early June, capital market financing was in large volume and bond yields increased.

Industrial Production

Industrial production increased 3% further in May to 108% of the 1957 average, compared with 102 in the first quarter and 110 in mid-1960. Since February, production of materials has risen 8% and final products 4%. Output of final products, both consumer goods and equipment, is close to previous highs.

Gains were widespread in May. Among consumer goods, production of television and radio sets, furniture, and some other home goods continued to increase. Auto assemblies rose again and production schedules for June indicate a moderate further increase. Overall output of consumer staples and apparel also rose in May. Production of business equipment continued to advance, reflecting gains in industrial and commercial machinery and in farm equipment.

Iron and steel output rose more than 10% in May, and a further increase is indicated this month as steel ingot production declined less than seasonally in early June. In May there were also increases in construction materials, textiles, chemicals, and paper products.

Construction

New construction activity increased 2% in May and was at a seasonally adjusted annual rate of $56.5 billion. Public activity rose about 4%, reflecting principally a substantial increase in highway construction; private work increased slightly further.

Employment

Seasonally adjusted employment in nonfarm establishments rose further in May and was 500,000 above the low reached in March, although 700,000 or more than 1% below the prerecession high of July 1960. In May, gains occurred in most manufacturing industries and were especially large in the steel, fabricated metals, and auto industries. Employment reached new highs in finance and state and local government. Mainly because of a continuing increase in the average factory workweek, weekly earnings rose further and were slightly higher than a year earlier. The seasonally adjusted unemployment rate remained just under 7%, the level prevailing since December.

Distribution

Retail sales rose 1% in May, following a decrease of a like amount in April, and were 2% below the year-earlier rate. Increased sales of autos accounted for most of the rise in May. Sales at department stores edged off, after a sustained rise, but were higher than a year earlier.

Commodity Prices

The wholesale commodity price index continued to change little from early May to early June. Prices of steel scrap and some other sensitive materials advanced while prices of some steel mill products were reduced. Wholesale prices of meats declined somewhat further as supplies remained relatively large.

Bank Credit and Reserves

Total commercial bank credit rose about $1.5 billion further in May, reflecting increases both in holdings of U. S. Government securities and in loans. The average money supply, seasonally adusted, declined slightly while time deposits continued to show substantial growth and U. S. Government deposits rose sharply. Seasonally adjusted turnover of demand deposits increased.

Member bank borrowings from Federal Reserve Banks averaged about $100 million and excess reserves about $585 million over the four weeks ending June 7. Between early May and early June reserves were absorbed principally through currency outflow and were supplied through Federal Reserve purchases of U. S. Government securities. Required reserves declined somewhat.

Security Markets

New security financing by corporations and state and local governments was in large volume in May and early June. On June 8, the Treasury raised $1.8 billion in cash by auctioning additional amounts of 18 outstanding issues of bills.

Bond yields generally increased between mid-May and mid-June. Yields on all maturities of Treasury securities rose sharply in the second half of May and the first week of June and then declined somewhat. The rise was sharpest in yields on issues maturing in 3-5 years, which in early June reached new highs for this year. Common stock prices, after reaching a record high in mid-May, declined on balance to mid-June, and the volume of trading decreased substantially.

Bank Clearings Were Up 3.1% Over Same Week Last Year

Bank clearings last week showed an increase compared with a year ago. Preliminary figures compiled by the *Chronicle*, based on telegraphic advices from the chief cities of the country, indicate that for the week ended Saturday, June 17, clearings from all cities of the United States from which it is possible to obtain weekly clearings was 3.1% above those for the corresponding week last year. Our preliminary totals stand at $31,089,227,102 against $30,168,188,277 for the same week in 1960. Our comparative summary for the leading money centers for the June 17 week follows:

Week End. June 17—	(000s omitted) 1961	1960	%
New York	$17,655,092	$16,667,806	+ 5.9
Chicago	1,606,835	1,397,531	+15.0
Philadelphia	1,169,000	1,173,000	— 0.3
Boston	841,997	666,522	+26.3

Steel Prices Still Uncertain Continue Vulnerable to Reduction

Steel prices continue vulnerable in spite of new efforts by major producers to assure stability of prices of leading tonnage products, *The Iron Age* reports.

In the wake of a series of price cuts of varying importance, the magazine draws these conclusions:

(1) Most price cuts were made in official recognition of market conditions that had existed for some time—in some cases for a period of months.

(2) Products that were involved in price cutting are for the most part products that are chronically vulnerable to reductions. Cuts do not represent any new weakness.

(3) Prices of standard grades of linepipe will have to be dropped to bring them back to a realistic position compared with premium grades, which were cut to lower levels.

(4) Price shadings through overgrading continue for major tonnage items, although at least two major mills insist they have not taken part. They contend there is no new trend to price cutting, particularly in standard carbon steel products.

(5) Recent price developments are beginning to hurt the current steel market. Many steel buyers are holding back against possible spread of steel price cutting.

The Iron Age points out that although products involved in price cutting to date are not called major tonnage items, the combined total of linepipe, stainless and reinforcing bars does add up to a substantial share of the market, both in tonnage and dollar value.

In addition, price developments in the past few weeks show the major producers, although determined to stabilize prices, will cut when their share of the market

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DEALER-BROKER INVESTMENT LITERATURE AND RECOMMENDATIONS

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

Auto Parts Companies—Bulletin—Auchincloss, Parker & Redpath, 2 Broadway, New York 4, N. Y. Also available is a chart report on **Chas. Pfizer.**

Canadian Securities — Review—Arden Perin & Company, Inc., 510 Madison Avenue, New York, N. Y. Also available is a report on **U. S. Components Inc.**

Challenge of Space — Articles by leaders in the aeronautical field—in the June issue of "The Exchange" Magazine—20¢ per copy, $1.50 per year — The Exchange Magazine, 11 Wall Street, New York 5, N. Y.

Common Stocks for Income—Bulletin — Dean Witter & Co., 45 Montgomery Street, San Francisco 6, Calif.

Cyclical Stocks—Circular—Courts & Co., 11 Marietta Street, N. W., Atlanta 1, Ga.

"Eligible Book" — 27th issue of brochure on preferred and common shares listed on the Toronto and Montreal Stock Exchanges considered eligible for investment by Canadian Insurance Companies—Cochran, Murray & Hay Limited, Dominion Bank Building, Toronto, Ont.; Canada.

Japanese Market — Analysis—Yamaichi Securities Co. of New York, Inc., 111 Broadway, New York 6, N. Y. Also available are analyses of the Japanese Steel Market and Japanese Watch Industry, and reports on **Kirin Brewery Co.** and **Mitsukoshi Ltd.**

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 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.**

Life Insurance Company Stocks—Data on 22 selected issues—The First Boston Corporation, 15 Broad Street, New York 5, N. Y.

Oil Stocks — Bulletin — Peter P. McDermott & Co., 42 Broadway, 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.

Petroleum Situation — Report—Chase Manhattan Bank, 18 Pine Street, New York 15, N. Y.

Selected Securities — A list of issues which appear attractive—B. C. Christopher & Co., Board of Trade Building, Kansas City 5, Missouri.

Small Business Investment Company — Analytical brochure—Zuckerman, Smith & Co., 30 Broad Street, New York 4, N. Y.

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

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Acme Steel—Discussion—Purcell & Co., 50 Broadway, New York 4, N. Y. Also available are discussions of **Champion Paper & Fibre Co.** and **Pullman Inc.**

American Metal Products Company—Analysis—Smith, Hague & Co., Penobscot Building, Detroit 26, Mich.

American Optical—Report—Blair & Co. Incorporated, 20 Broad St., New York 5, N. Y. Also available is a report on **General Cable.**

American Stores — Analysis—Butcher & Sherrerd, 1500 Walnut Street, Philadelphia 2 Pa. Also available is an analysis of **Western Tablet & Stationery.**

American Viscose Corporation—Report—Vanden Broeck, Lieber & Co., 125 Maiden Lane, New York 38, N. Y. Also available are reviews of **Miles Laboratories Inc.** and **Monroe Auto Equipment Co.**

Aro Equipment Corp.—Memorandum—E. F. Hutton & Company, 61 Broadway, New York 6, N. Y. Also available is a memorandum on **Reynolds Tobacco Co.**

Aurora Corp. of Illinois—Memorandum—Link, Gorman, Peck & Co., 208 South La Salle Street, Chicago 4, Ill.

Avco—Memorandum—Herzfeld & Stern, 30 Broad Street, New York 4, N. Y.

Bell Telephone Company of Canada—Analysis—Andras, Hatch & McCarthy, 320 Bay Street, Toronto 1, Ont., Canada.

Benbow Astronautics — Report—T. M. Kirsch Company, 54 Wall Street, New York 5, N. Y.

Burrus Mills Inc.—Analysis—New York Hanseatic Corporation, 120 Broadway, New York 5, N. Y.

Canadian Pacific Railway Company—Analysis—Sartorius & Co., 39 Broadway, New York 6, N. Y.

Central Foundry Company — Report — Hooker & Fay, Inc., 221 Montgomery Street, San Francisco 4, Calif. Also available are reports on **Fort Worth Steel & Machinery Company** and **Pendleton Tool Industries.**

Charles of the Ritz, Inc.—Analysis—Steiner, Rouse & Company, 19 Rector Street, New York 6, N. Y.

Columbian Carbon — Analysis—Hardy & Co., 30 Broad Street, New York 4, N. Y.

Continental Air Lines Inc.—Bulletin—John H. Lewis & Co., 63 Wall Street, New York 5, N. Y. Also available are analyses of **Standard Kollsman Industries** and **United Aircraft.**

Copperweld Steel Co.—Memorandum—R. W. Pressprich & Co., 48 Wall Street, New York 5, N. Y.

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

Dana Corporation — Analysis—Fahnestock & Co., 65 Broadway, New York 6, N. Y. Also available is a review of **Friden Inc.**

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

Duplan Corporation—Analysis—Laird, Bissell & Meeds, 120 Broadway, New York 5, N. Y.

Electrada Corp.—Report—Meade & Company, 27 William Street, New York 5, N. Y.

Ex-Cell-O Corporation — Bulletin—Newburger & Company, 1401 Walnut Street, Philadelphia 2, Pa.

Fairmont Foods Company—Analysis—A. C. Allyn & Co., 122 South La Salle Street, Chicago 3, Ill. Also available are analyses of **McNeil Machine & Engineering Company, Petrolite Corporation** and **Rexall Drug and Chemical Co.**

Family Finance — Report — Bache & Co., 36 Wall Street, New York 5, N. Y.

B. F. Goodrich — Report — Goodbody & Co., 2 Broadway, New York 4, N. Y.

Helmerich & Payne—Data—A. M. Kidder & Co., Inc., 1 Wall Street, New York 5, N. Y. Also available are data on **Interstate Engineering, Continental Copper & Steel Industries, John Morrell, Combustion Engineering** and **E. W. Bliss.**

Illinois Central Railroad—Review—H. Hentz & Co., 72 Wall Street, New York 5, N. Y. Also available is a report on **Ronson Corporation.**

International Harvester Company—Analysis—Hornblower & Weeks, 40 Wall Street, New York 5, N. Y. Also available are reviews of **Canadian Pacific, Celanese, International Minerals, National Standard, Beech Aircraft** and **Collins & Aikman.**

Jubilee Iron—Memorandum—Arden Perin & Co., Inc., Woodward Building, Washington 4, D. C. Also available is a memorandum on **General Shale Products.**

Kayser Roth Corp. — Analysis—J. R. Williston & Beane, 2 Broadway, New York 4, N. Y. Also available is an analysis of **L. E. Carpenter & Co.**

Liberty Records, Inc.—Analysis—Hill Richards & Co., 621 South Spring Street, Los Angeles 14, Calif.

Lockheed Aircraft — Data — Hill, Darlington & Grimm, 2 Broadway, New York 4, N. Y.

Metalcraft Inc. — Memorandum—Thomas, Williams & Lee, Inc., 80 Wall Street, New York 5, N. Y.

Midwestern Instruments Inc.—Analysis—Lloyd Haas & Co., 120 Broadway, New York 5, N. Y.

Missouri Pacific Railroad — Analysis—Kalb, Voorhis & Co., 27 William St., New York 5, N. Y.

Morse Electro Products — Memorandum—Cowen & Co., 45 Wall Street, New York 5, N. Y. Also available are memoranda on **American Telephone, Max Factor** and **Avnet Electronics.**

Networks Electronic Corporation—Analysis—Leason & Co., Inc., 39 South La Salle Street, Chicago 3, Ill.

New York State School District Bonds — Brochure — Roosevelt & Cross, Inc., 40 Wall Street, New York 5, N. Y.

Oxford Paper Company — Data—Evans & Co., Inc., 300 Park Ave., New York 22, N. Y. Also available are data on **Champion Paper & Fibre Co.**

Philadelphia & Reading Corp.—Report—Paine, Webber, Jackson & Curtis, 25 Broad Street, New York 4, N. Y.

Proctor-Silex Corporation—Analysis—Carreau & Company, 115 Broadway, New York 6, N. Y.

San Francisco, Calif.—Bulletin on City and County Bonds — Stern Brothers & Co., 1009 Baltimore Avenue, Kansas City 5, Mo.

Security Columbian Banknote Co.—Report—Ira Haupt & Co., 111 Broadway, New York 6, N. Y. Also available is a report on **Jonathan Logan.**

Security Options Corp.—Analysis—Ronwin Securities Corp., 645 Forest Ave., Staten Island 10, N.Y.

Siegler Corp.—Analysis—Herbert E. Stern & Co., 52 Wall St., New York 5, N. Y.

Sonar Radio Corporation — Analysis—George, O'Neill & Co. Inc., 30 Broad Street, New York 4, N. Y. Also available is a review of **"Sensible Over-the-Counter Stocks."**

Spiegel, Inc.—Data—W. E. Hutton & Co., 14 Wall St., New York 5, N. Y. Also available are data on **Texas Gulf Sulphur Co., True Temper** and **Union Electric.**

Standard Packaging Corporation—Analysis—Cohen, Simonson & Co., 25 Broad Street, New York 4, N. Y.

Sterling Oil of Oklahoma Inc.—Report—First Investment Savings Corporation, 404 North 21st St., Birmingham, Ala.

Symington Wayne—Memorandum—Kamen & Company, 25 Broad Street, New York 4, N. Y.

Tech-Ohm Electronics Inc.—Analysis—Edward Lewis Co. Inc., 82 Beaver Street, New York 5, N. Y.

Trans World Airlines — Report—John H. Lewis & Co., 63 Wall St., New York 5, N. Y.

Underwater Storage Inc.—Analysis—Searight, Ahalt & O'Connor, Inc., 115 Broadway, New York 6, N. Y.

United Fruit Co. — Analysis — Schirmer, Atherton & Co., 50 Congress St., Boston 3, Mass.

U. S. Steel Corporation—Analysis—Reynolds & Co., 120 Broadway, New York 5, N. Y.

Universal Container — Discussion in June issue of "American Investor" — American Investor, 86 Trinity Place, New York 6, N. Y. Also in the same issue is a report of the market performance over a five year period of 60 selected American Stock Exchange stocks, and articles on **Standard Thomson** and **Chesebrough Pond.**

Wallace Properties Inc.—Analysis—Parker, Ford & Company, Inc., Vaughn Bldg., Dallas 1, Tex.

Wallace & Tiernan — Analysis—Eastman Dillon, Union Securities & Co., 15 Broad Street, New York 5, N. Y.

Western Development Co. of Delaware—Memorandum—W. C. Langley & Co., 115 Broadway, New York 6, N. Y.

Westgate California Corp.—Memorandum—Midland Securities Co., 15 West 10th Street, Kansas City 5, Mo.

Witco Chemical Co. — Memorandum—H. B. Shaine & Co., McKay Tower, Grand Rapids 2, Mich.

Form Hart, Whitley Co.

MIDDLETOWN, Del. — Hart, Whitley & Co. has been formed with offices at 101 East Green Street to engage in a securities business. George M. Hart is a principal of the firm.

Form Pension Equities

SAN FRANCISCO, Calif. — Pension Equities Co. has been formed with offices at 114 Sansom Street, to engage in a securities business. George S. Miller is a principal.

Bostonian Inv. Branch

BOSTON, Mass. — Bostonian Investment Securities Co. has opened a branch office at 18 Tremont St., under the direction of Samuel Colsia.

Calif. Investors Branch

BAKERSFIELD, Calif. — California Investors have opened a branch office at 2601 F Street, under the management of Richard Alexander.

New Freeman Branch

BERKELEY, Calif. — Freeman & Company has opened a branch office at 1 Norwood Place, under the management of John B. Barchfield.

D. M. Stuart Branch

ADELPHI, Md.—D. M. Stuart & Company, Inc. has opened a branch office at 7419 Seventeenth Ave., under the management of Hyman Gruberg.

I. M. Barr Opens

(Special to THE FINANCIAL CHRONICLE)

LOS ANGELES, Calif.—Irwin M. Barr is conducing a securities business from offices at 1464 Crest Drive.

New McCormick Office

SAN BERNARDINO, Calif.—Gordon C. McCormick Inc. has opened a branch office at 1580 D Street under the direction of Ernest W. White.

C. A. Futter Opens

FT. LAUDERDALE, Fla.—Carl A. Futter is engaging in a securities business from offices at 52 Royal Palm Drive.

Georgia-Pacific Corporation —A Timber Laden Blue Chip

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

Setting down some of the reasons for the steady advance in earning power of this well structed natural resource company.

It's quite natural for a lumber company to become a vertical one. Georgia-Pacific Corporation is as vertical as they come. It has complete processes from its vast stands of timber down to production and marketing of lumber, plywood, paper, container-board, specialties and chemicals. It finds a profitable use for everything from the tree trunk, including the chips and sawdust.

Georgia-Pacific started out in 1927 as a wholesaler and exporter of lumber processed by independent Southern mills. By 1946 the company had acquired five lumber mills and opened a West Coast office for the purchase of lumber and plywood native to that region. By 1949 Georgia-Pacific had become a major plywood producer, but lacked adequate timber reserves. So, to avoid great fluctuations in its profit margins resulting from price changes in logs and lumber bought, and to assure a permanent raw material supply, the company embarked on a long range program of timber acquisitions.

One Million Timber Acres

In 1951 the C. D. Johnson Lumber Co. was bought, bringing with it 66,000 acres of timberland plus a mill, harbor and shipping facilities at Toledo, Oregon. Several small companies were added in 1954, and in 1955, the company received a Federal Government award covering 7½ billion feet of timber in the Tongass National Forest in Alaska. In 1956, about $145 million were laid out for the purchase of Coos Bay Lumber Co. and Hammond Lumber Co., adding, together, over 247,000 timber acres. Then in 1959, for $93 million in cash, Georgia-Pacific acquired one of the largest private timber holdings in the West through its purchase of Booth-Kelly Lumber Co. with over 3 billion board feet of prime timber and some 200,000 acres of timberland.

As a result of these imaginative acquisitions Georgia-Pacific today owns over 1 million acres of timberlands in fee, and more than 15 billion board feet of timber reserves. These forest resources alone are probably worth, on a per share basis, twice the current price (66) of GXP common stock. In any event, the company is magnificiently equipped with wood-bearing real estate, a fact which makes GXP common attractive as a hedge against inflation as well as for other reasons we shall shortly outline.

The important thing to remember about all these vast reserves is that timber, unlike other natural resources such as oil, coal, or ores, is not a wasting asset. By scientific forestry methods sustained lumber yields can be maintained year after year and an almost perpetual operation can be maintained. By employing selective cutting, soil building and scientific reforestation, plus proper control of insects, disease and fire, Georgia-Pacific has projected its harvest plans until the year 2020, when it expects to have larger timber reserves than it has today.

Further — although, as you noted, large sums of money were required for these extensive land purchases, much of the financing was through timber loans, whereby, as timber is cut, the debt is amortized and a sizable cash flow generated. Of present corporate debt of about $138 million, over $80 million is in these self-liquidating timber loans.

There are certain tax advantages in timber operations not generally understood. In addition to the cash flow created by charging depletion to a replenishable asset, the difference between the original cost and market value at cutting time is regarded as a capital gain, subject to a tax of only 25%. As a result Georgia-Pacific taxes now amount to about 32% of pre tax net (instead of 52%).

Manufacturing

We've talked about the raw material — now let's look at the manufacturing side. Altogether the company operates 47 plants—28 in its Western Division (located principally in Oregon) and 19 in the Southern Division. Fir plywood represents the largest single product line accounting for about 35% of sales. Balance of sales volume is about 25% in lumber (excluding redwood), 10% redwood for specialized uses, and the remaining 30% in hardwood plywood, and some 20 varieties of hard board, container-board, paper, chemicals and assorted forest products. Eighty-two million dollars has been spent in the past 6 years on plant improvement and addition. At Toledo, the paper making plant has been enlarged to use waste wood chips from the quite new plywood plant at Springfield, Oregon. At Portland, Oregon, there's a new plant producing chemicals from bark and waste. Research is constantly working toward more efficient and total use of everything the tree produces, as well as the development of new product lines. The most significant new product is Fiber-Ply which has many features superior to standard fir plywood, and has a very low manufacturing cost since it uses low grade green veneers and resin-impregnated fiber faces, turned out in a completely automated (and patented) process. Other new products are Flexible Oak Flooring and Ranch-Panel.

Distribution

Georgia-Pacific has an extensive sales organization that provides effective merchandising not only in the United States, but in 37 foreign countries. The company stores its products for delivery in 66 warehouses, serving the entire nation, and distributes through more than 25,000 retail dealer outlets.

Integrated Profit Maker

Georgia-Pacific is thus a well diversified and fully integrated producer, operating on a large scale for a long range future. As an earner the company is quite distinguished. It has made money and paid dividends in every year since incorporation in 1927! How many major industrials have a record like that? Not only has it been a consistent producer of profits, but it has a growth rate that's 'way above average. In the past 10 years sales rose a spectacular 283% from $58 millions in 1951 to $222 millions for 1960. Net income in the same period increased at a parallel rate from $3.9 million in 1941 to $15.2 million last year. Important to a consideration of earnings here is the cash flow generated by depletion depreciation and amortization charges. Depletion alone increased from $4.1 million in 1955 to $16.1 million in 1960. Depletion is based on a cost of company owned timber calculated at $12 per thousand board feet, and, as pointed out above, depletion in timber holdings is something of a phantom charge, since timber as an asset does not "waste" but can be fully replaced.

When you view the spate of "romance" stocks holding the spotlight of market attention these days, it's refreshing to look at an issue that is sound and acceptable by more traditional criteria of analysis—that has a balance sheet consisting of something else than a few M.I.T. diplomas, a spool of copper wire, a government contract, and a proprietary electronic doodle bug. Georgia-Pacific can muster a solid array of values in timber, plants, cash, management and earning power. Per share net has shown a pleasing growth from $1.65 in 1955 to $2.45 for 1960. For this year we would expect a per share net of $2.80, (a new high) and continuance of an uptrend in 1962 and 1963.

Indicated dividend rate is $1 per share plus 1% quarterly in stock. This is attractive to shareholders, as the stock is taxable at 25% if the base holding has been owned for over six months. This arrangement also conserves company cash for expansion purposes.

Management is under the direction of Mr. Owen R. Cheatham, who founded the company, and an energetic echelon of younger executives (averaging below 45). Georgia-Pacific knows where it's going and is going there with vigor and velocity. GXP common in today's market at around 66 appears to offer most of the qualities you might expect in a mature equity in a fundamental industry—and at a sensible price.

A. V. Blackford Forms Own Firm

KANSAS CITY, Mo.—Blackford and Company, Inc. has been formed with offices at 1012 Baltimore Avenue to engage in a securities business. Officers are A. Vincent Blackford, president; Marquis R. Pasley, vice-president; and Virginia B. Neely, secretary and treasurer. Mr. Blackford was formerly vice-president of Pierson, O'Brien & Adams Inc. with which Miss Neely was also associated.

Hirshon, Roth to Admit

On June 22, Fred G. Anderson will acquire a membership in the New York Stock Exchange, and will become a partner in Hirshon, Roth & Co., 30 Broad Street, New York City, members of the New York Stock Exchange.

Japan's Investment Outlook

By Yeiichi Kuwayama,* *Manager, Nomura Securities Co., Ltd New York City*

Dealer in Japanese securities describes that country's phenomenal economic growth with inflation more or less ceasing in 1952; the rise of the stock market and growth of shareholders from 1,712,000 in 1946 to 10.5 million today; and representative sample of Japanese firms in comparison to American ones revealing a better performance of the former. Mr. Kuwayama notes that medium and small firms have done remarkably well compared to Blue Chips but expects substantial growth in "all" fields.

The economy of Japan has been a growth economy. The gross national product in 1946 was about 474 billion yen or about $1½ billion. In 1952 the gross national product was about $17 billion and inflation more or less ceased at that time. It is now at the annual rate of $43½ billion which would indicate a more than doubling of the national gross product in less than a decade. This was done with very little inflation. Retail price index in 1952 was 100. In 1960 it was 105.

Yeiichi Kuwayama

Let's compare the growth rates with other countries.

West Germany	8.4%
Japan	8.2%
U. S.	3 %
United Kingdom	2.4%

Also another indication of the good fiscal policies in Japan is the fact that the balance of payment is about $2 billion. Let us now turn to the stock exchange.

Discusses the Stock Market

In 1878 the first security exchange was established in Japan. This was on a private basis by private profit-making corporations. Their system was derived by combining some of the British methods and those of its first stock brokers who operated pawn shops in those days. Most of the trading was done by bankers and companies. The individuals did not participate to a great extent. In 1948 by allied decree, as I understand it, a governor of the San Francisco Exchange organized the Japan stock exchange system, modeling it on the U. S. methods. The Security Exchange Commission, which organized and regulated exchange practices, also determined the listing of stock on the stock exchange and made mandatory the availability of a prospectus on issuance for new stock. Coupled with this activity of the Security Exchange Commission, the Allied authorities dissolved the Zaibatsu, the family holding companies and forced them to sell their stock holdings to the people at public auction. Also, the Japanese banking authorities froze all bank deposits in order to prevent inflation but permitted the use of those bank deposits for the purchase of securities. In 1946 there were 1,712,000 shareholders in Japan. Today, there are 10.5 million registered shareholders in Japan. The market value in 1949 was 153 billion yen. In 1961 the market value of securities is approximately 6 trillion, 208 billion yen. This shows a remarkable growth of the stock market and it shows the wide diffusion of stock ownership in Japan.

Another development in Japan has been the growth of the investment trust business. In 1951 investment trust assets were about $50 million. In 1960 it was about $3 billion. The investment trusts have more than 15% of the stock on the exchanges in Japan.

Special Situations

Let me relate a little bit about the particular industries in Japan. Total sales of General Electric of U. S. in 1953 was $3,510,000,000. Hitachi, which is a comparable company in Japan, was $147,000,000.

In 1959 GE sales were $4,329,000,000. Hitachi was $535,000,000. GE total sales were up 1.24 times. Hitachi increased by 3.64 times. GE profit in 1953 was $173,000,000. Hitachi profit in 1953 was $7,000,000. In 1959 GE profit was $280,000,000. In the case of Hitachi it was about $17,000,00. Profit in the case of GE increased by 1.61 times. In the case of Hitachi it increased by 2.39 times.

Let's turn to U. S. Steel sales in 1959 — $3,861,000,000 — Yawata Iron and Steel Company's sales were $230,000,000. In 1959 U. S. Steel sales were $3,643,000,000. Yawata Iron & Steel was $470,000,000. U. S. Steel sales increased by 0.94. Yawata increased by 1.98. In the profit growth in 1953 U. S. Steel totaled $222,000,000, Yawata, $3,000,000. In 1959, U. S. Steel had profits of $254,000,000; Yawata, $18,000,000. U. S. Steel profits increased by 1.15 times, while Yawata increased by 5.11 times. The growth in profit making is probably due to the fact that most of the Yawata Iron & Steel production facilities was bombed out; during the postwar period they had to rebuild and use completely new facilities.

Standard Oil sales increased 1.44 times while Nippon Oil increased 2.34 times. Standard Oil profit increased 1.08 times, Nippon 1.57.

Comparing General Motors and Toyota Motors, G. M. increased sales by 1.12 times, Toyota 3.31 times. Profitwise, G. M. 1.46 times, Toyota 4.84 times.

I think these are representative of the increased sales and profit by Japan's industries on a cross section basis. This reflects the growth of the whole economy as indicated before.

Currently, some of the blue chips have not moved marketwise remarkably. The medium, small sized industries have moved marketwise more spectacularly. Some of the growth of the medium-sized industries has been spectacular.

Sekisu Chemical Co., which is a small manufacturer of plastics, since Sept. 30, 1955, has grown substantially. The six months sales figures during that year amounted to 1,465,000,000 yen as compared to the six months period ended September, 1960, a total of 7,446,000,000 yen, a growth of seven times in the five year period. Profits have shown equally substantial growth from 104 million yen to 327 million yen. I can point to other medium-sized industries which have had similar growth—i.e. Kao Soap and others).

This is not a recommendation but the small companies have had great growth in Japan at the present time and prices, too, have reflected this fact. The blue chips have not moved in the recent rise in the market and their price earnings ratio are relatively low. The projected growth in Japan, on their past record, is still good. We can expect substantial growth in **all** fields.

*An address by Mr. Kuwayama before the Business School Alumni of Stamford University, New York City, June 9, 1961.

FROM WASHINGTON ...Ahead of the News

BY CARLISLE BARGERON

When President Kennedy submitted his proposal to spend from $20 to $40 billion to send a man to the moon he left it entirely up to Congress. He said the Congress must decide on whether to undertake the project.

The project isn't getting much support from nuclear scientists. Dr. Wernher von Braun, the eminent former German scientist, says: "There is only one thing I can promise about the outer-space program. Your tax dollar will go farther."

Dr. Vannevar Bush, honorary chairman of the board of the Masachusetts Institute of Technology and former president of the Carnegie Institution of Washington, says: "Not worth a damn. We might get some data out of this sort of thing, but it would be utterly incommensurate with the cost. We might better be investing more in finding a cure for cancer or converting sea water to fresh water. Or we might even try saving a little money for the benefit of the taxpayers."

Dr. Richard S. Morse, former Assistant Secretary of the Army for Research and Development: "We might better spend the money on communications satellites. Let's have programs that make sense to the Asians and Africans. The moon does not make sense to them."

The Rev. Francis J. Heyden, S. J., director of Georgetown University's Observatory: "So far as astronomical observations are concerned, the difficulties are great. We could do much better, more quickly and for far less money with unmanned observational balloons and photographic equipment."

Dr. Ralph E. Lapp, nuclear physicist: "The project is political, not scientific."

Dr. Philip Abelson, Director of the Geophysical Laboratory, Carnegie Institution of Washington, and President of the Washington Academy of Sciences: "Lunar exploration could be conducted at a fraction of the cost (of the moon trip) by electronic instruments."

* * *

To date, various Administration aid to education bills call for expenditures of more than $8 billion dollars. Here is a run-down:

Public school class-room construction and teachers' pay: $2 billion 550 million; assistance to school districts impacted by children of Federal workers: $840 million; college housing loans: $1 billion 350 million; college classroom facilities: $1 billion 500 million; 212,500 college scholarships: $893 million; education television: $51 million; National Defense Education Act amendments: $1 billion.

* * *

Although President Kennedy's proposed tax incentives for business were billed as a boost for business, most businessmen appearing before Congressional committees on the proposals opposed them.

To Stanley S. Surrey, Assistant Secretary of the Treasury, this is "genuinely amazing."

The reasons, however, are simple. Here are a few:

The tax loss of $1.7 billion resulting from the investment incentive proposals would be recouped from shareholders. But shareholders are a principal source of investment funds. So the proposals would at least cancel each other out.

The plan is deliberately discriminatory. New and expanding firms, which regularly invest substantial amounts in excess of depreciation, would get the greatest benefits. But most of these firms need no incentive, and would be investing in any event. Older firms which need to modernize, but lack funds, would benefit little. Further, manufacturers would benefit more than service industries, such as hotels, department stores and restaurants where inventories are more important than bricks and mortar. Yet the service industries are becoming more and more a potential source of new jobs.

While the plan is intended to stimulate spending for plants and equipment, it does nothing to encourage research and development. Yet research and development, leading to new products and markets, often do as much or more to create new jobs as mere expansion. Whole new industries sometimes result. Example: Du Pont's nylon.

Even worse, the plan postpones real reforms in depreciation rates, which have had long study and widespread support.

Southern Group I. B. A. Elects

The Southern Group of the Investment Bankers Association of America at its Annual Meeting at Ponte Vedra Beach, Fla., elected the following officers:

Samuel L. Varnedoe

Chairman: Samuel L. Varnedoe, Varnedoe, Chisholm & Co., Inc., Savannah, Ga.

Vice-Chairmen: Geddings H. Crawford, Junior, G. H. Crawford Co., Inc., Columbia, S. C., and Ogden Shropshire, Shropshire, Frazer & Co., Mobile, Ala.

Secretary-Treasurer: Edward Wulbern, Pierce, Carrison, Wulbern, Inc., Jacksonville, Fla.

Executive Committee: Charles E. Cady, Cady & Company, Inc., Columbus, Miss.; Murray Gilliam, Southern Securities, Jackson, Tenn.; G. Price Crane, Crane Investment Co., Inc., New Orleans, La.; Robert J. Pierce, Pierce, Carrison, Wulbern, Inc., Jacksonville, Fla.; Phil E. Pierce, R. S. Dickson & Co., Inc., Columbia, S. C.; John B. Ellis, Courts & Co., Atlanta, Ga.; Roy Hunt, Jr., Alester G. Furman Co., Inc., Greenville, S. C.; Ladd Dinkins, Ladd Dinkins & Company, New Orleans, La.; Justus Martin, Jr., The Robinson Humphrey Company, Inc., Atlanta, Ga.; Beverly W. Landstreet III, Clark Landstreet & Kirkpatrick, Inc., Nashville, Tenn.; John B. Sanford, Jr., Hattier & Sanford, New Orleans, La.; Frederic C. Beil, Jr., Beil & Hough, Inc., St. Petersburg, Fla.

John B. Sanford, Jr., Hattier & Sanford, New Orleans, was elected a Governor of the I. B. A.

George A. Newton, G. H. Walker & Co., St. Louis, President of the Investment Bankers Association of America, and Murray Hanson, General Counsel of the Association, were guests at the meeting.

S. Widelitz Opens

Solomon Widelitz is engaging in a securities business from offices at 2112 Broadway, New York City.

Low-Priced Stocks

By Leslie E. Fourton*, *Hayden, Stone & Co., New York City*

Stock market research head submits sampling of low priced junior equities whose greater risk compared to senior corporations are believed to be more than justified by greater capital gains opportunity.

While there have been excesses of late in some low priced stocks, many of the junior companies in the American economy are worth while from the investment standpoint. In the current stock market so much of the future prospects of our major companies have already been discounted that there is a growing trend toward accepting junior equities because the slight degree of additional risk is more than justified by the relatively greater opportunity for capital gains. I would like to discuss the future prospects of some of the more promising stocks in the moderate price category.


Leslie E. Fourton

Cook Coffee Co. (O-T-C)

Cook Coffee's sales and earnings have been in a general uptrend over the past several years, and prospects for continued gains are enhanced by the improving outlook for the food chain industry. The company by year-end will have increased the number of its supermarkets from 43 to 49. Further, the proposed entrance into the discount field, via merger with an established and successful operator of three discount department stores opens up an entirely new area for Cook Coffee, an area in which growth possibilities are dynamic. The stock is currently selling 17.3 times estimated 1961 earnings of $1.30 per share.

Fedders Corp. (N. Y. S. E.)

The high level of shipments of room air conditioners and further important gains in central system units indicates a good year for this company. Also, the outlook for next year is especially favorable for the industry. The potential of air conditioning may be seen from the following figures:

(1) Homes are air conditioned only to the extent of 12% of the total.

(2) Factory air conditioning prevails in only 3% of the area occupied.

(3) Only 13% of all hospital space is air conditioned.

(4) Only about 1% of all schoolroom space is air conditioned.

Estimated earnings for the year may approximate $2 a share. The $1 dividend provides a yield of 4%.

Merchants Fast Motor Lines (O-T-C)

An excellent growth record has been shown by this Texas-based trucking firm, approximately 80% of whose revenues is derived from interstate business. The company's per share earnings have more than doubled since 1956, reaching a new peak of $1.40 a share in 1960. A further rise in earnings is expected in 1961 to a level of about $1.60 a share. At the current market, the stock sells for 13 times earnings, or at a lower multiple than that for most established trucking companies. The company recently raised the dividend to 70 cents a share on an annual basis from 60 cents.

Metromedia (O-T-C)

Metromedia appears to be in a favorable position to show dynamic earnings growth over the next few years. In the past year, the company has greatly expanded its broadcasting operations, and has also entered the field of outdoor advertising. With its broadcasting complex now comprising five television and three AM radio stations, the company will probably acquire two more TV and four more radio stations. This would bring the number of owned stations up to the F. C. C. limit. This limit, however, will not curtail growth. Metromedia has the know-how to extract high profits from each of its stations, and can upgrade its broadcasting operations by selling one station in order to purchase another with greater potential.

Earnings for the first quarter were depressed due primarily to the newly acquired outdoor advertising division operating at a loss in January and February. The first quarter of this phase of the business is historically low. However, for the remainder of the year prospects for all operations of Metromedia appear bright. Earnings in 1961 should be about $1.25 a share vs. $1.01 in 1960. Next year's earnings could approach the $2 mark. Application for listing on the Big Board is expected this year.

Standard Motor Products (O-T-C)

The company is an important maker of replacement parts for the electrical and fuel systems for automobiles, tractors and buses. Because of the fact that Standard Motor does not produce original equipment automotive parts, the company's sales are geared to the growing number of vehicles on the road rather than to the year-to-year fluctuations in "new-car" production. For 1961, sales should rise to over $15 millions, versus $12.9 millions and earnings are expected to reach the $1.30-$1.40 range, as against the $1.04 reported in 1960. The 75 cent annual dividend which is paid on the publicly held class A stock provides investors with a 5% yield.

Columbia Pictures Corp. (N.Y.S.E.)

The company has shown disappointing operating statistics, with income of $1.04 a share for the 40 weeks ended April 1, 1961, coming from the sale of land rather than from operations. Income for the fiscal year ending June 30 will, to a great extent, probably be derived from the sale of land rather than from film operations. However, there is reason to expect that future film operations should improve. The company's new release, "Guns of Navaronne," starring Gregory Peck, ultimately could gross $15 to $20 million. Another release "Devil at Four O'Clock," with Frank Sinatra, should also aid 1962 operating results. Then, too, Columbia's assets can be evaluated at from $56 to $74 a share. These assets include the company's equity in the highly-successful Screen Gems and the library of post-48 films.

The drop in the price of Columbia to 27 seems to have discounted much of the bad news that has been reported. This stock is an asset play; and, we believe these assets will be turned into substantial earnings.

Utah-Idaho Sugar (A. S. E.)

Per share earnings for the year ended Feb. 28 were 82 cents, a record high, and continued improvement in the current year can be expected from the higher sales resulting from the lifting of restrictions on domestic sugar beet acreage during 1961. Longer-term, some permanent increase in allotments for the beet sugar industry is anticipated.

Security-Columbian Banknote Co. (O-T-C)

Security-Columbian Banknote Co. enjoys a leading, long established position in the banknote engraving industry, and its relatively recent expansion into financial printing has considerably enhanced earnings prospects. The company ranks second-largest in the banknote field, accounting for an estimated 25% to 30% of the market. Its financial printing business, recently enlarged by the acquisition of the Twentieth Century Press, is growing at an average annual rate in excess of 35%. In view of the rapidly expanding financial printing business, a satisfactory trend in new issue registrations and a high level of securities market activity in general, impressive gains in sales and earnings are expected this year. Profits for 1961 may exceed $1.30 per share, up from $1.09 in 1960 and only 91 cents in 1959. At the current market of about 16¾, down from a high of 21 on profit-taking, the stock is selling at only 12.8 times estimated earnings.

*A talk by Mr. Fourton before the Association of Customers' Brokers, New York City, June 15, 1961.

Gen. American Appoints V.-Ps.

General American Investors Co., Inc., 44 Wall Street, New York City, has announced the appointment of Robert Campbell, Edward M. Aegerter and Robert W. Wilson as Vice-Presidents.

Mr. Campbell, who was also appointed Secretary, is a graduate of Princeton, Cornell and the University of Edinburg. He served in the Navy during World War II and the Korean War and was released from active duty in 1954 as a Lieutenant. He was a member of the research department of Spencer Trask & Co. from 1954 to 1960, when he joined the staff of General American.

Mr. Aegerter, a graduate of the School of Commerce, New York University, served in the Navy during World War II. Upon release from active duty in 1946, he joined the analytical staff of Moody's. In 1951 he became a member of the research staff of General American.

Mr. Wilson is a graduate of Amherst and has an M.A. in Economics from Michigan. He served in the Army in 1952-53. Formerly a security analyst at the National Bank of Detroit, he joined the research staff of General American in 1958.

Kirchner Exec. VP Of Peters, Writer

DENVER, Colo. — Robert M. Kirchner has been elected executive vice-president of The Peters, Writer & Christensen Corporation, 724 Seventeenth Street, members of the New York Stock Exchange. Mr. Kirchner was formerly a vice-president of the firm.

Coggeshall to Join Bacon, Stevenson

On July 1st John Coggeshall will be admitted to partnership in Bacon, Stevenson & Co., 39 Broadway, New York City, members of the New York Stock Exchange. Mr. Coggeshall is a partner in Coggeshall & Hicks.

How Gas Companies Can Enhance Their Stock Values

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

Evaluation of gas company stocks refers to their favorable P/E ratio and to the natural gas industry's growth potentialities. Mr. Hunsaker comments on some of today's regulatory problems, and deplores the recent policy change wherein hiked borrowed-money costs are excluded from the rate base and, thus, jeopardizes pursuit of a high-leverage policy to achieve a 14-to-15% return on net worth. He suggests to management how to keep gas a true growth industry.

Being a common stock buyer, I thought it would be helpful to record a few of the basic ideas people in my job consider in evaluating gas company common stocks. First, let's look at the market and see how the gas companies compare in price. Today, the Dow - Jones Industrial Average is selling at about 21 times current earnings and provides a yield of just over 3%. This widely-used average, or any other average, does not tell the story of the current market place. I think we can understand what has been happening even though supporting statistics may lack precision.

J. C. Hunsaker, Jr.

Widening Growth-Income Stock Spread

The real event in the equity markets, both in the United States and abroad, is the tremendous disparity between growth stocks and income stocks. This spread has been widening ever since World War II, and conspicuously these last two years. Today, a company which can convince common stock buyers of a better than 10% annual increase in earnings may sell for more than 30 times earnings and provide a 1% yield. As many know, multiples of 40 and 50 times are common. On the other hand, seasoned, well-established companies with steady earnings sell in the 12-to-15 times earning class and pay dividends such as to yield 4% and in some cases better. The story is the same in the electric field. The Standard and Poor's Electric Utility Average is selling at 21 times earnings and provides a dividend yield of about 3.5%. However, the faster growth utilities often sell at over 30 times earnings and yield 2% or less; while those electric light companies for which earnings growth prospects are less glowing sell at something over 15 times earnings and yield up to 4½%. From the test of price, the gas companies stand up well. Gas distribution utilities, and there are a number of them which are currently showing compound rate of per share earnings increase in the order of 8% plus, are selling between 20 and 25 times earnings, well below comparable electric utility or industrial levels. The slower growth gas distribution companies sell for below 18 times earnings and yield over 4%.

I think it is well to remind ourselves that there is nothing wrong, new or peculiar about investors paying more for growth than for current income. The only thing new about it is the language and the degree to which investors are reaching forward. We also should remember that every time an investor buys a common stock, he values it on the basis of his opinion as to its future dividends and earnings. This is true even of bonds. He assumes the income will continue. This has always been true and it explains the old-fashioned and honorable word, "confidence." Confidence is really a nice word to describe the faith the investor has as to current trends continuing in the future. In my opinion, the American Gas Association has been doing a good job in helping the American investor maintain confidence in the gas business.

Regulatory Climate

Since confidence is the key to common stock investing, we obviously come head on to the subject of regulation. In dealing with regulated industries, the investor, of course, does and always has made a judgment as to whether in his mind the "regulatory climate," as he terms it, for the particular company is favorable or relatively unfavorable. His hope is that the growth of the business, the management of the company and its skill in financing, together with regulation by the state concerned, will be such as to permit satisfactory growth in per share earnings. The investor also hopes for consistency in regulation so that he knows what the ground rules are and can project with reasonable accuracy present and past figures into future trends.

On the subject of regulation, I would like to make an assertion which really cannot be supported statistically. This is, that those companies which operate in what investors term a favorable regulatory climate seem to be the companies which offer good service to their customers. It is my judgment that this applies not only to the gas utility business but to the electric light and telephone businesses and all forms of regulated transportation. I do not believe this assertion can be supported statistically because of the many complications and exceptions involved. For example, those electric light companies getting cheap gas for boiler fuel obviously have low costs. Similarly, location is most important in gas costs of the gas companies. However, the evidence is strong that the company which is financially healthy seems to do everything easily and correctly, including good service at low cost to its customers.

It might also be helpful to discuss bad regulation briefly. I offer, of course, as the chamber of horrors the Federal Power Commission's record. Let me preface this by saying, let's be fair to the commission operating under the Natural Gas Act, which is far from ideal. Even so, the record is one of delay and changes in regulatory rules which, of course, upset investor confidence. Let us omit from this discusssion the whole complex subject of well head pricing resulting from the Phillips' decision and just consider rate regulation of the pure pipe lines pumping gas. The rule of the road was a 6% rate of return on rate base, and rate base was defined by security analysts as depreciated net plant plus working capital. The system worked fine and the country was covered with a network of pipe lines bringing low-cost natural gas service to practically every state in the Union. Under this procedure of rate regulation, aggressive management borrowed as much money as lenders would provide so as to maximize results to the common stock holder. Then, as we all know, money became harder to find and interest rates climbed. Naturally, the pipe lines went in for rate increases based on rates of return higher than 6%. Many asked for 7%.

Here let us remember that rate of return is an awfully small part of gas costs. For example, one of the nation's largest natural gas companies figures that an increase in rate of return of 1 percentage point, say from 6% to 7%, would mean a 4% increase in its customers' gas bills.

Shocked by FPC's Rate of Return Change

The 1960 and 1961 answer of the Federal Power Commission to this problem of higher rate of return to cover higher costs of money is a real shock. They have decided, apparently, to abandon the rate base approach and instead to allow the company its actual cost of borrowed money, its actual cost of preferred stock money, and then calculate or assume a rate of return on common stock capital. In a half a dozen recent cases the allowance has been 10.1% to 10.8% on equity capital. Since a similar return on equity of over 10% is used for all pipe lines, the arithmetic works out that the lower the level of debt, the higher the overall rate of return. For example, for Columbia Gas and Southern Natural, with 50% debt, the overall return figure was 6½%, but only 6⅛% for Tennessee Gas. The Power Commission has not yet ruled on a case from a company that has really got a lot of debt. My slide rule says that if the company had the maximum in debt and preferred, it would not be able to pay its dividend under this 10% return on equity formula. It also says that an even more absurd situation would arise if the company had all common stock. In this case the overall rate of return on rate base would, of course, be 10%.

This new procedure is quite a shock for the management and stockholders of a company which in the past had wisely pursued a high-leverage policy to achieve a 14-to-15% return on net worth. Now the rules of the road indicate that the wise thing to do is to use the maximum common stock possible. It is apparent such a policy would increase gas costs to the public if pursued vigorously. This whole idea of rate regulation based on the components of a company's capitalization seems to me most unrealistic. It penalizes the risk-taker and rewards the conservative — all done retroactively after management had made decisions based on the overall rate of return method. On top of these strange changes in regulatory concept, you have, of course, before the Federal government the high cost of rate cases and long, long delays—some back to 1952.

Now, let's go back to gas company common stocks. Distribution companies are state, NOT Federally regulated, and, by and large, regulation is reasonable. I wonder if we all realize just how good the record really is. For example, Moody's Gas Distribution Average has increased from Jan. 1, 1959 through April 30 of this year, 52%.

Now what does the future hold? In our opinion, the natural gas industry is a true growth industry. All efforts should be made to keep it that way. This requires continued effort on the regulatory front, on gas purchasing, keeping up with technological advances, selling gas, and, of course, financial management. Since winter weather is so important to many gas companies with heavy heating loads, I offer one specific suggestion, which is, that management consider in reporting to its shareholders setting up a weather equalization reserve so as to flatten out violent fluctuations, and that where possible the fiscal year be changed from Dec. 31 to Sept. 30. The objective here is to assist in presenting the true image of the industry, which is one of consistent and steady growth followed by growth in earnings and growth in dividends.

*An address by Mr. Hunsaker before the American Gas Association's 6th annual financial forum, Scottsdale, Ariz..

The Security I Like Best

Continued from page 2

partners because PSW wants all the talent and resources we can muster."

Waterco is not only related to PSW's own territory but that very broad area of the U. S. A. where:

(a) small communities have a serious water problem but can't pay the high capital costs to solve it.

(b) millions of people are now or will immediately have to solve a brackish (salt) or contamination problem.

Waterco will cover the entire gamut of water treatment problems from desalting to bacteriological treatment.

Already Waterco is operating small chlorinating units for bacteriological treatment, and is selling boiler treatment equipment which will be exceptionally valuable in reducing boiler scaling and corrosion. Waterco is making progress in desalinization.

PSW's very important advantage in the water treatment field is that although many industrial companies are spending great sums to perfect desalinization and chemical treatment equipment, not one has the know-how to put the equipment into distribution reality and run it as a complete water utility. Thus it is a distinct possibility that within the next year, PSW may announce association with one of the major technical and manufacturing companies for joint development of a venture that would give communities a complete solution to any water problem — from desalinization to chemical retreatment of waste to complete water distribution. At the moment, the company has under consideration a joint venture with a major manufacturing concern in the desalinization and distribution of brackish water to a small town for household use.

This is a uniquely thrilling possibility for the water problem in this country is immense. Someone or many companies are going to tackle this problem.

My candidate is PSW. In conclusion, I know no other company where you can buy an absolutely first class investment with as outstanding growth record of approximately 11% compounded growth, a solid dividend (approximately 2.5% cash plus 3% stock annually in January), and currently pay no premium for the possibility of sharing in the solution of one of the world's really vital problems with its consequently great profit possibilities.

The stock is traded in the Over-the-Counter Market.

With Stifel, Nicolaus

(Special to THE FINANCIAL CHRONICLE)

ST. LOUIS, Mo.—Robert W. Tiernan is now affiliated with Stifel, Nicolaus & Company, Incorporated, 314 North Broadway members of the New York and Midwest Stock Exchanges. He was formerly with Metropolitan Securities Corporation and Yates, Heitner & Woods.

K. F. Meyers Forms Co.

PITTSBURGH, Pa.—Karl F. Meyers is engaging in a securities business from offices in the Union Trust Building, under the firm name of Meyers & Co. Mr. Meyers was formerly with W. H. Babbitt & Co.

Economic Outlook Picture For Period 1961-1962

By Alan Greenspan,* *President, Townsend-Greenspan & Company, Inc., New York City*

Economic consultant appraises the recovery pace of various components making up the recovery now underway, and poses the questions: how long will it last—and what level will it reach? Dr. Greenspan anticipates a peaking out of stock prices sometime in the Spring or Summer of 1962 and a peak in business activity in the second half of 1962 or early 1963.

The recession which began in the early months of 1960 has not only ended, but as of this date half of the loss in production has already been recovered. The Industrial Production Index peaked out at an Index of 111 in 1960. It fell to 102 in February of this year, then rose fractionally to 102.4 in March. Figures just released by the Federal Reserve Board show April production, seasonally adjusted, at 105. Our preliminary estimates for May put the Index at approximately 107.

Alan Greenspan

All indications point to a full recovery in production activity by the Fall. By the end of the year overall production should reach new high ground, with the Index in the area of, say, 113 to 115. This forecast implies some slowing down in the rate of advance. The five point jump over the two months of April and May will temper down to a six to eight point rise over the last seven months of the year. The reason for this is implicit in the nature of the recovery to date.

More than half of the near five point advance in the Index since March has been attributable to production advances in steel and autos. In both industries the gain has been the result of a reversal in inventory policies.

Auto assemblies were held in check in March. This allowed the rising level of retail sales to bite heavily into the excess inventories of new cars held by dealers. Auto sales from dealer showrooms have not exhibited much change since March. However, as inventories slipped to more manageable levels, factory assemblies were stepped up to meet the going sales rate. This one-shot readjustment is about at an end. Further advances in car schedules will require a higher volume of auto sales.

The situation in steel is much the some. Early in the year steel production was running under consumption by as much as 15%. The gap has been narrowing since the turn of the year. Apparently production and consumption moved into line last month as inventory liquidation of steel mill products finally came to a halt. At current rates of steel output, some inventory accumulation is now taking place. Unlike autos, however, steel inventory levels are currently very low. Consequently, rebuilding of stocks should push steel ingot operations to increasingly higher levels all year long. Nevertheless, with the first phase of the adjustment out of the way—that in which steel users have finally started to buy steel at the same rate at which they are using it—the rate of increase in steel operations (which has been rather substantial in recent weeks) should slow perceptibly.

Incidentally, we expect steel production, which is now at 70% of capacity, to move into the low 80's by early next year. With another steel strike overhanging the economy, inventory accumulation could again give a temporary fillip to steel operations in the Spring of 1962.

Corporate Capital Spending

With auto and steel each reducing its rate of contribution to the expansion in Industrial Production, part of the slack will be taken up by capital goods production—i.e., industrial machinery, structural fabrication, etc. After remaining in a flat trend since late last year, machinery output rose significantly last month. It apparently increased again this month. Moreover, autos are beginning to firm in this area, reflecting the plans of business to increase capital expenditures sharply over the rest of this year and into 1962. The most recent survey of scheduled expenditures —that of the McGraw-Hill Department of Economics—shows a total for calendar 1961 only 1% below 1960. Since expenditures to date this year have been running well below the 1960 average level, sharp increases are indicated for the rest of the year.

Now that the recession is clearly ended and the crucial capital goods markets are reviving, the rest of the economy is being pulled out of the doldrums. After being plagued by a very bad Winter, home building has recovered more than seasonally. However, the current building rate is not being matched by new household formation and demolitions of existing structures. Hence, vacancies are increasing, particularly of rental units. This should put something of a damper on the home building recovery. As a byproduct of this, consumer household durables should not be expected to participate as vigorously as other sectors in the recovery. Nondurable goods, however, should make a bright showing (chemicals, oil, paper, textiles, etc.). In fact, virtually every sector of the economy should participate in the developing recovery to a lesser or greater degree.

We might even see some general industrial price firmness later this year or early next year. Price is essentially a function of backlogs and delivery lead times. When these lengthen out, purchasing agents begin to dicker for earlier deliveries and do not press as hard for price discounts. Copper prices are already rising. While I do not foresee general, across-the-board increases in steel or other metal prices in the immediate future, lead times in these sectors should begin to lengthen soon, setting the stage for price boosts later on.

Profit Picture

Even without price increases, the profit picture has already improved rather markedly during the last month. Output per manhour, which had lagged through most of 1960, has begun to rise again. Unit labor costs have fallen and profit margins have accordingly opened up. In fact, by our estimates the low in manufacturing margins was reached in January and February. The April rise was rather impressive. We look for a continuation of this trend, with a firm price picture helping it along. As usual, different firms will show different results. However, any company which can keep its delivery lead times below the average for its industry is apt to get a larger share of its market and its industry's profits.

Crucial Questions

There is little question that the recovery is under way — the remaining questions are: How long will it last? and What level will it reach? To find answers to these questions, we need to review the nature of the 1960 recession. In early 1960 the recession had the earmarks of a rather extensive decline: capital goods appropriations were being pared, inventories were a bit heavy, and, as of early Fall, 1960, many companies had scheduled rather severe cuts in capital appropriations for 1961. If implemented, these would have unleashed a rapid liquidation of inventories of capital goods components on top of the contraction in final expenditures. Capital goods production and general industrial production both would have fallen rather sharply early this year.

However, this did not happen. Capital appropriations were restored. Expenditures dipped in the first quarter of 1961. but that was the end of it. Inventory liquidation did occur in the early months of this year, but no torrent was set off. The pattern has reversed now and we are on our way up.

The reason the 1960 recession came to an abrupt halt is clear if we look at the stock market. Remember that stock prices are not merely the prices placed on shares on the New York Stock Exchange. In the broadest sense, they represent the market value of existing plant and equipment. Rising stock prices, in the late months of 1960, represented an upward re-evaluation of existing plant and accordingly raised the value of new plant and equipment. The same forces that govern stock prices govern overall capital expenditures.

Although rising stock prices and rising capital expenditures represent inflation hedges, to some extent, there is also a general speculative tone to both markets, above and beyond any legitimate inflationary fears. This should give the business recovery a somewhat unstable pattern. We might see sharp advances, such as we have just had, interspersed with temporary slowdowns.

Since the firming of stock prices in late 1960 was the primary reason for the aborting of the recession, we can expect the future trend of stock prices to act as a major indicator and determinant of the pattern and duration of the recovery. Although stock prices are considerably overvalued, by any long-term objective standards, a blunting of the bull market is not yet apparent on the horizon. In fact, the available evidence suggests that we have not yet progressed beyond the middle stages of a major speculative boom in stocks. Thus, if stocks are overvalued now, we can expect them to be even more overvalued before this bull market is over.

Business and Stock Market Peaks

If historical patterns prevail, stock prices may reach their peaks some time in the Spring or Summer of 1962. This would imply a peak in capital goods markets and in the economy as a whole late next year, followed by a decline beginning in early 1963. The timing of the next decline, however, remains in the realm of conjecture. The basic forces which will project the economy downward into the next recession are still in the process of evolving. The way in which they develop will determine the extent of the next decline as well as the date of its initiation.

At this stage, for example, we do not know whether or not the rise in industrial activity will be sufficient to set off a plant expansion boom, to be superimposed upon an already high level of capital expenditures for modernization and cost cutting. Should that occur, it would lengthen the recovery. By adding new speculative fervors to the economy, it could push stock prices higher and put off the stock market decline until a later date.

Similarly, the labor contract in steel, which will terminate in mid-1962, could be influential in the timing of the turning point. If steel users follow past practices and begin to rebuild inventories in anticipation of a strike, industrial activity could be very strongly boosted in the Spring months of 1962. If this should be followed by a steel strike of more than nominal length, the boom would then be stretched out, perhaps into early 1963. On the other hand, if labor peace should prevail, the inventory building of the first half of 1962 would induce significant liquidation of steel in the latter part of the year. This could act as a depressant to business. Presumably, might even set off an earlier business downturn than might otherwise be expected.

In summary, a strong business recovery is clearly under way. Prompted by rising stock prices, growing capital expenditures and a general speculative buoyancy, the economy should move substantially higher over the next year, with the peak in business activity probably occurring in the second half of 1962 or possibly the early months of 1963.

*An address by Dr. Greenspan before the Industrial Heating Equipment Association, Hot Springs, Va.

Paine, Webber to Admit Wenzell

Paine, Webber, Jackson & Curtis, 25 Broad Street, members of the New York Stock Exchange, on July 1 will admit Alan T. Wenzell to partnership.

Gay, Sexton to Be Walston V.-Ps.

On July 1, Samuel A. Gay and William E. Sexton will become Vice-Presidents of Walston & Co., Inc., 74 Wall Street, New York City, members of the New York Stock Exchange

C. L. Davis Joins Hornblower & Weeks

LOS ANGELES, Calif. — Carl L. Davis has become associated with Hornblower & Weeks, 600 South Spring Street. He was formerly an officer of I. L. Brooks & Co., Inc., making his headquarters in the firm's Oakland office.

U. S. Export Drive in Britain

By Paul Einzig

Wishing us well in our export drive to his country, Dr. Einzig reviews Britain's trade problems and points out they are compounded by our "flag discrimination" in shipping, continuance of the "Buy American Act," and growing pressure for more "tied loans." He hopes our trade success will lessen discrimination, cut costs in Britain, and place the Free World in a stronger position in the economic cold war. Anticipating a domestic argument, Dr. Einzig tells British labor that at least a good day's work accompanies the higher American wage.

LONDON, England — Ever since the end of the War frequent efforts were made from time to time in Britain to increase exports to the dollar area. But, apart from the year 1959 when as a result of the miscalculation of the U. S. automobile industry about changing requirements in the American domestic market, British exports to the U. S. were able to balance British imports from the U. S., the results of these efforts were disappointing. All these export drives were accompanied by much publicity. It is quite a change to encounter now publicity in the opposite sense. The U. S. Government is embarking on an export drive in Great Britain by means of opening in London the U. S. Trade Center. It will have a permanent exhibition of American goods which are likely to appeal to British buyers. For the present such a trade center will only be opened in London, but should this pilot scheme prove successful the U. S. Government will open similar trade centers in various continental countries.

Considering that, following on the exceptional year of 1959, during which trade between Britain and the U. S. was balanced, there was in 1960 an American export surplus to Britain amounting to some £600 million, the possibility of a further substantial increase of American exports to Britain sends shivers down the spines of British Treasury and Board of Trade officials. In any case the American export surplus to Britain is likely to be large this year. Imports from the U. S. have just been liberalized further, and the American market for British automobiles does not look very promising. In view of the persistent over-all adverse balance of payments of Britain, the possibility of additional dollar losses through a success of the American export drive is viewed with some concern. Nevertheless, having reverted to the traditional British policy of free trade, the British Government is most unlikely to do anything to prevent American exporters from maintaining and further expanding their British markets.

Growing British Resentment

There is, however, growing resentment in Britain, having regard to this liberal attitude towards American exports, over the flag discrimination operating in the U. S. It has deprived Britain of a substantial proportion of earnings from shipping freights which invisible item is essential to offset the surplus of the visible imports from the Dollar Area and elsewhere. Owing to American discrimination in favor of American shipping, however, this traditional invisible export item has become converted into an invisible import item. Moreover, at a time when Britain has virtually discontinued all discrimination against imports from the U. S., continued operation of the Buy American Act and the expected reinforcement of the policy of discrimination by the U. S. through stipulating the expenditure of dollar loans on American goods is causing alarm.

On my part I would welcome a success of the American export drive, partly because I hope that the evidence of such a success might induce the U. S. authorities to adopt a more liberal attitude in matters of discrimination, but also because it would teach British interests how to run an export drive really efficiently. Moreover, in view of the growing over-full employment in Britain, any increase of competition abroad might produce a salutary effect if it tends to induce British industrial firms to cut their prices in order to meet increasing competition from abroad.

Need for International Competition

This aspect of the problem of foreign trade has not received sufficient attention. In face of the pressure of inflationary wage demands—not only in Britain but in all Western industrial countries—we could not have too much international competition. There is a strong case for applying the principle of the survival of the fittest in industry all over the free world. Admittedly, if in Britain, the United States and other industrial countries firms and industries which are working at an unduly high cost are forced out of business by foreign competition it would be deplorable for the shareholders and employees concerned. But it might mean the salvation of the western way of life. If each industrial country of the west is forced to concentrate on the production of goods which they can produce at the lowest cost, such international division of labor would go a long way towards assisting the free world to meet the economic challenge of the Soviet bloc.

Attempts to meet that challenge by resisting inflation through additional credit squeeze and high interest rates have been abandoned or are being relaxed everywhere. Unless a better utilization of manpower is enforced by means of international competition there is no hope of increasing productivity to an extent comparable with its increase in Communist countries. That being so, increased international competition should be welcomed, even if it is a painful process to those who are likely to be its immediate victims.

A further increase of imports of American goods would induce British firms to study and adopt American methods of production. There is a great deal to learn, though all the advantages are by no means on one side. While in many industries the cost of production is lower in the U. S. than in Britain, the average cost of merchandising is distinctly higher over there. Closer contact resulting from the export drive might prove to be reciprocally beneficial.

The High American Wage

I have no doubt that the British trade unions would seize upon a further increase of imports of American goods to argue that, after all, American goods are competitive in spite of incomparably higher wages paid to American workers. The answer to this argument is that, even though the American worker gets better pay, he does give value for the money by putting in a good day's work.

UTAH SECURITIES DEALERS ASSOCIATION

The Utah Securities Dealers Association has elected the following officers for 1961-62:

Phillip S. Tunks

Robert P. Woolley

Robert B. Bullen

President: Phil S. Tunks, Edward L. Burton & Co.
Vice-President: Robert B. Bullen, Schwabacher & Co.
Secretary: Robert P. Woolley, Robert P. Woolley Co.
Treasurer: William H. Aspden, J. A. Hogle & Co.
Directors: Edward J. Mawood, Dempsey-Tegeler & Co.; Calvin B. Gaddis, Edward L. Burton & Company; Glen B. Davis, Ure, Davis & Co. Wayne, Stead, Guss & Stead Co.; and Cloyd Goats, Merrill Lynch, Pierce, Fenner & Smith Incorporated, ex-officio.

Use of Public Credit for Private Industry Decried

WASHINGTON, D. C. — Use of public credit to finance plants for private industry is poor policy, according to a report released to members by the Investment Bankers Association of America.

Reviewing recent developments in the use of municipal credit to provide manufacturing facilities for lease to private companies, the report notes that the three major municipal default periods experienced in this country have one characteristic in common—substantial defaults grew out of heavy indebtedness incurred for the purpose of aiding private enterprise.

Such financing is not only unfair to companies that compete with the occupants of municipally owned plants, but government ownership of industrial facilities is also contrary to the private-ownership concept of our free enterprise economic system. Furthermore, the use of tax-exempt credit for private purposes may well endanger the Federal income tax exemption for all state and municipal bonds.

In essence the report reaffirms the previously stated position of the IBA regarding municipal industrial financing. It suggests as the best solution to the problem—amendment of the Federal income tax law to deny the corporate lessee a deduction for the rental payment to the state or municipality for the use of the industrial plant acquired or improved out of the proceeds of tax-exempt bonds.

This change would negate the unfair tax advantage to the private industrial company leasing such municipally owned industrial facilities.

With Paine, Webber

(Special to THE FINANCIAL CHRONICLE)

MINNEAPOLIS, Minn.—James L. Montreuil has been added to the staff of Paine, Webber, Jackson & Curtis, Pillsbury Building. He was formerly with Reynolds & Co.

H. T. Nolen Opens

McALLEN, Tex.—Harvey T. Nolen is engaging in a securities business from offices at 607 Highland.

Form Participating Assoc.

HIALEAH, Fla.—Participating Associates, Inc. has been formed with offices at 570 West 53rd Terrace to engage in a securities business, specializing in mutual funds. Officers are James D. Jordan, President; A. S. Jordan, Secretary-Treasurer; and Russell E. Bennett, Vice-President.

Form Manhattan Co.

(Special to THE FINANCIAL CHRONICLE)

FRESNO, Calif.—The Manhattan Company has been formed with offices at 1052 East Olive Avenue to engage in a securities business. Officers are Leland E. Scott, President, John J. Sullivan, Vice-President and Raymond B. Wheeler, Secretary and Treasurer. Mr. Scott was formerly associated with David W. Holmes.

With American Secs.

(Special to THE FINANCIAL CHRONICLE)

BOSTON, Mass. — Frederick M. Kimball has become associated with American Securities Corporation, 53 State Street. He was formerly with Eastman Dillon, Union Securities & Co.

Invest, Inc.

BOSTON, Mass. — Invest, Inc. is engaging in a securities business from offices at 1 State Street. Officers are William N. Thorndike, President, Robert W. Doran, Stephen D. Paine, and George Lewis, Vice-Presidents.

Shearson, Hammill Adds

(Special to THE FINANCIAL CHRONICLE)

BOSTON, Mass.—Irving I. Magid has been added to the staff of Shearson, Hammill & Co., 21 Congress Street. He was formerly with H. C. Wainwright & Co.

Analyzing the Effectiveness Of Monetary Policy

By Lawrence S. Ritter,* *Professor of Finance, Graduate School of Business Administration, New York University, Formerly Economist for Federal Reserve Bank of New York, and Staff Economist for the C. E. D.'s Commission on Money and Credit in 1959-1960*

Professor Ritter states that monetary policy has been tried as our main stabilization weapon and has been found wanting. The author nevertheless believes that it should remain as an important part of over-all national economic policy. He sees much of the debate over the effectiveness and the appropriate role of monetary policy as hinging on whether the velocity of money is believed to be stable, moderately variable, or infinitely variable. Dr. Ritter views velocity as moderately variable and, even though he finds that it has risen higher and higher in each postwar cyclical upswing, concludes it would be irresponsible to drop monetary policy.

I

The Debate Over Monetary Policy

After a decade of experience with monetary policy as our main countercyclical weapon, we have arrived at the point where there is almost complete disagreement within the profession on almost every aspect of central banking. Professional opinion is more than divided; it is fragmented and splintered. Views on the subject run the gamut from Gurley and Shaw to Friedman and Shaw. Let me briefly review the high points of the debate that has taken place over the past decade, a debate which surely must be reaching its peak by now. There was the Douglas Committee Hearings of 1949, the Patman Committee Hearings of 1952, the Flanders Committee Hearings of 1954, the symposia in the *Bulletin* of the Oxford University Institute of Statistics in 1952 and 1957, the American Assembly symposium in 1958, the Achinstein study for the Senate Committee on Banking and Currency in 1958, the Radcliffe Report in 1959, the Joint Economic Committee's Study of Employment, Growth, and Price Levels in 1959, the *Review of Economics and Statistics* symposium in 1960, and the still-unfinished work of the Commission on Money and Credit that has been in progress for about three years, not to mention the important contributions of such individuals throughout this period as Lester Chandler, Howard Ellis, Milton Friedman, John Gurley, Robert Roosa, R. S. Sayers, E. S. Shaw, Warren Smith, James Tobin, and others.

Lawrence S. Ritter

It is fair to say that anyone who thinks today that he really knows the answers in this field must be either a prophet or a fool, or perhaps some of both. Nevertheless, although I know I am no prophet, let me state my own tentative views on these matters in the form of two fairly simple propositions. With these as a starting point we can then more easily focus on some of the issues underlying the controversy.

II

The Appropriate Role for Monetary Policy

(1) **The first proposition is that countercyclical monetary policy has been tried as our main—almost our sole—instrument of stabilization policy, and in that role it has been found wanting.**

Since about the time of the Treasury-Federal Reserve Accord of 1951 we have relied almost exclusively on countercyclical monetary policy to achieve our national economic objectives. Within the framework in which they had to operate, the monetary authorities have, in my opinion, done a highly commendable job. I find little to fault and much to praise with respect to their actions over the past decade, and would not hesitate to defend the position that on balance monetary policy has made a substantial contribution to economic stability during this period.

Nevertheless, it has been found wanting in the role of our main stabilization weapon because we have not in fact succeeded in maintaining reasonably full employment, because we have not in fact succeeded in stopping inflation, and because we have not in fact achieved an adequate rate of real economic growth.

(2) **The second proposition is that despite its inadequacies as our primary reliance, countercyclical monetary policy still has an important role to play and should be considered as an integral part of over-all stabilization and growth policy.**

The reconciliation of these two propositions, which some see as contradictory—i.e., that discretionary monetary policy has been tried and found wanting and yet that it should still be considered as an integral component of policy—the reconciliation lies in my belief that we have relied too much on it and expected too much from it, more than it can reasonably deliver. If we rely somewhat less on monetary policy, and do not expect so much, then we can indeed utilize it in a more satisfactory manner.

Let us take up each of these two propositions in turn and see what other views are current regarding them. With respect to the first proposition, it turns out that there is more agreement than one would expect at first glance. There are, of course, those to whom fiscal policy is a dirty word, and to whom anti-trust policy is an anathema, except when applied to labor unions. Monetary policy is all they have left, usually the tighter the better. But this view is rather rare, especially among academicians. Aside from those holding this view, there are few who would really disagree very much with the first proposition.

The liberal Keynesians would certainly agree with it—Heller, Samuelson, Smith, and Tobin, for example. So would Arthur F. Burns, Gurley-Shaw, and the Radcliffe Report, although for different reasons. And, at the other end of the spectrum, so would Milton Friedman, for still different reasons; he would emphasize that it is the discretionary and countercyclical aspects of monetary policy that have subverted its effects. Perhaps, actually, even the Federal Reserve itself would subscribe. The last two Annual Reports of the New York Reserve Bank make a strong plea for a lesser degree of reliance on monetary policy within the total policy mix, and the new 1961 edition of the well-known Board of Governors' booklet, "The Federal Reserve System: Purposes and Functions," is much less optimistic regarding what can be expected from monetary policy than its 1954 predecessor.

It is when we come to the second proposition, then, that the real disagreements emerge. Given that countercyclical monetary policies have not done the job well enough, what shall be their role in the future? On the one hand, Warren Smith and many others evidently conclude that we should pretty well jettison quantitative monetary policy altogether, turning in its place to fiscal policy plus selective credit controls. Alternatively, Gurley-Shaw and the Radcliffe Report seem to conclude that we should re-make what we now know as monetary policy into what might be termed "general financial policy," with more effective regulation of nonbank financial institutions. And while Friedman feels that monetary policy should be our sole stabilization weapon, he would also remake it into something very different from what it has been. That is, he would adopt as an inflexible rule for monetary policy that the money supply be increased year in and year out by 3 or 4%, with no variation either seasonally or cyclically, believing that this will solve the cyclical problem as much as it is feasible to do so.

Thus it is on this second proposition—as to what the role of monetary policy should be in the future—that agreement ceases. To dig down into some of the reasoning underlying these differences, let us turn to an examination of current views regarding the behavior of monetary velocity. One need not be a Quantity theorist to make fruitful use of the time-worn truism MV=PT, or, in its modern dress, MV=GNP.

III

Views Regarding the Behavior of Velocity

Quantity theorists, of course, believe that income velocity—defined as GNP divided by the money supply—is rather constant. If that is so, if velocity is indeed constant, then the Quantity theory is an extremely useful predictive tool.

Velocity plays a role in the Quantity theory similar to the familiar multiplier in Keynesian analysis; if it is constant then we can accurately assess the impact upon GNP of any change in the money supply. The change in the money supply times the constant V immediately tells us the change in GNP that will result.

Continued on page 28

AS WE SEE IT

Continued from page 1

tions require that we take care of in one way or another, but these are but some of the incidental burdens imposed by man's imperfections. They are to be regarded quite apart from the normal routine of any economic system. There are usually some others who by misfortune beyond their control are temporarily unable to look after themselves. These, too, are simply some of the incidental costs of any economic system, and not a part of its normal functioning or a part of the main functions thereof. This is a far cry from the slogan of the communists: From every man according to his ability; to every man according to his need. It is also definitely not akin to the creed of socialism which as today known and practiced is nothing more or less than state capitalism.

There is also great need at the present time for a better understanding of how any economic system may best attain such objectives. Much is being said and said so often about the part government is to play in stimulating or directing business that all too many of us have come to suppose that the attainment of the ultimate from the economic system requires complex and costly expedients on the part of the politicians whom we send to Washington to constitute our government. The fact of the matter is that the less government tries to do this or that to stimulate business or to guide business —apart, of course, from the administration of justice through suitable general laws —the better our economic system will function.

Maximum Production

Not only can production be expected to be at maximum when individual businessmen are left to their own devices, and operate according to their own judgment, subject only to such general laws as are necessary to be sure that justice is done, but the proper distribution of goods will of itself conform as nearly as may be to the general rule to the effect that the rewards of industry be proportionate to the contribution to that production. Naturally, abuses may from time to time arise under such a *laissez-faire* system (as under any other system), but they can and must be avoided so far as possible and corrected when they appear. Again, such a system tends very definitely to apply capital and manpower to the production of things that people want and can pay for. And, this latter is, of course, of vital importance.

Now if we listen to some of the moral philosophers of this day and time we should soon come to the conclusion that any system which permits men of extraordinary ability and energy to amass large fortunes is undesirable. How frequently do we hear such an idea expressed or implied throughout the length and breadth of the land, and how frequently it results in legislation which tends to prevent —if it does not definitely prevent — proper functioning of the economic system. The truth of the matter is that the great rank and file are much better off when extraordinary contributions to the production process are rewarded by extraordinary apportionment of current production or the equivalent thereof. They are much better off for the simple reason that production is thus greatly increased to lay a basis for a higher plane of living for all of us.

What We Should Not Expect

There are also certain things that we should not expect of our economic system. Some of them are so obviously not in the public interest that it appears almost foolish to give expression to them. Yet the need for citing them is quite evident, or so it seems to us. One of them is that we should not expect or persuade our economic system to produce goods or services that no one wishes or is willing to pay for. And a desire to help individuals to avoid the results of past errors or to continue in some line of activity to which they will cling so long as it is possible to do so—largely for sentimental reasons—in no way warrants such action. The obvious example of failure to observe this simple fact is found in our national farm policies, the purpose of which is to keep men on the farm when there is already a superabundance of farm products already on our hands. Nor is all this in any way sanctified by vague and often quite silly statements about these products being "assets" or greatly needed at various points of the globe where they will never go.

Nor is there any justification for public policies aimed at keeping industries or parts of industries operating merely because they give employment to a large number of men and women — industries which have no economic justification in the form of ability to produce goods which can be sold for what it costs to produce them, including reasonable profit, of course. These and other instances which might be cited are simply evidences of a misunderstanding of the true function of an economic system.

S. L. Trotta Opens

HAMDEN, Conn. — Salvatore L. Trotta is conducting a securities business from offices at 26 Cabin Road.

Dixon Chemical Debs. Offered

P. W. Brooks & Co., Inc., New York City and associates are offering today (June 22) an issue of $2,900,000 Dixon Chemical & Research, Inc., 6% convertible sinking fund debentures due 1978 at 100% and accrued interest from June 1, 1961.

Net proceeds from the sale will be applied by the company toward the cost of the purchase in December, 1960 of Better Finishes & Coatings, Inc.; the construction of a liquid sulfur dioxide plant with a rated capacity of 10,000 net tons per year; for investment of $500,000 of 6% convertible debentures of Dixon Chemical Industries, Inc., an affiliate; for construction and fitting of a plant office, machine shop and employee facilities at the Newark, N. J., facility and for additional working capital.

At the same time, Dixon Chemical Industries, Inc., is offering its common stockholders the right to subscribe to $2,046,900 of 6% convertible senior subordinated income debentures due 1981 at par and accrued interest, on the basis of $100 of debentures for each 25 shares held of record June 20. Rights will expire at 3:30 p.m. (EDST) on July 10. P. W. Brooks & Co., Inc., is the major underwriter.

Of the net proceeds from the offering, about $1,200,000 will be applied to the completion of the company's new hydrofluoric acid plant and related facilities, and the balance will be added to working capital.

Joins Shearson, Hammill

(Special to THE FINANCIAL CHRONICLE)

BEVERLY HILLS, Cal.—Stephen R. McKibbin has joined the staff of Shearson, Hammill & Co., 9608 Santa Monica Boulevard. He was formerly with Hayden, Stone & Co. and Paine, Webber, Jackson & Curtis.

Forms All America Inv.

Robert Luna is engaging in a securities business from offices at 570 Fifth Avenue, New York City, under the firm name of All America Investors.

Form Cambridge Associates

Cambridge Associates is engaging in a securities business from offices at 550 Fifth Ave., New York City. Partners are Thomas Emma and Gordon Gershman.

Oscar Charwat Co. Formed

Oscar Charwat & Co. has been formed with offices at 11 Broadway, New York City to engage in a securities business. Partners are Oscar Charwat and Louis Rubinfield. Mr. Charwat was formerly a partner in Charwat Brothers.

E. B. Davis Co. Formed

HEMPSTEAD, N. Y.—E. B. Davis Co., Inc. is engaging in a securities business from offices at 114 Main Street.

Now Corporation

E. L. Aaron & Co., 50 Broad St., New York City, is now doing business as a corporation. Officers are Edward L. Aaron, President and Treasurer; M. C. Aaron, Secretary and Peter E. Aaron, Assistant Secretary and Assistant Treasurer.

Now Burke & Co. Inc.

Burke & Co., Inc. has been formed with offices at 52 Wall St., New York City to engage in a securities business. Officers are J. Jay Schwadron, president, and Lilliam A. Burke, Secretary-Treasurer. Both were formerly partners in Burke and Company.

THE MARKET . . . AND YOU

BY WALLACE STREETE

Stocks broadened out their trading range this week but the extension was on the downside and there were still no definite signs that a spirited summer rally was in the making.

Selling early in the week dropped the industrial average to 680 which extended the month-old trading range by a neat 10 points under the 690-705 narrow band where the index had held since mid-March when the all-time high was posted.

Even with the added room, the trading range still is an unusually narrow one, particularly after what was virtually an uninterrupted upswing for six months. In fact, while few in Wall Street ever consciously look for declining prices, there were some technicians who were suggesting that a deeper correction would be needed to set the stage for a worthwhile summer advance.

Technically Tired Market

The technical indications were somewhat confused. Support showed up unaccountably in mid-session on expanded volume but then buying interest dried up as the improvement went into the next session. It was still the pattern of a tired market that was bumping into overhead resistance but at the same time refused to give up ground importantly when mild pressure was around.

Heavy selling on expanded volume at the end of a correction is the selling climax dear to the hearts of the brokers who look for spots to go bargain hunting. But where normally they spot such selling windups half a dozen or more times a year, there has been only one such clear cut climax all this year so far to clear the air—at least temporarily.

The story is a bit different for the glamor stocks that were so prominent during the long advance. These have had setbacks running from 30 to 40%, which has been somewhat obscured by the fact that investment interest switched to the quality items which make up the popular averages.

Joint Investment-Speculative Picture

So the picture is one of investment-grade issues that didn't run to any speculative excesses during the winter, and that hence aren't in need of any particular corrective phase, and speculative favorites that have already had their correction. Neither, however, offered any clues as to what was ahead for the general market.

There was something of a mild play in the tire stocks recently, but without spreading around to at least one issue that would figure importantly in improved fortunes for the tire makers. As the use of synthetic rubber increases to where some day natural rubber may mean little, increased amounts of carbon black are needed for the synthetic. Columbia Carbon, however, has had little popularity for years and has lolled in about a 10-point range all year. In fact, the shares have been undistinguished ever since their last split in 1945. One popular service, that keeps a running index of its studies of individual companies as long as they are "still of value," doesn't even have Columbia listed although it has been available recently at an above-average 4% yield.

A Reformed Cyclical Issue

General Cable is another stable stock that has carved out a scant 10-point range this year when the play centered elsewhere. It is supposed to be a cyclical issue, prone to wild ups and downs. But its price action during 1960, when recession was such an overworked word, suggests a change.

The price action of General Cable through 1960 was virtually identical with that of 1959, which was not vastly different from the price action in the two preceding years. Through this 4½-year period it has held in a range of roughly 30-45%.

The profit capability of General Cable through the recession also hints at a lessening of its cyclical pattern since despite the recession its sales held about level, and 1960 earnings of $2.56 against $2.71 the year before was one of the better comparisons around, especially since there was some price easiness in Cable's products.

The usual excuse for wide price swings is that the capitalization is small. That of General Cable not only is small but contracted even more this year when it exchanged a big bundle of shares it had of General Telephone for the 375,000 shares of Cable common that General Telephone had held for several years. With these shares retired, General Cable's capitalization was trimmed by 12%. In addition, American Smelting holds nearly a million shares, or more than a third, of Cable although Smelting is facing an anti-trust suit that could force it to dispose of its Cable shares. The return on this sedate issue at recent prices ran over 5%.

Some Interest in High-Yielding Rails

Rails still showed no sign of any widespread investment interest and the above-average yields weren't in much demand even though there was some evidence that pending a clarification of the market picture some investment money was going into the blue chip, high-yield items around. Illinois Central normally rates well up the ladder as a quality railroad although recently its realty ventures via air rights have been the more promising. As one study noted, the management's hopes for eventually realizing $150 million from real estate interests is more than the current market value of its entire capitalization.

Illinois Central has already made a good start at turning its property into cash, beginning as long ago as 1955 when a skyscraper was built over its tracks in central Chicago. An option is also outstanding covering a large area along that city's major boulevard to a group planning office building, hotel and apartment developments. If that sale comes through the railroad would realize approximately $35 millions.

As a railroad, Illinois Central has gone through the same pattern familiar in the industry of a long decline in earnings. Its dependence on coal traffic was hurt in 1959 when four large mines in its area closed, but in the past year some new mines have started up and the prospect is that these will more than offset the traffic loss in the early period. The line has been energetic in getting control of expenses and is held likely to improve profits this year, which might be an end to the long decline.

Meanwhile, the shares of a promising realty future and a quality railroad are available at about 10 times earnings and yielding over 5%, which are both above-average by far in comparison with the glamor industrials despite the corrections they have had recently.

A Still Progressive Diversifier

The case where the coal company is emerging as an entirely different entity is Philadelphia & Reading, which sold its anthracite operations and in recent years has been moving in the toy and clothing field. It plans to acquire the Fruit-of-the-Loom label to make a considerable saving in the yearly royalties it pays for its use. As a licensee for the label, Philadelphia & Reading's output was as much as all licensees combined. It is now in the chemical business as well and is probably not at the end of the road for new acquisitions.

[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.]

N. Y. Chamber of Commerce Elects

The New York Chamber of Commerce has announced the election to its Committee on Taxation of Cushman McGee of R. W. Pressprich & Co.; John H. O'Neill, Comptroller of the Delaware and Hudson Railroad Corp.; and William J. Schieffelin Jr., Board Chairman of Schieffelin & Co.

Cushman McGee

Mark E. Richardson, partner of Lybrand, Ross Bros. & Montgomery, was re-elected to a second term as Committee Chairman.

Union Oil Co. Of California Debentures Sold

Dillon, Read & Co. Inc. headed an underwriting group which offered publicly on June 20 $60,000,000 of Union Oil Co. of California 4⅞% debentures due June 1, 1986, at 100%; and $60,000,000 of the company's 4¼% convertible subordinated debentures due June 1, 1991, at 100%. The 4¼% debentures are convertible into common shares at $65 per share on or before June 1, 1966, at $70 per share on or before June 1, 1971, at $75 per share on or before June 1, 1976, at $80 per share on or before June 1, 1981, at $85 per share on or before June 1, 1986 and $90 per share thereafter.

Net proceeds from the sale are to be applied toward the purchase for retirement of the company's outstanding $120,000,000 of 3¼% convertible debentures (subordinate), which were sold by the company to Gulf Oil Corp. in 1956 and which are to be repurchased by the company from Gulf Oil. Such $120,000,000 of convertible debentures could have been converted into 2,700,877 common shs. upon the surrender of debentures plus cash. 923,076 common shares are initially reserved for conversion of the new convertible debentures.

Union Oil is engaged in substantially all branches of the oil industry. It markets approximately 13% of the petroleum and petroleum products sold for local consumption in and export from the Pacific Coast region, its principal marketing area.

Sales and operating and non-operating revenues of the company for the year ended Dec. 31, 1960 amounted to $443,676,603 and net earnings to $34,478,451 compared with $429,182,228 and $27,515,409, respectively, in 1959.

The 4⅞% debentures are entitled to a sinking fund beginning in 1971, retiring $2,000,000 annually from 1971 through 1985, sufficient to retire 50% of the issue prior to maturity. The company may increase sinking fund payments in any year by an additional amount up to $2,000,000. The debentures are also redeemable at the option of the company at prices ranging from 104.875% for those redeemed prior to June 1, 1962 to 100% for those redeemed on or after June 1, 1984. However, the debentures may not be redeemed prior to June 1, 1966 directly or indirectly from the proceeds of money borrowed at an interest cost of less than 4⅞% per annum.

The 4¼% subordinated debentures are entitled to a sinking fund beginning in 1971, retiring $1,000,000 annually from 1971 to 1975 inclusive and $3,000,000 annually from 1976 to 1990 inclusive, sufficient to retire approximately 83% of the isue prior to maturity. They are also redeemable at the option of the company at 104.250% for those redeemed prior to June 1, 1966 and at prices scaling downward to 100% for the last five years prior to maturity.

At April 30, 1961, capitalization of the company consisted of $178,670,000 in long-term debt and 8,709,807 common shares, par value $25 per share.

Alfred Weisman Opens

BROOKLYN, N. Y.—Alfred Weisman is conducting a securiites business from offices at 2669 Brown Street.

MUTUAL FUNDS

BY JOSEPH C. POTTER

Other People's Money

You do not have to be a senior citizen to recall that the typical investment counselor was a fellow who could speak with a modicum of intelligence about the trend of railway carloadings, steel operations, power output, automobile production and Federal legislation. The standout sophisticate was the guide capable of adding an abstruse lecture to the customer on money rates.

The financial community has come a long way since the heyday of those superficial fellows, although even now there is no dearth of the breed and there is no great abundance of astute market students. Top-flight analysts simply don't come off the factory production lines that they write about, nor do they emerge from college campuses ready-made. Any field that grows twenty-fold in about as many years will inevitably have personnel problems. And that's the measure of the investment company business (open-end and closed-end companies) which now has $20 billion of assets.

All of the foregoing is brought into focus by publication of the 1961 edition of "Investment Companies," now in its 21st year as a sort of bible of the trade. Published by Arthur Wiesenberger & Co. and priced at $25, its annual appearance is always welcome. This edition will not disappoint investment managers and analysts, who depend on these volumes as a tool of their trade.

This latest edition stresses the fact that money managers are missing no chance to winnow opportunity out of "change and innovation." A chapter deals with investing abroad, an obscure or non-existent subject 20 years ago. The emphasis, of course, is on investing abroad through the funds. As recently as two years ago, few of the funds were investing overseas. Now these holdings are put at over $500 million. While that's little more than 2% of investment company assets, it is probably the fastest-growing segment of fund portfolios.

Just how the old-time investment guide, who counted largely on the financial pages of his daily newspaper for his information and education, would cope with this new trend in the marketplace, it is not easy to say. Whatever claims he might make for himself, he'd hardly include credentials as a geopolitician.

The 1961 model investment counselor is expected to know something about France's troubles in Africa, the Common Market, the Outer Seven, the Atlantic Community and a host of other problems and opportunities that didn't even exist 20 years ago. While Western Europe now claims the major attention of money managers who invest beyond the water's edge, Africa, Australia and other areas are getting attention too. The Wiesenberger book charts the superior performance of European common stocks, compared with domestic pivotal industrial issues. While this situation is known to the fund executive, who has probably been a beneficiary of the trend, the little go-it-alone investor is less familiar with this phenomenon.

If their customers have been snapping up such issues as Philips' Incandescent Lamp Works Holding Company (owned by more than 80 investment companies), Unilever, Farbenfabriken Bayer, Siemens & Halske and Farbwerke Hoechst, the brokers have been keeping the matter unusually quiet.

The point of all this is that trained money managers have shown themselves capable of reacting quickly to world change. They saw, and none too soon, that onetime problem-child Europe was on the make. It is too much to expect the doctor in Davenport or the plumber in Peoria to put his hard-earned savings into foreign companies whose names he can't even pronounce, let alone diagnose.

That's the business—the $20-billion business — of investment managers, all professionals. Hunting out opportunities, at home and abroad, is a large-size chore and their growth over the past two decades attests to the adequacy of their performance. How about the next two decades? Well, Mr. Wiesenberger figures that "by 1980, it could easily be a $100-billion industry."

The Funds Report

Energy Fund reports that at May 31 total net assets were $23,376,721, or $25.64 a share, against $11,185,506 and $22.27 a share a year earlier.

* * *

May sales produced by the sales force of **Investors Diversified Services, Inc.** and its subsidiary, Investors Syndicate Life Insurance and Annuity Company, broke all previous records for monthly sales, Grady Clark, President, announced. Total sales of investment securities and life insurance amounted to $155,532,524 for the five weeks sales effort, exceeding by more than $23.5 million the quota of $132 million set for the May sales campaign. This year's May sales were up 10.9% from those of $140,227,248 reported for the May, 1960, campaign when the quota was $130 million, and were 9.6% higher than sales of $141,904,657 made in the November, 1960, campaign, which marked the previous monthly sales peak.

Dollar volume of sales of shares in five mutual funds managed and distributed by Investors Diversified Services totaled $48,811,635 for the five-week campaign, compared with $36,942,263 last May, and $36,558,262 for November, 1960. Investors Syndicate Life insurance sales for May, 1961, totaled $61,668,503, compared with $45,798,105 a year previously and $47,677,367 for November, 1960, the prior monthly high.

* * *

Investors Planning Corp. of America completed its eighth year of operations with record May sales of $16,687,000, President Walter Benedick announced. Founded on June 1, 1953, I. P. C. has since written over $775,000,000 in mutual fund business, including cash sales, and face amounts of systematic investment plans. It currently administers over 150,000 active fund accounts of all types.

Mr. Benedick said last month's volume bettered by 28.1% the firm's previous May high of $13,028,000, established in 1960. Business written during April of this year amounted to a record for that month of $16,711,000. The May total raised I. P. C.'s 1961 sales to $77,517,000, for a gain of 12.8% from the record $68,724,000 during the first five months of last year.

* * *

Investors Stock Fund, Inc. reports for the six months ended Apr. 30 a rise in total assets to a new high of $831,511,699, or $18.69 a share. This compares with $638,187,751 and $15.32 on Oct. 31, 1960.

* * *

Sale of the management company for **Liberty Fund, Inc.**, Houston-based mutual fund, to a group of prominent Southwest businessmen will be submitted to the fund's shareholders for ratification at a special meeting now being arranged, it was announced by W. L. Doherty, President of **Investors of America, Inc.**, the management company.

The following officers and directors are contemplated by the purchasing group: Jack S. Geneser, President and director of Geneser Corp. of Texas, as President and director; Bonnie N. Taylor, secretary to Jack S. Geneser, as secretary and treasurer; and as directors, Frank H. Stone, Vice-President to La Gloria Oil and Gas Co.; Jesse W. Couch, partner in Wary, Couch & Elder, insurance; Carlos G. Watson, attorney and Leonard Rosenberg, attorney.

Liberty Fund directors contemplated to be offered for election at the special meeting include Fred W. Ayers, Vice-Chairman of the board and a director of Hughes Tool Co., as President of the fund and director. Contemplated for re-election are H. Grant Thomas, Vice-President of Liberty Fund and manager of the group and pension department, Aetna Life Insurance Co., and Wallace S. Wilson, Vice-President and director of Wilson Supply Co.

* * *

George S. Bissell has been appointed to the research staff of industry specialists of **Massachusetts Investors Trust** and **Massachusetts Investors Growth Stock Fund**, it has been announced by Dwight P. Robinson, Jr., chairman of the Boston-based mutual funds. Bissell has served as a security analyst during the past six years. He is a graduate of Dartmouth College and the Harvard Graduate School of Business Administration.

* * *

Some 500 top **B. C. Morton Organization** executives and sales representatives, and their families, will gather for a four-day business and recreation session when the nationally represented investment firm's fifth annual convention gets underway (today) at The Lake Tarleton Club, Pike, N. H. Morton personnel invited to the work-plan gathering are key management men and leading sales producers from the 83 offices maintained throughout the United States by the company, which offers a wide range of investment services to the public. These include mutual funds, savings and loan placements, bank time deposits, and realty syndication.

* * *

Nucleonics, Chemistry & Electronics Shares reports changes in its common stock portfolio for the first half of its fiscal year, ended May 31.

New purchases include 90,000 shares British Oxygen, 3,000 Clevite Corp., 7,000 Freeport Sulphur Co., 15,000 Oxford Chemical, Class A, 6,000 Tennessee Corp., 3,000 National Video Corp. Increases include 3,000 shares Applied Physics Corp., 18,725 Denison Mines, Ltd., 2,520 Electronics Associates, Inc., 12,000 Electronics Specialty Co., 5,100 Lafayette Radio Electronics Corp., 2,000 Olin Mathieson Chemical Corp., 4,000 Raytheon Co., 15,000 Rio Algom Mines, Ltd., 5,000 Tuboscope, Inc. and 7,000 Union Carbide Corp., Reductions: 10,000 shares Cary Chemicals, Inc., 1,000 Food Machinery & Chemical Corp., 5,100 Monsanto Chemical Co., 4,000 National Distillers & Chemical Corp.

* * *

Texas Fund reports that at the close of the May 31 quarter, total net assets were $44,324,363, equal to $11.69 a share. This compares with $41,298,936 and $10.83 per share at Feb. 28. During the quarter the company added to its holdings Texas Consumer Finance Co. and increased holdings of James Talcott & Co., E. J. Korvette, United Carbon and Walter Heller. It decreased holdings of Tennessee Gas Transmission, Arizona Public Service, Tucson Gas, Electric Light & Power, Central Louisiana Electric Co., Texas Instruments and El Paso Electric.

* * *

The consolidated net income of **Wellington Management Co.** and subsidiaries for the six-month fiscal period ended April 30, totaled 58 cents per share, it was reported by Walter L. Morgan, President. This figure compares with 46 cents for the comparable period last year.

The Wellington chief executive also announced that the board of directors had declared a quarterly dividend of 17½ cents, payable on July 14 to stockholders of record June 28. The previous quarterly dividend of 15 cents was paid on April 15.

Both sales of fund shares and assets administered by the Wellington Management organization increased, Mr. Morgan reported. He said that combined assets of Wellington Fund and Wellington Equity Fund on April 30 were $1,344,000,000, or $289,000,000 above the assets a year earlier. Share sales for the first half of fiscal 1961 were $76,584,000, or $5,742,000 greater than in the first half of the previous fiscal year.

Marcon Electr. Stock All Sold

Meade & Co., New York City, reports that the offering of 30,000 common shares of Marcon Electronics Corp., at $10 per share, made through a June 8, 1961 offering circular, has been all sold. Net proceeds, estimated at $248,000, will be used by the company for the repayment of debt, the purchase of inventory and equipment, the development of new products, and working capital.

The company, of 199 Devon Terrace, Kearny, N. J., is engaged in the engineering, design and manufacture of electrical and electronic products for sale to U. S. government agencies and industrial customers. The company's major item in terms of sales volume is a line of mobile communication equipment. Authorized stock consists of 500,000 $1 par common shares, of which 152,000 are now outstanding.

Lehman Corp. Director

The election of Howard L. Clark, President and chief executive officer of American Express Co., as a director of the Lehman Corp. was announced by Robert Lehman, President.

Mr. Clark is also President and a director of Wells Fargo & Co. and a director of Cluett, Peabody & Co. Inc. and Hertz-American Express International Ltd.

Wall St. Legion Post Elects

At the annual election meeting of the American Legion Wall St. Post No. 1217 held on June 13,


Fritz K. Johnson


Lester F. Gannon

Fritz K. Johnson of Golkin, Bomback & Co. was unanimously elected Commander for the coming year.

Lester Gannon of Stanley Ketcham & Co., was elected 1st Vice-Commander, John Boyle was elected 2nd Vice-Commander and Milo Krupick was elected 3rd Vice-Commander.

Edgar C. Karrenberg of White, Weld & Co., was re-elected Adjutant.

Gimbel Brothers Debentures Sold

Public offering of $25,000,000 Gimbel Brothers, Inc. (New York, N. Y.) 5% sinking fund debentures due 1981 is being made by a group headed by Lehman Brothers and Goldman, Sachs & Co. The debentures are priced at 99% plus accrued interest, to yield 5.09%.

Net proceeds from the sale will in the first instance be added to general funds of the company. Approximately $7,850,000 of the proceeds will be used to redeem the outstanding shares of $4.50 cumulative preferred stock at $100 a share plus cumulated dividends. The balance of the proceeds will be used to complete construction of a Gimbels-New York branch in the Roosevelt Field Shopping Center, Long Island, N. Y.; a Gimbels-Philadelphia in northeast Philadelphia; a Saks Fifth Avenue branch store in Garden City, Long Island; for the construction of additional branch stores, and for other general corporate purposes.

The debentures are optionally redeemable at prices ranging from 104% to 100%, except that they may not be refunded prior to June 1, 1966 at an interest cost to the company lower than the effective rate of interest on this issue.

Sinking fund provisions require the retirement of $1,250,000 debentures annually during the years 1966-1980, inclusive, and authorize the company to optionally retire up to an additonal $1,250,000 principal amount in each sinking fund year. For the sinking fund the debentures will be redeemable at prices ranging at the principal amount.

Named Director

William B. Ingersoll, Assistant Vice-President of Stroud & Company, Incorporated, Philadelphia, was recently elected a director of Renner Incorporated, a Philadelphia firm specializing in providing technical assistance to government and industry.

Now Corporation

Godnick & Son, 30 Broad Street, New York City, is now doing business as Godnick & Son, Inc. Officers are Berton W. Godnick, President; Joseph I. Friedman, Vice-President and Secretary; and John W. Platt, Treasurer.

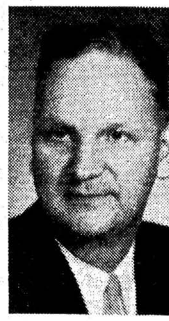
The firm has a branch office at 223 South Beverly Drive, Beverly Hills, Calif.

The Chemical Industry's Export and Import Prospects

By Ira T. Ellis,* *Economist, E. I. du Pont de Nemours & Company*

Economist evaluates newly rising competitive factors impinging upon our highly favorable foreign trade in chemicals and products. He concludes that our export future is good providing we maintain competitive prices and industrial production growth in the western world.

The Chemical Industry is a large part of our industrial economy, with total sales last year of $27.7 billion. It accounted for a little more than 7% of the total weight in the Federal Reserve Board Index of Industrial Production in the country. It is, therefore, larger than the Iron and Steel Industry, or the Motor Vehicles and Parts Industry, or the Textile and Apparel Industry. It is almost as large as the Paper and Printing Industry, or the manufacture of Food and Beverages. It is also a very broad industry. It includes the manufacture of a wide variety of acids and other inorganic chemicals, basic organic chemicals, man-made fibers, plastics materials, synthetic rubber, soap, paint, drugs and medicines, and atomic energy.



Ira T. Ellis

The Chemical Industry is also important in the foreign trade of the United States. Exports of chemicals and products last year, as tabulated by the U. S. Department of Commerce, were valued at $1.7 billion, plus another $500 million of exports of synthetic rubber and man-made fibers and manufactures — not included among "chemical exports" as narrowly defined by the Department of Commerce. Corresponding United States imports last year were valued at $400 million. The Chemical Industry alone, therefore, produced a record-high export surplus of $1.3 billion in 1960, or 28% of the United States total export surplus on merchandise trade of $4.7 billion.

The U. S. Chemical Industry has produced an export surplus as far back as the middle 1920s, as may be noted from the accompanying table. The surplus averaged only $1 million per year in 1926-1930, but it rose to $661 million per year in the 1951-1955 period, and to $1.1 billion per year from 1956 through 1960.

Exports Outpace Rising Imports

This rising export surplus was achieved by increasing exports faster than imports. Exports of chemicals and products in 1956-1960 were 936% above their value in 1926-1930, but imports rose only 125% over this period. The export surplus was achieved by the development of many new products and by aggressive selling of these products abroad. It did not result from merely expanding sales of products in existence 30 years ago.

The importance of new products in stimulating chemical exports may be noted from the fact that the value of exports of chemical specialties — polyethylene and other resins, DDT and other disinfectants and insecticides, synthetic detergents, antiknock compounds, etc. — were 32 times as high in the period from 1956 to 1960 as they were in the period 1926-1930. Note that most of these products were unknown 35 years ago. In contrast, exports of medicinals and pharmaceuticals in the past five years were only 14 times as high as they were 30 years ago (even though many new products were developed here also over this period). Exports of industrial chemicals in the past five years were only 10 times as high as were exports in the second half of the decade of the 1920s, and exports of fertilizer and materials were only seven times as high.

The export gain and the export surplus also continued in 1960 compared with 1959. Chemical exports last year at $1.7 billion were up 12% over the 1959 total, to a new record-high level. The principal year-to-year gains occurred in coal-tar chemicals (+60%), industrial chemicals (+21%), and chemical specialties (+10%). Imports rose only 2% in 1960 over 1959, to $353 million. As a matter of fact, the rise in chemical exports continued through the first quarter of 1961. They were up 6.1% from the first quarter of 1960. Imports rose 6.5% over this period.

U. S. chemical exports, and particularly exports of industrial chemicals and chemical specialties, go principally to the large industrial countries of the world—Canada, West Germany, the Netherlands, Belgium, France, United Kingdom, and Japan. Exports of drugs and pharmaceuticals and of insecticides and fungicides go to a wide variety of countries, including the under-developed areas. This pattern of the destination of U. S. exports of industrial chemicals and chemical specialties is to be expected since chemicals are sold primarily to other manufacturers.

U. S. imports of chemicals come importantly from Canada, West Germany, United Kingdom, Switzerland, the Netherlands, and Belgium. Here, also, it will be noted that our chemical trade is largely with the industrialized nations of the world, although we import a substantial volume of specialized commodities from underdeveloped areas, e.g., sodium nitrate from Chile. In short, our best customers of chemicals and products are also the suppliers of the chemicals and products which we import.

These data provide a broad picture of the U. S. foreign trade in chemicals and products and the pattern of its development over the past three decades. Now let us turn to the outlook for this trade over the next few years.

Chemical Foreign Trade Outlook

Briefly, the outlook is that world trade in chemicals and chemical products will continue to grow rapidly, but it is unlikely that U. S. exports will continue to grow at their very satisfactory rate of recent years. The low-cost countries, particularly West Germany and other Western European countries, and perhaps Japan, will probably benefit more from this growth than will the United States. On the other hand, the recent pattern of U. S. imports of competitive chemicals and products suggests that no substantial increase is in sight, but that they will continue to grow slowly.

Innovation has always been an important factor in the growth of the Chemical Industry in this country, and it has served the industry well in stimulating exports since World War I. But many of the recent new chemicals and chemical products have now become stable articles of commerce. Their technology is well known in other countries, and capacity to produce them has now become substantial abroad. The United States is no longer the only source of supply for many of them. This situation, of course, is not unique with the Chemical Industry, but we are confining our analysis here to this industry.

The Chemical Industry of Western Europe is very diversified and its diversification is growing. With their wage rates lower than those we pay in this country and their lower overall manufacturing cost, European chemical producers have a substantial advantage, especially in their local markets. They have been occupied during most of the past 15 years with rebuilding their industry after its destruction during World War II, but that rebuilding is now largely completed. Now they are prepared to expand and the markets they are planning to develop are those of Europe and Latin America—areas which are also the principal destination of our chemical exports. We must continue to develop new products and improve products we now sell in foreign markets, because competition from domestic manufacture in those markets is sure to increase. While we can hope to hold a great deal of the markets we have developed throughout the world since World War II, it will be extremely difficult to continue the growth rate of United States chemical exports of the past 10 years.

Another factor contributing to increased competition for world chemical markets is the rising tide of nationalism among the less developed countries of the world. They want to turn quickly from heavy reliance on the production of crude materials to the production of manufactured commodities. Tariffs, quota systems, and the promise of a protected domestic market are being used to stimulate the establishment and expansion of domestic manufacture of many chemical products. This development is especially noticeable in Latin America, with the consequent loss of exports to the area. In addition, of course, there is the loss of markets in Cuba because of the extreme form of nationalism prevalent there in recent years. But the trend toward greater self-sufficiency in chemical manufacturing is world-wide.

Future Is Not All Black

But the future of United States chemical exports is not all black. So long as we can avoid World War III, we may expect growth in industrial production in the western world and, therefore, in the demand for chemicals and products. The current period of prosperity in Western Europe, for example, has contributed importantly to the strong demand in that area for advanced chemical products. Formation of the Common Market holds great promise for further advances in living standards and, therefore, in markets for a wide variety of goods in this area. Although domestic manufacture is expanding, the rapid growth of industrial production in the area means that domestic producers can't supply all the market. There will be for several years a large potential market for chemicals and products in Western Europe, in Canada, in Mexico, and in many other areas.

Finally, the economic facts of life in this country have changed from stimulating imports to stimulating exports. The dollar gap—the scarcity of dollars in the hands of our potential customers—has disappeared and it has been replaced by a substantial dollar surplus. The dollar is no longer a scarce currency—at least in the industrialized countries of the western world. The former slogan "To export more, we must import more," has now been replaced by an opposite slogan "To balance our international accounts, we must export more." Foreign countries built up sizable holdings of gold and dollar balances during the 1950s, reflecting the substantial United States deficit on international transactions. Many people are concerned about the threat of these liabilities to our gold holdings, but should we not look on the gold and dollar balances held abroad as potential support for expanding exports? We know the foreign countries have the dollars to pay for purchases from this country. The figures by countries are reported in banking statistics each month. We have the manufacturing capacity to supply an increased volume of chemical exports and we have the research skill to develop new products as competition overtakes old products. The outlook is good for a continued high level of exports of chemicals and products from this country—provided we keep our costs under control and can sell abroad at prices which are competitive.

***A talk by Mr. Ellis before the 45th Annual Meeting of the National Industrial Conference Board, N. Y. City.**

U. S. FOREIGN TRADE IN CHEMICALS AND RELATED PRODUCTS

(Value unit: $1,000,000)

	Annual Average											
	1926-1930	1931-1935	1936-1940	1941-1945	1946-1950	1951-1955	1956-1960	1956	1957	1958	1958	1960
Exports	$137	$91	$153	$400	$704	$929	$1,420	$1,239	$1,379	$1,343	$1,479	$1,661
Industrial chemicals	24	19	33	97	119	147	240	196	221	215	258	311
Fertilizers and materials	18	11	18	17	61	58	118	116	136	109	108	119
Coal-tar chemicals	16	13	16	33	83	63	102	76	85	96	98	157
All other	79	48	86	253	441	661	960	851	937	923	1,015	1,074
Chemical specialties	17	14	29	67	155	305	550	465	508	518	595	663
Medicinals & pharmaceuticals	20	12	20	76	185	238	274	246	285	278	284	275
All other	42	22	37	110	101	118	136	140	144	127	136	136
Imports	136	66	80	131	119	268	306	274	276	282	347	353
Industrial chemicals	30	18	19	29	33	79	98	87	85	87	112	119
Fertilizers and materials	68	29	35	32	54	118	102	102	97	97	109	108
Coal-tar chemicals	21	11	16	10	15	44	66	56	68	60	76	69
All other	17	8	10	60	17	27	40	29	26	38	50	57
Excess of exports (+) or imports (—)	+1	+25	+73	+269	+585	+661	+1,114	+965	+1,103	+1,061	+1,132	+1,308
Industrial chemicals	—6	+1	+14	+68	+86	+68	+142	+109	+136	+128	+146	+192
Fertilizers and materials	—50	—18	—17	—15	+7	—60	+16	+14	+39	+12	—1	+11
Coal-tar chemicals	—5	+2	0	+23	+68	+19	+36	+20	+17	+36	+22	+88
All other	+62	+40	+76	+193	+424	+634	+920	+822	+911	+885	+965	+1,017

Mead, Miller to Admit Four

BALTIMORE, Md.—Mead, Miller & Co., Charles & Chase Streets, members of the New York and Philadelphia-Baltimore Stock Exchanges on July 1 will admit William F. Coleman, William U. Hooper, Jr., Joseph Snyder, and Frank J. Taylor, Jr., to partnership in the firm.

Gross Co. to Admit

Gross & Company, 15 Broad Street, New York City, members of the New York Stock Exchange, on July 1 will admit Michael A. Roberts to partnership.

The Cycle Abroad

By Leonard B. Rist,* *Director, Economic Staff, International Bank for Reconstruction and Development, Washington, D. C.*

Mr. Rist recounts the doubts and concerns preoccupying Europeans about the effect of our recession upon them and opines our slowdown may have caused some slight loss of momentum in the economic expansion abroad. The World Bank's economist sums up the trade developmental changes in the world's regions and anticipates European growth will tend to support the underdeveloped world and our economy either directly or through the channels of the underdeveloped world. In fact, the OEEC is expected to raise its external capital flow to underdeveloped areas from $7 to $7½ billion a year rate and the U. S. A. to continue its relative decline in its proportionate share of net capital flow.

I recently returned from Europe and although I did not visit all or even a majority of the OEEC countries, I have come back with a few impressions which may be of some interest. I shall start with Europe rather than with the rest of the world, not merely because impressions are fresh in my mind but also because Europe is our largest customer. The next largest are Latin America and Canada, then Asia, excluding Japan, Japan and Africa, in that order.

Leonard B. Rist

Nobody in Europe doubts that there is interaction between the cycles in the U. S. and the cycles in Europe. As a matter of fact, I heard more concern expressed on the potential effects of the recession in this country than ever before.

The rest of my exposition will be largely centered around the forces making for an autonomous economic growth in Europe, but it would be unfair not to color what will follow by pointing out this basic pre-occupation.

There are few who are not aware of the levelling off of industrial activity in Great Britain during the last quarter of 1960. There are few also who have not noticed that even in France and Germany the pace at which industrial production indices rose at the end of the year were not quite as spectacular as at the beginning of 1960. I had already returned when the decision to revalue the German mark and the Dutch guilder was announced, but I would be surprised if in view of the general atmosphere in Europe, these two monetary changes were not considered as creating one more obstacle to keeping growth rates at the exceptional levels attained during the first half of 1960.

The optimists, of course, would say that it was high time to recognize that the limitations on availability of manpower were already severe enough to slow down growth and that therefore the monetary adjustments were meant to prevent inflationary movements but not to reduce the pace of progress. Nevertheless, even they would concede that perhaps the slowing down of economic activity in the United States may have some relationship with the slight loss of momentum recently experienced in Europe.

Recurrent Questions in Europe

But another preoccupation was even more prominent in many people's minds: what will the American policy be with regard to foreign trade if business here is slow in picking up? Will there not be a tendency to favor higher protective tariffs and possibly other impediments to the free flow of trade? If this trend should prevail in the U. S., it would be interpreted (1) as a lack of confidence of the Americans in their own economy, and (2) as heralding a new era of competitive trade restrictions. This would really mean exporting the cycle.

Everything that I have heard in this country before or since my visit abroad convinces me that this is a windmill which is not worth fighting. The fact remains, however, that the rather encouraging trend towards accepting foreign competition which can be noticed in many recent developments in Europe, would be seriously injured if such an unwelcome change should loom on the horizon. I have mentioned this point only because it is a recurrent theme in Europe. But I feel that we can dismiss it from the discussion.

Now that I have mentioned the doubts and concerns which are most frequently expressed in Europe and the echoes of which we find daily in the press, I can perhaps reverse the proposition. Whoever looks at the figures cannot help being impressed by the remarkable progress made in Europe over the last two years, and my argument today is that, while solidarity and interdependence are a reality, these developments in Europe should normally tend to support on the one hand the underdeveloped world and, on the other hand, the American economy either directly or through the channels of the underdeveloped world. It is a fact that trade between the less developed areas and Europe is roughly twice as large as trade between them and the U. S. A strong European demand for their products means more resources at their disposal to buy not only European but also American goods.

I

Europe and Japan

As I indicated earlier, the exceptionally vigorous expansion of European industrial output in 1959-60 has turned, in most countries, into a more moderate, though still respectable rate of advance: at the end of 1960 the level of industrial production was 8-9% above the same period in 1959.

Europe's resources have, to a considerable extent, been strained by the boom; in particular, a tight *labor market* has contributed in slowing down the expansion. As the supply of labor virtually dried up in some countries, wages increased markedly: in the 15 months between mid-1959 and the fall of 1960 hourly wages in Germany rose by 11%, in France by 8%, as compared to 3% in the U. S. Despite these increases in wages and the continuous high level of demand, prices have remained remarkably stable in Europe, except perhaps in France which had just gone through a devaluation. Productivity gains in Europe's domestic production certainly had something to do with this, but also lower prices paid on imports of major commodities.

Demand for exports was a major force of expansion. During 1959 and early 1960, a 50% rise of Europe's exports to the U. S. took place. However, Detroit's compact cars, the resumption of U. S. steel production in early 1960, and the fall of U. S. industrial output since March 1960 reduced Europe's sales to the U. S. in 1960 by almost 10% compared with 1959. Declining sales to the U. S. in 1960 were more than offset by higher intra-European trade and, to a lesser extent, to the rest of the world.

The improved balance of payment of Europe and the increase in its reserves by 5 billion in two years make it easier to let internal forces play their role. *Internal European consumer demand* has expanded vigorously, particularly for *durables*. Expanding demand for exports and consumer goods on the one hand and a tight labor market on the other have stimulated *investments*. Even more important, perhaps, business investments have also been strengthened by the *general optimism* associated with the movement towards the regional groupings of the Common Market, and of the European Free Trade Area (EFTA).

The Common Market countries—France, Germany, Italy and the Benelux countries — decided to accelerate their schedule roughly by one year. The clearest testimony to this climate of optimism is the fact that duties on *intra-trade* were reduced on Jan. 1, 1961 by a further 10%; total reduction of intra-trade duties has now reached 30% of the *pre-1959* level. However, there are various exceptions to this accelerated movement towards a Common Market, particularly in the field of agriculture. In the second place, the *external* tariffs of the six countries moved, on Jan. 1, 1961, by 30% towards the common external rates, which as you will remember is, as a rule, the average of the tariffs prevailing on Jan. 1, 1957, and in addition the computation is now made on the assumption that this average will be reduced by a further 20%, thus anticipating a favorable outcome of the present discussions at GATT. Finally new tariff reductions were adopted by France on March 22: 10% textiles, 5% to 10% on manufactured goods based on 1957 tariffs means 7% to 14% on 1961 levels.

On their side, the countries associated in *EFTA*—three Scandinavian countries, England, Austria, Switzerland and Portugal—have also speeded up their schedule of tariff reduction. This reduction concerns only trade among themselves since they each remain free to handle their external tariff as they wish. The reduction started one year and a half later than in the Common Market, but already by July 1, 1961, the rates will have been reduced by 30%.

As of today, it would seem that Europeans themselves expect a further growth in output and income during 1961. For Germany, assuming the revaluation has no adverse effects, growth has been projected at 4% or more; the slowdown from last year being attributed to the acute shortage of manpower. In France, an official estimate projects an expansion of 5.5% for 1961, i. e. just about the same rate as that achieved in 1960. In view of the successful adjustment of the economy since 1958 and of a sufficient labor supply, this goal appears feasible. In the U. K., an expansion of 2.5% has been considered probable in 1961. Slowdowns to still respectable rates of growth are also expected in Italy, the Netherlands and Norway.

It would not be fair not to mention *Japan*, the most important industrialized country in the free world outside North America and Europe. This country has experienced a further rapid expansion in 1960; industrial production rose by around 25%, though at a lower rate during the second half of the year. According to a statement of the Japanese Prime Minister in the fall of 1960, an annual expansion of the Japanese economy of around 9% may be forthcoming over the next three years. With Japan's sharply increasing industrial production, prospects for *rising imports* should remain favorable, all the more as external reserves have risen sizably in 1960.

Should, however, internal demand in Europe as well as in Japan not be forthcoming as expected, these countries may well tend to *stimulate their exports* as a partial offset to their domestic disappointment. Such an export drive would probably lead to capital exports in excess of the presently contemplated capital flows to less developed areas.

II

Less Developed Areas[1]

Booming conditions in the industrialized countries have had their counterparts in *rapidly rising imports*. The most spectacular gains have, of course, been recorded in trade between industrialized countries. But imports from less developed areas also increased somewhat. Admittedly, they had been at a low level in 1958. Everybody knows that primary commodities have suffered substantial price declines over the recent years, but 1960 was a period of relative stability. The pickup in demand for primary commodities was thus reflected in a *higher volume* of trade rather than in improved prices, and as a result *export earnings* of less developed countries increased by 12% between 1958 and 1960. They, however, seem to have levelled off in the second half of 1960.

Imports of the underdeveloped world rose by only 4% between 1958 and 1960. Their aggregate trade deficit of $3.1 billion in 1958 was reduced to some $1.3 billion in 1959 but probably rose again in 1960. Gold and foreign exchange holdings declined seriously between 1956 and 1958, recovered slightly until mid-1960 and since then they underwent some losses again.

The *volume* of *Latin America's* exports rose by 9% in 1959 and reached record levels in 1960; in several countries this expansion in trade more than offset price declines and the area's current export earnings have recovered from the recession level of 1958. This seems to be the case in Mexico, Colombia, Chile, Argentina and perhaps Brazil. What effect the U. S. recession in 1960-61 may have on Latin America is not yet clear however.

Past performance in at least maintaining production and income in most countries in spite of the unfavorable external conditions would make the outlook for their import demand fairly favorable, provided of course foreign capital continues to contrib-

1 Africa (excl. Union of South Africa), Asia (excl. Japan) and Latin America.

Gold and Foreign Exchange Reserves, 1956-60
(end of period; in billion U. S. $)

	United States	Canada	OEEC Countries	Japan	Latin America (excl. Venezuela)	All Other Countries
1956	22.1	1.9	14.5	0.9	2.7	8.3
1957	22.9	1.8	15.4	0.5	2.4	8.6
1958	20.6	1.9	19.0	0.9	2.1	7.7
1959	19.5	1.9	20.5	1.3	2.3	8.1
1960	17.8	1.8	24.9	1.8	*2.5	†7.7

*November, 1960. †October, 1960.

SOURCES: U. S., Canada, OEEC Countries: OEEC General Statistics, Part I, February, 1961. Japan, Latin America, all other countries: National Institute, Economic Review, January, 1961.

United States Exports and Imports by Areas of Destination and Origin, 1955-60

	Grand Total	Canada	Western Europe	Japan	Australia N. Zealand Union of S. Africa	Less Developed Countries: Total	Latin America	Africa (excl. Union of S. Africa)	Asia (excl. Japan)	Soviet Bloc
Exports (f.o.b.) (bill. U.S.$)										
1955	14.0	3.2	4.2	0.6	0.5	5.4	3.3	0.3	1.7	0.0
1956	17.1	4.0	5.2	0.9	0.5	6.4	3.9	0.4	2.1	0.0
1957	19.1	3.9	5.7	1.2	0.5	7.6	4.8	0.4	2.4	0.1
1958	16.0	3.4	4.5	0.8	0.5	6.7	4.3	0.4	2.0	0.1
1959	16.0	3.7	4.5	0.9	0.5	6.2	3.7	0.5	2.1	0.1
1960*	18.9	3.7	6.1	1.3	0.7	6.8	3.7	0.5	2.7	0.2
Index (1955 = 100)										
1959	114	115	107	144	101	115	110	132	121	128
1960*	135	116	147	192	140	126	110	135	155	247
Percentage Distribution										
1955	100%	23%	30%	4%	4%	39%	24%	3%	12%	0%
1960	100	20	32	7	4	36	19	3	14	1
Imports (c.i.f.) (bill. U.S. $)										
1955	11.5	2.7	2.4	0.4	0.3	5.7	3.6	0.5	1.6	0.1
1956	12.8	2.9	2.9	0.6	0.3	6.0	3.9	0.5	1.6	0.1
1957	13.1	2.9	3.1	0.6	0.3	6.2	4.1	0.5	1.6	0.1
1958	13.0	2.7	3.3	0.7	0.3	6.0	4.0	0.5	1.5	0.1
1959	15.5	3.0	4.5	1.0	0.5	6.4	4.0	0.5	1.9	0.1
1960*	15.0	2.9	4.2	1.2	0.4	6.3	4.0	0.4	1.9	0.1
Index (1955 = 100)										
1959	135	115	189	238	170	112	112	90	118	134
1960*	130	110	176	271	148	111	111	83	115	131
Percentage Distribution										
1955	100%	23%	21%	4%	2%	49%	31%	4%	14%	1%
1959	100	19	28	8	3	41	26	3	12	1

*January-October at annual rate.

SOURCE: Total Export and Import Trade of the U. S.—January-December, 1959 and January-October, 1960 (Pt. 3—No. 60-6; and 61-1) World Trade Information Service, U. S. Department of Commerce.

ute to the areas' economic expansion.

Africa and Asia

Data on *Africa* are scattered. *Export* earnings have risen by more than 10% since 1958 despite a 4% decline in export prices; on the other hand, *imports* have increased since 1959. The countries of the Franc zone, being specialized in tropical foodstuffs for a sheltered market, experienced a steady and balanced rise in foreign trade. Both the Sudan and the Egyptian Region of the United Arab Republic improved their external position with higher long staple cotton prices since mid-1959.

Africa's export earnings have been tied to quite a considerable extent to economic expansion in Europe; near-term prospects for such exports appear favorable. Africa's *capacity to import* in the near future is also likely to be increased by private or public capital flows on a number of large projects. Public external assistance may be expected to continue or even increase in some African countries, main sources: the European Development Fund of the Common Market, France and the U. K. and finally the U. S. agencies that are showing an increasing interest in Africa. Despite major uncertainties in some African areas, this continent's requirements for future imports of goods (and perhaps even more of technical assistance) are likely to be as high tomorrow as today.

Asia's terms of trade have improved. Prices of rubber, cotton, tin and lately also in that of tea and jute have risen. There has been, however, in 1958-59 some reduction in *imports* by the area as a whole, thus improving the trading account, which was badly out of balance in 1957. Most striking is, however, the growth in imports of capital goods which reflects an intensive drive towards industrialization and modernization in all production sectors. Correspondingly, rapid progress has been achieved in industrial production in most Asian countries.

Development plans covering the first half of the 1960's have recently been set up by the governments of India, Pakistan, Thailand, the Federation of Malaya and other countries. While considerable domestic efforts are expected to be forthcoming, here again dependence on foreign resources will remain basic for quite some time to come.

III
Developments Abroad and the U. S. Business

Speaking of one area after another, I have indicated that the import possibilities have either increased or at least maintained in most countries and clearly the success of U. S. exporters will depend largely on their strength in competing with European and Japanese producers. This would be even more true if economic conditions in Europe should become less favorable and if, as a consequence, European governments should adopt new measures to encourage their own exports.

But foreign aid is an essential part of this general picture: external capital needed by less developed countries for their economic development will, to say the least, not decline over the years to come. According to a recent publication of the OEEC the net contribution of external capital (including private capital) to all less developed countries has been of the order of $7 to $7½ billion a year during 1957-59. In view of higher development efforts in less developed countries on the one hand and of strengthened balance of payment conditions in many industrialized countries on the other, further increases in the net contribution of external capital, particularly from European sources, to development is not unlikely. But one may perhaps expect a decline in the relative, if not the absolute level of the U. S. contribution to economic development. This tendency can already be traced in the last few years; according to the OEEC publication mentioned before, the relative share of the U. S. in net capital flows to less developed countries has declined from around 60% in 1956 to around 50% in 1959 for public capital, and for private capital, from 41% in 1956 to 29% in 1959.

Summary

Summing up, the over-all picture shapes up somewhat as follows: a prosperous Europe, a very prosperous Japan are both competitors and attractive outlets for U. S. exports. The developing areas have, thanks to the continued advance in Europe and in other industrialized countries, maintained a fairly stable, if not growing, market for their raw material exports. This is also a competitive area for manufactured goods. If Europe can maintain the pace of its advance, the U. S. should normally benefit by it.

*From an address by Mr. Rist before the National Industrial Conference Board, Houston, Texas.

National S. E. Expands Board

Two additions have been made to the Board of Governors of The National Stock Exchange, bringing tne total to seven. The new board members are Rolf R. Roland, general partner of Model, Roland & Stone, and Robert Seigel, Vice-President of Brand, Grumet & Seigel.


Rolf R. Roland


Robert Seigel

Mr. Roland specializes in overseas arbitrage for Model, Roland & Stone. Mr. Seigel has been with Brand, Grumet & Seigel for six years and has been Vice-President since 1959.

N. Y. Stock Exch. Open July 3

In response to inquiries, Keith Funston, President of the New York Stock Exchange, has said that the Board of Governors has considered the question of the Exchange's closing on Monday, July 3, and had decided that the Exchange would be open for business as usual.

Named Director

Richard L. Bowser, a partner of State Street Research & Management Company, Boston, has been elected to the Board of Directors of Gulton Industries, Inc., it was announced at Gulton's annual stockholders' meeting by Dr. Leslie K. Gulton, President and Chairman.

Estate Funding Branch

SAN JOSE, Calif.—Estate Funding Corporation has opened a branch office at 1425 Foxworthy, under the direction of Thomas Barnes.

Insured British Unit Trusts a Huge Success

By Norman F. Dacey, *President, Norman F. Dacey & Associates, Inc., Bridgeport, Conn.*

American mutual fund specialist enviously reports Britain has the first insured mutual fund. Mr. Dacey describes the provisions guaranteeing future net asset investment value, and observes that a similar idea here was rejected by Lloyds.

The British unit trusts, the equivalent of our American mutual funds, have stolen a march on their counterparts on this side of the Atlantic. Just recently was reported the completion of a highly-successful offering of more than four million shares of Falcon Trust with an iron-clad, insurance company backed guarantee that the net asset value 10 years from now will not be less than that on the offering date.


Norman F. Dacey

The "guarantee" costs the investor a 5% premium above the offering price. British investors cheerfully paid the premium—in fact, subscriptions for a quarter of a million shares had to be rejected as the issue was over-subscribed.

Falcon Trust is sponsored by Dillon, Walker & Co. Ltd., of London, sponsors and distributors of the three-year-old Unicorn Trust, with one of the best sales and management records of all the British trusts, and the Community Unit Trust, popularly known as "Cupids."

Peter E. Walker of Dillon, Walker is also the Walker of Walker, Moate & Co., a leading London firm of insurance brokers. Taking advantage of these insurance connections, the unit trust sponsors entered into an agreement with the London & Edinburgh Insurance Co. under which that company underwrites the guarantee offered in connection with the Falcon Trust offering.

How British Mutual Funds Are Sold

The latter took the form of a "block-offer," a merchandising device peculiar to the British unit trust industry. All unit trusts are open-end, like their American counterparts and shares may be purchased on any day at the current quoted price. Since the British Board of Trade sternly prohibits what it calls the "hawking of securities," the unit trust people may not openly approach persons believed to be prospects, but must wait until such persons send in coupons or otherwise give an indication of interest in the offering. It had become a general custom, then, to make a "block offer" of one or two million shares at a price set by the sponsors. The issue is prominently advertised and the public is deliberately given the impression that only a limited number of shares are available and when these are gone, no more are to be had. A sense of urgency is thus created which the British investment men have discovered encourages the mailing in of subscriptions.

That the insurance underwriters remained a little uncertain about the risk is indicated by the fact that when subscriptions for 1,577,000 insured shares were received, along with additional orders for 2,650,000 uninsured shares, the insurance underwriters insisted upon limiting the sale of insured shares to 1,250,000, and the excess subscriptions for more than a quarter-million shares had to be returned unfilled.

It is interesting to note that the sale of uninsured shares also far exceeded the hopes of the sponsors. Perhaps the buyers reasoned that if the sponsors were confident enough of the future value of the shares to provide the insurance guarantee, then purchasers could enjoy a measure of safety in the issue without actually paying the insurance premium.

Peter Walker reports that there is no doubt that a great many more shares could be sold on the insured basis and his firm will explore the possibility of expanding the insurance coverage already obtained.

Lloyds Turned Down Plan Here

The insured investment idea was rejected as a risk by Lloyds last year. Distributors of an American contractual plan in one of the largest and oldest balanced mutual funds attempted to obtain insurance coverage to the extent of the investors' payments in the contractual plan. Thus, on a $100 per month account, the planholder would be guaranteed that his account would be worth not less than the $12,000 he had paid into it at the end of the 10 years. The proposed coverage was considered by Lloyds at the highest level and rejected with the explanation that the British insurance complex could not undertake to underwrite the value of an investment.

The investment coverage of the Falcon Trust shares goes well beyond the proposition rejected by Lloyds. Whereas the contractual plan contemplated the reinvestment of all dividends and distributions, and these would have materially enhanced the value of the account at the end of the period, the Falcon Trust insurance is a guarantee that the **net asset value** of the share will not be lower at the end of the 10 years and thus excludes dividends and distributions.

American mutual fund men, playing host to British unit trusters here to survey our methods with a view to duplicating our sales successes, have proudly pointed to a host of special features which our funds have designed to add to their usefulness to the investor. In my view, nothing that we have done approaches in importance this British guarantee of future investment value. Does it suggest that they have a greater confidence in the future of their economy than we have in our own?

In any case, they have offered us a real challenge.

Form Seidman & Williams in N.Y.C.

Seidman & Williams has been formed with offices at 26 Broadway, New York City to engage in a general securities business. Partners are Joseph R. Seidman and George L. Williams. Mr. Seidman was formerly a partner of Lloyd Haas & Co., with which Mr. Williams was also associated as manager of the trading department.

Form D. L. Natale & Co.

D. L. Natale & Co., Inc. has been formed with offices at 170 Broadway, New York City, to engage in a securities business. Officers are Dominick L. Natale, President and Treasurer; Rocco J. Natale, Vice-President; and C. C. Natale, Secretary. Dominick Natale was formerly with William, David & Motti, Inc.

BANK AND INSURANCE STOCKS

This Week — Bank Stocks

Of the twelve banks included in table below, three did not report earnings for the first quarter of 1961. Of the remaining nine, six showed increases as compared with the same period of 1960. The other three showed declines; however, much of this may be attributed to either merger or expansion. On the average, the major New York City banks showed a 7% decline in earnings for the first quarter of 1931. The only increase in this period was recorded by the Chemical Bank New York Trust Company. This increase may be attributed to the costs resulting from the merger which unduly depressed earnings in the first quarter of 1960.

Over the past decade New York City banks have had an average annual growth in earnings per share of 8%. The banks shown in the tabulation have had an annual increase of approximately 7.5%. Both growth rates compare favorably with the increase record by utility companies. The annual rate of increase of those companies used in the Dow Jones Utility Index for the same period was 5%. As indicated, the present average price earning-ratio of the above "growth" banks is 20.5 times. This ratio appears modest when compared to many of the ratios of stocks of utility companies in the same areas. Although bank stocks have been regarded as one segment of the equity field where yield may be obtained, this advantage no longer exists. In spite of this, it is necessary to consider the payout which is usually less than 50%. Obviously over the years, dividend increases are imminent.

Within the past two years the Justice Department has assumed an active role in the ruling on bank mergers. Prior to this time the three Federal banking agencies have had the responsibility of approving or disapproving bank mergers. Direct action has been taken in Philadelphia, where a suit was filed by the Justice Department to prevent the merger of the Philadelphia National Bank with the Girard Trust Corn Exchange Bank. In addition the Department has also taken action delaying other bank mergers and to force divestment of one of the subsidiary banks of the Bank Stock Corporation (Milwaukee)—a holding company. Although the Justice Department may not win these suits in court, they have delayed many mergers.

The Omnibus Bill in New York State has given the New York Banks the opportunity to extend branching. This may be done either through merger or through building. Two of the New York City banks—Bankers Trust Company and Morgan Guaranty Trust Company—now have proposed bank holding companies. It is possible that these expansion opportunities may well be frustrated by the Justice Department. Thus what was considered an opportunity for further growth for New York banks may be some time in developing.

Many of the banks in the West and Southwest have recently undergone mergers with the exception of the three banks in Texas, which have been affected by the laws prohibiting branching. Further growth of these institutions, therefore, will probably not have to be determined by the Justice Department.

In view of the absense of these legal obstacles plus the growth performance and reasonable price relative to earnings of many of these stocks, they appear to be an attractive area for investment. As indicated, over the long run the dividend performance should also continue to be most favorable.

Western and Southwestern Banks

The following indicates recent earnings performance, market price and price earnings ratios of the major banks in the area under discussion.

	% Increase in —Earns per Sh.—						
	1959-1960	3/31/61 over 3/31/60	Recent Market Price	1960 ÷ Earnings	P/E Ratio	Dividend	Yield
Bank of America	8.0	*	$58	$3.64	15.9	$2.00	3.4%
Crocker Anglo Natl. Bank	16.4	8.7	60	2.98	20.1	1.40	2.3
First City National Bank (Houston)	2.7	*	41	2.70	15.2	1.25	3.1
First Natl. Bank in Dallas	16.0	19.3	54	2.62	23.8	1.50	2.8
First Security Corp. (Utah)	3.2	7.8	40	2.28	17.6	.90	2.2
Republic National Bank (Dallas)	5.6	3.0	73	2.99	24.4	1.68	2.3
Seattle First Natl. Bank	14.5	*	66	3.87	17.1	1.70	2.6
Security First Natl. Bank (L. A.)	11.8	2.0	79	4.06	19.4	1.60	2.0
Union Bank (Los Angeles)	9.7	21.4	79	2.59	30.5	1.28	1.6
Valley Natl. Bank (Phoenix)	6.7	12.4	62	2.46	25.2	1.00	1.6
Wells Fargo-Amer. Trust (S. F.)	10.7	15.1	76	4.04	18.8	1.60	2.1
West'n Bancorp'n	6.7	9.0	34	1.75	19.4	.80	2.4
Average	9.3%				20.6		

*Not reported.

Julie Research Laboratories Common Offered

C. E. Unterberg, Towbin Co. heads an underwriting group offering 100,000 shares of Julie Research Laboratories, Inc. common stock at a price of $10 per share. The offering marks the first public sale of the company's common stock.

Julie Research Laboratories, Inc., New York City, has developed and produced ultra-precision prototypes of components and instruments which it has manufactured and marketed to met exacting research, industrial and military requirements, and then adapted to quantity production as precision products for a substantially broader range of applications. The company presently manufactures and sells 35 catalog items of resistors and resistor networks, and 15 items of instruments such as voltage dividers, voltage references and voltage/current potentiometers.

Outstanding capitalization of the company will consist of 400,000 shares of common stock.

None of the proceeds from the sale of the stock will accrue to the company as the shares are already outstanding and are being sold for Loebe Julie, president.

National Radiac Common Offered

Public offering of 75,000 shares of National Radiac Inc. common stock, at a price of $4 per share, is being made by Hardy & Hardy. The securities are being offered as a speculation.

Net proceeds from the sale of the common stock will be used for the expansion of the company's internal and external sales organization; for enlargement of its manufacturing facilities; for research and development; and for an extensive advertising campaign in trade journals. The balanace of the proceeds will be added to working capital and used for general corporate purposes.

The company, of Newark, N. J., manufactures organic and inorganic scintillators, which are used for the detection and measurement of ionizing radiation. Energy absorbed from the incident radiation by a scintillation crystal is converted into fluorescence photons (light) which is then detected by a photomultiplier. Such crystals are now widely used in atomic energy installations, civil defense hospitals and research laboratories of all kinds.

For the year ended Aug. 31, 1960, net sales of the company were $116,260. Upon completion of current financing, outstanding capitalization of the company will consist of 195,000 shares of common stock.

Now D. K. Kelly Co.

SHERMAN OAKS, Calif.—D. K. Kelly and Company, Inc., 4421 Ventura Canyon, is continuing the investment business of Donald K. Kelly.

Now Switzer Co. Inc.

SILVER SPRING, Md.—The investment business of the Harry Switzer Company, 1005 Bonifant Street, is being continued by Switzer & Co., Inc.

Connecticut Bankers

At the annual convention of the Connecticut Bankers Association, the following officers were elected:

President: Frederic E. Hudson, Second National Bank of New Haven.

Vice-President: Ogden Bigelow, Fairfield County Trust Company, Stamford.

NEWS ABOUT BANKS AND BANKERS

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

John W. Marx

John W. Marx has been elected a Vice-President of **Chemical Bank New York Trust Company, New York,** it was announced by Chairman Harold H. Helm. He joined the bank in 1943, rose through the ranks and was elected an Assistant V. P. in 1956. Mr. Marx is with the Bank's Metropolitan Division at its 34th Street & Fifth Avenue Office.

* * *

Chemical Bank New York Trust Company, New York and the **Long Island Trust Company, Garden City, N. Y.** have called special shareholder meetings for July 12 to act on the proposed merger of the two institutions.

The plans of the consolidation were given in the June 1 issue of the "Chronicle" page 2403.

* * *

Samuel H. Woolley

The appointment of Samuel H. Woolley as an Executive Vice-President of **The Bank of New York** has been announced by Albert C. Simmonds, Jr., Chairman. Mr. Woolley was appointed chief investment officer of the Bank late last year and at the same time was placed in charge of the Investment Division.

* * *

Robert M. Hill and John P. Morgan, 2nd, have been elected Vice-Presidents of **Morgan Guaranty Trust Company of New York,** it was announced today by Henry C. Alexander, Chairman of the Board.

Mr. Hill is assigned to Morgan Guaranty's international banking division. After graduation in 1947 he was employed by **Guaranty Trust Company of New York,** which merged with **J. P. Morgan & Co. Incorporated** in 1959 to form Morgan Guaranty. He became an Assistant Manager in 1955 and an Assistant Vice-President in 1958.

Mr. Morgan, who is in the general banking division, joined J. P. Morgan & Co. in 1946. He became an Assistant Treasurer in 1950 and an Assistant Vice-President in 1958.

Also announced were the elections of Charles E. Blackford, III, Richard F. Dundore, Thomas H. Jordan, and Charles G. Schmidt as Assistant Vice-Presidents. All had been Assistant Treasurers. Howard B. Edel and Grainger S. Greene, formerly Assistant Trust officers, were elected Trust Officers.

The following were elected Assistant Treasurers: Frederick A. Cushing, John A. Snyder, John E. Strong, David D. Wakefield, George D. Cashman, Joseph E. Ruddick, Ronald S. Simpson, John L. Sowarby and James Sperber. David B. Dyche, Jr., Miss Carol M. Humphreys, and Henry C. Schreier, Jr., were elected Investment Research Officers George Snyder was elected an Assistant Secretary.

The appointment of A. Halsey Cook, Vice-President-Operations, as an Executive Vice-President has been announced by the **First National City Bank of New York.** For many years, Mr. Cook served in the bank's Wall Street district and more recently has headed the operating division, a responsibility he will keep. The bank also announced the promotion of four Assistant Vice-Presidents to Vice-President. They are David S. Baker Jr., Park Avenue and 57th Street branch; James S. Deely, New England district; Walter Blenk, trust division; and John M. Martin, trust division.

* * *

Appointment of Carl H. Oelkers as an Assistant Vice-President of **Manufacturers Trust Co., New York,** was announced by Horace C. Flanigan, Chairman of the Board.

Mr. Oelkers came to the Bank in 1928. He was appointed to an Assistant Secretary in 1952. Mr. Oelkers is assigned to the Bank's Portfolio Department at 44 Wall Street, New York.

* * *

Joseph C. Cantwell, formerly an Assistant Treasurer in **Bankers Trust Company, New York,** branch administration department, has been named an Assistant Vice-President, it was announced June 21, by William H. Moore, Chairman of the Board.

Simultaneously, Mr. Moore made known the election of Edwin R. Loughrey, Public Relations Department, Cornelius A. O'Brien, Long Island City Office, Daniel W. Seitz, Central Division and Henry Zukowski, Bond Department, as Assistant Treasurers and of Charles W. Chrisler and F. Malcolm Graff, Personal Trust Administration, as Assistant Trust Officers. Robert B. Kamsler, of the bank's Van Wyck Office, has been named Manager.

Mr. Cantwell joined Bankers Trust in 1948 and was assigned to the bank's Pitkin Avenue Office. Subsequently, he served the company in its Credit Division, at the Graham Avenue and Long Island City Offices, and joined Branch Administration in 1960.

* * *

Grinnell Morris, Executive Vice-President of the **Empire Trust Co., New York,** and Alfred S. Olmstead, Vice-President, were elected Directors of the Bank.

* * *

The Greenwich Savings Bank, New York, elected John E. Lockwood a Trustee.

* * *

Robert B. Baxter has been elected a Trustee of the **Dime Savings Bank of Brooklyn, N. Y.,** it is announced by George C. Johnson, President and Chairman of the Board.

* * *

G. Tyler Baldwin, John E. Bowles, Leslie J. Christensen, Harold Koch, Robert C. Kurzweil, George A. Monahan, Grenville H. Paynter, Frank D. Sullivan and R. Bergen Van Doren have been appointed Assistant Vice-Presidents of **Chemical Bank New York Trust Company, New York,** Chairman Harold H. Helm announced. All are with the bank's Metropolitan Division except Mr. Paynter who is in the National Division.

* * *

Kings Highway Savings Bank, Brooklyn, N. Y., will open its first suburban office June 23, in Wantagh, Nassau County. The new branch is located on Wantagh Ave., near Jerusalem Ave.

Edward A. Traviesas of Stewart

Manor, the Bank's Assistant Secretary, is Manager of the new office, and Mrs. Gertrude E. Hill of Wantagh is Assistant Manager.

* * *

John E. Tobin, has been elected a Trustee of the **Yonkers Savings Bank, Yonkers, N. Y.,** to fill a vacancy caused by the death of John J. Rust.

* * *

The Schenectady Trust Company, Schenectady, N. Y. received approval from the New York State Banking Department on June 15 for a change in the number and par value of shares of Capital Stock from 125,000 shares of the par value of $16 each, to 200,000 shares of the par value of $10 each.

* * *

The Federal Reserve Board has granted the request of the **Marine Midland Trust Company, of Southern New York, Elmira, N. Y.** to reconsider its application to acquire the **First National Bank of Ithaca, N. Y.**

The Marine Midland Corporation, the holding company of the trust company will argue its case orally on June 27.

* * *

The Farmers & Merchants Bank of Spencer, New York, Spencer, New York, application for permission to merge with **The First National Bank of Candor, Candor, New York,** under title of The Farmers & Merchants Bank of Spencer, was approved on May 31 by the Board of Governors of the Federal Reserve System.

* * *

Willard E. Roberts, has been elected a Director of the **City Trust Company, Bridgeport, Conn.,** Robert H. Whitney, President, announced yesterday. Mr. Whitney also announced that Frank R. Gregory had been promoted from Assistant Treasurer to Assistant Vice-President.

* * *

Louis R. Managh, was elected a Director of the **Fidelity Union Trust Co., Newark, N. J.**

* * *

The Merchants Trust Co., Red Bank, N. J. and the **Asbury Park-Manasquan National Bank,** of **Asbury Park, N. J.,** announced plans to merge.

The consolidated bank would be called the **First Merchants National Bank.**

The proposed merger is subject to the approval of stockholders and regulatory authorities.

* * *

John G. Maloney has been appointed Trust Officer of **Mellon National Bank and Trust Co., Pittsburgh, Pa.,** according to Frank R. Denton, Vice Chairman.

* * *

Stockholders of **Western Pennsylvania National Bank, Pittsburgh, Pa.,** and stockholders of the **Bank of McKees Rocks** in separate meetings approved the consolidation of the two institutions.

The Bank of McKees Rocks will become the 27th community office of Western Pennsylvania National. The combined organization will have total resources of more than $220,000,000.

* * *

Howard Bruce, Organizer, Chairman and President of the **Baltimore National Bank, Baltimore, Md.,** died on June 17 at the age of 81.

* * *

Equitable Trust Co., Baltimore, Md., elected Joseph A. Bognanni, Melvin W. Harrison, Earl H. Lentz, J. Edward Lucas and Nancy D. Michell as Vice-Presidents.

* * *

The election of Stephen L. Mathewson to the Norfolk Board of the **Bank of Virginia, Richmond, Va.,** was announced June 15 by Herbert C. Moseley, Bank President.

American Fletcher National Bank & Trust Co., Indianapolis, Ind., elected Donald L. Dungan a Vice-President and Charles H. Hittle a Vice-President and Cashier.

* * *

Harris Trust and Savings Bank, Chicago, Ill., announced the promotions of H. Charles Becker, banking department, and Wayne O. Viner, savings department, to Assistant Vice-Presidents. Both had been Assistant Cashiers.

Other new officers include William W. Howell and Frederic L. Webber, Assistant Cashiers in the banking department, and John W. Cooper, Assistant Secretary in the trust department.

* * *

Live Stock National Bank, Chicago, Ill., named Robert E. Hamilton and Lewis L. Holland, Vice-Presidents.

* * *

The Peoples National Bank of Richmond, Kansas, with capital stock of $50,000 was converted into a state bank under the title **"The Peoples State Bank of Richmond," Kansas,** effective as of the close of business May 31.

* * *

The First National Bank of Warren, Warren, Ark., opened for business June 16 as a member of the Federal Reserve System.

The new member Baank has a capital of $150,000 and surplus of $125,000. Its officers are: F. M. Holt, President; A. L. Moody, Vice-President and Cashier; W. R. Warner, Vice-President; Mrs. Helen N. Harris, Assistant Cashier; Miss Lois Goss, Assistant Cashier; Gordon Price, Assistant Cashier; Miss Verla Jenkins, Assistant Secretary.

* * *

First Security Bank of Utah, National Association, Ogden, Utah, increased its common capital stock from $7,000,000 to $10,000,000 by a stock dividend, effective June 7. (Number of shares outstanding 400,000 shares, par value $25.)

* * *

Bank of America, San Francisco, Calif., elected Douglas R. Hobson as Vice-President of the administration operations department at the bank's head office.

Ruiz Opens Office

BROOKLYN, N. Y.—Justo Ruiz is conducting a securities business from offices at 2265 Ocean Parkway.

Two With Calif. Investors

LOS ANGELES, Calif. — Fred R. Lester and Richard D. Philpott have joined the staff of California Investors, 3932 Wilshire Blvd., members of the Pacific Coast Stock Exchange.

Now Corporation

OGDEN, Utah — The investment business of George R. Wright & Co., 388 Twenty-third, is now being continued by George R. Wright and Co., Inc.

A. G. Capps Opens

(Special to THE FINANCIAL CHRONICLE)

GARDEN GROVE, Calif.—Albert G. Capps is engaging in a securities business from offices at 13141 Brookhurst Street. He was formerly with California Investors.

SECURITY SALESMAN'S CORNER

BY JOHN DUTTON

Should Investment Firms Hold Sales Contests?

Some years ago a client of mine was asked by one of his friends if he would send some business to his son who had just obtained a position as a security salesman with a brokerage firm. The young man was only a beginner, and the father thought that his friend, who knew many people, could help the cub salesman get started. This, in substance, is what my client told him. "I don't think you know the implications of the favor you are asking. I believe you mean well but you haven't thought this through. Now, let me tell you what could happen. Suppose I send several people to your son. They then turn over their hard-earned savings to him. He also means well. He is with a good firm. Let us even assume that these people will receive sensible advice on what to buy and when to buy it. Then the next day the President gets a coronary, or Mr. Khrushchev threatens to attack Berlin, the stock market collapses and panic is on.

Meanwhile, even the best stocks go down; my friends have losses; and where does that leave me? I am right out on a limb. Just to help your son make a few commissions you are asking me to recommend people to him who are going into one of the most risky propositions they could undertake, and that is to buy common stocks. I think you had better get someone else to bird-dog for your boy. If he was selling anything but stocks I might consider sending him some customers. But in my book, the stock market is not for amateurs, neophytes, or people who cannot afford to take risks. When it comes to investing, it's every man for himself, and that's the way I play it, because I've been buying and selling stocks for years and I think I know both the opportunity for gain and the risk of loss."

Investments Are Not Ordinary Merchandise

Recently I've heard of some investment firms offering prizes to their salesmen if they reach a certain amount of gross production in a stated period of time. Often these awards are of nominal value but are conferred with the idea that the salesman is immature enough to consider that, if he receives some such award, this makes him something special among his co-workers and also in the eyes of his firm. Any salesman who places his gross production of business ahead of his customer's welfare, in my book, doesn't belong in this business. And any firm that encourages production without recognizing the evils that it can produce is also on the wrong track in building a sales force and a clientele that will stand up and grow, in good years and bad.

It may be sound business procedure to offer trips to Europe, furniture, or even a few bronze medals if you are selling household appliances, encyclopedias, jewelry, or such things. There are large organizations that are specialists in devising ways so motivate sales organizations through sales contests. If a man buys a new vacuum cleaner for his wife, even though the old one is still working, because some smooth talking salesman got him to put it on the line, that won't hurt him very much. If he buys an extra set of books for his kids, or a new lawn mower, that won't do him any harm either. But if he takes his savings and he walks into some brokerage office and opens an account with an eager beaver security salesman, who wants to break some sales records and be the top producer for his firm, he is liable to find out that Mr. Salesman is thinking more about that new set of golf clubs, and that certificate of merit he is going to get as top salesman, than his customer's welfare.

Motivating salesmen to produce a high gross can be devastating to an investment clientele if people are persuaded to over-trade, if they are sold the wrong type of securities, or make any investment at the wrong time. Also, certain inactive, or speculative securities carry a high, gross mark-up, compared with average commissions. A salesman who is motivated to produce a high gross because of some inducement offered by his firm, might even be foolish enough to trade out good securities for others that show him a large commission profit. Such a procedure warrants no further comment, but it could happen.

As my friend pointed out when he was asked to recommend customers to a security salesman, investing is not something you can take lightly. There are great risks, some predictable and others completely beyond the ability of anyone to foresee. Investing is not an exact science; it is a skill that must be learned. If the securities business ever does become of age, we will certainly place security salesmanship on a professional basis. Those of us who have been working toward that end for many years certainly have been rewarded by the confidence that our clients continue to show to us year after year. Sales contests, prizes, medals, recognition and all these "gimmicks" may be practical in other lines of business but I think they should be discouraged by those investment firms that desire to conduct their business on a highly ethical and constructive plane.

J. P. Hunt Opens

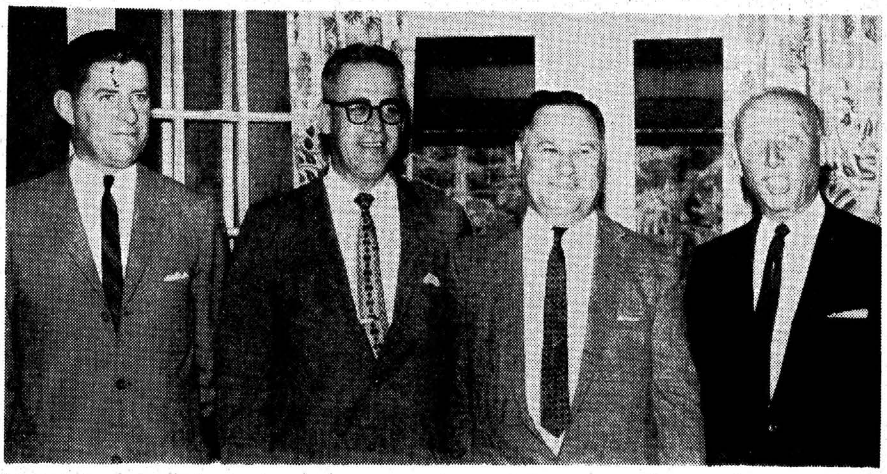
FT. LAUDERDALE, Fla.—Jack P. Hunt is engaging in a securities business from offices at 2787 E. Oakland Park Boulevard.

Form Wright, Redden

WASHINGTON, D. C.—Wright, Redden, Myers & Bessell, Inc. has been formed with offices at 1028 Connecticut Avenue, Northwest, to engage in a securities business. Officers are Jack C. Wright, President; Gerald L. Bessell, Vice-President; J. C. Myers, Treasurer; and Charles E. Redden, Secretary. All were formerly with American Diversified Securities Inc. Mr. Bessell, Mr. Myers and Mr. Redden were also previously with H. P. Black & Co.

Volume 193 Number 6066 . . . *A Supplement to the Commercial and Financial Chronicle* Thursday, June 22, 1961 (1)

Security Traders Association of Connecticut



Guy R. Hogarth, *Fahnestock & Co.*, New Haven; Crandon Leahy, *National Quotation Bureau*, Boston; Nicholas E. Fon Eisen, *Fahnestock & Co.*, Hartford; E. Norton Decker, *The R. F. Griggs Company*, Waterbury, Conn.

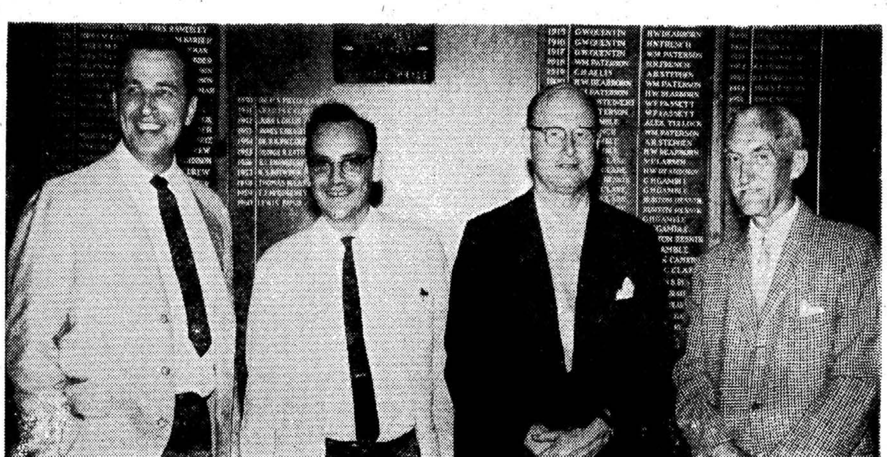
Hal Murphy, *Commercial & Financial Chronicle*, New York; Edward J. Beakey, *E. W. Eddy & Co.*, Hartford; Pat Caldana, *A. M. Kidder & Co., Inc.*, Bridgeport, Conn.; James Becker, *A. M. Kidder & Co., Inc.*, Bridgeport, Conn.

Richard Moore, *Coburn & Middlebrook, Incorporated*, Hartford; Robert Merrill, *Coburn & Middlebrook, Incorporated;* Hartford; Robert Lienhard, *Troster, Singer & Co.*, New York; Norman Maigret, *Coburn & Middlebrook, Incorporated*, Hartford

Donald MacLeod, *Blair & Co. Incorporated*, New York; Martin J. De Gennaro, *Blair & Co. Incorporated*, New Haven; Eddie Opper, *J. B. Maguire & Co., Inc.*, Boston; David Clarke, *White, Weld & Co.*, New Haven; Ray Humiston, *Lee Higginson Corporation*, New York

Bill Miller, *Chas. W. Scranton & Co.*, New Haven; Ree Bolognini, *Lasser Bros.*, New York; James Rybeck, *William H. Rybeck & Company*, Meriden, Conn.; Harry Sampson, *Chas. W. Scranton & Co.*, New Haven; Tom Creamer, *Chas. W. Scranton & Co.*, New Haven

Harry D. Cohan, *Denton & Co., Inc.*, Hartford; Robert Calvert, *Cooley & Company*, Hartford; William Mueller, *Wood, Struthers & Co.*, New York; William H. Rybeck, *William H. Rybeck & Company*, Meriden, Conn.

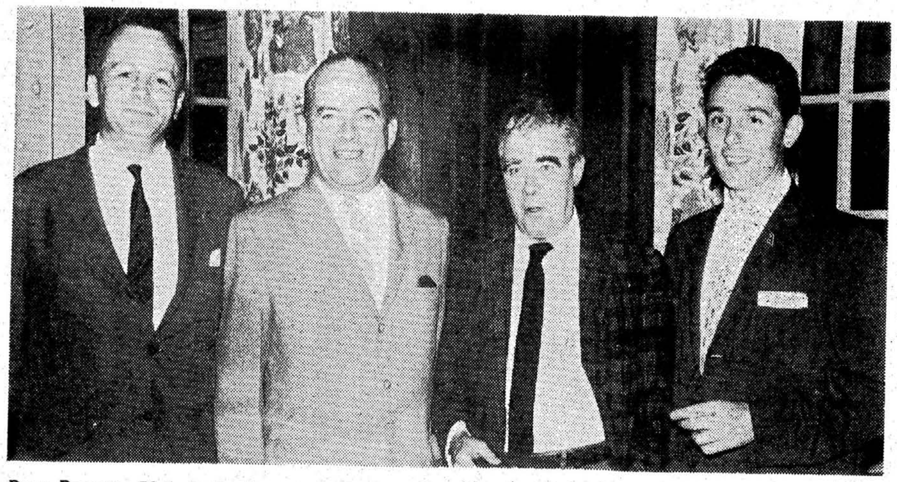


Edward Yusza, *Laird, Bissell & Meeds*, New Haven; Tom Wynne, *Blair & Co. Incorporated*, New Haven; John FitzGerald, *W. C. Pitfield & Co., Inc.*, New York; Duke Hunter, *Wellington Hunter Associates*, Jersey City, N. J.

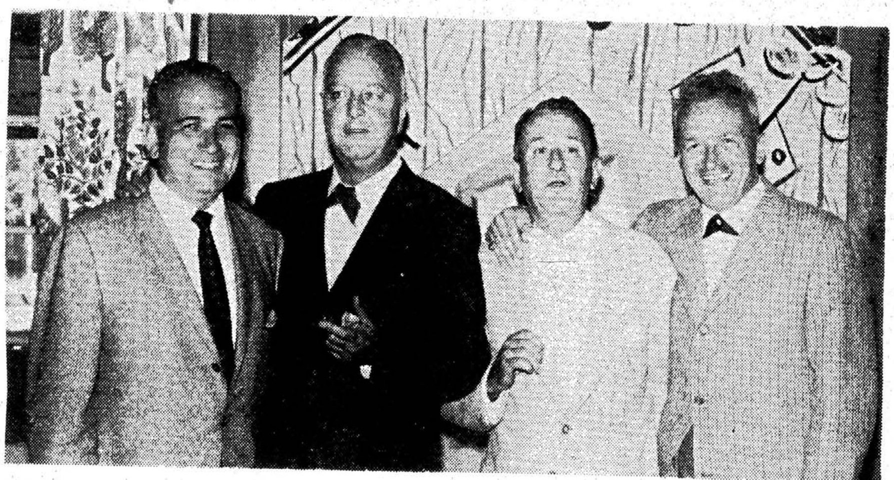
Wilbur Krisam, *John C. Legg & Company*, New York; Rudy Knablein, *Hincks Bros. & Co., Inc.*, Bridgeport, Conn.; John D. Ohlandt, *New York Hanseatic Corporation*, New York; Frank J. Murray, *Laird, Bissell & Meeds*, New Haven, Conn.; George Dockham, *Hincks Bros. & Co., Inc.*, Bridgeport, Conn.

Annual Summer Outing, June 2, 1961

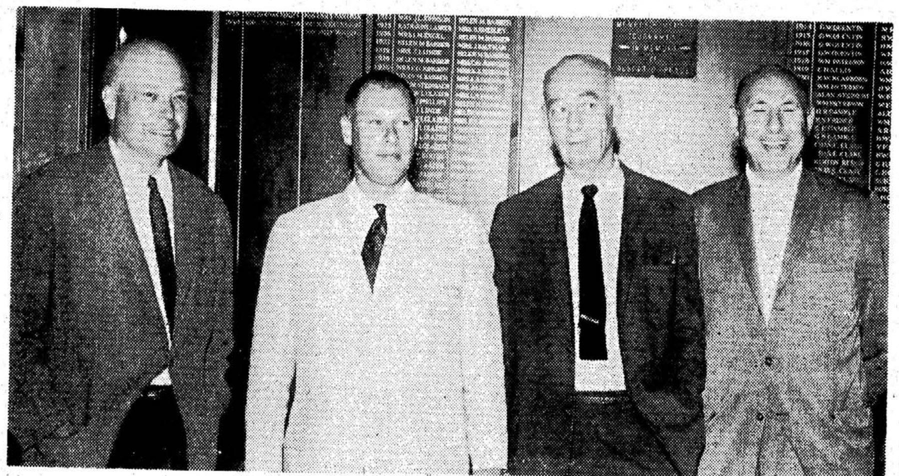
John Avignone, *Cooley & Company*, Hartford; Fitz "Red" Johnson, *Golkin, Bomback & Co.*, New York; Norris Rosenbaum, *Englander & Co., Inc.*, New York; Marvin Danielson, *Gude, Winmill & Co.*, New York



Dave Bennett, *Blair & Co. Incorporated*, New Haven; Ed Matthews, *G. H. Walker & Co.*, Hartford; Bill Bastian, *Blair & Co. Incorporated*, New York; Rocco Nuzzo, *Blair & Co. Incorporated*, New Haven

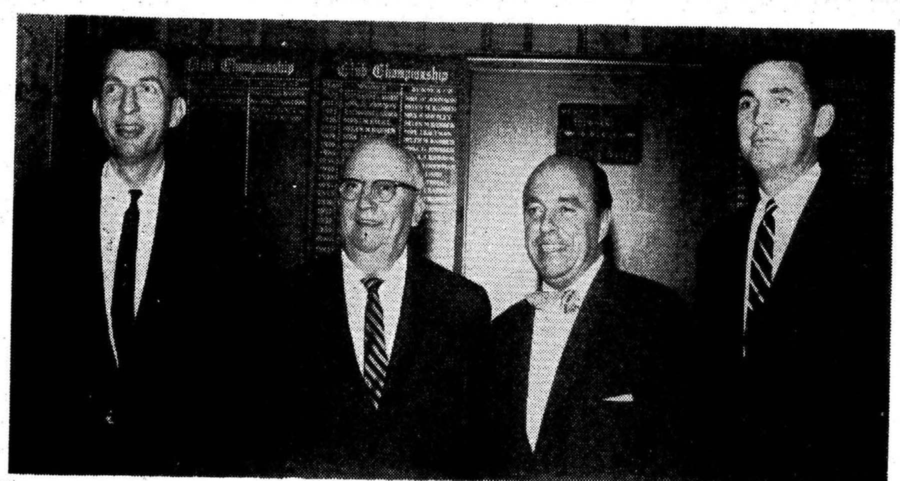


Jules Bean, *Singer, Bean & Mackie, Inc.*, New York; Richard Barnes, *A. M. Kidder & Co., Inc.*, New York; Nip Strothmann, *A. M. Kidder & Co., Inc.*, New York; Ree Bolognini, *Lasser Bros.*, New York



Frederic Sutton, *White, Weld & Co.*, New Haven; Bob Clemence, *Wood, Struthers & Co.*, New Haven; Frank Cilento, *Shearson, Hammill & Co.*, Hartford; Joseph Shure, *Bache & Co.*, New Haven

Harry Zeeman, *Carl Marks & Co., Inc.*, New York; Hank Serlen, *Josephthal & Co.*, New York; Richard Zeeman, *Ogden, Wechsler & Krumholz*, New York; Roger Nieman, *Shearson, Hammill & Co.*, New York



Kenneth Shieber, *Putnam & Co.*, Hartford; Phil Kendrick, *Securities & Exchange Commission;* Mel Hall, Securities Director, State of Connecticut; James Dowd, *Securities & Exchange Commission*, Boston

Howard Hadelburg, *Francis I. du Pont & Co.*, New York; King Ghegan, *Edward L. Tatro Company*, New York; Ken Murphy, *Blyth & Co., Inc.*, New York; Warren Elges, *A. M. Kidder & Co., Inc.*, New York; John Butler, *First Boston Corporation*, New York; Nip Strothmann, *A. M. Kidder & Co., Inc.*, New York; Peter Brodersen, *A. M. Kidder & Co., Inc.*, New York; Wilbur Krisam, *John C. Legg & Company*, New York

Maurits Johnson, *G. H. Walker & Co.*, Bridgeport, Conn.; Don Jacobs, *Conning & Co.*, Hartford, Conn.; George Angelos, *Chas. W. Scranton & Co.*, New Haven, Conn.; Eddie Opper, *J. B. Maguire & Co., Inc.*, Boston

Need to Reshape Free World Into Real Economic Forum

Continued from page 1

our area is far tinier. Our working population is even bigger than yours. We are the world's largest trader, and the world's largest market for raw materials. And just because our development was in the past held back by war and rivalry and the fragmentation of markets, we are only now beginning to make up the gap in our growth, and hence to expand at a remarkable rate. Between 1950 and 1959, the gross national product of the Community countries rose by some 74%: last year alone it rose by 7%, while our industrial production rose by 12%. Between 1953 and 1960 our productivity rose by 40%. A vigorous expansion of internal demand has caused investments to rise significantly. 1960 brought us the greatest rate of growth we have known for years. Community exports rose 13% to $19.6 billion; imports grew by 20% to $20 billion. Vis-a-vis the United States alone the Common Market had in 1960 a trade deficit of almost $1.5 billion. From 1959 to 1960 imports of chemical products from the United States rose by more than 40%, of finished products by 94%, and of vehicle by 95%. Thus, the United States is still the Community's main customer and her main supplier. This substantial increase in imports, incidentally, should make clear that we are a liberal trading community, not a protectionist one as some of our critics have tried to establish. This rate of growth does not mean, of course, that the European Community is outstripping the United States. Despite our rate of growth, our per capita gross national product is still between one-half and one-quarter that of the U. S. A. And while, for example, American investments in the Common Market countries have increased rapidly during the last few years, they still represent only about 1% of our annual gross investments, and in absolute terms total about the same in the whole Community as they do in Great Britain. Our standard of living, likewise, is still much lower than yours—although it is rapidly rising. A straight comparison, therefore, between American and European growth rates can be highly misleading if it leaves out of account the enormous head start which America enjoys.

Nevertheless, the rapid postwar growth of Western Europe, and especially of the European Community, does signify one very important thing. That is, that we are no longer in the unhappy and burdensome position of poor relations. I do not need to tell you the immense debt of gratitude that we in Europe owe to the United States—and to the United States taxpayer—for the aid that came to Europe after the war. But what I should like to say is that we in the European Community are now once more on our feet, with all the self-confidence that it implies. And this, gentlemen, is something new in Europe. It is another basic characteristic of the European Community as a new force in world affairs.

Accelerated the Rome Treaty

No one, in other words, now doubts that the Common Market is here to stay. We have accelerated the operation of the Rome Treaty—and this in response not to a mere administrative decision but to the activities of private business, which have run ahead of the politicians in their desire to enjoy the future full Common Market. When we negotiated the Rome Treaty, we were all concerned about the dangers and difficulties of giving up protective tariffs. Now we want to hasten the process, because we have come to see it not as the abandonment of safeguards but as the seizing of opportunities: not as the dismantling of defenses but as the provision of a new stimulus that our industry needs. And this process, already begun within the Community, is beginning to show its effects in our attitude towards the rest of the world. We always declared that we were liberal-minded. Not everyone believed us! But the Community was the first to accept Mr. Dillon's proposal for tariff negotiations, which should begin shortly in Geneva; and we have also proposed that these negotiations should be followed by a further round to bring world tariffs down further still.

The "Dillon negotiations" have not yet started, but even before they begin, our pragmatic approach has brought benefits for our trading partners. This is to anticipate the result of the GATT-negotiations by making a provisional reduction of 20% in the Community's external tariff applicable to goods of third countries. This measure was unanimously decided by the Community's member states at the same time as they agreed to accelerate the establishment of the Common Market by more rapid reduction of the internal tariffs applicable to goods flowing between our member states.

This decision to accelerate was a gigantic vote of confidence in the Community, echoing the vote of confidence already given by our private industries. It strengthened the Community in all its spheres. It has helped prepare the way for the present discussion of steps towards unity in the political field. It has certainly enabled a strengthened Community to be even more flexible and more liberal in its dealings with its friends and partners. In international affairs as in personal relations, the greater one's self-confidence, the greater one's willingness to relax and be friendly. Furthermore, the speedier we consolidate our own economic unity, the easier it will be for us to exert a liberal influence in world economic affairs. Our willingness to anticipate the results of the GATT-negotiations, I believe, is striking proof of this growing self-confidence, which makes it easier to be liberal.

Linear Reductions

I would like to quote a proposal made sometime ago by the assistant - secretary - general of GATT. He suggested the method of linear tariff reduction as already practiced within the Community and the countries of the European Free Trade Association.

Linear tariff reductions extended to all the contracting parties of GATT would, of course, be conditional upon adequate reciprocity. Some non - European contracting parties such as the United States have tariff procedures which do not allow linear reductions. We can envisage some postponement of reciprocity. This proposal would, in effect, leave both the Community and EFTA to develop into "low tariff clubs," and in itself might contribute to a solution of the internal European problem which would offer nothing but advantages to you, our friends on this side of the Atlantic as well. This proposal of the secretary-general is only one such possibility.

These are signs, I think, of a new self - confidence in Europe, born of a measure of success both in the European economy itself and in the working of the Common Market. But success brings with its responsibilities, what I should like to call responsibilities for interdependence. We in Europe have already enjoyed the fruits of your recognition of interdependence: Marshall Aid was one; the NATO shield is another. It is up to us, now that we are no longer poor relations, to play our full part in reciprocating these efforts. A liberal trade policy, such as we intend to pursue—such as our Treaty pledges us to pursue—is one such contribution. Indeed there are many things that can be done in GATT. I sometimes regard this organization as a world-wide Chamber of Commerce. But that, if I may say so in such a gathering, is too much a *laissez - faire* concept to suffice by itself. What we need in the western alliance is a kind of Ministry of Economics which not only looks after free trade but stimulates the development of harmanized short-term and long-term economic policy. Let me explain by making a slight digression.

So far, I have pointed — as a good advocate should — to the positive side of the Community's significance as a new factor in international affairs. It is a bulwark and a center of attraction: it is large and rapidly growing: it is successful, and it intends to be liberal. But what of the negative side of the picture? What of the problems? There must be some, clearly, for otherwise the picture would be too good to be true.

Negative Aspects

I am not going to be rash enough to ask anyone to list them for me. There are quite enough for me to list as it is. Perhaps the first is the question of so-called "discrimination" against American goods. By setting up the Common Market, we are bound to discriminate: for goods of member states will eventually face no tariffs when entering each other's markets, while those of the United States will have to face the common tariff surrounding us all.

I think I am betraying no secrets if I say that the attitude of the United States Government, as I understand it, has always been clear on this point. In its view, discrimination of this sort can be justified on two conditions. The first is that the economic disadvantage should be offset by political advantages—a real move towards integration, rather than a mere trading arrangement, and a real strengthening of the West. The second is that the degree of discrimination should be as small as is compatible with achievement of this objective. I do not know if I have rightly interpreted the attitude of your country: but I know that I have expressed that of ours. It is an attitude that conditions both our liberal trade policy and our policy towards other European nations that express a desire to share in our integration process.

Problem of Sixes and Sevens

This brings me, indeed, to a second problem: the wider European problem, the problem of Great Britain, the problem of the Six and the Seven—call it what you will. I myself do not believe in the so-called "split" in Europe. On the economic plane, Europe cannot be split by the mere fact of six nations, each of which previously had a national tariff, combining into a Community whose joint tariff is substantially lower than some of the national tariffs it replaces. This is not a "split" in Europe: it is a partial consolidation. Nor even is Europe "split" if a number of other countries, which did not jon the Community, themselves decide to oranize a free trading area among themselves. This is further discrimination, if you like, but it is also further consolidation. And on the political plane, "splits" do not take place unless they are brought about by a deliberate political choice. Such a choice, I am perfectly certain, no responsible statesman of the present day would dream of making.

This, however, does not relieve us of the responsibility for doing all that we can to remedy any real difficulties that arise because of the existence of the Six and the Seven: and here once again it is our duty to think, and not in the last instance, of the United States, too. Any solution to the Six - Seven problem must obviously take full account of the needs and wishes of America. That is why we have always stressed the open character of our Community. Any European country that is prepared to accept the rules of the Rome Treaty, including the political promise that it represents, is very warmly welcome as a recruit to the Community. We know that this is a difficult choice, because it entails a fundamental commitment: it means adopting a method which has proved its worth but which demands real sacrifices. As I said just now, there are signs that Great Britain is rethinking this whole problem: they are signs that we welcome.

But this problem itself is not essentially something for which the Community is wholly responsible. It is, if you like, a problem that the Community's existence has merely highlighted, and brought into sharp relief. It existed already in 1947 and 1948, at the time of the foundations of O.E.E.C. It was not solved then —and for a decade the question remained ambiguous: how was Europe as a whole to respond to the challenge of scale that the postwar period had made urgent? Now, partly owing to the emergence of the Community, that question has become acute enough for an answer to seem possible.

What is more, if in this way the creation of the European Community has only spotlighted a problem that would have arisen, perhaps more gradually, in any case, the same is true of many of the other questions that vex us all.

There is the problem of the developing countries. It is a problem that has been growing more acute as their terms of trade have worsened; and it is one to which the European Community is now in a position to make its full contribution — another mark, if you will, of interdependence.

Problem of Agricultural Surpluses

There is the problem of agricultural surpluses. Our need for a common agricultural policy has merely thrown this problem into greater relief.

The problem has its roots in the amazing technological revolution in agricultural production. Here in America, some 7 million agricultural workers are producing food and fiber of outstanding quality and in such quantity that some parts of your domestic market are saturated and surpluses are building up for which outlets must be found in other markets. This revolution has spread to Europe. In the European Economic Community, some 25% of the population now supplies the need of the remainder for many farm products. Given our obligations to the developing world, what is to be the fate of those young countries which still depend largely for their national revenues on the sale of crops? Finding an equitable balance will require cooperation of a high order. We must all work for an agricultural policy that will avoid surpluses, and I know that this is the goal of the farm policy enunciated by President Kennedy and Secretary of Agriculture Orville Freeman.

U. S. A.'s Balance of Payments Problem

Last but not least, there is the problem of the American balance of payments — which is quite a separate issue from that of trade balances, since last year the trade balance ran markedly in America's favor. This is a problem—the payments problem — which is closely linked to the aid problem, and to a further problem that we are only just beginning to approach: that is the problem of stable currencies and international liquidity. All these questions, I repeat, would have existed even had the European Community never been created. Our existence merely shows them in a new light.

But what is more important, in my view, is that many of these difficulties—although immediately more evident—become easier to solve once the existence of the Community becomes a fact. One simple reason for this is the concentration of effort that the Community itself implies. Another is its concentration of resources. A third is the fact that the Community itself must study such issues even within its own borders. Take for example the still unsolved problem of the business cycle that I mentioned at the beginning. We are facing this problem within the Community: we have set up a special body from all the six countries with the sole function of dealing with just this. I cannot pretend that we have yet succeeded: but our efforts, already involving six countries, are a basis on which a wider approach could be founded. The same is true of the monetary problem. In addition to the normal contacts between bankers — and heaven knows that they are multiple already! — we have instituted a regular process of collaboration between our central banks. This process could be extended. And the same is true, I personally believe, of a whole series of activities in which the Community is seeking to point the way ahead.

Where does that way ahead lie? In my view, it lies in the direction of a reshaping of the international order on an Atlantic scale. Already, the modest beginnings of such a movement are coming into existence in the form of the O.E.C.D. This new Organization for Economic Cooperation and Development will bring the United States and Canada for the first time as full members into a forum for Atlantic economic cooperation with the European member countries of the former O.E.E.C. Unlike its predecessor, the O.E.C.D. will look outwards, not inwards. Its aims are Atlantic cooperation—and free world development. It has been aptly described, by my friend, a Member of the Commission, Jean Rey, as "the economic conscience of the free world." But it can be more even than that. If we wish it, this organization can develop into a real forum for cooperation such as has never existed in the world: a means of achieving, between free nations and continents, a degree of mutual assistance that can outclass any merely imposed central planning as is practiced by the countries of the Comecon, of the Communist bloc. If we wish it. We must wish it! Already, as we sit and discuss our debated policies, the great grizzly bear is scratching at the door.

*An address by Dr. Hallstein before the National Industrial Conference Board, New York City.

Clearihue With McLeod, Young

(Special to The Financial Chronicle)

BOSTON, Mass.—Lloyd Clearihue has become associated with McLeod, Young, Weir, Incorporated. Mr. Clearihue was formerly Boston manager for A. E. Ames & Co., Incorporated.

Form Superior Investors

JACKSON, Miss.—Superior Investors, Inc. has been formed to engage in a securities business. Mail address is Route 5, Box 328. Officers are Emory E. Wood, President; and William D. Carver, Secretary-Treasurer.

Our Reporter on GOVERNMENTS

BY JOHN T. CHIPPENDALE, JR.

The very cautious and unsettled attitude which was rather rampant in the Government market in the past fortnight appears to be on the decline a bit because some of the fears over a rising trend of interest rates with improving business conditions seems to be receding. It is believed now in many quarters of the money and capital markets that the betterment in economic conditions will not be of the boom and bust variety so that changes in interest rates will be very gradual. And the current conditions in the money and capital markets may have already discounted nearly all if not all of this.

The short-term obligations are in as large demand as every because the funds seeking the very liquid kind of security show no signs yet of decreasing. It is evident that the Government will continue to supply the market this kind of obligation.

World War II 2½s in Spotlight

The movement of investment funds into common stocks according to advices has not slowed down to any appreciable extent in spite of the lower and less emotional type of activity which is being witnessed in the market for equities. It seems as though there is nonetheless a satisfactory demand for fixed income bearing obligations with certain of the longer-term Government bonds being bought during periods of price weakness. These purchases of Treasury bonds according to reports have not been confined to the public pension funds who have been steady buyers of these obligations. In addition there is still what is being termed important interest in selected intermediate term issues with the World War II 2½s holding the spotlight. This is in spite of the professional type of market which is found every now and then in both the long terms and the middle maturities.

According to advices, the recent weakness in the intermediate and long Government bonds was much more of a professional mark-down than an operation in which there was substantial selling by the owners of these obligations. Granted that the market for these two groups of securities has not been large for a considerable period of time, it has not been and is not now a market that is of the limping variety. There are enough buyers around from time to time, exclusive of the help from the monetary authorities to give the market for more distant Government maturities considerable breadth fairly substantial volume and moderate activity. There is ample reason for this since the yields that are available in these Government securities are attractive to many institutional buyers of fixed income bearing obligations. Also there is not likely to be any immediate offerings of the more distant Treasury obligations for either new money or refunding purposes. On the other hand there might be some "leap frogging" or "advance refunding" offers by the Treasury. This kind of operation has proved to be profitable in the past to both the Government and the owners of the securities involved.

New Money for Coming Fiscal Year

It is evident that the new money which the Treasury will be raising for the coming fiscal year which starts on July 1 will follow the established (current) pattern which means that short-term maturities will be used in order to get the needed funds. Since the liquidity preference is just about as strong as it has been in a long time the Government should have no difficulty in obtaining this money at favorable rates. Tax anticipation bills are expected to be as important as ever in the impending new money ventures of the Treasury.

There have been reports that Government issues have been sold in order to make commitments in non-Federal obligations. There are definite indications that this has been going on, with short-term issues being swapped for selected corporate and tax-exempt bonds. In addition it appears as though some of the near-term liquid Government issues have also been exchanged for common stocks.

There appears to be a bit less concern in the money and capital markets over the foreseeable trend of interest rates. It seems as though the feeling that interest rates would rise sharply with improved economic conditions is losing some of its followers. The pattern which has been in effect is not expected to change very much.

Baldwin Enclos. Common Offered

Pursuant to a March 13, 1961 offering circular, as amended June 6, J. K. Norton & Co., New York City, publicly offered 60,000 common shares of Baldwin Enclosures Inc. at $5 per share. The stock was all sold. Net proceeds, estimated at $255,000, will be used by the company for the repayment of loans, general administrative expenses, the purchase of additional equipment, the hiring of sales personnel, and expenses connected with moving to larger quarters.

The company, of 59-33 55th St., Maspeth, N. Y., manufactures and sells elevator cabs for installation in apartment houses and office buildings. Authorized stock consists of 500,000 10-cent par common shares, of which 220,000 shares are now outstanding.

R. Matthews With Scherck, Richter

ST. LOUIS, Mo.—Robert H. Matthews has joined Scherck, Richter Company, 320 North Fourth St., members of the Midwest Stock Exchange, as manager of the Syndicate Department. Mr. Matthews who has been in the investment business in St. Louis for many years has recently been with Dean Witter & Co.

Robert H. Matthews

Coffin & Burr A Partnership

BOSTON, Mass.—Coffin & Burr, Incorporated, 60 State Street, members of the New York Stock Exchange, will be dissolved June 30th and on the same date a new partnership, Coffin & Burr, will be formed. Partners will be William G. Harding, who will acquire the Exchange membership previously held by Albert T. Armitage, Joshua B. Richmond, Hunter B. Grant, Jr., J. Ernest Robinson, Charles L. Skinner, Chenery Salmon, William S. Webber, Jr., and Alan C. Leland, general partners, and Albert T. Armitage, John A. Paine, Henry B. Pennell, Jr., Hollis T. Gleason and John T. Beach, limited partners.

Williamhouse Common Offered

Pursuant to a June 15, 1961 prospectus, Robert L. Ferman & Co., Inc., Miami, Fla., and New York City, publicly offered 106,000 common shares of the Williamhouse, Inc., at $6 per share. Net proceeds, estimated at $510,000 will be used by the company for the repayment of debt, plant expansion, development of new product lines and working capital.

The company of 185 Kent Avenue, Brooklyn, N. Y., is engaged in the manufacture and sale of fine paper products such as business envelopes, wedding invitations, birth and commercial announcements and special purpose advertising materials. The company has three plants, at Brooklyn, N. Y., Scottsdale, Pa., and Los Angeles, Calif. Its authorized stock consists of 1,000,000 10-cent par common shares of which 281,547 will be outstanding upon completion of this sale.

Blaha & Co. Opens New York Office

Blaha & Co., Inc., of Long Island City, have opened an office at 44 Beaver Street, New York City, under the management of Sol Tepper.

Form North American Inv.

ATLANTA, Ga.—North American Investors, Inc. is conducting a securities business from offices at 680 West Peachtree Street, N. W. Graham Holloway is a principal of the firm.

Lloyd Securities, Inc.

Lloyd Securities, Inc. has been formed with offices at 150 Broadway, New York City. Officers are Robert Worth, President; Bruce W. Grocoff, Secretary-treasurer. Mr. Grocoff was formerly proprietor of Lloyd Securities, of which Mr. Worth was sales manager.

PUBLIC UTILITY SECURITIES

BY OWEN ELY

Public Service Company of Indiana, Inc.

Public Service of Indiana serves electricity (only) to a population of over 900,000 in Indiana, some of the principal cities being Terre Haute, Kokomo, Lafayette, New Albany, Vincennes, etc. Leading industries in the area include chemicals, natural gas, coal mining, automobile accessories and parts, aluminum and other metal products, cement, stone quarrying, rubber products, petroleum, paper products, furniture, ceramics and dairy products. Some industries which had their beginnings in the 1940s are plastics, electric equipment, rock wall and gypsum, glass, printing, radio and television, pre-fabricated housing, frozen food and cold storage, railway shops and boat building and repair. Residential sales account for 38% of revenues, commercial 17%, industrial 28%, other utilities 11% and public aut'orities most of the remainder. Average residential usage, 3,936 kwh, compares favorably with the national average of 3,790 kwh.

The company had rather drab beginnings since it represented a merger and reorganization of some of the Insull properties in Indiana in 1941. Its predecessors were in rather strained financial condition since they had burdensome transportation, gas, water, steam heat and ice properties, but these were later disposed of. During the past decade the company has had to spend nearly $400 million on new construction, which now comprises over three-quarters of the present plant investment. At the beginning of the period there was a deficit in generating capacity of 26% as compared with peak demand; now with capacity almost quadrupled, there is reserve capacity of 33%. Thus the company can now relax, and construction requirements will be much smaller in the next five years, with anticipated favorable effects on financing and earnings. Construction over the next five years is expected to total only $135 million, with 1965's $45 million nearly double the previous annual average.

The company is favored by an abundance of bituminous coal in southwestern Indiana and northwestern Kentucky, along with adequate stream flow for electric generation, which means relatively low generating costs. The company owns or leases mineral rights under approximately 6,000 acres in the vicinity of the Wabash River, Dresser, and Edwardsport Stations, coal reserves being adequate for fuel requirements for many years. However, it is the policy of the company to maintain these reserves for future use and to satisfy current requirements by purchasing coal under long-term agreements.

The cost of coal per million Btu doubled during the period 1943-48, but there was little further increase in later years; the estimated cost for the year 1961 is 20.32c or only slightly higher than in 1948. Since 1943 the pounds of coal used to generate one kwh have declined from 1.92 to 0.97; and the btu required per kwh dropped from about 20,000 to less than 11,000.

Indiana ranks eleventh in population among the states, its growth in the past decade of 18.5% being about the same as the national average. During this period the company's customers increased 25% and residential kwh sales more than doubled. During the past 20 years there has been a substantial growth and diversification of industry throughout the service area. The company has also benefited from the decentralization of large national industries and from the move to the suburbs by light manufacturing.

The company serves 49 municipalities and provides power at wholesale for some 31 coops, the latter reflecting a holdover from the severe depression days in the state. Sixteen of the coops have applied to the REA for a $42 million 2% loan and this is now being increased to $64 million. If obtained, these funds would be used to construct a 198,000 kw generating station and 1,400 miles of transmission lines and related construction — duplicating facilities already provided by the company. It is estimated that in this event the company might lose a maximum of $3,500,000 revenue, or about 4% of the total.

Because of reduced construction requirements and increased amounts of cash generated internally through depreciation, deferred Federal income taxes and retained earnings, no permanent financing should be required prior to 1964. Even at that time it is unlikely that the company will sell common stock, since common equity is expected to approximate 40% of total capitalization.

During the past eight years earnings on net property ranged between 5.1% and 5.4%, although in 1950 the rate had been 6.5%. In the past two years only 5.1% has been earned. The company applied for a rate increase and in January this year it was authorized to increase rates about $5 million, equivalent to about 46¢ a share on the common stock. With the rate increase effective for about ten months of this year, earnings for 1961 are estimated at $2.90 per share compared with $2.59 in 1960.

Over the longer-term President Blanchar forecasts 1965 earnings approaching $4. The interest during construction credit will be nominal during 1961-64 (about 2¢-6¢ per share) but in 1965 should increase to 18¢. Dividend payout has averaged about 76%; the present rate is $2.20 which affords a yield of 3.6% at the recent price of 60. The non-taxable portion of the dividend will be about 25% as compared with 53% in 1960.

Now Corporation

Ogden, Wechsler & Krumholz Inc. has been formed to continue the investment business of Ogden, Wechsler & Krumholz, 39 Broadway, New York City.

Lombard, Vitalis & Paganucci Forming

Effective June 22 Lombard, Vitalis & Paganucci, Incorporated, members of the New York Stock Exchange, will be formed with offices at 15 Broad Street, New York City. Officers will be Paul D. Paganucci, President; Richard D. Lombard, Vice-President and Treasurer; and William N. Vitalis, who will acquire a membership in the New York Stock Exchange, Vice-President and Secretary.

Form Brooks, Arlington

(Special to THE FINANCIAL CHRONICLE)

SAN FRANCISCO, Calif.—Brooks, Arlington and Lundquist is conducting a securities business from offices in the Russ Building. Officers are Joseph Zukin, Jr., President, and Michael N. Khouri, Vice-President and Treasurer.

Canada's Finance Minister Presses Coyne to Resign

Imbroglio between Canada's fiscal and central bank chiefs revolves around the charge and the denial that the Government has not had the Bank's complete cooperation. Mr. Fleming insists Mr. Coyne has opposed the Government's expansionist and low interest rate policies and made speeches going beyond the province of central banking. Mr. Coyne asserts at no time has the Government expressed disagreement with the Bank's operation nor has he ever opposed Government policy or would ever do so.

A dispute of fundamental importance to the degree of Government control over central banking has developed in Canada. This is


Hon. D. M. Fleming


J. E. Coyne

somewhat unusual since Canada's central bank is nationalized.

The Minister of Finance, Donald M. Fleming, has charged the Governor of the Bank of Canada, James Coyne, with obstructing governmental policies. This is denied by Mr. Coyne who has but six months remaining in his seven year appointment and has refused request to resign before the expiration of his term of office. Another peripheral difference has developed over a pension program for Mr. Coyne.

The following statements by Mr. Fleming and Mr. Coyne deal with the charge and counter-charge as to the Bank's relationship to the Government. Mr. Coyne's statement to the Press is dated June 13 and Mr. Fleming's is taken from his June 14 address to the House of Commons.

MR. COYNE'S STATEMENT

On Tuesday, May 30, the Minister of Finance on behalf of the Government requested that I resign at once as Governor of the Bank of Canada without waiting for the end of my present seven-year term of office which expires Dec. 31 this year. To aid me in my consideration of this matter he said the Cabinet were upset by the fact that the Bank's Board of Directors had taken action in February, 1960 to improve the conditions of the pension which according to the rules of the Bank's Pension Fund had always been provided immediately on the termination of service of a Governor or Deputy Governor. He said the Government were considering what action to take in the matter of the pension, had not yet come to a decision, and wanted my resignation before they came to a decision.

Mr. Fleming also said the Cabinet were of the view that I had failed to discharge the responsibilities of my office in allowing the Board of Directors to take the action they did take unanimously and after thorough consideration in amending the pension fund rules, an action which the Department of Justice had said was entirely within the powers of the Board.

This slander upon my own integrity, I cannot ignore or accept. It appears to be another element in a general campaign of injury and defamation directed against crown corporations, their chief executive officers and other public servants. I cannot and will not resign quietly under such circumstances.

For the sake of future Governors of the Bank, and in the interest of propriety and decency in the processes of Government and in the conduct of public affairs, I feel myself under an obligation to ensure that this matter is brought into the open in order that it may receive full consideration and discussion.

I may add that at no time has the Government expressed disagreement with the operations of the Bank of Canada under my management, either in the field of monetary policy, or in those fields in which we act solely as agents and under the instructions of the Minister of Finance, namely in debt management and in operation of the Exchange Fund. There has likewise never been any occasion on which the Bank of Canada has failed to cooperate, so far as it was concerned in the matter, in support of Government policy. In financial matters we have always loyally played our part in carrying out positive Government policies.

So long as I continue to hold the position of Governor, I will continue to perform the duties of that high office, as specially prescribed by Parliament, in accordance with the dictates of honor and concern for the economic welfare of my country.

The Minister of Finance has suggested to me that another reason the Government wanted me out of the way was that they were preparing certain programs which were apparently thought to be of such character that I would oppose them.

This mysterious and alarming suggestion has not been clarified. Clearly I would be betraying the duties of my office to resign under such circumstances. It is for the Government to disclose to the public what it is they are planning to do. I have never opposed Government policy, and do not wish to do so. It is conceivable that at some stage and in some circumstances it would be the duty of the Governor of the Bank to resign on an important question of principle or policy, or on the other hand to make a strong public stand against some Government proposal. The Governor should not, however, resign merely because he is asked to do so. I continue to hope, in the present circumstances, that the processes of thoughtful consideration and discussion will enable the Bank to continue as in the past to take appropriate action within its own field of activity in support of the financial requirements and economic policy of the Government of the day.

* * *

MR. FLEMING'S STATEMENT

During Mr. Coyne's period in office, there has been a steady and deplorable deterioration in the relations of the Bank of Canada with the public. The Governor by a course of ill-considered action and a series of public declarations of policy on public issues quite outside the realm of central banking and by his rigid and doctrinaire expression of views, often and openly incompatible with government policy, has embroiled the Bank in continuous controversy with strong political overtones. Mr. Coyne's rigid attitude on the maintenance of high interest rates is one example. The Government's policy is expansionist aimed at the creation of more trade, more production and more jobs. The policies advocated by Mr Coyne are restrictionist—restrictive of trade, restrictive of production and restrictive of jobs. The Government has exercised patience in the hope of avoiding further controversy, pending the expiry of his term of office on Dec. 31 next, but its hopes have been frustrated by Mr. Coyne, and it can no longer postpone decisive action.

Matters of high importance are awaiting decision and cooperative action by both the Bank and the Government. The need of teamwork between them and leadership by them has never been greater. It has become impossible to expect this kind of cooperation as long as the present Governor remains in office. It was perfectly plain to the Government that whatever assurances Mr. Coyne might give of cooperation for the future, the public could have no confidence that Bank of Canada policy would support government policy, having in mind the frequent public declarations by the Governor which clearly run counter to the policies of the Government.

Mr. Coyne has, as I shall explain shortly, lost the confidence of the Board of Directors of the Bank of Canada. He does not possess the confidence of the Government.

On May 30, on the instructions of the Government, I asked Mr. Coyne to tender his resignation to the Board of Directors of the Bank. I further asked that he do so before the regular Board Meeting to be held in Quebec on June 12 and 13, so that action might be taken by the Board at its meeting on the resignation. I gave him an ample statement of the reasons for the course the Government was following. The main reason was that the Government was convinced that Mr. Coyne's continuation in office as Governor of the Bank of Canada would stand in the way of the implementation of a comprehensive, sound and responsible economic program designed to raise the levels of employment and production in Canada. After an hour's discussion, he asked to be allowed to think the matter over. Presumably his published statement yesterday is his reply to the Government's request.

Section 6 of the Bank of Canada Act provides that "The Governor and Deputy Governor shall be appointed by the Directors with the approval of the Governor in Council." As is well known, Mr. Coyne was appointed by the Board of Directors with the approval of the then Governor in Council, in December, 1954, for a seven-year term as Governor, expiring Dec. 31, 1961. This term has six and a half months to run. Had. Mr. Coyne complied the the Government's request, the Board of Directors of the Bank would have been in a position at its meeting in the last two days to take action on the resignation and, if so disposed, to appoint a successor with the approval of the Governor in Council. I had hoped to announce in the House today that this course had been followed and that the whole matter would have been handled with dignity and consideration. Mr. Coyne, however, has chosen to reject the request and to provoke a controversy.

Mr. Coyne has not contented himself with disregarding a request from the Government. The Board of Directors met at Quebec on Monday and Tuesday. The subject of Mr. Coyne's tenure was discussed both days. Mr. Coyne himself introduced the subject at the Board's meeting on Monday morning. Both at the morning session and again at the afternoon session, he delivered a lengthy defense of his administration. Discussion followed. I am informed that Mr. Coyne was made fully aware on Monday that the Board would ask for his resignation if he did not choose to submit it.

The Board meeting resumed on Tuesday morning at 9:30. When it became clear that the Board was about to introduce a resolution requesting the immediate resignation of Mr. Coyne, he asked to be excused and asked the Board to consider other matters of business while he was out. He returned to the meeting at 12:15 to inform the Board that he had issued a statement to the press at 11:00 o'clock. This statement was apparently released simultaneously in Quebec and Ottawa. I am also informed that he read the press statement to the Board and intimated that he would not resign even if the Board of Directors requested him to do so.

With Mr. Coyne in the Chair, the Board then proceeded to vote on the following resolution:

"That it is in the best interests of the Bank of Canada that the Governor do immediately tender his resignation to the Board of Directors of the Bank and further that this action and decision on the part of the Board has been taken after prolonged consideration and with regret."

Mr. Coyne polled the Directors. The resolution was carried by a vote of 9 to 1. Mr. Coyne did not vote. Having declared the Motion carried, Mr. Coyne then immediately adjourned the meeting.

In doing so, he not only defied the formally expressed wish of the Board that he should resign immediately in the interests of Bank; he made it impossible for them to proceed to consider what action might be taken in the face of this defiance. It is of particular significance that Mr. Coyne deliberately issued his own press release prepared in advance of the Board meeting before the Board had reached its decision, and in the knowledge that the Board was about to reach a decision. In doing so he left the public with the false impression that the only request for his resignation had come from the Government.

As I indicated earlier, it is not my intention to comment in detail on Mr. Coyne's statement. I should like, however, to make two observations. First, by referring to a "mysterious and alarming" program which the Government is contemplating, Mr. Coyne may have left a certain false impression with the public. Perahps the best way to dispel this impression is for me to say at once that Mr. Coyne has not been told of the contents of the forthcoming Budget and, therefore, has no right whatsoever to express views about it. Second, Mr. Coyne has asserted that he has been given no indication of disagreement with his views on economic policy. In my last two Budgets and in various other public statements, it has been clear for some time that there have been major differences of opinion with the frequently expressed views of the Governor on economic matters.

* * *

I have already indicated that under the terms of the Bank of Canada Act, in appointing the Governor the Board of Directors is the appointing body and the Governor in Council is the approving body. The Board has now asked for his resignation and the Government has asked for his resignation. He on his part has asserted his determination to remain in office, though unwanted, for the remaining six and one-half months of his seven-year term.

* * *

In the light of the foregoing I can now inform the House that the Government will shortly invite Parliament to take appropriate legislative action to meet the needs of the situation.

N. Y. Chamber of Commerce Elects

Ralph T. Reed, Chairman of the Executive Committee of American Express Co., has been elected to a second term as President of the New York Chamber of Commerce at the 193rd annual meeting of the Chamber. J. Wilson Newman, Board Chairman and Chief


Ralph T. Reed


J. Wilson Newman


Frederic W. Ecker


Keith Funston


Morehead Patterson

Executive Officer of Dun & Bradstreet, Inc., was re-elected Chairman of the Chamber's Executive Committee. Both will serve until May, 1962.

Elected to four-year terms as Vice-Presidents of the Chamber were Frederic W. Ecker, Board Chairman of the Metropolitan Life Insurance Co.; G. Keith Funston, President of the New York Stock Exchange; and Morehead Patterson, Board Chairman of the American Machine & Foundry Co.

They succeed Henry U. Harris, partner of Harris, Upham & Co.; E. V. Rickenbacker, Board Chairman of Eastern Air Lines Inc.; and Thomas J. Watson, Jr., President of International Business Machines Corp.

With Westheimer & Co.

CINCINNATI, Ohio — Gerald E. Hudepohl has joined the staff of Westheimer and Company, 322-326 Walnut Street, members of the New York and Cincinnati Stock Exchanges.

1961's Municipal Borrowing And Threats to Tax Exempts

Continued from page 5

in similar situations. Therefore there would be less tendency to closely follow the government market.

VI
Economic Policy

Inflation is always a threat, particularly with deficit financing and vast Federal programs, often equaled by state and local funds. While we haven't heard the word as much as we did in recent years, people are much more conscious of inflation's insidious gnawing at one's daily cost of living.

The stock market seems to indicate a lack of interest in fixed income securities either because of a business recovery, inflation or both. Certainly we cannot afford to spend our way into prosperity.

The threat of inflation is not receding and is barely holding in a stable condition. In the months ahead we will be much better informed as to whether the threat is again increasing. It is for this reason we should look with concern on give-away programs that tend towards socialism and Federalization which are not substantiated by the results obtained. If these programs are put forth because of a crisis—what will be offered if we face real economic deterioration?

The views of the Council of Economic Advisers appear to support the analysis that our business recovery will not be rapid and the interest rates should be easy for some time. The current reported understanding between the Federal Reserve Board and the Administration on this matter will be tested when and if there is a business recovery.

VII
Canadian Securities

Before concluding, I should like to comment briefly on Canadian municipal finance. Last year (1960) the total amount of net new issues of Government of Canada, provincial and municipal issues declined substantially to \$1,392,000,000 (Canadian) from \$1,619,000,000 (Canadian) in 1959. Gross sales of new issues of bonds to non-residents declined in 1960 to \$375,000,000 (Canadian) from \$660,000,000 (Canadian) in 1959.

While the trend of interest rates followed the United States market, at times the spread widened and again declined. At the close of 1960 yields were generally lower than at the end of 1959.

It is significant to say that many of the problems facing Canada **are** similar to those of the United States. The recent visit of President Kennedy to Canada is indicative of a strong effort to encourage Canada to assume a more substantial role in hemisphere problems. No doubt if any moves are made they will be reflected in part in Canadian securities markets. Certainly Canada cannot confine its financing to Canada and must seek some of its needed funds outside of the Dominion. Meanwhile, efforts to meet requirements in the home market are reflected in the decline of outside financing and related interest costs.

VIII
Other Comments

A. Investment Bankers Association Public Information Program

I am sure that finance officers are aware of the public information program instigated by the Investment Bankers Association this year. It is designed primarily to broaden the market for municipal bonds. The program will serve to educate investment bankers as to the merits of municipal bonds and to attract new customers. In addition it is planned to acquaint the tax-paying public on how public improvements are obtained through municipal finance and how important it is to establish municipal financial integrity in order to insure low borrowing costs in the bond market. A contest is currently underway among members of the Association, so as to stimulate their participation in the program. Entries selected will be judged and awards made at the Annual Convention of the Association this December.

B. Role of the Commercial Banker

Elsewhere in this discussion I have mentioned that in effect we cannot expect a good municipal bond market unless there is broad participation by commercial banks adding to their investment portfolios. Many banks limit their purchases to one-to-ten-year maturities while others extend to 15 years. When banks have investment funds which are directed towards purchase of municipal bonds, buying pressures exert a strong influence on interest rates in these years and in turn affect the yields on longer maturities.

It has been quite obvious that during 1960 banks made relatively minor additions to their investment accounts on balance. This can be related to the "tightness" of money causing most banks to liquidate security holdings to meet their normal credit demands.

Decline in deposits either through competition from institutions other than banks, paying higher rates on time money or the withdrawal of money by customers seeking a higher return on short-term government securities than could legally be paid on time deposits, aggravated the banks' fund position. In other words, many commercial banks were faced not only with the problem of liquidating securities but also curbing loans.

The reason I am mentioning this problem is to point out that bankers feel responsible for meeting the credit needs of their community and their trade areas. When they must curtail the extension of credit because of lack of funds, this is reflected in the well being and growth of the area they serve. It can mean a decline in home purchases, household equipment needs, goods and services and even business needs. Support of local government usually comes from tax revenue and fees, much of which is influenced by the business cycle. So it follows that needed municipal revenues reflect the curtailment of bank credit.

From time to time I have noted in the *Municipal Finance News Letter* many cities pointing with justifiable pride to the income earned on their funds through investment. It might be appropriate to discuss this with bankers. Even as banks try to meet their community responsibility, public officials must also accept a measure of responsibility to insure the economic well being of their community. Funds that would normally be deposited with local commercial banks by municipalities and other public bodies, but which are invested in short-term securities restricts the supply of loanable and investment funds, contributes to a business decline and tends to reduce sources of municipal revenue.

Recommendations such as made by the Advisory Commission on Inter-Governmental Relations in their report on the investment of idle cash balances by state and local governments should be related to their effect on the banking fraternity in each community and their ability to continue to buy bonds and meet the credit needs of the area.

IX
Concluding Remarks

We are all aware of the rise in state and municipal debt and the problems of finding sufficient revenue to balance expanding budgets.

Fortunately in recent years there has been no weakness in municipal credit. However inflation, increased population and greater demands for municipal services pose their individual problems. As more reliance is placed on revenue sources other than property taxes, gyrations of the business cycle can quickly uncover the inflexibility of debt service requirements.

As we travel through "The New Frontier" or "Soaring Sixty's" we will be tempted by vast Federal programs that will appear to ease the burden of local municipal finance. Suggestions will be made to circumvent constitutional and statutory debt restrictions by exotic and more costly substitutes which deprive the electorate of their right to express their views on bond issues, panaceas will be offered to alleviate the unemployment problem by bringing industry to the community through the use of public credit. Efforts to eliminate tax immunity will be attempted by direct and by insidious indirect means. We face creeping socialism and Federalization. We face threats to our constitutional rights.

These are the major problems in municipal debt financing today.

*An address by Mr. Browne before the 55th annual conference of the Municipal Finance Officers Association of the U. S. and Canada, Seattle, Washington, May 22, 1961.

Analyzing the Effectiveness Of Monetary Policy

Continued from page 15

However, if V is not constant, the structure falls to the ground; in desperation we then have to turn to examining in detail the role of money in spending decisions, and we unavoidably get involved in such matters as consumption functions, the determinants of investment, and related areas wherein our knowledge is admittedly far from perfect.

In brief, Friedman and other Quantity theorists believe we can rely exclusively on monetary policy **because** they believe that velocity is constant, or at least regular and predictable in its movement. Thus in his introduction to "Studies in the Quantity Theory of Money" (University of Chicago Press, 1956) Friedman stated: "One of the chief reproaches directed against economics as an allegedly empirical science is that it can offer so few numerical constants, that it has isolated so few fundamental regularities. The field of money is the chief example one can offer in rebuttal: there is perhaps no other empirical relation in economics that has been observed to recur so uniformly under so wide a variety of circumstances as the relation between substantial changes over short periods in the stock of money and in prices; the one is invariably linked with the other and is in the same direction; this uniformity is, I suspect, of the same order as many of the uniformities that form the basis of the physical sciences. There is an extraordinary empirical stability and regularity to such magnitudes as income velocity that cannot but impress anyone who works extensively with monetary data."

To non-Quantity theorists the stability of velocity is rather less apparent, for reasons that are best summarized in Table I. However, about all they can agree upon is that velocity is not stable, especially in the short run. Exactly how variable it is, is a matter of much dispute. Some think it is just about infinitely variable. The following quotation is from the Radcliffe Report: "It is possible to demonstrate statistically that during the last few years the volume of spending has greatly increased, while the supply of money has hardly changed; the velocity of money has increased. We have not made more use of this concept because we cannot find any reason for supposing, or any experience in monetary history indicating, that there is any limit to the velocity of circulation."

Others, however, while not impressed with the stabilityof velocity, nevertheless believe it is only moderately rather than infinitely variable. Thus Paul Samuelson, in the 1960 *Review of Economics and Statistics* symposium on controversial issues in recent monetary policy, writes: "In conditions like those of the last decade, it seems unwise to expect that induced changes in V will largely undo the effects of central bank operations; at times they could be reinforcing. The Radcliffe Report seems to me to give misleading impressions in this regard, whatever its other merits." Similarly, Alvin Hansen, who might be surprised to find himself classified as something of a moderate on the subject of monetary policy: "Within rather wide limits, the rate of spending under modern conditions can be high or low regardless of the money supply. I said, 'within rather wide limits.' There **are**, of course, limits, both at the upper and lower levels, beyond which the quantity of money begins to become increasingly effective." ("Economic Issues of the 1960's," McGraw-Hill, 1960).

What is the Federal Reserve's view on the stability of velocity? If we go by the latest (1961) edition of "Purposes and Functions" it turns out to be not too far from the Hansen-Samuelson position: "In assessing the effect on economic activity of changes in the money supply, it is important to recognize that there is no simple automatic measure of the appropriate relationship between the amount of money outstanding and the level of economic activity. A given volume of money, for example, can be associated with either higher or lower levels of total spending depending on how often it is used. . . . Efforts of monetary policy to curb inflationary spending by limiting the expansion of the money supply are generally accompanied by a more active use of cash balances by the public. As incomes rise in such a period, however, people will feel a growing need for transactions cash and it will become increasingly inconvenient for them to economize on existing holdings. For this reason mainly, many economists believe that a rise in velocity in this situation will approach a definable limit. . . . [In any case,] it is necessarily incumbent on the monetary authorities to pay close attention to money velocity and to weigh its strength carefully in determining possible actions."

TABLE I

Income Velocity: 1929, 1946, and at Postwar Cyclical Peaks & Troughs

Period	GNP†	Money Supply*	Income Velocity (GNP ÷ M)
1929	104.4	26.4	3.95
1946	210.7	106.0	1.99
1948, 4th Quarter (P)	265.9	111.0	2.40
1949, 4th Quarter (T)	257.0	110.0	2.34
1953, 3rd Quarter (P)	367.1	127.9	2.87
1954, 3rd Quarter (T)	362.0	129.9	2.79
1957, 3rd Quarter (P)	448.3	136.4	3.29
1958, 2nd Quarter (T)	436.8	137.2	3.18
1960, 2nd Quarter (P)	505.0	140.0	3.61
1961, 1st Quarter (estim.)	499.5	141.1	3.54

†Billions of dollars. *Money supply is also in billions of dollars and is defined as demand deposits adjusted plus currency outside banks. It is an average for the period. GNP and M are both seasonally adjusted.

Postwar cyclical peaks (P) and troughs (T) from National Bureau of Economic Research.

IV
Conclusions

The velocity argument embodies within itself a host of other issues, such as the role of non-bank financial institutions, cost-push inflation, etc. Once we start to examine why velocity changes, or how much, we are forced to go beyond velocity into the reasons for its movement. But using it also has its benefits: without having to examine in detail why various authorities believe as they do concerning it, we can, within the confines of this paper, sketch the broad outlines that underlie much of the current disagreement over the role that monetary policy should play.

If velocity is believed to be stable, or regular and predictable, then monetary policy alone is both necessary and sufficient to control GNP. If velocity is moderately variable, then, depending on its degree of variability, monetary policy is probably necessary but rarely sufficient. And if velocity is infinitely variable, then orthodox monetary policy is useless.

I myself find the evidence for both extremes — that velocity is either stable or infinitely variable —unconvincing, and am inclined to the view that it is only moderately variable. However, it must be admitted that this view rests to a certain extent on faith, for the postwar evidence, summarized in Table I, cannot conclusively demonstrate whether or not there is an upper (or lower) limit to V. What it does indicate is that V is indeed variable, and that it has risen higher and higher in each cyclical upswing.

Let me conclude by repeating that monetary policy will serve us best if we do not rely on it too much and if we do not expect too much from it. Monetary policy should remain, however, despite its shortcomings, as an important **part**—not the whole, but a part—of our national economic policy. It should remain because it can accomplish **something** and because, in an economy in which inflation may be quiescent but is far from dead, it would be irresponsible to abandon it, as some occasionally seem to imply we should.

*An informal talk by Dr. Ritter before the Metropolitan Economic Association, New York City, May 10, 1961.

Gittlin Secs. Branch

Gittlin Securities Corporation has opened a branch office at 33 East 48th Street, New York City, under the direction of B. Morton Gittlin.

The New Frontier Economics And Investment Outlook

Continued from page 3

at the consumer level. Intense competition thus prevails in an inflationary economy between many companies within an industry, and even more fiercely between various industries. Accordingly, the selling pressure in these productive industries is severe and the pressure on profit margins is unrelenting.

Why Output Remains Unsalable

The substantial increase in service prices, meanwhile, has eaten into the income of the lower and middle - high income groups; those with income, say from $6,000 to $12,000 per annum. This income range is not presented as accurate or definitive. It is, however, suggestive of a broad tendency. The high prices for services, many of which represent fixed charges, leave a lesser percentage of the middle-class income for the purchase of durable goods. And the durable goods represent a large part of the output of the basic mining and manufacturing industries. Economic growth necessitates mass purchasing power. High service prices erode much of this purchasing power. The extent of this erosion is underestimated in the service prices of the Consumers Price Index. The relative importance of services is rapidly expanding. A rising standard of living increases the demand for services—for education, hospital and medical care, travel, recreation and amusement, and for government and social welfare. The expansion in demand unites with rising prices to increase the percentage of national income, personal income, and national product represented by consumer service outlays. The upward drive in wages has lost little of its steam. Barbers, street car conductors, taxicab drivers, hospital workers, hotel and motel employees, teachers, nurses, clergymen, funeral directors, and government workers are fighting for higher wages, and they are succeeding. Only the slightest improvement in productivity accompanies these wage hikes. The wages are passed on to the consumer in higher prices, and these price hikes reduce the net purchasing power of the middle income groups. They have less with which to buy new and better furniture, automobiles, housing, domestic appliances, etc.

The New Frontier and Free Trade

The Kennedy New Frontier Economy gallops at fearful speed along this price rising welfare route. Higher wages—in the minimum wage law—will embrace important consumer service areas; subsidies and loans to depressed areas will stimulate uneconomic high cost industries, thereby elevating selling prices. Many industries, already weakened by secular demand declines, are further weakened. The incidence of high wage and tax costs in the deflationary productive economy cannot be passed on to the consumer. Nor can they be passed on to the foreign buyers. Foreign producers have mastered most of the cost-reducing techniques of American businessmen. They have abundant capital—much of it indeed supplied with the compliments and best wishes of the United States Government;—they have technologically efficient mechanisms; and they have lower wage costs. The wounded domestic industries have high costs. They cannot reduce those costs. The welfare state bars this remedy. But they need help. And where do they get help? The welfare state. The welfare state has taken away; and now it gives back. So government subsidies rush in to fill the gap—and prices rise. Wheat, cotton, corn, sugar, tobacco, shipbuilding, shipping, street railways, oil and oil products are among the beneficiaries. The New Frontier—the apostle of free trade—is laying plans; so it is reported, to prescribe quotas on textile imports—preferably voluntary, mandatory if necessary. In lead and zinc the Welfare Pioneers, so it is reported, seek to emulate the "successful" farm program by building up stockpiles, thereby reducing market supplies, and raising prices. The Welfare State raises costs, increases prices, reduces demand and jobs. It then employs unsound, though ingenious, devices to maintain both high wages and high prices by passing the cost to the national economy in the guise of higher taxes.

Low Prices and Costs Needed

It is this combination of exceptionally high prices for services and the resultant inability to purchase a large part of the increasing supply of durable goods that is the main factor behind the declining growth rate in the national economy. The country needs lower costs and lower prices. It is given higher costs and higher prices plus a combination of economic phonies. The welfare state impairs business incentive; it reduces the flow of savings into efficient machinery; it thereby reduces production and jobs. After weakening the economy, the welfare state steers government initiative and the public purse into the area of productive wealth. The reduced purchasing power arising from high consumer service prices, is thus balanced by new purchasing power created by government expenditures — so runs the welfare state reasoning. This is not so—most unfortunately. **Most** government expenses serve to distribute **existing** wealth. Private expenditures in mining, farming and manufacturing produce **new** wealth; and business service industries facilitate such wealth creation. These supporters of the welfare state argue there is enough plant capacity, and plenty of wealth for distribution. This is a most dangerous welfare state fallacy. The productive machine is taken for granted. It can take care of itself. On the contrary, it must be nourished; and supported constantly and aggressively. Realistic tax and depreciation programs; retention of management prerogatives, freedom to reduce costs, cessation of public pillaring of business management are a few suggestions. There are many more.

All of this throws doubt upon the expansion so generally anticipated by such a large section of businessmen, public servants and economists. Present high prices for equities are justified in large part upon the expectations that rapid growth combined with moderate, and perhaps immoderate, inflation will produce corresponding increases in corporate profits. There is no doubt that cyclical expansion will expand profits. However, doubt should be cast over the hypothesis that such a cyclical expansion will lead to an accelerated rate of growth—an acceleration which would realize present hopes and justify present stock prices.

Lowering Service Costs

The Kennedy program has done little to enhance the productive efficiency of the economy and to reduce unit costs, particularly in the service industries. Measures, largely of a tentative character, are designed to increase the number of jobs in such sectors as public housing and distressed areas. There is no important program as yet proposed to reduce unit costs in such fields as education, medical care, hospitalization, household operation and repairs, travel and recreation, books, newspapers and magazines, etc. Significant also is the malfunctioning of the antitrust laws in the field of service industries. Only to a very slight degree can the anti-trust proceedings be applied in such a way as to reduce prices in the service areas.

Investment - wise these broad inflationary and deflationary tendencies exert far-reaching effects. The modern consumer service industries attract a growing percentage of the consumer dollar. The number services increase; so do the prices of such services. There is, furthermore, only slight threats of foreign competition in these areas. A wide variety of consumer services are priced upon a monopoly basis—a monopoly of the human mind created by skilful advertising. Soaps, cleaning compounds, processed and packaged foods, perfumes, cosmetics, toilet articles, proprietary drugs, certain kinds of apparel, and in even some cases, educational services are sold on a basis of trademarks and slogans reflected in the lingo of the market-place. There is here little price competition. In most of the basic industrial sectors on the other hand, particularly on the wholesale and manufacturing levels, competition is severe and the rising wage and tax costs cannot easily be reflected in the price level. In steel, copper, aluminum, oil, lead, zinc, farm implements, machine tools, cutting tools, mining equipment, specialized machinery, etc., in textiles — cotton, woolen and synthetic fibres—price competition is widespread. The hope for constant profits in this area arises from the development of new products largely in the field of technological breakthroughs and technological improvement. Those industries in the forefront in these developments benefit from a rising volume and a reasonable profit margin persisting for a period in which it is preserved from acute competitive influences. Before competitors can catch up with a technologically sound article, the early bird can capture substantial profits. This is the area represented by such concerns as IBM, Minneapolis - Honeywell, Minnesota Mining, Corning Glass, Owens - Corning Fiberglas, and many others.

Analyzes Stock Prices

The interplay of these three major forces of inflation, deflation and technological improvement is well reflected in the 30 Dow-Jones Industrial stocks over the past few years. These 30 stocks are widely used for the purpose of reflecting trends in the stock market. They are the high-grade investment stocks; they reflect the major corporate leaders in their respective industries; the stocks are highly marketable; they are outstanding in many millions of shares and, accordingly, they are widely known and actively traded. A comparison of these stocks in terms of their 1959 high prices and their current prices (May 9, 1961) reveal the following phenomena:

Of these 30 stocks, four in the field of consumers services (General Foods, American Tobacco, Procter and Gamble, and Sears Roebuck) have advanced in price by an average of 49%. One stock reflecting industrial technology—American Tel. & Tel.—has advanced 27%. The stocks of only three companies in basic manufacturing and mining industries (International Nickel, Johns-Manville and Texaco) have advanced in price. Three stocks—Allied Chemical, F. W. Woolworth and Eastman Kodak, have not changed. The other 19 stocks — blue chips in basic mining and manufacturing industries — have witnessed a price decline of about 20%. These include Alcoa, American Can, Anaconda, Bethlehem Steel, Chrysler, du Pont, General Electric, General Motors, Goodyear, International Harvester, International Paper, Owens-Illinois, Standard Oil of California, Standard Oil of New Jersey, Swift, Union Carbide, United Aircraft, U. S. Steel, and Westinghouse Electric.

Prefers Technologically Oriented Firms

The movement of these high-grade stocks accurately reflects the trend in the general market. The major price advances over the past few years have been witnessed largely in the group championing technological breakthroughs, and in the modernized consumer service industries. A wide variety of stocks are hereby involved. In both areas profits have been rising and further increases are anticipated. In the technological fields, rapid sales increases are accompanied (over relatively short periods(it is true) by wide profit margins. In the course of time, margins are narrowed; but meanwhile, technologically oriented managements and industries introduce new and technologically advanced articles with a probability of further retention of reasonable profit margins. In the consumer industries, expansion in volume is accompanied by good profit margins based to a considerable degree upon the ability by advertising to establish consumer preference in terms of accepted trademarks.

The Investment Outlook

In the slow, inflationary corrosion of the welfare state economy these two industrial sectors will, as they have in the past, continue to benefit. The basic manufacturing and mining industries, however, will be obliged to struggle against the deflationary effects of rising plant capacity. They will continue to meet the forces of domestic and foreign competition based upon varying labor costs, plant efficiencies and technical obsolescence. The welfare state has produced an excessively high-cost, high-priced economy; and business efficiencies are not sufficient to bring down the costs and selling prices to a point where rapid mass consumption involving correspondingly speedy functional obsolescence is possible. Accordingly, as the current recession influences lift, and recovery develops, the secular growth in the economy will again lag. Furthermore, the investor cannot look forward for relief in the manufacturing and mining industries from a resurgence of rapid inflation. The steady accretion of wage costs created by national collective bargaining and the rise in raw material costs facilitated by government subsidies will, as in the past, continue to move prices up slowly. There is little or no prospect of a mass demand inflationary wave facilitated by massive increases in the supply of money.

Over the next few years, accordingly, the economy will probably disclose a growth about in line with the past, perhaps a trifle higher, but with only slight prospect of a dramatic upsurge in the rate of national growth. There is also only slight probability of a pronounced inflation; not of a magnitude sufficient to justify the profit potential upon which current stock prices are largely based. The prospect for revival in business is reasonably clear; the prospect for revival of inflation and the expectation of a sharp rate of economic growth is not so clear.

***An address by Dr. Grodinsky before the Pennsylvania Bankers Association's annual convention, Atlantic City, N. J.**

Price Inflation Found to Exceed Bank Failure Losses 120-Fold

Dr. Spahr's adjustment for price inflation shows that $787.3 billion savings for the year 1959-60 represents but $338.5 billion in 1939 dollars.

A loss of over $228 billion, or 57%, in purchasing power has been experienced by savers on average holdings in six categories for the period 1939 to 1959-1960 because of the depreciation of our dollar, according to Dr. Walter E. Spahr, Executive Vice-President of the Economists' National Committee on Monetary Policy.

His recent tabulation shows this loss is approximately 120 times the losses on deposits in banks for the period 1921-1933.

Average Holdings for 21- and 22-Year Periods

United States Savings Bonds (22 years)	$ 43,561,000,000
Time Deposits, all Banks (22 years)	59,408,000,000
Savings Capitals, Savings and Loan Associations (22 years)	20,598,000,000
Life Insurance in Force (21 years)	255,407,000,000
Annuities Paid Out (21 years)	1,337,000,000
Social Security Trust and Unemployment Funds (22 years)	19,794,000,000
	$400,105,000,000
Loss of 57% in purchasing power on these average holdings (wholesale price index)	228,059,850,000
Bank deposit loss, 1921-1933	1,091,000,000

Another picture of this state of affairs is revealed by the fact that the aggregate value of the savings in the six categories listed above, amounting to $787,263,000,000 for the years 1959-1960, was only $338,523,090,000 in terms of the 1939 dollar.

The loss in purchasing power of savings, according to Dr. Spahr, constitutes an arresting illustration of the subtle and far-reaching destructive power of a depreciating currency, a power that has proven ruinous in nation after nation.

This loss has affected particularly the thrifty and those who have attempted to provide for their future security.

Insurance companies and other holders of people's savings have in general been paying back to these savers dollars of much less value than those paid in by most of the savers. Those officials of institutions for savings who are concerned with the welfare of savers should be among the leaders in the attempts being made to protect the value of the saver's dollar.

The first and fundamental step to be taken is to give our dollar the quality of integrity; and that means the institution of a redeemable currency at the present statutory rate and proper controls of the uses of credit.

The Economists' National Committee on Monetary Policy is a non-partisan, non-profit research and educational organization of monetary economists. Its office is located in New York City and funds for its budget comes from tax deductible contributions.

STATE OF TRADE AND INDUSTRY

Continued from page 7

is threatened by price cutting or shading of others in the industry. This was indicated in linepipe, where a major producer, although aware of cutting elsewhere in the industry, did not move as long as it obtained a share of the business. But when shut out of a major project, it cut its prices.

Commenting on the over-all steel market, *The Iron Age* says orders for July are slipping a bit. The drop is about what could be expected for the annual summer letdown, although some mills report they are running almost 10% behind the June level for July. Steel production, however, is likely to stay close to present levels.

This is not alarming in that July will absorb the brunt of plant vacations, part of the automotive downtime for changeovers to 1962 models, and the general seasonal apathy in demand for heavy durable goods.

Over-all demand for most products continues strong, but a few question marks are appearing: Because of poor financial showings, railroads continue out of the market; oil country goods continue to lag; the housing market continues slow, affecting appliances and other associated consumer products; tinplate orders for July are running behind and inventories are building up at the mills as consumers hold back on releases.

In the important automotive steel market, signs are inconclusive. But June is shaping up possibly 10 to 15% over May in steel orders. First orders of steel for 1962 models will be for July, although most of this early tonnage will be for trial runs.

Steelmaking Operations Leveling Off at 2-Million-Ton Weekly Rate

Steelmaking operations are apparently leveling off close to a two-million-ton weekly rate, *Steel* magazine reported.

Some producers, anticipating the usual seasonal slowdown at user plants, are curtailing schedules; others, maintaining substantial order backlogs, are boosting output.

Since weekly production hit a peak for the year of 2,077,000 tons in the week ended May 27, there have been two straight declines. Significantly, however, production has exceeded two million tons for four successive weeks. *Steel* estimates last week's output at 2,030,000 net tons, a slight decline from the preceding week's production.

Steelmen don't anticipate any marked slump this month. June output is scheduled to top the nine-million-ton mark for possibly the best monthly showing since March, 1960.

A wide diversity of demand for steel products is reported even though demand pressure is off, with daily order rate estimated to be 5% to 10% below the month of May.

Buying of bars for small arms production has been relatively heavy in New England during the first half. New contracts approximating $15 million assure active demand in the weeks immediately ahead.

There's still a fairly good demand for plates from tank and boiler fabricators and from the chemical industry. There's also brisk inquiry for piling and casing.

Appliance requirements for sheets are heavier but less than had been predicted. Cold weather this month and in May held down sales to air conditioner makers.

Demand for tin plate isn't as strong as had been expected for this season. Cool weather is blamed for reduced consumption of canned beer and soft beverages.

Many users are still relying on quick deliveries. Most platemakers can still promise ten day to two week delivery on sheared carbon plates. Cold finished bar shipment promises to run two to four weeks. Shipments of hot rolled sheets still range two to three weeks and on cold rolled, two to five weeks.

A major producer of reinforcing steel bars withdrew its published prices last week, giving rise to uncertainty about the price trend. What action other producers will take remains to be seen. Imported rebars are reported selling as much as 25% to 30% below the domestic market in some areas.

The approaching vacation slump in metalworking is checking mill buying of scrap. *Steel's* price composite on No. 1 heavy melting is down 33 cents to $38.17 a gross ton.

Effective depreciation reform would give the economy a big lift in the next two years, according to a *Steel* survey of 1,175 general managers of metalworking plants.

More than 50% of the respondents would increase their spending for capital equipment by almost 12%. Over the next two years, this would amount to about $550 million more for capital equipment than the industry plans to spend now.

Most manufacturers, *Steel* stated, do not consider the Treasury Department's tax incentive plan to be a sufficient liberalization of the depreciation laws.

Steel Production Data for the Week Ended June 17

According to data compiled by the American Iron and Steel Institute, production for week ending June 17, 1961, was 1,985,000 tons (*106.6%), 2.8% under output of 2,042,000 tons (*109.6%) in the week ended June 10.

Production this year through June 17 amounted to 41,168,000 tons (*92.1%), or 27.9% below the 57,137,000 tons (*127.8%) in the period through June 17, 1960.

The institute concludes with Index of Ingot Production by Districts, for week ended June 17, 1961, as follows:

	*Index of Ingot Production for Week Ending June 17, 1961
North East Coast	98
Buffalo	100
Pittsburgh	92
Youngstown	94
Cleveland	120
Detroit	137
Chicago	112
Cincinnati	113
St. Louis	118
Southern	119
Western	119
Total industry	106.6

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

Auto Production Was 6.5% Behind Same 1960 Week

Eight makes of U. S. passenger cars were produced this week in a greater number than they were in the comparable week of 1960, *Ward's Automotive Reports* said.

Five Ford Motor Co., one Chrysler Corp. and two General Motors divisions substantially bettered optimum-level 1960 assembly rates as the total industry car count for the week ending June 10, reached 128,720.

The statistical service said that production last week, while a few units behind the 1961 peak (129,402 for the week of May 8) was but 6.5% below the 137,641 units completed in the same June week of a year ago. It was the most favorable balance with 1960 output the industry has struck this year.

Ford, Falcon, Lincoln, Mercury and Comet cars, all products of the Ford Motor Co., averaged a 12.4% production increase this week over production in the year-ago week. Buick and Oldsmobile divisions of General Motors, and Chrysler Corp.'s nameplate passenger car also exceeded 1960 production paces.

Ward's said that only one U. S. assembly plant was inactive last week, Ford's St. Paul car and truck site. The company's Wixom, Mich., Lincoln-Thunderbird facility was closed for one day on June 16.

Studebaker-Packard Corp. at South Bend ran into a parts shortage Wednesday, forcing a halt of assembly for the one day. Chevrolet's Tarrytown, N. Y., plant was not scheduled for Monday operation.

Next week Ford plans to close its Los Angeles site but will resume operations at St. Paul. Chrysler Corp., General Motors, American Motors and Studebaker-Packard have scheduled full production programs.

Of the week's passenger car output, General Motors accounted for 49.1%; Ford Motor Co. 30.1%; Chrysler Corp. 12.2%; American Motors 7.6%; and Studebaker-Packard 1%.

Business Failures Edge Up in Week Ended June 15

Commercial and industrial failures edged up to 351 in the week ended June 15 from 349 in the preceding week, reported Dun & Bradstreet, Inc. However, fewer casualties occurred than in the comparable week a year ago when there were 353. The toll continued considerably above the 267 in 1959 and exceeded by 41% the pre-war level of 249 in the similar week of 1939.

Forty-six businesses succumbed with liabilities of $100,000 or more as against 45 in both the previous week and last year. Failures involving losses under $100,000 edged to 305 from 304 but remained off slightly from the 308 of this size in the comparable week of 1960.

Manufacturing casualties increased to 59 from 50, retailing to 165 from 159, and commercial service to 35 from 28. In contrast, the toll among wholesalers dropped to 37 from 49, and among construction contractors dipped to 55 from 63. Neither manufacturers nor retailers suffered as many casualties as a year ago, but mortality in other groups ran above 1960 levels.

Geographic trends were mixed during the week. Failures rose in five regions, with a steep climb in the East North Central States to 70 from 57 and slight advances in the Middle Atlantic, up to 99 from 97, and in the South Atlantic, up to 49 from 45. Tolls held steady in New England at 16 and in the West South Central at 21. The only marked decline occurred in the Pacific States where casualties fell to 56 from 78. Business mortality equaled or exceeded last year's levels in all regions except the Mountain and Pacific States where tolls were only half as heavy as in the similar week of 1960.

Canadian failures turned up to 47 from 44 in the preceding week and exceeded considerably the 25 occurring a year ago.

Electric Output 6.3% Higher Than in 1960 Week

The amount of electric energy distributed by the electric light and power industry for the week ended Saturday, June, 17, was estimated at 15,345,000,000 kwh., according to the Edison Electric Institute. Output was 341,000,000 kwh. above that of the previous week's total of 15,004,000,000 kwh. and 904,000,000 kwh., or 6.3% above that of the comparable 1960 week.

Lumber Shipments Were 4.2% Behind 1960 Volume

Lumber production in the United States in the week ended June 10, totaled 229,336,000 board feet compared with 220,943,000 board feet in the prior week, according to reports from regional associations. A year ago the figure was 239,418,000 board feet.

Compared with 1960 levels, output dropped 4.2%, shipments were down 2.7%, and orders fell 4.4%.

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

	June 10, 1961	June 3, 1961	June 11, 1960
Production	229,336	220,943	239,418
Shipments	231,443	221,424	237,962
Orders	225,145	211,261	235,420

Freight Car Loadings for Week Ended June 10 Were 11.7% Above Preceding Week's Record

Loading of revenue freight in the week ended June 10, totaled 593,304 cars, the Association of American Railroads announced. This was an increase of 62,037 cars or 11.7% above the preceding week which included the Memorial Day holiday. Compared with the previous non-holiday week ending May 27 current loadings were up 14,537 cars or 2.5%.

The loadings represented a decrease of 55,354 cars or 8.5% below the corresponding week in 1960, and a decrease of 116,537 cars or 16.4% below the corresponding week in 1959.

There were 9,697 cars reported loaded with one or more revenue highway trailers or highway containers (piggyback) in the week ended June 3, 1961 (which were included in that week's over-all total). This was an increase of 250 cars or 2.6% above the corresponding week of 1960 and an increase of 1,308 cars or 15.6% above the 1959 week.

Cumulative piggyback loadings for the first 22 weeks of 1961 totaled 237,355 for an increase of 6,284 cars or 2.7% above the corresponding period of 1960 and 69,402 cars or 41.3% above the corresponding period in 1959. There were 58 class I U. S. railroad systems originating this type traffic in the current week compared with 53 one year ago and 49 in the corresponding week in 1959.

Intercity Truck Tonnage Decreased 0.1% Behind Same 1960 Week

Intercity truck tonnage in the week ended June 10, was virtually unchanged from the volume in the corresponding week of 1960—off 0.1%, the American Trucking Associations, Inc., announced. Truck tonnage was 15.7% ahead of that of the previous week of this year. This gain is largely attributable to the Memorial Day holiday which occurred during the earlier week.

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

The terminal survey for last week showed increased tonnage from a year ago at 15 localities. Nineteen points reflected tonnage decreases from the 1960 level. Truck terminals at three centers—Salt Lake City, Minneapolis-St. Paul, and Birmingham — showed gains of more than 15%. Cleveland and Detroit terminals again experienced sizable tonnage decreases — off 13.8% and 12.9%, respectively.

Compared to the immediately preceding week, all 34 reporting metropolitan areas registered increased tonnage. Terminals at Milwaukee and Indianapolis reported week-to-week gains of more than 30%. The general pattern of the week-to-week increases is consistent with that observed during similar weeks following the Memorial Day holiday in previous years.

Wholesale Commodity Price Index Dips Moderately from Prior Week

There was a moderate decline in the latest week in the general wholesale commodity price level, with lower prices on some grains, flour, lard, sugar, steers, hides and rubber offsetting slight increases on butter, lambs and cotton. The Daily Wholesale Commodity Price Index, compiled by Dun & Bradstreet, Inc., stood at 268.31 (1930-32=100) on June 19, compared with 269.07 a week earlier and 271.74 on the corresponding date a year ago.

Wholesale Food Price Index Slips For Second Week in a Row

For the second successive week, the Wholesale Food Price Index, compiled by Dun & Bradstreet, Inc., showed a slight decline in the latest week, and it was down fractionally from the similar date last year. On June 20 the index dipped 0.2% to $5.88 from the week earlier $5.89, and it was down 0.5% from the year ago $5.91.

Commodities advancing in wholesale cost this week were flour, rye, cocoa and hogs. Lower in price were wheat, corn, oats, barley, lard, sugar, cottonseed oil, potatoes, steers and beef.

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.

Warm Weather Stimulates Consumer Buying

Higher temperatures in many areas encouraged the buying of much seasonal merchandise helping over-all retail trade in the week ended June 21 rise substantially from the prior week and show a slight gain from the similar period last year. The best gains were chalked up by men's and women's apparel, draperies, and food products. Volume in furniture and floor coverings remained close to last year, while sales of major appliances registered moderate year-to-year dips. Scattered reports indicate that volume in new passenger cars showed a slight gain from last year.

Nationwide Department Store Sales Increased 5% Above The 1960 Week

Department store sales on a country-wide basis as taken from the Federal Reserve Board's index for the week ended June 10, 1961, showed an increase of 5% for the like period last year. For the week ended June 3, an increase of 5% was reported. The four-week period ended June 10, 1961, sales advanced 3% over last year.

According to the Federal Reserve System, department store sales in New York City for the week ended June 10, sales were 8% above the same period last year. In the preceding week ended June 3, sales showed a 1% increase over the same period last year. For the four weeks ending June 10, a 3% increase was reported above the 1960 period, while from Jan. 1 to June 10 showed a 1% increase over last year's sales.

Beryllium Mfg. Common Offered

In a prospectus dated June 15, Eldes Securities Corp., New York City, publicly offered 105,000 common shares of Beryllium Manufacturing Corp., at $4.50 per share. Proceeds will be used for the repayment of debt, plant expansion, inventory, and working capital.

The company of 253 West Merrick Rd., Valley Stream, N. Y., is engaged primarily in machining and fabrication of metals, nonmetals, plastics and phenolics. For the year ended Dec. 31, 1960, it had net sales of $652,890 and earnings of $0.21 per share. Authorized stock consists of 2,000,000 25-cent par shares, of which 310,767 will be outstanding upon completion of this sale.

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)	June 24	68.0	70.0	68.0	62.3
Equivalent to—					
Steel ingots and castings (net tons)	June 24	1,985,000	2,042,000	1,988,000	1,739,000
AMERICAN PETROLEUM INSTITUTE:					
Crude oil and condensate output—daily average (bbls. of 42 gallons each)	June 9	7,053,710	7,060,710	7,013,160	6,807,760
Crude runs to stills—daily average (bbls.)	June 9	8,172,000	8,360,000	7,906,000	7,836,000
Gasoline output (bbls.)	June 9	29,586,000	29,060,000	28,376,000	28,939,000
Kerosene output (bbls.)	June 9	2,360,000	2,197,000	2,158,000	2,605,000
Distillate fuel oil output (bbls.)	June 9	12,434,000	12,474,000	11,657,000	12,443,000
Residual fuel oil output (bbls.)	June 9	5,893,000	6,524,000	6,075,000	5,749,000
Stocks at refineries, bulk terminals, in transit, in pipe lines—					
Finished and unfinished gasoline (bbls.) at	June 9	208,825,000	210,475,000	216,566,000	207,935,000
Kerosene (bbls.) at	June 9	28,594,000	27,798,000	27,090,000	25,788,000
Distillate fuel oil (bbls.) at	June 9	99,712,000	95,235,000	85,530,000	101,123,000
Residual fuel oil (bbls.) at	June 9	45,149,000	*44,954,000	43,354,000	40,394,000
ASSOCIATION OF AMERICAN RAILROADS:					
Revenue freight loaded (number of cars)	June 10	593,304	531,267	551,405	648,658
Revenue freight received from connections (no. of cars)	June 10	Not Avail.	472,080	491,105	523,235
CIVIL ENGINEERING CONSTRUCTION—ENGINEERING NEWS-RECORD:					
Total U. S. construction	June 15	$403,400,000	$662,000,000	$410,700,000	$583,200,000
Private construction	June 15	184,400,000	299,100,000	259,500,000	370,900,000
Public construction	June 15	219,000,000	362,900,000	151,200,000	212,300,000
State and municipal	June 15	156,600,000	243,400,000	118,600,000	180,400,000
Federal	June 15	62,400,000	119,500,000	32,600,000	31,900,000
COAL OUTPUT (U. S. BUREAU OF MINES):					
Bituminous coal and lignite (tons)	June 10	8,470,000	*7,495,000	7,360,000	8,738,000
Pennsylvania anthracite (tons)	June 10	353,000	302,000	328,000	369,000
DEPARTMENT STORE SALES INDEX—FEDERAL RESERVE SYSTEM—1947-49 AVERAGE=100	June 10	151	132	157	144
EDISON ELECTRIC INSTITUTE:					
Electric output (in 000 kwh.)	June 17	15,345,000	15,004,000	14,352,000	14,441,000
FAILURES (COMMERCIAL AND INDUSTRIAL)—DUN & BRADSTREET, INC.	June 15	351	349	303	353
IRON AGE COMPOSITE PRICES:					
Finished steel (per lb.)	June 13	6.196c	6.196c	6.196c	6.196c
Pig iron (per gross ton)	June 13	$66.44	$66.44	$66.44	$66.41
Scrap steel (per gross ton)	June 13	$37.83	$37.83	$36.50	$31.50
METAL PRICES (E. & M. J. QUOTATIONS):					
Electrolytic copper—					
Domestic refinery at	June 14	30.600c	30.600c	29.850c	32.600c
Export refinery at	June 14	28.825c	29.995c	29.475c	29.850c
Lead (New York) at	June 14	11.000c	11.000c	11.000c	12.000c
Lead (St. Louis) at	June 14	10.800c	10.800c	10.800c	11.800c
‡Zinc (delivered) at	June 14	12.000c	12.000c	12.000c	13.500c
Zinc (East St. Louis) at	June 14	11.500c	11.500c	11.500c	13.000c
Aluminum (primary pig, 99.5%) at	June 14	26.000c	26.000c	26.000c	26.000c
Straits tin (New York) at	June 14	112.375c	112.375c	109.750c	101.000c
MOODY'S BOND PRICES DAILY AVERAGES:					
U. S. Government Bonds	June 20	87.13	87.73	89.25	86.55
Average corporate	June 20	87.05	87.18	87.72	85.07
Aaa	June 20	91.19	91.34	92.20	89.51
Aa	June 20	89.37	89.78	89.92	87.59
A	June 20	86.11	86.38	87.05	84.81
Baa	June 20	81.78	81.90	82.15	79.01
Railroad Group	June 20	84.30	84.68	85.20	83.03
Public Utilities Group	June 20	88.54	88.67	88.95	85.33
Industrials Group	June 20	88.27	88.40	89.23	86.91
MOODY'S BOND YIELD DAILY AVERAGES:					
U. S. Government Bonds	June 20	3.93	3.85	3.67	3.89
Average corporate	June 20	4.63	4.62	4.58	4.78
Aaa	June 20	4.33	4.32	4.26	4.45
Aa	June 20	4.46	4.43	4.42	4.59
A	June 20	4.70	4.68	4.63	4.80
Baa	June 20	5.04	5.03	5.01	5.27
Railroad Group	June 20	4.84	4.81	4.77	4.94
Public Utilities Group	June 20	4.52	4.51	4.49	4.76
Industrials Group	June 20	4.54	4.53	4.47	4.64
MOODY'S COMMODITY INDEX	June 20	368.5	368.3	366.1	376.5
NATIONAL PAPERBOARD ASSOCIATION:					
Orders received (tons)	June 10	351,827	317,081	308,698	328,895
Production (tons)	June 10	332,425	300,899	319,615	327,206
Percentage of activity	June 10	94	84	92	96
Unfilled orders (tons) at end of period	June 10	469,154	447,581	456,332	482,631
OIL, PAINT AND DRUG REPORTER PRICE INDEX—1949 AVERAGE=100	June 16	113.08	113.65	113.32	110.23
ROUND-LOT TRANSACTIONS FOR ACCOUNT OF MEMBERS, EXCEPT ODD-LOT DEALERS AND SPECIALISTS					
Transactions of specialists in stocks in which registered—					
Total purchases	May 26	3,063,550	3,791,030	3,603,730	2,480,310
Short sales	May 26	508,960	609,150	640,370	490,050
Other sales	May 26	2,419,810	3,272,320	2,968,150	2,023,480
Total sales	May 26	2,928,770	3,881,470	3,608,520	2,513,530
Other transactions initiated off the floor—					
Total purchases	May 26	419,200	567,530	459,650	431,930
Short sales	May 26	26,700	17,600	47,100	53,600
Other sales	May 26	407,030	556,480	469,850	364,150
Total sales	May 26	433,730	574,080	516,950	417,750
Other transactions initiated on the floor—					
Total purchases	May 26	984,324	1,087,772	924,288	823,821
Short sales	May 26	153,550	104,160	86,580	135,210
Other sales	May 26	856,629	1,158,136	959,207	752,697
Total sales	May 26	1,010,179	1,262,296	1,045,787	887,907
Total round-lot transactions for account of members—					
Total purchases	May 26	4,467,074	5,446,332	4,987,668	3,736,061
Short sales	May 26	689,210	730,910	774,050	678,860
Other sales	May 26	3,683,469	4,986,936	4,397,207	3,140,327
Total sales	May 26	4,372,679	5,717,846	5,171,257	3,819,187
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 26	1,956,314	2,435,224	2,412,342	1,812,704
Dollar value	May 26	$113,362,998	$131,955,364	$131,884,732	$92,972,593
Odd-lot purchases by dealers (customers' sales)—					
Number of orders—Customers' total sales	May 26	2,056,216	2,561,919	2,424,375	1,712,895
Customers' short sales	May 26	6,021	6,903	8,769	10,090
Customers' other sales	May 26	2,050,195	2,555,016	2,415,606	1,702,805
Dollar value	May 26	$108,871,826	$129,838,352	$124,414,543	$83,897,433
Round-lot sales by dealers—					
Number of shares—Total sales	May 26	665,400	813,570	738,630	514,540
Short sales	May 26	------	------	------	------
Other sales	May 26	665,400	813,570	738,630	514,540
Round-lot purchases by dealers—Number of shares	May 26	553,150	650,530	693,140	607,840
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 26	776,770	817,550	887,430	826,340
Other sales	May 26	19,318,720	24,627,470	22,446,960	15,672,170
Total sales	May 26	20,095,490	25,445,020	23,334,390	16,498,510
WHOLESALE PRICES, NEW SERIES — U. S. DEPT. OF LABOR — (1947-49=100):					
Commodity Group—					
All commodities	June 13	118.8	*118.9	119.1	119.6
Farm products	June 13	86.3	*86.9	87.1	89.2
Processed foods	June 13	107.2	*107.5	108.2	107.6
Meats	June 13	91.3	*92.2	92.6	97.1
All commodities other than farm and foods	June 13	127.8	*127.8	127.9	128.3

*Revised figure. †Number of orders not reported since introduction of Monthly Investment Plan. ‡Prime Western Zinc sold on delivered basis at centers where freight from East St. Louis exceeds one-half cent a pound.

	Latest Month	Previous Month	Year Ago
BUILDING CONSTRUCTION—U. S. DEPT. OF LABOR—Month of May (in millions):			
Total new construction	4,773	4,289	4,648
Private construction	3,292	3,030	3,265
Residential buildings (nonfarm)	1,849	1,676	1,885
New housing units	1,285	1,185	1,352
Additions and alterations	467	399	460
Nonhousekeeping	97	92	73
Nonresidential buildings	822	789	784
Industrial	227	235	222
Commercial	344	318	321
Office buildings and warehouses	180	174	162
Stores, restaurants, and garages	164	144	159
Other nonresidential buildings	251	236	241
Religious	78	73	79
Educational	47	46	44
Hospital and institutional	57	55	46
Social and recreational	50	45	54
Miscellaneous	19	17	18
Farm construction	122	108	111
Public utilities	475	435	462
Telephone and telegraph	89	83	100
Other public utilities	386	352	362
All other private	24	22	23
Public construction	1,481	1,259	1,383
Residential buildings	71	68	64
Nonresidential buildings	443	436	394
Industrial	45	45	33
Educational	254	253	234
Hospital and institutional	32	31	35
Administrative and service	58	54	51
Other nonresidential buildings	54	53	41
Military facilities	109	111	103
Highways	523	339	515
Sewer and water systems	138	130	128
Sewer	79	75	77
Water	59	55	51
Public service enterprises	56	47	53
Conservation and development	110	100	107
All other public	31	28	19
CONSUMER PRICE INDEX—1947-49=100—Month of April:			
All items	127.5	127.5	126.2
Food	121.2	121.2	119.5
Food at home	118.3	118.3	116.7
Cereal and bakery products	139.7	139.6	135.8
Meats, poultry and fish	110.5	111.4	109.3
Dairy products	117.9	118.5	115.3
Fruits and vegetables	131.4	127.8	129.9
Other food at home	106.4	107.6	106.1
Food away from home (Jan. 1953=100)	120.8	120.6	118.5
Housing	132.3	132.5	131.4
Rent	143.3	143.1	141.4
Gas and electricity	125.8	125.9	124.4
Solid fuels and fuel oil	139.9	141.3	136.3
Housefurnishings	103.8	103.9	104.7
Household operation	138.7	138.5	137.0
Apparel	109.5	109.8	108.9
Men's and boys'	111.7	111.4	109.5
Women's and girls'	99.1	99.9	99.6
Footwear	140.8	140.9	139.8
Other apparel	92.8	92.6	92.9
Transportation	145.8	145.7	146.1
Private	133.4	133.4	134.4
Public	206.5	205.7	199.4
Medical care	159.9	159.6	155.5
Personal care	133.8	133.6	132.9
Reading and recreation	124.1	123.4	121.1
Other goods and services	132.6	132.6	131.9
COTTON SEED AND COTTON SEED PRODUCTS—DEPT. OF COMMERCE—Month of April:			
Cotton Seed—			
Received at mills (tons)	10,300	30,200	16,300
Crushed (tons)	401,800	480,400	373,700
Stocks (tons) April 30	668,100	1,059,000	596,000
Cake and Meal—			
Stocks (tons) April 30	270,500	272,000	188,900
Produced (tons)	189,300	224,900	175,800
Shipped (tons)	190,800	192,500	127,700
Hulls—			
Stocks (tons) April 30	120,900	108,300	48,200
Produced (tons)	93,200	110,600	86,100
Shipped (tons)	80,600	92,700	79,900
Linters—			
Stocks (bales) April 30	226,400	230,300	156,500
Produced (bales)	113,800	138,300	113,000
Shipped (bales)	117,700	139,400	139,200
NEW YORK STOCK EXCHANGE—As of April 30 (000's omitted):			
Member firms carrying margin accounts—			
Total customers' net debit balances	$3,986,000	*$3,656,000	$3,150,000
Credit extended to customers	50,000	55,000	113,000
Cash on hand and in banks in U. S.	433,000	427,000	354,000
Total of customers' free credit balances	1,508,000	1,507,000	940,000
Market value of listed bonds	110,317,963	109,936,802	109,006,810
Market value of listed shares	350,471,832	347,575,879	283,381,312
Member borrowings on U. S. Govt. issues	533,000	561,000	600,000
Member borrowings on other collateral	2,412,000	2,056,000	2,324,000
MOODY'S WEIGHTED AVERAGE YIELD—100 COMMON STOCKS—Month of May:			
Industrials (125)	3.05	3.11	3.47
Railroads (25)	4.89	5.00	5.70
Utilities (not incl. Amer. Tel. & Tel.) (24)	3.15	3.26	3.97
Banks (15)	3.33	3.54	3.87
Insurance (10)	2.49	2.51	2.97
Average (200)	3.09	3.15	3.60
RUBBER MANUFACTURING ASSOCIATION, INC.—Month of April:			
Passenger & Motorcycle Tires (Number of)—			
Shipments	9,099,881	8,081,591	9,871,502
Production	7,865,550	8,195,726	9,164,701
Inventory	24,150,105	25,385,004	23,511,713
Tractor Implement Tires (Number of)—			
Shipments	358,917	388,229	403,064
Production	357,800	369,434	313,059
Inventory	939,789	939,174	945,955
Passenger, Motorcycle, Truck & Bus Inner-Tubes (Number of)—			
Shipments	2,901,814	3,587,604	3,305,838
Production	2,939,288	3,359,209	3,627,995
Inventory	9,095,617	9,013,775	10,495,261
Tread Rubber (Camelback)—			
Shipments (pounds)	39,506,000	35,342,000	40,938,000
Production (pounds)	37,955,000	34,708,000	37,721,000
Inventory (pounds)	15,572,000	17,865,000	26,162,000
Truck and Bus Tires (Number of)—			
Shipments	1,132,555	1,084,356	1,242,960
Production	1,016,848	1,015,962	1,352,248
Inventory	3,883,094	4,000,230	3,889,308
RYE CONDITION—CROP REPORTING BOARD U. S. DEPT. OF AGRICULTURE—As of June 1	88%	88%	88%
WINTER WHEAT PRODUCTION—CROP REPORTING BOARD U. S. DEPT. OF AGRICULTURE—As of June 1 (bushels)	1,120,517,000	1,095,697,000	1,117,131,000

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.

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.

Abbey Automation Systems, Inc.
June 6, 1961 filed 100,000 common shares. **Price** — $3. **Business**—The design manufacture and sale of automation equipment for industry. **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.
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).

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. **Offering**—Imminent.

• A-Drive Auto Leasing System, Inc.
Jan. 19, 1961 filed 100,000 shares of class A stock, of which 75,000 are to be offered for public sale by the company and 25,000 shares, being outstanding stock, by the present holders thereof. **Price**—$10 per share. **Business**—The company is engaged in the business of leasing automobiles and trucks for periods of over one year. **Proceeds**—To repay loans; open new offices in Philadelphia, Pa., and New Haven, Conn.; lease and equip a large garage in New York City and lease additional trucks. **Office**—1616 Northern Boulevard, Manhasset, N. Y. **Underwriter**—Hill, Darlington & Grimm, New York City (managing). **Offering**—Imminent.

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. **Offering**—Expected in early August.

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. W., 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).

Alix of Miami, Inc.
June 8, 1961 filed 100,000 class A common shares, of which 70,000 are to be offered by the company and 30,000 by stockholders. **Price**—$9. **Business**—Manufacturers of women's wear. **Proceeds**—For working capital. **Office**—2700 N. W. 5th Ave., Miami, Fla. **Underwriter**—Clayton Securities Corp., Boston (managing).

★ Allison Business Services, Inc.
See Staff Business & Data Aids, below.

• 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**—$10. **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. **Offering**—Expected in July.

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.

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. (7/3-7)
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. (6/26-30)
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.

American Missiltronics Corp.
June 6, 1961 filed 125,000 shares of class A common. **Price**—$4 per share. **Business**—The issuing firm is a 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. **Offering**—Expected in early August.

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

Harvey's Stores Class A Offered

Public offering of 150,000 class A shares of Harvey's Stores, Inc., at $7.50 per share was made on June 21 by Maltz, Greenwald & Co., New York City, and associates. Proceeds from the sale will go to the selling stockholders and no portion thereof wil be received by the company.

The company of 500 Seventh Ave., New York City is engaged in the operation of a chain of retail stores in the states of Ohio, Indiana, Illinois and Michigan, which sell a line of popularly priced ladies' and children's wearing apparel. Authorized stock consists of 700,000 $1 par class A and 500,000 $1 par class B shares of which 200,000 and 300,000 shares respectively are outstanding.

John A. Steel Opens

SAN FRANCISCO, Calif. — John A. Steel is engaging in a securities business from offices at 315 Montgomery Street.

Resumes Inv. Business

MIAMI, Fla.—M. M. Ferer is engaging in a securities business from offices at 125 Southeast 12th Street, under the firm name of M. Ferer Securities.

Now With Black & Co.

(Special to THE FINANCIAL CHRONICLE)

PORTLAND, Ore. — Arnett B. Johnson has become associated with Black & Co., Inc., American Bank Building. He was formerly with Foster & Marshall.

Kahn & Peck to Admit

On June 22 Ormond A. Hutton will become a partner in Kahn & Peck, Cohn & Co., 74 Trinity Place, New York City, members of the New York Stock Exchange.

Stevenson, Bartram Partner

Stevenson & Bartram, 120 Broadway, New York City, members of the New York Stock Exchange, on June 22 will admit Kennedy Stevenson to partnership.

Am. Secs. Names Three Vice-Pres.

American Securities Corp., 25 Broad Street, New York City, underwriters and distributors of investment securities, have announced that Harold W. Frank, manager of the trading department; Arthur G. Sachtleben, manager of the corporate bond department; and G. Philip Whitman, manager of the municipal bond department, have been elected Vice-Presidents of the firm.

Branch offices of American Securities Corp. are located in Boston, Hartford and Philadelphia.

Now Winston Securities

WINSTON-SALEM, N. C. — The firm name of Winston Industries Corporation, 550 South Stradford Road, has been changed to Winston Securities Corporation. The firm maintains a branch in Salisbury, N. C.

carry them until market conditions are favorable for disposition. **Office** — 210 Center St., Little Rock, Ark. **Underwriter**—Amico, Inc. **Offering**—In late July.

American Orbitronics Corp.
June 1, 1961 ("Reg. A") 100,000 common shares (par one cent). **Price**—$3. **Proceeds**—For raw material, machinery, and working capital. **Office**—1730 K St., N. W., Suite 309, Washington, D. C. **Underwriter**—H. P. Black & Co., Washington, D. C.

● **American Photocopy Equipment Co. (7/17-21)**
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. (8/1-4)**
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.**
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. **Note**—This statement is expected to be refiled.

★ **Amphicar Corp. of America**
June 15, 1961 filed 100,000 common shares. **Price**—$5. **Business**—The manufacture of amphibious automobiles. **Proceeds**—To establish a parts depot in Newark, N. J., set up sales and service organizations, and for working capital and general corporate purposes. **Office**—660 Madison Avenue, New York. **Underwriter** — Herbert Edmond & Co., Inc., 115 Broadway, New York.

★ **Anodyne, Inc.**
June 20, 1961 filed $625,000 of 5% convertible subordinated debentures, 156,250 common shares reserved for issuance on conversion of the debentures and 5-year warrants to purchase 125,000 common shares to be offered in 6,250 units, each consisting of $100 of debentures and warrants to purchase 20 shares. The units will be offered for subscription by common stockholders on the basis of one unit for each 100 common shares held. **Price** — $100 per unit. **Proceeds** — For expansion and working capital. **Office**—1270 N. W. 165th St., North Miami Beach, Fla. **Underwriters**—Ross, Lyon & Co., Inc., and Globus, Inc., New York.

● **Antilles Electronics Corp. (7/10-14)**
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. (7/3)**
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).

★ **Aqua-Lectric, Inc.**
June 19, 1961 filed 1,000,000 common shares. **Price**—$1.15. **Business**—The marketing of an electric hot water heating system. **Proceeds**—For inventory, salaries, advertising and promotion, and working capital. **Office**—1608 First National Bank Building, Minneapolis. **Underwriter**—None.

● **Architectural Plastics Corp. (6/28)**
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.**
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). **Offering**—In late July.

● **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. **Offering**—Imminent.

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).

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.

★ **Audio Visual Teaching Machines, Inc.**
June 8, 1961 ("Reg. A") 75,000 common shares (par 10 cents). **Price**—$4. **Business**—The manufacture and distribution of teaching machines, language laboratories and program texts. **Proceeds**—For repayment of debt, purchase of equipment, research and development and working capital. **Office** — 216 E. Diamond Street, Gaithersburg, Md. **Underwriter**—To be named.

Audiographic Inc.
Feb. 27, 1961 filed 150,000 shares of common stock. **Price**—$4 per share. **Business**—The manufacture and sale of fire and burglar warning systems. **Proceeds**—To establish subsidiaries, buy equipment to make component parts of warning systems now manufactured by others, reduce indebtedness, add to inventory, and for working capital. **Office**—Bellemore, L. I., N. Y. **Underwriter**—First Broad Street Corp., New York City (managing).

● **Australia (Commonwealth of) 6/28)**
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 Gift Plan, Inc.
June 12, 1961 ("Reg. A") 100,000 common shares (par 10c). **Price**—$3. **Business**—The manufacture and sale of "Gift Bookards" designed to provide simplified gift giving for business and industry. **Proceeds**—For advertising, sales promotion, repayment of loans, working capital and the establishment of national dealerships. **Office**—80 Park Ave., New York. **Underwriter**—J. Laurence & Co., Inc., New York.

● **Automated Merchandising Capital Corp. (8/1-4)**
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).

★ **Automatic Canteen Co. of America**
June 14, 1961 filed $12,000,000 of sinking fund debentures due 1981. **Price**—By amendment. **Business**—The manufacture, sale and lease of vending machines. **Proceeds**—For expansion and general corporate purposes. **Office**—Merchandise Mart Plaza, Chicago. **Underwriter**—Glore, Forgan & Co., New York (managing).

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. **Busi-**

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NEW ISSUE CALENDAR

June 23 (Friday)

Big Boy Properties, Inc.________________Common
(No underwriting) $1,000,000
Chroma-Glo, Inc.________________Common
(Jamieson & Co.) $297,000
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
Jefferson Counsel Corp.__________Class B Common
(No underwriting) $300,000
Metropolitan Securities, Inc.______________Common
(Hodgdon & Co.) $300,000
Motor Travel Services, Inc.______________Common
(Bratter & Co. Inc.) $299,000

June 26 (Monday)

American Finance Co., Inc.________________Units
(Lomasney, Loving & Co.) $1,250,000
Automotive Vacuum Control Corp.______Common
(Donald J. Hinkley & Co. Inc.) $300,000
Bid D Chemical Co.________________Common
(Donald J. Hinkley & Co. Inc.) $300,000
Bookshelf of America, Inc.______________Common
(D. H. Blair & Co.) $299,800
CMC Finance Group, Inc.______________Common
(Auchincloss, Parker & Redpath) 150,000 shares
Diotron, Inc.________________Common
(Royer Securities Co.) $300,000
Eastern Lime Corp.________________Debentures
(Stroud & Co. Inc. and Warren W. York & Co. Inc.) $700,000
Elgeet Optical Co., Inc.________________Common
(Troster, Singer & Co.) $1,130,000
Ford Motor Co.________________Common
(Blyth & Co. Inc.) 2,750,000 shares
G-W. Ameritronics, Inc.________________Units
(Fraser & Co., Inc.) $320,000
Hager, Inc.________________Common
(Marron, Sloss & Co., Inc.) 200,000 shares
Harvey Aluminum (Inc.)______________Common
(Kuhn, Loeb & Co. Inc. and Tucker, Anthony & R. L. Day) 1,000,000 shares
Harwyn Publishing Corp.______________Common
(N. A. Hart & Co.) $412,500
Howe Plastics & Chemical Companies, Inc.__Com.
(J. I. Margaril Co.) 40,000 shares
Industrial Control Products, Inc.__________Common
(Edward Hindley & Co.) $495,000
Model Vending, Inc.________________Common
(Milton D. Blauner & Co., Inc.; Hallowell, Sulzberger, Jenks, Kirkland & Co. and M. L. Lee & Co., Inc.) 150,000 shares
Modern Homes Construction Co.__________Units
(Harriman Ripley & Co.) 275,000 units
New York Trap Rock Corp.______________Common
(Smith, Barney & Co.) 175,000 shares
Recreation Enterprises, Inc.______________Units
(I. M. Simon & Co.) $550,000
Science Resources Inc.________________Common
(Norton, Fox & Co. Inc.) $300,000
Southwestern States Telephone Co.______Common
(Dean Witter & Co.) 110,000 shares
State Loan & Finance Corp.__________Debentures
(Johnston, Lemon & Co. and Eastman Dillon, Union Securities & Co.) $25,000,000
Suval Industries Inc.________________Common
(Milton D. Blauner & Co. and Brukenfeld & Co.) $500,000
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 27 (Tuesday)

Bolt Beranek & Newman, Inc.__________Common
(Hemphill, Noyes & Co.) 160,000 shares
Marine & Electronics Manufacturing Inc.___Com.
(Lecluse & Co.) $300,000
Massachusetts Electric Co.________________Bonds
(Bids 11 a. m. EDST) $17,500,000
Renaire Foods, Inc.________________Common
(P. W. Brooks & Co., Inc.) $750,000
Renaire Foods, Inc.________________Debentures
(P. W. Brooks & Co., Inc.) $600,000

June 28 (Wednesday)

Architectural Plastics Corp.______________Common
(Zilka, Smither & Co.) $12,898,875
Australia (Commonwealth of)______________Bonds
(Morgan Stanley & Co.) $25,000,000
Fidelity Bankers Life Insurance Corp.____Common
(Lee Higginson Corp. and Shearson, Hammill & Co.) 547.128 shares
Holiday Sportswear, Inc.______________Common
(George K. Baum & Co.) 86,000 shares
National Mercantile Corp.________________Units
(A. T. Brod & Co.) 100,000 units
Photronics Corp.________________Common
(Offering to stockholders—underwritten by L. D. Sherman & Co.) 150,000 shares
Special Metals, Inc.________________Units
(White, Weld & Co. Inc. and Lehman Brothers) 53,125 units
Standard Brands Paint Co.______________Common
(Sutro Bros. & Co. and Allen & Co.) 265,000 shares
Supermarkets Operating Co.__________Common
(Robert Garrett & Sons and G. H. Walker & Co.) 125,000 shares
Taddeo Bowling & Leasing Corp.__________Units
(Lomasney, Loving & Co.) $1,620,000
Tennessee Valley Authority________________Bonds
(Bids 10:30 a.m. EDST) $50,000,000

June 29 (Thursday)

Capital Properties, Inc.________________Units
(Hodgdon & Co. Inc.) $600,000
Caterpillar Tractor Co.______________Debentures
(Blyth & Co., Inc.) $50,000,000
Empire Life Insurance Co. of America_____Capital
(Consolidated Securities Inc.) $300,000
Equity Capital Co.________________Common
(Paine, Webber, Jackson & Curtis) 100,000 shares
Hardeman (Paul), Inc.________________Common
(Michael G. Kletz & Co.) 350,000 shares
Income Planning Corp.________________Units
(Espy & Wanderer, Inc.) $200,000

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Kaiser Aluminum & Chemical Corp.______Common
(First Boston Corp.) 375,000 shares
Nash (J. M.) Co., Inc.______Debentures
(Robert W. Baird & Co.) $2,000,000

June 30 (Friday)

Automatic Canteen Co. of America____Debentures
(Offering to stockholders—underwritten by Glore, Forgan & Co.) $20,000,000
Electronics Capital Corp.______Common
(Offering to stockholders—underwritten by Bear, Stearns & Co.) 612,463 shares
International Silver Co.______Debentures
(Offering to stockholders—underwritten by Lehman Brothers) $7,822,000
Metropolis Bowling Centers, Inc.______Common
(Russell & Saxe Inc.; Thomas, Williams & Lee Inc. and V. S. Wickett & Co.) $990,000
Taffet Electronics, Inc.______Common
(Fialkov & Co. Inc.) $396,000

July 3 (Monday)

Almar Rainwear Corp.______Common
(D. H. Blair & Co.) 120,000 shares
American Facsimile Corp.______Common
(Shell Associates Inc.) $120,000
Apache Corp.______Units
(APA, Inc. Minneapolis, Minn.) $4,500,000
Chock Full O' Nuts Corp.______Debentures
(F. Eberstadt & Co.) $7,500,000
Church Builders, Inc.______Common
(Associates Management, Inc.) $275,000
Comptometer Corp.______Common
(Offering to stockholders—no underwriting) 160,401 shares
Development Corp. of America______Common
(Amos Treat & Co. Inc.) $600,000
Diamond Crystal Salt Co.______Common
(Kidder, Peabody & Co.) 300,000 shares
Faradyne Electronics Corp.______Debentures
(S. D. Fuller Co.) $2,000,000
First Small Business Corp. of New Jersey___Capital
(Shearson, Hammill & Co. and Heller & Meyer) $3,750,000
General Acceptance Corp.______Debentures
(Paine, Webber, Jackson & Curtis and Eastman Dillon, Union Securities & Co.) $15,000,000
Gilbert Data Systems, Inc.______Common
(Schrijver & Co.) $350,000
Income Properties, Inc.______Class A
(Eisele & King, Libaire, Stout & Co.) $1,462,500
Interstate Department Stores, Inc.______Debentures
(Lehman Brothers and Shearson, Hammill & Co.) $5,859,400
Investors Preferred Life Insurance Co.___Common
(Life Securities, Inc.) $840,000
Jefferson Construction Co.______Common
(Pistell, Crow, Inc.) $1,870,000
Micro Electronics Corp.______Common
(R. Baruch & Co.) $400,000
Mill Factors Corp.______Common
(Lee Higginson Corp.) 75,000 shares
Mohawk Insurance Co.______Common
(R. F. Dowd & Co., Inc.) $900,000
Seaboard Electronic Corp.______Common
(Amos Treat & Co. Inc.) $550,000
Servonic Instruments, Inc.______Common
(C. E. Unterberg, Towbin Co.) 95,000 shares
Survivors' Benefit Insurance Co.______Common
(Offering to stockholders—no underwriting) $1,085,000
Terry Industries, Inc.______Common
(Greenfield & Co. is underwriting the company's stock) 1,728,337 shares
Triangle Instrument______Common
(Armstrong & Co., Inc.) $300,000
Uris Buildings Corp.______Common
(Kuhn, Loeb & Co.) 159,403 shares
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 6 (Thursday)

Gordon Jewelry Corp.______Class A
(Paine, Webber, Jackson & Curtis) 140,000 shares
Southeastern Capital Corp.______Common
(Paine, Webber, Jackson & Curtis) $6,250,000
Walter (Jim) Corp.______Debentures
(Alex. Brown & Sons) $20,000,000

July 10 (Monday)

Antilles Electronics Corp.______Common
(Fraser & Co.) $300,000
Apache Realty Corp.______Units
(Blunt Ellis & Simmons) $5,000,000
CompuDyne Corp.______Common
(Hayden, Stone & Co.) 168,000 shares
Goodway Printing Co.______Capital
(Paine, Webber, Jackson & Curtis) 247,500 shares
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
Thoroughbred Enterprises, Inc.______Common
(Sandkuhl & Co. Inc.) $340,000
U. S. Home & Development Corp.______Capital
(Auchincloss, Parker & Redpath) 300,000 shares
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)

Canada Dry Corp.______Debentures
(Offering to stockholders — underwritten by Eastman Dillon, Union Securities & Co.; Hornblower & Weeks and Winslow, Cohu & Stetson Inc.) $7,138,400
Consolidated Production Corp.______Common
(Shearson, Hammill & Co.) 200,000 shares
Oceanarium, Inc.______Common
(Blyth & Co. Inc.) 125,000 shares

July 12 (Wednesday)

California Electric Power Co.______Bonds
(Bids 9 a.m. PST) $8,000,000
Texas Eastern Transmission Corp.______Preferred
(Dillon, Read & Co.) 200,000 shares
Texas Eastern Transmission Corp.______Debentures
(Dillon, Read & Co.) $30,000,000

July 13 (Thursday)

Brockton Edison Co.______Preferred
(Bids to be received) 40,000 shares

July 14 (Friday)

Electrarc, Inc.______Common
(P. de Rensis & Co., Inc.) $500,000
Wej-It Expansion Products, Inc.______Common
(Amos C. Sudler & Co.) $300,000

July 17 (Monday)

American Photocopy Equipment Co.______Common
(Lehman Brothers) 435,000 shares
Chemonics Corp.______Common
(Grant, Fontaine & Co.; Evans MacCormack & Co.; Stone & Youngberg and Sellgren, Miller & Co.) $300,000
Magna Pipe Line Co., Ltd.______Common
(Bear, Stearns & Co. and W. C. Pitfield & Co. Ltd.) 750,000 shares
Marine Structures Corp.______Common
(Grant, Fontaine & Co.) $300,000
Radiation Instrument Development Laboratory, Inc.______Common
(Hayden, Stone & Co.) 100,000 shares

July 18 (Tuesday)

Cable Carriers, Inc.______Capital
(No underwriting) 196,109 shares
Independence Life Insurance Co. of America__Cap.
(Blyth & Co. Inc.) 150,000 shares
Northwest Natural Gas Co.______Common
(Lehman Brothers) 140,000 shares
Northwest Natural Gas Co.______Bonds
(Lehman Brothers) $6,500,000

July 19 (Wednesday)

Certain-Teed Products Corp.______Common
(Offering to stockholders underwritten by Lazard Freres & Co.) 127,570 shares

July 24 (Monday)

BBM Photocopy Manufacturing Corp.______Common
(Shields & Co.) 50,000 shares
Bramalea Consolidated Developments, Ltd.___Units
(Shields & Co.) $12,000,000
Cosnat Record Distributing Corp.______Common
(Amos Treat & Co.) 150,000 shares
Famous Artists Schools, Inc.______Common
(Bear, Stearns & Co.) 336,625 shares
Fifth Dimension Inc.______Common
(Milton D. Blauner & Co., Inc.) 60,0000 shares
Ihnen (Edward H.) & Son, Inc.______Common
(Amos Treat & Co. Inc.) $375,000
Mortgage Guaranty Insurance Co.______Common
(Bache & Co.) 155,000 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

July 25 (Tuesday)

Union Electric Co.______Bonds
(Bids 11 a. m. EDT) $30,000,000

August 1 (Tuesday)

American Univend Corp.______Common
(Robert A. Martin Associates, Inc.) 100,000 shares
Automated Merchandising Capital Corp.___Common
(Blair & Co. Inc.) 400,000 shares
Investors Funding Corp. of New York______Units
(Eisele & King, Libaire, Stout & Co.) $2,600,000
Northern Pacific Co.______Equip. Trust Ctfs.
(Bids to be received) $7,200,000

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

August 18 (Friday)

Lytton Financial Corp.______Capital
(William R. Staats & Co. and Shearson, Hammill & Co.) 300,000 shares

September 8 (Friday)

Western Union Telegraph Co.______Common
(Offering to stockholders—underwriters to be named) 1,070,000 shares

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

October 25 (Wednesday)

New England Power Co.______Bonds
(Bids to be received) $20,000,000

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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ness—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).

● Automotive Vacuum Control Corp. (6/26)
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 Photocpy Manufacturing Corp. (7/24-28)
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).

★ Badger Northland, Inc.
June 16, 1961 filed 100,000 common shares, of which 68,000 shares are to be offered by the company and 32,000 shares by stockholders. **Price**—By amendment. **Business**—The manufacture of farm equipment. **Proceeds**—For a plant, purchase of land, retirement of preferred stock and working capital. **Address**—Kaukauna, Wis. **Underwriter**—Loewi & Co., Inc., Milwaukee (managing).

Bel-Aire Products, Inc.
April 14, 1961 (letter of notification) 150,000 shares of common stock. **Price**—At par ($2 per share). **Proceeds**—For repayment of a loan, new equipment, lease of a plant, and working capital. **Office** — 25970 W. 8 mile Road, Southfield, Mich. **Underwriter** — International Equities Co., Miami, Fla.

● Bid D Chemical Co. (6/26)
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. (6/23)
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.

Blackman Merchandising Corp.
June 8, 1961 filed 72,500 class A common shares. **Price**—By amendment. **Business**—The wholesale distribution of soft goods lines and artificial flowers. **Proceeds**—For expansion; inventory and working capital. **Office**—1401 Fairfax Trafficway, Kansas City, Kan. **Underwriter**—Midland Securities Co., Inc., Kansas City, Mo.

● 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 mid-July.

● 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. **Offering**—Expected in late July.

● Bolt Beranek & Newman, Inc. (6/27)
April 27, 1961 filed 160,000 shares of common stock, of which 90,140 shares are to be offered for public sale by the company and 69,860 outstanding shares by the present holders thereof. **Price**—To be supplied by amendment. **Business**—The company is a group of scientists and engineers engaged in research, consultation and product development in the fields of architectural acoustics, applied physics, instrumentation, psychoacoustics, bio-medical technology, man-made machines and information systems. **Proceeds** — For the repayment of debt, and working capital. **Office**—50 Moulton Street, Cambridge, Mass. **Underwriter**—Hemphill, Noyes & Co., New York City (managing).

Bookshelf of America, Inc. (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.

● Brama'ea Consolidated Developments, Ltd. (7/24-28)
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).

Brisker Corp.
June 2, 1961 ("Reg. A") 160,000 common shares (par 25 cents). **Price**—$1. **Proceeds**—For repayment of loans, machine rental, working capital and general corporate purposes. **Office**—2833 St. Charles Ave., Suite 4, New Orleans, La. **Underwriter** — Copley & Co., Colorado Springs, Colo.

Broadcast International, Inc.
June 2, 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. (7/13)
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. **Bids**—To be received at 49 Federal St. (8th floor) Boston, Mass., up to 11 a.m. (EDST) July 13, 1961. **Information Meeting** — Above address July 11, 11 a.m.

Brown (W. A.) Manufacturing Co.
June 12, 1961 filed 170,680 outstanding common shares. **Price**—By amendment. **Business** — The manufacture of photo-mechanical equipment. **Proceeds** — For selling stockholders. **Office**—Prudential Plaza, Chicago. **Underwriters**—Loewi & Co., Inc., Milwaukee and Blunt Ellis & Simmons, Chicago.

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.

★ CLC Owners Corp.
June 5, 1961 ("Reg. A") 160 common shares. **Price** — At par ($1,500). **Proceeds**—For repayment of debt. **Office**—Candlewood Lake Club, Brookfield, Conn. **Underwriter**—None.

● CMC Finance Group, Inc. (6/26-30)
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. (7/18)
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.

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.

★ Cal-Val Research & Development Corp.
June 16, 1961 filed 200,000 capital shares. **Price** — By amendment. **Business**—Engineering research and development in ground support equipment in the missile, rocket and space fields. **Proceeds**—To repay loans and for general corporate purposes. **Office**—19807 Ventura Boulevard, Woodland Hills, Calif. **Underwriter**—Auchincloss, Parker & Redpath, Washington, D. C.

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**—18631 S. Santa Fe Ave., Compton, Calif. **Underwriters**—J. K. Norton & Co. and Stern, Zeiff & Co., Inc., New York.

● Canada Dry Corp. (7/11-27)
June 8, 1961 filed $7,138,400 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 33 shares held of record about July 11, with rights to expire July 27. **Price**—At par. **Business** — The manufacture and distribution of carbonated and alcoholic beverages, extracts and syrups in the U. S. and Canada. **Proceeds**—To prepay short term loans, for expansion and working capital. **Office**—100 Park Ave., New York. **Underwriters**—Eastman Dillon, Union Securities & Co., Hornblower & Weeks and Winslow, Cohu & Stetson, 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.
April 10, 1961 filed 500,000 shares of common stock. **Price**—$10 per share. **Business**—A small business investment company. **Proceeds**—To repay a loan and to provide long term capital to small business concerns. **Office**—1281 Westwood Blvd., Los Angeles, Calif. **Underwriter**—Dempsey-Tegeler & Co., St. Louis, Mo. **Offering**—Imminent.

★ Capital Investors Corp.
June 5, 1961 ("Reg. A") 50,000 capital shares. **Price**—At par ($5). **Proceeds**—For retirement of mortgages, and working capital. **Office**—109 S. Third Street, Room 207, Las Vegas, Nev. **Underwriter**—None.

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).

● Caterpillar Tractor Co. (6/29)
June 9, 1961 filed $50,000,000 of sinking fund debentures due June 15, 1986. **Business**—The manufacture of heavy-duty farm and construction equipment. **Proceeds**—To repay bank loans. **Office** — 600 West Washington St., East Peoria, Ill. **Underwriter**—Blyth & Co., Inc., New York (managing).

★ Center Laboratories, Inc.
June 20, 1961 filed $200,000 of convertible subordinated debentures due 1976 and 80,000 common shares underlying such debentures, and 70,000 outstanding common shares to be sold by stockholders. **Price**—(Debentures) At par. (Common) $2 per share. **Proceeds**—For construction of a new building. **Office**—Port Washington, N. Y. **Underwriters**—Brand, Grumet & Seigel, Inc., and Kesselman & Co., Inc., New York.

★ Central Investment Corp. of Denver
June 19, 1961 filed 600,000 common shares. **Price**—$3.75. **Business**—A small business investment company. **Proceeds**—For investment. **Office**—611 Central Bank Building, Denver. **Underwriters**—Boettcher & Co.; Bosworth, Sullivan & Co., Inc., and Peters, Writer & Christensen, Inc., Denver.

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.

Chock Full O' Nuts Corp. (7/3-7)
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.
June 15, 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. (6/23)
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. (7/3-7)
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 Gas Co. of Florida
June 15, 1961 filed 112,278 common shares. **Price** — By amendment. **Proceeds**—For repayment of loans, purchase of tank cars, and expansion. **Office**—955 E. 25th Street, Hialeah, Fla. **Underwriter**—Kidder, Peabody & Co., New York (managing).

Clark Equipment Credit Corp.
April 21, 1961 filed $20,000,000 of debentures, series A, due 1981. **Price**—To be supplied by amendment. **Business**—The financing in the U. S and Canada of retail time sales of products manufactured by Clark Equipment Co., parent. **Proceeds**—For the repayment of debt. **Office**—324 East Dewey Ave., Buchanan, Mich. **Underwriters**—Lehman Brothers and Blyth & Co., Inc., New York City (managing). **Offering** — Temporarily postponed.

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.

Coastal Acceptance Corp.
June 6, 1961 ("Reg. A") $125,000 of 10-year registered series notes to be offered in denominations of $100 to $1,000. **Price**—At par. **Proceeds**—For working capital. **Office**—36 Lowell St., Manchester, N. H. **Underwriter**—Eastern Investment Corp., Manchester, N. H.

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.

★ Columbia Research Group
June 20, 1961 filed 5,000,000 preferred shares (par one cent). **Price**—$1. **Business**—The production of religious and educational phonograph records. **Proceeds**—For general corporate purposes. **Office**—3600 Market Street, Salt Lake City, Utah. **Underwriter**—None.

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

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repayment of debt and for working capital. **Office**—5600 West Jarvis Ave., Chicago, Ill. **Underwriters** — To be named.

• CompuDyne Corp. (7/10-14)
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) 38,984 shares of common stock (no par) being offered for subscription by stockholders on the basis of one new share for each 12 shares held of record April 20. Rights expire June 14. **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.

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.

Consolidated Production Corp. (7/11-14)
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.

★ Consolidated Southern Companies, Inc.
June 12, 1961 ("Reg. A") 246,435 common shares (par $1). **Price** — $1.15. **Proceeds** — For repayment of debt, and working capital. **Office**—Volunteer Building, Suite 505-6, Atlanta, Ga. **Underwriter**—None.

• Consumers Automatic Vending, Inc. (6/23)
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.

Cosmodyne Corp.
June 12, 1961 filed 100,000 common shares. **Price**—By amendment. **Business** — The manufacture of equipment for the storage of super-cold liquids and gases. **Proceeds**—For manufacture of new equipment, repayment of loans; general corporate purposes and working capital. **Office**—3232 W. El Segundo Blvd., Hawthorne, Calif. **Underwriter**—Dean Witter & Co., San Francisco.

Cosnat Record Distributing Corp. (7/24-28)
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. (6/23)
March 30, 1961 filed 50,000 shares of common stock (par $1). **Price**—To be supplied by amendment. **Business**—The manufacture and packaging of household liquid detergents for distribution under private labels. **Proceeds**—For general corporate purposes. **Office**—Jefferson and Masters Sts., Camden, N. J. **Underwriter**—Carter, Berlind, Potoma & Weill, New York City (managing).

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.

Data Components, Inc.
June 6, 1961 ("Reg. A") 120,000 common shares (par 10 cents). **Price**—$2. **Business**—The marking and fabrication for metal parts. **Proceeds**—For moving expenses, plant equipment, sales promotion and working capital. **Office** — 2212 McDonald Ave., Brooklyn, N. Y. **Underwriter** — A. J. Frederick Co., Inc., New York.

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-Electronics, Inc.
April 13, 1961 (letter of notification) 112,000 shares of common stock (par 10 cents). **Price**—$1 per share. **Business** — The manufacture of electronic components and assemblies. **Proceeds** — For the purchase of inventory; manufacturing facilities and working capital. **Office**—50 E. Third St., Mount Vernon, N. Y. **Underwriter**—Theodore Arrin & Co., (managing) and T. M. Kirsch & Co., both of New York City.

Decitron Electronics Corp.
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 (7/3-7)
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).

Devonbrook, Inc.
June 8, 1961 filed 120,000 outstanding common shares to be sold by stockholders. **Price**—$5. **Business**—Manufacturers of women's apparel. **Proceeds**—For the selling stockholders. **Office**—1400 Broadway, New York. **Underwriter**—Globus, Inc., New York.

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. (6/26)
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.

★ Diversified Industries, Inc.
June 12, 1961 ("Reg. A") 24,059 7% convertible preferred shares (par $5) to be offered for subscription by common stockholders on the basis of one share of preferred for each 10 shares of common held of record on June 5, 1961. **Price**—About $5 per share. **Proceeds**—To repay debt, and for working capital. **Office**—8450 San Fernando Road, Sun Valley, Calif. **Underwriters**—R. E. Bernhard & Co., Beverly Hills, Calif.; Hardy & Co., New York; Arthur B. Hogan, Inc., Burbank, Calif.; Wedbush & Co. and Wheeler & Cruttenden, Inc., Los Angeles; M. S. Walker & Co., Long Beach, Calif., and V. E. Anderson & Co., Salt Lake City.

• Dixon Chemical Industries, Inc.
March 31, 1961 filed $1,500,000 of 6% convertible subordinated income debentures due 1981 being offered for subscription by holders of the company's common stock of record June 20 with rights to expire July 10. **Price**—At par. **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).

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.
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.

★ Dornost Publishing Co., Inc.
June 14, 1961 filed 100,000 common shares (par one cent). **Price**—$1. **Business**—Magazine publishing. **Proceeds**—For general corporate purposes and working capital. **Office**—43 W. 61st Street, New York. **Underwriters**—Globus, Inc., and Harold C. Shore & Co., Inc., N. Y.

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.

★ E. C. P. I., Inc.
June 14, 1961 ("Reg. A") 52,500 common shares (par 25 cents). **Price**—$5.50. **Business**—The training of personnel to operate IBM electronic computers and punch card tabulating equipment. **Proceeds** — For expansion and working capital. **Office**—116 W. 14th Street, New York. **Underwriter**—Stern, Zeiff & Co., Inc., New York.

★ Eastern Air Devices, Inc.
June 16, 1961 filed 150,000 common shares to be offered for subscription by common stockholders of Crescent Petroleum Corp., parent, on the basis of one share for each 10 Crescent shares held. **Business**—The manufacture of power and servo components. **Proceeds**—For the purchase of equipment and other corporate purposes. **Office**—385 Central Avenue, Dover, N. H. **Underwriters**—Sutro Bros. & Co. and Gregory & Sons, New York (managing). **Offering**—Expected in late July.

• Eastern Lime Corp. (6/26-30)
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).

★ Edo Corp.
June 14, 1961 filed 108,971 common shares. **Price** — By amendment. **Business** — The manufacture of electronic equipment. **Proceeds** — For the selling stockholders. **Office**—1404 111th Street, College Point, N. Y. **Underwriters**—Paine, Webber, Jackson & Curtis and Kidder, Peabody & Co., New York (managing).

Edwards Container Corp.
May 29, 1961 ("Reg. A") 60,000 common shares (par $1). **Price** — $5. **Proceeds** — To repay loans, purchase plant machinery and for working capital. **Office**—3535 Eastham Drive, Culver City, Calif. **Underwriter**—Olmstead, Allen & Co., Los Angeles, Calif.

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. (7/14)**
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.

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. (6/30)**
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. (6/26-30)**
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.

★ **Engineered Plastics Container Co., Inc.**
June 5, 1961 ("Reg. A") 100,000 capital shares (par $1). **Price**—$3. **Proceeds**—For equipment and working machine. **Address**—Anaheim, Calif. **Underwriter**—Francis J. Mitchell & Co., Newport Beach, Calif.

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 Corp. (6/29)**
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.**
May 18, 1961 filed 551,250 shares of common stock (par $1) being offered for subscription by stockholders on the basis of one new share for each two shares held of record June 30 with rights to expire July 7, 3:30 p.m. (EDST). **Price** — $16. **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.

● **Famous Artists Schools, Inc. (7/24-28)**
June 13, 1961 filed 336,625 common shares of which 100,000 will be sold by the company and 236,625 by stockholders. **Price** — By amendment. **Business** — The company provides home study courses in the visual arts, writing and photography fields. **Proceeds**—For general corporate purposes. **Office** — 680 Fifth Ave., New York City. **Underwriter**—Bear, Stearns & Co., New York (managing).

● **Faradyne Electronics Corp. (7/3-7)**
Jan. 30, 1961 filed $2,000,000 of 6% convertible subordinated debentures. **Price**—100% of principal amount. **Business**—The company is engaged in the manufacture and distribution of high reliability materials and basic electronic components, including dielectric and electrolytic capacitors and precision tungsten wire forms. **Proceeds**—For the payment of debts and for woorking capital. **Office**—471 Cortlandt Street, Belleville, N. J. **Underwriter**—S. D. Fuller Co.

Federal 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.

Federal Tool & Manufacturing Co.
June 12, 1961 filed 300,000 outstanding common shares. **Price** — $5. **Business**—The manufacture of short-term stampings out of metals. **Proceeds**—For the selling stockholders. **Office**—3600 Alabama Ave., Minneapolis. **Underwriter**—Jamieson & Co., Minneapolis.

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.

● **Fidelity Bankers Life Insurance Corp. (6/28)**
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 Mortgage Fund**
June 12, 1961 filed 1,000,000 shares of beneficial interests. **Price** — $15. **Business** — A real estate investment trust. **Proceeds**—For investment. **Office**—30 Federal St., Boston. **Underwriter**—Shearson, Hammill & Co., N. Y.

First Small Business Corp. of New Jersey (7/3-7)
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.

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). **Offering**—Expected in late July.

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.

Florida Steel Corp.
June 8, 1961 filed 100,000 common shares to be sold by stockholders. **Price** — By amendment. **Business** — The fabricating and warehousing of steel products. **Proceeds**—For the selling stockholders. **Office**—1715 Cleveland St., Tampa, Fla. **Underwriters**—McDonald & Co., Cleveland and Kidder, Peabody & Co., New York (managing).

★ **Food Distributors, Inc.**
June 12, 1961 ("Reg. A") 2,115 common shares (par $50). **Price**—$100. **Proceeds**—For possible acquisitions. **Office**—2135 Columbus Road, Cleveland, Ohio. **Underwriter**—None.

● **Ford Motor Co. (6/26-30)**
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).

● **Fox-Stanley Photo Products, Inc.**
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. **Offering**—Expected in mid-August.

Frederick-Willys Co., Inc.
April 20, 1961 (letter of notification) 150,000 shares of common stock (par five cents). **Price**—$1.15 per share. **Business**—Manufacture of family recreation equipment. **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. (6/26-30)**
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.

★ **Gelman Instrument Co.**
June 6, 1961 ("Reg. A") 50,000 common shares (no par). **Price**—$6. **Proceeds**—For repayment of debt, purchase of equipment, research and development, and working capital. **Office**—106 N. Main Street, Chelsea, Mich. **Underwriter**—Robert A. Martin Associates, Inc., N. Y.

General Acceptance Corp. (7/3)
June 7, 1961 filed $15,000,000 of convertible capital debentures due June 1, 1981. **Price**—By amendment. **Business**—A finance company. **Proceeds**—For working capital. **Office**—1105 Hamilton St., Allentown, Pa. **Underwriters**—Paine, Webber, Jackson & Curtis and Eastman Dillon, Union Securities & Co., New York (managing).

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 late June.

★ **General Life Insurance Corp. of Wisconsin**
June 16, 1961 filed 348,400 common shares to be offered for subscription by stockholders on the basis of one new share for each two and one-half shares held. **Price**—By amendment. **Proceeds**—For expansion and other corporate purposes. **Office**—8500 W. Capitol Drive, Milwaukee. **Underwriter**—Piper, Jaffray & Hopwood, Minneapolis (managing).

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 re-

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sistors, 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.

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. **Business**—Company manufactures dental supplies. **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 & Hill, Inc.**
June 16, 1961 ("Reg. A") 3,500 common shares (par $5). **Price**—$43.30. **Business**—Provides engineering services for railroads. **Proceeds**—For working capital. **Office**—Pennsylvania Station 1, N. Y. **Underwriter**—None.

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. (7/3-7)
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.

● **Goodway Printing Co. (7/10-14)**
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).

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. (7/6)**
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).

★ **Gordon (I.) Realty Corp.**
June 20, 1961 filed 320,000 common shares. **Price**—$5. **Business**—Real estate investment. **Proceeds**—For general corporate purposes. **Office** — 112 Powers Bldg., Rochester, N. Y. **Underwriter**—George D. B. Bonbright & Co., Rochester, N. Y.

★ **Granco, Inc.**
June 6, 1961 ("Reg. A") 60,000 class A common shares (par $1). **Price**—$5. **Proceeds**—For opening of new discount concessions and working capital. **Office**—2 Geary Street, San Francisco, Calif. **Underwriter**—Midland Securities Co., Inc., Kansas City, Mo.

Greater Arizona Mortgage Co.
May 1, 1961 (letter of notification) 100,000 shares of common stock (par $1). **Price**—$3 per share. **Proceeds**—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.

★ **Greenville Country Club**
June 12, 1961 ("Reg. A") $200,000 non-interest bearing debentures to be offered in units of $1,000 each, due June 1, 2002. **Proceeds**—For construction and operation of a country club. **Office**—Owls Nest Road, P. O. Box 3657, Greenville, Del. **Underwriter**—None.

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). **Offering**—Expected in late July.

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).

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.

★ **Hanover Insurance Co.**
June 16, 1961 filed 150,000 capital shares. **Price** — By amendment. **Proceeds**—To increase capital. **Office**—111 John Street, New York. **Underwriters**—First Boston Corp. and R. W. Pressprich & Co., New York (managing).

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).

★ **Harper (H. M.) Co.**
June 15, 1961 filed 180,000 common shares (par $1) of which 150,000 shares will be sold by the company and 30,000 shares by stockholder. **Price** — By amendment. **Business**—The manufacture of stainless steel and nonferrous corrosion resistant fasteners and parts. **Proceeds**—For working capital. **Office**—8200 Lehigh Ave., Morton Grove, Ill. **Underwriter** — Blunt Ellis & Simmons, Chicago.

● **Harvey Aluminum (Inc.) (6/26-30)**
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).

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).

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. **Note**—This statement will be withdrawn. The company is expected to merge with Lionel Corp.

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. (6/28)**
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 Insurance Agency, Inc.**
June 8, 1961 ("Reg. A") 1,100,000 common shares. **Price**—At par (25 cents). **Proceeds**—For repayment of debt, and working capital. **Office** — 900 Commerce Exchange Bldg., Oklahoma City, Okla. **Underwriter**—None.

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.

Houston Corp.
June 9, 1961 filed 583,334 common shares to be offered for subscription by holders of common and class A stock. **Price**—By amendment. **Business** — The operation of a pipe line system of natural gas. **Proceeds**—For expansion, working capital and general corporate purposes. **Office**—First Federal Bldg., St. Petersburg, Fla. **Underwriters**—Blyth & Co., Inc., Lehman Brothers and Allen & Co., New York.

● **Howe Plastics & Chemical Companies, Inc. (6/26-30)**
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.

● **Hunt Foods & Industries Inc.**
May 23, 1961 filed $38,799,500 of convertible subordinated debentures due July 1, 1986, being offered to the holders of the outstanding common on the basis of $100 principal amount of debentures for each 12 shares held of record June 21 with rights to expire July 7. **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.
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. **Offering**—Imminent.

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. (7/24-28)
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.

Income Planning Corp. (6/29)
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 (7/18)**
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. (6/26)**
March 10, 1961 filed 165,000 shares of common stock (par 10 cents). **Price**—$3 per share. **Business**—The engineering, designing and precision machining of electronic components. **Proceeds** — For research and development, inventory, equipment, start-up costs of semi-conductor production, and for working capital. **Office**—78 Clinton Rd., Caldwell Township, N. J. **Underwriter** — Edward Hindley & Co., New York City.

Industrial 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 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 Parts Corp.**
June 20, 1961 filed 300,000 outstanding class A common shares to be sold by stockholders. **Price**—By amendment. **Business**—The sale of replacement parts for automobiles. **Proceeds**—For the selling stockholders. **Office**—4101 W. 42nd Place, Chicago. **Underwriter** — H. M. Byllesby & Co., Chicago.

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).

★ **Interstate Department Stores, Inc. (7/3-17)**
June 15, 1961 filed $5,859,400 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 20 shares held of record July 3, with rights to expire July 17. **Price**—At par. **Business**—The operation of department stores. **Proceeds**—For expansion, working capital and other corporate purposes. **Office**—111 Eighth Ave., New York. **Underwriters**—Lehman Brothers and Shearson, Hammill & Co., New York (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 authorized to sell life, accident and health insurance. **Proceeds**—To be added to capital and surplus. **Office**—310 Spring Street, Little Rock, Ark. **Underwriter**—Life Securities, Inc., P. O. Box 3662, Little Rock.

Israel-America Hotels, Ltd.
June 8, 1961 filed 1,250,000 ordinary shares. **Price**—$1 per share, payable in cash or State of Israel bonds. **Business**—The operation of hotels. **Proceeds**—For construction and operation of a hotel at Herzlia, Israel. **Address**—Tel Aviv, Israel. **Underwriter**—Brager & Co., New York.

"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.
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-Commerce Realty Co.**
June 16, 1961 filed $6,780,000 of limited partnership interests to be offered publicly in units. **Price**—$10,000 per unit. **Business**—Real estate. **Proceeds**—For working capital and possible acquisitions. **Office**—1440 Broadway, New York. **Underwriter**—None.

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.

★ **Jai-Alai New York Corp.**
June 13, 1961 ("Reg. A") 35,000 class A common shares (par $1). **Price**—$8. **Business**—The company plans to develop and operate a modern Jai-Alai stadium in the Bronx, N. Y. **Office**—69 Morris Drive, East Meadow, N. Y. **Underwriter**—None.

● **Jefferson Construction Co. (7/3-7)**
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. (6/23)**
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.

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.

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. **Underwriters**—First Boston Corp., New York City and Dean Witter & Co., San Francisco, Calif.

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.

★ **Kirk (C. F.) Laboratories, Inc.**
June 16, 1961 filed 100,000 common shares. **Price**—By amendment. **Business**—The manufacture of pharmaceuticals. **Proceeds**—For repayment of a loan, purchase and installation of equipment, development and promotion of new products and for working capital. **Office**—521 W. 23rd Street, New York. **Underwriter**—Hill, Darlington & Grimm, New York (managing).

Knickerbocker Biologicals, Inc.
Dec. 23, 1960, filed 100,000 outstanding shares of class A stock. Price—$6 per share. Business—The manufacture, packaging and distribution of a line of diagnostic serums and cells used for the purpose of blood grouping and testing. The company also operates blood donor centers in New York and Philadelphia. Proceeds—For the selling stockholders. Office—300 West 43rd Street, New York City. Underwriter—None.

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.
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.

★ **Lease Plan International Corp.**
June 14, 1961 filed 125,000 common shares, of which 40,000 shares are to be offered by the company and 85,000 shares by stockholders. **Price**—By amendment. **Business**—The leasing of trucks and cars. **Proceeds**—To repay loans and for working capital. **Office**—9 Chelsea Place, Great Neck, N. Y. **Underwriter**—Hayden, Stone & Co., New York (managing).

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.

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Lytton Financial Corp. 8/18)
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-G, Inc.
May 26, 1961 ("Reg. A") 100,000 class A common shares (par $1). **Proceeds** — For new equipment, construction, and working capital. **Address** — Weimar, Tex. **Underwriter**—Rowles, Winston & Co., Houston, Tex.

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 being offered for subscription by stockholders on the basis of one new share for each two common shares held of record June 16 with rights to expire June 30. **Price**—$2.75. **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. (7/17-21)
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.

Mairs & Power Income Fund, Inc.
June 7, 1961 filed 40,000 common shares. **Price** — By amendment. **Business**—A mutual fund. **Proceeds** — For investment. **Office**—1002 First National Bank Bldg., St. Paul, Minn. **Underwriter**—None.

● Marine & Electronics Manufacturing Inc. (6/27-7/5)
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.

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 at 11 a.m. (EDST), Room 100, 441 Stuart St., Boston, Mass.

★ McClure Carbon & Chemical Corp.
June 12, 1961 ("Reg. A") 11,000 common shares. **Price**—At par ($10). **Proceeds**—For construction costs, design, development and promotion, and working capital. **Office**—17226 Fourth Ave., Southwest, Seattle, Wash. **Underwriter**—None.

Metropolis Bowling Centers, Inc. (6/30)
May 1, 1961 filed 198,000 shares of common stock, of which 120,000 shares are to be offered for public sale by the company and 78,000 outstanding shares by the present holders thereof. **Price**—About $5 per share. **Business**—The acquisition and operation of bowling centers, principally in New York City. **Proceeds**—To improve existing properties and acquire other bowling centers. **Office**—647 Fulton Street, Brooklyn, N. Y. **Underwriters**—Russell & Saxe, Inc., (managing); Thomas, Williams & Lee, Inc., and V. S. Wickett & Co., New York City.

● Metropolitan Securities, Inc. (6/23)
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**—Hodgdon & Co., Washington, D. C.

● Micro Electronics Corp. (7/3-7)
March 31, 1961 filed 125,000 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.

★ Micro-Lectric, Inc.
June 12, 1961 ("Reg. A") 55,000 common shares (par 10 cents). **Price**—$4. **Business**—The manufacture and design of potentiometers used in computers, ground control guidance systems and missiles. **Proceeds**—For tooling and production; repayment of loans; equipment; advertising; research and development and working capital. **Office**—19 Debevoise Avenue, Roosevelt, N. Y. **Underwriter**—Underhill Securities Corp., New York.

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.

Midwestern Acceptance 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. Reddoch & Co., Memphis.

Mid-Continent 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. (7/3-7)
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).

★ Miniature Precision Bearing, Inc.
June 16, 1961 filed 105,000 class A common shares of which 50,000 shares are to be offered by the company and 50,000 shares by a stockholder. **Price**—By amendment. **Business**—The manufacture of ball bearings. **Proceeds**—For repayment of debt and capital improvements. **Address**—Keene, N. H. **Underwriter**—Tucker, Anthony & R. L. Day, New York (managing).

★ Minnesota Valley Natural Gas Co.
June 1, 1961 ("Reg. A") 15,584 common shares (par $10). **Price**—$19.25. **Proceeds** — For expansion and construction. **Office** — 1750 Hennepin Ave., Minneapolis, Minn. **Underwriters**—Woodard-Elwood & Co., J. M. Dain & Co., Inc., Minneapolis and Harold E. Wood & Co., St. Paul.

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-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.

● Model Vending, Inc. (6/26-30)
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.

● Modern Homes Construction Co. (6/26-30)
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.

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. (7/3-7)
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. (7/24-28)
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.

● Motor Travel Services, Inc. (6/23)
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 early August.

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 early August.

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. (6/29)
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 Mercantile Corp. (6/28)
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 and Rodetsky, Kleinzahler, Walker & Co., Jersey City, N. J. (co-managing).

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).

Nationwide Homes, Inc.
June 12, 1961 filed $1,500,000 of 8% sinking fund convertible subordinated debentures due 1976 and 350,000 common shares to be offered in units, each consisting

of $10 of debentures and two common shares. **Price**—By amendment. **Business** — The construction and sale of homes. **Proceeds**—For working capital. **Address**—Collinsville, Va. **Underwriters**—Cruttenden, Podesta & Co., Chicago and McDaniel Lewis & Co., Greensboro, N. C.

New York Trap Rock Corp. (6/26-30)
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 Cc.**
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.

● **Northwest Natural Gas Co. (7/18)**
June 13, 1961 filed $6,500,000 of first mortgage bonds due 1986 and 140,000 common shares. **Price**—By amendment. **Proceeds**—For the repayment of bank loans and construction. **Office**—735 S. W. Morrison St., Portland, Oreg. **Underwriter**—Lehman Brothers, New York (managing).

● **Oceanarium, Inc. (7/11)**
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.

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.

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.

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.
May 24, 1961 filed 896,470 shares of common stock, being 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**—$71 per share. **Proceeds**—For the repayment of bank loans, and construction. **Office**—245 Market St., San Francisco, Calif. **Underwriter**—Blyth & Co., Inc., New York City.

Pacific Vitamin Corp.
May 31, 1961 ("Reg. A") 100,000 common shares (par 10 cents) of which 66,667 are to be sold by the company and 33,333 by a stockholder. **Price**—$3. **Proceeds**—For working capital. **Office**—1649 La Cienega Bldv., Los Angeles, Calif. **Underwriter**—Norman C. Roberts Co., San Diego.

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.

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**—Darius, Inc., New York (managing); N. A. Hart & Co., Bayside, N. Y., and E. J. Roberts & Co., Inc., Ridgewood, N. J.

Pell Pharmaceuticais, 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.

● **Permian Corp.**
April 28, 1961 filed 285,000 outstanding shares of common stock to be offered for public sale by the present holders thereof. **Price**—To be supplied by amendment. **Business**—The marketing of crude oil. **Proceeds**—For general corporate purposes. **Office** — 611 West Texas Street, Midland, Texas. **Underwriters**—Lehman Brothers and Shearson, Hammill & Co., both of New York City (managing). **Offering**—Imminent.

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. (6/28)**
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) 16,363 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.

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.

Polytronic Research, Inc.
June 7, 1961 filed 193,750 common shares, of which 150,000 will be sold for the company and 43,750 for stockholders. **Price**—By amendment. **Business**—Research and development, engineering and production of certain electronic devices for aircraft, missiles, oscilloscopes, electronic vending machines and language teaching machines. **Proceeds**—For expansion, repayment of debt and working capital. **Office**—7326 Westmore Rd., Rockville, Md. **Underwriters**—Jones, Kreeger & Co., and Balogh & Co., Washington, D. C. (managing).

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.

★ **Presidential Airlines, Inc.**
June 13, 1961 ("Reg. A") 150,000 class A common shares (par one cent). **Price**—$2. **Business**—Air transportation of passengers and cargo. **Proceeds**—For payment of current liabilities and taxes; payment of balance on CAB certificate and working capital. **Office** — 630 Fifth Avenue, Rockefeller Center, N. Y. **Underwriter**—Continental Bond & Share Corp., Washington, D. C.

Progressitron Corp.
June 9, 1961 ("Reg. A") 100,000 common shares (par 10 cents). **Price**—$3. **Business**—Manufacturers of electronic, electro mechanical and mechanical devices. **Proceeds**—For general corporate purposes. **Office**—14-25 128th St., College Point, N. Y. **Underwriter**—Netherlands Securities Co., New York.

Pueblo Supermarkets, Inc.
June 6, 1961 filed 100,000 outstanding shares of class A common to be offered for public sale by stockholders. **Price**—By amendment. **Business**—Operates seven supermarkets in Puerto Rico. **Proceeds**—For the selling stockholders. **Office**—P. O. Box 10878, Caparra Heights, San Juan, P. R. **Underwriter**—Merrill Lynch, Pierce, Fenner & Smith Inc., New York.

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.

★ **Rabin-Winters Corp.**
June 19, 1961 filed 180,000 common shares of which 80,000 shares are to be offered by the company and 100,000 shares by stockholders. **Price**—By amendment. **Business**—The manufactuer of pharmaceuticals, cosmetics, lighter fluid and related items. **Proceeds**—To repay loans and for working capital. **Office**—700 N. Sepulveda Boulevard, El Segundo, Calif. **Underwriter**—H. Hentz & Co., New York.

● **Radiation Instrument Development Laboratory, Inc. (7/17-21)**
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.
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. **Offering**—Imminent.

Ram Tool Corp.
June 9, 1961 filed 100,000 common shares. **Price** — By amendment. **Business**—The manufacture of electrically powered tools. **Proceeds**—For working capital. **Office**—

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411 N. Claremont Ave., Chicago, Ill. **Underwriter**—Aetna Securities Corp., New York (managing).

Real Estate Investing Association, Inc.
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.

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 160,000 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 12 months and the other at $6 per share within 30 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.

★ **Reeves Broadcasting & Development Corp.**
June 16, 1961 filed $2,500,000 of convertible debentures. **Price**—At par. **Business**—The operation of TV stations and recording studios and the development of real estate properties in North Carolina. **Proceeds**—For expansion, the repayment of loans, for working capital and other corporate purposes. **Office**—304 E. 44th St., New York. **Underwriter**—Laird & Co., Corp., Wilmington, Del. (managing).

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. (6/27)**
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.

★ **Review ASC, Inc.**
May 18, 1961 ("Reg. A") 100,000 common shares. **Price**—$3. **Business**—Real estate and utility development in Florida. **Proceeds** — For expansion. **Office** — 2823 So. Washington Ave., Titusville, Fla. **Underwriter**—Albion Securities Co., Inc., New York.

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 amendment. **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. **Offering**—Expected mid to late July.

★ **Rudd-Melikian, Inc.**
June 16, 1961 filed 130,000 common shares. **Price**—$10. **Business**—The manufacture of automatic coffee dispensers and similar items. **Proceeds**—For repayment of loans, promotion and manufacture of a new product, working capital and general corporate purposes. **Office** — 300 Jacksonville Road, Hatboro, Pa. **Underwriter**—Stearns & Co., New York.

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.

★ **St. Clair Specialty Manufacturing Co., Inc.**
June 19, 1961 filed 113,600 common shares of which 40,000 shares are to be offered by the company and 73,600 shares by stockholders. **Price**—By amendment. **Business** — The printing of gift wrap papers. **Proceeds** — For equipment and working capital. **Address**—Bellwood, Ill. **Underwriters**—Stifel, Nicolaus & Co., St. Louis and Walston & Co., New York.

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.

● **Science Resources, Inc. (6/26-30)**
June 13, 1961 ("Reg. A") 100,000 common shares. **Price**—$3. **Business**—The furnishing of business management to consulting scientists and the arranging of financing for science companies. **Proceeds**—For expansion. **Office**—One Story St., Cambridge, Mass. **Underwriter**—Norton, Fox & Co., Inc., New York.

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).

★ **Second Financial, Inc.**
June 20, 1961 filed 100,000 common shares. **Price**—$3. **Business** — The purchase of notes, mortgages, contracts, etc., from Shell Home Builders. **Proceeds**—For investment. **Office**—2740 Apple Valley Road, N. E., Atlanta, Ga. **Underwriter**—Globus, Inc., New York.

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.

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. (7/3-7)
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. **Underwriters**—L. C. Wegard & Co., 28 West State St., Trenton, N. J. (managing); L. J. Termo & Co., Inc., New York and Copley & Co., Colorado Springs, Colo.

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).

● **Southeastern Capital Corp. (7/6)**
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. **Underwriters**—Paine, Webber, Jackson & Curtis, New York City (managing) and Johnston, Lemon & Co., Washington, D. C.

Southern American Fire Insurance Co.
May 19, 1961 (letter of notification) 25,500 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.

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 for subscription by holders of outstanding common on the basis of one new share for each five shares held of record June 9, with rights to expire June 27. **Price**—$87.50. **Proceeds**—To purchase the remaining 55% stock interest in Carolina Life Insurance Co., a subsidiary. **Office**—Dallas, Tex. **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.

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).

● **Spectron, Inc.**
June 9, 1961 filed 83,750 class A common shares (par 10 cents). **Price**—$4.50. **Business**—The design, development and manufacture of electronic systems, instruments and equipment, including microwave, radar and underwater communication devices. **Proceeds** — For purchase of equipment, plant expansion, patent development and general corporate purposes. **Office**—812 Ainsley Bldg., Miami, Fla. **Underwriter**—Hampstead Investing Corp., New York (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. **Underwriter**—Rodman & Renshaw, Chicago (managing).

Spellman Engineering, Inc.
June 6, 1961 filed 150,000 common shares. **Price** — By amendment. **Business**—The servicing of missiles. **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.

Staff Business & Data Aids
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.

• **Standard Brands Paint Co. (6/28)**
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).

• **Standard Security Life Insurance Co. of N. Y.**
March 27, 1961 filed 162,000 shares of common stock being offered for subscription by holders of common and class A stock on the basis of two new shares for each five shares held of record June 15 with rights to expire June 27. **Price**—$11.50. **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. (6/26)**
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).

Sterile Medical Products, Inc.
June 2, 1961 ("Reg. A") 120,000 common shares (par 10 cents). **Price**—$2.50. **Business**—The sharpening of surgical blades. **Proceeds**—For general corporate purposes. **Address**—Jamesburg, N. J. **Underwriter**—Louis R. Dreyling & Co., New Brunswick, N. J.

Stratoflex, Inc.
June 8, 1961 filed 120,000 common shares. **Price** — By amendment. **Business** — The manufacture of hydraulic and pneumatic type hose, primarily for the aircraft and missile industries. **Proceeds**—For repayment of loans, and working capital. **Address** — P. O. Box 10398, Fort Worth. Tex. **Underwriter**—First Southwest Co., Dallas.

• **Stratton Corp.**
March 3, 1961 filed $650,000 of 5% convertible subordinated debentures, due Dec. 1, 1981. **Price**—At 100% of principal amount. **Business**—The development and operation of a winter and summer recreational resort on Stratton Mountain in southern Vermont. **Proceeds**—For construction. **Office**—South Londonderry, Vt. **Underwriter**—Cooley & Co., Hartford, Conn.

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. (6/28)**
May 10, 1961 filed 125,000 shares of common stock. **Price** —To be supplied by amendment. **Business**—The operation 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. (6/26-30)
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.

★ **Swingline Inc.**
June 14, 1961 filed 200,000 outstanding class A common shares. **Price**—By amendment. **Business**—The manufacture of stapling machines. **Proceeds** — For the selling stockholders. **Office**—32-00 Skillman Ave., Long Island City, New York. **Underwriter**—Paine, Webber, Jackson & Curtis, New York (managing).

★ **T-Bowl International, Inc.**
June 15, 1961 filed 400,000 common shares, of which 325,000 shares are to be offered by the company and 75,000 shares by stockholders. **Price**—By amendment. **Business**—The operation of bowling centers. **Proceeds**—For expansion. **Office**—27 B Boulevard, East Paterson, N. J. **Underwriter**—Peter Morgan & Co., New York.

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., New York (managing).

• **Taddeo Bowling & Leasing Corp. (6/28)**
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). **Offering**—Expected in July.

★ **Tahoe-Virginia Enterprises, Inc.**
June 7, 1961 ("Reg. A") 300,000 common shares. **Price** —At par ($1). **Proceeds**—To repay debt, purchase equipment and working capital. **Office** — 1507 Jonas Ave., Sacramento, Calif. **Underwriter**—None.

• **Tassette, Inc. (6/26-30)**
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 subdivisions thereof which are believed to be exempted from Federal income taxes. **Proceeds** — For investment. **Office** — 135 South La Salle St., Chicago. **Sponsor**—John Nuveen & Co., Chicago.

Taylor-Country Estate Associates
June 12, 1961 filed $2,420,000 of limited partnership interests. **Price**—$10,000 per unit. **Business**—The partnership will acquire all the outstanding stock of five apartment houses in Newark, East Orange and Jersey City, N. J. **Proceeds**—For general corporate purposes. **Office** —420 Lexington Ave., New York City. **Underwriter**—Nat Berger Associates, Inc., New York.

★ **Techno-Vending Corp.**
June 9, 1961 ("Reg. A")100,000 class A common shares (par one cent). **Price**—$3. **Business**—The manufacture of coin-operated vending machines. **Proceeds**—For repayment of loans; sales promotion and advertising; expansion; purchase of raw materials; research and development, and working capital. **Office**—599 Tenth Avenue, New York. **Underwriter**—International Services Corp., Paterson, N. J.

Templet Industries Inc.
June 2, 1961 ("Reg. A") 100,000 common shares (par 25 cents). **Price**—$3. **Business**—Licenses patents to die-makers and metal parts manufacturers. **Proceeds**—For working capital and general corporate purposes. **Office**—701 Atkins Ave., Brooklyn 8, N. Y. **Underwriter**—Levien, Greenwald & Co., New York.

Templeton, Damroth Corp. (6/26-30)
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).

★ **Terra Equipment Engineering, Inc.**
June 12, 1961 ("Reg. A") 273,423 common shares. **Price** —At par ($1). **Proceeds**—To repay debt for equipment and working capital. **Office**—496 W. San Carlos Street, San Jose, Calif. **Underwriter**—None.

Terry Industries, Inc. (7/3-7)
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.

Tetraflour, Inc.
May 31, 1961 ("Reg. A") 100,000 common shares (no par). **Price**—$3. **Proceeds**—For repayment of a loan, purchase of equipment and working capital. **Office**—343 Hindry Ave., Inglewood, Calif. **Underwriter**—Morgan & Co., Los Angeles, Calif.

★ **Texas Capital Corp.**
June 16, 1961 filed 1,000,000 common shares. **Price**—By amendment. **Business** — A small business investment company. **Proceeds** — For investment. **Office** — 104 E. Eighth St., Georgetown, Tex. **Underwriter** — Dempsey-Tegeler & Co., Inc., St. Louis.

Texas Eastern Transmission Corp. (7/12)
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).

★ **Thermo-Chem Corp.**
June 14, 1961 filed 130,000 common shares. **Price**—$4.50. **Business**—The manufacture of coatings for fabrics. **Proceeds**—To repay a loan, and purchase equipment, for research and development, administrative expenses and working capital. **Office** — Noeland Ave., Penndel, Pa. **Underwriter**—Best & Garey Co., Inc., Washington, D. C.

• **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**—Imminent.

• **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 stock-

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holders. **Office** — 745 Fifth Avenue, New York City. **Underwriter**—None. **Note**—June 15, 1961, the company stated that these shares were registered as a formality by Adolph A. Juviler, President, and certain other large stockholders and there is no plan on the part of these holders to sell the stock within the foreseeable future.

Thoroughbred Enterprises, Inc. (7/10-14)
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.

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).

★ Trans-Aire Electronics, Inc.
June 1, 1961 ("Reg. A") 100,000 common shares (par 10 cents). **Price**—$2.75. **Business** — Manufacturers and importers of transistorized radios, phonographs and similar electronic products. **Proceeds**—For removal to larger quarters; purchase of tools and dies; research and development; repayment of loans and working capital. **Office** —195-02 Jamaica Ave., Jamaica 23, N. Y. **Underwriters** —Bertner Bros. and Earl Edden Co., New York.

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. (7/3-7)
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.

★ Trinity Funding Corp.
June 19, 1961 filed 250,000 common shares. **Price**—$6. **Business**—A consumer and industrial finance company. **Proceeds**—For working capital. **Office**—1107 Broadway, New York. **Underwriter**—Trinity Securities Corp., 40 Exchange Place, New York.

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.

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. **Offering**—Expected in mid-August.

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. (7/10-14)
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.

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 Health, Inc.
June 14, 1961 ("Reg. A") 100,000 common shares. **Price** —$3. **Business** — The operation of a chain of health studios. **Proceeds**—For expansion, advertising, financing of time payment memberships and other corporate purposes. **Office**—15A South Main St., West Hartford, Conn. **Underwriter**—Cortlandt Investing Corp., 120 Wall St., New York.

Universal Manufacturing Co.
Feb. 23, 1961 (letter of notification) 135,000 shares of common stock (par 10 cents) of which 35,000 shares are to be offered for the account of the company and 100,000 outstanding shares, stock, by the selling stockholders. **Price** — $2 per share. **Proceeds** — For working capital. **Office**—516 W. 4th Street, Winona, Minn. **Underwriter**— Naftalin & Co., Inc., Minneapolis, Minn.

★ Universal Moulded Fiber Glass Corp.
June 18, 1961 filed 275,000 outstanding common shares to be sold by stockholders. **Price**—$10. **Business**—The manufacture of fiber glass reinforced plastic. **Proceeds** —For the selling stockholders. **Address** — Bristol, Va. **Underwriter**—A. G. Edwards & Sons, St. Louis (managing).

Uris Buildings Corp. (7/3-7)
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).

Valley Title & Trust Co.
June 13, 1961 filed 120,000 common shares. **Price**—$5. **Business**—The writing and selling of title insurance and the acting as trustee and escrow agent. **Proceeds**—For working capital, reserves and other corporate purposes. **Office**—1001 North Central Ave., Phoenix, Ariz. **Underwriter** — Louis R. Dreyling & Co., 25 Livingston Ave., New Brunswick, N. J.

★ Varco Industries, Inc.
June 8, 1961 ("Reg. A") 100,000 common shares (par 10 cents). **Price**—$3. **Proceeds**—For repayment of loans, purchase of equipment and inventory, and working capital. **Office**—815 Nash St., El Segundo, Calif. **Underwriter**—Omega Securities Corp., New York.

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.

★ Vendaversal Manufacturing Corp.
June 9, 1961 ("Reg. A") 300,000 common shares (par 50 cents). **Price**—$1. **Proceeds**—For operating expenses and working capital. **Office**—210 E. Manville St., Compton, Calif. **Underwriter** — Amos C. Sudler & Co., Denver, Colo.

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).

● Walter, (Jim) Corp. (7/6)
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.

★ Washington Water Power Co.
June 20, 1961 filed 160,000 common shares. **Price**—By amendment. **Proceeds**—For repayment of loans and construction. **Office** — E., 1411 Mission Avenue, Spokane, Wash. **Underwriters**—Kidder, Pesabody & Co.; Blyth & Co., Inc., and White, Weld & Co., New York and Dean Witter, San Francisco.

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. (7/14)
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.

Western Factors, Inc.
June 29, 1960 filed 700,000 shares of common stock. **Price** —$1.50 per share. **Proceeds**—To be used principally for the purchase of additional accounts receivable and also may be used to liquidate current and long-term liabilities. **Office** — 1201 Continental Bank Bldg., Salt Lake City, Utah. **Business**—Factoring. **Underwriter**—Elmer K. Aagaard, Newhouse Bldg., Salt Lake City, Utah.

Western Growth Corp.
March 17, 1961 filed 202,107 shares of class A common stock (par 10 cents), of which 150,000 shares are to be offered for public sale by the company in units of 10 shares each; and 52,107 outstanding shares by selling stockholders after trading commences. **Price**—For the company's stock: $100 per unit. For the selling stockholder: At-the-Market. **Business**—The development of property in California for single-family homes, the investment in notes or contracts secured by single-family homes, and other phases of the real estate business. **Proceeds**—For ordinary expenses, repayment of loans and working capital. **Office**—636 North La Brea Ave., Los Angeles, Calif. **Underwriter**—Reese, Scheftel & Co., Inc., New York City.

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.

★ Willard Mortgage Corp.
June 2, 1961 ("Reg. A") 1,000 common shares. **Price** — At par ($50). **Proceeds** — For investment. **Office**—1204 Sharp Bldg., Lincoln, Neb. **Underwriter**—None.

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).

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).

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. **Note**—Colopy Elliott & Miller, Inc., have withdrawn as underwriters.

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.

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 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.

★ **Assembly Engineers, Inc.**
June 19, 1961 it was reported that this company plans to file a "Reg. A" shortly covering 100,000 common shares. **Price** — $3. **Office** — Los Angeles, Calif. **Underwriter**—California Investors, Los Angeles.

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).

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.

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.

Carbonic Equipment Corp.
Dec. 8, 1960 it was reported that a full filing of about $300,000 of units, consisting of common stock, bonds and warrants will be made. **Proceeds**—For expansion of the business. **Office**—97-02 Jamaica Ave., Woodhaven, N. Y. **Underwriter**—R. F. Dowd & Co., Inc.

Caxton House Corp.
Jan. 24, 1960 it was reported that a full filing of this company's stock, constituting its first public offering, will be made. **Price**—Approximately $3 per share. **Business**—Book publishing. **Office**—9 Rockefeller Plaza, New York City. **Underwriter**—To be named.

Central Louisiana Electric Co., Inc.
Feb. 21, 1961 it was reported that the company is considering the issuance of $6,000,000 of bonds or debentures in the latter part of 1961. **Office** — 415 Main St., Pineville, La. **Underwriters**—To be named. The last issue of bonds on April 21, 1959 was bid on by Kidder, Peabody & Co. and Rauscher, Pierce & Co., Inc. (jointly); Salomon Bros. & Hutzler, and Merrill Lynch, Pierce, Fenner & Smith Inc. (jointly); Halsey, Stuart & Co., Inc.; White, Weld & Co.

★ **Certain-Teed Products Corp. (7/19-8/3)**
June 19, 1961 it was reported that the company plans to offer stockholders the right to subscribe to about 127,570 additional common shares on the basis of one new share for each 15 shares held of record on or about July 19, with rights to expire about Aug. 3. **Price** — To be announced. **Business**—The manufacture of building products, principally asphalt roofing. **Office**—120 E. Lancaster Ave., Ardmore, Pa. **Underwriter**—Lazard Freres & Co., New York (managing). **Registration**—Expected June 26.

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.

★ **Concrete Designs, Inc.**
June 20, 1961 it was reported that a "Reg. A" will be filed shortly covering 75,000 shares of common stock (par 10 cents). **Price**—$4. **Business**—The design, manufacture and installation of pre-cast reinforced concrete buildings and building products. **Proceeds**—For the repayment of loans, inventories, expansion and working capital. **Office**—Southwest 44th Avenue, and Griffin Road, Fort Lauderdale, Fla. **Underwriter**—A. M. Shulman & Co., Inc., 37 Wall Street, New York.

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 Aug. 15. **Information Meeting** — Aug. 10, 11 a.m. (EDST) at Bankers Trust Co., 16 Wall St., New York (2nd floor).

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.

★ **Contact Lens Guild, Inc.**
June 19, 1961 it was reported that this company plans to file a "Reg. A" shortly covering an undisclosed number of common shares. **Business**—The manufacture of contact lenses. **Office**—353 East Main St., Rochester, N.Y. **Underwriter**—To be named.

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.

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).

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.

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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 Public Utilities Corp.
March 14, 1961 it was stated in the company's 1960 annual report that the utility expects to sell additional common stock to stockholders in 1962 through subscription rights on the basis of one share for each 20 shares held. Based on the 22,838,454 common shares outstanding on Dec. 31, 1960, the offering will involve a minimum of 1,141,922 additional shares. **Office**—67 Broad St., New York 4, N. Y. **Underwriter**—None.

General Telephone Co. of California
Feb. 1, 1961 it was reported that this subsidiary of General Telephone & Electronics Corp. plans to sell about $20,000,000 of bonds in 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, N. J., and Buena Vista, Va. **Underwriter**—Sandkuhl and Company, Newark, N. J., and New York City.

Georgia Power Co. (10/18)
Dec. 29, 1960 this subsidiary of the Southern Co., applied to the Georgia Public Service Commission for permission to issue $15,500,000 of 30-year first mortgage bonds, and $8,000,000 of new preferred stock. **Proceeds**—For construction, plant modernization or refunding of outstanding debt. **Office**—Electric Bldg., Atlanta 3, Ga. **Underwriters** — To be determined by competitive bidding. Previous bidders for bonds included Harriman Ripley & Co., Inc.; Lehman Brothers; Blyth & Co., Inc., Kidder, Peabody & Co., and Shields & Co. (jointly); First Boston Corp.; Morgan Stanley & Co.; Halsey, Stuart & Co. Inc.; Equitable Securities Corp., Eastman Dillon, Union Securities & Co. (jointly). Previous bidders for preferred were First Boston Corp., Lehman Brothers, Morgan Stanley & Co.; Eastman Dillon, Union Securities & Co.; and Equitable Securities Corp. **Bids**—Expected to be received on Oct. 18.

Gluckin (Wm.) & Co., Inc.
April 19, 1961 it was reported that this subsidiary of Essex-Universal Corp., plans to sell about 200,000 common shares. **Business**—Manufactures and sells women's foundation garments. **Underwriter**—To be named.

Gulf Power Co. (12/7)
Jan. 4, 1960 it was reported that this subsidiary of The Southern Co., plans to sell $5,000,000 of 30-year bonds. **Office**—75 North Pace Blvd., Pensacola, Fla. **Underwriter**—To be determined by competitive bidding. Previous bidders included Halsey, Stuart & Co. Inc.; Merrill Lynch, Pierce, Fenner & Smith Inc.; Salomon Bros. & Hutzler and Drexel & Co. (jointly); Equitable Securities Corp.; Kidder, Peabody & Co. and White, Weld & Co. (jointly). **Bids**—Expected to be received on Dec 7, 1961.

Hawaiian Telephone Co.
March 8, 1961 it was reported that this company plans to sell about $5,000,000 of common stock to stockholders through subscription rights later this year. **Office**—1130 Alakea Street, Honolulu 13, Hawaii. **Underwriter**—None.

★ Hollywood Artists Productions, Inc.
June 20, 1961 it was reported that this company plans to file a "Reg. A" shortly covering 100,000 common shares (par 10 cents). **Price**—$3. **Business**—The production of motion picture and TV feature films. **Proceeds** — For working capital and other corporate purposes. **Office**—350 Lincoln Road, Miami Beach, Fla. **Underwriter**—A. M. Shulman & Co., Inc., 37 Wall Street, New York.

Houston Fearless Corp.
Feb. 27, 1961, Barry J. Shillito, President, stated that the company plans to expand its Western Surgical and Westlab divisions into a new national medical and hospital supply concern. He added that 80% of the new firm's stock would be retained by Houston and the remaining 20% sold to the public. **Office** — 11801 W. Olympic Blvd., Los Angeles 64, Calif.

Houston Lighting & Power Co.
Oct. 17, 1960 Mr. T. H. Wharton, President, stated that between $25-$35 million dollars is expected to be raised publicly sometime in 1961, probably in the form of preferred and debt securities, with the precise timing depending on market conditions. **Proceeds**—For construction and repayment of bank loans. **Office** — Electric Building, Houston, Texas. **Underwriter** — Previous financing was headed by Lehman Brothers, Eastman Dillon, Union Securities & Co. and Salomon Bros. & Hutzler.

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. **Registration**—Imminent. **Offering**—Expected in late July.

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.

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 $13,000,000 of debentures in the third quarter of 1961. **Proceeds**—For construction. **Office**—800 Kansas Ave., Topeka, Kan. **Underwriter**—First Boston Corp., New York City (managing).

Laclede Gas Co.
Nov. 15, 1960 Mr. L. A. Horton, Treasurer, reported that the utility will need to raise $33,000,000 externally for its 1961-65 construction program, but the current feeling is that it will not be necessary to turn to long-term securities until May 1962. **Office** — 1017 Olive St., St Louis, Mo.

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.

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.

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-Precision Corp.
June 19, 1961 it was reported that this company plans to file a "Reg. A" covering 100,000 common shares. **Price**—$3. **Business**—The development and manufacture of language laboratories for the electronics educational field and the manufacture of electronic and microwave components. **Proceeds**—For working capital. **Office**—55 9th Street, Brooklyn, N. Y. **Underwriter**—Manufacturers Securities Corp., New York.

★ Milo Components, Inc.
June 19, 1961 it was reported that this company plans to file a "Reg. A" covering 150,000 common shares (par 10-cents). **Price**—$1. **Business**—The manufacture of components for the missile and aircraft industries. **Proceeds**—For expansion, equipment, and working capital. **Office**—9 Cleveland St., Valley Stream, N. Y. **Underwriter**—T. M. Kirsch & Co., New York.

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.

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., and Underhill Securities Co., New York (co-managers).

● New England Power Co. (10/25)
Jan. 20, 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. **Bids**—To be received on Oct. 25, 1961.

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 Pacific Ry. (8/1)**
June 19, 1961 it was reported that this company plans the sale of about $7,200,000 of equipment trust certificates. **Office**—120 Broadway, New York. **Underwriter**—To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc., and Salomon Brothers & Hutzler. **Bids**—To be received on Aug. 1, 1961.

Northern States Power Co. (8/8)
Jan. 10, 1961 it was reported that this company plans to sell $20,000,000 of bonds in the third quarter of 1961. **Offices**—15 So. La Salle Street, Chicago 4, Ill.; 15 So. Fifth Street, Minneapolis 2, Minn.; 111 Broadway, New York 6, N. Y. **Underwriters** — To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; Merrill Lynch, Pierce, Fenner & Smith, Inc.; Kidder, Peabody & Co., and White, Weld & Co. (jointly); First Boston Corp. and Blyth & Co., Inc. (jointly). **Bids**—Expected to be received on Aug. 8.

Northwestern Public Service Co.
April 3, 1961 the company applied to the FPC for permission 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 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 60,000 common shares. **Price**—$5. **Business**—The operation of dining clubs. **Proceeds**—For expansion and working capital. **Office**—15th and Locust St., 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 Automations, 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.

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 at the office of Lehman Brothers, One William St., New York, by 10:30 a.m. June 28 (EDST).

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.

● **Trunkline Gas Co.**
March 8, 1961 it was reported that this subsidiary of Panhandle Eastern Pipe Line Co., expects to sell about $32,000,000 of bonds and $10,000,000 of pfd. stock in Sept. **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. (7/25)**
May 24, 1961 it was reported that this company plans to sell $30,000,000 of first mortgage bonds. **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). **Bids**—To be received on July 25 at 11 a.m. (EDST). **Information Meeting**—July 24, 11 a.m. (EDST) at Bankers Trust Co., 16 Wall St., New York.

Dividend Advertising Notices Appear on Page 16.

United Aircraft Corp.
Feb. 15, 1961 it was reported that this company is considering issuance of $50,000,000 of bonds to replace a seven-year term loan. **Office**—400 Main St., East Hartford, Conn. **Underwriter**—To be named. The company has never issued bonds, but its last offering of preferred stock on Sept. 17, 1956 was underwritten by Harriman Ripley & Co., Inc., New York and associates.

Universal 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.

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).

Western Union Telegraph Co. (9/8)
June 13, 1961 it was reported that stockholders are to vote Aug. 2 on increasing the authorized common stock from 7,000,000 to 10,000,000 shares to provide for sale of about 1,070,000 shares to stockholders on the basis of one new share for each six shares held. Based on the current market price of the company's stock, the sale would raise over $45,000,000. **Proceeds**—To help finance the company's 1961, $105,000,000 expansion program. **Office**—60 Hudson St., New York. **Underwriters**—To be named. The last rights offering in July 1955, was underwritten by Kuhn, Loeb & Co.; Lehman Brothers; Clark, Dodge & Co., and Salomon Brothers & Hutzler, New York. **Registration**—Expected about July 12.

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).

WASHINGTON AND YOU

BEHIND-THE-SCENES INTERPRETATIONS FROM THE NATION'S CAPITAL

WASHINGTON, D. C.—To people of all tongues and all faiths in all countries of the world, the moon is like a golden-robed empress as she sweeps with great luster in the sky.

Down through the centuries moonlight has been as haunting to people everywhere as a ghost. Poets and writers have associated it with romance, and sailors have looked to it for guidance as they sailed the seven seas.

Here in the Nation's Capital many people are discussing the question of shooting the moon. This is one big story that even the youngsters, like their Dads and Mothers, understand.

It seems that if we are going to triumph in the cold war our country must, at any cost, overtake the Russians in the race for space. It is going to cost billions and billions for us to land a team on the moon, if it can be done. And there are many skeptics in Washington.

The argument on Capitol Hill is that the destiny of our country makes it absolutely necessary that we make an all-out exploration of space.

Hopes on "Saturn"

Meantime, the National Aeronautics and Space Administration intends to carry out that assignment. NASA was established by Congress and given the assignment of carrying the Nation's civilian space activities. It is generally conceded that the key to future extensive exploration of space is the development of the propulsion systems which are adequate to the task.

These propulsion systems must become capable of shooting instruments, equipment and men into space and bringing them back to earth.

Right now NASA is devoting priority to "Saturn," America's only entry in the race for the moon. NASA officials, with the consultations of people like Wernher von Braun, are looking for a new manufacturing phase of "Saturn." The whole program is being stepped up.

Not too long ago President Kennedy said at a press conference that "Saturn" would put us well behind the Russians, regardless of the amount of money we spend. Nevertheless, the President said that no single space project in this period will be more impressive to mankind than landing a man on the moon and returning him safely.

Not Too Far Behind Russia

Most of our experts generally agree that we are considerably behind Russia in the race for the moon. Yet, the feeling is in scientific circles that the United States is not more than six months behind the Soviets.

The people of this country and the world, for that matter, learned recently that the big "Saturn" booster was being held up at Huntsville, Ala., because of a lock on the blue waters of the Tennessee River. The lock "collapsed", preventing the barge Palaemon from transporting the first "Saturn" booster from Huntsville to Cape Canaveral.

Nevertheless, authorities are confident that the lock will be repaired and back in order for the booster to reach the Cape in time for the first flight date in September.

The "Saturn" is a mighty space vehicle with a thrust of 1,500,000 pounds. It is composed of eight clustered engines, each of 188,000 pounds thrust.

Chairman Overton Brooks of the House Committee on Science and Space said it will be powerful enough to send a three-man space ship to the vicinity of the moon.

U. S. Has Man-Made Handicaps

The Soviets probably have numerous problems in their race for the moon, but they have some that this country does not have and should not have—some high powered, wheeling and dealing union bosses, who are ready to strike, and some cost-plus contractors who want to get rich quick, if they can.

Approximately $334,000,000 has been spent on developing "Saturn" thus far. It is expected to go far beyond $1 billion in the developing stage. Most of the money being spent to develop the satellite is on contracts with industry.

Nearly 100 former Germans are working under Dr. von Braun at Huntsville on various stages of "Saturn." Total employment at the Marshall space center at Huntsville is approximately 5,500.

Incidentally, Dr. von Braun has been looking about over the country for a construction site for one major phase of "Saturn." Our Nation is fortunate to have this dynamic scientist working on our side as an American citizen. He arrived in this country in September, 1945, less than a year and a half after he was arrested in 1944 by the German Gestapo and charged with treason while he was supervising Germany's devastating V-2 project that pulverized a substantial part of England.

It was Dr. von Braun who was the designer of the rocket that placed this country's first satellite out into space.

Role of Private Industry

Authorities in Washington believe that some beneficial results will come to mankind from space exploration. The military advantages appear to be foremost at this time, however.

There is belief—right or wrong—that whoever controls space will control the world. It could turn out that the space age may be over-emphasized, but the question is: Can we afford to take that chance?

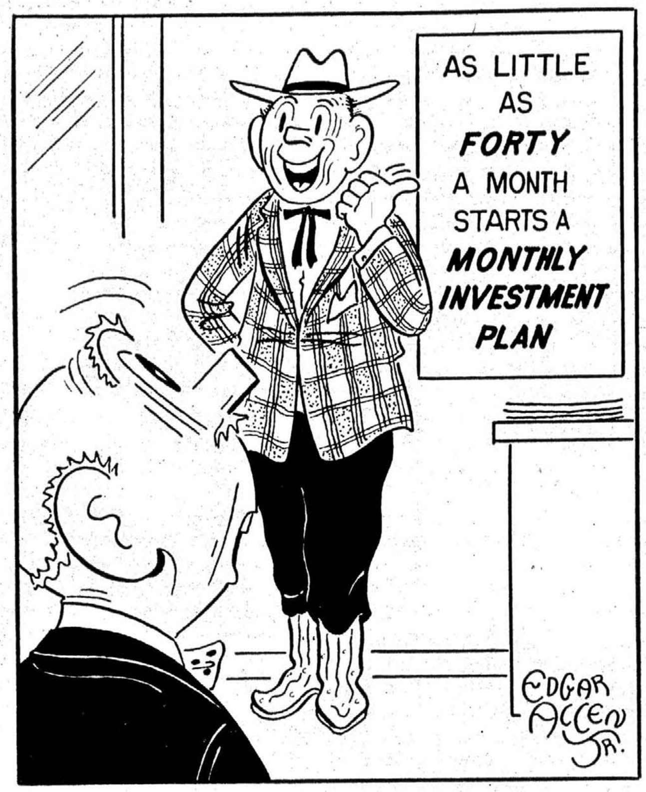
Also there is the question of possible peacetime benefits that may grow out of the space program. Hearings conducted before House and Senate space committees brought out some interesting testimony by representatives of private industry, including those of American Telephone & Telegraph Company; General Electric; Radio Corporation of America; and International Telephone & Telegraph Company, and many others.

These companies are keenly interested in the early civilian development of communications by means of satellites. By 1964 they believe we will have a complete satellite communications system for the entire world. At little cost every country would be able to install a receiving set and take advantage of this system for telephone and telegraph and television communication.

There is also belief that the conquest of space may help control weather; divert rain to drought-stricken areas, break up hurricanes and typhoons and disperse fogs.

The decision has been made to spend billions of dollars to "shoot" the moon and beyond. The time has come when everybody should cooperate—the unions and management—in an effort to overtake the Soviets.

[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.]



"Reckon I'll get into that little plan, pardner, forty thousand a month is downright reasonable!"

O. H. Sgarzi Opens

(Special to THE FINANCIAL CHRONICLE)

PLYMOUTH, Mass.—Orfeo H. Sgarzi is conducting a securities business from offices at 74 Court Street.

J. H. Andrus Opens

GRANVILLE, N. Y.—John H. Andrus is conducting a securities business from offices at 12 Main Street.

Form N. Butwin Associates

Nathan Butwin Associates is engaging in a securities business from offices at 110 Fulton Street, New York City. Partners are Nathan Butwin, Stanley Butwin and Lawrence J. Butwin.

J. M. Hansen Opens

(Special to THE FINANCIAL CHRONICLE)

LOS ANGELES, Calif.—James M. Hansen is conducting a securities business from offices at 1385 Westwood Boulevard. He was formerly with Leo Schoenbraun.

COMING EVENTS

IN INVESTMENT FIELD

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.

June 23, 1961 (New York City)
Municipal Bond Women's Club outing at Morris County Golf Club, Convent Station, N. J.

June 23, 1961 (New York City)
New York Society of Security Analysts ninth annual outing.

June 24, 1961 (Chicago, Ill.)
Security Traders Association of Chicago annual summer outing at Nordic Hills Country Club.

June 30, 1961 (New York City)
Syndicats annual outing at Nassau Country Club, L. I., N. Y.

Sept. 8, 1961 (Cleveland, Ohio)
Northern Ohio Group of Investment Bankers Association meeting.

Sept. 13, 1961 (Denver, Colo.)
Rocky Mountain Group Investment Bankers Association meeting.

Sept. 14-15, 1961 (Cincinnati, Ohio)
Cincinnati Municipal Dealers Group annual fall outing at Queen City Club and Kenwood Country Club.

Sept. 15-17, 1961
Pacific Northwest Group of Investment Bankers Association, meeting at Hayden Lake, Idaho.

Sept. 20-21, 1961 (Omaha, Neb.)
Nebraska Investment Bankers' Association annual field day.

Oct. 4, 1961 (New York City)
New York Group of Investment Bankers Association meeting.

Oct. 7, 1961 (New York City)
Security Traders Association of New York annual dinner dance at Hotel Commodore.

Oct. 9-10, 1961 (Denver, Colo.)
Association of Stock Exchange Firms, Fall meeting of Board of Governors at the Brown Palace Hotel.

Oct. 9-12 1961 (Rochester, N. Y.)
National Association of Bank Women Annual Convention at the Sheraton Hotel.

Oct. 10, 1961 (Toronto)
Canadian Group of Investment Bankers Association meeting.

Oct. 13, 1961 (Montreal, Canada)
Canadian Group of Investment Bankers Association meeting.

Oct. 13-15, 1961 (White Sulphur Springs, W. Va.)
Southeastern Group of Investment Bankers Association meeting.

Oct. 15-18, 1961 (San Francisco, Calif.)
American Bankers Association annual convention.

Oct. 16-20, 1961 (Palm Springs, Calif.)
National Security Traders Association Annual Convention at the Palm Springs Riviera Hotel.

Oct. 17, 1961 (Detroit, Mich.)
Michigan Group of Investment Bankers Association meeting.

Oct. 19, 1961 (Pennsylvania)
Western Pennsylvania Group of Investment Bankers Association meeting at Rolling Rock, Pa.

October 20-21, 1961 (Milwaukee, Wis.)
National Association of Investment Clubs 11th annual national convention at the Hotel Schroeder.

Oct. 24, 1961 (Minneapolis-St. Paul)
Minnesota Group of Investment Bankers Association annual meeting.

Oct. 26, 1961 (Louisville, Ky.)
Ohio Valley Group of Investment Bankers Association annual meeting.

Nov. 26-Dec. 1, 1961 (Hollywood, Fla.)
Investment Bankers Association Annual Convention at Hollywood Beach Hotel and the Diplomat Hotel.

Dec. 4-5, 1961 (New York City)
National Association of Mutual Savings Banks 15th annual midyear meeting.

May 6-9, 1962 (Seattle, Wash.)
National Association of Mutual Savings Banks 42nd annual conference at the Olympic Hotel.

Sept. 23-26, 1962 (Atlantic City, N. J.)
American Bankers Association annual convention.

April 27-May 1, 1963 (Boston, Mass.)
National Association of Mutual Savings Banks 43rd annual conference at the Hotel Statler.