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Editorial AS WE SEE IT

The success of the Communists in Laos and Cuba has caused a good deal of uneasiness in Western countries, and, which is more important perhaps, started some hard thinking about the basic nature of the danger to us and the rest of the world inherent in the "cold war"—a danger which does not necessarily embrace the possibility of the cold war turning suddenly hot. Why is it that little by little, and with an exception here and there like the Congo, the Communists appear to be whittling away at the rest of the world without either the employment of large military forces or doing anything that drives the west to the employment of the vast armaments that the growth of the power and the intransigence of the Kremlin have led us and some of our allies to build up? The question is a vital one to the entire world. Not only the governments of the so-called free nations but the rank and file of the western powers should be pondering it with the greatest care.

It has in the past been often said that we were engaged with the Communists in a "struggle for mens minds." That is, we suspect, what the Kremlin would like us to continue to believe, but in our judgment it lacks a great deal of representing a realistic understanding of what is going on in the world. The truth of the matter is that the Communist imperialists care very little about men's minds, least of all the minds of most of the peoples they plan to enslave. In any event, we can think of nothing more futile than a serious discussion of the merits of the different forms of social and economic organization with most of the backward peoples whose allegiance, or should we say whose friendship and cooperation, we seek. The Communists appear to be well aware of the futility of such an effort, and have developed a wholly different approach.

Ineffective Tactics

All too often we appear to hold to the view that we can win these underdeveloped peoples away from communism, or make them more or less (Continued on page 25)

Inflation Fears Are Unjustified Despite Continuing Budget Deficits

By Hon. Douglas Dillon,* *Secretary of the Treasury*

Statement defends the need for an anticipated $3.7 billion Federal deficit in the coming fiscal year of expected economic recovery, and reassuringly denies this combination will set in motion the forces of inflation. Mr. Dillon claims present plans do not call for emergency programs to stimulate the economy; invites those who fear the Administration's fiscal policies to help bring about higher postal rates; and explains what should be done to usher in a period of unmatched prosperity. Average GNP for 1961 is estimated at almost $515 billion and $555 billion in 1962.

The state of our Nation's finances is currently the subject of considerable public debate. So is the fiscal outlook for the future. Perhaps I can make a useful contribution to this discussion by setting forth the Treasury's views on these and related matters.

Douglas Dillon

At the outset, let me say that I believe we have four basic national economic goals. I further believe that they must all be pursued simultaneously.

First, we seek an economy that grows steadily and rapidly.

The attainment of this first and most important goal is essential to the realization of our second objective, which is full employment for our steadily expanding labor force. We cannot tolerate the levels of unemployment that have characterized the past few years.

Our third goal is reasonable price stability. This has always been important in protecting pensioners and others on fixed incomes. It is doubly important today. For we cannot keep our international payments in balance unless we are competitive in foreign markets. At the very least, this calls for price stability and the reflection in price cuts of some portion of our annual increases in productivity.

Our fourth goal is a tax system which assesses the tax burden fairly and reasonably in accordance with ability to pay.

The achievement of these goals should, in turn, produce a budget surplus that would both permit us to reduce our national debt and to provide funds for the expansion of private business and industry. For when the economy is growing steadily and rapidly, with unemployment reduced to acceptable levels, the retirement of our national debt places tax money in the hands of investors—money which they can and will use for further investment in the private sector.

Can't Control the Economy

Unfortunately, as I have said on an earlier occasion, we have not yet mastered the art of maintaining steady growth at full capacity. Our economy is still plagued by ups and downs. Although we have made substantial progress in terms of preventing major depressions, we still suffer periodically from periods of recession when growth slows to a halt and unemployment mounts rapidly. However, although we still have a great deal to learn on the preventive side, we *have* learned how to slow a decline and how to initiate recovery by using the "automatic stabilizers" we have built into our economy. It is largely thanks to these "stabilizers" that our recessions of the past decade have been so much more moderate than the wrenching depressions of pre-World War II days.

These "automatic stabilizers" so generally credited with softening our recent economic declines, are:

First, an automatic and rapid decrease in tax yields, as corporate profits and employment decline.

Second, a prompt build-up of unemployment compensation and retirement payments as jobs grow harder to find and (Continued on page 29)

PICTURES IN THIS ISSUE: Candid photographs taken at the Annual Outing of the Investment Association of New York appear in today's Pictorial Section.

The Security I Like Best . . .

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

This Week's Forum Participants and Their Selections

Gulton Industries, Inc. — Michael Burke, Analyst, Edwards and Hanly, New York City. (Page 2)

Walter E. Heller & Co. — David Norr, Analyst, Burnham & Co., New York City. (Page 2)

MICHAEL BURKE

Analyst, Edwards and Hanly, New York City
Members New York Stock Exchange and American Stock Exchange

Gulton Industries, Inc.

Gulton Industries, Inc., incorporated in 1942, has been described elsewhere as an "idea factory" and this appellation is indeed a perfect characterization of the company. Its creative scientific personnel have developed a diverse product line ranging from piezoelectric ceramics to the "Life-Lite" rechargeable flash-light. This widely diversified line of products, rather than being a haphazard agglomeration of merchandise has, in fact, as its common denominator the motto of the company, "Gulton Industries integrates raw materials and research to give you Products plus Quality, with products the variable, and quality the constant." Direct contact with the company and its management makes it apparent that this is more nearly a way of business life than a mere slogan.

Michael Burke

The company's organization consists of a group of autonomous divisions plus three wholly-owned subsidiaries which produce automated medical systems, piezoelectric ceramic materials, including phonograph pick-up elements; subminiature components, including thermistors and capacitors, nickel-cadium batteries, transistorized power supplies and vibration and acceleration transducers and equipment. Plants are located at Metuchen, N. J., Albuquerque, N. M., Hawthorne, Calif. and Gananoque, Canada.

Customers are primarily large manufacturers throughout the country as well as the government. Direct sales to the government run 10-15% of the total sales. Somewhat more than one-half of the sales are made through their own sales engineers and the balance through independent sales representatives and distributors. Management is now striving to improve the company's marketing capabilities, perhaps its major weakness, by applying its talents and energy — with the same intensity—that has been so successful in developing its product line.

Highlights of fiscal 1961 included the acquisition of Systems Research Corp., Mineola, N. Y., specialists in data processing and computer programming, and the electronic interests of Mullenbach Division of Electrical Machinery and Mfg. Co. (a subsidiary of Worthington Corp.) of Los Angeles, Calif. New products developed last year included: Automatic physiological monitoring systems for hospital use and for Air Force space research programs; self-calibrating accelerometers and accompanying airborne oscillators for missile tests; a range of new spectrum and data analyzers for telemetry systems, liquid-level sensors for industry and the military; and an ultrasonic flowmeter for nuclear submarines as well as for municipal water supply systems.

Of the many unique features of Gulton, the two I find most interesting are the large sums spent on research and development in relation to sales volume and the enlightened personnel policies employed by management which have enabled them to attract and hold top scientific people. The very large R. & D. expenditures can best be shown by the figures below:

	Sales	R & D Expenditures
1957	$5,164,000	$500,000
1958	6,184,000	1,000,000
1959	7,477,000	2,100,000
1960	10,605,000	2,000,000
1961	12,997,000	2,000,000

These figures do not include research work paid for by government contract. In fiscal 1962, Dr. Leslie K. Gulton, Chairman and President, has stated $2-3,000,000 will be spend on new product development. Thus it can be seen that the company has put new product development ahead of reported earnings. Gulton is very profit-conscious, however, and all R. & D. expenditures are channeled toward this goal.

The personnel philosophy is truly outstanding and has resulted in very high employee morale and one of the lowest turnover rates of skilled engineers, scientists and technicians in an industry where employee piracy is the rule rather than the exception. The company allows a person with an idea for a product to follow the development of the product all the way from the planning stage to the actual production. This creativity in depth gives the person a feeling of identification with the product and affords a personal satisfaction that cannot be estimated or duplicated by offers of more money from other firms.

Since ability is the major criterion for employment, the production staff includes handicapped and aged people who work in a relaxed and informal atmosphere which allows them the highest form of human dignity. That this philosophy is mutually beneficial is exemplified by the healthy relationship with the union, a large stockholder, which has agreed that wage increases shall be accompanied by appropriate increases in productivity. I do not believe I have ever seen a firm where such employee harmony exists at all levels.

Gulton is listed on the American Stock Exchange where it was recently quoted at $55 a share. While the stock is high relative to current earnings, the company has the capability of tripling or quadrupling these earnings over the next five years. Net income for fiscal year ended Feb. 28, 1961, was $813,000 or $0.85 a share on average shares outstanding in the period. Sales totaled $12,997,000 against $10,605,000. Gains are expected in both sales and earnings this year and the current backlog of orders is about $5,800,000 against $4,860,000 as of July 31, 1960. Finances are extremely strong, buttressed by a 100,000 share offering in September, 1960. The current ratio was about six-to-one and working capital $7,819,000 as of Feb. 28, 1961. There is no long-term debt and no new financing is expected for some time. There were 1,039,442 shares outstanding at the end of the fiscal year.

Some of the more important criteria which accord status among outstanding growth companies are: leadership in its industry, proven aggressive management, imaginative research, steady flow of new products, solid financial position, enlightened employee relations and ability to attract and keep the best brains in all phases of their operations. I believe Gulton meets these standards and this is why I like it.

DAVID NORR

Analyst, Burnham & Co., New York City

Walter E. Heller Co.

Walter E. Heller & Company has increased its per share earnings annually for 13 consecutive years. Earnings should increase 10% this year to $3.50 and there is no reason why profits should not continue to improve in the years ahead. The stock (at a price of 73) sells at 21 times anticipated 1961 results. At the minimum, I would expect the stock to increase at least 10% yearly in value in line with earnings, with the possibility of some further increase in the multiple.

David Norr

Operations

Heller provides financial services to business; the company lends money on the security of accounts receivable or other assets such as inventories and machinery. Clients are generally small businesses, unable to obtain all the bank credit they need. There are over 700 clients. The following are the principal varieties of loans:

(1) Loans secured by accounts receivable. These loans are presently made to 90 clients, with rapid payment, 30-60 days. Each client in turn may have hundreds or thousands of customers providing diversity and strength to the ultimate collectibility of the account.

(2) Factored accounts. In this category Heller purchases the receivables and assumes the burden of any losses.

(3) Installment receivables. These are loans secured by receivables due to be paid over 12-36 months. These might arise from the purchase of road building machinery, laundry equipment, and vending machines.

(4) In connection with some loans against receivables, inventory and equipment may also be used as security.

(5) Rediscounts. Advances to other finance companies secured by auto installment paper and small loans.

Activities have recently been broadened — geographically — to include Florida, Canada, and foreign areas, as well as functionally to embrace equipment leasing.

It is basic to note that the growth of the field, commercial financing as it is called, exceeds the growth in bank loans, personal loans, or automobile loans.

	Auto Installment Credit	Personal Loans ($ Billion)	Commercial Receivables Excluding Factoring
1959	$16.6	$10.0	$8.7
1958	14.2	8.6	7.0
1957	15.4	7.9	6.5
1956	14.5	7.0	5.6
1955	13.5	6.2	4.9
1950	6.1	2.8	2.0
Increase	173%	253%	338%

In 1960 automobile paper increased 8%, personal loans 12%,

Continued on page 26

(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.)

Today's Speculative Cycle And Role of Government

By B. K. Thurlow,* *Vice-President and Treasurer of Winslow, Cohu & Stetson Incorporated, New York City*

Avower of speculative cycles uncomfortably views government excesses and distortions he avers are dangerously built into the cycle, and ruminates on whether the government will act to liquidate or lessen them before the next election to avoid an embarrassing market correction. Mr. Thurlow detects classic signs pointing to the end of the speculative boom in common stocks; decries government's stimulation of the bull market beyond its life expectancy when it runs into trouble; and rejects as "pure moonshine" the doctrine of inevitable stock price and earnings rise in the decade ahead. The author comments on present attempts to talk speculation out of the market, and says he was told that the Treasury Department has been considering a scheme whereby the government would grant a forgiveness period from capital gains taxes if the proceeds are reinvested in a non-taxable 2½% government bond of long—or no—maturity. Mr. Thurlow depreciates this "Mephistophelian plan, and the government's control over free economic forces.

I suppose the awareness of stock market cycles has existed more or less vaguely since the collapse of the South Sea Bubble. I doubt that many at the time would have thought of it in just these terms, but Washington Irving, writing a hundred years or so after the event about the Mississippi Bubble, made some shrewd Yankee observations that contain the real substance of much that has been written since on the subject by less gifted but more learned writers. Irving's basic idea came to him as he was watching a lovely, calm sunset during a sea voyage. He tried out his esthetic enthusiasm on the ship's captain, who merely shook his head sourly and said this kind of halcyon calm was a "weather breeder". Sure enough by the middle of that night, all hell had broken loose.

Bradbury K. Thurlow

Irving drew the analogy between this scene and those "times of unexampled prosperity" which are the sure weather breeders of traffic. "Every now and then," he writes, "the world is visited by one of these delusive seasons when the 'credit system' as it is called, expands to full luxuriance; everybody trusts everybody; a bad debt is a thing unheard of; the broad way to certain and sudden wealth lies plain and open; and men are tempted to dash forward boldly, from the facility of borrowing. . . . All, to be sure, as yet exists in promise; but the believer in promises calculates the aggregate as solid capital, and falls back in amazement at the amount of public wealth, the 'unexampled state of public prosperity.'

"Could This Delusion Always Last"

"Now is the time for speculative or dreaming or designing men. They relate their dreams and projects to the ignorant and credulous, dazzle them with golden visions, and set them madding after shadows. The example of one stimulates another; speculation rises on speculation; bubble rises on bubble; everyone helps with his breath to swell the windy superstructure, and admires and wonders at the magnitude of the inflation he has contributed to produce. . . . Could this delusion always last, the life of a merchant would indeed be a golden dream; but it is as short as it is brilliant. Let but a doubt enter, and the 'season of unexampled prosperity' is at an end. The coinage of words is suddenly curtailed; the promissory capital begins to vanish into smoke; a panic succeeds, and the whole superstructure, built upon credit and reared by speculation, crumbles to the ground, leaving scarce a wreck behind: 'It is such stuff as dreams are made on.'"

From Mr. Charles Mackay's excellent "Memoirs of extraordinary popular delusions and Madness in crowds" writen a generation after Irving, but still over a hundred years ago, and from a host of lesser commentaries published after the 1929-32 debacle, we are all fairly familiar today with the major characteristics of the speculative cycle *as it has existed for other people at other times.* There is scarcely one of us today, for example, who would expect to be caught in the Florida land boom as of 1926 or long of common stocks as of July 1929, but when we turn our attention to the present situation, it suddenly seems quite different. There are many people in our business who have suspected the imminent top of the great postwar speculative cycle ever since 1946, just as there are many (and among these some highly respected professionals who determine policy for institutions) who believe modern society has made the old fashioned all-embracing speculative cycle obsolete. The differences of opinion in this question are ably defended on both sides and many billions of dollars are at stake in the ultimate decisions as to which side is finally proven right.

Intellectually as well as materially many are interested in this question of speculative cycles, I think it may prove profitable to discuss some of the present elements contributing to this differ-

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OBSERVATIONS...

BY A. WILFRED MAY

AT POLICE HEADQUARTERS

WASHINGTON — This week's Congressional hearings on the proposal for a large-scale investigation of the trading markets highlights the importance of prospective multiple-source revisions in securities regulation.

True, the House hearings were programmed to be narrow. The enabling Resolution, introduced by Representative Peter F. Mack, Jr., and considered by a subcommittee of the Committee on Interstate and Foreign Commerce headed by him, directs the SEC to "conduct a study and investigation of the adequacy, for the protection of investors, of the rules of national securities exchanges and national securities associations [meaning the National Association of Securities Dealers—the N.A.S.D.] . . . including rules for the expulsion, suspension, or discipline of a member for conduct inconsistent with just and equitable principles of trade"—with a $750,000 appropriation. But this relatively narrow agenda may spill over into a number of other impending questions—possibly motivated by the desire to justify the appropriation. But if it does not, they will be "processed" by the S.E.C., as part of its regular program, with the aid of special projects. Foremost among the latter are the Wharton School's long-conducted study of the mutual funds, and the recently initiated six-month undertaking by Joseph L. Weiner, as Special Consultant to the S.E.C., "to review various programs and operations, and make recommendations to the Commission and the Congress." The Congress will take some direct action (as Senator Gore's proposed stock option bar as part of tax legislation. And then there is Professor Louis Loss' "Task Force" inquiry into up-dated fundamental revision and unification of the spawned securities statutes and rules.

The certainty of the Exchanges getting a most thorough "look-see" is evidenced by the S.E.C.'s already being so "seized" via the American Stock Exchange in conjunction with the Re's scandal, expelling the Re's, father and son, and calling for members' data in response to a most voluminous questionnaire.

A Sure Bet

Regarded chiefly important is the over-the-counter market, the problem with which the Commission has been most broadly and continuously immersed ever since the enactment of the New Deal's securities legislation. The long-existing exemptions of this enormous area of the securities industry from important provisions of the 1933 and 1934 Acts are particularly important now midst the boom-time torrent of new offerings.

All unlisted issues are free of the proxy and "insider trading" regulations imposed on listed corporations, with issues of less than $300,000 being completely exemptable from registration. While the statute imposes the obligation on new issuers, both listed and unlisted, to file complete corporate information quarterly, semi-annually, and annually; issuers of amounts less than $2,000,000 are not so required. Thus, even a substantial portion of the "fancy" new issues escape the obligations of corporate reporting as well as the proxy and "insider trading" restrictions that are imposed on Exchange-listed companies.

Whether Mr. Frear's transfer to membership on the Commission from the Senate, where the Over-The-Counter legislation sponsored by him has been hot-and-cold over the years, will be more or less helpful to its passage, is a moot question. This writer would guess that the change in Administrations, (including the enlistment of J. M. Landis) will be a stronger factor toward enacting some such legislation—but surely in compromise form.

On the Tout Front

The stepped-up invasion against the "investment" advisers doings represents another important area in which the 1961 Commission has become definitively engaged in a pressing timetable.

The first installment of the tightening rules, relating to detailed record-keeping is now a *fait accompli*, having on May 25 been finally issued, in slightly revised form, to take effect July 1.

The second installment of the Adviser regulations, dealing with advertising and related "fraudulent, deceptive, or manipulative" practice, is now in steady progress. The storm raised by the Commission's original promulgation of proposed rules resulted in a flood of protests (accompanied by a few endorsements) which have been taken into account via hearings and correspondence.

It is understood that the protests in one major area have been successful. The proposed prohibition against the adviser publicizing his past achievements is now ambiguous. Clarification and change will be made, to permit, particularly investment counsel, to give such data on request.

The complete proposals regarding adviser advertising are now receiving further consideration by the Commission's Trading and Exchange Division which will submit in about a week a digest of the comments received, together with its own comments and recommendations, to the full Commission—after which there may be further hearings.

It has been our thought that the SEC's administration of advisers' advertising rules could be facilitated by transferring it to the Federal Trade Commission—or at least in the book field, where the F.T.C. already has jurisdiction and experience.

After the second *tranche* of rules relating to advertising is out of the way, the Commission will begin compiling new regulations governing their *business conduct*. Perhaps included therewith will be consideration of the Telegraph Tip, whereby "investment" advice over the glamorous telegraph wire, has had the "Walter Winchell" effect of wildly distorting the following market's opening in the touted issue.

Possible also in the offing is related action concerned with the financial public relations profession. There are said to be "hundreds" of such firms distributing literature promoting, marketwise, publicly offered issues of their clients. Such activities are now partially curbed, but only for a limited period—during the registration period, and in press coverage for 40 days after the offering date. While some of these firms are already close to inclusion under the existing adviser rules, additional regulations would be needed to make adviser curbs effective.

Up-Dating the Battle Rules

Another area for SEC action, whether or not actually ordered by the Congress, is Proxy regulation. Along with the processing of these instruments of "corporate warfare," and the privileges of the individual stockholder in making proposals, the procedure regarding the initiation and renewal of Mutual management contracts, as amended by the compromise version adopted by the SEC in January 1960, will be reviewed.

Also to get action: the **Stock Option**, about which the attending fury is so greatly growing (including the tax legislation area, via Senator Gore's proposal for complete abolition). What about the SEC's currently growing degree of supervision, and its policies, as in the Middle South Utilities case, of condoning the subsequent lowering of the optionee's price to accord with a market drop (turning the option principle into pure *gift* routine)? And is the SEC's present retention rule adequate, in setting six months as the minimum interval after the date of the option's exercise, that it be held by an officer or director? Furthermore, should there be a prohibition against a company buying-in its own stock (supporting the market) while options are outstanding?

Stock Market Credit and Margin Fixing: recognizing that, under the existing legislation's lack of directives, the Reserve Board's existing policy in administering margin requirement changes has necessarily been quite haphazard.

As this space pointed out last week (June 22), the following unresolved items in this area require objective authoritative restudy—the speculative and investment components of today's markets; the current claims on behalf of market "liquidity," including its alleged role in facilitating the economy's capital financing; the "Leakage" effect of the current margin rules; the direct effects of margin changes on stock prices and volume; and a definitive answer to the $64 question whether the Reserve Board should gear its margin changing to the market's price level or to credit factors—and if the latter, whether some formula is feasible.

The Call Provision in bond financing where the SEC's policy thereover, as part particularly exercised in the public utilities field, might well get a re-look.

The Mutual Funds, in their various aspects, are sure to get a thorough going over, from one source or another. And in any event, the Commission's staff in this area will presumably be "getting a wiggle." Two major studies will be crucial in such consideration. One by the Wharton School group, which may become a bit accelerated; and the other, now being initiated by Joseph L. Weiner at the direct behest of the SEC. In each of these cases the findings, along with the Commission's recommendations will be reported back to the Congress.

THE RE-KENNEDYIZED COMMISSION

The Commission seems to be on the way to broadening in both importance and breadth—possibly following, in some measure, subconscious recollection by President Kennedy of his father's first chairmanship of the Agency.

The SEC of course was an integral part of the recent Task Force investigation of the regulatory agencies by James M. Landis, who back in 1935 succeeded Kennedy's *pere* to become the Commission's second chairman. The Senate's turndown last Wednesday of the Administration's plan for the SEC's agency reorganization is not too important. The proposal would have permitted the Chairman to delegate authority for handling cases to individual commissioners or staff members. Most of the duties in question, the Commissioners would not have delegated even if permitted to do so; and much of those that it is desirable to transfer, are already delegable. Incidentally one wag has said, "Cary was thought to be a shark, but ended up as a Minnow."

Other manifestations of the Commission's greater reliance on outside cooperation are seen in Mr. Landis' functioning as the agency liaison with the President; in Dr. Loss' afore-sighted mission; and in the full-time job in which Joseph Weiner, former director of the Commission's Public Utilities Division, has become engaged. Recently profiled as "A specialist in Unpopularity, who expects no love from Wall Street," Mr. Weiner as Director of the Commission's Public Utilities Division from 1938-1943 administered the "death sentence" in breaking up the holding companies. On his staff was William Cary, now the Commission's new Chairman. After helping William Douglas draft the SEC's Chandler Act, Weiner's subsequent posts included service of the Office of Price Administration and the War Production Board.

Careful deliberation and relatively slow-but-steady progress is the impression given the observer of the SEC under its new Chairman, William Cary (with the Agency's former Republican boss, Edward Gadsby, constructively moving over to the supporting role of Commissioner).

Mr. Cary furnishes this key Agency, particularly important at this time of stock market boom, a rare combination of academic and practical background.

At the Commission he has long been remembered as an able member of the Utilities Division which administered the herculean task of breaking-up the holding companies under the 1935 Act. At the Columbia Law School he has been called "Mr. Corporation Law"—by his faculty colleagues as well as students!

Perhaps as a scholar and teacher he goes along with our underlying thesis that investor *education* is more important than all conceivable regulation!

Meanwhile, what will be the "net" impact on the market of the prospective investigation and subsequent reforms? Assuredly, Exchange operations will be "cleaned." But elimination of cheating of the "game's" players will not change the essential character (speculative) of the trading activities. Over the long-term, there is the affirmative danger of the investor getting a false sense of security from "Government guaranteed"—or at least "Government aegis."

The State of TRADE and INDUSTRY

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

Widely spread improvement among significant business indicators affirms that a solid moderately strong business recovery is under way, says The First National Bank of Boston in the June issue of its *New England Letter*. Continuing, the Bank says, in the early stages of an upturn in the economy, it is difficult to accurately appraise the strength of the various forces that will contribute to the improvement. The breadth of the present uptrend, however, affecting all of the major spending sectors to some degree, suggests more and more a combination that could produce a marked, V-shaped recovery pattern, perhaps resembling closely that of 1958.

The combination of strengthening factors so far has favorable implications for corporate profits, which probably touched their low in the first quarter. How much of the recent strength of the stock market may reflect "too generously anticipating, too soon" this welcome event, it is difficult to say. With the market at record levels which have called forth a number of warnings against speculation, any deeply unfavorable turn here could adversely affect the business recovery, retarding its momentum if it became serious and widespread enough.

The current upturn follows the least severe of the four post-war recession periods. The pattern of production in each of the three preceding recovery periods since 1949 has followed a roughly similar trend, regaining its previous cyclical peak in five to ten months. By this timetable, there would be a possibility of achieving the peak level of 110 on the Federal Reserve index as early as July or as late as December. Although steel and autos, as well as numerous other lines, did well enough in May to suggest a further significant rise in the index, it should be remembered that the initial stages of recovery are likely to be the most rapid. Also some soft spots in the economy continue, while the possibility of labor disturbances in the third quarter offer forces to temper any over-optimism.

Bank Clearings for June 24 Week Was 7.3% Above Corresponding Week Last Year

Bank clearings last week showed an increase compared with a year ago. Preliminary figures complied by the *Chronicle* based upon telegraphic advices from the chief cities of the country, indicate that for the week ended Saturday, June 24, clearings for all cities of the United States for which it is possible to obtain weekly clearings was 7.3% above those of the corresponding week last year. Our preliminary totals stand at $31,500,049,334 against $29,346,137,088 for the same week in 1960. Our comparative summary for the leading money centers follows:

Week Ended June 24—	1961	1960	
	(000's omitted)		
	$	$	%
New York	17,569,126	15,778,282	+11.4
Chicago	1,423,017	1,247,236	+14.1
Philadelphia	1,250,000	1,167,000	+ 7.1
Boston	915,304	1,011,015	— 9.5

"Iron Age" Looks for Strong Comeback From July Seasonal Letup

Steelmaking operations are expected to bounce back strongly from the July seasonal letup, *The Iron Age* reports. In addition, the July slump now looks to be less severe than was expected.

The magazine bases this on indications from Detroit of strong orders for August delivery, and general orders that have put July in a stronger position than seemed likely a week ago.

The August upturn is expected to continue through September, assuming automakers and the United Auto Workers settle their contract negotiations without a strike or work disruption. The magazine cautions September orders for steel by automakers will be affected by negotiation as the Aug. 31 deadline approaches.

Although auto steel orders are the strongest single factor in the summer steel trend, there are other elements involved.

Tubular products should remain at least as strong through summer months, and continue the gradual rise that began six months ago. Major oil producers advise they will be back in the market soon. Oil well activity is now running ahead of last year.

Although tinplate shipments continue to lag, this is more a problem of tight inventory control rather than any weakening of basic demand. Can shipments are running ahead of last year, although steel companies are bearing an added cost of holding large tinplate inventories.

Regional factors are also important in the steel demand picture. The Midwest and West are feeling a much stronger general demand than other areas.

In the important automotive sector, *The Iron Age* says orders for July delivery are down from June, but still much better than the monthly average for the first quarter. Much of the July tonnage is on a rush basis, as automakers round out their final 1961 model runs.

August is running ahead of both May and June, at comparable advance dates, for almost all sheet products except hot-rolled. Several auto companies have placed good orders for the first two weeks of August. The real automotive pickup will not come until September, or whenever auto labor contracts are signed.

In spite of the good automotive orders on the books for August, automakers are not likely to launch full production runs until labor negotiations are out of the way. The reasoning here is simple: Automakers would not want to hold on to inventories of more than 100,000 cars, that have not yet been shown to the public, throughout a strike.

As the end of the second quarter approaches, *The Iron Age* comments earnings of steel companies will show a big improvement over the first quarter. For some companies' earnings will be relatively high considering the moderate rate of steel-making operations.

The steel price situation is unchanged, with price and extra shadings continuing for many products. A break in major tonnage products now seems less likely, however. Automakers, who would be the leaders, now seem less interested in breaking the price front. Instead, they are insisting on high quality, prompt delivery, and other services that will help lower auto production costs without breaking prices.

Metalworking Sales to Be Strong In Second Half

The men who manage metalworking companies predict a solid uptrend in second half business. *Steel* magazine asked 5000 of them how they think their plants will fare during 1961's last six months. The booming response:

Dollar sales will be a hefty 7% above those in the first half.

Net earnings will gain 4% during the second half vs. the first.

Costs will continue to rise but at a slower pace than in recent years.

Prices will remain nearly stable over-all, though price warfare will continue to push some down and the business pickup will permit scattered hikes in some lines.

Employment will edge up with smaller plants showing the largest percentage gains.

Production capacity will rise by 2% during the second half.

For the basic steel industry, a vital part of metalworking, *Steel* reports that July will be a slow month because:

(1) Steel makers will curtail finishing operations over the July 4 holiday.
(2) Automakers have enough steel on hand to wind up production of 1961 models.
(3) Other users will close plants for vacations.

Steel production will probably decline by 12% in July (to 7.5 million ingot tons vs. June's 8.5 million).

Ingot production last week was down. *Steel* estimates output was at 1,975,000 tons, a drop of 10,000 tons. Output will be slightly less next week.

The magazine's scrap price composite was down 34 cents a gross ton to $37.83. Mill buying is tending to dry up as steel operations slowly drop.

Automakers plan to complete the bulk of their 1961 model runs by the middle of July — three weeks earlier than last year, *Steel* reported. By the end of the month, they'll all be switching into production of next year's cars.

New orders for steel to be used in the 1962 cars are being released, and it's believed that August shipments will be substantial. At that time, other users will also be ending vacations and stepping up consumption so there's a good chance August ingot production will rebound to about eight million tons.

The big spurt will come in September as automakers start turning out new models at top speed.

The only thing that can upset this steel industry forecast, *Steel* reports, is a long strike in the automotive industry—and that is not expected.

The Big Three contract talks which open Wednesday at General Motors Corp. will also affect about 1,100 metalworking firms that have contracts with the United Auto Workers.

A handful of the auto suppliers will try for wage cuts, but most will fight hard to hold wages where they are, a *Steel* survey shows. Many are reconciled to the idea of putting three to six cents into fringe benefits if the Big Three automakers do. Suppliers will exert considerable pressure for shorter contracts—12 to 18 months.

Steel Production Data for the Week Ended June 24

According to data compiled by the American Iron and Steel Institute, production for week ending June 24, 1961, was 1,978,000 tons (*106.2%), 0.4% under output of 1,985,000 tons (*106.6%) in the week ended June 17.

Production this year through June 24 amounted to 43,146,000 tons (*92.6%) or 26.7% below the 58,876,000 tons (*126.4%), in the period through June 24, 1960.

The institute concludes with Index of Ingot Production by Districts, for week ended June 24, 1961, as follows:

	*Index of Ingot Production for Week Ending June 24, 1961
North East Coast	101
Buffalo	84
Pittsburgh	93
Youngstown	89
Cleveland	123
Detroit	134
Chicago	114
Cincinnati	118
St. Louis	120
Southern	117
Western	122
Total industry	106.2

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

Three Auto Makers Reach Peak Production for 1961

Three U. S. passenger car manufacturers reached peak 1961 production levels this week while another auto maker, Studebaker-Packard Corp., concluded assembly of its 1961 model cars a month in advance of its "phase-out" last year, *Ward's Automotive Reports* said.

The statistical agency said that General Motors, Chrysler Corp. and American Motors each produced more new autos this week than in any similar period of this

Continued on page 30

Our Foreign Aid Program Faces Its Greatest Challenge

By Hon. Jacob K. Javits, United States Senator (R.-N.Y.)*

Not since World War II have we faced as great a foreign aid challenge as we do today. In making this grave warning, Senator Javits depicts the problems and suggests methods for meeting them involving realization that foreign aid must undergo a radical and long overdue change. He urges free countries accelerate their contribution by gearing the amount of aid to 1% of their GNP, and recommends applying the "systems management" approach to underdeveloped countries similar to our mixed private enterprise-government projects used to develop scientific and military weapons programs. He also praises the start made by consortiums in Brazil, Bolivia and India. The new concept of aid, he concludes, calls for integrated programs of multi-national, private and public assistance.

In the Congress and before the people of the United States, the U. S. foreign aid program is facing this year the greatest challenge of its 15-year post-war history.

Hon. Jacob K. Javits

Our capability for effectively developing the less developed areas of the free world is the one instrument we now have to demonstrate marked superiority over the Communist bloc. It is the area where we must mass our means to cause a breakthrough for freedom, where we must seize the initiative from the Communists and where we must halt any further deterioration of the free world's position.

Two new principles of action are essential to the successful operation of this foreign aid program:

(1) The technical and managerial talents of the private economic systems of the donor and recipient nations must be combined with governmental administration in both the donor and recipient nations.

(2) The Western European industrialized nations, Canada and Japan, must make a more effective contribution to the development programs, to which U. S. foreign aid is directed.

Favors 1% of GNP Formula

Nations like the Federal Republic of Germany and Italy—which were helped to their present stronger economic position by our past Marshall Plan and other aid—and the rest of the OECD countries could well join the U. S. in contributing as much as 1% of their combined gross national product a year to this effort. Such a contribution would add $4 billion a year to the development assistance program—thus doubling the annual amount of official assistance during recent years.

This addition could make all the difference between success and failure in these activities. And a good deal of this added aid could be promptly utilized, for example, to augment our "Alliance for Progress" program in Latin America."

To accelerate the resources made available for foreign aid in this fashion would be the greatest single decisive contribution which can be thrown into the cold war struggle since the Vienna summit meeting between President Kennedy and Chairman Khrushchev.

Human and Non-Human Facilities Required

The full utilization of this accelerated contribution of resources requires the establishment of economic development facilities—large-scale area projects involving the provision of electric power, irrigation, manufacturing and trade and financial institutions, as well as small-scale individual enterprises of this nature. These facilities must be staffed by the technical and managerial talents of individuals from the private economy—including management, labor, agriculture, foundations, educational institutions and voluntary organizations—and public servants of the United States, other industrialized nations and also the recipient countries.

This systems management approach—which has been used with such great success in the mixed private enterprise-government projects to develop many of the scientific and military weapons systems for U. S. defense during recent years—must be applied to the economic growth problems of the developing nations.

It is ironic that the current challenge to the U. S. foreign aid program should assume its greatest magnitude at a time when the basic concept of the program must undergo a radical and long overdue change, and that the failures of the past are brought to bear upon the future shape of the program. We should not allow past failures to overshadow past successes, we cannot equate the loss of Laos with the preservation of Western Europe; we cannot equate the failure in Cuba with the maintenance of free institutions in Argentina; we cannot equate the waste in South Korea with the democratic growth of India. And, since the taxpayer's pocketbook is most particularly involved, we must make another equation: $46 billion spent for foreign economic aid in 15 years equals the one-year defense budget of $46 billion for 1961. How much higher would this defense budget for fiscal 1961 be without the alliance of NATO in Western Europe, without the democratic government of India, or without the stabilization of Argentina? Further, I think it reasonable to ask—without foreign aid could we even negotiate over Laos, consider South Korea as a base for our troops, or think of Peru as a good neighbor?

Indeed, the United States is peculiarly fortunate because its productivity and its ideals permit generosity and self-interest to walk hand-in-hand. And yet, we are no longer alone in this good fortune. Others share it and we must attune our ability to contribute with theirs.

A Start Made by Commercial Banking Consortium

In Brazil and Bolivia, with U. S. leadership, European and Japanese commercial banks, backed by their governments, are forming consortiums with the International Monetary Fund and the Inter-American Development Bank, in order to support the economic system and develop the economic potential of these two Latin American nations. But even this $660 million effort can only be the beginning in meeting the needs of Brazil and Bolivia and of Latin America as a whole. It has been estimated that the $600 million annual public investment inflow of recent years into Latin America will have to increase threefold to between $1.5 and $2.5 billion per year over the coming decade. It has been estimated that by 1975 the gap between Latin American exports and that continent's import needs will grow to $5 billon annually unless the productive facilities of Latin America can grow sufficiently to enable its nations to export more goods to world markets.

A further example of the need for cooperative action and how it is beginning to be met can be found in the case of India. There, a consortium of six nations, Canada, France, West Germany, Japan, the United Kingdom and the United States, is participating with the International Bank for Reconstruction and Development (IBRD) and the International Development Association (IDA) in a two-year program of assistance amounting to $2.2 billion to help India meet the goals of its third five-year plan which begins this year.

Yet again, all of this represents only a start both for the nations receiving this new collective aid, and for the rest of the emerging nations of the free world. Let us look at one example of a need which we can begin to fill in this manner now. Nigeria is a nation which shares many of the political traditions of Western civlization. It is estimated that $150 million of outside investment is required to help that nation begin on the development of its greatest national resource: the Niger River. I believe that this sum invited comparison with the $120 million which the West "invested" in one year's pacification of the Congo. This comparison is apt because whereas we had to spend the latter sum to prevent widespread destruction, we have the opportunity to spend the former for a work of far-reaching, constructive significance, going beyond the borders of Nigeria into the neighboring new nations of Africa.

An integrated and cooperative development approach will assure that the development projects will become an integral part of the economic future of the developing nations. In this manner, the complete integration of the new nations into the vast and expanding orbit of the free world's economy can be accomplished during the coming decades.

Thus, the new concept of foreign aid is multi-national, private and public, and enlists the sinew and the muscle of the free world's industrialized power which has grown out of and which has made possible the preservation of the free world's politicial ideals and human values.

*An address by Senator Javits before the New York State Bankers Association, Lake Placid, N. Y., June 16, 1961.

The New Challenges Facing Commercial Banking System

By Albert C. Simmonds, Jr., Retiring President, New York State Bankers Association, and Chairman of the Board, the Bank of New York, New York City*

Retiring head of New York commercial bankers' association reports on what is being done so banking can continue to fulfill its function of marshalling the nation's financial resources and channeling them into productive use. Mr. Simmonds stresses the acute problems of liquidity, equitable competition in the market place for funds and effectively meeting the demand for banking services. He also reports on what banking is doing to improve its internal administration involving automation, personnel education and employee welfare.

Faced with the highest loan to deposit ratios in the post-war period, bankers may be hard pressed to play the same role in financing the nation's growth as they did in the post-war period. Since it is essential that the country move forward and that the commercial banks move forward with it, many banks are taking a hard look at their sources of funds, for from these sources must come any expansion in credit to finance a higher level of sustained economic activity. Increased savings put to general use, through the commercial banking system is one solution, a more realistic application of Regulation Q, lower reserve requirements, particularly against savings, and more favorable tax treatment are all steps in the right direction. In any case, a higher level is necessary if the country is to finance the "Man on the Moon," a greater defensive posture, meet international commitments, expand welfare measures at home and withal keep in mind the balance of payments problem.

A. C. Simmonds, Jr.

Billions Depend on Productivity

There is much to be done at home as well as abroad if the several billion people who live on this planet are to better themselves by even a small margin.

The key to economic progress lies, of course, in greater productivity—an increased volume of goods and services which can only result in a higher standard of living for all.

Commercial banks in their ability to marshal the nation's financial resources and channel them into productive use will be of telling importance in achieving this goal.

Post-War Experience

In recent years, however, the nation's growth has been financed importantly through absorbing the liquidity with which banking found itself at the end of World War II. Between 1945 and 1959 commercial banks provided approximately $100 billion of additional funds to meet the credit needs of the economy. To support this during this period, demand deposits increased by $32 billion and savings and time deposits increased by $37 billion. The balance was made up by a liquidation of $30 billion of security holdings. Today, most of the slack is gone and the reins are tighter. This is documented very well in the new research study by Dr. Jules I. Bogen, "The Changing Composition of Bank Assets," which has just been published by New York University under a grant of the Association of Reserve City Bankers.

The Association has been mindfully aware of banking's responsibility to this end and has initiated certain actions which should help.

Archaic Practice

First, the Association has been instrumental in directing attention to the archaic practice of pledging securities to secure public funds—a hand-me-down from old English and Colonial law. The Association has suggested several remedial actions to the authorities in this field, which, if accepted, should materially ease the situation.

Help Small Business

Secondly, the Association is examining in a realistic fashion means by which financial aid can be made available in larger supply to unincorporated businesses and proprietorships. As this program of aid to small business takes shape, members will be kept fully informed.

Third, the Association has examined and is continuing to examine means by which commercial banks can more equitably compete in the market place for funds. Deposits are the life blood of the banking system. The expansion of government lending agencies and the explosive growth of non-commercial banking institutions has all tended to magnify the situation. We should keep in mind that a commercial bank is a department store of financial services. A commercial bank can provide the services that these specialized institutions offer. We, as commercial bankers, must therefore do a better job than they do. We must perform our functions more efficiently, more readily and more graciously than any other financial organization.

We are no longer in a situation where we can sit back and expect business to come flowing through our doors. We must get out and work hard. We must sharpen our wits and be continuously on the alert to the demands for our services and, above all, be ready to satisfy them effectively.

We must continue to tell commercial banking's story in an expanding voice until it becomes a concerto. Then and only then will the public, the businessman, the public official and the law makers fully know of the economic importance of a sound, profitable, growing commercial banking system.

Public Responsibility

Our ethics must be above criticism. We, as bankers, have a responsibility to the public that is far greater than the cash value of the funds entrusted to our care. It is my belief that our present ethics are of the highest order. We must keep them so.

Impact of Automation

Within banking itself there are certain matters with which we must deal also. One of the foremost is the speed with which automation is progressing. Machines that originally reduced a week's work into a day will shortly reduce it to hours and minutes. This development will have far-reaching effects throughout the entire banking system. For one thing, it is going to open numerous doors for new types of services. Further, it is going to speed the check processing procedure and perhaps permit a greater velocity of funds. It means that many banks may be called upon to re-train their personnel for these new activities and new exciting work challenges. In this re-training process, I am sure the Association will not be found wanting, for when it comes to education I am pleased to say that the Association is second to none.

Educational Pioneers

The Association has pioneered in the field of banking education. The Association's comprehensive School of Banking now offers programs for all levels of management, for supervisors, and for specialists, be they credit, investment, trust, operating, or personnel administrators. The School of Banking, with its 13 resident institutes, has now the most thorough curriculum of its kind in the banking field.

Employee Welfare

Also of major importance to banking institutions is the extensive benefit insurance programs which the Association has available for member-bank use. These programs offer tremendous value from the standpoint of stabilizing employment and permitting smaller banks to compete for and keep the highest caliber personnel.

These plans are the Association's Retirement System, Group Life Insurance Plan, Disability Benefits Insurance Plan, and Major Medical Plan. Officers and directors of smaller institutions may find that the adoption of one or more of these low cost plans will be a well worthwhile investment in human resources.

If the problem areas that I have outlined can be resolved in the public interest, I feel confident that commercial banking will maintain its leadership in the financial community and the job of financing, promoting and furthering higher levels of economic activity will be achieved.

Ten Million Customers

It is satisfying to note that commercial banks in New York state now service 10 million customers, from the individual family to the largest business corporation with savings and checking accounts.

$42 Billion to Stimulate Employment

As the Association year comes to a close, member institutions have $42 billion of funds, which are being used in one form or another to stimulate employment, consumption and the production of goods and services for the betterment of mankind.

*An address by Mr. Simmonds before the 65th annual convention of the New York State Banking Association, Lake Placid, New York, June [illegible]

First City Secs. Fin. Seminars

A series of seminars to acquaint industrial and professional management with the principles of private and public financing will get underway June 29 when First City Securities, Inc., will sponsor the first question and answer seminar on Thursday at 4 p.m. at 37 Wall Street, New York City. Salvatore Fornelle, a specialist in private and public financing, will speak on "What advertising and public relations men should know about a client who has a public stock offering."

In the second scheduled seminar on Thursday at 4 p.m., Edward Fellman, a consultant to the electronics industry, will discuss the same subject with personnel in the electronics field.

There is no charge and reservations may be made by calling Barton Reichert at HA 5-5095.

Maxwell J. Mangold, President of First City Securities, Inc., will be moderator of both seminars.

Baxter With Reynolds

(Special to The Financial Chronicle)

SAN FRANCISCO, Calif. — John P. Baxter has become associated with Reynolds & Co., 425 Montgomery Street. Mr. Baxter, who has recently been with Paine, Webber, Jackson & Curtis, in San Francisco, in the past was with the Buffalo office of Merrill Lynch, Pierce, Fenner & Smith for many years.

Treibick, Seiden Formed

Treibick, Seiden & Forsyth is conducting a securities business from offices at 63 Wall Street, New York City. Partners are Richard Treibick, Melvin R. Seiden, Colen D. Forsyth, Theodore Gold, Robert G. Caffray and Josephine Freibick. Colen Forsyth and Josephine Freibick were formerly with Richards, Forsyth & Co. Other partners were with Carl M. Loeb, Rhoades & Co.

David T. Gillmor With Wilson, Johnson, Higgins

(Special to The Financial Chronicle)

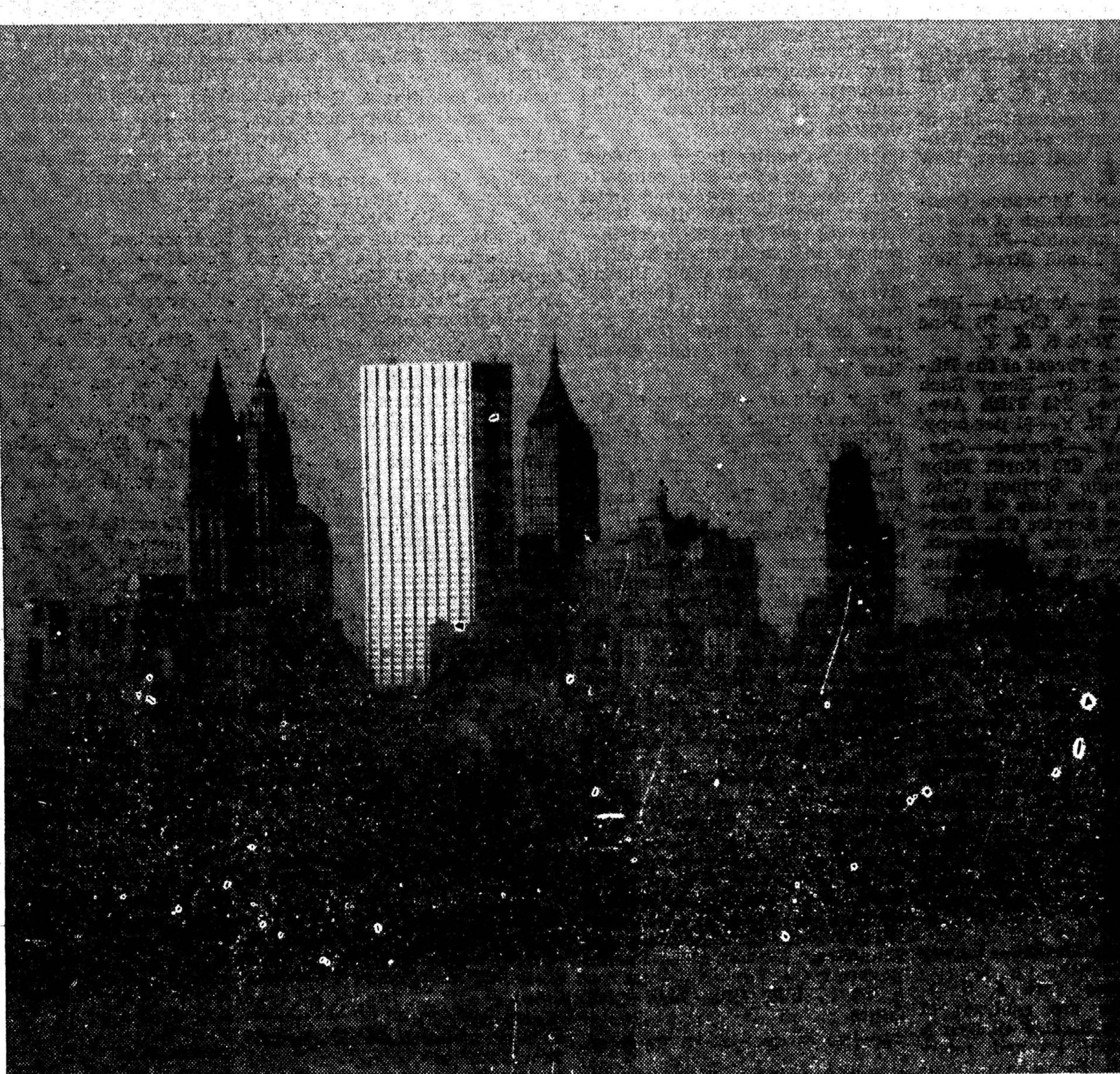
SAN FRANCISCO, Calif.—David T. Gillmor, Jr. has become associated with Wilson, Johnson & Higgins, 465 California Street, members of the Pacific Coast Stock Exchange. Mr. Gillmor was formerly with Hornblower & Weeks and Kidder, Peabody & Co. Prior thereto he was a Vice-President of National Securities & Research Corp.

East Coast Inc.

East Coast Investors Co. 150 Broadway, New York City, is now doing business as a corporation. Officers are Sol Gallup, formerly proprietor, President; G. B. Murray, Vice-President; and Miriam Victerson, Secretary-Treasurer.

FIF Assoc. Appoints

FIF Associates has named William F. Durand of Tacoma, Wash. and O. Glenn Eddy, Jr. of John Day, Ore., district managers.



The Chase Manhattan Tower at Dawn—Photo by Erich Locker

DEALER-BROKER INVESTMENT LITERATURE AND RECOMMENDATIONS

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

Bank Stocks — Quarterly review, including comparative figures on the 40 largest commercial banks, etc.—M. A. Schapiro & Co. Inc., 1 Chase Manhattan Plaza, New York 5, N. Y.

Canadian Budget for 1961-62—Analysis — Greenshields & Co. (N. Y.) Inc., 64 Wall Street, New York 5, N. Y.

Canadian Stock Market—Review—Dean Witter & Co., 45 Montgomery Street, San Francisco 6, Calif.

Domestic Trunk Airlines—Review—Calvin Bullock Ltd., 1 Wall Street, New York 5, N. Y.

Equities for Investment—List of interesting securities—Gude, Winmill & Co., 1 Wall Street, New York 5, N. Y.

Fire & Casualty Insurance Company Stocks—Brochure of data on 41 selected companies—First Boston Corp., 15 Broad Street, New York 5, N. Y.

Grocery Chains—Analysis — Penington, Colket & Co., 70 Pine Street, New York 5, N. Y.

How Big Is the Threat of the Discount Store—Study—Henry Bach Associates, Inc., 245 Fifth Ave., New York 16, N. Y.—$1 per copy.

Insurance Stocks—Review — Copley & Co. Inc., 620 North Tejon Street, Colorado Springs, Colo. Also available are data on **Colorado Insurance Service Co., Mortgages Inc., Mustang Lubricants, United Automotive Industries, United Aero Products** and **Starfire Boat Corp.**

Investment Insurance against capital loss — Information — Tyler Kay, 755 Main Street, Buffalo 3, N. Y.

Japanese Market — Review — Yamaichi Securities Co. of New York Inc., 111 Broadway, New York 6, N. Y. Also available are analyses of **Mitsubishi Nippon Heavy Industries** and **Okuma Machinery Works 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.**

Market Conditions—Report—New York Hanaseatic Corp., 120 Broadway, New York 5, N. Y.

Nuclear Power in Space—Discussion in June issue of "Science and Securities"—Harris, Upham & Co., 120 Broadway, New York 5, N. Y. In the same issue are articles on **Magnetic Materials, Teaching Machines, Lasers & Masers** (for amplification of coherent light) and new developments in the **Drug Industry.** Also available is an analysis of **Robertshaw - Fulton Controls Co.**

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.

Paper Industry — Review of Canadian newsprint production with particular reference to **Abitibi Power & Paper Co. Ltd.** — Ross, Knowles & Co. Ltd., 25 Adelaide Street, West, Toronto, Canada. Also in the same bulletin is a review of **Monarch Fine Foods.**

Rail Equipment Industry—Discussion in current issue of "Investor's Reader" — Merrill Lynch, Pierce, Fenner & Smith Inc., 70 Pine St., New York 5, N. Y. Also in the same issue are discussions of **Universal Cyclops Steel Corp., May Department Stores Co., Pendleton Tool Industries, Smith, Kline & French, Colorado Oil & Gas Corp., Black Hills Power & Light Co., Atlantic Refining.**

Railroad Stocks—Analysis—Goodbody & Co., 2 Broadway, New York 4, N. Y. Also available are reports on **American Commercial Barge, Symington Wayne, Tandy Corp., Addressograph Multigraph, Chicago & North Western Inc., Illinois Central, St. Louis San Francisco, Southern Pacific, Square D Co., Sunbeam Corp.** and a list of interesting high-yield issues.

Security Analysis — Guide showing how to apply certain index numbers — Arnold Bernhard & Co., 5 East 44th Street, Dept. CFSM-101, New York 17, N. Y.

Semi-Conductor Industry—Report—L. F. Rothschild & Co., 120 Broadway, New York 5, N. Y. Also available is a discussion of the **Steel Industry.**

Small Business Investment Companies—Memorandum—Saunders, Stiver & Co., Terminal Tower Building, Cleveland 13, Ohio.

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

Textbook Market—Analysis—David L. Babson & Co. Inc., 89 Broad Street, Boston 10, Mass.

Treasury Market — Report — Aubrey G. Lanston & Co. Inc., 20 Broad Street, New York 5, N. Y.

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American Commercial Barge Line — Chart analysis — Auchincloss, Parker & Redpath, 2 Broadway, New York 4, N. Y. Also available is a chart analysis of **Carlisle Corp.**

American Smelting & Refining—Data—Freehling, Meyerhoff & Co., 120 South La Salle Street, Chicago 3, Ill.

American Steel Foundries—Analysis—A. C. Allyn & Co., 122 South La Salle Street, Chicago 3, Ill. Also available are analyses of **American Stores Co.** and **American Optical Co.**

Armstrong Paint & Varnish Works Inc.—Memorandum—Lee Higginson Corp., 231 South La Salle St., Chicago 4, Ill.

Benbow Astronautics Inc.—Memorandum — Adams & Company, 5455 Wilshire Boulevard, Los Angeles 36, Calif.

Boeing — Memorandum — Paine, Webber, Jackson & Curtis, 25 Broad Street, New York 4, N. Y. Also available are memoranda on **Poor & Co., United Shoe Machinery, Philadelphia Electric** and **Safeway Stores.**

Boeing Company—Analysis—Carl M. Loeb, Rhoades & Co., 42 Wall Street, New York 5, N. Y. Also available are reviews of **Domestic Trunk Airlines** with particular reference to **United Air Lines, Eastern Air Lines,** and **American Airlines.**

Brunswick Corp. — Memorandum—Stern, Frank, Meyer & Fox, Union Bank Building, Los Angeles 14, Calif.

Celanese Corp. of America—Report—Eisele & King, Libaire, Stout & Co., 50 Broadway, New York 4, N. Y.

Cenco Instruments Corp.—Data—Stearns & Co., 80 Pine St., New York 5, N. Y. Also available is a discussion of **Peterson Electronic Die.**

Champion Spark Plug—Memorandum—Pershing & Co., 120 Broadway, New York 5, N. Y.

City of Macon, Mo.—Electric revenue bonds — Bulletin — Stern Brothers & Co., 1005 Baltimore Ave., Kansas City 5, Mo.

Columbia Broadcasting System—Report—A. M. Kidder & Co., Inc., 1 Wall Street, New York 5, N. Y. Also available are reviews of **American Viscose, Amphenol-Borg Electronics** and **F. W. Woolworth,** and suggested common stock portfolios for various purposes.

Distillers Corp. Seagrams Ltd.—Report—Parrish & Co., 40 Wall St., New York 5, N. Y. Also available is a report on **Schenley Industries.**

Dit-Mco Inc.—Analysis—Midland Securities Co., Inc., 15 West 10th Street, Kansas City 5, Mo. Also available is a memorandum on **Wilcox Electric.**

Dominion Tar & Chemical Co.—Memorandum—E. F. Hutton & Co., 61 Broadway, New York 6, N. Y. Also available is a memorandum on **Farrington Manufacturing Co.**

Electric Storage Battery Company—Analysis — Eastman Dillon, Union Securities & Co., 15 Broad Street, New York 5, N. Y. Also available is an analysis of **Selas Corporation of America.**

Electronic Components Inc.—Review—California Investors, 3932 Wilshire Blvd., Los Angeles 5, Calif.

Franklin National Bank of Long Island — Analysis—Hill Richards & Co., Inc., 621 South Spring St., Los Angeles 14, Calif. Also available is an analysis of **International Electronic Research Corp.**

Frantz Manufacturing Co. — Analysis—Blair & Co. Inc., 20 Broad St., New York 5, N. Y.

Goodyear Tire & Rubber Co.—Chart analysis—Thomson & McKinnon, 2 Broadway, New York 4, New York.

Great Atlantic & Pacific Tea Co.—Analysis — Dreyfus & Co., 2 Broadway, New York 4, N. Y.

Gulf Coast Leaseholds, Inc.—Analysis—Leason & Co., Inc., 39 So. La Salle St., Chicago 3, Ill.

Heinicke Instruments Co.—Report—Robert Edelstein Co., Inc., 15 William St., New York 5, N. Y. Also available are reports on **Northfield Precision Instrument Corp.** and **Ortronix Inc.**

Hydra Power Corp. — Memorandum — Edwards & Hanly, 100 North Franklin St., Hempstead, N. Y.

Hydrocarbon Chemicals Inc.—Bulletin—Evans & Co., Inc., 300 Park Ave., New York 22, N. Y.

Interstate Vending—Memorandum—Birr & Co., Inc., 155 Sansome St., San Francisco 4, Calif.

Island Creek Coal — Survey—Shields & Co., 44 Wall St., New York 5, N. Y. Also available is a study on **Bausch & Lomb.**

Jefferson Electric—Memorandum—Holton, Henderson & Co., 210 West Seventh St., Los Angeles 14, Calif.

E. J. Korvette Inc.—Report—Hayden, Stone & Co., 25 Broad St., New York 4, N. Y.

Lee Communications—Memorandum—Lowell, Murphy & Co., Inc., Denver Club Building, Denver 2, Colo.

Loew's Theatres — Memorandum—Herzfeld & Stern, 30 Broad St., New York 4, N. Y.

Manning, Maxwell & Moore—Memorandum—Laidlaw & Co., 25 Broad St., New York 4, N. Y. Also available are memoranda on **Crane Co., Georgia - Pacific** and **Ruberoid.**

Market Basket—Analysis—Bateman, Eichler & Co., 453 So. Spring St., Los Angeles 13, Calif.

Market Basket — Memorandum—First California Co., Inc., 647 So. Spring St., Los Angeles 14, Calif.

Mead Corp. — Analysis—W. E. Hutton & Co., 14 Wall St., New York 5, N. Y. Also available is a memorandum on **Allied Radio,** and a review of **United Shoe Machinery Corp.**

Mercantile Discount Corp. — Analysis—H. M. Byllesby & Co., Inc., 135 So. La Salle St., Chicago 3, Ill.

Metalphoto Corp. — Analysis—Madison Management Corp., Box 867 Madison 1, Wis.

Monroe Auto Equipment—Memorandum—Hemphill, Noyes & Co., 8 Hanover Square, New York 5, N. Y. Also available are memoranda on **Oxford Paper** and **Union Carbide,** and reports on **Minerals & Chemicals-Philipp Corp.**

National Bank of Detroit—Bulletin—Laird, Bissell & Meeds, 120 Broadway, New York 5, N. Y.

National Distillers & Chemical Corp.—Analysis—John H. Lewis & Co., 63 Wall Street, New York 5, N. Y.

Nease Chemical Co. — Memorandum—Arthurs, Lestrange & Co., 2 Gateway Center, Pittsburgh 22, Pa.

Pacific Hawaiian Products Co.—Report—Mitchum, Jones & Templeton, 650 South Spring St., Los Angeles 14, Calif.

Pacific Vegetable Oil Corp.—Bulletin—De Witt Conklin Organization, Inc., 120 Broadway, New York 5, N. Y.

Papercraft Corp.—Analysis—C. E. Bush & Co., Security Building, Denver 2, Colo.

Paramount Pictures — Analysis—Ira Haupt & Co., 111 Broadway, New York 6, N. Y.

Pep Boys—Manny, Moe & Jack—Memorandum—D. H. Blair & Co., 42 Broadway, New York 4, N. Y.

Pitney Bowes — Report—Federman, Stonehill & Co., 70 Pine St., New York 5, N. Y.

Policy Matic—Report—Robert H. Huff & Co., 210 West Seventh St., Los Angeles 14, Calif. Also available is a discussion of **Beneficial Standard Life.**

Seeman Brothers — Report—Cooley & Company, 100 Pearl St., Hartford 4, Conn. Also available are data on **Beckman Instruments, Sherwin Williams,** and **Procter & Gamble.**

Sinclair Oil Corporation—Report—H. Hentz & Co., 72 Wall Street, New York 5, N. Y.

Standard Packaging — Memorandum — Bruns, Nordeman & Co., 115 Broadway, New York 6, N. Y.

Steep Rock Iron Mines — Memorandum—C. J. Hodgson & Co., Royal Bank Building, Montreal 1, Que., Canada.

Symington Wayne Corp. — Analysis—Laird, Bissell & Meeds, 120 Broadway, New York 5, N. Y. Also available is a review of the **Mutual Funds.**

Telecomputing Corp. — Memorandum—R. Baruch & Co., 1518 K Street, N. W., Washington 5, D. C.

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

Tex Star Oil & Gas—Memorandum—Walston & Co., Inc., 74 Wall Street, New York 5, N. Y. Also available is a memorandum on **Coastal States Gas Producing.**

Towmotor Corp.—Memorandum—Courts & Co., 11 Marietta Street, N. W., Atlanta 1, Ga.

Westgate California Corporation—Analysis — Parker Ford & Company, Inc., Vaughn Building, Dallas 1, Texas.

N. Y. Inv. Ass'n Tourney Winners

The investment Association held its annual outing at the Sleepy Hollow Country Club on Friday, June 16, 1961. The activities included a golf tournament, tennis tournament and the annual Stock Exchange. The latter was held during cocktails which preceded dinner.

About 225 members of the Association attended the outing. Paul Hahn, trick shot golf entertainer, entertained an hour's show during the afternoon.

The entertainment Committee for the outing consisted of:

Peter P. Wiley, Chairman
Merrill Lynch, Pierce, Fenner & Smith Inc.

Brownlee O. Currey
Equitable Securities Corporation.

Thomas L. Wilkerson
Dealer's Digest

Thomas A. Turley
Harris, Upham & Co.

Paul H. White
Bache & Co.

William H. Black
Morgan Stanley & Co.

Norman Davidson
Blyth & Co., Inc.

Donald Wehman
Kidder, Peabody & Co.

John M. Sipp
Van Alstyne, Noel & Co.

Winners of the tennis doubles tournament were:

Arthur B. Treman
Dillon, Read & Co. Inc.

Ellis D. Klingeman
Dillon, Read & Co. Inc.

Winners of the golf contests were:

Low Gross—
Robert L. B. Dewar
Eastman Dillon, Union Securities & Co.

Runner-up Low Gross—
L. E. Carpenter, Jr.
Goodbody & Co.

Low Net—
Morgan J. Murray
B. J. Van Ingen & Co., Inc.

Runner-up Low Net—
Peter R. Ehrlich
Merrill Lynch, Pierce, Fenner & Smith Inc.

Net Best Ball (2)—
H. Hanford Smith
DeCoppett & Doremus.
Gordon Leib
DeCoppett & Doremus.

Gross Best Ball (2)—
Wm. S. Goedecke
Smith Barney & Co.
Joseph O. Rutter
Rutter & Co.

Best Match Play vs. Par—
Alexander Piper
Paine, Webber, Jackson & Curtis.

Fewest Putts (27 Putts)—
John E. Shepherd
Goldman, Sachs & Co.

Longest Drive (17th Hole)—
J. E. Osborne
Dominick & Dominick.

Stortest Drive (2nd Hole)—
J. G. Couffer, Jr.
Drexel & Co.

Nearest to Pin (17th Hole)—
Wm. J. Roome, II
Dominick & Dominick.

High Gross—
Richard R. Walker
Vilas & Hickey.

With Harriman Ripley

CHICAGO, Ill.—Harriman Ripley & Co. Inc., underwriters and distributors of investment securities, have announced that Daniel F. Sullivan is now associated with the firm in the Chicago office in the Field Building, 135 South La Salle Street. He was formerly with Baxter & Co. and White-Phillips & Co.

TAX-EXEMPT BOND MARKET

BY DONALD D. MACKEY

The state and municipal bond market has been very active during the last week. Although new issue volume has not been heavy, the calendar has been varied and to that extent stimulating to many of our institutional investors. It has been this underlying basic demand that has maintained the tax-exempt bond market at its relatively high level during the past several weeks of general bond market vicissitude.

While state and municipal bond dealers have been busy underwriting more than a quarter billion of large new issues in the last weekly period, this has not been accomplished to the street's entire satisfaction. Sizable balances remain in many instances despite an effort at downward price revision designed to broaden the demand. However, the performance has been fairly good when full consideration is given all the market factors involved.

Half Billion Inventory

Dealer inventories continue to be heavy by any traditional measure. For weeks the *Blue List* total of municipal inventory has listed items tallying half billion dollars and over. As of June 28 the volume is $495,882,000. This minimal measure of street float has been the outstanding market negative. The new issue volume has been no more than normal in recent months and the calendar is now almost ominously light as we head into the summer months.

However, we emphasize that the state and municipal financing potential is great and subject to upward revision on but brief notice. At present the 30-day announced volume totals less than $225,000,000. This alone is a very favorable market factor.

Moreover, the market level for tax-exempts continues to be a favorable factor. Tax-exempt bonds of all varieties can be purchased in volume at comparatively attractive yields. Whether related to other categories of investment or related to tax-exempt bond prices over the years, tax-exempts presently make good investment sense.

On the other hand, the market level is orderly enough and favorable enough so as not to frustrate municipal borrowing. It appears to us that in recent months particularly, the municipal bond industry has been deserving of high praise for its handling of new issue volume under trying circumstances. It is to be hoped that the forthcoming S.E.C. investigations may point up and emphasize these constructive activities among their other findings.

Prices Lower

The *Commercial and Financial Chronicle's* state and municipal bond Index shows the market off slightly again this week. The average yield for 20-year high grade bonds moved to 3.423% on June 28 from 3.40% on June 21. So measured, the market would be off about three-eighths of a point. This is in line with recent moderate weekly declines. Our Index shows the market off about two points since May 17.

Treasury's Heavy Hand

At present, the most formidable obstacle that the state and municipal bond market faces is the nervousness of the market for Treasury securities and its more direct bearing on the corporate bond market as against the tax-exempt market. It is estimated that about $10 billion of Treasury financing must be accomplished by year's end in order to satisfy cash needs. Moreover, approximately $20 billion of roll-over financing must also be accomplished. This will at least keep the Treasury and the Fed busy with marketing considerations and it will almost certainly act as a deterrent to the tax-exempt as well as other bond markets.

It is for this simple reason that an aggressive approach to the state and municipal new issue market appears uncalled for. Dealers have very responsibly maintained an orderly and receptive market for all classes of tax-exempt issues. It seems ridiculous that they should feel called upon to lose money on an even moderate portion of their underwriting commitments because of some false sense of competitiveness. It has progressively invited large investors to lead with a bid when considering purchases even though the price level is generally acceptable.

Recent Awards

The volume of new issue underwriting picked up considerably this week as several sizable issues came to market. On Thursday, June 22, $25,000,000 State of Texas general obligation veterans' land bonds due 1966-1991 were awarded to the account managed jointly by the Harris Trust and Savings Bank, The Morgan Guaranty Trust Co. of New York, The First National City Bank of New York, The Chase Manhattan Bank and Halsey, Stuart & Co., Inc., which submitted the only bid for the issue. The bonds were priced to yield from 2.30% to 3.65% for the 3½s, the restricted coupon ceiling put on the issue and which was in part the reason for only one bid being made. Good interest has been accorded the issue and the bank management reports a balance of $4,489,000 bonds remaining in account.

On Friday, June 23, $10,630,000 Delaware various general obligation (1961-1981) bonds attracted five bids and were awarded to the syndicate managed jointly by The Chase Manhattan Bank and the Chemical Bank New York Trust Co. Included among the other underwriters were The Northern Trust Co., The First Boston Corp., Harriman Ripley & Co. and Carl M. Loeb, Rhoades & Co. The issue was scaled to yield 1.60% to 3.35% with a 3.20% coupon. Investor reception has been fair and the unsold balance at this writing is $3,338,000.

Calendar Week's Business

On Tuesday, June 27, $30,000,000 Georgia State Highway Authority revenue (1962-1991) bonds were won by the syndicate headed by Halsey, Stuart & Co., Inc., John Nuveen & Co., Shields & Co. and Equitable Securities Corp., and including Glore, Forgan & Co., Phelps, Fenn & Co., Bear, Stearns & Co., Salomon Brothers and Hutzler, and many others. The proceeds from this loan, the first under a $130,000,000 authorization, will be used for a sorely needed program of modernizing and improving the primary and

MARKET ON REPRESENTATIVE SERIAL ISSUES

	Rate	Maturity	Bid	Asked
California (State)	3½%	1978–1980	3.80%	3.65%
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	3.40%	3.30%
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	3.80%	3.65%
Baltimore, Md.	3¼%	1980	3.50%	3.40%
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 28, 1961 Index=3.423%

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 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.
Washington Twp. Sch. Dist., N. J.	1,400,000	1962-1986	8:00 p.m.
July 7 (Friday)			
Kingman-Reno Cos. HSD 8, Kan.	1,387,000	1962-1981	7:00 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.
Portland, Ore.	1,000,000	1963-1976	10:00 a.m.
July 11 (Tuesday)			
Benton Co., Richland SD 400, Wash.	1,658,000	1963-1976	9:00 a.m.
Chattanooga, Tenn.	3,000,000	1962-1986	11:00 a.m.
College of Texas, A & M, Texas	5,000,000	1962-1981	10:00 a.m.
Corpus Christi, Texas	2,400,000	-------	-------
Honolulu City & County, Hawaii	7,000,000	1966-1991	8:00 p.m.
Long Beach Unified S. D., Calif.	1,000,000	1962-1981	9:00 a.m.
Los Angeles, Calif.	18,800,000	1962-1931	9:30 a.m.
Memphis, Tenn.	13,500,000	1962-1991	2:30 p.m.
Pontiac, Mich.	3,530,000	1962-1991	7:30 p.m.
University of Texas	6,000,000	1962-1981	10:00 a.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	1962-1991	10:00 a.m.
July 13 (Thursday)			
Milwaukee County, Wis.	11,429,000	1962-1981	11:00 a.m.
Springfield, Ore.	1,960,000	1966-1991	7:30 p.m.
Washington State University	8,354,000	1962-2000	9:00 a.m.
July 17 (Monday)			
Florida Development Commission	2,000,000	1963-1971	11:00 a.m.
July 18 (Tuesday)			
Glendale Unified Sch. Dist., Calif.	2,000,000	1962-1981	9:00 a.m.
Kentucky (State of)	35,000,000	-------	-------
Knoxville, Tenn.	2,000,000	1962-1981	10:00 a.m.
Maine (State of)	9,600,000	-------	11:00 a.m.
Monroe, Louisiana	1,700,000	1962-1986	10:00 a.m.
Newark, N. J.	8,000,000	1962-1981	Noon
Stockton Unified Sch. Dist., Calif.	2,674,000	-------	-------
July 19 (Wednesday)			
Charleston, S. C.	2,500,000	1962-1993	Noon
July 20 (Thursday)			
Mississippi (State of)	4,200,000	1964-1996	10:00 a.m.
July 21 (Friday)			
St. Andrews Presbyterian College North Carolina	1,340,000	1964-2001	10:00 a.m.
July 24 (Monday)			
Coldwater, Mich.	1,995,000	1962-1986	8:00 p.m.
Eugene, Ore.	1,000,000	1962-1981	10:00 a.m.
New Mexico State Armory Board	1,000,000	1962-1971	1:30 p.m.
July 26 (Wednesday)			
Alaska (State of)	13,975,000	-------	9:30 a.m.
Michigan (State of)	35,000,000	-------	-------
North Carolina (State of)	17,160,000	-------	-------
July 31 (Monday)			
Charleston, West Virginia	4,000,000	-------	Noon
Aug. 9 (Wednesday)			
Wichita Sch. Dist. No. 1, Kan.	1,600,000	1962-1981	10:00 a.m.
Aug. 22 (Tuesday)			
Cook County, Ill.	25,000,000	-------	10:30 a.m.
Sept. 5 (Tuesday)			
El Paso County, Texas	1,750,000	-------	-------
Sept. 13 (Wednesday)			
Harris, Co., Houston Nav. Dist., Tex.	9,000,000	-------	-------
Los Angeles Dept. of W. & P., Cal.	15,000,000	-------	-------
Sept. 29 (Friday)			
Minneapolis, Minnesota	3,400,000	1989	4:30 p.m.
Oct. 10 (Tuesday)			
Los Angeles City Col. Dist., Calif.	7,500,000	-------	-------
Los Angeles U. S. D., Calif.	27,500,000	-------	-------
Nov. 14 (Tuesday)			
Los Angeles Flood Control D., Cal.	15,000,000	-------	-------
Dec. 12 (Tuesday)			
Los Angeles Co. Hosp. Dist., Calif.	3,781,000	-------	-------

secondary roads of the state. The bonds, which were priced to yield from 1.75% to 3.95% for various coupons, were about two-thirds sold after the initial order period and at this writing the balance is $6,558,000.

The week's largest issue, $42,-500,000 San Diego, Calif. sewer revenue bonds, also came to market on June 27. The high bid for the bonds was submitted by the group managed by The First Boston Corp. and included among the many majors were C. J. Devine & Co., Drexel & Co., Eastman, Dillon Union Securities & Co. and Kidder, Peabody & Co. The proceeds from the sale will be used, along with funds already received by the City of San Diego, to construct new sewerage facilities to serve itself as well or some of the neighboring communities. This has been necessitated by the tremendous growth in the population of the area over the last 20 years.

The issue consisted of $10,000,-000 serial obligations due 1967 to 1976 and two term loans of $6,500,000 bonds due in 1981 and $26,000,000 bonds maturing in 2001. The serial bonds were scaled to yield from 2.80% to 3.60%. The 20-year terms were reoffered at 100 for a 3.80% coupon and the 40-year bonds were priced at 99 for a 4% coupon. At this writing an unsold balance of $9,140,000 bonds remain in account. However, an accurate appraisal of the total bonds in dealers' hands is impossible as the account was divided and members controlled 60% of the longest bonds.

On Wednesday, June 28, an issue of $15,000,000 Maryland State Roads Commission (1962-1976) bonds were awarded to the Smith, Barney & Co. group. This well regarded bond was scaled to yield from 1.75% in 1962 to 3.40% in 1976. Investor reception has been slow, with yesterday afternoon's balance being about $11,000,000.

Also on Wednesday, Harris County and Flood Control District, Texas, came to market with $29,500,000 various general obligation limited and unlimited tax bonds. Eighteen million dollars of the bonds will finance construction of an all-weather domed stadium which will be used by both the Houston Oilers, a professional football team in the American League and the new Houston baseball team which will join the National League next year. The teams will rent the stadium from the county.

The $24,500,000 various general obligation limited tax (1962-2001) bonds which were awarded to the account managed by the Harris Trust and Savings Bank were priced to yield from 1.70% to a dollar price of 90 for a 3½% coupon. No balance figures are available at this writing. The remaining $5,000,000 unlimited tax general obligation (1962 - 1981) bonds were won by the account headed by the Northern Trust Co. and the Morgan Guaranty Trust Co. of New York and were priced to yield 1.70% to 3.55%.

Toll Bonds Strong

The toll bonds continue to show resistance to the bond market's downward tendency. The reason continues to be the intrinsic improvement reflected through better revenues. With record motor travel expected this summer, revenues are likely to break all records for many of these projects. The *Smith, Barney & Co.* Turnpike Bond Index averaged a 3.79% yield on June 22; it averaged 3.78% the week before.

New Port Authority Projects

It is reported that a special session of the New Jersey Legislature probably will be called in August to approve two large Port of New York Authority projects. These projects include the $355 million World Trade Center to be located in lower Manhattan, and the Hudson and Manhattan Railroad and extension project for New York and New Jersey.

Highway Commissioner Palmer of New Jersey is quoted as follows: "The advantages and the necesssity for both projects are so great that both are musts." We hope that this terse generality is a convincing one to investors when and if this deal materializes.

N. Y. Housings Near

The only negotiated issue presently on the calendar involves $51,865,000 New York State Housing Finance Agency (Revenue) bonds scheduled for offering on July 12. This issue, maturing 1964-2004, is to be offered through a group headed by Phelps, Fenn & Co., Lehman Brothers, Smith, Barney & Co., and W. H. Morton & Co.

FROM WASHINGTON ...Ahead of the News

BY CARLISLE BARGERON

Congressional Republicans are greatly worried for fear that the Administration intends to give ground in the Berlin crisis. They insist that the recent statement by Senate Democratic Leader Mike Mansfield suggesting that Berlin be made a "free city" may have been the biggest trial balloon yet launched by the New Frontier.

Despite Senate Mansfield's protests that his statement reflected no more than a personal opinion, the Republicans say it smacked strongly of what seemed to be a softening Administration stand toward every foreign problem which confronts it.

Senator Mansfield has received an adverse reaction to his statement and the White House and the State Department have said the Senator was voicing his personal views and that the U. S. position on Berlin has not changed. Senator Mansfield himself, with his mail running four to one against the proposal, replied that he had made the "free city" recommendation "only to bring the matter out for discussion."

But speculation was high that the Montana Senator, as the Administration's No. 2 spokesman in the Senate, would not have spoken out on his own on such a vital issue without consulting with the Administration. Substantiating this view was the fact that similar statements by such leading Democrats as Majority Whip Hubert Humphrey and Senator Estes Kefauver followed Senator Mansfield on the Senate floor.

Republican leaders immediately demanded a full and complete explanation from the White House. House GOP Leader Charles A. Halleck and Senate Minority Leader Everett M. Dirksen said in a joint statement that they found it difficult to believe all three speeches "came out of the clear blue sky."

Pointing to President Kennedy's assurance that both before and after his meeting with Khrushchev that the U. S. position in Berlin would remain unchanged, Senator Dirksen asked "If this proposal for a free city is a new change in foreign policy, then what happens to the pledges for reunification of Germany?"

The strongest demand for a Presidential explanation came from Arizona Congressman John J. Rhodes, who said: "It is inconceivable to suppose that the Majority Leader of the United States Senate would make any statement proposing a radical change in our foreign policy without at least obtaining prior clearance from the White House. Thus the only rational conclusion is that the 'trail balloon' speculation is correct." Recalling that GOP National Chairman William E. Miller had been criticized for warning the President against any "under the table" deal to increase Mr. Kennedy's prestige at the Vienna conference, Representative Rhodes added: "In his televised report to the American people on June 6, in which he discussed the Vienna conference, Mr. Kennedy stated, 'No new aims were stated in private which had not been stated in public on either side. Neither of us was there to dictate a settlement. . .

"And yet a scant six days later Tass released the text of Khrushchev's memoranda on Germany handed to President Kennedy in Vienna in which both 'new aims' were presented that had not 'been stated in public on either side' and a settlement was dictated which took the form of an ultimatum."

Despite State Department and White House denials of the trial balloon charges, it was obvious that Khrushchev's oft-threatened separated peace with East Germany — which would force the West into an *ipso facto* recognition of that Soviet satellite to keep the Berlin corridor open — had moved closer to reality because of the Mansfield-Humphrey - Kefauver statements. A strong opinion voiced on Capitol Hill was that the separate peace would be signed this fall, with tacit New Frontier approval and at the possible expense of our few remaining remnants of prestige.

Certainly the ruckus that the statements of the three Senators has stirred up will embolden Khrushchev, but he ought to be influenced by the sharp unfavorable reaction they have got.

Form Diversified Portfolios

Diversified Portfolios Incorporated is conducting a securities business from offices at 261 Broadway, New York City.

Form Trinity Investm't Co.

SALEM, Ill.—Trinity Investment Co. has been formed with offices at 500 North Broadway, to engage in a securities business.

Canadian Devaluation and The British Dalliance

By Paul Einzig

Disadvantages of Canada's floating exchange rate listed by Dr. Einzig include the problem of resulting uncertainty which is seen likely to counteract the economic expansion hoped for in this move. The foreign exchange expert expects the Canadian depreciation to affect sterling adversely but doubts it will awaken the British toward taking effective action before standby credit, now preventing sterling devaluation, runs out next year. The writer favors the use of the Bank rate and credit policy but bewails his country's policy of deliberately underemploying them in 1960 and then blaming monetary policy for not being effective.

LONDON, England—The decision of the Canadian Government to cause a depreciation of the Canadian dollar came almost exactly a week after Mr. Per Jacobsson's statement disclaiming knowledge of any intention on the part of members of the International Monetary Fund to change their parities. In fairness to Mr. Per Jacobsson it must be admitted that in all probability the Canadian Government did not communicate to him its intention at the time of his statement. In any case, since Canada has a floating exchange, technically there was no change in its parities.

However, this experience is likely to increase further the existing distrust in official denials and disclaimers in connection with devaluations or revaluations. Even though Mr. Per Jacobsson's statement, which served primarily the purpose of reassuring the markets about sterling, was followed by a recovery of sterling, this favorable effect lasted only a day or two. For the market was aware that there was nothing to prevent any government from communicating to the International Monetary Fund its intention to change its parities immediately after Mr. Per Jacobsson had made his statement.

In order to be really effective, such denials would have had to be repeated at least once in every twenty-four hours. To do so would have obvious disadvantages, because sooner or later one of the governments is bound to decide to change its parities, and during the interval that is bound to elapse between notifying the International Monetary Fund and carrying out the change, Mr. Per Jacobsson would not be in a position to repeat his denial. Yet in the absence of its repetition the markets would assume the worst not only concerning the currency directly concerned but concerning other currencies as well.

Disadvantage of a Floating Rate

Another lesson taught by the Canadian experience brings home the disadvantages of having a floating exchange. There is always something dramatic and spectacular about a change in a parity. It is bound to produce a strong psychological effect. Provided that it is not "too late and too little," it has an air of finality which is likely to inspire confidence. This is not so with alternations of a floating exchange rate. Uncertainty about the extent of the change continued to prevail after the announcement by the Canadian Government.

It is always tempting to keep down the extent of the depreciation, precisely because it can be repeated so easily later. If it were the practice to change the Bank rate frequently by raising it or lowering it by, one-sixteenth per cent or one-thirty second per cent at a time, its changes would not produce the psychological effect which is one of the main advantages of major Bank rate changes.

It seems doubtful whether the moderate depreciation of the Canadian dollar that occurred up to the time of writing will make any real difference to the Canadian economy. It was hardly worth while to make the change for the sake of the extent to which such small change is liable to affect imports and exports. The fact that the government has abandoned the relatively rigid defense of its currency may to some extent encourage expansion, though the feeling of uncertainty may counteract its effect.

It was inevitable that the change in the Canadian dollar — which incidently was *not* "devaluation," since it did not entail a change of parity — should react unfavorably on sterling. Pressure on both spot and forward sterling increased partly in anticipation of a corresponding change in sterling and partly in anticipation of the effect on trade between Canada and the United Kingdom.

In 1957 it was the decision of a Commonwealth country, India, to draw heavily on the Sterling Area dollar reserve that forced the British Government to abandon its complacency and to take firm measures in defense of sterling. In 1961 the decision of another Commonwealth Government, Canada, seems to have gone some way, though not nearly far enough, towards inducing the

British Government to give up living in a fool's paradise.

There is, of course, no question of any repetition of the firm measures of 1957. The Bank rate was not raised in face of the growing pressure on sterling, because not only the Treasury but even the Bank of England seems to have lost its faith in the Bank rate. It is argued in official circles that the high Bank rate was ineffective last year, so that there would be no point in reverting to it. What is overlooked is the fact that high Bank rate and credit squeeze was ineffective because its application stopped short from the stage at which it would stand a chance of becoming effective.

Protests British Lack of Action

The official British attitude towards controlling the economy with the aid of high Bank rate and credit squeeze recalls the attitude of the League of Nations in 1935 towards sanctions against Mussolini. It was clearly understood that in no circumstances must the sanctions be made effective, because it was feared that effective sanctions might mean war. Similarly, high Bank rate and credit squeeze were kept deliberately ineffective in 1960 because, in order to be effective, they would have had to entail unemployment. That being so, it is hardly fair to blame the conventional devices of monetary policy for having been ineffective. They were not given a chance to be effective.

The device announced by Mr. Selwyn Lloyd on June 22, for the defense of sterling, is a curtailment of public expenditure, mostly on capital projects. He also promised administrative economies but, considering that until recently the government had done its utmost to frustrate the efforts of economy-minded Members of Parliament to enforce closer Parliamentary control of public expenditure to prove the sincerity of the change it would require action, not mere words.

It seems certain that the bulk of such cuts as the government will make in expenditure will be in respect of the postponement of much-needed capital projects. This means that in the absence of higher Bank rate and credit squeeze consumer demand will continue to increase as a result of wage increases, while productive capacity which would benefit by the reorganization of the railroads and similar schemes will be kept down. Nor will the balance between consumption and investment be adjusted through the proposed surcharges and the diminutive payroll tax authorized under this year's budget. Their effect will be more than cancelled out by additional wage increases.

It seems, therefore, that it will take more than the moderate depreciation of the Canadian dollar to shake up the British Government from its complacency. It obviously prefers to rely on stand-by credits from the International Monetary Fund and from Central Banks for the defense of sterling, rather than adopt unpopular but effective measures to restore the balance of the economy. Those stand-by credits are likely to be sufficient to prevent a devaluation this year, and it is perhaps too much to expect the government to think ahead till 1962 by which time the stand-by credit will be exhausted.

Customers Brokers to Hear

The Association of Customers Brokers on June 29th will hold a stock market forum at the headquarters of the New York Society of Security Analysts, 15 William Street, New York City. Speakers will be Donald H. Randell, E. F. Hutton & Company, and Alan C. Poole, Hemphill, Noyes & Co.

Apache Acquires Behrens Company

MINNEAPOLIS, Minn.—Apache Investment Planning Division has announced the acquisition of E. W. Behrens and Company, Sioux Falls investment dealer and mutual fund distributor.

The purchase is part of a four-state Upper Midwest expansion of Apache's mutual fund sales organization, Roger C. LaCroix, vice president of the Minneapolis-based investment and management company, announced.

The firm was acquired from Ewald W. Behrens, who is leaving private business upon appointment to the post of South Dakota state commissioner of securities.

The company, which has 19 registered representatives, will operate under the name of Apache Investment Planning Division, headed by Leslie H. Starr, of Minneapolis, as regional sales director. A divisional manager headquartering in Sioux Falls will be appointed in the near future, Mr. LaCroix said.

The office will continue in its present location at 315-317 Paulton Building, Sioux Falls.

The company, which specialized in investment securities, mutual funds and life insurance, was formed in January of 1959. Previous to that time, Mr. Behrens was with Waddell and Reed, Inc., mutual fund company.

Page, Parsons Formed

Page, Parsons & Co., Incorporated has been formed with offices at 1 East 44th Street, New York City to conduct a securities business.

The Coming Bumper Crop Of New High Records

By Murray Shields,* *Partner, MacKay Shields Associates, Inc., New York City*

Though Mr. Shields does not expect the current recovery to be disappointing, he doubts it will reach "boom levels." The latter, he avers, will have to wait until the mid-Sixties when "a truly great boom" will occur making this decade one of great growth. Mr. Shields does foresee a bumper crop of new high records in the next 12 months and he outlines the reasons supporting this conclusion. The Administration is cautioned against adopting an anti-business bias even though Mr. Shields is confident it will not move to harm business and, thus, prove to have a favorable influence on the business outlook.

The economic weather has made a turn for the better with propitious growing conditions predicted by the economic barometers. Business has in its research and development programs planted the seed corn for further expansion. The growth ahead will be fertilized by an expanded flow of money and credit and by an improvement in profits. New technological means for increasing productivity and lowering costs are being rushed into application. The stage has been set for a bumper crop of new all-time highs in the United States economy.


Murray Shields

It is now clear that in the next 12 months, new highs in the quarterly or monthly statistics will be registered in Industrial Production, Gross National Product, State and local expenditures, Federal Government Civilian Expenditures, Personal Incomes, Personal Savings, Personal Consumption Expenditures for durable as well as nondurable goods, Retail Sales, Cash Farm Income, Employment, Corporate Profits, Corporate Dividends, Money Supply, Bank Deposits, Outlays for Research and Development, and in Common Stock Prices.

However, lest our optimism be unconfined, it is probable that we will not record new highs in Profit margins, in Housing Starts, in Automobile Production or in Plant and Equipment Investment. And, it may be less than reassuring that we will record new highs in Federal, State, Local, Business and Personal Debts, and in the number of people who, one way or another, are engaged in a frenzied and speculative effort to "get rich quick" in the stock market.

It is doubtful that the current recovery from the exceedingly mild and quite brief recession of 1960-61 will carry our economy to "boom" levels, for we appear to be in an interregnum or doldrums between the boom of the late Fifties and the "family formation —new plant building" boom of the mid-sixties. Typically, in such "between-boom" periods, the recoveries fail to blossom out into real and durable prosperity, the recessions tend to be frequent and, while business conditions are neither very good nor very bad, competition is intense and profit margins are under pressure.

Crop of New High Records

Nevertheless, we may confidently expect better business in the next 12 months with a bumper crop of ne whigh records for a number of reasons:

(1) There is not much chance that business recovery will be fouled up by a dose of disruptive inflation. Russian dumping of commodities on Western markets is on the rise. Messrs. Robert Kennedy and Estes Kefauver are interposing some obstructions to price increases. We have overcapacity in agriculture, the extractive industries and in manufacturing. Foreign competition is on the increase. Our people are increasing their savings at the expense of spending. Productivity is increasing because of the computer, automation and other technologies. And, we cannot inflate money for fear that foreign withdrawals of funds would produce a gold crisis with deflationary implications.

(2) New orders have risen briskly and are now above the level of production for a widening list of industries.

(3) The phase of inventory liquidation is behind us and before long, instead of producing less than we consume in order to reduce inventories, we shall be producing more than we consume in order to increase inventories.

(4) Capital appropriations, orders and spending are about to rise.

(5) The soaring stock market has been generating confidence, optimism and capital gains.

(6) While profit conditions leave much to be desired, profit prospects have been improved by the highly effective efforts made by business to lower costs and improve break-even points.

(7) A large-scale expansion in our space, military and foreign aid programs is being forced by Communist intransigence.

(8) The Kennedy program has, thus far, involved considerable economic stimulation without too much reform. This is clearly to the good. But recent actions and statements emanating from Washington justify some misgivings.

Administration's Business Views

It just may be true that it is not properly understood by the President and his Advisors that the critical element in our short and long-term outlook is the business image of the Administration. Some individuals in this Administration appear to be "reform prone" with an inner urge to belittle, castigate and persecute businessmen and business institutions. These men wield tremendous powers over a government apparatus which can be used to wage vicious war against business. Thus far, to repeat, the Administration has veered away from mixing too much reform in with the economic stimulation designed to get us out of the recession and to reactivate the forces making for growth. But, if one takes at face value what some of the new men of power in Washington have been saying of late, there is reason for some concern.

The importance of this lies in the fact that business has never been prosperous and we have never had full employment with an anti-business Administration in Washington. Those in the Administration who suffer from an excess of zeal for reform, who worship the ground that F. D. R. walked on, and who apparently want to revive most of the New Deal should be reminded that F. D. R. tried harder than any man in history to eliminate unemployment, but failed miserably until World War II. From 1933 through 1940, unemployment averaged almost 10 million and never got below 14% of the labor force. The trouble was that no matter how much money was spent by the government, business prosperity was frustrated by a never ending series of regulative, investigative and legislative attacks on business, by fiscal irresponsibility and by an ideological shift toward the left among the liberals in control of policy.

Well, the danger here is that F. D. R. did it and J. F. K. can do it, too. However, I do not think that President Kennedy will tolerate the unimaginative application of all the old rusty apparatus of the New Deal. He cannot help but know that his task is to hold business at the highest level ever reached rather than to get it out of the subcellar, that while F. D. R. could raise taxes from a very low level, his task is to reduce the already increased burden of taxation, and that irresponsible deficiteering would, under today's conditions, only cause a deflationary run on the dollar by foreigners.

Therefore, I am prepared to assume that the image of the Administration will not be dangerously anti-business, that in political coloration it will be liberal rather than leftist and, therefore, that the influence of the Administration will be to the good as far as the business outlook is concerned.

Sees Real Growth Ahead

In conclusion, may I say that my optimism is not limited to the near-term outlook. I foresee a truly great boom in the mid-Sixties and am convinced that, despite quite a lot of turbulence in international as well as domestic affairs, the decade of the Sixties will be a period of great growth for the United States.

Finally, a word about the leather industries. The year 1962 should hang up a new all-time high record in the production of footwear. And, allowing for a bit of slippage from time to time, the trend in shoe production should be quite vigorously upward with the dollar volume showing even steeper gains as the years wear on.

We are in a period of revolutionary changes in the age distribution, income status and geographical distribution of our population to which the policies of manufacturers and distributors alike must be adapted. I am unable to present here all of the pertinent statistics—but they offer impressive evidence that some changes in marketing and manufacturing strategy are called for. A few illustrations may be of some interest

The white collar segment of our work force is growing rapidly and now exceeds the blue collar segment—which is declining sharply;

The number of teen-agers will increase almost 30% in the period 1960-65 and gain another 12% in 1965-70, and the number of senior citizens will increase 12% in the first five years of this decade and 11% in the period 1965-70. Meanwhile, the number of people in their 30's will decline during the whole decade;

Losses will be recorded during this decade in the number of families in all income brackets up to $10,000 per annum while impressive gains will be shown in the income brackets over $10,000 per annum and by 1970 the biggest market will be among families in the $10-$15 thousand bracket;

The leisure time and recreational spending of our people will place all industries associated with those activities near the top of the growth industries of this decade.

Our studies of these and other vital internal changes in our economy suggest that our people are engaged in a major upgrading in their purchases of footwear with ever more emphasis on style, quality and sophistication. And, the big gains are likely to be shown in the teen age, senior citizen, recreational and leisure time segments of the footwear market.

*An address by Mr. Shields before the National Shoe Manufacturers Association-Tanner's Council Joint Meeting, New York City, June 20, 1961.

Griffinger V.-P. of Bank of America

SAN FRANCISCO, Calif. — Promotion of Theodore A. Griffinger to Vice-President in Bank of America's Municipal Bond Department has been announced by President S. Clark Beise.


T. A. Griffinger

Mr. Griffinger, who has been Assistant head of the Municipal Bond Department since 1955, joined Bank of America in 1948 after three years as an investment banker in New York City. He was advanced to Assistant Cashier in 1953 and to Assistant Vice-President two years later.

Healy Joins John Nuveen Co.

C. Lyle Healy, Jr. has become associated with John Nuveen & Co., 25 Broad Street, New York City.

Mr. Healy, a veteran of the Public Bond business, is a member of the Company's Dealer Sales and Service Division in its New York office. Most recently with Bache & Co., Mr. Healy formerly was associated with F. R. Cole & Co., Newark, and B. J. Van Ingen & Co., Inc.

Herbert Edmund Co. Opens

Herbert Edmund & Co., Inc. has been formed with offices at 115 Broadway, New York City, to engage in a securities business.

Lines on Lanes

By Dr. Ira U. Cobleigh, Enterprise Economist

A consideration of the popularity of bowling and the development of bowling centers as a major field of investment.

The new importance of bowling in our society and our economy is not sufficiently appreciated. Only a few years ago bowling alleys were found mostly in clubs, YMCA's and in the cellars of buildings. Most had from two to four lanes, frequently presided over by slovenly pin boys who would often spot the pins so carelessly that, even for experts, a strike involved a good deal of luck. With the invention of the pinspotter, all that was changed. Bowling has now attracted followers by the millions, and huge bowling centers have been built throughout the nation.

Three companies, American Machine and Foundry, Brunswick Corp. and Bowl-Mor dominate the production of automatic pinspotters. AMF leases them, and the other two sell them outright. These pinspotters have revolutionized the game by eliminating a labor factor and by setting up the pins with great accuracy and dependability; and, as you know, all three of these companies have prospered greatly, handsomely rewarded their earlier shareholders, and their equities have attained wide market popularity.

The Centers Themselves

But it's the alleys and their customers that we want to talk about today; and the possibilities for investment income and gain provided by bowling centers. Growth in this business has been sensational. There were 12.5 million bowlers in 1946. There are about 29 million today. In the same period the number of lanes has increased from 43,000 to over 110,000. Bowling has become our most popular participation sport, and its followers are expected to increase another 35% by 1965. Participation involves all classes. Family groups are important, as well as women's luncheon and afternoon groups, and young people. But league bowling provides the solid background for earning power in the alleys. Companies encourage bowling teams as morale builders, and schools, clubs, unions and fraternal organizations round out the league rosters. Thousands of teams bowl two or three times each week. Many centers have been deliberately located near factory areas, and frequently make possible profitable 24-hour operation, to accommodate different shifts of factory workers.

A phenomenon of the industry has been the swing to size and elegance. In most of the major cities of America today, huge bowling centers have sprung up with from 24 to 50 lanes or more. These centers are attractively designed social centers and built not only to provide ideal conditions for play—lockers, fine smooth alleys, air conditioning, excellent lighting; swift ball returns, etc.—but parking facilities, a bar, restaurant, lounge, snack bar, promenade area and even a nursery. Bowling is no longer a cellar pastime but an elegant new element in leisure living. Bowling is now a billion-dollar industry.

Bar Chris Corporation

A major factor in the building of these ultramodern bowling centers is Bar Chris Construction Corp. This organization is the only company in the business that does the whole job from site location to the completed center. They call it a "turnkey" operation. All a would-be operator needs is $50,000 or more in cash, good credit and preferably a properly located three-acre building site (to provide adequate parking area) and Bar Chris will design, build and finance a complete bowling center with all the trimmings, and within four months or less. All the operator needs to do then is unlock the front door and he's in business.

In 1960 Bar Chris completed 24 "turnkey" bowling center packages (plus other construction) with 792 lanes. The growth of Bar Chris has been exciting with sales of $10 million in 1960, against $3,320,122 a year earlier. A profit margin of over 9% (after taxes) was realized in 1960 and net per share rose from 67 cents in 1959 to $1.31 for 1960. The common was recently split 2-for-1 and is currently selling on the American Stock Exchange at around 21½. There's also a 5½% debenture due 1976 convertible into common at $26.40 (for the next five years), and now selling around 104.

Bar Chris has expanded its operations overseas through Olympic Bowling Centers S.P.A. (in partnership with All Star Bowling Inc.). This company is building a new 24-lane center in Rome, has plans for ones in most major Italian cities, and is considering sites in France, Belgium and Holland.

Bowling Chains

Bowling alleys used to be, for the most part, local proprietorships or partnerships. Now they've "gone national" and there are a number of interesting publicly owned companies providing in bowling what Howard Johnson does in restaurants, Holiday Inns in motels, and Sheraton Corp. in hotels — chain ownership, operation and management.

The first publicly owned chain was **Sports Arenas Inc.**, which now operates one of the nation's largest chains with about 33 centers, principally in Atlantic Coast states and in California with about 1,000 lanes. Expansion plans envision 100 centers by the end of 1964. Sports Arenas Inc. was strengthened in the past 18 months by sale of $2 million of debentures, and the injection of new management. Sports Arenas common is listed on American Stock Exchange and sells currently at around 10 against a high of 14½. A substantial improvement over the 20 cents per share reported for the last fiscal year (ended June 30, 1960) is expected for 1961.

Another large one is **American International Bowling Inc.**, which started out in November 1958 with a single 40-lane center and now is reported to operate over 1,200 lanes. Per share net for fiscal year ending June 30, 1961 has been estimated at around $1. Stock sells around 17 over-the-counter. Stock was offered at $3 a share on Dec. 30, 1958.

American Bowling Enterprises Inc., founded only a year and a half ago, has 13 centers in operation and three more on the immediate horizon. There are 238,000 common shares outstanding and 238,000 class A warrants to buy the stock between 7½ and 9, between now and Nov. 1, 1962, plus 25,000 warrants at 7½ for four years more. American Bowling common is expected to earn around 50 cents this year (ended June 30, 1961). The shares sell around 11 over-the-counter.

Fair Lanes Inc. has over 1,100 lanes concentrated in the Southern states. Earnings for fiscal 1961 should show substantial improvement over the 14 cents a share reported in 1960 (year ends Oct. 31). Fair Lanes common sells at around 11 over-the-counter.

Lence Lanes Inc. is a smaller chain, operating in the New York area. On completion of present expansion program, the company will operate eight centers with 425 alleys. Nineteen hundred and sixty-one per share profits have been projected at around $1. Lence Lanes shares are quoted at 33 over-the-counter.

Good bowling chains are supposed to deliver net earnings of $500 to $1,000 a year per lane after taxes. This may give you a rough rule-of-thumb by which to appraise the attractiveness of some of these equities. Bowling is an expanding industry and some of these equities may strike your fancy, if you have some spare cash!

Treibick, Seiden, Forsyth Formed

Treibick, Seiden & Forsyth is conducting a securities business from offices at 63 Wall Street, New York City, acting as underwriters and distributors of securities. Partners are Richard Treibick, Melvin R. Seiden, Colen D. Forsyth, Theodore Gold, Robert G. Caffray and Josephine Treibick. Colen Forsyth and Josephine Treibick were formerly with Richards, Forsyth & Co. Other partners were with Carl M. Loeb, Rhoades & Co.

Feeley Synd. Mgr. For Goodbody Co.

The firm of Goodbody & Co., 2 Broadway, New York City, member of the New York Stock Exchange and other leading Exchanges, has announced the appointment of Thomas E. Feeley as Manager of the Syndicate Department. Mr. Feeley has spent most of his business life in Wall Street and has been connected with Goodbody & Co.'s Syndicate Department for the past six years.

Thomas Feeley

duPont Names Indianapolis Mgrs.

INDIANAPOLIS, Ind.—M. Clifton Parker has been appointed Manager, and Richard A. Cutler Co-Manager of the Indianapolis Office of Francis I. duPont & Co., 106 East Market Street. Willard C. Waycott has been named Assistant Manager.

Mr. Parker and Mr. Cutler have been active in the investment business in Indianapolis and in Terre Haute during the past four years.

100 Years of Stock Prices And Lessons for the Future

By Roger W. Babson

Listed are the events that instigated stock market debacles in the past century, and the lessons they hold for the future. Noting that prosperity periods ended with an unexpected event, Mr. Babson throws out the thought that the Space Age may well be the "unexpected event on the optimistic side."

Business was prosperous during the Civil War due largely to inflation, and started to boom directly afterward. The shooting of President Lincoln, however, caused stocks to tumble and a year of depressed business followed.

Unexpected Events

Again business began to boom with further inflation until the famous *"Black Friday"* in 1869, followed by another year of depressed business. Stocks quickly rebounded, and again investors were looking forward to several years of prosperity when, in late 1871, the *Chicago Fire* occurred. This was followed by the great *Boston Fire* in 1872.

The market had just about again recovered when the failure of the great banking house of *Jay Cooke and Co.* was suddenly announced. For the first time, the leading Stock Exchanges closed for several weeks. There followed the great depression beginning in 1873; then higher stock prices finally returned as a result of another dose of inflation.

Important Banking Failures

Suddenly, on July 2, 1881, *President Garfield* was shot. A chain reaction of selling followed. During this period, the banking house of *Grant and Ward*, and the two leading "bulls," Henry Villard and James R. Keene, announced their failures. Depression followed.

Eighteen-ninety-two was a year of great prosperity; but suddenly the failure of the National Cordage Co. was announced in May, 1893. This was then one of the 10 biggest "blue chip" corporations.

Labor Strikes Begin

The following year the Pullman Strike — the first serious labor strike — occurred and cast fear and gloom over the stock market. This was accompanied by a series of crop failures and mortgage foreclosures.

Again in 1897 business steadily improved and permanent prosperity was prophesied, accompanied by stock splits, mergers, and large security offerings. Suddenly, in 1903, there came rumors of great quantities of "undigested" securities . . . accompanied by the investigation of large life insurance and traction companies. The crash came just following the *San Francisco Earthquake*.

Supreme Court Decisions

Up to this time the Supreme Court had decided questions only between the states. Suddenly, in the early 1900s, it issued its "Northern Securities" decision. This took the zip out of the stock market until the first World War began. After the closing of the New York Stock Exchange for several months, there followed some years of prosperity.

Then came the sinking of the S.S. Lusitania and our entrance into World War I. All went well with the economy until after the War when soaring interest rates and commodity prices brought on another collapse. This was quickly corrected and the stock market continued to advance until it reached an all-time high in 1929.

Speculation and the Crash of 1929

Then came the business collapse in Europe with the continued withdrawal of gold, climaxed by the very sudden failure of the Austrian Credit-Anstalt. This caused startling repercussions throughout the world. There followed several years of real depression.

Beginning in 1938 there was another recovery in business lasting throughout World War II, but this did not help the stock market much until 1942. With the exception of several relatively brief adjustment periods, our country has enjoyed good business for about 23 years.

What of the Future?

The preceding 100 years teach two lessons:

(1) That there has always been an economic race between inflation and production. These inflation were of different kinds,—stock market, commodity, political; but they always gave business a "shot in the arm." Fortunately, increased production absorbed this . . . the great era of railroad building; opening of the South and West to farming; and finally increased commodity production due to inventions and advertising, accompanied by the electrical, chemical, and automobile eras.

(2) That when each prosperity period came to an end, it was from an unexpected event—a great fire, an earthquake, or the failure of some banking house or large corporation. In wartime, inflation always has been resorted to. We expect it will occur again to provide funds for the "cold war." This should mean higher prices for stocks, commodities, and real estate. Yet the period of inflation we are now entering may be absorbed by the "space era," which is an *unexpected event on the optimistic side*.

Pershing & Co. to Admit Partner

Pershing & Co., 120 Broadway, New York City, members of the New York Stock Exchange, on June 29th will admit David Scott Foster, Jr. to partnership in the firm.

Four With Kalman

(Special to THE FINANCIAL CHRONICLE)

MINNEAPOLIS, Minn. — Dale R. Engebretson, Joseph Leicht III, Norman R. Rafshol and William P. Strout have been added to the staff of Kalman & Company, Inc., McKnight Building.

A. T. Skor Opens

Alfred T. Skor is engaging in a securities business from offices at 165 Broadway, Room 1608, New York City.

Max Halpern Opens

QUEENS VILLAGE, N. Y.—Max Halpern is conducting a securities business from offices at 86-60 208 Street.

D. C. Rieger Opens

(Special to THE FINANCIAL CHRONICLE)

LORAIN, Ohio—David C. Rieger is conducting a securities business from offices at 108 Eighth Street.

THE MARKET . . . AND YOU

BY WALLACE STREETE

Irregularity persisted in the stock market as time ran out on June, but hopes were still high for the traditional summer rally to show up either in July or August to rekindle interest in securities dabbling.

But while upside progress was at least temporarily stalled, the more impressive fact was that much of the industrial list refused to give ground importantly, and the glamour issues that have had a more severe correction than the general run of issues were still pacesetters on occasion both in backward markets and on rallies.

After their long run and subsequent correction, the glamour items were roundly supposed to have "had it" and from here on out were supposed to be the more mundane items. They have yet to show that this supposition is the correct one.

There was little life in the rails, or any reason for it in view of some of the earnings statements. Their average, consequently, was well under its 1961 peak although still not in any particular danger at the minute of dropping into minus ground on the year. For the first half of the year it is able to show a modest gain at a time when the industrial average was showing an improvement running around 11%.

Utilities Fluttering

Utilities were the quiet items although reactionary more times than not. Measured by their average, they reached their best prices a couple of weeks after the industrials topped out and have been fluttering downhill since. Some of the caution traced to some important blocks of utility issues showing up, including a couple of secondary offerings in Louisville Gas and Pacific Gas.

What it will take to snap the general list out of its lethargy is not readily apparent. Steels operations seem to have eased into the summer doldrums on top of some price cutting in the industry that wasn't overly heartening. Steel is still important enough to the general economy to keep a brake on any over-enthusiasm.

Some of the industrial shares, like the utilities, were chilled when large blocks showed up, although the largest of them all—2,750,000 more Ford shares—was absorbed without any apparent difficulty. It was placed speedily but not before the old shares had declined around half a score of points prior to the offering.

The listless manner of many of the former market favorites seemed to have turned attention to the tobaccos where dividend yields run far above average and some of these issues were able to make good progress even when the general market was undistinguished.

The Oil Laggards

Oils, despite good earnings comparisons, have yet to live up to their advance billing as the issues that were apt to make the best showing this year than they have made in several years. Sinclair, in particular, has been definitely laggard, in large part due to the enforced trim in its dividend in the middle of last year.

In short there has been little enthusiasm for the shares of one of the major independent producers despite a 5% yield and a price only 10 times indicated earnings for this year, which is where Sinclair shares have been hovering lately.

Sinclair's shares have a book value half again as much as they are available for in the open market. To solve its profit-squeeze, the company has stepped up its petrochemical work and natural gas production and its earnings took a turn for the better last year after declining by more than half between 1956 and 1959. The available figures show that the profit improvement continued into this year and, with a general business upturn underway, the rate of improvement could pick up speed.

Neglected Item

The issues that rely on rail customers are among others that have been long neglected by investors, including Poor & Co. where the dividend return runs to a high 6½%. The company is not completely at the mercy of the rails and has a good line of heavy industry machinery.

Like Sinclair, Poor & Co. had to pare its dividend last year when earnings just about covered the previous payment. But it is a cyclical business that could snap back importantly as the business boom builds up and demands for heavy industry items pick up. This company is a case where any demand for the limited supply of shares could be dramatic. Its total capitalization is only 586,000 shares.

Aircrafts have had to contend with occasional selling, in part stemming from General Dynamics halt to cash dividends as a consequence of the heavy expenses of civilian jet plane work. Boeing has been able to show somewhat better market action than the other diversified plane companies and offers a 3½% yield. It was able to boost earnings comfortably for the first quarter to indicate that earnings for the full year will cover the dividend commitment more than two times over so there aren't much fears about the payment being pared in this case.

Chilled Glamours

Helping to chill some of the glamour issues have been earnings reports that show that "growth" situations aren't completely immune to the effects of a recession,

Kentucky Turn. Authority Bonds Quickly Sold

Managers of the nation-wide syndicate underwriting the $118,000,000 Turnpike Authority of Kentucky, Western Kentucky, Toll Road Revenue Bonds, announced June 22 that all term bonds held for the group's account had been sold, and at the close of the order period for the serial bonds, oversubscriptions in all maturities were indicated.

The entire issue was comprised of $20,000,000 of Serial Bonds due 1967 through 1985 and $98,000,000 of term bonds due July 1, 2000. Carrying coupons ranging from 4¼% to 4.70%, the serial bonds were offered at prices to yield from 3.75% to 4.70%, according to maturity. Term bonds were priced at 99½ to yield about 4.87%.

The 367-member syndicate was managed by Allen & Co.; John Nuveen & Co. (Inc.); B. J. Van Ingen & Co., Inc.; Merrill Lynch, Pierce, Fenner & Smith Inc.; A. C. Allyn & Co., Inc., and The Kentucky Co.

high development costs and the necessary expensive research. Collins Radio is one that paid the price of a drop in earnings by declining somewhat harshly, in fact to less than half of last year's high.

Some three-fourths of the volume for Collins Radio comes from defense work so sales keep improving. In the nine months of its fiscal year to the end of April it posted an 18% sales improvement, but profit was less than half of that for the preceding comparable fiscal period. All together, it dropped the price of the shares to where they are selling at only around 11 times last year's earning power; the only problem is to restore its earnings potential. Against the $1.22 so far reported for nine months, research and development costs are estimated by the company as running around $2 a share more this year than was spent last year. In any event, restoring its profit potential could start the shares, now around 35, to a more worthwhile recovery toward last year's high of 76.

Pinched Profits

International Telephone hasn't been immune to laggard market ways recently and, again, it is a case where sales improvement has been impressive but per share earnings have been in a pinch. At least that was the case until two years ago when top management was shifted and the company alignment overhauled. One of its domestic divisions as a result has been turned from a losing one a (couple of million dollars a year) into a profitable operation. And where in 1960 a sales increase of 6% only added 3% improvement to profits, in the first quarter of this year on a 9% sales increase, profits per share were up 11%. One of the bolstering elements behind International Telephone is its work in low-labor-cost areas abroad. More than half of its sales last year came from foreign manufacturing and this contributed about half of its profit. The area for improvement is the domestic manufacturing which accounted for 40% of sales, but only 18% of earnings. Apparently the job of improving this picture is being tackled aggressively.

[*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.*]

Wallace Prop. Private Note Sale

Harriman Ripley & Co. Inc., New York City, announced on June 26, that it had negotiated the private placement of $10,000,000 Wallace Properties, Inc., promissory notes, due Dec. 1, 1979.

The company, of 111 Hartford Bldg., Dallas, Texas, owns and operates numerous office buildings, warehouses, and truck service centers in addition to a mortgage service company, and insurance agencies in California, Arizona and Florida.

TVA Power Bond Sale

On June 28, the Tennessee Valley Authority awarded an issue of $50,000,000 power bonds, due July 1, 1986, to a nationwide underwriting group headed jointly by The Chase Manhattan Bank, Morgan Guaranty Trust Co. of New York, Chemical Bank New York Trust Co., C. J. Devine & Co. and The Continental Illinois National Bank & Trust Co. of Chicago.

The successful bid for the triple-A rated securities was 99.0619 for bonds bearing a 4⅝% coupon. This represents an annual net interest cost for TVA of 4.6891%.

This was the second public sale of bonds by TVA under 1959 Federal legislation authorizing the agency to sell securities up to a maximum of $750,000,000 to help finance its electric power program.

The investing group is offering the 1961 Series A bonds to the public at 99¾ to yield 4.64% interest.

Proceeds from the bond sale will be used to help finance expansion of the TVA power system. Additional generating capacity of 2,559,200 kilowatt is currently under construction, including turbogenerators of 500,000-kw each at the Colbert and Widows Creek steam plants in northern Alabama and the new giant Paradise Steam Plant under construction in western Kentucky which will house two 650,000-kw units, by far the world's largest.

Principal and interest on the bonds is payable solely from TVA's net power proceeds, consisting essentially of net income plus depreciation. For the 12 months ended March 31, 1961, these proceeds amounted to $101,-500,000.

Trading Mgrs. for Lomasney, Loving

Lomasney, Loving & Co., 67 Broad Street, New York City, have appointed Robert J. Basel and Joseph F. Scheidecker Co-Managers of the Trading Department.

Robert J. Basel J. F. Scheidecker

Mr. Basel has been associated with Lomasney, Loving & Co., since September, 1959. He was formerly with Cruttenden, Podesta & Co. for two years as a security trader, and prior to that associated with Bache & Co. He is a member of the Security Traders Association.

Mr. Scheidecker was formerly with Coffin & Burr, Incorporated, for four years as a security trader and prior to that he was with Paine, Webber, Jackson & Curtis for seven years. He is a member of the Security Traders Association of New York, National Security Traders Association and the Corporation Bond Traders Club of New York.

Holbrook With Ernst & Co.

Ernest & Company, 120 Broadway, New York City, members of the New York Stock Exchange, has announced the appointment of William J. Holbrook as Director of Research. Mr. Holbrook was formerly with Granger & Co., and McDonnell & Co. Incorporated.

The Trustee's Dilemma In Growth Stock Investing

By Robert R. Duncan, Chairman of the Board, Harvard Trust Company, Cambridge, Massachusetts, and President of the Trust Division, The American Bankers Association*

A favorable nod toward utility stocks is made by a distinguished trust officer suggesting the type of equity which can meet growth and management attributes satisfactorily for "Prudent Man" requirements. Mr. Duncan deals here with the "almost intolerable position" of the conscientious trustee seeking impartial treatment between successive beneficiaries in a true trust situation while resolving doubtful questions in favor of the life tenant and complying with the prohibition against speculation. Probed are today's difficult trustee's problems—price inflation and the "compulsive emphasis" in growth stock and capital gains; qualifications of a meritorious investment trust stock; and the trustee's approach to typical case situations.

I propose to re-examine an old familiar subject in the light of modern conditions. I refer to the relationship between life tenant and remainderman in a trust with successive beneficiaries and its effect upon the portfolio of such a trust operated under the Prudent-Man Rule.

Robert R. Duncan

The trust relationship can be described as a splitting up of the incidents of property ownership. The legal title to the property and all that usually goes along with legal title is put in one corporation or individual while the equitable interest is vested in others who really have the beneficial enjoyment of the property. The bulk of our business as corporate fiduciaries is built around this device, ancient of origin, and firmly established not only in the law of English-speaking peoples but in the Roman law as well. At a very early time in England, the basic relative rights and duties of the persons holding the legal title, or the trustee, and the owners of the equitable title, the beneficiaries, were established. Thus, for many years the incidents of this split ownership have in general been quite clearly defined. But where there are successive equitable interests, in time, there has always been a problem of fairness in treatment between the two; and the very nature of the problem indicates that there always will be differences of opinion between the successive beneficiaries as to whether or not they have been equally well treated. The basic law on the subject is simple and has for many decades been firmly established. Professor Scott states it plainly in his work on Trusts as follows (Par. 232):

"Where there are two or more beneficiaries of a trust, the trustee is under a duty to deal impartially with them. This principle has its commonest application where there are successive beneficiaries. Where the trustee is directed to pay the income to a beneficiary during his life and on his death to pay the principal to another beneficiary, the interests of the two beneficiaries are to a certain extent antagonistic and the trustee is under a duty so to administer the trust as to preserve a fair balance between them."

Later on in the same paragraph:

"Thus (the trustee) is under a duty to the beneficiary entitled to the income not to purchase unproductive property or property which yields an income substantially lower than that which is normally earned by trust investments although it may be probable that the property will appreciate in value."

The rule seems fair and reasonable. But as every lawyer knows, the application of the most simple legal rules becomes complicated when varying facts are introduced. The problem was once much simpler because the avenues of investment were so much more limited. In the early days of trusts, when the law was in the process of development, investment by trustees in equities, so-called, was practically unknown. The few common stocks that were in existence were uniformly regarded as improper for the investment of trust funds, and risk-taking of any sort was quite definitely frowned upon. The rate of return to be achieved by a good trustee was the rate which top-grade fixed obligations produced. If the remainderman received, in dollar value, what the trustee had inventoried at the time the trust was created, he was content. The word "growth" as associated with investments had not yet achieved the almost compulsive emphasis it sometimes now seems to have. Nor had inflation come to be accepted by so many as more or less a necessary companion to "economic growth."

Shift From Safety in Principal

Under these conditions, the law of strict impartiality between successive equitable interests was reasonably easy to follow. The trustee who was bound not to give the life tenant more income at the expense of the principal nor skimp the life tenant in order to build up the value of the interest of the remainderman had only to keep the trust funds invested in top-grade fixed obligations to stay within the rule. There was no real incentive for the trustee to consider appreciation in principal value. Safety of principal became the overriding consideration — the standard by which many trustees governed their entire investment policy.

Gradually over the years the emphasis changed. The appearance of many new kinds of investment, the tremendous growth in the number of business corporations, and the corresponding increase in the common stocks available for purchase gave trustees new avenues of investment which could not be ignored. In 1831, the Supreme Judicial Court of Massachusetts laid down the Prudent-Man Rule in Harvard College vs. Amory, and trustees began to see the wisdom of acquiring a stake in the country's future through the purchase of common stocks.

About the same time there began to appear more and more evidence of an especial tenderness for the life tenant. One court held that a trustee was under no duty to realize profits on certain tax-exempt bonds held in the trust although that course would have been most beneficial to the remainderman. In 1941, a Massachusetts judge, speaking before the Mid-Winter Trust Conference in New York, went so far as to say: "I declare with emphasis the trustee should vary investments to meet the needs of the life beneficiary."

This tendency to favor the life tenant is also frequently observed in the language of trust instruments. Perhaps the most common provision is permission to the trustee to invade principal for the benefit of the life tenant. I think it may be generally said that while the rule of impartiality remained, the trustee was justified in resolving any doubtful questions in favor of the life tenant. As one authority put it, the trustee is under no duty to starve the life tenant so that the remainderman may feast. This development seems to me to be only natural. I suggest that it came about because in normal human relationships successive generations of lawyers and trustees have wrestled with the legal requirments of impartiality between successive beneficiaries and their own desire to see the life tenant get the breaks. This feeling is entirely understandable because trustees have all seen at first-hand the real immediate object of the testator's bounty struggle to eke out an existence because the principal must be kept sacredly intact for the benefit of the remainderman. These remaindermen may never even have been known to the creator of the trust. This is more true now than it was in the past because of the desire to escape death duties by stretching the existence of the trust over another generation. Thus, grandchildren and even great-grandchildren of the testator are apt these days to be the ultimate remaindermen as often as children.

The parallel developments of more and more investment in common stocks and particular care for the life tenant went along together quite happily for many years. Common stocks usually produced substantially more income for the life tenant than did fixed obligations and at the same time carried within themselves the possibility of capital improvement that was good for the remainderman. But changes in the economic picture and the technological and scientific revolution since the last war have put additional pressures upon trustees to cope with new problems which have greatly complicated their task. I refer to the decline in the value of the dollar and the related problems of inflation and to the use of the so-called growth stocks.

Problems of Inflation

During the last generation we have seen the value of the dollar in terms of purchasing power more than cut in half as the economy and the money supply have endeavored to sustain the changes which our social revolution has brought about. "Buy now—pay later" has became a governmental as well as an individual slogan. Even apart from the more or less specific policies which have been responsible for the bulk of our inflation, many of our best known economists speak glibly in terms of "creeping inflation" of the order of 3% per year as if that is something to be borne in silence and ignored in prosperity. Under these circumstances, remaindermen cannot be blamed if they take a dim view of receiving, in dollar value, only the appraised value of the estate a generation earlier. These remaindermen demand, and it seems to me with considerable justice, that trust funds should be invested so that there will be an appreciation in their value to offset the lessening in the worth of the dollar over the period of the operation of the trust.

When the performance of a trustee or investment manager today is examined as to the success of his operation, he can no longer point proudly to the fact that the principal of the trust is intact. Rather will he be asked when he established his original book value, what the averages were at that time; and his success will be measured by how much more than that is the current market of the trust portfolio. It is difficult to quarrel with this approach under our present economic system, and certainly it is an appropriate criterion when the demands of the contract do not require any particular segregation of principal and income. But at times it puts a conscientious trustee who is under the necessity of impartial treatment between successive beneficiaries, and who really wishes to be especially sure that the life tenant gets the benefit of the doubt, in an almost intolerable position.

Rule Against Speculation

The trustee also has another important consideration which he must watch. Regardless of the treatment of successive beneficiaries, it has always been plain that a trustee is not permitted to speculate. Webster defines this word as "to enter into a transaction or venture, the profits of which are conjectural or subject to chance." He also gives another meaning to the word, which he characterizes as "how rare"—namely, "to theorize from conjectures without sufficient evidence." Sometimes I think I might differ from him as to how "rare" that course of procedure is today. In any event, we are all familiar with the prohibition against speculation. That great fountainhead of all wisdom on the subject, Harvard College vs. Amory, specifically limited the wide discretions which it laid down by saying that investments should not be made by a trustee "with regard to speculation."

With all these considerations in mind, let us try to analyze further the problem which faces the trustee under a trust with successive beneficiaries which must be operated under the Prudent-Man Rule. Let us particularly consider the nature of some of these investments which eager remaindermen seem so anxious to include in the trust portfolio. I refer, of course, to the so-called growth stocks. How are we to reconcile the duty of the trustee not to speculate, to produce a reasonable income for the life tenant, and to protect the remainderman from the erosion caused by the forces of inflation. I am sure it is necessary only to state the proposition to become aware of the seriousness of the trustees' dilemma. I think it is also plain that no one rule can be laid down which will point the way out of the dilemma in all cases.

Defining an Acceptable Growth Stock

How shall we define a growth stock? Very obviously, it is one which the investor believes will increase in value in the market. But the reasons which may be responsible for that increase are varied. It is in the difference between these reasons for listing a stock as a growth stock that most of the difficulty lies. There is also involved the degree of growth which is hoped for. Over the last decade, I would think that good utility stocks have been an excellent example of what I might call "conservative" growth stocks. Their financial position has been good, the increase in their business has rested upon the sound expansion of business in their territories, and there has been a reasonable return in the process.

The difficulty with growth stocks arises over the preoccupation of so many people with making capital gains. When a "glamor" stock first begins to show signs of promise, it is likely to partake too much of speculation to justify its inclusion in a Prudent-Man-portfolio. At that time, individual investors, frankly looking for capital gains only, step into the picture. Their effort to "get in on the ground floor" sends the stock skyrocketing and by the time when in ordinary course the stock might have escaped from the category of speculation, its price earnings ratio has gone so high that the Prudent-Man trustee finds himself on the other horn of the dilemma—i.e., there is no longer sufficient income available to satisfy the trustee's obligations to the life tenant. Yet, under these circumstances many remaindermen continue to press for the inclusion of such stocks in the portfolio.

Trustees would all agree, I'm sure, that in any trust portfolio we do want a reasonable portion of stocks that have the possibility of growth. The difficulty is that we have become, as Bascom Torrance said in 1958, "by growth obsessed." Insufficient attention has been paid to a definition of the term and to attempting to determine what kind of growth stocks is appropriate for inclusion in a Prudent-Man portfolio. The general public has become obsessed with the idea that a growth stock must be one operating in a relatively new field with particular attention to the rapid changes in technology and science. Attention has been focused almost entirely upon the thing which is being produced and the possibilities of profit in the competitive field which accrue from the marketing of such a product when it is "new."

It seems to me time for us trustees to do a little defining of growth stocks. It seems to me time for us to recognize that we need to find new measures against which we can evaluate growth stocks with a view to including them in our portfolio. There are many qualifications which should be considered in the nature of any stock before it can qualify as a trust investment, and the hope and belief that it will advance in price in the market is only one of them. The specific product and the demand for it from the public, the use of new scientific and technological processes, is another part of the definition. We must realize that in addition we must find that management has the know-how to convert the exploitation of a product or a process into net income. Managerial skills for our purposes are not to be confined to the ability to create new and shiny products. So far as trustee investors operating under the Prudent-Man Rule are concerned, they must include in addition a facility to convert that ability into income dollars.

We should admit at the outset that a rationalization of our approach to this problem is almost surely going to bar us from acquiring these fantastic growth or "glamor" stocks in the early stages of their development. Hence, we are going to be barred from the tremendous price appreciation which may accrue to the benefit of speculatively minded individuals; and we must recognize that even the most astute individual investors, on the record, have found the only way to accomplish a successful participation in this field is to divide the risk. Such an investor will almost invariably make a number of investments in such promising corporations, realizing that he need pick only one or two winners out of a dozen in order to make his program pay off. But this is no program for a Prudent-Man trustee. He is constantly under the necessity of staying within the law, which does not permit a portfolio to be considered as a whole nor to offset a loss in one stock against a gain in another. This alone would be enough to bar him from following a program such as I have suggested.

Now, I want to make it plain that my remarks are confined solely to a trustee who is bound to follow a rule no broader than the Prudent-Man Rule. We all understand, I am sure, that in the governing instrument there may be appropriate words giving authority to the fiduciary to proceed beyond the bounds of the Prudent-Man Rule. Typical of such a situation is the agency account where the difference between income and principal is of no importance so far as our present situation is concerned. Here the fiduciary can feel free to make recommendations which concern themselves entirely with anticipated improvements in market value. But in a true trust situation, where there are no special investment powers and the trustee must rely on the trust law of his own state (which will certainly be no broader than the Prudent-Man Rule), how should he make his choice?

Advocates Dual Approach

I suggest that the trustee, in such circumstances, should make a dual approach: first, he should look very carefully at the circumstances of the beneficiaries in the particular trust; secondly, he should divide growth stocks into categories.

As to the first point, the need of the specific life tenant is of the utmost importance. If we assume a case of an elderly widow who needs the income for tomorrow morning's breakfast, it seems to me wrong to speak in terms of substantial sacrifice of income for possible later capital gains. It does not follow that the entire fund must be invested in interest-bearing securities. There are many stocks which produce a reasonable income and yet have growth possibilities.

Take another case. Suppose a substantial trust held for the benefit of a widow with remainder to her children. There is ample income for the widow's needs, and her main interest is that her children shall inherit substantial property. A prudent trustee in this situation might well go a little further down the road of lower-income growth stocks than in the case earlier mentioned. At least in the matter of treating successive beneficiaries fairly he would not be subject to criticism. I submit that the solution of this question of fairness as between successive beneficiaries requires a close analysis of the facts in each trust and a tailor-made investment portfolio to fit the situation.

What about the second point—the separation of growth stocks into groups? Now, there is almost an infinite number of stocks which to some degree might be called growth issues. I hope none of us buys any stocks unless we think that for one reason or another the company whose stock we acquire has the possibility of growing. The issue lies in the degree of growth. Unfortunately, in recent years there has been some tendency to confuse growth with glamor, to import into the meaning of the word "growth" some content of "mushroom" growth, of new and violently active exploitation of the new technological and scientific breakthroughs that have come so rapidly in the years since the war. But that is not the only kind of growth that we should think about. I have already pointed out the dilemma that the trust faces here.

Utility Stocks

There is an extensive middle ground in which vigorous elements of growth may be found and yet where management has already found the skills to conduct a reasonably profitable enterprise while the growth is occurring. Many utility stocks, unglamorous though they may be, are a shining example of this group. They have grown because their product—energy—has been more and more needed, and because the users of that product have multiplied. I doubt that any trustee, upon reviewing common stocks list over the last decade, will find another group of common stocks, eligible for Prudent-Man Rule investment, which has grown more in market value than the utilities. Some may have seen the quip of the chap who said he'd stuck by A. T. & T. because it seemed to him that come depression — come boom — the amount of yackety-yak seemed constantly on the increase.

Then there are the stocks of companies which have become firmly established on a profitable basis but whose managements have been constantly venturing in the new fields that our scientists and technologists are pulling out of the hat every day. I'm not talking only about the old-line blue-chip stocks, although I certainly wouldn't sell them short in this connection. There are other and smaller companies which have been able to do pretty well for themselves dollar-wise and at the same time found funds to conduct their own R&D program.

In summary, I would say that the Prudent-Man trustee must view the whole spectrum of common stocks through glasses which have no rosy tint of speculation. He must know the needs of his beneficiaries, and in the light of those needs he must decide upon an investment program which will stand the test of impartiality if it be questioned. He must nevertheless acquire in his common stock portfolio stocks which have the reasonable expectation of increasing in value while they continue to provide a living for the income beneficiaries.

*An address by Mr. Duncan before the Fourth Southern Trust Conference of the American Bankers Association, Jackson, Miss.

Blyth & Co., Inc. Kans. City Branch

KANSAS CITY, Mo. — Blyth & Co., Inc. has announced the opening of an office in Kansas City, Missouri.

Clay E. Coburn has been named resident manager of the new office in the Dwight Building, which will serve the firm's clients in western Missouri.

This brings to 25 the number of Blyth offices throughout the country. The firm, founded in 1914, employs more than 700. Two of the founding partners, George Leib and Roy L. Shurtleff, are still active in the business.

Mr. Coburn, joined Blyth & Co., Inc. on June 1 of this year. Previously, he was a Vice-President of Stern Brothers & Co., a Kansas City investment banking firm, which he joined in 1953 after four years in the public and commercial accounting fields.

He has been active in the underwriting and distribution of corporate and municipal securities and currently is a member of District Committee, Number Four, of the National Association of Securities Dealers.

I. J. Fisher Opens

I. Jack Fisher is engaging in a securities business from offices at 99 Hillside Ave., New York City, under the firm name of I. Jack Fisher Associates.

New Roberts Branch

LA JOLLA, Calif.—Norman C. Roberts Company has opened a branch office at 1127 Torrey Pines Road under the management of Douglas Owens.

Our Reporter on GOVERNMENTS

BY JOHN T. CHIPPENDALE, JR.

The end of the fiscal year being at hand, it will not be long before the deficit of the Treasury will be known and shortly thereafter the Government will be in the market again seeking new money. It is expected that the Treasury will do fairly heavy borrowings for new money purposes between July 1 and the end of 1961. And unless there is a complete change in plans, these new funds will be obtained from the sale of short-term Government issues. Thus the Treasury by making near-term liquid obligations will be able to tap again that big supply of funds which is seeking just such an investment.

The indications are that the business recovery will not only be a solid one, but it will also set new records in many sectors of the economy. If this should be the case, it appears as though the revenues of the Government in the coming fiscal year will also reach new high levels. This might mean a much smaller deficit than has been predicted.

Short-terms in Demand

The money and capital markets continue to move within a rather limited (price) range because it seems as though the demand for short and long-term Government obligations is sufficient in both cases to take care of the supply of these issues which are presently coming into these markets. In other words, the operations in short-term Governments are just about in balance since the purchases of these securities appears to be taking care rather well of the offering of these issues and this takes into consideration the new money raising obligations which are being sold by the Treasury.

There is no doubt but what the need and demand for near-term Government securities is still very large, with some of these commitments currently being made for foreign accounts because of the uncertainties which have developed over the currencies in some of the free nations, aside from the United States. In addition, there is no let-up in the purchases of short-term obligations by the large commercial banks and corporations since these two institutional buyers appear to have rolled over continuously in the most liquid Government securities. And there is little doubt but what the flow of funds into the short-term Governments is going to continue as long as the economy is in an uptrend.

Liquidity Stressed

There is a very strong feeling among many institutional investors that the only place where funds should be put to work during a period of business betterment is in the near-term most liquid Treasury obligations. In this way they believe they are best able to protect against ascending interest rates which have in the past come along with the pickup in business.

Also, the boom and inflation psychology has not had an adverse influence on short-term rates and commitments in these obligations have worked out satisfactorily in previous periods since the monetary authorities have used credit tightening measures and rising interest rates to combat the unfavorable conditions that have developed.

Less Professional Activities

The professional operations which have been witnessed from time to time in the intermediate and long-term sectors of the Government market are not quite as prominent as they have been at times in the past. These have not been removed from the scene, however, but for the time being it appears as though there is enough in the way of buying around for these securities to about match the selling which has been coming into them.

It appears as though there has been a lessening in the pressure to make exchanges from the more distant Government issues, especially in the intermediate-term area. Most of the swaps from Government obligations in the more distant areas have been into short-term Treasuries although there have been purchases of corporate and tax-exempt bonds in many instances.

As against this selling of long Governments, there are reports that institutions, both the private and public ones, are buyers of selected intermediate and long Treasury issues. As long as there is a more or less balanced amount of buying and selling in these securities, the professional operator is pretty much on the sidelines.

Bond Yield Prospects

The new offerings of corporate bonds, according to advices, will slow down in the not too distant future in spite of reports that a few more sizable new issues are in prospect, and this means that some of the pressure on the capital market will be taken off. On the other hand, the sales of new issues of tax-sheltered obligations is not expected to decrease, which most likely means that the yields on these bonds will not show much of an upward trend for the foreseeable future. Government bonds should continue to give yields in about the range which has been in effect of late.

Nigbor Joins Moreland as V.-P.

DETROIT, Mich.—Richard B. Nigbor has been elected Vice-President and a Director of Moreland & Co., Penobscot Building, members of the Midwest and Detroit Stock Exchanges, according to an announcement by Paul I. Moreland, President. Mr. Nigbor will have charge of special research. He was previously with the National Bank of Detroit as a Credit Analyst.

Yorkshire Investors Open

NORTH BERGEN, N. J. — Yorkshire Investors Corporation is conducting a securities business from offices at 7523 Bergenline Avenue. Officers are Solomon Diamond, President; Lilyan Diamond, Vice-President; and Geo. J. Nanos, Treasurer.

PUBLIC UTILITY SECURITIES

BY OWEN ELY

The Hawaiian Electric Company, Ltd.

Hawaii first enjoyed electricity in July 1886, when six arc lamps were lit on the grounds of Iolani Palace on King Kalakaua's fiftieth birthday. Hawaiian Electric was established in 1891, serving the Island of Oahu. While there are other electric plants on the other islands the company today generates about 87% of all energy sold in all the islands. The company serves the city of Honolulu, sugar and pineapple plantations, Armed Forces establishments, and numerous towns and villages. Oahu, the seat of the State Government and the center of commerce, industry and national defense has about 79% of the state's population.

Average residential consumption of electricity in the Island last year was 4,920 kwh., which was 29% above the national average despite the fact that there is a minimum of electric space-heating and air-conditioning, indicating heavy use of other appliances.

Basic factors in the strength of the Hawaiian economy have been military installations, industrialized agriculture and tourist dollars. All branches of the national defense organization are represented by full-time installations of major importance. New types of military installations are also appearing on the scene, such as satellite tracking stations and Nike sites. The nerve center of the Pacific missile range is situated on Oahu, and Pearl Harbor has been designated as an advance base for Polaris missile submarines. Military expenditures have a stabilizing influence because they are unaffected by business fluctuations.

Agriculture is a basic factor in Hawaii, and on Oahu, 14% of the land area is used for sugar and pineapple production. Mechanization is advanced in both these industries. Together, they are valued at $236 million, and represent Hawaii's largest non-military source of income.

The tourist business increased rapidly in the postwar period, the number of visitors rising steadily from 15,000 in 1946 to 171,000 in 1958—in the latter year visitors spent almost $83 million. Statehood was a big stimulus and in 1960 there were 295,000 visitors who spent some $145 million. In the Waikiki resort area, electric capacity has been doubled in the past two years.

While the Islands have not been noted for industrial activity, there are a number of diversified plants including a Standard Oil refinery, a steel mill, cement plant, a concrete products company, lumber milling and heavy equipment reconditioning, etc. A 1,200 acre industrial park has 31 tenants. In the past decade manufacturing has grown at a rate 50% greater than the U. S. average, and in 1960 the value of manufactured products such as garments was estimated at $145 million, a gain of 12% over the previous year.

Hawaiian Electric would qualify as a "growth utility" so far as sales are concerned. Revenues in 1960 (over $30 million) were 2½ times the level of 1951. In the past four years the rate of gain per annum (compounded) has been 4% in number of customers and 10-11% in kwh and revenues. In a recent talk before the New York Society of Security Analysts, President Ralph Johnson said, "Statehood, followed immediately by inauguration of the jets, without question greatly intensified the economic boom experienced in Hawaii during the past two years. Hawaii has achieved within two years a level of development which normally might have taken four or five." He also pointed out that in the past half century American enterprise had already developed a prosperous community in Hawaii, with a higher standard of living and personal income than in 29 other states.

More than 4,400 single-family homes and 3,600 apartment units were built on Oahu during 1960; more than 83% of all homes built and 65% of all apartment units completed during the year were all-electric. Construction was 31% over the previous year. As a result of this burst of activity, electric sales rose 14% in each of the years 1959-60, compared to an earlier rate of gain of 8 or 9%. It appears likely that future growth will return to the earlier figures.

The company generates electricity in three steam plants using oil imported from California under a contract with Standard Oil of California. Fortunately, since 1953 all rate schedules have contained an escalation clause based upon an oil price of $2 a barrel. A fourth plant of 50,000 kw will be completed in August this year bringing total (maximum) generating capability to 455,000 kw. The system peak load was 313,000 kilowatts on Dec. 12, 1960 and is expected to reach 377,000 kilowatts late in 1962. A 75,000 kw unit is scheduled for completion early in 1963. In later years the company may build an atomic power plant, if it proves "competitive" in this high-fuel-cost area. The company estimates that it will spend some $86 million through 1965 for construction, of which some $27 million will be raised internally. Following the sale of $12 million bonds in April, capitalization was 49% bonds, 17% preferred stock and 34% common stock equity.

While a substantial amount of the company's common stock is owned in the Islands, since statehood and the increased national interest in Hawaii more of the common stock has been finding its way into the national market. Because of the rapid growth, rights offerings of the common stock have been fairly frequent in the past decade, including a one-for-eight offering last year. Possibly for this reason the growth in share earnings has been slow in the past four years (from $3.12 to $3.33) although in the years 1952-56 it had increased rapidly from $1.94 to $3.12.

Regarding regulation, a depreciated average original cost rate base (plus allowances) was established in 1939 by the Public Utility Commission. The most recent rate decision was in June 1955 and the rate design then obtained has proved adequate to date, according to President Johnson. The 1960 rate of return was calculated at 6.5%.

The common stock, traded on the Honolulu Stock Exchange and over-the-counter, has increased from a low of 25½ in 1953 to a recent over-counter bid of 86. Based on the $2.50 dividend rate the yield is 2.9%. The price-earnings ratio is about 26 times the 1960 earnings of $3.33.

Stirling, Linder & Prigal

JERICHO, N. Y.—Stirling, Linder & Prigal, Inc. is engaging in a securities business from offices at 11 Ulster Drive. Officers are Robert Prigal, President; Hyman S. Linder, Vice-President; and James Stirling, Secretary-Treasurer. All were formerly with J. A. Winston & Co.

NEWS ABOUT BANKS AND BANKERS

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

The Chase Manhattan Bank, New York, and **Hempstead Bank, Hempstead, Long Island,** June 28 jointly announced plans for a merger.

George Champion, Chairman of The Chase Manhattan Bank, and Bruce Wood Hall, Chairman of Hempstead Bank, stated that the merger will permit the combined institution to bring to Nassau County a wider range of banking services supported by the resources and diversified facilities of The Chase Manhattan Bank.

The boards of directors of the two banks have agreed to terms of merger under which each share of capital stock of the Hempstead Bank will become 13/18 of a share of the capital stock of Chase Manhattan. Both banks expect to call special stockholder meetings in the near future for the purpose of approving the plan of merger. In addition, the proposed merger is subject to approval by the Superintendent of Banks of the State of New York and by the Board of Governors of the Federal Reserve System.

Under the plan of merger, Mr. Hall, Chairman of Hempstead Bank, will become a Director of The Chase Manhattan Bank and will have general administrative responsibility for all branches of Chase Manhattan in Nassau County. Mr. Hall will also serve as Chairman of the Nassau County advisory committee of The Chase Manhattan Bank. Members of the present Board of Directors of Hempstead Bank will be invited to serve as members of this committee.

Joseph C. Muller, President of Hempstead Bank, will become a Senior Vice-President of the combined bank and will be the officer directly in charge of operations of the Nassau branches of Chase Manhattan.

The Chase Manhattan Bank, which has 105 offices throughout New York City and 27 overseas, had deposits totaling $7,578,000,000 on May 31, 1961. The Hempstead Bank maintains 15 offices located over a broad area of Nassau County and as of May 31 had total deposits of $73,500,000.

* * *

First National City Bank of New York announces the following promotions of National Division officers who travel in the bank's districts throughout the country:

From Assistant Vice-President to Vice-President: James S. Deely, New England District.

From Assistant Cashier to Assistant Vice-President: Robert M. Borrs, Correspondent Bank Department; Richard B. Dickson, New York-New Jersey District; William F. Hohman, Southern District.

From Official Assistant to Assistant Cashier: John E. Porta, Middle Western District; Donald M. Roberts, Western District.

* * *

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.

* * *

Appointments of Charles W. Donaldson, Otmar George and Raymond B. Moldovak as Assistant Secretaries of **Manufacturers Trust Company, New York,** were announced by Horace C. Flanigan, Chairman of the Board.

* * *

Manufacturers Trust Company, New York, opened its 121st banking office on June 24, at 201 Avenue U, Brooklyn, N. Y.

Daniel Mastellon will be the Officer in charge.

* * *

Irving Trust Company, New York, announces the promotion of Dr. George W. McKinney, Jr. from Assistant Vice-President to Vice-President.

At the same time Mr. Stanley C. Ackemann, Lexington Avenue Branch Office and Messrs. Jean-Marie F. Nusbaumer and Jean H. de Rochefort, both with the International Division, have been appointed Assistant Secretaries.

* * *

The Franklin Savings Bank, New York, announced the election of Rodney C. Gott as a Trustee. The election of Allan W. Betts as a Trustee also was announced.

* * *

Howard L. Gosdorfer has been elected Chairman of the **United National Bank of Long Island in New York.** He succeeds his father, Louis C. Gosdorfer, who died early this year. In addition, he continues as President a post he was elected to in 1954. Mr. Gosdorfer joined the bank in 1931. Harold W. Smith has been elected Vice-President and Cashier.

* * *

The promotions of three officers of **The County Trust Company, White Plains, N. Y.,** were announced today by John A. Kley, President.

J. Purdy Ungemack of the bank's Scarsdale office was advanced from Assistant Treasurer to Assistant Vice-President and Edmond V. LeDonne and Paul Schweinfest of the trust department in White Plains both were raised from Assistant Trust Officer to Trust Officer.

* * *

Clarence R. Sandford, President of the **Elizabethport Banking Company, Elizabeth, N. J.** since 1936, died June 19 at the age of 68.

* * *

C. Malcolm Davis, President, **Fidelity Union Trust Company, Newark, N. J.,** announced the election of John J. Corcoran as Second Vice-President.

* * *

Seven official promotions and the appointment of five new officers at **Girard Trust Corn Exchange Bank, Philadelphia, Pa.,** are announced by George H. Brown, Jr., President.

The group includes three new Vice-Presidents, Charles E. Baus, William B. Eagleson, Jr., Geoffrey D. Finley move up to Vice-Presidents.

Richard W. Maletz and James J. White are promoted to Assistant Vice-Presidents.

* * *

On June 13, the Comptroller approved an application to merge the **Nanty Glo State Bank, Nanty Glo, Pa.,** into **United States National Bank in Johnstown, Johnstown, Pa.** under the charter and title of "United States National Bank in Johnstown." The effective date is to be as of the close of business June 17.

* * *

"The Carrolltown American National Bank," Carrolltown, Pa. changed its title to **"Cambria County National Bank, Carrolltown"** effective June 15.

* * *

The election to the Petersburg board of **The Bank of Virginia, Richmond, Va.** was announced by George R. Dupuy, Vice-President. They are Richard W. Boisseau, and Samuel G. Jones.

* * *

Robert C. Bensing, will join the Trust Department of **Central National Bank of Cleveland, Ohio,** effectve July 1.

* * *

Fifth-Third Union Trust Co., Cincinnati, Ohio, has agreed to buy the **Norwood-Hyde Park Bank & Trust Co., Norwood, Ohio.**

Norwood-Hyde Park, at the end of 1960 had total assets of $25,057,179. Fifth-Third at that time had assets of $382,496,134.

The acquisition must be approved by Federal and state regulatory agencies.

* * *

On June 12, the Comptroller approved an application to merge the **Farmers and Citizens Bank, Tiro, Ohio** into **The Second National Bank of Bucyrus, Bucyrus, Ohio** under the charter and title of "The Second Natonal Bank of Bucyrus." The effective date is to be as of the close of business June 17.

* * *

Howard W. McCullough was elected a Director of the **Mercantile National Bank, Chicago, Ill.**

* * *

A charter was issued on June 15 by the office of the Comptroller of the Currency to the **Valley National Bank of Aurora, Aurora, Kane County, Ill.** The President is Harry B. Stoner and the Cashier is George H. Bell, Jr. The Bank has a capital of $220,000 and a surplus of $330,000.

* * *

William C. Harkins was appointed Manager of Detroit Bank and Trust Company, Detroit, Mich., at Woodward and Oakland in Birmingham.

* * *

By a stock dividend, the common capital stock of **The Central National Bank of Okmulgee, Okmulgee, Okla.,** was increased from $250,000 to $500,000, effective June 16. (Number of shares outstanding 20,000 shares, par value $25).

* * *

The Office of Comptroller of the Currency on June 15 issued a charter to the **First National Bank of Warren, Warren, Bradley County, Ark.**

The President is F. M. Holt and the Cashier is A. L. Moody. The bank has a capital of $150,000 and a surplus of $251,404.01.

This is a conversion of the **Merchants & Planters Bank, Warren, Ark.,** effective as of June 15.

* * *

The common capital stock of the **Central National Bank of McKinney, McKinney, Texas,** was increased from $100,000 to $150,000 by a stock dividend and from $150,000 to $200,000 by the sale of new stock, effective June 12. (Number of shares outstanding 20,000 shares, par value $10).

* * *

The United States National Bank of San Diego, San Diego, Calif. increased its common capital stock from $4,100,000 to $4,500,000 by the sale of new stock, effective June 12. (Number of shares outstanding 450,000 shares, par value $10).

* * *

The merger of the **First National Bank in San Rafael, Calif.** and its affiliate, the **Bank of San Rafael,** into **Crocker - Anglo National Bank, San Francisco, Calif.,** became effective at the close of business on June 23, it was announced jointly by Paul E. Hoover, President of Crocker-Anglo National Bank, and William P. Murray, President of the San Rafael banks.

After the merger is effected, Crocker-Anglo's deposits will total approximately $1,750,000,000, its assets will aggregate in the neighborhood of $1,950,000,000 and its capital funds will be about $135,000,000.

* * *

The appointment of J. W. Ganann as Assistant General Manager of the head office of the **Royal Bank of Canada, Montreal, Canada,** was announced. Mr. Ganann was senior agent and head of the bank's New York office the last eight years.

David Berger Opens

FOREST HILLS, N. Y. — David Berger is engaging in a securities business from offices at 67-40 Yellowstone Boulevard.

Poulton Joins Funk, Hobbs, Hart

SAN ANTONIO, Texas — Charles H. Poulton, has joined the firm of Funk, Hobbs and Hart, Inc., National Bank of Commerce Bldg., it was announced by William G. Hobbs, Executive Vice-President. Mr. Poulton has been elected a Vice-President and to the board of directors.

Mr. Pouluton, with over 20 years experience in the investment business, formerly was a Vice-President of Texas National Corporation.

Creston H. Funk, President, noted that the firm's name would remain unchanged.

W. Lewis Hart is the other member of the firm; William F. Parvin is Vice-President in charge of the Municipal Bond Dept.

Peoples Secs. Opens New Dept.

A dealer service division has been opened at 527 Madison Avenue, New York City, to spearhead an expanded program of national wholesale distribution of shares of Peoples Securities Corp., a growth-stock mutual fund. The new division is a unit of Peoples Planning Corp., principal underwriters of the fund. It will be under the supervision of Lee M. Oser, Jr., sales vice-president of Peoples Planning.

S. I. Emrich Assoc. Formed

S. I. Emrich Associates, Inc. has been formed with offices at 200 West 57th Street, New York City to engage in a securities business. Officers are Sidney I. Ehmrich, President; Louis Lasser, Secretary-Treasurer; and Lynne Lasser Vice-President.

Jay W. Kim Opens

BROOKLYN, N. Y.—Jay W. Kim is conducting a securities business from offices at 190 Willoughby Street under the firm name of J. W. Kim & Co.

A Loan Officer's Views on Small Business Financing

By Richard P. Taft,* *General Investment Manager, The Prudential Insurance Company of America, Newark, N. J.*

Just how does a particular insurance company go about making private long-term placements to smaller companies in this country and in Canada? Mr. Taft enumerates the requirements which must be met, the studies made, and general conditions underlying such financing which he describes as investment and not risk capital loans. Listed, also, are a variety of problems encountered in making such loans, and the ground rules governing loans in force. Mr. Taft agrees loans are living documents and sometimes do require modifications during the loan's lifetime.

My business efforts are directed toward the financing of smaller corporate enterprises in America and Canada, and I hope to give a clearer picture of how to obtain long-term financing from an insurance company.

Richard P. Taft

There are three types of term financing provided by life insurance companies: the mortgage loan on real estate; purchase lease or sale lease-back; and the long-term note issue, generally unsecured. It is this last type of financing that I propose to discuss.

In 1956, in order to better serve small business, we created our Commercial and Industrial Loan Department. Since then, this department has made about $450 million in loans to smaller corporations. In 1960, 70% of the loans authorized were for $1 million or less, and one-third were for $500,000 or less.

While we are reputed to have done a good job, we do not feel that we have scratched the surface. We are working to develop this type of business. We have set up staff organizations in our various Regional Home Offices in the United States and Canada to work with banks, investment houses, accountants and businesses on the ground floor.

No one factor can be a determinant as to whether long-term loans are available to a company. The business must be looked at in a broad perspective and a decision made based on sound lending judgment, but the following factors are pertinent:

Pertinent Governing Factors

Life insurance investments are controlled by legal restrictions, and the life company cannot make an unsecured term loan to an unincorporated borrower.

Our term lending is designed for industrial-type companies. In its broad sense, this includes most types of businesses, except public utilities and railroads.

The company should have a minimum net worth of between $250,000 and $350,000. We believe that most smaller companies would be unable to meet the standards of earnings, stability and management we are required to observe.

There is no floor on the amount of loan we will grant. The smallest authorized has been $94,000, and we have made several for $100,000.

The minimum term is 10 years, and the maximum, 20 years.

The funds should be used for productive purposes: building plants or buying machinery and equipment; expanding markets or introducing new product lines; and funding existing short-term obligations to place the company on a workable basis financially.

Our loans represent investment-type money and not risk capital. They are not designed to finance speculative ventures. We do not expect to share in either the losses or the profits accruing to the owners of the business.

A term loan is not suitable for financing the seasonal needs of a business. This is the function of commercial banking.

The company should have 10 years of favorable operating history. This rule is not inviolable; we have made loans to companies with shorter histories.

The company should have established a solid market position and shown its ability to maintain it against competition.

The company should show a record of growth and have growth potential.

The company should have satisfactory financial ratios. One that has proved valuable over the years, both for the lender and the borrower, is that long-term or funded debt should not exceed about 50% of the company's tangible net worth. This means that the owner has about twice as much at stake in the business as a lender. A lender relying solely on an interest return should not be expected to have the same amount invested in the business as the owner.

The company's profit margins must be satisfactory.

Repayment Requirements

A term loan is semi-permanent capital. It is repaid on a specific payment schedule out of future earnings and not out of the liquidation of seasonal peaks in inventories or receivables, as in the case of short-term debt, nor out of the liquidation of any other assets appearing on a company's balance sheet. Most companies we examine show a net profit after income tax of about 15% of the total amount of long-term debt outstanding, and also show historical ability to cover interest and sinking fund payments on such long-term debt one to two times. In a growth situation, with earnings showing a steady rise, the historical earnings level does not assume the same degree of importance.

Management is by far the most important single ingredient. It should be of good character, well rounded, experienced, and in reasonable depth. The dangers of making a loan to one-man management are obvious. Nevertheless, there are a large number of sound businesses where this is done. We believe that, if we make a number of these loans in diversified industries located geographically throughout the United States and Canada, with the companies headed by dynamic individuals of various ages, we will not have them all dropping dead on the same day of the same month. In some instances we will insist upon life insurance being taken out on the individual to protect us in the event of his death, and, of course, we make every effort to have management-ownership recognize the need of building up a rounded organization.

When we are developing a term loan with a company, we attempt to learn as much about the company in a short period as its bankers have learned over a period of many years.

Even though we expect to be paid out of future earnings, we are interested in the past operating record of the business. We want to know if the company has demonstrated an ability to weather economic storms and if it has a record of meeting its obligations on schedule. If the past record is good, we endeavor to ascertain if there are factors in the company's operation, in the industry, or in the economy which would tend to change the record in the years ahead. If the company's past record shows weakness, we want to know why management feels the business is headed for better times.

We are also interested in the company's product line and its markets. Is it contributing something worthwhile in the form of goods or services, or is it merely satisfying a temporary or "fad" type need? Does it have only one supplier or one customer? Does it have only one product, which could be replaced through advances in technology?

Study of Plant and Management

A study will be made of plant, equipment and other facilities. Do these facilities provide a desirable degree of flexibility? Is there room for expansion? Are productive facilities set up efficiently to provide for an orderly flow of work and materials? We frequently find plant housekeeping to be an indication of the character of a business and its management. Are the company's facilities as good or better than others in the industry so that our prospective customer can be expected to meet reasonable competition in the future and on a sound basis?

Is management trained and competent? Is it forward-looking? Is it seeking to improve its products and services in order to protect its present markets and to acquire new ones? Is it training replacements for key jobs? Is it following an enlightened personnel policy? Has the business a history of stable labor relations? Are pay scales and benefits comparable with those in the area and in the industry?

Does management employ the important tools of management? Does it have sufficient records and controls to determine the progress of each phase of its business? When I speak of controls I am not thinking of elaborate records and controls. Small businesses cannot and should not be expected to maintain elaborate controls. But all business needs some controls.

Is management planning? Or, is it riding on the crest of an economic wave which is hiding a multitude of sins and weaknesses? Inflation and good times have hidden many weak management practices during the past 20 years. We may not have the same crutch in the years ahead. A 1959 study by Dun & Bradstreet of the nearly 15,000 business failures in 1958 indicates that more than 90% of such failures resulted from inexperience, incompetence, and **poor planning**.

Financial Projections

We ask for financial projections from all of our prospective borrowers, and we are questioned about this practice. Our answer is—if you do not have any goals set for your business for the foreseeable future, you who know it intimately, why should you expect us to invest long-term money in your business. Now, I am not referring to 10 or 15-year projections or longer. But we do ask for a reasonable projection for at least the next year or two. Nor should projections be fixed. They should be reviewed periodically to meet changing conditions and, of course, utilized to measure actual performance against objectives. We find that, once having prepared a projection, management usually recognizes its importance and employs it thereafter as one of its important tools.

Problems Encountered

Now, I would like to discuss some of the **problems** we encounter in considering such loans:

The prospective borrower's insistence upon a term loan when the business may need equity funds or a combination of term loan and equity. The man who has built up a successful business is usually fearful of losing control or of diluting his earnings, and resists the issuance of additional equity. One does not have to control 100% of the stock of a company in order to control the business. Earnings certainly should not be diluted if capital is well used; the profit position should be improved.

Endeavoring to borrow less money than is needed to do a proper financing job. We will not underfinance a company. Generally, where a prospective borrower wishes us to lend him less money than we think he needs, the company lacks a good financial man, and a proper study of financial needs through projections of future requirements has not been made. On the other hand, we try not to overfinance a company.

Lack of proper financial controls. The average small business has been built by a man whose competency lies in fields other than finance. The accountant is often nothing more than a first-class bookkeeper who is not in a position to, and sometimes not capable of, setting up proper controls. Many times, the financial data submitted to us are nothing but a mass of figures not susceptible of analysis, with management not knowing the type of money that is needed in the business and, what is more important, how much money is needed.

Presentation of inadequate financial information by certified public accountants. This comes from three possible directions:

The captive accountant whose main source of business is the prospective borrower and who is not always in a position, either because of fear of a loss of compensation or in some instances even a lack of knowledge, to enforce proper financial procedures.

Management's desire to save accounting fees through restricting the scope of the audit, particularly as to inventory. If otherwise satisfied, we are willing to commit for a loan with an inventory qualification, but we will not under any circumstances close a loan without an unqualified certificate from a certified public accountant.

Orienting of either the management's or the accountant's thinking to saving income taxes so that it is not always possible to tell the true earning power of a company. One method is to set up affiliated corporations which management operates as one, and an investor never knows where the activities of the company that is seeking funds begins or ends.

Unaudited statements. Their unacceptability is self-evident.

Dependence upon one customer or a very limited number. What would happen if the customer decided to do business with someone else?

Inordinate salaries or dividends. Many smaller companies pay salaries or dividends far in excess of the amount warranted by the earning power of the company instead of keeping the funds in the business to help the company grow. We have studied the average percentage of earnings paid in dividends by all manufacturing companies in the United States from 1954 to 1959. The amount was 49%, which gives you a good idea of the percentage of earnings that most companies feel should be retained in the business. But the average paid for companies with assets under $10 million was only 29.5%.

Mixing up the personal affairs of management with the business. The lending of money back and forth among affiliated companies as though they were one company is one form of this. Another form that this takes is the payment of salaries or excessive dividends to members of the family or relatives who make no real contribution to the company.

Failure of management to recognize that affiliated companies are not the same legal entities as the bororwing company, and to understand that guarantees or cross-guarantees will not always satisfy the lender. In many states the guarantee cannot be enforced legally, and certainly it is not good financially.

Over-aggressive management. The funds are barely disbursed when management wants to make the next expansion move it has dreamed of, despite the fact there might not be the executive manpower or sufficient earning power yet from present operations to generate a proper profit margin if the proposed move is to succeed. For example, we made a loan to a small company operating in the Midwest that had an extremely successful operation. Sometime after the loan, the company decided to go into California because it was a growth area. It had neither the manpower nor the capital to withstand the period of losses that were bound to result in an expansion of this type. It eventually had to withdraw—sorrier but wiser.

Loan Ground Rules

If a loan is granted, a loan agreement will be executed with the note, setting forth the **ground rules** under which the company will operate while the loan is in force. Although it is commonly called restrictive in nature, it is designed to allow management maximum freedom of action in its day-to-day business, without interference on the part of the lender, and to make sure that sound financial practices will be followed by the company. The agreement may provide:

That the company furnish copies of its quarterly financial statements and, within a specified time following the close of the company's fiscal year, copies of its audited financial statements, prepared by independent certified public accoutants.

That the company undertake to maintain its working capital in amounts which will not fall below an agreed-upon dollar figure, the level set being determined by the needs of the business.

That dividends be limited to a certain percentage of earnings, and, in some cases, curtailed completely for a period of time if cash projections indicate a need for it. Compensation over a certain amount paid to stockohlders and their families owning a percentage of the stock of the company, say 5%, will be limited.

That the company be restricted on liens, pledges, mortgages, guarantees, and contingent liabilities.

That additional funded debt be prohibited.

That unsecured current debt be limited to a stipulated dollar figure with a required bank cleanup of about 90 consecutive days each year. If a company is unable to clean up its current bank borrowings for a stipulated period of time, there is every indication that it is undercapitalized.

That loans to outsiders and advances to officers and employees be limited.

That transactions with stockholders holding a certain percentage of the stock or with affiliated companies be controlled.

That mergers or consolidations and the sale or leasing of a substantial portion of the assets be prohibited, as well as sale and leasebacks.

Modifying the Loan

A loan agreement must be considered as a living document that should be altered from time to time, as the needs of the business determine. Very few requests from management for modification are turned down. Indeed, one of the advantages of a private placement is the ease with which loan agreements are modified, if the need is a sound one.

If a company has not been a borrower of long-term money, the necessity of executing a loan agreement along the lines I have cited may alarm it or its counsel. In practically every instance, these difficulties arise because the company counsel has had no previous experience with corporate loan agreements. This results in time consuming negotiations, all of which are at the borrower's expense. If a corporation contemplates borrowing long-term funds, it should consult with companies that have borrowed. I know that it will be enlightening to many to discover that lending institutions have very little difficulty, if any, with attorneys who have had experience with corporate term lending.

I have previously mentioned that our operations in this field have been quite successful. Our expense ratio is far below our expectations, because we operate through our Regional Home Offices. Our volume of loans has been quite satisfactory. Our experience in financing smaller companies has been safe. We went through the 1957-1958 recession and the one this year with no losses. This is a credit to smaller business. People who have struggled all their lives to build up a good concern have learned to trim their sails quickly. Another pleasant experience is the business relationship that has developed with concerns to whom we have loaned money. Major planning is discussed with us from time to time, and we have been asked for the benefit of our opinion. And we have loaned many firms additional money to enhance growth. Twenty-one percent of the loans approved last year were to companies we had previously loaned to.

Example of Small Company Helped

Here's an example of a company we helped. It is a manufacturer of refrigerators, coolers, and freezers, founded in 1947 with about $12,000 in capital. Its first home was a garage. The company expanded to two plants with funds secured from retained earnings and depreciation charges, which resulted in a tight working capital position. Its current cash requirements were financed to a great extent by short-term borrowings that its bank required to be secured. It was unable to take trade discounts, and an increase in sales volume was impossible under existing financial arrangements.

We were approached for a loan of $150,000 in 1958. Our investigation disclosed excellent management, product acceptability, and that the company merited this financing. There was more money added to working capital in one year than had been put in in the preceding decade, and the company was able to take all trade discounts. In the first full year from date of disbursement of our loan, sales increased 24% and net income almost 25%. Management wrote us that this would not have been possible without our funds.

Last year, the company came back to us with a request for additional money to help finance a new plant. We were happy to have our investment grow in this company, and the loan was increased to $250,000.

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*A condensation of a talk made by Mr. Taft before the American Management Association Inc., New York City.

New York State Bankers Elect George A. Newbury

Buffalo banker is designated head of N. Y. Bankers Association at 65th annual meeting.

George A. Newbury, President, The Manufacturers & Traders Trust Co., Buffalo, was elected President of the New York State Bankers Association at its 65th annual convention at Lake Placid last Thursday, June 15. He succeeds Albert C. Simmonds, Jr., Chairman of the Board, the Bank of New York, New York City.

George A. Newbury

Clarence M. Brobst, President, Chemung Canal Trust Co., Elmira, was elected Vice-President, and Arthur S. Hamlin, President, the Canandaigua National Bank & Trust Co., Canandaigua, was elected treasurer.

Bankers attending the convention also elected five men to serve as members-at-large on the Association's Council of Administration, its official governing body:

Cyril G. Kress, Vice-President, Lincoln Rochester Trust Co., Rochester.

Roger D. Sidford, Senior Vice-President, State Bank of Albany, Albany.

Dey C. Demarest, President, the Bellport National Bank, Bellport.

George A. Murphy, Chairman of the Board, Irving Trust Co., New York City.

Wallis B. Dunckel, President, Bankers Trust Co., New York City.

The New York State Bankers Association, founded in 1894, is a voluntary organization of the commercial banking industry in New York State. Member banks employ 90,000 people and maintain an annual payroll of half a billion dollars.

Ten Million Customers

The resources of ten million customers who maintain checking and savings account balances in New York State commercial banks are productively employed by banks to create jobs, to finance production and consumption of goods and services, and generally, to promote economic activity and growth throughout New York state and the nation.

The Association also has as associate members, investment banking houses, savings banks, the Federal Reserve Bank of New York, and various out-of-state institutions. These out-of-state institutions are located in Pennsylvania, Illinois, Massachusetts, Alabama, Connecticut, New Jersey, Puerto Rico and Canada.

Form Allied Inv. Co.

OKLAHOMA CITY, Okla.—Alton E. DeWees is engaging in a securities business from offices at 2126 Southwest 29th Street under the firm name of Allied Investment Company.

SECURITY SALESMAN'S CORNER

BY JOHN DUTTON

Sometimes a Good Salesman Is With the Wrong Firm

Several weeks ago I received a letter from a salesman who was faced with the responsibility of making a decision regarding whether or not he should leave his present employer and seek a new connection. The letter was very complete and without going into details, I answered him and told him that from what I could gather from the facts he gave me, that he should affiliate himself with another firm. There are many capable, and ambitious security salesmen, who for one reason or another find themselves stifled in their efforts. Their scope of activity and their production is limited by conditions beyond their control. If this is not corrected they must be willing to work in a frustrating environment, and despite their initial drive and ability, they will suffer a lack of progress.

Not All Firms Are Good for Every Salesman

One case in particular with which I am familiar, concerns a salesman who has a knack for establishing and servicing active trading accounts. He is also a man of superior intelligence, hard driving, and he likes his work. Due to his firm's emphasis on inactive and investment type securities, especially underwritings of a very institutional character, he did not have the facilities to service trading accounts. He spent too much time in digging up his own situations; he needed a better research department. Also, his cashiering department was not geared to servicing margin accounts that were very large and volatile. When a salesman is overburdened with details that should be the proper responsibility of his firm, his efficiency becomes impaired. Worse still, if a salesman is subjected to continuous failures caused by other people in his organization to back up his efforts, his ability to think creatively and work productively, is seriously impaired.

The answer in this case was clearly indicated. This salesman made a connection with another firm that had one of the best research organizations in the country, plus an active and alert technical staff, and a bookkeeping department that could handle active margin accounts without getting fouled up every time it sent out a statement to a particularly large client. Within a few months after leaving his former connection, this man practically doubled his production. He was assisted in his work by an alert statistical department, and an organization that was staffed to handle active trading accounts. He made a good change and, in addition to his enlarged earnings from his commission business, has also been given an executive post with the new company.

Another friend of mine did not care for active trading clients, nor did he wish to sell new issues, or popular speculative stocks. His main interest was directed toward developing clients among retired people and he wanted to specialize in mutual funds. He finally opened his own firm. He moved his office into a neighborhood where he could meet retired people and he spent several years building an active clientele. Today he employs only a few salesmen who specialize in mutual funds and conservative investment type securities. He is happy in his work and making a very fine living from his efforts. His repeat business is excellent and he doesn't have the stress and strain that he disliked in a busy office of a member firm. He also benefited by making a drastic change—in his case he had to establish his own business which he now runs to suit his taste and his own ideas.

Some Firms Are Not Aggressive

There are investment organizations that do not wish to expand. Often these firms have captive business that is controlled by a few partners and they wish to stay in their own groove. Growth, and the ensuing problems, that ensnarl all business efforts today is not for them. They do not offer a willing young man the scope for his talents that an ambitious salesman wishes to pursue. Unless your firm can offer you a program that is oriented toward servicing a complete clientele, you are going to either tailor your efforts to the restrictions that surround you and make the best of it; or you will sooner or later be forced to move on.

The investment business today is becoming very competitive. There are firms with hundreds of specially trained men in their research departments; there are skilled advertising and sales promotion men in this business who we never knew about 20 years ago; there are underwriting departments headed by men who are able to select candidates for public financing who enable their sales force to offer their clients securities that perform well and that are in demand in this fast moving scientific age.

Many of these firms are training their back office staff to do a more efficient job of servicing accounts. Electronic equipment of the latest design is being installed just to have a slight edge on competition, and information is relayed over private wires that is of interest ot traders and speculators. Municipal bond departments and institutional departments are also actively growing in certain of these well managed and aggressive organizations. The salesman who is with such a firm has a great advantage over his competitors.

Every man must decide for himself what he wishes to do with his life. Sometimes your progress not only depends upon you but upon your opportunity. Unless you are in the right spot, you can never do your best work. A good salesman is always in demand. He can make a living anywhere. The man who keeps his contacts and does a good job for his clients can also move anywhere — and sometimes it is proper to make a change. If you are wondering about your own situation, and you believe you can better yourself, there is probably a good reason for it, so don't be afraid to look around. You may be missing a better opportunity for a fuller life, and a more productive career if you allow stagnation and inertia to become a habit.

David Wittman With Mallory

David Wittman has become associated with Mallory Securities, Inc., 120 Wall Street, New York City, as Manager of the trading department. He was formerly associated with Schrijver & Co.

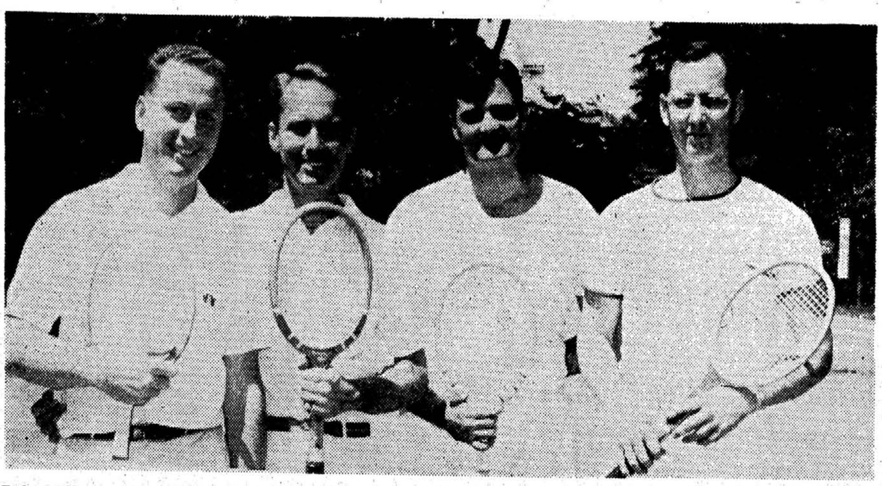
David Wittman

Laren Company Formed in N. Y. C.

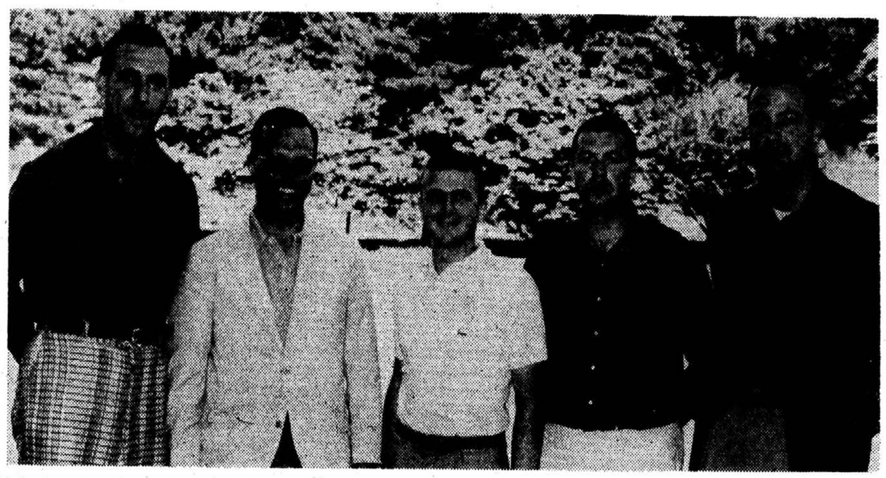
Formation of the Laren Company, which will engage in the general securities business, has been announced by Kuno Laren, formerly Manager of the Underwriting Department and Director of Research of Jesup & Lamont. Mr. Laren said the newly-organized firm will concentrate on underwriting medium-sized growth companies. It will be located at 26 Broadway.

Mr. Laren began his career in the investment banking field as an economist with Econometric Institute Inc. of New York City. He joined Shearson, Hammill & Co. in 1953 and in 1957 became senior security analyst and underwriting assistant in that firm. He was educated in Sweden and received his master's degree in public finance from New York University in 1950.

Investment Association of New York

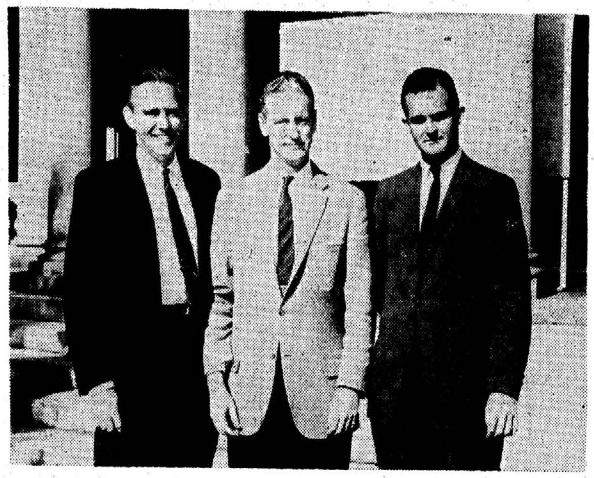


Robert Trone, *Merrill Lynch, Pierce, Fenner & Smith Incorporated;* Dean Woodman, *Merrill Lynch, Pierce, Fenner & Smith Incorporated;* James Marshall, *Wood, Struthers & Co.;* Bruce McBratney, *Wood, Struthers & Co.*

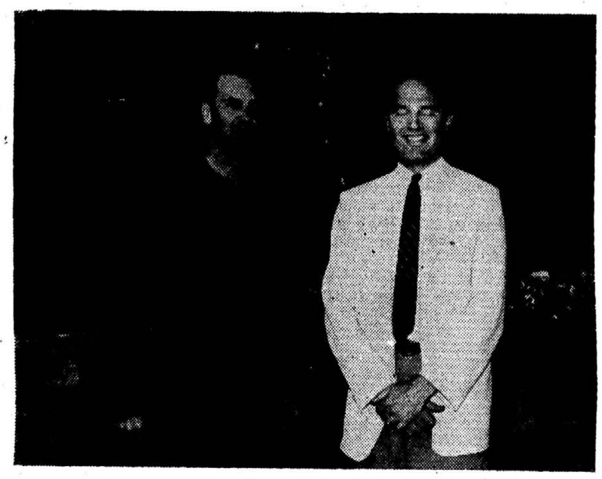


Andrew M. Blum, *Van Alstyne, Noel & Co.;* Morgan H. Harris, Jr., *White, Weld & Co.;* Rudolph Smutny, Jr., *R. W. Pressprich & Co.;* Ralph D. De Nunzio, *Kidder, Peabody & Co.;* Ralph T. Dimpel, *Eastman Dillon, Union Securities & Co.*

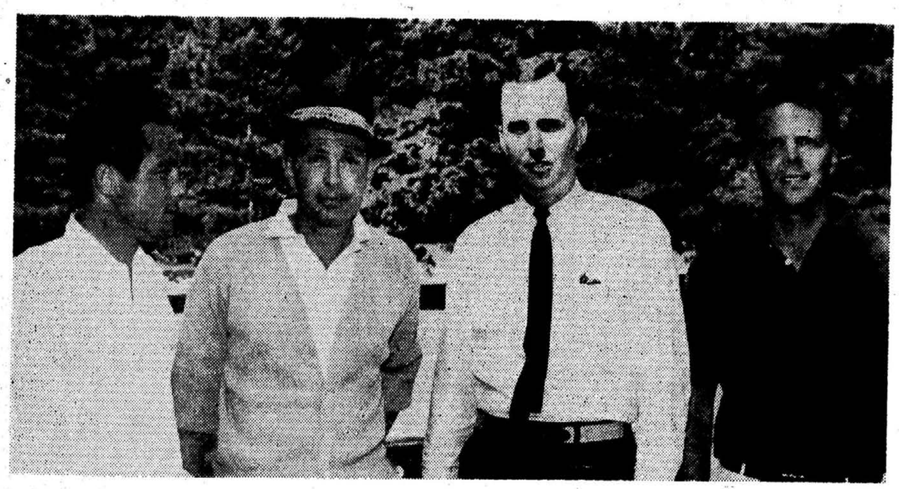
Worthington Mayo-Smith, *Blair & Co. Incorporated;* Peter Stachelberg, *Hallgarten & Co.;* William Madden, *Freeman & Company*



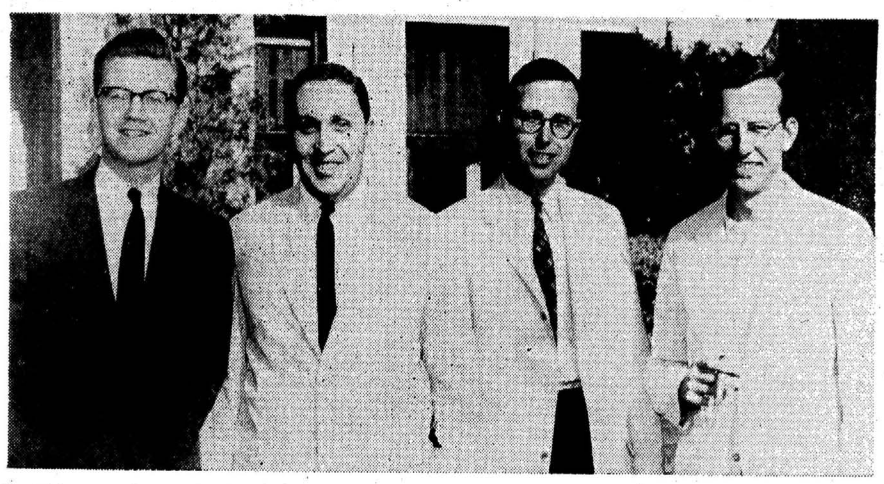
John H. Leib, *Blyth & Co., Inc.;* Maitland T. Ijams, *W. C. Langley & Co.;* Jim Burns, *Blyth & Co., Inc.*



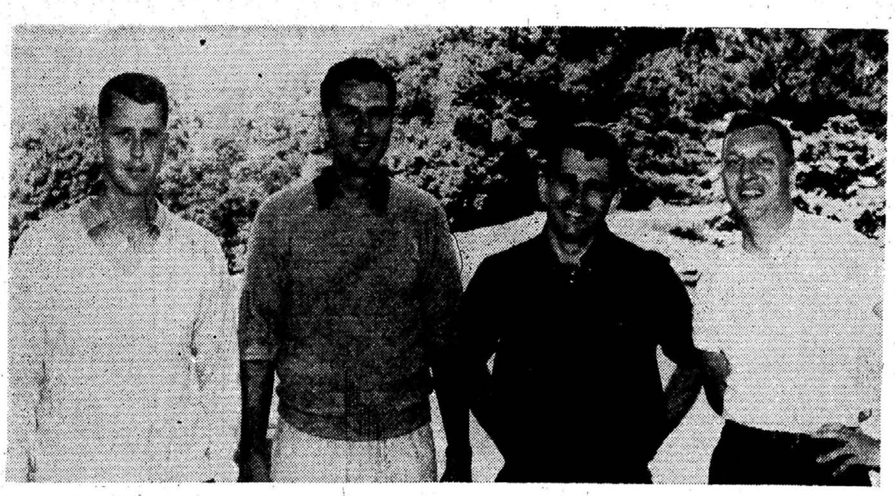
John G. Peterkin, *Gregory & Sons;* Horace Leeb, *De Coppet & Doremus*



Peter P. Wiley, *Merrill Lynch, Pierce, Fenner & Smith Incorporated;* Chairman of the Outing; Hampton Frady, *Merrill Lynch, Pierce, Fenner & Smith Incorporated;* Richard E. Boesel, *Hayden, Stone & Co.;* James A. Conlin, *Hayden, Stone & Co.*



Gene Brennan, *Paine, Webber, Jackson & Curtis;* Frank Reinhardt, *Carl H. Pforzheimer & Co.;* Peter Ehrlich, *Merrill Lynch, Pierce, Fenner & Smith, Incorporated;* Morgan Murray, *B. J. Van Ingen & Co., Inc.*

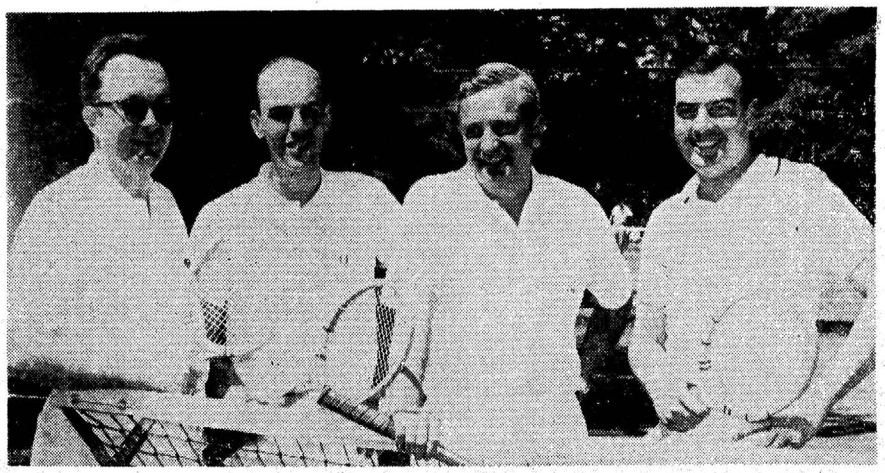


Frederick S. Wonham, *G. H. Walker & Co.;* William H. Gregory, III, *Gregory & Sons;* George Fargis, *Eastman Dillon, Union Securities & Co.;* Walter Schubert, *Carlisle & Jacquelin*

Tony Tabell, *Walston & Co., Inc.;* Carl Walston, *Walston & Co., Inc.;* Steve Greenberg, *Walston & Co., Inc.*

Holds Annual Outing

Sam Hunter, *Clark, Dodge & Co., Inc.;* Thomas Melly, *De Coppet & Doremus;* Steve Wood, *La Branche & Wood & Co.;* E. B. de Selding, *Spencer Trask & Co.*

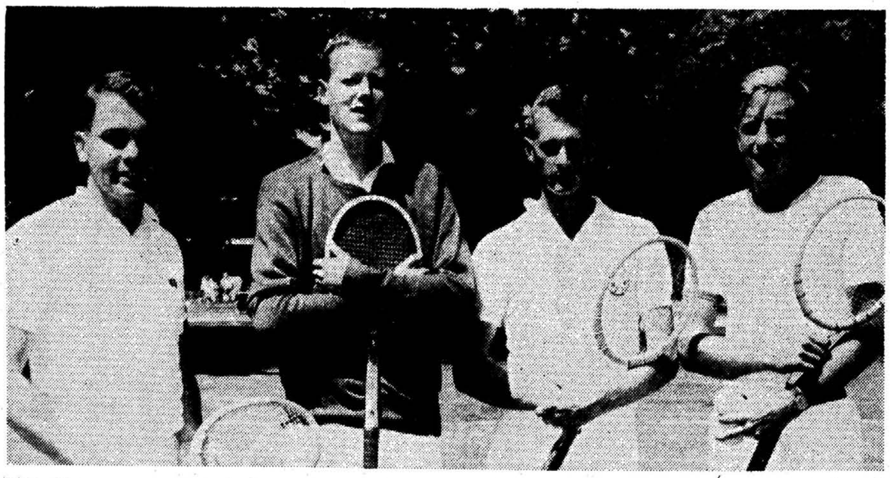


Sterling McKittrick, *Spencer Trask & Co.;* Theodore H. Irwin 2nd., *L. A. Mathey & Co.;* George Harben, *Hemphill, Noyes & Co.;* Eugene L. Oakes, Glen Cove, N. Y.

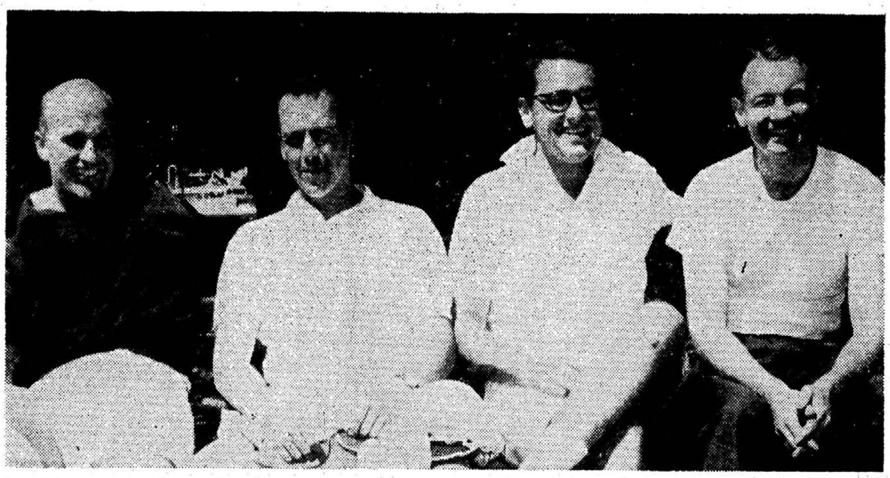
Hamilton Forster, *Dominick & Dominick;* Sumner White, *First Boston Corporation;* George Richards, *Halsey, Stuart & Co. Inc.*

Paul Hahn (trick shot golfer); Edwin L. Beck, *Commercial & Financial Chronicle*

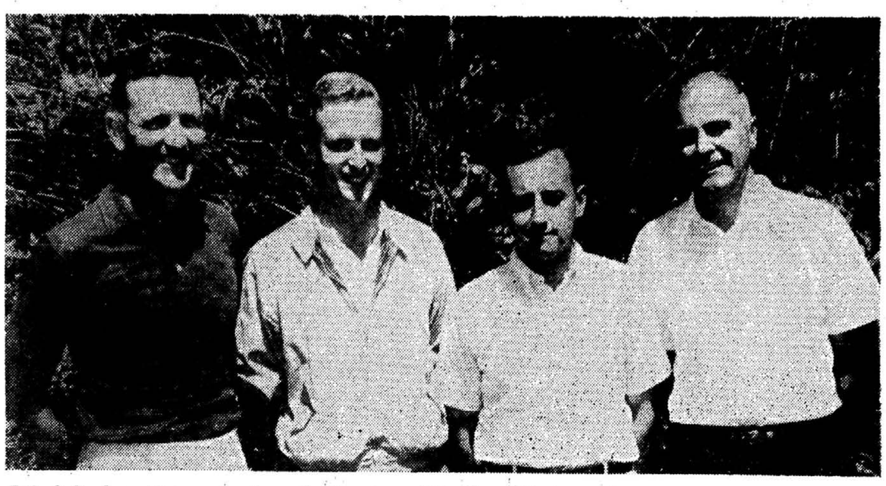
John Hughes, *Carlisle & Jacquelin;* Harold Aken, *Kuhn, Loeb & Co.;* Bud Thomas, *De Coppet & Doremus*



Ellis Klingeman, *Dillon, Read & Co., Inc.;* Arthur (Bud) Treman, *Dillon, Read & Co., Inc.;* James Fox, *W. E. Burnet & Co.;* Carl de Gersdorff, *Kidder, Peabody & Co.*



Tom Turley, *Harris, Upham & Co.;* Henry Clifford, *White, Weld & Co.;* Bass Winmill, *F. S. Moseley & Co.;* Austin Colgate, *Wood, Struthers & Co.*



Bill Gallagher, *Vance, Sanders & Co., Inc.;* Bill Chappell, *Lazard Freres & Co.;* Brace Young, *Kuhn, Loeb & Co.;* Charles Maspero, *R. D. White & Company*

Mike Garvey, *Lehman Brothers;* J. Stebbins, *Hoppin Bros. & Co.;* John Sipp, *Van Alstyne, Noel & Co.;* Richard Goss, *Merrill Lynch, Pierce, Fenner & Smith Incorporated*

At Sleepy Hollow Country Club

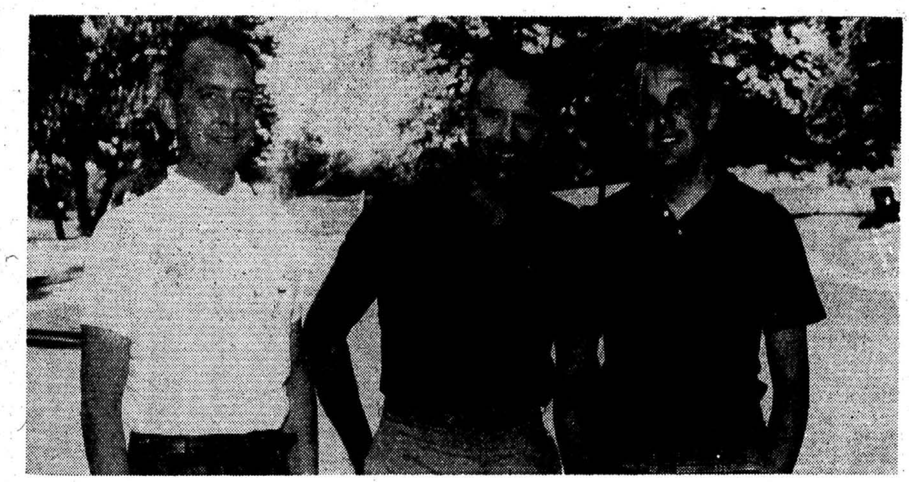
Bob Coleman, *Carlisle & Jacquelin;* Byron A. Allen, Jr., *Shields & Company;* Sandy Piper, *Paine, Webber, Jackson & Curtis;* Robert Thorson, *Paine, Webber, Jackson & Curtis;* Allan Bogardus, *Watling, Lerchen & Co.*

Arthur C. Burns, *Dominick & Dominick;* Jim Baynes, *Dominick & Dominick;* Richard Walker, *Vilas & Hickey;* Larry Carpenter, *Goodbody & Co.*

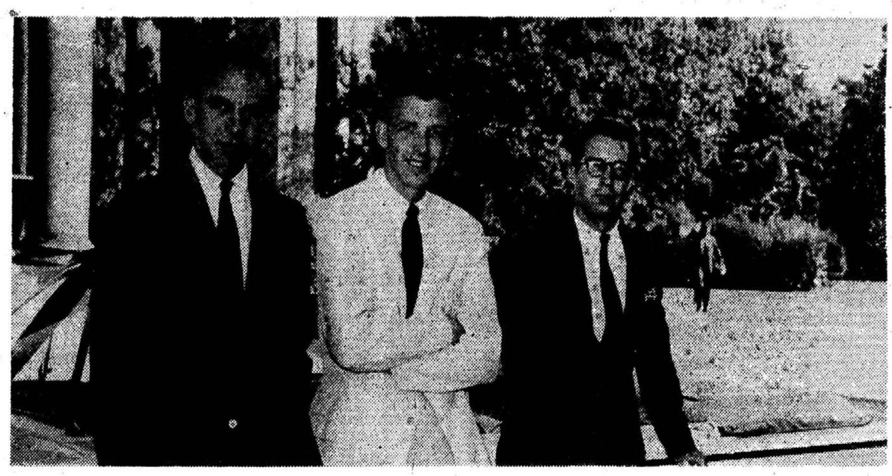
John E. Friday, *Morgan Stanley & Co.;* Donald S. Coons, *Smith, Barney & Co.*

Herb Marache, *Granbery, Marache & Co.;* Richard Levine, *Granbery, Marache & Co.;* Alden West, *Sutro Bros. & Co.*

Don Devine, *Freeman & Company;* Walter Stern, *Burnham and Company*



John L. Montgomery, *Smith, Barney & Co.;* Sid Scott, *Smith, Barney & Co.;* B. V. Merrill, *Merrill, Turben & Co., Inc.* (Cleveland, Ohio)



Arthur K. Salomon, *Salomon Brothers & Hutzler;* Anthony W. Tabell, *Walston & Co., Inc.;* Richard W. Goss, 2nd, *Merrill Lynch, Pierce, Fenner & Smith Incorporated*

Breen Halpin, *Goldman, Sachs & Co.;* Jim O'Donnell, *F. S. Smithers & Co.;* Archie MacAllaster, *W. C. Pitfield & Co., Inc.;* Chuck Zimmerman, *Goldman, Sachs & Co.*

Winston E. Wood, *Granbery, Marache & Co.;* Larry Douglas, *Alex. Brown & Sons;* Jerry Goldstein, *Bear, Stearns & Co.*

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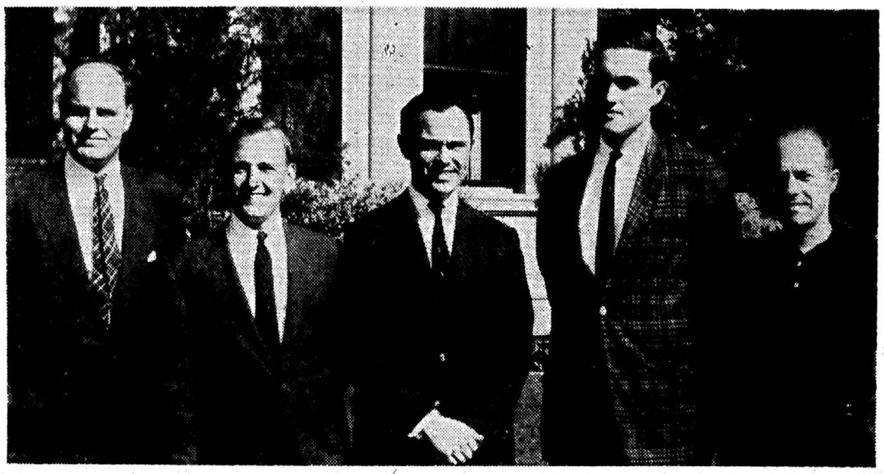
June 16, 1961



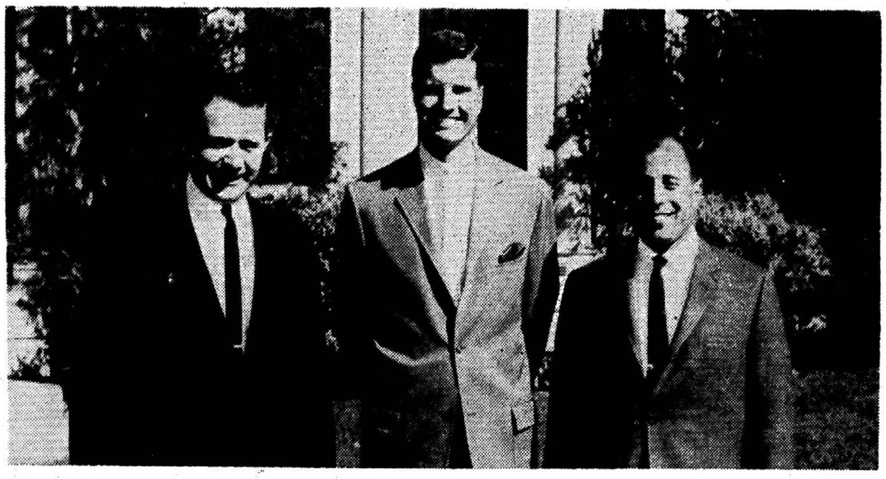
Wright Rumbough, *Hoppin Bros. & Co.;* Fred Appleton, *Dominick & Dominick;* Bruce Leib, *Baker, Weeks & Co.;* John Straton, *Jas. H. Oliphant & Co.;* Norman Davidson, *Blyth & Co., Inc.*

Paul Voigt, *W. H. Morton & Co. Incorporated;* John Hughes, *Lee Higginson Corporation;* John Toolan, *Hornblower & Weeks*

J. O. Rutter, *Rutter & Co.;* W. D. Goedecke, *Smith, Barney & Co.*

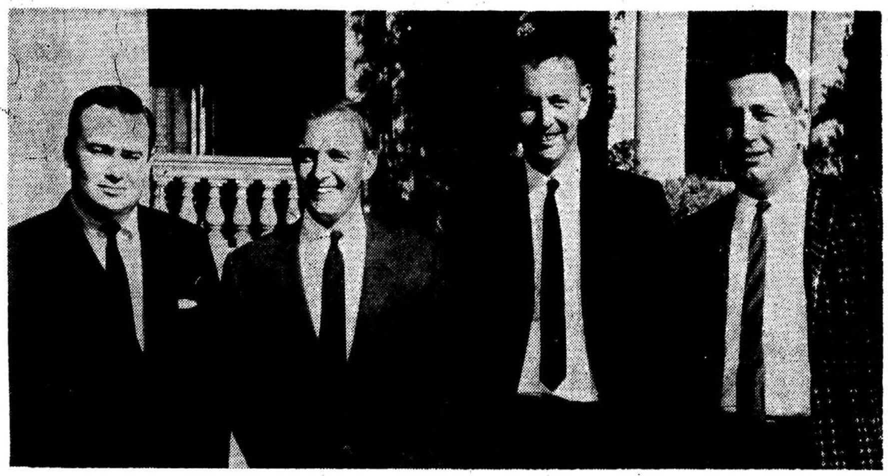
Jim Couffer, Jr., *Drexel & Co.;* Tom Lewis, *Clark, Dodge & Co. Inc.*

Jack Mason, *Dominick & Dominick;* W. W. Martin, *Courts & Co.*



John Hughes, *Carlisle & Jacquelin;* Bob Fraiman, *Hirsch & Co.;* Pete Rosenbaum, *La Branche & Wood & Co.*

Bud Treman, *Dillon, Read & Co., Inc.;* Harry R. Harwood, *Kuhn, Loeb & Co.;* Richard E. Boesel, *Hayden, Stone & Co.;* James H. Manges, *Kuhn, Loeb & Co.;* Robert G. Wilson, *Goldman, Sachs & Co.*



Richard A. Brennan, *R. W. Pressprich & Co.;* Fred Appleton, *Dominick & Dominick;* James Couffer, Jr., *Drexel & Co.;* Harold Aken, *Kuhn, Loeb & Co.*

At the Outing

AS WE SEE IT

Continued from page 1

immune to the blandishments of the Communists by explaining the shortcomings of the system and warning of the loss of liberty which is certain once it has been fastened on them. The Communist agents are never timid about saying hard things about colonialism which is far more familiar to the backward peoples of the world than anything that has happened or is happening to countries in Europe which have fallen victims of the Kremlin. Nor are these agents at all hesitant about including the United States among the colonial powers even though they must know better. The net result is a sort of exchange of abuse.

What we so often fail to understand is that freedom and liberty as we conceive them are foreign to the experience of most of these backward peoples. Nor are they regarded by them as of first rate importance. In any event, the Communist propaganda machine has long ago purloined these terms and given them meaning wholly different from their original connotation — and thus succeeded in so confusing the issue that few are able to make much headway in discerning the truth. Mr. Khrushchev recently remarked that the freest people on earth live in Russia—and no doubt Communist agents have long been echoing such nonsense, which, absurd though it be, serves an excellent purpose in their hands.

It would be no feat at all to win a debate on the relative merits of communism and free enterprise as we know it—if the audience addressed were capable and willing to listen and weigh the real merits of the two systems. Both by historical example and on the basis of theoretical reasoning the private enterprise system would come out well ahead of anything that the Kremlin can show or argue. The trouble is that these are ideas and concepts that are not familiar to all too many peoples and are of interest to all too few. Moreover, all private enterprise systems are too likely to be tainted (in the minds of backward peoples) with the sins, real and imaginary, of colonialism of another era. All this places Western powers, including the United States, at a disadvantage in any contest with the Communists for the allegiance of the backward peoples of the world.

More in the Story

But there is more in the story than that. The Communists, particularly the Russians, have long been past masters at the art of intrigue and subversion. They were, so it might be said, raised on it. They have now made it more or less a profession and have long used it in most quarters of the globe. They are still at it and will without doubt continue at it for a long time to come. They send highly trained and "disciplined" agents into foreign countries whose job it is to stir up trouble, enlist the discontented, and find such others as they can train to make trouble on all occasions and overthrow the existing government whenever opportunity comes. Old governments are then replaced not by rulers headed (technically, that is) by a Russian or other foreign trouble maker, but by natives who by then are fully in the habit of taking orders from the Kremlin, but who can and do appear to the outsiders — and doubtless even to most residents of the countries themselves—as products of the home soil.

Here is a situation which is quite new to this country, and, for most of the countries of the world. We are not well suited for this sort of warfare (for warfare it is). We unlike the masters of the Kremlin are not by nature schemers and intriguers. Neither we nor our friends as a rule are much inclined to fish in troubled waters—as the Communists are so fond of doing and do so well. We, all of us, much prefer the direct approach, and straightforward dealings. Yet here is a situation that we must somehow meet and deal with. So far, it would appear, we have not only been unable or unwilling to play the game of the Communist subversives, but have not always even apparently been keenly aware of what the Kremlin agents were doing and planning. All too often we have been placed in an awkward position as a result. It has all too often been possible for the Communists to make it appear—perhaps it was sometimes true—that the economic aid which we have provided in such abundance was largely used to fill the coffers of private grafters or to support clearly indefensible governments.

First Tasks

One of the first tasks to which we must apply ourselves is obviously to see to it that aid extended in the future reaches the people we wish to help and is not employed to bolster decadent regimes of unworthy dictators. This may not be an easy task, but unless we can somehow find a way to accomplish it, we had better consider seriously the elimination or at the very least a sharp curtailment of such help. To continue indefinitely to enable Communists, or any one else for that matter, to point the finger at us with the accusation that we regularly bolster unworthy dictatorships or corrupt regimes with our aid may prove simply disastrous.

The effectiveness of our foreign aid can not be measured in terms of the number of millions or billions of dollars provided.

Crowe With 1st Nat'l Bank

ST. LOUIS, Mo.—Martin J. Crowe has been appointed a representative of the municipal bond department of First National Bank in St. Louis, 510 Locust Street, it has been announced by Newell S. Knight, Vice-President in charge of the department.

Mr. Crowe, who will represent the bank in St. Louis and in the Middle West, was formerly Vice-President and account executive with Luce, Thompson and Crowe, Kansas City, Mo.

He has been in the securities business since 1956 when he began his career as an investment analyst.

Commonwealth Of Australia Bonds Offered

Morgan Stanley & Co. headed a nationwide underwriting group composed of 67 investment firms which offered for public sale on June 28 an issue of $25,000,000 Commonwealth of Australia 20-year 5½% bonds. The bonds, due July 1, 1981, are priced at 97% and accrued interest to yield approximately 5.75% to maturity.

The bonds are direct obligations of the Commonwealth and principal and interest will be payable in U. S. currency.

They will not be redeemable before July 1, 1971 except for the sinking fund, which provides for semi-annual payments of $675,000 from July 1, 1963 to Jan. 1, 1981 together with a payment of up to $700,000 on July 1, 1981, which are calculated to retire 100% of the issue.

On and after July 1, 1971 the bonds may be redeemed at the option of the Commonwealth to and including July 1, 1975 at 101%; thereafter to and including July 1, 1978 at 100½% and thereafter at 100%.

Application will be made to list the bonds on the New York Stock Exchange.

The Australian equivalent of the net proceeds from the sale will be applied toward capital works expenditures being financed under the borrowing program for 1961-62 approved by the Australian Loan Council for the Governments of the Commonwealth and the States. Funds are required under this program to finance such public works projects as housing, the extension of electric power transmission facilities, modernization of railroad equipment and the construction of additional water supply, irrigation and sewerage facilities.

The current offering will be the third $25,000,000 issue of Commonwealth of Australia bonds to be marketed in the United States during the past 14 months. The two preceding issues were sold by Morgan Stanley underwriting groups in April and September of 1960.

Forms Meramec Valley Inv.

KIRKWOOD, Mo.—Raymond E. Headlee is conducting a securities business from offices at 221 East Argonne under the firm name of Meramec Valley Investors. He was formerly with A. G. Edwards & Sons and B. C. Christopher & Co.

BANK AND INSURANCE STOCKS

This Week—Insurance Stocks

THE CONNECTICUT GENERAL CASE DECISION—

On June 1 the New York Court of Appeals, the highest court in the state, ruled on a 4-3 basis that an out-of-state life insurance company could acquire controlling interest in a fire and casualty insurance company without endangering its right to do business in New York. This decision reversed findings by two lower courts, the State Supreme Court and the Appellate Division of the Supreme Court, and earlier opinions by the State Superintendent of Insurance and State Attorney General. The decision appears to end the controversy except for the possibility of a rehearing in the same court.

The decision resulted from the efforts of Connecticut General Life Insurance Company to acquire a controlling interest in National Fire Insurance Co. in 1955. National Fire has since gone under the control of the Continental Casualty group. Connecticut General originally received permission in Connecticut for the merger, but was blocked by the New York Department of Insurance, which threatened not to renew Connecticut General's license in that state. The denial, which was supported by the two lower courts, was based on the New York insurance laws on the grounds that the merger would be in violation of the sections on investment limitations as well as actively engaging in the fire and casualty business, also a violation of the law. Out-of-state life insurance companies must "comply in substance" with the New York insurance laws in order to be permitted to write business in that state.

Connecticut General contended that its ownership of a subsidiary which writes fire and casualty insurance would not be the same as actually writing the business and would not be in violation of the investment regulations of the state. The company further stated that both Travelers Insurance Co., and Aetna Life Insurance Co. had operated a fire and casualty business through its subsidiaries in New York, and it was merely asking for equal rights and equal protection of the law. Both Travelers and Aetna Life had been specifically exempted from the provisions of the law because they were originally licensed long before New York statutes made such actions questionable. However, their licenses have been renewed in New York each year.

The Court of Appeals in support of Connecticut General, whose case was presented by former Governor Thomas Dewey, held that the proposed merger would not be in violation of the investment prohibitions nor other prohibitions imposed on out-of-state insurance companies by the law. It clearly distinguished between the law's forbidding an out-of-state insurer from engaging in the fire or casualty business and the purchase of a firm engaged in that business. In reference to the annual licensing of Travelers and Aetna Life, the Court of Appeals held that the lower court's decision "appears to be a reversal of long-established practice recognized by the department itself."

Thus the path is now open for out-of-state life insurance companies to enter the fire and casualty business through the purchase or formation of a subsidiary company. Although life insurance companies incorporated in New York and Massachusetts are still forbidden by their state laws from writing fire and casualty insurance through a subsidiary, it is expected that pressure will be brought to bear to enact changes in the laws if other major life insurance companies promptly move into fire and casualty operations and appear to be gaining a competitive advantage. The John Hancock and State Farm Mutual in Massachusetts have expressed interest in changing their state laws in the past, and the Lincoln National and Commonwealth Life, which do not operate in New York, have formed property insurance subsidiaries; but it is not expected that there will be a great rush by life insurance companies, either stock or mutual, to enter the fire and casualty field.

The court's decision was immediately felt in the stock market. Connecticut General moved up ten points and Aetna Life, which has also been rumored as being in the market for a fire and casualty company if the former company won its suit, moved up in the week following the decision. Aetna Insurance and Phoenix Insurance also moved up sharply on the news, five and fifteen points respectively, but have since retreated somewhat. These two companies have been the most frequently mentioned merger candidates for a major life company. Other fire and casualty stocks that might be possible merger candidates also posted gains. It will be interesting to see whether fire and casualty stock holders will be offered current market values or liquidating values in merger proposals from life insurance companies.

The trend in the industry is obviously towards all-line insurance underwriting. It began in the early 1950s with the combination of fire and casualty operations. The past five years have seen the major fire and casualty groups entering the life insurance field through merger or by the formation of their own life insurance affiliates. The Connecticut General decision, in turn, greatly increases the possibility of life insurance companies becoming a major factor in the writing of fire and casualty business. The trend has actually been forced upon the industry by the public that is now extremely cost-conscious in buying insurance, through its desire for "package policies" and the convenience of "one-stop" buying of insurance.

It is likely that eventually insurance companies in this country will be permitted by regulatory agencies to write all lines of insurance. This has always been the case in England. The Connecticut General decision is an important step in overcoming the present legal barriers in attaining that position. Further action in this direction is expected in the near future.

Paul Hardeman Common Offered

Public offering of 350,000 shares of Paul Hardeman, Inc. common stock at a price of $8 per share, was made June 27 by an underwriting group headed by Michael G. Kletz & Co., Inc.

Net proceeds from the financing will initially be added to the company's working capital and used for general corporate purposes, including the expansion of the size and scope of its business by enabling it to bid on more and larger contracts. In addition, the company will use the proceeds to retire certain indebtedness, and expand its construction activities in the military and commercial fields.

The company located in Stanton, Calif., is primarily engaged in the design, engineering, construction and installation of missile launching bases and related facilities for the armed forces, and complex facilities of various types for agencies and commissions of the U. S. Government, and for the aircraft, petroleum, chemical and petrochemical industries.

The company has been an active participant in the design and construction of facilities for such missiles as the Atlas, Jupiter, Titan, Vanguard, Bomarc, Navajo, Redstone and Thor. Either singly or in joint venture with other major contractors, the company is conducting work at 147 sites on 13 ballistic missile bases through the country. Paul Hardeman, Inc., through its wholly owned subsidiaries, also engages in the design and installation of electronic and other control systems used in radio and television communication; in an electronically controlled parking lot system; and in the construction of sections of the Pan American Highway in Argentina.

For the three months ended March 31, 1961, the company had total billings on contracts of $15,923,168 and net income of $286,735. Upon completion of current financing, outstanding capitalization of the company will consist of 2,100,000 shares of common stock, $1,945,682 of notes payable to a bank; and $92,835 of mortgage debt.

United Aircraft Priv. Note Sale

June 29, 1961 it was reported that United Aircraft Corp., had sold privately through Harriman Ripley & Co., Inc., New York City, $75,000,000 of 5% sinking fund notes due June 15, 1981. Proceeds will be used for the repayment of short-term bank loans.

The company, of 400 Main St., East Hartford, Conn., is engaged in the manufacture and sale of aeronautical engines, propellers and aircraft.

Jules Zappulla Opens

NORTH MIAMI, Fla.—Jules Zappulla is conducting a securities business from offices at 901 Northeast 12th Street.

The Security I Like Best

Continued from page 2

while commercial receivables gained over 14%.

This broad trend is generally borne out by Heller's profits, which have tripled (per share) in the last 10 years. No change in this industry trend is foreseen while, in contrast, bank competition has made severe inroads in the automobile installment field. Indeed, banks do not appear to be developing the facilities to service and administer secured loans. Instead, it is easier for banks to lend to Heller at the prime rate, with Heller administering the loan details among a variety of clients.

In making loans, Heller charges interest rates that are well above bank rates, varying around 13%, depending on the prime rate, type of risk, nature of collateral, maturity of receivable, and specialized services provided, such as credit passing and other assistance to management. For the borrowing client, this may be invaluable in providing liquidity and the ability to handle an even larger volume of business that otherwise might be lost. Adequacy of working capital is a basic problem of small business.

Credit losses are generally small, typically about five hundredths of 1% of receivables volume. Even in recessions credit losses have not been too large. Risk of fraud might be a more important problem with a $1.2 million loss incurred in 1957.

In easy money as well as tight money, Heller has prospered. In periods of ready availability of bank credit there are still businesses unable to obtain all the necessary credit. Then, too, low borrowing costs aid Heller in raising money. In tight money when Heller's borrowing costs increase there are plenty of clients who need Heller's services.

The capital structure indicates the different and specialized activities of the company. Short-term unsecured notes, long-term debt — both unsubordinated and subordinated—and preferred stock provide substantial leverage. Common equity is about 15% of capitalization, including short-term borrowing. There is a modest amount of dilution from privately held convertibles and options. There are now 1,612,000 shares of stock outstanding. The shares are traded on the New York Stock Exchange.

Raising of funds is a major activity in a growing enterprise. Sales of common are followed by debt issues to the practical maximum as funds raised are put to work. In time, new equity is raised to start the pyramid again. In early 1961 Heller sold 100,000 shares of stock and is now issuing 25,000 for a southeastern company.

Dividends are typically 50% of earnings and have been increased yearly in recent years.

Year—	Per Share Earnings
1961 (Estimated)	$3.50
1960	3.22
1959	2.74
1958	2.39
1957	2.24

Capital Consultants

Capital Consultants Corp. has been formed with offices at 170 Broadway, New York City (c/o Ronald J. Meiselman) to engage in a securities business. Officers are Martin Fabrikant, President; Trudy Fabrikant, Vice-President and Treasurer; and Marilyn Posner, Secretary. Mr. Fabrikant was formerly with Sutro Bros. & Co.

Skousen Financial Branch

SALT LAKE CITY, Utah—Skousen Financial Management Service, Inc. has opened a branch office at 1058 East Ninth South St., under the direction of G. Mardens Cazier.

Mass. Electric Bonds Offered

Merrill Lynch, Pierce, Fenner & Smith Inc. and Eastman Dillon, Union Securities & Co. are joint managers of an underwriting group which is offering an issue of $17,500,000 Massachusetts Electric Co. first mortgage bonds, series F, 5%, due July 1, 1991, at 102.039% and accrued interest, to yield 4.87%. Award of the bonds was won by the underwriting group at competitive sale June 27 on a bid of 101.099%.

Net proceeds from the sale of the bonds will be applied by the company to the payment of debenture bonds, due 1962, and of short-term notes initially incurred to pay construction costs. The balance will be used to pay for construction expenditures.

The bonds are redeemable at general redemption prices ranging from 107.04% to 100%, and at special redemption prices receding from 102.04% to 100%, in each case with accrued interest.

Massachusetts Electric Co. of Worcester, Mass., distributes electric power to 110 cities and towns, covering an area of about 2735 sq. miles, having an aggregate population of approximately 932,000. The territory served by the company contains highly industrialized areas, including the cities of Worcester, Quincy, Attleboro and Leominster, having a total population of over 329,000.

For the year 1960, Massachusetts Electric had gross operating revenue of $63,051,383 and net income of $5,006,962.
gage debt.

International Photocopy Corp. Stock All Sold

J. J. Krieger & Co., Inc., New York City, has reported that the recent offering of 100,000 shares of International Photocopy Corp., made at $3 per share was all sold. Net proceeds, estimated at $242,500, will be used by the company for the repayment of debt, the purchase of equipment, research and development, working capital and other corporate purposes.

The company of 564 West Randolph St., Chicago, is engaged in the development, production and marketing of office copying machines and the sale and distribution of paper, chemicals and other accessories used in conjunction with the photocopy process. Authorized stock consists of 750,000 shares of capital stock (par 20c) of which 212,500 are now outstanding.

Central States Branch

CLEVELAND, Ohio—Central States Investment Co. has opened a branch office at 17016 Stockbridge under the direction of John R. Kosarsky.

J. B. Coburn Branch

WASHINGTON, D. C.—J. B. Coburn Associates, Inc. has opened a branch office at 1730 K Street, N. W. under the management of Lawrence Littleton.

Palm Beach Inv. Branch

DALLAS, Texas—Palm Beach Investment Co., Inc. has opened a branch office in the Meadows Building under the management of William Shriver.

Form Investors Associates

DENVER, Colo.—Investors Associates, Inc. has been formed with offices a 4101 East Louisiana Ave. Officers are Doyle H. Baird, President; Layne J. Denning, Treasurer; Stanford L. Hyman, Secretary; and Robert O. Schuelke, Vice-President.

MUTUAL FUNDS

BY JOSEPH C. POTTER

The Global Approach

Whatever else it may do for investors, San Francisco-based Commonwealth International & General Fund all but guarantees a liberal education in the economies of the world. An original offering of its shares were made in April and the fund began to buy common stocks of international companies the following month.

Represented in the initial list are companies based on 10 countries, including the United States. Nearly all of the more than two-score companies in the portfolio have major stakes beyond the domicile countries. Some of the companies are familiar enough to Americans—Gillette, Singer Manufacturing, Colgate Palmolive, Pepsi-Cola, H. J. Heinz, Standard Oil Co. (New Jersey) and Royal Dutch Petroleum.

And there are others, better known by their products than their corporate cognomens — the likes of Salada - Shirriff - Horsey (tea), Unilever N. V. (Lux, Rinso and Pepsodent) and Canada's Moore Corp. (business forms).

Still others, such as Italy's Montecatini and Canada's Hudson's Bay Co., are known to investors because of their listing on the New York Stock Exchange.

But the small investor is going to be hearing about companies, familiar enough to the Financial District, although strange-sounding to Main Street.

There is in this brand new portfolio, for example, Glaxo Laboratories. Most fund prospects probably would have some difficulty in identifying this company as a top-flight British pharmaceutical manufacturer with subsidiaries in many parts of the world and a fast-growing baby food business. Nor is Beecham Group, Ltd. likely to be quickly recognized as a leading British maker of ethical and proprietary drugs with plants in several countries, including our own.

Skipping over to France, Commonwealth International & General Fund has bought into Cie de St. Gobain. Not every investment-minded inidvidual will spot this at once as the world's oldest and biggest producer of mirror and plate glass. Probably less familiar is Radio-technique, France's leading maker of radio and television sets.

In addition, the company has acquired German giants with such forbidding names as Badische Anilin & Soda Fabrik A. G., a fast-growing chemical company, and Farbenfabriken Bayer A. G., the world's second largest producer of photographic items, which the American public knows for its Agfa line.

Commonwealth, in its global approach, has acquired interests in Australia too. One of these is Myer Emporium, the largest department-store chain Down Under. A second probably will be more readily identifiable: Broken Hill Proprietary Co., Ltd., Australia's leading steel producer.

Obviously, Commonwealth stands to benefit from an era of international stability, which is by no means guaranteed. Still, the rewards could be rich and, at any rate, it is an undertaking best left to professional management with a working knowledge of the world's varied economies. The fund describes itself with reasonable accuracy as "a world-wide investment in a single security."

The initial investments, at least, show a strong bias toward blue chips. Americans who like the blue chips they know best (Telephone, General Motors and Du Pont) will have an opportunity to broaden their horizon through such undertakings as Commonwealth.

As noted at the outset, the fund, among other things, will be performing an educative function. While American investors have no aversion to learning, the crucial question, of course, is whether they will earn even as they learn.

The Funds Report

Alleghany Corp reports net assets at March 31, end of its first quarter, totaled $94,573,444 for the common stock, equal to $15.75 a common share. This is a decline from the $99,229,395 and $17.62 a share at March 31, 1960. Lower market values for its stock in New York Central and Investors Diversified Services were primarily responsible for the decline during the year.

This is the first report issued by the new management group headed by John D. and Clint W. Murchison, Jr. since they gained control of the company in a proxy contest.

* * *

Directors of **American Mutual Fund, Inc.** declared a dividend of six cents a share from net income, payable July 28 to shareholders of record at the July 3 meeting.

* * *

Directors of **Axe-Houghton Fund B** have declared a third-quarter dividend of seven cents a share from investment income. The dividend will be paid July 28 to shareholders of record July 7.

* * *

Centennial Fund II, Inc., under its new name—Second Centennial Fund, Inc.—has begun operations with assets of $38,762,302, representing 1,512,533 shares of the fund and held by 204 investors. This was announced by W. M. B. Berger, President of Second Centennial Fund, and Ranald H. Macdonald III, President of its sponsoring organization, Centennial Management & Research Corp.

The fund is patterned after Centennial Fund, Inc., first of the open-end investment companies which enabled investors to diversify their equity capital without immediate realization of capital gains, through the simultaneous exchange method. Centennial Fund, Inc. was formed last Aug. 15 with total net assets of $26,383,427, held by 193 investors.

* * *

A portfolio of international investments has been disclosed as the initial investment list of **Commonwealth International & General Fund.** Described as "A world-wide investment in a single security," the fund's list shows investments in 47 commercial and industrial companies based in 10 countries, with operations extending throughout the Free World.

* * *

Institutional Growth Fund declared a quarterly dividend of five cents from investment income, payable Aug. 1 to stockholders of record July 3.

* * *

Keystone Fund of Canada, Ltd. reports for the fiscal year ended March 31 per-share net asset value of $16.34, a new peak. At the close of the preceding year the figure was $12.83.

Keystone Growth Common Stock Fund Series S-3 reports that at April 30 net asset value per share was $15.53, compared with $11.75 six months earlier. During the period from Nov. to April 30 the company added to its holdings: Burlington Industries, Crown Cork & Seal, R. R. Donnelley & Sons, Emerson Electric Manufacturing, Food Fair Stores, International Minerals & Chemical, Lockheed Aircraft and Time, Inc. Over the same span it eliminated Eastern Airlines, General Portland Cement, Goodyear Tire & Rubber, Kelsey-Hayes, KLM Royal Dutch Airlines, Reynolds Metals, Tecumseh Products and West Virginia Pulp & Paper.

* * *

Massachusetts Investors Growth Stock Fund closed the second quarter of its fiscal year on May 31 with new quarter-end highs in net asset value per share, total net assets, number of shareholders and shares outstanding. The per share value on that date was $17.99. Three months earlier, the shares were valued at $16.78.

Total net assets increased by 43% during the 12-month period, rising to $518,840,836 from $362,000,042. At the end of the last quarter, net assets were at $464,687,456.

Investments were diversified at the quarter-end among 92 companies in 17 different industry groups. Petroleum and business machine issues continued to represent the leading industry categories, accounting for 16% and 10%, respectively, of net assets. These were followed by electric utilities at 9.8%, electrical and electronics 9.6%, insurance 8.3% and drugs and medical 8%. During the second quarter the fund made a new investment in the shares of Commonwealth Edison and increased holdings in 24 companies. Among the largest increases were those in Rohm & Haas, Smith, Kline & French, Amerada Petroleum, International Nickel of Canada, Wallace & Tiernan, Miles Laboratories and MGM.

* * *

The B. C. Morton Organization's fifth annual sales convention at Pike, N. H., ended with a report on the investment firm's growth and an outline of its major plans and projections for future expansion. Attending the four-day parley were some 500 B. C. Morton executives and sales representatives and their families.

Chairman Morton W. Goldberg told the assemblage that the company's 83 offices and 750 representatives in 36 states were more than double the totals at the time of the previous convention. He disclosed that the company's volume in mutual funds, savings and loan placements, realty syndication and mortgages currently is running 25% ahead of last year's rate which produced record sales of $103 million.

* * *

Nelson Fund, Inc. directors have dropped the contingent tax reserve to make the fund a regulated investment company. As a consequence net asset value of each share increased from $4,794 to $5,104.

With Chace, Whiteside

(Special to THE FINANCIAL CHRONICLE)

BOSTON, Mass.—Richard D. Van Tubergen is now associated with Chace, Whiteside & Winslow, Inc., 24 Federal Street, members of the New York and Boston Stock Exchanges. He was formerly with Drexel & Co. and Shearson, Hammill & Co. in New York.

H. Gersten With Casper Rogers Co.

Casper Rogers & Co., Inc., 80 Pine Street, New York City, dealers in

Henry B. Gersten

over-the-counter securities, have announced that Henry B. Gersten is now associated with their firm as manager of the trading department. Mr. Gersten who has been in the investment business for many years, was formerly with Dreyfus & Co.

Broad St. Sales Names Coward

Richard L. Coward of Skaneateles, N. Y., has been appointed district sales manager of Broad Street Sales Corporation, it was announced by Robert H. Brown, Jr. President. He will serve investment dealer accounts in parts of New York State and in New Jersey and Connecticut. Mr. Coward has had extensive experience in the investment business. Until recently he was New York State representative of a large mutual fund distributing organization. He began his investment career with McDowell, Dimond & Co. of Providence, R. I., where he was manager of the trading department. Later he was associated with Weeden & Co. in New York City and Boston.

Mennis Named by Wellington Mgmt.

PHILADELPHIA, Pa. — Edmund A. Mennis has been appointed vice-chairman of the investment committee of Wellington Management Co., 1630 Locust Street, it was announced by A. Moyer Kulp, senior vice-president and investment committee chairman. Mr. Mennis joined the Wellington organization as a security analyst in 1950 and was appointed a vice-president-investment research in 1960.

Form W. T. Emmet Co.

W. T. Emmet & Co., Inc. has been formed with offices at 375 Park Avenue, New York City, to engage in a securities business. Officers are William T. Emmet, President; Wm. W. Vicinus, Secretary-Treasurer. Mr. Emmet was formerly with W. E. Hutton & Co. and Stanley Heller & Co. Mr. Vicinus was an officer of Trust Securities Corp.

Ohio Franklin Fund, Inc. Stock Offered

Pursuant to a June 6, 1961 prospectus, The Ohio Co., Columbus, Ohio, publicly offered 1,000,000 common shares of this new fund in exchange for blocks of acceptable securities, with a minimum market value of $10,000. The exchange is based on one share of Ohio Franklin for each $20 of market value of securities deposited, less compensation to the Dealer-Manager.

Ohio Franklin Fund of 51 North High St., Columbus 15, Ohio, is a diversified open-end investment company with redeemable shares, which was organized on Jan. 24, 1961. Its purpose is to provide investors holding acceptable securities with a method of diversifying their holdings without realizing gain or loss for Federal income tax purposes at the time of the exchange. After the initial issue, the Fund will not make any further offerings of its shares, unless authorized by the SEC.

Eastern Camera And Photo Corp. Stock All Sold

Pursuant to a May 8, 1961 offering circular, as amended June 15, Street & Co., Inc., New York City, publicly offered and sold 75,000 common shares of Eastern Camera & Photo Corp., at $4 per share. Net proceeds, estimated at $235,000 will be used by the company for the repayment of debt and for other corporate purposes.

The company, of 63 W. Columbia St., Hempstead, N. Y., and its subsidiaries, are engaged primarily in the business of operating a chain of 13 retail stores and one concession, selling cameras, film and photographic supplies and equipment, chiefly in Nassau and Suffolk Counties. The business of the company is conducted under the name Eastern Camera Exchange. Capitalization consists of 1,000,000 common shares (par 10 cents) of which 300,000 are outstanding.

Jay Cherny Co. Formed

WASHINGTON, D. C. — Jay Cherny & Co., Inc. has been formed with offices in the Transportation Bldg., to engage in securities business. Julius Cherney is a principal of the firm, which will maintain a branch office at 11 Broadway, New York City under the direction of Sam Korngold.

Today's Speculative Cycle And Role of Government

Continued from page 3

ence of opinion with the idea that it may help shed some light on the problem and perhaps even draw some tentative conclusions.

Speculative Cycles

At the outset I want to put forth one of my own dogmas, which may be at variance with some of the current widely-held theories regarding cycles. I believe very strongly in the existence of speculative cycles (anyone in our business who does not would have to be completely out of his mind), but I believe they vary greatly in intensity and duration, not as the result of predetermined rhythms, but owing to a whole random assortment of unrelated phenomena that may come to bear at a particular time. Now perhaps these phenomena have their own predetermined rhythms and are not unrelated, but in my experience the success others have had in measuring these cycles in advance has been too meager to represent anything more than pure chance. I am not referring here to phenomena of business activity like copper prices, housing starts, demand for automobiles, or the rate of steel production. These do seem to allow a fair degree of regularity in cyclical change and, therefore, seem reasonably predictable.

What I am interested in are the more intangible phenomena. Why for example, did General Motors sell at $50 a share in 1949 when it was earning $14.64 and paying an $8 dividend and sell at the same price last year (after several splits) when it was only earning $3.35 and paying $2.00, and this after a decade of rather unimpressive earnings performance? Put another way, earnings on a fully adjusted basis rose from $3.12 a share in 1950 to $3.35 in 1960, while the stock rose from 12 in early 1950 to 55 in early 1960. General Motors is certainly not an extreme example of this sort of thing in the stock market, and I bring it up as an example mainly because so many services and experts have gone on record saying the stock was cheap, depressed, behind the market, etc. after so much publicity was focused on the stock following the Supreme Court decision regarding DuPont's holdings.

Is a dollar of earnings really, conservatively, worth four times as much today as it was in 1950, when the intervening record and the long-term outlook give little or no evidence of a dynamic growth trend in earnings? It is, if you believe in cycles, and those who believe in old-fashioned speculative cycles would comment that it is a prime example of the kind of extreme cyclical overvaluation that comes at the top of a movement. But now let us for a moment play the devil's advocate and see what the modernists might have to say who think cycles are a thing of the past.

They might first point out that General Motors, in comparison with most stocks of similar investment reputation, is selling at a moderate price-earnings ratio and providing a reasonable yield. Its importance, competence, and leadership in its industry is unchallenged. In a bad automobile year GM's profit margins are so wide that its earnings should show little decline; therefore, its dividend is assumed to be safe. The vast pressure of investment funds to hold common stocks virtually assures a continuing source of demand for General Motors on the theory that "no really large investment account can consider not holding GM." The pressure of these funds will be permanent because the government will continue to inflate the currency in order to promote full employment. Therefore, investors will keep buying common stocks, and the best common stocks, like the best of anything for which there is a heavy demand, will command a high premium over their "normal value."

Labels Assumption "Pure Moonshine"

These are the strong anti-cyclical arguments, to which we might add the widely accepted dogma that there will never be another serious business recession because the government would not and could not permit it to occur. On the basis of this dogma the economy can only proceed from strength to strength and no matter how overvalued a given, good quality stock may appear today, it will appear cheap ten years from now because inflation and full employment will have substantially increased corporate earning power. I believe that this dogma and its conclusions are at considerable variance with the facts, but this is not the place to go into a long discussion on this most interesting subject.

Suffice it to say that if stocks of certain leading companies have not been able to increase their earning power under the almost ideal business conditions of the 1950's, with an administration in power friendly to business, it is hard to see how they can do so during the 1960's when the business outlook is to say the least somewhat obscure (even if there are no depressions) and the government is obviously strongly biased against business and in favor of labor. In my opinion this whole line of reasoning, based on the inevitability of growth in earnings during the next decade, is pure moonshine and is in fact one of the strongest arguments in favor of the theory that we are near a major cyclical peak, Washington Irving style. But we'll let that pass for the moment.

There can be no question today that the stock market in 1949 was deeply depressed, although at the time it was not generally thought to be so. The Dow-Jones Industrial Average made a bottom of around 92 in 1942 and a top of 212 in 1946. As of mid-1949 the technically-inclined market analyst could look back on a 15-year period in which the averages had held roughly between 100 and 200 with fairly regular four or five year swings between one extreme and the other. On the basis of this sort of analysis a further decline in the Dow Industrials to around 100 by 1951 or 1952 was fairly widely forecast, particularly since the so-called "inevitable postwar recession" just appeared to be getting underway in mid-1949 and would logically be expected to last another year to eighteen months anyway. All cyclical influences therefore looked quite negative when the market was making its major bottom. Only one that I know was really reliable: public confidence. The public was educated into believing all the arguments we have just rehearsed. Consequently they were all bearish. Those who were going to sell stocks had already done so and the market was strongly oversold.

Last Decade's Speculative Booms

Whether the market would have recovered much above 200 for a while had the Korean War not broken out in mid-1950 is hard to say. The economy certainly was not very robust at that time and the stock market showed manifest signs of making a top that June before the shooting started. But when the Korean War began, something happened to speculative psychology. It suddenly became apparent that there was a *force majeure* operating on the economy and that the normally deflationary cycles were being forcibly reversed by huge government purchases of raw materials for the armed forces. These purchases led to a reverse in inventory liquidation and a new boom was underway. It was a news market and the speculative cycle reached its top at about the time the Korean War ended and the new Eisenhower Administration announced it would follow an "honest money" policy.

From early 1953 to mid-September of that year the market deteriorated, and again all downward cyclical pressures seemed to be in conjunction. Again, however, *force majeure* intervened: This time in the form of a shift in psychology occasioned by the government's abandonment of its "honest money" policy. 1954 and 1955 saw an inflation-propelled stock market. Inventories were again accumulated and raw materials producers prospered. The President's heart attack in September 1955 provided only a momentary jolt, and the speculative boom continued on its merry way until the summer of 1957 when the government, via the Federal Reserve Board, thought things were getting out of hand and resorted to a tight money policy.

This time *force majeure* began to work powerfully in reverse, and in my opinion we might have had a major collapse had not the authorities suddenly reversed themselves in the fall of 1957 and early 1958, convincing investors and businessmen again that the Administration had no intention of abandoning a long term policy of forced inflation.

Kennedy Restores "Force Majeure"

Once again the boom was underway and stock prices rose almost without interruption into the summer of 1959, when speculative enthusiasm finally seemed to have exhausted itself. After an abortive attempt to make new highs in January 1960, the stock market buckled, partly from the consciousness that prices had risen too far, partly from the competition provided by a 5% yield on Government bonds, and not a little from fear that the Administration would let business slide this time because of its admitted hasty behavior in reversing the economy in 1957-58 by strong arm methods. These latter fears were quickly abandoned when Mr. Kennedy was elected last fall, to the accompaniment of brilliant promises and hopes for the *New Frontier*, which to investors meant renewed inflationary pressures from the government on an even larger scale than had been seen during the 1950's. Stock prices recovered to make new all-time highs in March of this year.

Then came Cuba and the Freedom Riders. These events seemed to be comparable in their non-economic overtones to Mr. Eisenhower's heart attack in 1955. They led to a weakening of confidence in the ability of the new Administration, which in turn caused a lessening of speculative enthusiasm (which had now reached its highest stage of exuberance since 1929). Again the question arose as to whether a cyclical reaction might be in the making, and at this time it is still too early to venture an answer. We suspect, but are not yet sure, that business is recovering from last year's recession. By analogy with recent past economic developments, one would expect the business recovery to extend through 1962 and perhaps further, and by analogy with post-1950 markets one might expect a further rise in the stock market as long as business improves.

Looking back on this whole long speculative cycle, then, we draw the conclusion that its normal rhythms of action and reaction have been inhibited and distorted by massive political-economic action on the part of the government. In addition to full employment a strong stock market seems to provide good support for the party in power. With this repeated interference in normal reactions, however, uncorrected speculative excesses have been allowed to build up until there is now a real possibility that the excesses themselves may threaten a corrective, stock market reaction over which the government could exert no effective control. If an increase in these excesses is encouraged, the boom may well collapse of its own weight at a most embarrassing time, in an election year, for instance, causing not only a further loss of faith in the *New Frontier*, but even the possible removal of its proponents from office.

Since our present political leaders in Washington are well aware of these possibilities, there seems some substance to the stories that Administration leaders would like to see some correction of speculative excesses now, in 1961, while business is improving and while there is still over a year before the next Congressional elections. They may well reason that by deflating the balloon now, they can start inflating it again some time in 1962, in plenty of time to win back the possible straying or disillusioned voter.

Two Speculative Types

There are many possible schemes that have been discussed. The various Congressional investigations and pronouncements by persons in high places against speculative excesses are obviously attempts to talk prices down to a more reasonable level, but I fear they have been too weakly phrased so far to do more than give temporary pause to a few thoughtful investors. Most of the enthusiastic speculators in today's market fall into two classes: those who believe they can get out before the rest because they are smarter, and those who are too foolish or inexperienced to believe they will ever have to get out. These latter speculators are the kind of people who believe money grows on trees. They have little or no understanding of what they are buying or selling, or why. They expect to get rich without exercising patience or intelligence, without any understanding of the risks involved. It is their presence in the market that imperils the whole structure and it seems almost a law of nature that they will be severely dealt with by the time the dust of this boom has finally settled. These naive creatures will not heed the warnings of those more experienced than themselves, although they will be the first and loudest in attacking these same experienced people when the day of reckoning comes for not warning them more urgently in time.

Fantastic Capital Gains Forgiveness Proposal

Assuming then that moral suasion will not work, the Administration will in all probability seek some specific means of attacking speculative excess in itself without directly intervening in the economic recovery. The most ingenious scheme I have heard along these lines is the following which I am told has been under discussion by certain Treasury Department officials. The government would grant, for a specific and limited period of time, forgiveness from capital gains taxes if the proceeds of sales are reinvested in a non-taxable government bond bearing 2½% interest with a long maturity or no maturity at all. The transactions would presumably work like one of these swap trusts and the investor would acquire the bonds with a tax cost basis the same as that of the stocks he had sold.

The simplicity and sheer Mephistophelian ingenuity of such a plan staggers the imagination. There is no doubt in my mind that it would bring out huge offerings of stale blue chips and other stocks in which long-term holders have felt "locked in" because of capital gains tax liability. This money coming into the government bond market in large amounts would enable the treasury to refund short-term borrowings with long-term bonds, would promote an easy money market, which would stimulate business, and would return to the fiscal authorities much tighter control over interest rates. It would greatly strengthen U. S. credit abroad (by reducing U. S. borrowings there) and would allow the government to pursue future inflationary policies to a far greater extent without endangering the foreign exchange value of the dollar.

In the stock market it would relieve the chronic complaint of institutions that there is a shortage of good equities, and for investors taking advantage of the offer, it would provide a fair tax-free yield and stabilize large paper profits accruing from the 12-year bull market. In the event of a future market break it would provide a source of funds that might find their way back into common stocks. On the face of it, it is one of these brilliant schemes that seems to solve all problems for all men. It should have little trouble obtaining the necessary Congressional approval.

Would Reduce Price

What such a plan might do to stock prices is another question, and one very difficult to answer at this point. With so many quality stocks historically very high in price, there must be a large number of investors who would like to sell. They hesitate doing so at present because they are reluctant to pay large capital gains taxes and they are not convinced that the stocks will not keep rising after they sell. If the first of these objections is removed by the tax-free exchange offer, the second might quickly disappear as the available supply of these issues on the market increased. A shift of this sort might suffice to give us the first real reversal in the speculative cycle we have seen since 1949 and, coming at a time when speculative enthusiasm is already showing signs of fatigue, it might easily bring a correction of the principal excesses that have built up during recent years. Whether this correction would be confined to the stock market or spread into other areas of the economy is something else again and is a risk inherent in any such scheme, but as many Administratiion officials see it, it is a question of doing it now, when elections are still far away, or having it happen of its own accord later, at an awkward time and with no concomitant benefits to government finance when it does take place.

Disclaims Any Inside Knowledge

This is just an idea I am throwing out for consideration, since I have no inside knowledge that it will really be proposed. It seems to me, however, that it is quite consistent with the analysis we have made of the speculative cycle as it has shown itself since 1949. As we have seen it, the whole bull market has been artificially stimulated by government intervention whenever it has run into trouble. If a further rise from here, with its threat of a speculative reaction would hurt rather than hinder government policy, then it stands to reason that the government may easily intervene in order to reduce speculative activity, even if it is its intention to do so only on a temporary basis. The emotional cycle, as I see it, has been kept going far beyond its normal life expectancy by the use of narcotics. A sudden change in treatment could bring an unexpectedly speedy reversal.

Now we can come back to our original question as to whether the speculative cycle is rendered obsolete owing to our improved understanding of social, economic, and political processes or whether it is merely the same as it always was and is completing a classic boom from which a bust will follow. The answer we have come up with is in disagreement with both views. While it has not been demonstrated that the emotional speculative cycle cannot be kept booming indefinitely by government manipulation, there does come a point where it may no longer be in the government's interest to keep it booming because of the risk that uninformed speculators may destroy the whole carefully planned structure by panicking at the wrong moment. Therefore, the same forces that have intervened to perpetuate the boom may decide at any time to put a stop to it. From ordinary methods of measurement I do not see that it is predictable precisely when this change of attitude may take place. It proceeds not from the comparatively mechanical working out of the actions and reactions of public opinion, but from the planning of one individual or relatively small group functioning as a *deus ex machina*.

If we then concede that speculative cycles can to an important extent be manipulated at will by the government, it has also appeared that even the government itself in its role as manipulator cannot do away with the speculative cycle entirely, but must produce its own reactions from time to time to keep public enthusiasm from getting out of hand. We have never been through the experience of a government-induced reaction at a time when speculative overconfidence was built up to the extremes normally encountered at the tops of major booms, so the question remains to be answered whether the forces of liquidation, deliberately set in motion at such a time, can be effectively stopped. The classic public sentiment always heard on this subject is that it can be easily stopped before it gains momentum, but this, like many another economic cliche is a meaningless truism. There is no way of telling how fast momentum may accelerate once the trend is known to have turned, and governments in free countries, no matter how laudable their intentions, are notoriously slow to react to unexpected stimuli.

Conclusion

In conclusion, then, I think we have before us all the classic signs pointing to the end of a speculative boom in common stocks, but I also think it is largely within the government's power to determine whether this boom will end tomorrow morning at 9 o'clock or will be nourished and stimulated a while longer. This is a most unsatisfactory state of affairs for people who like to reason about what happens in the market on the basis of speculative cause and effect or standard cyclical behavior, but I think it fairly reflects our transitional society in which the free interplay of economic forces is everywhere becoming increasingly subjected to government influence. The new patterns are not yet fully worked out, but it would indeed be ironic if in the future world of perfected government economic supervision over every activity, the same boom and bust cycles are going to take place as we expect to have under traditional, *laissez-faire* capitalism. Still, stranger things have happened.

*An address by Mr. Thurlow before the New York Chapter of the Foundation for the Study of Cycles, New York City, June 20, 1961.

Inflation Fears Unjustified Despite Budget Deficits

Continued from page 1

to hold. Their effect is automatically to increase government outpayments and decrease government receipts. The result is a deficit which helps to arrest the economic decline.

The "automatic stabilizers" have been operating since last Fall. We can largely thank the stimulating effects of their action for the mildness of the recession. It is also due to their action that we are facing a substantial budgetary deficit this fiscal year.

Now, let us look for a moment at tax receipts:

"Automatic Stabilizers" Produce Deficit

When the budget for fiscal year 1961 was first submitted, Federal revenues were estimated at $84 billion. This included certain inter-Governmental transactions and receipts from the Unemployment Tax, which, because of a change in Government bookkeeping procedures last December, are no longer carried on the receipt side of the ledger. Therefore, in order to make the original estimate comparable with current estimates, we should adjust the earlier revenue figure of $84 billion down to $82.9 billion.

The recession which no one in or out of Government foresaw at the end of 1959, has now reduced revenues to a point well short of this adjusted estimate. If we eliminate the windfall receipt of the $500 million advance repayment of the German postwar debt, fiscal year 1961 revenues will be about $77.7 billion, a drop of $5.2 billion.

Our obligation to help ease the effects of the recession upon our less fortunate citizens will also add to this year's deficit. The bulk of unemployment compensation is financed from trust funds and is, therefore, not reflected in the budget. However, the provisions in our permanent legislation for those out of work six months or longer are clearly inadequate. This Spring—just as in 1958—we had to enact temporary legislation to care for their urgent needs. The budget expenditures called for by this temporary legislation will add approximately a half-billion dollars to the deficit this fiscal year.

So you can see that our two "automatic stabilizers," while helping to halt the recession, were also responsible for a swing of $5.7 billion toward a budgetary deficit.

This swing, coupled with substantial increases in the rate of defense expenditures, minor increases in other expenditures, plus Congressional failure to increase postal rates, has led us to a deficit for this fiscal year that will approach $3 billion. Since this deficit contributed substantially to halting the recession, it was entirely appropriate in the circumstances.

The alternative — of reducing government expenditures to match reduced revenues — would not only have meant *no* temporary unemployment compensation, but also a substantial addition to the unemployment rolls as government programs were curtailed. . . to say nothing of the damage to our national security caused by the defense cutbacks that would have been required.

Let me underscore this point: reductions in expenditures to match reduced revenues would have increased the severity of the recession, enlarged unemployment, and thereby further reduced our revenues. We would have found ourselves in a deflationary spiral that could easily have led to a severe and prolonged economic depression.

In actual fact, this alternative was so clearly unacceptable that there has been little responsible complaint about the deficit for the current fiscal year. There has, however, been considerable concern about the deficit of some $3.7 billion which we face in the coming fiscal year. This reaction is perfectly understandable. For recovery is well under way. It is probable that by this time next year our economy will be rolling in high gear. We may well be in the midst of an economic boom.

Explains Why Another Deficit Is in Prospect

Why, then, another deficit?

The reason is simple: The corporate taxes we will collect in the coming fiscal year will be based on calendar year 1961 profits. Personal income collections above the withholding rate will also be largely based on 1961 results.

The first quarter of 1961 marked the very bottom of the recession. Corporate profits ran a full 20% behind the previous year's rate. While it is true that business is showing signs of a strong recovery, corporate profits in the current quarter will probably not exceed those of the comparable period last year. So, even with a substantial upturn in the second half of the year, we shall be doing well if corporate profits equal their 1960 rate. Consequently, the revenues the government can count on for fiscal year 1962 will still be at recession levels. In fact, they will be considerably less than the revenues originally forecast for the current fiscal year. Meanwhile, expenditures must keep pace with our ever growing population and our mounting national needs. This makes a deficit inevitable if we are to meet our urgent requirements in defense, in space, in education, in housing, in transportation, and in the international field.

With recovery on the march, however, we plan to incur only those expenditures that are essential to our long range national security and to the well-being of our people. There is no need for emergency programs to stimulate the economy. None has been proposed. On the contrary, the President has urged the Congress not to add to his legislative proposals. He has also urged the enactment of badly needed revenue-raising programs, particularly in the postal field. The enactment of a fair and long needed increase in postal rates is essential if we are to hold the deficit to the reasonable figure we have foreseen. Those who fear for the fiscal soundness of our government would do well to direct their energies to bringing about an upward adjustment in postal rates.

Inflation Fears Termed Unjustified

I recognize the concern of those who fear that a budget deficit next year may be inflationary. The great majority of those who express this concern acknowledge that a reasonable budget deficit in time of recession can help to halt the downturn — as has been the case this year. So it is not the budget deficit *per se* that worries them. It is, rather, a deficit incurred during a period of economic expansion such as we now anticipate. They fear that any deficit during a period of growth may set in motion the forces of inflation. However, in the light of current economic prospects, such fears are not justified.

Inflation falls roughly into two categories:

The first is the type we have lived with over the past decade, known as "cost-push," or wage-price inflation. It is a gradual process that comes about whenever prices and wages are increased more rapidly than is warranted by growth in productivity. The threat of this type of inflation is always with us. It is greater in good times than in bad, because in good times both management and labor are tempted to increase prices and wages at the expense of consumers whose resistance has been lessened by prosperity.

This type of inflation is particularly dangerous today in the light of our balance of payments problem and the imperative need to keep our products competitive with foreign products, at home and abroad. The President has repeatedly appealed to both labor and management to exercise restraint in their wage-price actions and to keep in mind at all times the over-all national interest. It was to help in this effort that he created the President's Labor-Management Advisory Committee. While the danger of this type of inflation is real and ever-present, it operates outside of budgetary influences.

The second—and classical—type of inflation is "supply-demand" inflation. This occurs whenever demand outruns supply. If more money becomes available to buy the same volume of goods, prices simply rise. This is inflation of the type which twice in this century totally destroyed the value of the German mark. This is the type of inflation which is influenced by budgetary action.

We need have no fear that a budget deficit such as we envision for next year will bring with it the threat of this classic kind of inflation. For we are no longer in a time of shortages. There is unusual — and under-utilized — capacity everywhere in our land today: in steel, in autos, in housing, in textiles, in chemicals — indeed, everywhere we look. We also — and unfortunately — are under-utilizing our labor force, which stands ready and willing to operate the unused capacity of our industrial plant. Next year's budgetary deficit will of course stimulate demand. But it will be a demand that can and will be met by the use of presently unemployed labor and plant. Rather, therefore, than creating inflationary pressures, the $3.7 billion deficit we anticipate in fiscal year 1962 will be helpful in putting our unused plant capacity and labor force to work.

When we evaluate the coming deficit for fiscal 1962, we should look back to fiscal year 1959, when the country faced an identical economic situation. The upturn from an earlier low started in the spring of 1958. The entire fiscal year 1959 was one of substantial recovery. Yet the deficit reached the staggering figure of over $12 billion—more than three times the deficit presently in sight for next year. It is clear that there is nothing unusual about a deficit in the year immediately following a period of recession.

Alternative to Another Deficit "Unpalatable"

It is with all this in mind — reduced recession revenues, growing national needs, unused plant capacity, excessive unemployment, and absence of inflationary pressures — that I reiterate my earlier statement that a deficit of the size which we envisage for fiscal year 1962 — a deficit one-third the size of the 1959 deficit —is both inevitable and appropriate.

The alternative—to reduce expenditures to match recession revenues, with resulting dangers to our national security, neglect of our national needs, slowing of our progress toward full employment and toward full utilization of our plant capacity—is totally unacceptable.

This alternative course is equally unpalatable if we look ahead to the revenue prospects for fiscal year 1963. By then, revenues should be flowing from a prospering economy. They could well jump as much as 10% over what we can expect for fiscal 1962. With reasonable prosperity during 1962, our fiscal 1953 revenues should approximate $90 billion, compared to the $81.4 billion that we now foresee for the coming fiscal year.

Once again this would parallel past experience. For in fiscal 1960, our revenues jumped a full $9.8 billion over the recession revenues of 1959.

The reasons underlying this prospect are best understood if we examine our economy in terms of our Gross National Product:

Our GNP for 1960 was about $503 billion. But this year during the first quarter GNP dropped below $500 billion. Even with the presently forecast total of around $530 billion in the fourth quarter, the average for 1961 will not quite reach $515 billion—or an increase of only about 2¼% over 1960.

Economy to Grow Markedly In 1962

But 1962 gives promise of being a year of accelerating growth. From something like $540 billion in the first quarter, we can reasonably hope for an increase to about $570 billion by year end. This would give 1962 an annual level of some $555 billion, an increase of nearly 8% over 1961.

If this pattern should develop next year—and the chances are good—our revenues for fiscal 1963 would be adequate to meet all of our national needs, with something left over. We should keep this longer-range prospect of prosperity clearly in mind whenever we can consider next year's budgetary outlook.

Now what can we do during the coming year to facilitate the achievement of our basic economic goals as our economy recovers and our output increases?

First, we must avoid price increases so that those who live on fixed incomes will not be penalized. This will require a high order of self restraint on the part of both labor and management with wage increases geared to increases in productivity.

Second, we must make a great and continuing effort to reduce unemployment to a tolerable figure—4% is the current goal. A modest and noninflationary deficit such as we foresee for next year will contribute to this end. In addition we should mount a coordinated attack on structural unemployment by enacting the President's proposals, including an expanded training program.

Finally, we should use the respite given us by the present recovery to overhaul and strengthen the mechanism of our "automatic stabilizers" so that future recessions may be milder and shorter than any we have so far experienced. The fact that we have twice had to enact temporary unemployment compensation measures clearly indicates that our permanent legislation to help the jobless should be overhauled and strengthened. This should be done not only for the benefit of future unemployed, but in the interest of over-all economic stability.

If we do these things we can look forward to a period of unmatched prosperity — prosperity that will give us the strength we shall need to face the world-wide challenges of the Sixties.

*An address by Secretary Dillon before the National Press Club, Washington, D. C., June 20, 1961.

Thornton Co. Opens

LOS ANGELES, Calif. — William J. Thornton is engaging in a securities business from offices at 2600 Wilshire Boulevard under the firm name of Thornton & Co. He was formerly with Dempsey-Tegeler & Co.

STATE OF TRADE AND INDUSTRY

Continued from page 5

year, and industry output remained on an even keel despite the Wednesday drop-out of S-P Corp.

Ward's set this week's auto assemblies at 128,844 as compared with 129,274 last week and 141,247 in the same week of 1960. Studebaker - Packard's assembly line clean-up Monday and Tuesday contributed only 942 units to this week's total. The South Bend, Ind. Co. ended its model run producing only about half the number of cars it did in the 1960 session.

Of the four companies continuing operations, Ford Motor Co. effected the only week-long plant shutdown, closing its Los Angeles facility for five days. Dearborn and Wixom, Mich sites were idled for one day only. The company's San Jose, Calif. truck factory was closed all week. Ford did schedule the only Saturday overtime during the period, however, working Lorain, Ohio and Metuchen, N. J. for six days. Chevrolet extended Corvette production at St. Louis but the regular car line maintained there was not affected.

Ward's said that a similar schedule next week would bring total June car output to about the May level, when production reached 542,303 units, the high month of the 1961 calendar year.

For the final June week, Ford has scheduled closing its St. Louis plant, also to be idle the first week of July. But General Motors, Chrysler Corp. and American Motors Corp. plan no changes from this week.

Of the week's output, General Motors accounted for 49.4%; Ford Motor Co. 30.0%; Chrysler Corp. 12.2%; American Motors 7.6% and Studebaker-Packard 0.8%.

Decline in Business Failures in Week Ended June 22

Commercial and industrial failures declined noticeably to 307 in the week ended June 22 from 351 in the preceding week, reported Dun & Bradstreet, Inc. Although at the lowest level in three weeks, casualties remained slightly heavier than the 296 occurring last year and exceeded considerably the 256 in 1959. However, fewer businesses failed than in the comparable week of pre-war 1939 when the toll was 310.

Failures involving liabilities in excess of $100,000 fell to 31 from 46 in the previous week and 41 a year ago. A decline also occurred among casualties with losses under $100,000, which turned down to 276 from 305 a week earlier but continued above the 255 of this size in the similar week of 1960.

The toll among manufacturers dipped to 42 from 59, among wholesalers to 27 from 37, among construction contractors to 46 from 55, and among service concerns to 28 from 35. On the other hand, retailing mortality remained practically steady, 164 as against 165. While trade and service casualties exceeded their 1960 levels, fewer manufacturers and construction contractors failed than a year ago.

Seven of the nine major geographic regions reported declines during the week just ended. Failures in the East North Central states dropped to 58 from 70 and in the South Atlantic states to 30 from 49. In contrast the Middle Atlantic toll held even at 99 and the Pacific toll rose mildly to 63 from 56. Casualties exceeded year-ago levels in all except two regions—the West South Central and Mountain states where tolls dipped below 1960.

Electric Output 1.8% Higher Than in 1960 Week

The amount of electric energy distributed by the electric light and power industry for the week ended Saturday, June 24, was estimated at 14,870,000,000 kwh. according to the Edison Electric Institute. Output was 475,000,000 kwh. below that of the previous week's total of 15,345,000,000 kwh. and 266,000,000 kwh., or 1.8% above that of the comparable 1960 week.

Lumber Shipments Were 5.5% Behind 1960 Volume

Lumber production in the United States in the week ended June 17, totaled 240,668,000 board feet compared with 229,336,000 board feet in the prior week, according to reports from regional associations. A year ago the figure was 249,942,000 board feet.

Compared with 1960 levels output dropped 3.7%, shipments were down 5.5%, and orders fell 0.2%.

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

	June 17 1961	June 10 1961	June 18 1960
Production	240,668	229,336	249,942
Shipments	289,124	231,443	253,029
Orders	239,366	225,145	239,794

Freight Car Loadings for June 17 Week Up 1.5% Above Preceding Week

Loading of revenue freight in the week ended June 17, totaled 602,153 cars, the Association of American Railroads announced. This was an increase of 8,849 cars or 1.5% above the preceding week.

The loadings represented a decrease of 47,350 cars or 7.3% below the corresponding week in 1960, and a decrease of 122,125 cars or 16.9% below the corresponding week in 1959, when loadings hit the high point for that year.

There were 12,609 cars reported loaded with one or more revenue highway trailers or highway containers (piggyback) in the week ended June 10, 1961 (which were included in that week's over-all total). This was an increase of 1,370 cars or 12.2% above the corresponding week of 1960 and an increase of 3,940 cars or 45.4% above the 1959 week.

Cumulative piggyback loadings for the first 23 weeks of 1961 totaled 249,964 for an increase of 7,654 cars or 3.2% above the corresponding period of 1960 and 73,342 cars or 41.5% 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 in Week Ended June 17 was 1.2% Ahead of 1960 Week

Intercity truck tonnage in the week ended June 17, was 1.2% ahead of the volume in the corresponding week of 1960, the American Trucking Associations, Inc. announced. Truck tonnage was less than 1%—or 0.4%—ahead of that of the previous week of this year. This is the first week during 1961 in which truck tonnage led that of the previous year in a week unaffected by the occurrence of holidays or unusual weather conditions.

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 17 localities. The remaining 17 points reflected tonnage decreases from the 1960 level. Truck terminals at Salt Lake City and Minneapolis-St. Paul showed gains of more than 15%. Terminals at three other cities — Charlotte, Richmond and Denver — also registered sizable tonnage increases.

Compared to the immediately preceding week, 19 reporting metropolitan areas registered increased tonnage, while 15 areas showed tonnage decreases.

Wholesale Commodity Price Index Advances from Prior Week

With higher prices on grains, flour, lard, butter, livestock and rubber, the general wholesale commodity price level rose appreciably this week. The Daily Wholesale Commodity Price Index, compiled by Dun & Bradstreet, Inc., stood at 269.96 (1930-32=100) on June 26, compared with 268.31 a week earlier and 271.10 on the corresponding date a year ago.

Wholesale Food Price Index Up Fractionally in Latest Week

After two weeks of declines, the Wholesale Food Price Index, compiled by Dun & Bradstreet, Inc., edged up fractionally in the latest week from both the prior week and a year ago. On June 27 it rose 0.3% to $5.90 from the $5.88 that occurred both a week earlier and on the corresponding date last year.

Higher in wholesale price this week were flour, rye, oats, hams, lard, milk, cottonseed oil, steers, and hogs. On the down side were barley, bellies, sugar and coffee.

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.

Hot Spell and Father's Day Boosts Sales

A few hot days in many areas and successful Father's Day promotions boosted consumer buying in the week ended Wednesday, June 21, 1961, noticeably over the prior week and over-all retail trade was up moderately from the similar week last year. Compared with a year ago the most appreciable gains occurred in men's and women's summer apparel, outdoor furniture, and air conditioners. While the call for indoor furniture, new passenger cars, and linens was close to last year, volume in most major appliances, floor covering and draperies was down.

Nationwide Department Store Sales Increased 7% 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 17, 1961, showed an increase of 7% for the like period last year. For the week ended June 10, an increase of 5% was reported. The four-week period ended June 17, 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 17, sales were 8% above the same period last year. In the preceding week ended June 10, sales showed an 8% increase over the same period last year. For the four weeks ending June 17 a 4% increase was reported above the 1960 period, while from Jan. 1 to June 17 showed a 2% increase over last year's sales.

Mass. Investors Trust Names Bissell to Staff

BOSTON, Mass.—George S. Bissell has been appointed to the research staff of Industry Specialists of Massachusetts Investors Trust and Massachusetts Investors Growth Stock Fund, 111 Devonshire Street, it has been announced by Dwight P. Robinson, Jr., Chairman of the Boston-based mutual funds.

Mr. Bissell has served as a security analyst for a well known investment counsel firm during the past six years.

Grainger Heads N. Y. Cham. Com.

The New York Chamber of Commerce has announced the election of Isaac B. Grainger, consultant to the Chemical Bank New York Trust Co., as Chairman of its Nominating Committee.

Isaac B. Grainger

Mr. Grainger succeeds James A. McLain, Board Chairman of the Guardian Life Insurance Company of America.

Also elected to the Committee were Samuel R. Walker, Vice-President of the City Investing Co.; Kennerly Woody, Vice-President of the New York Telephone Co.; Lloyd H. Dalzell, Board Chairman of Dalzell Towing Co., Inc.; Charles E. Eble, President of Consolidated Edison Co. of N. Y.; Jack I. Straus, Board Chairman of R. H. Macy & Co. Inc.; and Benjamin Strong, Board Chairman of United States Trust Co.

Northeastern Water Bonds Sold Privately

Northeastern Water Co. of Wilmington, Del., issued and sold to 12 institutional investors $15,000,000 principal amount of collateral trust bonds of the company. The sale was negotiated by Equitable Securities Corp.

Delivery was made at the Mellon National Bank & Trust Co., Pittsburgh, Pa., trustee under the indenture securing the bonds which mature on May 1, 1986.

Proceeds from the sale will be used to retire the outstanding bonds of the company in the amount of $6,935,000 exclusive of bonds which have been called for redemption on July 1 in accordance with the terms of the sinking fund. The balance of the proceeds after expenses will be available for general corporate purposes.

The new bonds are secured by a first lien on the common stocks of 22 operating water companies owned by Northeastern Water Co. plus 1,962,700 shares of common stock of American Water Works Co., Inc.

Jefferson Const. Common Offered

Pursuant to a June 26, 1961 prospectus, Pistell, Crow, Inc., New York City, publicly offered 340,000 common shares of Jefferson Construction Co., at $5.50 per share. Of the total, 110,000 were sold for the account of the company and 230,000 for a certain stockholder. Net proceeds, estimated at $531,000 will be used by the company for the purchase of earth-moving and building equipment.

The company of 75 First St., Cambridge, Mass., is engaged principally in competitive bid building contracts for Federal, state or local governments. The contracts include schools, housing projects, hospitals, roads, dams, canals and the like. Authorized stock consists of 1,002,275 common shares (par $1) of which 754,015 will be outstanding upon completion of this sale.

Benj. White Branch

CRANSTON, R. I.—Benjamin White & Co. has opened a branch office at 1039A Reservoir Avenue.

Northern Ill. Gas Rights Offering To Stockholders

Northern Illinois Gas Co. is offering holders of its common stock the right to subscribe at $49.50 per share for 450,037 additional shares of common stock at the rate of one new share for each 16 shares held of record on June 22, 1961. The offer, which will expire on July 11, 1961, is being underwritten by a group headed jointly by The First Boston Corp. and Glore, Forgan & Co.

Net proceeds from the sale of the additional common stock will be added to the company's general funds for application to construction expenditures, which are now estimated at $215,000,000 for the five years, 1961-65. The major portion of this amount is for the expansion of the company's distribution system to take care of expected new customers and increases in its heating business.

The company of 50 Fox St., Aurora, Ill., is a public utility engaged principally in the purchase, distribution and sale of natural gas in 303 communities and adjacent areas in 20 counties in northern Illinois, including areas in Cook County generally outside the City of Chicago. The population of the area is estimated at approximately 2,950,000.

Operating revenues for the 12 months ended April 30, 1961 amounted to $140,061,001 and net income to $17,984,937 compared with operating revenues of $130,439,381 and net income of $15,921,233 in the calendar year 1960.

Giving effect to the sale of the additional common stock, capitalization of the company at April 30, 1961 was: $116,431,000 in long-term debt; 245,937 shares of cumulative preferred stock, par $100 and 7,644,736 shares of common stock, par $5.

Ford Motor Co. Common Offered

Pursuant to a June 27, 1961 prospectus, 2,750,000 common shares of Ford Motor Co., are being offered publicly at $80.50 per share through a nationwide group of underwriters headed by Blyth & Co., Inc.; First Boston Corp.; Goldman, Sachs & Co.; Kuhn, Loeb & Co. Inc.; Lehman Brothers; Merrill Lynch, Pierce, Fenner & Smith Inc.; and White, Weld & Co., Inc. Proceeds will go to the selling stockholder, the Ford Foundation.

The company, located in Dearborn, Mich., manufactures, assembles and sells passenger cars, trucks, tractors and farm implements. Authorized stock consists of 70,761,676 class A, 14,811,650 class B and 125,000,000 common shares, of which 29,160,296, 6,292,010, and 19,497,213 shares respectively, are now outstanding.

Harwyn Publish. Class A Offered

Public offering of 110,000 class A common shares of Harwyn Publishing Corp., at $3.75 per share is being made by N. A. Hart & Co., Bayside, New York, and associates. Net proceeds, estimated at $330,000 will be used to publish the new "Art Linkletter's Picture Encyclopedia for Boys and Girls."

The company of 170 Varick St., New York City, is engaged in the publishing and distributing of illustrated encyclopedia works, primarily for children. Authorized stock consists of 500 class A and 200,000 class B shares, of which 131,000 and 139,000 are now outstanding.

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)	July 1	68.0	68.0	71.0	54.8
Equivalent to—					
Steel ingots and castings (net tons)	July 1	1,978,000	1,985,000	2,077,000	1,560,000
AMERICAN PETROLEUM INSTITUTE:					
Crude oil and condensate output—daily average (bbls. of 42 gallons each)	June 16	7,105,260	7,053,710	7,061,160	6,801,660
Crude runs to stills—daily average (bbls.)	June 16	8,224,000	8,172,000	7,893,000	8,034,000
Gasoline output (bbls.)	June 16	30,714,000	29,586,000	28,783,000	29,482,000
Kerosene output (bbls.)	June 16	2,315,000	2,360,000	1,693,000	2,659,000
Distillate fuel oil output (bbls.)	June 16	12,745,000	12,434,000	11,695,000	12,531,000
Residual fuel oil output (bbls.)	June 16	5,824,000	5,893,000	6,283,000	6,077,000
Stocks at refineries, bulk terminals, in transit, in pipe lines—					
Finished and unfinished gasoline (bbls.) at	June 16	207,682,000	208,825,000	213,692,000	204,372,000
Kerosene (bbls.) at	June 16	29,211,000	28,594,000	27,249,000	26,883,000
Distillate fuel oil (bbls.) at	June 16	102,666,000	99,712,000	86,867,000	103,045,000
Residual fuel oil (bbls.) at	June 16	45,175,000	45,149,000	43,390,000	39,879,000
ASSOCIATION OF AMERICAN RAILROADS:					
Revenue freight loaded (number of cars)	June 17	602,153	593,304	568,457	649,503
Revenue freight received from connections (no. of cars)	June 17	494,064	487,260	495,353	533,886
CIVIL ENGINEERING CONSTRUCTION—ENGINEERING NEWS-RECORD:					
Total U. S. construction	June 22	$469,600,000	$403,400,000	$400,000,000	$485,100,000
Private construction	June 22	228,800,000	184,400,000	228,100,000	223,800,000
Public construction	June 22	240,800,000	219,000,000	171,900,000	261,300,000
State and municipal	June 22	177,600,000	156,600,000	123,600,000	161,300,000
Federal	June 22	63,200,000	62,400,000	48,300,000	100,000,000
COAL OUTPUT (U. S. BUREAU OF MINES):					
Bituminous coal and lignite (tons)	June 17	8,875,000	8,470,000	7,815,000	8,838,000
Pennsylvania anthracite (tons)	June 17	Not Avail.	353,000	342,000	375,000
DEPARTMENT STORE SALES INDEX—FEDERAL RESERVE SYSTEM—1947-49 AVERAGE=100	June 17	158	151	146	147
EDISON ELECTRIC INSTITUTE:					
Electric output (in 000 kwh.)	June 24	14,870,000	15,345,000	14,390,000	14,604,000
FAILURES (COMMERCIAL AND INDUSTRIAL)—DUN & BRADSTREET, INC.	June 22	307	351	368	296
IRON AGE COMPOSITE PRICES:					
Finished steel (per lb.)	June 20	6.196c	6.196c	6.196c	6.196c
Pig iron (per gross ton)	June 20	$66.44	$66.44	$66.44	$66.41
Scrap steel (per gross ton)	June 20	$37.83	$37.83	$36.50	$31.00
METAL PRICES (E. & M. J. QUOTATIONS):					
Electrolytic copper—					
Domestic refinery at	June 21	30.600c	30.600c	30.650c	32.600c
Export refinery at	June 21	28.125c	28.825c	30.025c	30.725c
Lead (New York) at	June 21	11.000c	11.000c	11.000c	12.000c
Lead (St. Louis) at	June 21	10.800c	10.800c	10.800c	11.800c
‡Zinc (delivered) at	June 21	12.000c	12.000c	12.000c	13.500c
Zinc (East St. Louis) at	June 21	11.500c	11.500c	11.500c	13.000c
Aluminum (primary pig, 99.5%) at	June 21	26.000c	26.000c	26.000c	26.000c
Straits tin (New York) at	June 21	117.000c	112.375c	110.625c	101.500c
MOODY'S BOND PRICES DAILY AVERAGES:					
U. S. Government Bonds	June 27	87.23	87.13	88.58	86.17
Average corporate	June 27	86.78	87.05	87.59	85.07
Aaa	June 27	90.91	91.19	92.06	89.51
Aa	June 27	88.95	89.37	89.92	87.59
A	June 27	85.98	86.11	86.78	84.81
Baa	June 27	81.78	81.78	82.15	78.90
Railroad Group	June 27	84.30	84.30	85.20	83.03
Public Utilities Group	June 27	88.27	88.54	88.81	85.46
Industrials Group	June 27	87.86	88.27	88.81	86.91
MOODY'S BOND YIELD DAILY AVERAGES:					
U. S. Government Bonds	June 27	3.92	3.93	3.75	3.94
Average corporate	June 27	4.65	4.63	4.59	4.78
Aaa	June 27	4.35	4.33	4.27	4.45
Aa	June 27	4.49	4.46	4.42	4.59
A	June 27	4.71	4.70	4.65	4.80
Baa	June 27	5.04	5.04	5.01	5.28
Railroad Group	June 27	4.84	4.84	4.77	4.94
Public Utilities Group	June 27	4.54	4.52	4.50	4.75
Industrials Group	June 27	4.57	4.54	4.50	4.64
MOODY'S COMMODITY INDEX	June 27	369.2	368.5	367.9	376.9
NATIONAL PAPERBOARD ASSOCIATION:					
Orders received (tons)	June 17	303,272	351,827	303,563	278,086
Production (tons)	June 17	325,848	332,425	324,167	317,358
Percentage of activity	June 17	92	94	93	93
Unfilled orders (tons) at end of period	June 17	444,833	469,154	436,539	443,523
OIL, PAINT AND DRUG REPORTER PRICE INDEX—1949 AVERAGE=100	June 23	113.56	*113.59	113.48	110.17
ROUND-LOT TRANSACTIONS FOR ACCOUNT OF MEMBERS, EXCEPT ODD-LOT DEALERS AND SPECIALISTS					
Transactions of specialists in stocks in which registered—					
Total purchases	June 2	1,930,660	3,063,550	3,632,070	2,440,670
Short sales	June 2	340,590	508,960	654,800	512,130
Other sales	June 2	1,476,490	2,419,810	3,008,530	1,875,310
Total sales	June 2	1,817,080	2,928,770	3,663,330	2,387,440
Other transactions initiated off the floor—					
Total purchases	June 2	237,760	419,200	484,250	423,850
Short sales	June 2	14,300	26,700	47,800	73,600
Other sales	June 2	213,020	407,030	391,230	334,110
Total sales	June 2	227,320	433,730	439,030	407,710
Other transactions initiated on the floor—					
Total purchases	June 2	528,911	984,324	2,061,823	787,240
Short sales	June 2	37,720	153,550	129,710	84,700
Other sales	June 2	489,526	856,629	907,180	543,674
Total sales	June 2	527,246	1,010,179	1,036,890	628,374
Total round-lot transactions for account of members—					
Total purchases	June 2	2,697,331	4,467,074	5,178,143	3,651,760
Short sales	June 2	392,610	689,210	832,310	670,430
Other sales	June 2	2,179,036	3,683,469	4,306,940	2,753,094
Total sales	June 2	2,571,646	4,372,679	5,139,250	3,423,524
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	June 2	1,258,957	1,956,314	2,348,457	1,752,716
Dollar value	June 2	$75,039,166	$113,362,998	$125,469,076	$87,892,034
Odd-lot purchases by dealers (customers' sales)—					
Number of orders—Customers' total sales	June 2	1,346,285	2,056,216	2,431,993	1,652,876
Customers' short sales	June 2	4,373	6,021	9,986	8,038
Customers' other sales	June 2	1,341,912	2,050,195	2,422,007	1,644,838
Dollar value	June 2	$70,931,639	$108,871,826	$118,523,110	$79,959,726
Round-lot sales by dealers—					
Number of shares—Total sales	June 2	396,650	665,400	746,590	459,670
Short sales	June 2	------	------	------	------
Other sales	June 2	396,650	665,400	746,590	459,670
Round-lot purchases by dealers—Number of shares	June 2	332,070	553,150	641,330	534,960
TOTAL ROUND-LOT STOCK SALES ON THE N. Y. STOCK EXCHANGE AND ROUND-LOT STOCK TRANSACTIONS FOR ACCOUNT OF MEMBERS (SHARES):					
Total round-lot sales—					
Short sales	June 2	438,430	776,770	953,130	748,930
Other sales	June 2	11,881,720	19,318,720	23,057,300	14,513,250
Total sales	June 2	12,320,150	20,095,490	24,010,430	15,262,180
WHOLESALE PRICES, NEW SERIES — U. S. DEPT. OF LABOR — (1947-49=100):					
Commodity Group—					
All commodities	June 20	118.7	*118.7	118.9	119.5
Farm products	June 20	85.8	*86.2	86.1	88.4
Processed foods	June 20	107.3	107.2	107.8	107.7
Meats	June 20	91.1	91.3	91.6	96.8
All commodities other than farm and foods	June 20	127.7	*127.7	127.8	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
AMERICAN RAILWAY CAR INSTITUTE—Month of May:			
Orders for new freight cars	3,666	2,040	2,209
New freight cars delivered	3,360	2,933	5,931
Backlog of cars on order and undelivered (end of month)	13,964	13,658	36,106
AMERICAN TRUCKING ASSOCIATION, INC.—Month of April:			
Intercity general freight transport by 413 carriers (in tons)	6,457,301	7,083,752	6,885,493
BANK DEBITS—BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM—Month of May (000's omitted)	$268,932,000	$230,917,000	$232,844,000
BANKERS' DOLLAR ACCEPTANCES OUTSTANDING — FEDERAL RESERVE BANK OF NEW YORK—As of May 31:			
Imports	$378,948,000	$396,746,000	$351,759,000
Exports	864,308,000	862,746,000	473,795,000
Domestic shipments	20,881,000	15,932,000	13,094,000
Domestic warehouse credits	213,905,000	252,431,000	51,451,000
Dollar exchange	73,943,000	92,880,000	86,950,000
Based on goods stored and shipped between foreign countries	651,015,000	632,889,000	286,415,000
Total	$2,203,000,000	2,253,624,000	1,263,464,000
BUSINESS FAILURES—DUN & BRADSTREET, INC.—Month of April:			
Manufacturing number	238	271	215
Wholesale number	123	152	140
Retail number	704	786	674
Construction number	245	266	220
Commercial service number	131	135	121
Total number	1,441	1,610	1,370
Manufacturing liabilities	$23,215,000	$26,579,000	$18,483,000
Wholesale liabilities	10,117,000	15,231,000	11,420,000
Retail liabilities	32,562,000	51,185,000	18,563,000
Construction liabilities	13,127,000	20,283,000	13,661,000
Commercial service liabilities	7,093,000	13,344,000	7,065,000
Total liabilities	$86,114,000	$126,622,000	$69,192,000
COAL OUTPUT (BUREAU OF MINES)—Month of May:			
Bituminous coal and lignite (net tons)	34,635,000	28,660,000	36,254,000
Pennsylvania anthracite (net tons)	1,394,000	1,197,000	1,262,000
COMMERCIAL PAPER OUTSTANDING—FEDERAL RESERVE BANK OF NEW YORK—As of May 31 (000's omitted)	$1,468,000	$1,522,000	$920,000
COPPER INSTITUTE—For Month of May:			
Copper production in U. S. A.—			
Crude (tons of 2,000 pounds)	117,208	*106,345	118,129
Refined (tons of 2,000 pounds)	148,961	128,440	147,050
Delivered to fabricators—			
In U. S. A. (tons of 2,000 pounds)	131,317	125,905	108,266
Refined copper stocks at end of period (tons of 2,000 pounds)	106,982	114,247	65,328
DEPARTMENT STORE SALES SECOND FEDERAL RESERVE DISTRICT FEDERAL RESERVE BANK OF NEW YORK—1947-49 Average=100—Month of April:			
Sales (average daily) unadjusted	132	125	*128
Sales (average daily) seasonally adjusted	130	140	*132
EDISON ELECTRIC INSTITUTE—			
Kilowatt-hour sales of ultimate consumers—Month of March (000's omitted)	58,177,354	58,100,728	57,366,576
Revenue from ultimate customers—Month of March	$981,032,000	$997,682,000	$948,842,000
Number of ultimate customers at March 31	58,994,828	58,782,684	57,792,575
FABRICATED STRUCTURAL STEEL (AMERICAN INSTITUTE OF STEEL CONSTRUCTION)—Month of May:			
Contracts closed (tonnage)—estimated	391,703	309,400	301,867
Shipments (tonnage)—estimated	364,996	318,657	320,108
FACTORY EARNINGS AND HOURS—WEEKLY AVERAGE ESTIMATE — U. S. DEPT. OF LABOR—Month of May:			
Weekly earnings—			
All manufacturing	$92.66	*$91.57	$91.37
Durable goods	100.25	*99.35	98.58
Nondurable goods	82.86	*82.43	81.35
Hours—			
All manufacturing	39.6	*39.3	39.9
Durable goods	40.1	*39.9	40.4
Nondurable goods	38.9	*38.7	39.3
Hourly earnings—			
All manufacturing	$2.34	$2.33	$2.29
Durable goods	2.50	*2.49	2.44
Nondurable goods	2.13	2.13	2.07
METAL OUTPUT (BUREAU OF MINES)—Month of April:			
Mine production of recoverable metals in the United States—			
Gold (in fine ounces)	119,436	*126,652	120,655
Silver (in fine ounces)	2,926,778	*3,172,961	2,970,007
Copper (in short tons)	92,781	*100,385	97,534
Lead (in short tons)	22,116	*24,554	23,113
Zinc (in short tons)	38,968	*43,176	40,855
TREASURY MARKET TRANSACTIONS IN DIRECT AND GUARANTEED SECURITIES OF U. S. A.—Month of May:			
Net sales	------	------	------
Net purchases	$24,170,800	$19,531,500	$21,829,500

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).

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 late 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.

★ Aileen Inc.
June 27, 1961 filed 200,000 outstanding common shares. **Price**—By amendment. **Proceeds**—For the selling stockholders. **Office**—29 W. 38th St., New York City. **Underwriter**—Goodbody & Co., New York.

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).

● 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 late July.

● Almar Rainwear Corp. (7/17-21)
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. (7/10-14)
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.
See Marsan Industries, Inc., below.

American Mortgage Investment Corp.
April 29, 1960 filed $1,800,000 4% 20-yr. collateral trust bonds and 1,566,000 shares of class A non-voting common stock. It is proposed that these securities will be offered for public sale in units (2,000) known as Investment Certificates, each representing $900 of bonds and 783 shares of stock. **Price**—$1,800 per unit. **Proceeds**—To be used principally to originate mortgage loans and carry them until market conditions are favorable for disposition. **Office** — 210 Center St., Little Rock, Ark. **Underwriter**—Amico, Inc. **Offering**—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**—

State Loan and Finance Corp. Debens. Offered

Johnston, Lemon & Co. and Eastman Dillon, Union Securities & Co. are joint managers of an underwriting group which offered on June 27, $25,000,000 State Loan and Finance Corp. 5.40% sinking fund debentures, due June 15, 1981, at 100% and accrued interest from June 15, 1961, to yield 5.40%.

Net proceeds from the sale of the debentures initially will be added to the company's general funds and subsequently used to reduce outstanding short-term loans. Proceeds from these loans were used primarily to provide subsidiaries of the company with funds to carry on their respective businesses.

The debentures will not be redeemable prior to June 15, 1969. They will have the benefit of the annual sinking fund beginning June 15, 1967, sufficient to retire 70% of the debentures prior to maturity. The debentures will be redeemable through the sinking fund at 100%, and at the option of the company, at redemption prices ranging from 103% in 1969 to 100% in 1980, plus accrued interest in each case.

State Loan and Finance Corp., with principal executive offices in Washington, D. C., is a holding company and, through its subsidiaries, is primarily engaged in the consumer finance business and, to a small degree, in purchasing instalment sales contracts originating with dealers in household furnishings and appliances. Two of its subsidiaries are life insurance companies engaged in writing credit life insurance and credit health and accident insurance. On March 31, 1961, the company operated 444 loan offices located in 29 states and the Province of Ontario, Canada.

For the year 1960, the company and its subsidiaries had consolidated operating income of $37,525,575 and consolidated income of $6,211,002, equal to $1.50 per share of common stock.

With Bacon, Johnson

WASHINGTON, D. C. — Colonel Joseph Halversen has been named Resident Manager of the District office of Bacon, Johnson & Associates, Inc., it was announced by Herbert A. Johnson, the investment firm's Vice-President.

The Washington, D. C. office of the investment organization is located at 1304 Connecticut Avenue, N. W. The firm is Eastern distributor of the $240 million Financial Industrial Fund and its companion mutual fund, Financial Industrial Income Fund.

Universal Investors

Universal Investors has been formed with offices at 33 West 42nd Street, New York City, to engage in a securities business. Partners are Arnold J. Utstein and David Lasher. Mr. Utstein was formerly with Ira Haupt & Co. and Mitchell, Hutchins & Co.

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 Recreation Centers, Inc.**
June 26, 1961 filed $1,250,000 of series A convertible subordinated debentures due 1973. **Price**—By amendment. **Business**—The operation of seven bowling centers. **Proceeds**—For repayment of loans, working capital and general corporate purposes. **Office** — 1721 Eastern Ave., Sacramento, Calif. **Underwriter**—York & Co., San Francisco (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. (7/20)**
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).

★ **Applied Research Inc.**
June 23, 1961 filed 120,000 common shares, of which 60,000 shares are to be offered by the company and 60,000 shares by stockholders. **Price**—$6. **Business**—The manufacture of devices used in connection with space and earth communications, radio frequency analysis, missiles and satellites and radar and telemetry systems. **Proceeds**—For leasehold improvements, equipment and general corporate purposes. **Office**—76 S. Bayles Avenue, Port Washington, N. Y. **Underwriters**—Cruttenden, Podesta & Co., Chicago and Spear, Leeds & Kellogg, New York.

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.**
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. **Offering**—Imminent.

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. (7/24-28)**
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.

★ **Atmos-pak Inc.**
June 27, 1961 filed 100,000 common shares. **Price**—$5. **Proceeds** — For the repayment of loans, inventory and general corporate purposes. **Office**—88 N. Highland Ave., Ossining, N. Y. **Underwriter** — Christopher & Co., Inc., New York (managing).

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).

● **Audio Visual Teaching Machines, Inc. (7/17-21)**
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.

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 (7/17)**
May 26, 1961 filed $20,800,000 of convertible subordinated debentures due July 1, 1981 to be offered for subscription by common stockholders on the basis of $100 of debentures for each 32 shares held of record about June 30. **Price**—To be supplied by amendment. **Business**—The development, manufacture, sale and leasing of vending machines. **Proceeds**—For the repayment of debt, the construction of a factory addition at Whippany, N. J., and for other corporate purposes. **Office**—Merchandise Mart, Chicago, Ill. **Underwriter**—Glore, Forgan & Co., New York City (managing).

● **Automotive Vacuum Control Corp. (7/10-14)**
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 assem-

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NEW ISSUE CALENDAR

June 30 (Friday)
Caterpillar Tractor Co.____Debentures
(Blyth & Co., Inc.) $50,000,000
Color Reproductions, Inc.____Units
(William, David & Motti, Inc.) $273,125
Empire Life Insurance Co. of America____Capital
(Consolidated Securities Inc.) $300,000
MacGregor Bowling Centers, Inc.____Common
(Bowles, Winston & Co. and Fridley & Frederking) 120,000 shares
National Mercantile Corp.____Units
(A. T. Brod & Co.) 100,000 units
New York Trap Rock Corp.____Common
(Smith, Barney & Co.) 175,000 shares
Spellman Engineering, Inc.____Common
(Pierce, Carrison, Wulburn, Inc.) 150,000 shares
Thompson Ramo Wooldridge, Inc.____Debentures
(Smith, Barney & Co. and McDonald & Co.) $25,000,000

July 3 (Monday)
American Facsimile Corp.____Common
(Shell Associates Inc.) $120,000
Bid D Chemical Co.____Common
(Donald J. Hinkley & Co. Inc.) $300,000
Bookshelf of America, Inc.____Common
(D. H. Blair & Co.) $299,800
Chock Full O' Nuts Corp.____Debentures
(F. Eberstadt & Co.) $7,500,000
Church Builders, Inc.____Common
(Associates Management, Inc.) $275,000
Electronics Capital Corp.____Common
(Offering to stockholders—underwritten by Bear, Stearns & Co.) 612,463 shares
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
Inland Life Insurance Co.____Common
(A. G. Becker & Co.) 375,000 shares
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
Lannett Co., Inc.____Common
(Netherlands Securities Co., Inc.) $300,000
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
Taddeo Bowling & Leasing Corp.____Units
(Lomasney, Loving & Co.) $1,620,000

July 5 (Wednesday)
G-W. Ameritronics, Inc.____Units
(Fraser & Co., Inc.) $320,000
Marine & Electronics Manufacturing Inc.____Com.
(Lecluse & Co.) $300,000
Science Resources Inc.____Common
(Norton, Fox & Co. Inc.) $300,000

July 6 (Thursday)
Eastern Lime Corp.____Debentures
(Stroud & Co. Inc. and Warren W. York & Co. Inc.) $700,000
Gordon Jewelry Corp.____Class A
(Paine, Webber, Jackson & Curtis) 140,000 shares
Photronics Corp.____Common
(Offering to stockholders—underwritten by L. D. Sherman & Co.) 150,000 shares
Renaire Foods, Inc.____Common
(P. W. Brooks & Co., Inc.) $750,000
Renaire Foods, Inc.____Debentures
(P. W. Brooks & Co., Inc.) $600,000
Supermarkets Operating Co.____Common
(Robert Garrett & Sons and G. H. Walker & Co.) 125,000 shares
Tonka Toys, Inc.____Common
(Bache & Co.) 155,000 shares
Walter (Jim) Corp.____Debentures
(Alex. Brown & Sons) $20,000,000

July 7 (Friday)
Holiday Sportswear, Inc.____Common
(George K. Baum & Co.) 86,000 shares
Recreation Enterprises, Inc.____Units
(I. M. Simon & Co.) $550,000

July 10 (Monday)
American Finance Co., Inc.____Units
(Lomasney, Loving & Co.) $1,250,000
Antilles Electronics Corp.____Common
(Fraser & Co.) $300,000
Apache Realty Corp.____Units
(Blunt Ellis & Simmons) $5,000,000
Automotive Vacuum Control Corp.____Common
(Donald J. Hinkley & Co. Inc.) $300,000
CMC Finance Group, Inc.____Common
(Auchincloss, Parker & Redpath) 150,000 shares
Canandaigua Enterprises Corp.____Units
(S. D. Fuller & Co.) 8,000 units
Capital Properties, Inc.____Units
(Hodgdon & Co. Inc.) $600,000
Diamond Crystal Salt Co.____Common
(Kidder, Peabody & Co.) 300,000 shares
Equity Capital Co.____Common
(Paine, Webber, Jackson & Curtis) 100,000 shares
Fairfield Controls, Inc.____Common
(Globus, Inc., and Lieberbaum & Co.) $150,000
Faradyne Electronics Corp.____Debentures
(S. D. Fuller Co.) $2,000,000
Handmacher-Vogel, Inc.____Common
(Butcher & Sherrerd) 245,000 shares
Income Planning Corp.____Units
(Espy & Wanderer, Inc.) $200,000
Income Properties, Inc.____Class A
(Eisele & King, Libaire, Stout & Co.) $1,462,500
Kaiser Aluminum & Chemical Corp.____Common
(First Boston Corp.) 375,000 shares

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Kane-Miller Corp.________Common
(Netherlands Securities Co., Inc.; Seymour Blauner Co. and J. J. Bruno & Co.) $600,000

M-G, Inc.________Common
(Rowles, Winston & Co.) 100,000 shares

Metropolis Bowling Centers, Inc.________Common
(Russell & Saxe Inc.; Thomas, Williams & Lee Inc. and V. S. Wickett & Co.) $990,000

Micro Electronics Corp.________Common
(R. Baruch & Co.) $400,000

Model Vending, Inc.________Common
(Milton D. Blauner & Co., Inc.; Hallowell, Sulzberger, Jenks, Kirkland & Co. and M. L. Lee & Co., Inc.) 150,000 shares

Modern Homes Construction Co.________Units
(Harriman Ripley & Co.) 275,000 units

Nash (J. M.) Co., Inc.________Debentures
(Robert W. Baird & Co.) $2,000,000

Q-Line Instrument Corp.________Common
(William, David & Motti, Inc.) $260,000

Rorer (William H.) Inc.________Common
(Kidder, Peabody & Co. and Schmidt, Roberts & Parke) 130,000 shares

Superstition Mountain Enterprises, Inc.________Common
(No underwriting) $5,000,000

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

Thoroughbred Enterprises, Inc.________Common
(Sandkuhl & Co. Inc.) $340,000

Triangle Instrument________Common
(Armstrong & Co., Inc.) $300,000

United Foods, Inc.________Common
(Dempsey-Tegeler & Co.) $1,062,500

Uris Buildings Corp.________Common
(Kuhn, Loeb & Co.) 159,403 shares

Vic Tanny Enterprises, Inc.________Common
(S. D. Fuller & Co.) 320,000 shares

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

Capital Southwest Corp.________Common
(Rotan, Mosle & Co.) $13,750,000

CompuDyne Corp.________Common
(Hayden, Stone & Co.) 168,000 shares

Harvey Aluminum (Inc.)________Common
(Kuhn, Loeb & Co. Inc. and Tucker, Anthony & R. L. Day) 1,000,000 shares

Oceanarium, Inc.________Common
(Blyth & Co. Inc.) 125,000 shares

Outdoor Development Co., Inc.________Units
(Granbery, Marache & Co.) 54,100 units

July 12 (Wednesday)

California Electric Power Co.________Bonds
(Bids 9 a.m. PST) $8,000,000

Southeastern Capital Corp.________Common
(Paine, Webber, Jackson & Curtis) $6,250,000

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

Ripley Co., Inc.________Common
(Dominick & Dominick) 82,500 shares

Taffet Electronics, Inc.________Common
(Fialkov & Co. Inc.) $396,000

Youngwood Electronic Metals, Inc.________Common
(Bruno-Lenchner, Inc. and Amos Treat & Co.) $300,000

July 14 (Friday)

Electrarc, Inc.________Common
(P. de Rensis & Co., Inc.) $500,000

Versapak Film & Packaging Machinery Corp.________Units
(Hill, Thompson & Co.; Hampstead Investing Corp. and Globus, Inc.) $468,750

Wej-It Expansion Products, Inc.________Common
(Amos C. Sudler & Co.) $300,000

July 17 (Monday)

Almar Rainwear Corp.________Common
(D. H. Blair & Co.) 120,000 shares

American Photocopy Equipment Co.________Common
(Lehman Brothers) 435,000 shares

Audio Visual Teaching Machines, Inc.________Common
(Underwriter to be named) $300,000

Automatic Canteen Co. of America________Debentures
(Offering to stockholders—underwritten by Glore, Forgan & Co.) $20,800,000

Chemonics Corp.________Common
(Grant, Fontaine & Co.; Evans MacCormack & Co.; Stone & Youngberg and Sellgren, Miller & Co.) $300,000

Dallas Airmotive, Inc.________Common
(Eppler, Guerin & Turner, Inc.) 390,000 shares

Dumas Milner Corp.________Units
(Courts & Co.) 200,000 units

Ets-Hokin & Galvan, Inc.________Common
(Van Alstyne, Noel & Co.) 209,355 shares

Federal Factors, Inc.________Debentures
(Thomas Jay, Winston & Co.; Maltz, Greenwald & Co. and Globus, Inc.) $700,000

Federal Factors, Inc.________Common
(Thomas Jay, Winston & Co.; Maltz, Greenwald & Co. and Globus, Inc.) 70,000 shares

Gulf-Southwest Capital Corp.________Common
(Harriman Ripley & Co. and Underwood, Neuhaus & Co., Inc.) 1,250,000 shares

Harvey House, Inc.________Common
(Michael G. Kletz & Co.) $420,000

International Cablevision Corp.________Common
(James Anthony & Co., Inc.) $1,648,500

International Silver Co.________Debentures
(Offering to stockholders—underwritten by Lehman Brothers) $7,822,000

Marine Structures Corp.________Common
(Grant, Fontaine & Co.) $300,000

Northwestern Public Service Co.________Bonds
(Bids to be received) $4,000,000

Speed-O-Print Business Machines Corp.________Common
(Rodman & Renshaw) 125,000 shares

Swingline Inc.________Common
(Paine, Webber, Jackson & Curtis) 200,000 shares

U. S. Home & Development Corp.________Capital
(Auchincloss, Parker & Redpath) 300,000 shares

Vinco Corp.________Debentures
(S. D. Fuller & Co.) $2,000,000

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

Shell Oil Co.________Debentures
(Morgan Stanley & Co.) $200,000,000

July 20 (Thursday)

Apache Corp.________Units
(APA, Inc. Minneapolis, Minn.) $4,500,000

July 24 (Monday)

Atlantic Fund for Investment in U. S. Government Securities, Inc.________Common
(Capital Counsellors) $50,000,000

BBM Photocopy Manufacturing Corp.________Common
(Shields & Co.) 60,000 shares

Bramalea Consolidated Developments, Ltd.________Units
(Shields & Co.) $12,000,000

Cal-Val Research & Development Corp.________Capital
(Auchincloss, Parker & Redpath) 200,000 shares

Consolidated Production Corp.________Common
(Shearson, Hammill & Co.) 200,000 shares

Cosnat Record Distributing Corp.________Common
(Amos Treat & Co.) 150,000 shares

Development Corp. of America________Common
(Amos Treat & Co. Inc.) $600,000

Devonbrook, Inc.________Common
(Globus, Inc.) $600,000

Dornost Publishing Co., Inc.________Common
(Globus, Inc. and Harold C. Shore & Co., Inc.) $100,000

Famous Artists Schools, Inc.________Common
(Bear, Stearns & Co.) 336,625 shares

Fifth Dimension Inc.________Common
(Milton D. Blauner & Co., Inc.) 60,000 shares

First Mortgage Fund________Ben. Ints.
(Shearson, Hammill & Co.) $15,000,000

Garan Inc.________Common
(J. R. Williston & Beane) $780,000

Goodway Printing Co.________Capital
(Paine, Webber, Jackson & Curtis) 247,500 shares

Hydro-Space Technology, Inc.________Common
(Michael G. Kletz & Co., Inc. and John H. Kaplan & Co.) $900,000

Ihnen (Edward H.) & Son, Inc.________Common
(Amos Treat & Co. Inc.) $375,000

Magna Pipe Line Co., Ltd.________Common
(Bear, Stearns & Co. and W. C. Pitfield & Co. Ltd.) 750,000 shares

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

July 26 (Wednesday)

Southern Pacific Co.________Equip. Trust Ctfs.
(Bids to be received) $4,900,000

July 28 (Friday)

Rowan Controller Co.________Common
(Stein Bros. & Boyce) 50,000 shares

Security Acceptance Corp.________Units
(No underwriting) $800,000

July 31 (Monday)

Lease Plan International Corp.________Common
(Hayden, Stone & Co.) 125,000 shares

Radiation Instrument Development Laboratory, Inc.________Common
(Hayden, Stone & Co.) 100,000 shares

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

Northern Pacific Co.________Equip. Trust Ctfs.
(Bids to be received) $7,200,000

August 4 (Friday)

First Surety Corp.________Capital
(Dempsey-Tegeler & Co.) 736,493 shares

Texas Capital Corp.________Common
(Dempsey-Tegeler & Co.) 1,000,000 shares

August 8 (Tuesday)

Northern States Power Co.________Bonds
(Bids to be received) $20,000,000

August 14 (Monday)

Second Financial, Inc.________Common
(Globus, Inc.) $300,000

August 15 (Tuesday)

Consumers Power Co.________Bonds
(Bids 11:30 a.m. EDST) $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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bly 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. (7/3-7)**
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.

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.

★ **Blue List Publishing Co., Inc.**
June 26, 1961 filed 160,000 outstanding common shares. **Price**—By amendment. **Business**—General printing. **Proceeds**—For the selling stockholders. **Office**—130 Cedar Street, New York. **Underwriter**—White, Weld & Co., Inc., New York (managing).

● **Bookshelf of America, Inc. (7/3-7)**
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.

★ **Boston Fishing Boat Co., Inc.**
June 19, 1961 ("Reg. A") 700 common shares. **Price**—At par ($100). **Proceeds**—For construction of a fishing vessel. **Office**—220 Northern Ave., Boston. **Underwriter**—None.

Bramalea 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.

★ **Byer-Rolnick Hat Corp.**
June 27, 1961 filed 100,000 outstanding common shares. **Price**—By amendment. **Proceeds**—For the selling stockholders. **Office**—601 Marion Dr., Garland, Tex. **Underwriters** — Dallas Rupe & Son, Inc., Dallas, Tex., and Straus, Blosser & McDowell, Chicago.

● **CMC Finance Group, Inc. (7/10-14)**
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. (7/24-28)**
June 16, 1961 filed 200,000 common 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**—19607 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**—18601 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. (7/10-14)**
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 Properties Inc. (7/10-14)**
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**—$1,600 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. (7/11)**
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).

★ **Carrington (George S.) Co.**
June 14, 1961 ("Reg. A") 60,000 class A common shares (par $1). **Price**—$5. **Proceeds**—For repayment of loans, equipment, inventory, and working capital. **Office**—125 Water St., Leominster, Mass. **Underwriter**—Clayton Securities Corp., Boston, Mass.

● **Caterpillar Tractor Co. (6/30)**
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.

★ **Certain-Teed Products Corp. (7/19-8/3)**
June 26, 1961 filed 127,632 common shares to be offered for subscription by stockholders on the basis of one new share for each 15 shares held of record about July 19, with rights to expire Aug. 3. **Price**—By amendment. **Business**—The manufacture of building materials, principally asphalt roofing. **Proceeds**—For working capital. **Office**—120 E. Lancaster Avenue, Ardmore, Pa. **Underwriter**—Lazard Freres & Co., New York (managing).

Chalco Engineering Corp.
Jan. 30, 1961 filed 100,000 shares of common stock. **Price** —$6 per share. **Business**—The company is engaged in the business of engineering, research, development, manufacturing and installation of custom communication systems and electronic, electro-mechanical and mechanical systems and devices for ground support facilities for missile and space programs of the U. S. Government. The company also manufactures special purpose products sold for military use. **Proceeds**—For the repayment of loans and for working capital. **Office** — 15126 South Broadway, Gardena, Calif. **Underwriter** — First Broad Street Corp., New York City (managing).

★ **Charter Industries, Inc.**
June 22, 1961 filed 100,000 common shares. **Price**—$4. **Business**—The manufacture of molded plastic products. **Proceeds**—For starting up production and plant expansion. **Office**—388 Codwise Ave., New Brunswick, N. J. **Underwriter** — Standard Securities Corp., New York (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, 1961. **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.

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. (6/30)**
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.**
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

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share held on the record date, one right for each share issuable upon conversion of a series A debenture, as if such debenture had been converted, and one right for each share issuable under the option agreements. The warrants will provide that one new share will be issuable for each eight rights tendered. **Price**—To be supplied by amendment. **Business**—The company's activities are organized on a divisional basis—Business Machines, Communications and Electronics, Business Forms, Burke Golf and Worthington Golf Ball Divisions. **Proceeds**—For the repayment of debt and for working capital. **Office**—5600 West Jarvis Ave., Chicago, Ill. **Underwriters** — To be named.

● CompuDyne Corp. (7/11)
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. (7/24-28)
May 26, 1961 filed 200,000 shares of common stock. **Price**—To be supplied by amendment. **Business**—The company, which plans to change its name to Consolidated Production Corp., buys and manages fractional interests in producing oil and gas properties. **Proceeds**—For investment, and working capital. **Office**—14 North Robinson, Oklahoma City, Okla. **Underwriter** — Shearson, Hammill & Co., New York City (managing). **Note**—This company formerly was named Cador Production Corp.

★ Consumers Power Co. (8/15)
June 23, 1961 filed $40,000,000 of first mortgage bonds due Aug. 1, 1991. **Office**—212 West Michigan Ave., Jackson, Mich. **Underwriters**—(Competitive) 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**—Aug. 15, 1961 at 11:30 a.m. (EDST) at 300 Park Ave., New York. **Information Meeting**—Aug. 10, 1961 at 11 a.m. (EDST) at Bankers Trust Co., 2nd floor, 16 Wall St., New York.

★ Continental Leasing Corp.
June 19, 1961 ("Reg. A") 100,000 common shares (par one cent). **Price**—$3. **Proceeds**—For purchase of new automobiles, advertising and promotion, and working capital. **Office**—527 Broad St., Sewickley, Pa. **Underwriter** — H. B. Crandall Co. and Cambridge Securities, Inc., New York.

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. **Offering**—Expected in Mid-August.

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.

★ Cressey, Dockham & Co., Inc.
June 15, 1961 ("Reg. A") 100,000 common shares (par $1). **Price**—$3. **Proceeds**—For working capital. **Office**—1 IGA Way, Salem, Mass. **Underwriter**—Mann & Creesy, Salem, Mass.

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.

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. (7/17-21)
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 (7/24-28)
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. (7/24-28)
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. (7/10)
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).

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 $2,046,900 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**—Broad and Hepburn Rd., Clifton, 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. (7/24-28)
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. (7/17-21)
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).

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. (7/6)
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).

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. (7/3-7)
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).

• Empire Life Insurance Co. of America (6/30)
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.

★ Equitable Leasing Corp.
June 19, 1961 ("Reg. A") 90,000 common shares (par 25 cents) to be offered for subscription by stockholders. **Price**—$2. **Proceeds** — For advertising and promotion, legal and audit fees, and working capital. **Office**—247 Charlotte St., Asheville, N. Y. **Underwriter**—Courts & Co., Atlanta.

• Equity Capital Corp. (7/10-14)
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. (7/17-21)
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. (7/10-14)
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. (7/10-14)
Jan. 30, 1961 filed $2,000,000 of 6% convertible subordinated debentures. **Price**—100% of principal amount. **Business**—The company is engaged in the manufacture and distribution of high reliability materials and basic electronic components, including dielectric and electrolytic capacitors and precision tungsten wire forms. **Proceeds**—For the payment of debts and for working capital. **Office**—471 Cortlandt Street, Belleville, N. J. **Underwriter**—S. D. Fuller Co.

• Federal Factors, Inc. (7/17-21)
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.

★ Fennell Corp.
June 13, 1961 ("Reg. A") 100,000 common shares (no par). **Price**—$3. **Office**—379 E. 147th St., Harvey, Ill. **Underwriter**—None.

• 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. **Offering**—Expected in mid to late August.

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 Mortgage Fund (7/24-28)
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 National Real Estate Trust
June 6, 1961 filed 1,000,000 shares of beneficial interest in the Trust. **Price**—By amendment. **Business**—Real estate investment. **Office**—15 William St., New York. **Distributor**—Aberdeen Investors Program, Inc., New York.

First Small Business Corp. of New Jersey (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. (8/4)
May 31, 1961 filed 736,493 outstanding 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 Capital Corp.
June 23, 1961 filed 488,332 common shares to be offered for subscription by stockholders on the basis of one new share for each two shares held. **Price**—By amendment. **Business**—A small business investment company. **Proceeds**—For investment. **Office**—396 Royal Palm Way, Palm Beach, Fla. **Underwriter**—A. C. Allyn & Co., New York (managing).

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).

★ Foamland U. S. A., Inc.
June 22, 1961 filed 150,000 common shares, of which 90,000 shares are to be offered by the company and 60,000 shares by the stockholders. **Price**—$5. **Business**—The manufacture and retail sale of household furniture. **Proceeds**—For acquisition of new stores, development of new furniture items, working capital and other corporate purposes. **Office** — Cherry Valley Terminal Road, West Hempstead, N. Y. **Underwriter** — Fialkov & Co., Inc., New York (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. (7/5)
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. **Note**—This company plans to change its name to G-W Industries.

• Garan Inc. (7/24-28)
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).

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 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 resistors, restance networks and measuring instruments. **Proceeds**—For repayment of loans; working capital and general corporate purposes. **Office**—430 Southern Boulevard, Bronx, N. Y. **Underwriters**—Flomenhaft, Seidler & Co., Inc., New York, N. Y., and I. R. E. Investors Corp., Levittown, N. Y.

★ General Spray Service, Inc.
June 23, 1961 filed 90,000 class A common shares and warrants to purchase 90,000 class A common shares to be offered in units, each unit consisting of one class A share and one two-year warrant. **Price**—$3.50 per unit. **Business** — The manufacture of a spraying machine. **Office**—156 Katonah Ave., Katonah, N. Y. **Underwriter**—Ross, Lyon & Co., Inc., New York (managing).

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 cor-

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porate purposes. **Office**—7512 S. Greenwood Ave., Chicago. **Underwriter**—Bacon, Whipple & Co., Chicago.

Giannini Scientific Corp.
Feb. 27, 1961 (letter of notification) 30,000 shares of common stock (par 10 cents). **Price**—$10 per share. **Business**—Research, development and manufacturing in technological fields. **Proceeds**—For general corporate purposes. **Office**—30 Broad Street, New York, N. Y. **Underwriter**—Kidder, Peabody & Co., Inc., New York, N. Y.

Gibbs (T. R.) Medicine Co., Inc.
May 26, 1961 filed 110,000 shares of class A stock. **Price**—$3 per share. **Business**—The manufacture, marketing and distribution of proprietary drug products. **Proceeds**—For advertising and general corporate purposes. **Office**—1496 H Street, N. E., Washington, D. C. **Underwriter**—None.

Gilbert Data Systems, Inc. (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.

★ **Gombos (John) Co., Inc.**
June 27, 1961 filed 40,000 common shares. **Price**—$5. **Proceeds**—For working capital. **Office**—Clifton, N. J. **Underwriter**—None.

● **Goodway Printing Co. (7/24-28)**
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.

★ **Greene (M. J.) Co.**
June 14, 1961 ("Reg. A") 75,000 common shares (par 10 cents). **Price**—$4. **Proceeds** — For expansion, and working capital. **Office** — 14 Wood St., Pittsburgh, Pa. **Underwriter**—Hess, Grant & Remington, Inc., Philadelphia.

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. (7/17-21)**
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).

● **Hagar Inc.**
March 31, 1961 filed 200,000 shares of common stock (no par). **Price**—$5. **Business**—The financing and sale of household food freezers and frozen foods to the consumer. **Proceeds**—For the repayment of debt and working capital. **Office** — 2926 Fairfield Ave., Bridgeport, Conn. **Underwriter** — Marron, Sloss & Co., Inc., New York City (managing). **Offering**—Imminent.

★ **Harn Corp.**
June 20, 1961 filed 150,000 common shares of which an undisclosed number will be offered by the company for subscription by stockholders and the balance (amounting to $300,000 after underwriting commissions) by a stockholder. **Price**—By amendment. **Business**—The manufacture of products for baby care such as quilts, pillows, knitted garments, etc. **Proceeds**—For the repayment of loans, purchase of raw materials and equipment, leasehold improvements, and working capital. **Office**—1800 E. 38th St., Cleveland. **Underwriter**—J. R. Williston & Beane, New York (managing).

● **Handmacher-Vogel, Inc. (7/10-14)**
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).

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 non-ferrous corrosion resistant fasteners and parts. **Proceeds**—For working capital. **Office**—8200 Lehigh Ave., Morton Grove, Ill. **Underwriter** — Blunt Ellis & Simmons, Chicago.

● **Harvey Aluminum (Inc.) (7/11)**
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. (7/17-21)**
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).

● **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. (7/7)**
April 21, 1961 filed 86,000 shares of common stock. **Price**—To be supplied by amendment. **Business**—The manufacture and sale of specialized bowling apparel for men, women and children. **Proceeds**—For additional working capital. **Office**—311 West Eighth St., Kansas City, Mo. **Underwriter**—George K. Baum & Co., Kansas City, Mo. (managing).

Home-Maker Stores, Inc.
May 17, 1961 (letter of notification) 85,700 shares of common stock (par $2.50). **Price**—$3.50 per share. **Office**—2306 Foshay Tower, Minneapolis, Minn. **Underwriter**—M. H. Bishop & Co., Minneapolis, Minn.

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.**
March 29, 1961 (letter of notification) 40,000 shares of common stock (par one cent). **Price**—At-the-market. **Business**—The manufacture of plastic items. **Proceeds**—For the repayment of debt; advertising and sales promotion; expansion and working capital. **Office**—4077 Park Avenue, Bronx 57, N. Y. **Underwriter**—J. I. Magaril & Co., New York, N. Y. **Offering**—Imminent.

● **Hunt Foods & Industries Inc.**
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 28 with rights to expire July 14. **Price**—At par. **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).

★ **Hupp Systems, Inc.**
June 15, 1961 ("Reg. A") 50,000 class A common shares (par 10 cents). **Price**—$3. **Proceeds**—For inventory, research and development, and working capital. **Office**—Commerce Center Industrial Park, Highway 301, North Sarasota, Fla. **Underwriter**—J. I. Magaril Co., Inc., New York, N. Y.

● **Hydro-Space Technology, Inc. (7/24-28)**
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 September. **Note**—Amos C. Sudler & Co., has withdrawn as underwriter.

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. (7/10-14)**
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. (7/10)**
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.
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.

● Inland Life Insurance Co. (7/3-7)
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. (7/17-21)
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. (7/17)
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**—500 South Broad St., Meriden, Conn. **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 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.

Jai-Alai New York Corp.
June 13, 1961 ("Reg. A") 30,000 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 Counsel Corp.
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. (7/10-14)
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.

★ La Fonte Oil Co.
June 15, 1961 ("Reg. A") 250,000 common shares. **Price**—at par ($1). **Proceeds**—For a mortgage payment, equipment and working capital. **Address** — Kemmerer, Wyo. **Underwriter**—None.

● Lannett Co., Inc. (7/3)
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. (7/31-8/4)
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. **Note** — E. W. Behrens & Co., is no longer underwriting this issue. The new underwriter is The Apache Investment Planning Division of the Apache Corp., Minneapolis.

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.

★ Lowell Gas Co.
June 14, 1961 ("Reg. A") 2,312 common shares (par $25) to be offered for subscription by stockholders (other than parent) on the basis of one new share for each seven shares now held. **Price**—$60. **Proceeds**—For repayment of loans. **Office**—95 E. Merimack St., Lowell, Mass. **Underwriter**—None.

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. (7/10)
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. (6/30)
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

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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. (7/24-28)
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 Vancouver 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.

★ Mammoth Industries, Inc.
June 14, 1961 ("Reg. A") 100,000 common shares (par 10 cents). **Price**—$3. **Proceeds**—For repayment of loans, and working capital. **Office**—6425 Cambridge St., Minneapolis, Minn. **Underwriter** — Kalman & Co., Inc., St. Paul, Minn.

● Marine & Electronics Manufacturing Inc. (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.

★ Marks Polarized Corp.
June 27, 1961 filed 95,000 common shares. **Price** — By amendment. **Proceeds** — For expansion, acquisition of new facilities and other corporate purposes. **Office**—153-16 Tenth Ave., Whitestone, N. Y. **Underwriters**—Ross, Lyon & Co., Inc., and Globus, Inc., New York (managing).

● Marsan Industries, Inc.
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. **Note**—This company formerly was named American Missiltronics Corp.

★ Merchants Co.
June 19, 1961 ("Reg. A") $300,000 of 6% convertible 15-year subordinated debentures due 1976 to be offered for subscription by stockholders for 14 days in units of $100 each. **Price**—At par. **Proceeds**—For working capital. **Office**—300 E. Pine St., Hattiesburg, Miss. **Underwriter**—Lewis & Co., Jackson, Miss.

● Metropolis Bowling Centers, Inc. (7/10-14)
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.

● Micro Electronics Corp. (7/10-14)
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.

Mid-Continent Corp.
June 5, 1961 filed 140,000 common shares. **Price**—$7.50. **Business** — General real estate. **Proceeds** — For investment and advances to subsidiaries. **Office**—997 Monroe Ave., Memphis. **Underwriter**—James N. Reddoch & Co., Memphis.

★ Middle Atlantic Investment Co.
June 22, 1961 filed 70,000 common shares. **Price**—$10. **Business**—An investment company. **Proceeds**—For investment and working capital. **Address**—Elkins Park, Pa. **Underwriter**—Best & Garey Co., Inc., Washington, D. C.

Midwestern Acceptance Corp.
Sept. 8, 1960, filed 1,169,470 shares of common stock and $994,050 of 6% debentures, to be offered for public sale in units of one share of stock and 85 cents of debentures. **Price** — $1 per unit. **Business** — The company will do interim financing in the home building industry. **Proceeds**—To start its lending activities. **Address**—P. O. Box 886, Rapid City, S. D. **Underwriter**—None.

● Mill Factors Corp.
May 31, 1961 filed 75,000 common shares. **Price** — By amendment. **Business**—General factoring in the textile and apparel fields. **Proceeds**—For working capital, and the repayment of debt. **Office**—380 Park Ave., South, New York. **Underwriter** — Lee Higginson Corp., New York (managing).

● 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 and 5,000 to certain employees. **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).

★ Minichrome, Inc.
June 16, 1961 ("Reg. A") 150,000 common shares (par 15 cents). **Price**—$1.15. **Proceeds**—For film processing machines, machinery installation and working capital. **Office**—980 W. 79th St., Minneapolis, Minn. **Underwriter**—Continental Securities, Inc., Minneapolis, Minn.

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.

★ Mite Corp.
June 23, 1961 filed 325,000 capital shares. **Price**—By amendment. **Business**—The manufacture of mechanical, electro-mechanical and electronic equipment, including sewing machine attachments, small electric motors, Polaroid Land cameras, etc. **Proceeds**—For equipment, repayment of loans; research, development and engineering and general corporate purposes. **Office**—446 Blake St., New Haven, Conn. **Underwriters**—Kidder, Peabody & Co., New York and Charles W. Scranton & Co., New Haven, Conn. (managing).

★ Mobile Estates, Inc.
June 27, 1961 filed 140,000 common shares. **Price**—$6. **Proceeds**—To purchase land, construct and develop about 250 mobile home sites, form sales agencies and for working capital. **Office**—26 Dalbert, Carteret, N. J. **Underwriter**—Harry Odzer Co., New York (managing).

● Model Vending, Inc. (7/10-14)
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. (7/10-14)
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.

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.
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. Offering imminent.

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.

★ NAC Charge Plan and Northern Acceptance Corp.
June 27, 1961 filed 33,334 class A common shares. **Price**—By amendment. **Proceeds**—For working capital. **Office**—16 East Pleasant St., Baltimore, Md. **Underwriter**—Sade & Co., Washington, D. C. (managing).

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. (7/10-14)
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. (6/30)
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 300,000 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**—Col-

linsville, Va. **Underwriters**—Cruttenden, Podesta & Co., Chicago and McDaniel Lewis & Co., Greensboro, N. C.

• New York Trap Rock Corp. (6/30)
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 1⅓ 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. **Offering**—Expected mid to late July.

North Atlantic Life Insurance Co. of America
June 2, 1961 filed 1,386 common shares. **Price**—$350. **Business**—The company has applied for a New York State license to sell life, accident and health insurance and annuities. **Proceeds**—For general corporate purposes. **Office** — Meadow Brook National Bank Bldg., Mineola, N. Y. **Underwriter**—None.

North Electric Co.
March 30, 1961 filed 22,415 shares of common stock to be offered for subscription by stockholders of record May 15. **Price**—To be supplied by amendment. **Business**—This subsidiary of L. M. Ericsson Telephone Co. of Stockholm, Sweden, manufactures telecommunications equipment, remote control systems, electromechanical and electronic components, and power supply assemblies. **Proceeds**—To repay loans and for working capital. **Office**—553 South Market Street, Galion, Ohio. **Underwriter**—None.

Northern Illinois Gas Co.
May 24, 1961 filed 450,037 shares of common stock being 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**—$49.50. **Proceeds**—For construction. **Office**—50 Fox St., Aurora, Ill. **Underwriters**—First Boston Corp., and Glore, Forgan & Co., both of New York City.

★ Northern States Power Co. (8/8)
June 23, 1961 filed $20,000,000 of first mortgage bonds due 1991. **Offices**—15 So. La Salle Street, Chicago 4, Ill.; 15 So. Fifth Street, Minneapolis 2, Minn.; 111 Broadway, New York 6, N. Y. **Underwriters**—(Competitive) Probable bidders: Halsey, Stuart & Co. Inc.; Merrill Lynch, Pierce, Fenner & Smith Inc.; Kidder, Peabody & Co., and White, Weld & Co. (jointly); First Boston Corp. and Blyth & Co. Inc. (jointly). **Bids**—Expected to be received on Aug. 8.

Northwest Natural Gas Co. (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.

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. (7/11)
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 Air Lines, Inc.
June 26, 1961 filed $1,800,000 of 6½% convertible subordinated debentures due 1976 and 180,000 common shares to be offered in units, each consisting of $100 of debentures and 10 common shares. **Price**—By amendment. **Business**—The transportation of passengers, property and mail by air. **Proceeds**—For repayment of debts, working capital and general corporate purposes. **Office**—San Francisco International Airport, San Francisco. **Underwriters** — Walston & Co., Inc., New York, and Hooker & Fay, Inc., San Francisco (managing).

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.

★ Parish (Amos) & Co., Inc.
June 23, 1961 filed 208,000 outstanding common shares. **Price**—By amendment. **Business**—Business advisors and consultants to specialty and department stores. **Proceeds**—For the selling stockholders. **Office**—500 Fifth Avenue, New York. **Underwriter**—The James Co., New York.

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 Pharmaceuticals, Inc.
May 24, 1961 ("Reg. A.") 150,000 common shares (par five cents). **Price**—$2. **Proceeds**—For equipment, expansion, inventory, and working capital. **Office**—1 Belmont Ave., Bala-Cynwyd, Pa. **Underwriter**—R. P. & R. A. Miller & Co., Inc., Philadelphia.

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.

★ Photographic Assistance Corp.
June 27, 1961 filed 150,000 common shares. **Price**—$1. **Proceeds**—For expansion, equipment and working capital. **Office**—1335 Gordon St., S. W., Atlanta, Ga. **Underwriters**—Globus, Inc., and Harold C. Shore & Co., Inc. New York (managing).

• Photronics Corp. (7/6)
Feb. 24, 1961 filed 150,000 shares of common stock (par 10 cents). **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.

Plasticon Corp.
May 8, 1961 filed 665,666 shares of common stock, of which 90,666 shares are to be publicly offered, 25,000 shares are to be offered to Leyghton-Paige Corp., 150,000 shares are to be offered to Leyghton-Paige stockholders on the basis of one Plasticon share for each three Leyghton-Paige shares held, and 400,000 shares are to be offered to holders of the company's $1,200,000 of 5% promissory notes. **Price** — $3 per share, in all cases. **Business**—The manufacture of large plastic containers. **Proceeds**—To discharge the indebtedness represented by Plasticon's 5% promissory notes, with the balance for more equipment and facilities. **Office** — Minneapolis, Minn. **Underwriter**—None.

Platt Corp.
May 29, 1961 filed 150,000 shares of class A stock. **Price**—$5 per share. **Business**—The company is a real estate investment firm. **Proceeds**—For investment. **Office**—New York City. **Underwriter**—None.

Polymetric Devices Co.
May 24, 1961 filed 90,000 shares of common stock. **Price**—$3.75 per share. **Business**—The company sells devices for the measurement or control of pressure, temperature, torque, acceleration, displacement, strain and force. **Proceeds**—For working capital. **Office**—130 South Easton Rd., Glenside, Pa. **Underwriter** — Weil & Co., Inc., Washington, D. C.

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.

• President 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., Maplewood, N. J.

★ Progress Industries, Inc.
June 26, 1961 filed 75,000 common shares (with warrants) of which 55,000 shares will be sold by the company and 20,000 by stockholders. **Price**—$10. **Proceeds**—For the payment of debt, the establishment of a new subsidiary, plant improvements and working capital. **Office**—400 E. Progress St., Arthur, Ill. **Underwriter**—Tabor & Co., Decatur, Ill. (managing).

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. **Offering**—Expected in late July or early August.

• Q-Line Instrument Corp. (7/10-14)
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.

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● **Radiation Instrument Development Laboratory, Inc. (7/31-8/4)**
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**—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. (7/7)**
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). **Offering**—Expected in August.

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. (7/6)**
March 30, 1961 filed $700,000 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 125,000 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.

● **Riverview 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. (7/13)**
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).

● **Rorer (William H.), Inc. (7/10)**
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. (7/28)**
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.

★ **Royal School Laboratories, Inc.**
June 23, 1961 filed 170,000 common shares. **Price**—$5. **Business**—The manufacture of special purpose laboratory furniture for schools. **Proceeds** — For expansion, general corporate purposes and working capital. **Office**—Meadow & Clay Sts., Richmond, Va. **Underwriter**—B. N. Rubin & Co., Inc., New York.

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**—120 Twenty-Fifth Ave., 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. (7/5)**
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**—Lewis Wolf Associates (managing) and Marshall Roberts & Co., Inc., New York.

★ **Scully Recording Instruments Corp.**
June 14, 1961 ("Reg. A") 100,000 common shares (par 10 cents). **Price**—$3. **Business**—The manufacture of precision recording equipment. **Proceeds**—For repayment of a loan, general overhead, equipment and working capital. **Office**—Bridgeport, Conn. **Underwriter**—Moran & Co., Newark, N. J.

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. (8/14-18)**
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. (7/28)**
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.

★ **Shell Oil Co. (7/19)**
June 23, 1961 filed $200,000,000 of sinking fund debentures due 1986. **Price**—By amendment. **Proceeds**—For repayment of loans and general corporate purposes. **Office**—50 W. 50th St., New York. **Underwriter**—Morgan Stanley & Co., New York.

● **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). **Note**—This company plans to change its name to Urethane Industries International Inc.

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.

★ **Sjostrom Automations, Inc.**
June 28, 1961 filed 70,000 class A common shares. **Price**—$4. **Business** — The design, manufacture and sale of electronically controlled automation devices. **Proceeds**—For the repayment of debt, purchase of additional equipment and inventory, and working capital. **Office**—140 N. W. 15th St., Boca Raton, Fla. **Underwriter**—J. I. Magaril Co., Inc., New York.

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. (7/12)**
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) 23,500 shares of common stock (par $4). **Price**—$10 per share. **Office**—c/o Guilmartin, Bartel & Ashman, 1527 Alfred I. du Pont Building, Miami, Fla. **Underwriters**—Beil & Hough, Inc., St. Petersburg, Fla.; Nolting, Nichol & O'Donnell, Inc., Pensacola, Fla.; Sterling, Grace & Co., New York.

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).

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. (7/17-21)**
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). ing).

● **Spellman Engineering, Inc. (6/30)**
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.
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).

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.

★ **Strouse, Inc.**
June 27, 1961 filed $600,000 of 6% convertible subordinated debentures due 1981. **Price**—At par. **Proceeds**—For plant expansion, working capital and other corporate purposes. **Office** — Basin and Cherry Sts., Norristown, Pa. **Underwriter**—H. A. Riecke & Co., Philadelphia (managing).

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.

★ **Super-Temp Corp.**
June 15, 1961 ("Reg. A") 100,000 common shares (no par). **Price**—$3. **Proceeds**—For repayment of debts, purchase of new equipment, research and development and working capital. **Office**—2024 W. 15th St., Long Beach, Calif. **Underwriter**—Morgan & Co., Los Angeles.

● **Supermarkets Operating Co. (7/6)**
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. (7/10-14)**
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. (7/17-21)**
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. (7/3-7)**
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. (7/13)**
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.

Tassette, Inc. (7/10-14)
Feb. 15, 1961 filed 200,000 shares of class A stock. **Price**—$12 per share. **Business**—The company was organized under Delaware law in 1959 to finance the exploitation and sale of "Tassette," a patented feminine hygiene aid. **Proceeds**—For advertising and promotion, market development, medical research and administrative expenses. **Office**—170 Atlantic St., Stamford, Conn. **Underwriter**—Amos Treat & Co., Inc., New York City (managing); Bruno-Lenchner, Inc., Pittsburgh; and Karen Securities Corp., New York City.

Tax-Exempt Public Bond Trust Fund
Jan. 16, 1961 filed $5,000,000 of interests (5,000 units). **Price**—To be computed on the basis of the trustees evaluation of the underlying public bonds, plus a stated percentage (to be supplied by amendment) and dividing the sum thereof by 5,000. **Business** — The trust was formed by John Nuveen & Co., Chicago, Ill., to invest in tax-exempt obligations of states, counties, municipalities and territories of the United States. **Sponsor** — John Nuveen & Co., 135 South La Salle Street, Chicago, Ill.

Tax-Exempt Public Bond Trust Fund, Series 2
Feb. 23, 1961 filed $10,000,000 (10,000 units) ownership certificates. **Price**—To be filed by amendment. **Business**—The fund will invest in interest bearing obligations of states, counties, municipalities and territories of the U. S., and political subidivisions thereof which are believed to be exempted from Federal income taxes. **Proceeds** — For investment. **Office** — 135 South La Salle 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 diemakers 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.**
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. **Offering**—Expected in late July.

Tennessee Investors, Inc.
May 16, 1961 filed 500,000 shares of common stock to be publicly offered, and 4,206 common shares to be offered to holders of the outstanding common on the basis of one new share for each nine shares held. **Prices**—$12.50 per share for the public offering and $11.40 per share for the rights offering. **Business**—A small business investment company. **Proceeds** — To finance the company's activities of providing equity capital and long term loans to small business concerns. **Office**—Life and Casualty Tower, Nashville, Tenn. **Underwriter**—Paine, Webber, Jackson & Curtis, New York City (managing).

● **Terry Industries, Inc.**
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. (8/4)**
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).

★ **Textilfoam, Inc.**
June 23, 1961 filed 130,000 common shares of which 100,000 shares are to be offered by the company and 30,000 shares by the stockholders. **Price**—By amendment. **Business** — The lamination of a synthetic foam to fabrics. **Proceeds**—For expansion, working capital and general corporate purposes. **Office**—200 Fair St., Palisades Park, N. J. **Underwriters**—Flomenhaft, Seidler & Co., Inc., and Street & Co., Inc., 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. (6/30)**
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

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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).

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. (7/6)
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.

★ Trans-World Financial Co.
June 26, 1961 filed 185,000 common shares of which 75,000 shares are to be offered by the company and 110,000 shares by stockholders. **Price**—By amendment. **Business**—A holding company with subsidiaries in the savings and loan, real estate and insurance fields. **Proceeds** — For repayment of loans and working capital. **Office**—9460 Wilshire Blvd., Beverly Hills, Calif. **Underwriter**—Wililam R. Staats & Co., Los Angeles (managing).

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. (7/10-14)
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.

★ Union Electric Co. (7/25)
June 23, 1961 filed $30,000,000 of first mortgage bonds due 1991. **Proceeds**—For expansion. **Office**—315 N. 12th Blvd., St. Louis 1, Mo. **Underwriters** — (Competitive) Probable bidders: 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** — July 25 at 11 a.m. (EDST). **Information Meeting**—July 24, 11 a.m. (EDST) at Bankers Trust Co., 16 Wall Street, New York.

● United Foods, Inc. (7/10-14)
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. (7/17-21)
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**—Commonwealth Ave., Bristol, Va. **Underwriter**—A. G. Edwards & Sons, St. Louis (managing).

● Uris Buildings Corp. (7/10-14)
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).

★ Vacu-Dry Co.
June 27, 1961 filed 400,000 common shares. **Price**—By amendment. **Proceeds** — For expansion, repayment of bank loans and working capital. **Office** — 950 56th St., Oakland, Calif. **Underwriter**—Wilson, Johnson & Higgins, San Francisco (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. (7/14)
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. (7/10-14)
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. (7/17-21)
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. **Underwriters**—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, Peabody & 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.

★ Wetterau Foods, Inc.
June 27, 1961 filed 100,000 common shares. **Price**—By amendment. **Proceeds**—For new equipment and working capital. **Office** — 7100 Englewood Ave., Hazelwood, Mo. **Underwriter** — G. H. Walker & Co., Inc., New York (managing).

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** — To be named.

• Youngwood Electronic Metals, Inc. (7/13)
April 13, 1961 filed 75,000 shares of common stock. **Price**—$4 per share. **Business**—The design, development and manufacture of precision parts or stampings principally used in the semi-conductor industry. **Proceeds**—For the repayment of debt; inventory; research and development, and working capital. **Office** — 204 North Fifth Street, Youngwood, Pa. **Underwriters**—Bruno-Lenchner, Inc., Pittsburgh and Amos Treat & Co., New York City.

ATTENTION UNDERWRITERS!

Do you have an issue you're planning to register? Our Corporation News Department would like to know about it so that we can prepare an item similar to those you'll find hereunder.
Would you telephone us at REctor 2-9570 or write us at 25 Park Place, New York 7, N. Y.

Prospective Offerings

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).

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.

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.

• Carbonic Equipment Corp.
June 28, 1961 it was reported that a "Reg. A" will be filed covering 100,000 common shares. **Price** $3. **Proceeds**—For expansion of the business. **Office**—97-02 Jamaica Ave., Woodhaven, N. Y. **Underwriter** — R. F. Dowd & Co., 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.

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., New York.

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.

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).

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.

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.

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.

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.

★ Hygrade Packing, Inc.
June 28, 1961 it was reported that this company plans to sell about $500,000 of common stock. **Business**—The manufacture of industrial and consumer packaging. **Proceeds**—For expansion. **Office**—92-00 Atlantic Avenue, Ozone Park, N. Y. **Underwriter**—P. J. Gruber, N. Y.

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 fourth 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. **Offering**—Expected in late or early November.

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.
June 28, 1961 it was reported that 75,000 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 Blvd., Los Angeles, 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.

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

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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 and expansion. **Office**—55 9th Street, Brooklyn, N. Y. **Underwriter**—Manufacturers Securities Corp., 511 Fifth Ave., 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.

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 plans to sell about $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., Inc., New York City (managing).

★ Northern Natural Gas Co.
June 22, 1961 it was reported that this company has applied to the Nebraska and Kansas regulatory commissions for authority to issue $35,000,000 of sinking fund debentures. **Proceeds**—For the repayment of bank loans and for construction. **Office**—2223 Dodge Street, Omaha 1, Neb. **Underwriter**—Blyth & Co., Inc., New York. **Offering**—Expected about mid-July.

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.

● Northwestern Public Service Co. (7/17-21)
April 3, 1961 the company applied to the FPC for permisison to issue up to $4,000,000 of first mortgage bonds. **Office**—Huron, S. D. **Underwriter**—To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc., and Kidder, Peabody & Co.

● Pacific Lighting Corp.
Jan. 3, 1961 it was reported by Paul A. Miller, Treasurer that the company will probably go to the market for $20,000,000 to $40,000,000 of new financing in 1961 and that it probably would not be a common stock offering. **Office**—600 California St., San Francisco 8, Calif.

Pacific Telephone & Telegraph Co.
March 24, 1961 stockholders of this A. T. & T. subsidiary approved a plan to form a new company to be known as the Pacific Northwest Bell Telephone Co. The new concern will acquire the business and properties of the Pacific Telephone-Northwest division which operates in Washington, Oregon, and Idaho. All of the stock of the new company will be owned by Pacific Telephone but "as soon as practicable" it will be offered for sale to Pacific Telephone stockholders at a price to be fixed by the Board of Directors. About 6-9 months after the stock sale, Pacific Northwest will sell debentures publicly to repay a portion of its debt. **Office**—140 New Montgomery St., San Francisco, Calif. **Underwriter**—The last offering of common stock to shareholders on Feb. 25, 1960 was not underwritten. However, A. T. & T., which owns over 90% of the outstanding shares, exercised its rights to subscribe to its pro rata share of the offering. The last sale of debentures by Pacific Telephone on Feb. 17, 1960 was underwritten by Halsey Stuart & Co., Inc. The one other competitive bid on issue was made by Morgan Stanley & Co.

Pan American World Airways, Inc.
May 8, 1961 it was reported that the CAB ordered this company to sell its 400,000 share holdings of National Airlines, Inc., and to file a plan of sale with the board within 30 days. The stock was originally obtained under a Sept. 9, 1958 agreement under which the two carriers agreed to a share-for-share exchange of 400,000 shares and the lease of each other's jet planes during their respective busiest seasons. The CAB later disapproved this plan and ordered the airlines to divest themselves of the stock. **Office**—135 East 42nd St., New York City. **Underwriter**—To be named.

Panhandle Eastern Pipe Line Co.
March 8, 1961 it was reported that this company expects to sell about $72,000,000 of debentures in September, subject to FPC approval of its construction program. **Office**—120 Broadway, New York City. **Underwriters**—Merrill Lynch, Pierce, Fenner & Smith Inc., and Kidder Peabody & Co., both of New York City (managing).

● 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**—To be named.

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 the fourth quarter. **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.

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.

● 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). **Offering**—Expected in October.

★ Southern Pacific Co. (7/26)
June 26, 1961 it was reported that this company plans to sell about $4,900,000 of equipment trust certificates. **Office**—165 Broadway, New York. **Underwriters**—(Competitive) Probable bidders: Halsey, Stuart & Co. Inc., and Salomon Brothers & Hutzler. **Bids**—Expected on or about July 26.

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.

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).

Universal Oil Products Co.
Jan. 17, 1961 it was reported that this company may require financing either through bank borrowings or the sale of debentures in order to further expansion in a major field which the company would not identify. No decision has been made on whether the product, named "Compound X," will be produced. **Business**—The company is a major petroleum and chemical research and process development concern. **Office**—30 Algonquin Rd., Des Plaines, Ill. **Underwriter**—To be named. The company has never sold debentures before. However, the last sale of common stock on Feb. 5, 1959 was handled by Lehman Brothers, Smith, Barney & Co., and Merrill Lynch, Pierce, Fenner & Smith Inc., all of New York City.

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).

Canadian Bankers Elect Officers

MONTEBELLO, Canada—R. D. Mulholland, Vice-President and General Manager of The Bank of Montreal has been elected President of the Canadian Bankers' Association. He succeeds H. W. Thomson, Joint General Manager of Canadian Imperial Bank of Commerce who becomes honorary President. The retirement of Arthur W. Rogers as Secretary-Treasurer of the Association to take effect June 30 also was announced. He will continue as associate counsel until Dec. 31. He will be succeeded as Secretary-Treasurer by Hugh L. Robson.

R. D. Mulholland

G. H. H. Read was appointed Assistant Secretary - Treasurer. Named Vice-Presidents of the Association were: J. P. R. Wadsworth, Vice-President and General Manager, Canadian Imperial Bank of Commerce; Leo Lavoie, General Manager, The Provincial Bank of Canada; J. D. Gibson, General Manager, The Bank of Nova Scotia; and C. B. Neapole, General Manager, The Royal Bank of Canada.

Hunt Foods & Ind. Rights Offering To Stockholders

Hunt Foods & Industries, Inc., is offering the holders of its common stock of record June 28, 1961 rights to subscribe at 100% for $38,799,500 of 4⅜% subordinated debentures, due July 1, 1986 (convertible prior to July 1, 1971), at the rate of $100 principal amount of debentures for each 12 shares of common stock then held. A nationwide group of investment banking firms headed by Goldman, Sachs & Co. will underwrite the offer, which will expire on July 14, 1961.

The debentures, unless previously redeemed, are convertible into 1.852 shares of common stock for each $100 principal amount (equivalent, at the principal amount, to a conversion price of $54 per share of common stock) prior to July 1, 1966, and thereafter and prior to July 1, 1971, into 1.724 shares of common stock for each $100 (equivalent, at the principal amount, to a conversion price of $58 per share of common stock), subject to adjustment under certain conditions.

The debentures are redeemable at the option of the company at redemption prices ranging from 104.375 for those redeemed prior to July 1, 1962 at 100% for those redeemed on or after July 1, 1981. They are redeemable for the sinking fund at 100% on any June 30, from 1972 to 1985, inclusive.

The net proceeds from the sale of the debentures will be initially added to the company's general funds and thereafter utilized to finance the major construction program requiring about $30,000,000, and for increased working capital requirements.

The company is primarily engaged in the processing, packaging and distribution of a variety of food and grocery products. The company also manufactures, both for its own use and for sale, metal and glass containers, and sells feed, cotton linters and other by-products of its crushing mill operations. In addition, the company from time to time makes substantial investments in securities of other corporations. It owns approximately 35% of the outstanding common stock of McCall Corp., publisher and printer of national magazines.

For the nine months ended March 31, 1961, total income of the company amounted to $250,501,000 and net income to $9,893,000 compared with $247,561,000 and $6,155,000, respectively, in the same period of 1960.

Giving effect to the sale of the new debentures, capitalization of the company as of March 31, 1961 was: $86,096,519 in long-term indebtedness; 216,834 shares of preferred stock, par $100; and 4,433,025 shares of common stock, par $5.

Dynamic Vending Common Offered

Public offering of 75,000 common shares of Dynamic Vending Corp. at a price of $4 per share is being made today (June 29) by A. D. Gilhart & Co., Inc. The offering marks the initial public sale of the company's common stock.

Net proceeds from the financing will initially be added to the general funds of the company and used for various corporate purposes, including the release of accounts receivable presently factored, inventory, the expansion of operations in Europe, and for general working capital.

The company of 44 Beaver St., New York City, was incorporated in the State of New York in March, 1961, and in April acquired all of the outstanding stock and interest of Bechhofer International Corp., Bechhofer Trading Corp., Bechhofer G.m.b.H., a West German company, and 50% of the stock of Data Corp. of America. Dynamic Vending was formed principally to buy, sell, export and import such items as vending machines, electric appliances and related articles in Europe and other markets throughout the world. It will initially engage in the export of vending machines and accessories from the United States for distribution in European countries, particularly Germany, Belgium, Holland, England, Switzerland and Italy. Through its subsidiaries acquired last April, the company sells appliances and coin-operated vending machines in Europe and the Near East; household appliances in Central and South America, in the Far East and in the U. S.; and soft-drink vending machines in West Germany.

Data Corp. of America furnishes consulting services and installs data processing systems for clients and provides a data processing service.

Upon completion of the current financing, outstanding capitalization of Dynamic Vending will consist of 139,000 shares of common stock.

Southwestern Capital Corp. Common Offered

Public offering of 1,500,000 common shares of Southwestern Capital Corp., at $3 per share is being made by Norman C. Roberts Co., San Diego, Calif. Net proceeds will be used to make long-term loans to small business firms and to provide advisory and management counselling services to such concerns.

The company, of 1328 Garnet Ave., San Diego, Calif., is licensed as a small business investment company and is also registered under the Investment Company Act of 1940 as a closed-end non-diversified management investment company. The company's primary objective is capital appreciation. Authorized stock consists of 6,000,000 $1 par common shares of which 500,000 will be outstanding upon completion of this sale.

Morris Shell Homes Securities Offered

The Johnson, Lane, Space Corp. is manager of an underwriting group offering today (June 29) 150,000 units of securities of Morris Shell Homes, Inc., at a price of $22 per unit. Each unit consists of $20 of 8% subordinated debentures due July 1, 1986; one share of common stock; one first warrant; and one second warrant. The offering marks the initial public sale of the company's securities.

The debentures, common shares and warrants included in the units may be transferred immediately after the units are sold, although the offering of the securities is being made only in units.

The debentures are not subject to redemption prior to maturity. The first warrants expire on July 1, 1971, are callable at 50 cents per warrant after July 1, 1963 and entitle the holders to purchase as a unit, one share of common stock and $20 of 8% subordinated debentures due July 1, 1986, at a unit price of $28 plus accrued interest on the debentures. The second warrants expire on July 1, 1971, are callable at 50 cents a warrant after July 1, 1964, and entitle the holders to purchase as a unit, one share of common stock and $40 of 8% subordinated debentures due July 1, 1986 at a unit price of $55 plus accrued interest on the debentures.

A large part of the proceeds from the financing will be allocated to a wholly owned subsidiary for the purchase of instalment mortgage notes on homes sold by the company. The balance of the proceeds will be used to retire current indebtedness by repayment of bank loans, and for additional working capital.

Morris Shell Homes, Inc., Knoxville, Tenn., provides over-all executive supervision, financial assistance and advice and other services to its subsidiary corporations. Through its subsidiaries the company is engaged in the construction and sale of "shell" homes for completion by property owners. The company has 16 sales and construction offices in the Southeast.

For the seven months ended April 30, 1961, the company had net sales of $1,529,062. Upon completion of current financing, outstanding capitalization of the company will consist of $3,000,000 of 8% subordinated debentures due 1986; $64,595 of sundry debt; 280,000 shares of common stock; 150,000 first warrants; 150,000 second warrants; and 100,000 third warrants.

Andresen Co. to Admit

On July 1, William A. Lee will become a partner in Andresen & Co., 30 Broad Street, New York City, members of the New York Stock Exchange.

De Cordova to Admit

Cyril de Cordova & Bro., 25 Broad Street, New York City, members of the New York Stock Exchange, on July 1st will admit Arthur E. de Cordova to partnership.

Granbery, Marache Admit

On July 1, Granbery, Marache & Co., 67 Wall Street, New York City, members of the New York Stock Exchange, will admit Adele Greeff to limited partnership in the firm.

Pine Tree Securities

Pine Tree Securities, Inc. is conducting a securities business from offices at 225 Broadway, New York City. Thomas D. Jewell is President of the firm. He was formerly an officer of Sire Plan Portfolios Inc.

Paul Gaither With First Columbus

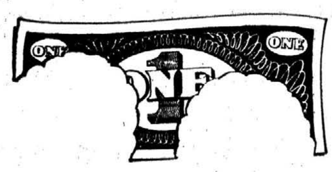
(Special to The Financial Chronicle)

CLEVELAND, Ohio—Paul H. Gaither has become associated with First Columbus Corporation. Mr. Gaither, who has been in the investment business for many years has recently been with Lawrence Cook & Co. Prior thereto he was a partner in Ball, Burge, & Kraus.

Paul H. Gaither

Form Richard Temple Inc.

Richard Temple Inc. has been formed with offices at 15 Park Row, New York City (c/o N. George Turchin) to engage in a securities business.



WASHINGTON AND YOU

BEHIND-THE-SCENES INTERPRETATIONS FROM THE NATION'S CAPITAL

WASHINGTON, D. C.—Amidst all the gloom over potentially the grimmest Berlin crisis of them all there was some economic growth news of importance in Washington.

In the face of the mushrooming building and loan associations across the country, the banking system is growing at a favorable pace. The outlook is favorable for continued growth of banks.

At the half-way mark of 1961, new banking offices across the land were being opened at a rapid pace. The year began with 25,105 banking offices, an increase of 863 during the year. Each office served an average of about 7,300 persons in 1960, more than twice the number served by each in 1920.

Less than 10 years ago our country had less than 20,000 banking offices. As the Federal Deposit Insurance Corporation was issuing its annual report, J. L. Robertson, member of the Board of Governors of the Federal Reserve System, made this pertinent observation:

"Besides being a nation on wheels, rolling over an incomparable network of good roads, the American people are uniquely a banking people. With far less than 1/10th of the world's population, we probably have more checking accounts than the rest of the world put together. And this simple fact is one of the many reasons for the growth of multiple-office banking: the bulk of bank customers are no longer business enterprises, located downtown."

There are many fine, strong and prosperous banking institutions that do not participate in the Federal Deposit Insurance Corporation. By not belonging, they save a substantial amount of insurance.

Nevertheless, at the end of 1960 the report shows that 96% of the banks are participating as compared with 86% of all banks covered when the FDIC began its insurance operations on Jan. 1, 1934.

Bulk of Banks Insured

As 1961 began the FDIC was insuring deposits in 13,451 banks out of a total of 13,999 operating in the United States. A total of 548 banks of various types was not participating.

There were 168 commercial banks operating under the general banking codes of the various states, including 28 each in Iowa and Nebraska and the remainder were distributed in 35 other states. In Massachusetts 177 mutual savings banks were not participating, and thus were saving a substantial amount of money for their customers.

Since 1946 only 42 insured banks were closed because of financial difficulties. No more than five have closed in any one year.

Creation of the FDIC during the great national depression on the heals of the banking holidays in 1933 has proven to be a stabilizing thing for the banks and banking generally. It has helped to restore confidence in these institutions, after hundreds of thousands of Americans had lost complete confidence in them as a result of liquidation proceedings.

There are many people who feel that the FDIC was perhaps the best piece of permanent legislation passed during the long tenure of the Administration of President Franklin D. Roosevelt.

Since 1950 the insurance coverage was increased from $5,000 to a maximum of $10,000 for each depositor. There are some advocates in Congress who think that the insurance maximum should be raised to $15,000. Perhaps the time will come when the maximum will be increased.

The Investor's Stake

Over-the-counter trading in bank stocks has been fairly active in the last year or so. There is a reason for it. Income of banks was higher in 1960 than any year in history. Commercial banks accounted for almost nine-tenths of the total, while the remainder was by mutual savings.

Income of FDIC insured commercial banks the past year reached $11,299,000,000. Income from loans, which accounted for three-fifths of the total, was responsible for most of the increase over 1959. Income from securities and miscellaneous sources each represented one-fifth of the total.

Greater loan income in 1960 resulted from a larger volume and higher average rates of return. Loan income averaged 5.96% of loans, substantially higher than in 1959, and almost twice the rate of 1945. Income on United States Government obligations owned by the banks averaged 3.10%, and on other securities 2.88%.

New banking offices are springing up in suburbs of the various metropolitan areas. The banks are following the customers away from the Central business district, which has been hit by decay and blight in many cities.

Why Bank Mergers?

Bank merger proposals continue to be filed with the Federal Reserve Board, the FDIC and, the Department of Justice in some cases. There are numerous reasons why banks desire to merge. Most of them have at least one paramount reason, plus lesser ones.

The Federal Reserve Board says that electronic accounting is being mentioned more and more frequently as a reason for merging. The devices are great for the banks, but many of them cannot afford to efficiently utilize the equipment unless they merge.

Back in the national depression days of nearly a generation ago most banking mergers were so called rescue operations. Since World War II, the reasons have been quite different. The tremendous increase in population and the automobile have had a marked influence.

With the growing bank business, the Federal Deposit Insurance is expanding as well. The FDIC which has occupied offices in the 14-story National Press Building in the Nation's Capital, is building its own structure. It will move in its own offices next year.

Generally, larger size banks the past 25 years has been the trend. Naturally in a growing economy banks supply the largest part of the money to provide for the rate of expansion.

Growth in average size of banks has been dependent to only a minor extent upon the decrease in the number of unit banks. "As an indicator," said FDIC, "banks with, say, $100 million deposits in 1934 should be compared with banks of more than $500 million of deposits in 1958."

Of course the great growth in banking in our country has been in the increase in branches. In 1960, 44 out of every 100 offices were branches, compared with 4 per 100 in 1920.

The 100 largest banks in the United States held 46% of the total bank deposits last year, slightly more than in 1929, but less than the 57% in 1940 and about the same as in 1949.

[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.]

"Your stocks must be up — your blood pressure is down."

Form Mitchell, Carroll Co.

WASHINGTON, D. C. — Mitchell, Carroll & Co., Inc. has been formed with offices at 1801 K St., N. W., to engage in the securities business. The firm will maintain a branch office at 143 East State St., Trenton, N. J.

Principals of the firm are George J. Mitchell, Jr., and C. Walter Carroll, Jr., who will be in charge of the Trenton office.

Joins Norman Roberts

(Special to THE FINANCIAL CHRONICLE)

SAN DIEGO, Calif.—Douglas Owens has become connected with Norman C. Roberts Company, 625 Broadway, members of the New York Stock Exchange. Mr. Owens was formerly with Hayden, Stone & Co. and Blyth & Co., Inc.

COMING EVENTS

IN INVESTMENT FIELD

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.

Chapin With Harris, Upham

CHICAGO, Ill.—Ralph Chapin has become associated with Harris, Upham & Co., 135 South La Salle Street. Mr. Chapin who has been in the investment business for many years was formerly with Reynolds & Co.

With Freehling, Meyerhoff

CHICAGO, Ill.—Sigmund H. Linder has become affiliated with Freehling, Meyerhoff & Co., 120 South La Salle Street, members of the New York and Midwest Stock Exchanges. He was formerly with Alexander Kleine & Co.