The COMMERCIAL and FINANCIAL CHRONICLE

ESTABLISHED 1839 — Reg. U. S. Pat. Office

Volume 194 Number 6076 — New York 7, N. Y., Thursday, July 27, 1961 — Price 50 Cents a Copy

Editorial AS WE SEE IT

It was a foregone conclusion that any substantial turn for the better in business would bring a broad and insistent demand by the labor unions for higher rates of pay and all the rest which in this day and time go with them. It was about as certain that the automobile industry this year would be the large branch of business which would be expected by the unions to "set the pattern" for another upward sweep of labor compensation and labor costs. No one, therefore, is in the least surprised at what is now taking place in Detroit and what is evidently destined to occur there during the weeks, perhaps months to come. It was in 1959 when the steel workers launched a similar campaign at a time when the general business outlook was possibly not quite so promising. It was early in 1960 that the industry finding that it could get no help or encouragement from Washington (to say the least) capitulated.

Practical Politics

One need hardly expect, we are afraid, that the Kennedy Administration will do very much to prevent the present campaign from taking the course the others have, without exception, taken for a long number of years. The President's advisers have more than once made it quite clear that they think that our defense—and probably our only defense—against continued and in the end ruinous inflation is to be found in the public spirit and moderation of management and labor. We have no doubt that a general wave of higher prices would be frowned upon by Washington — though how effective such frowns would be is certainly problematical — but it is clear that there is no really influential party or element in public life at this time which would undertake to place pressure upon the unions in behalf of real moderation in their demands upon employers.

Of course, such attitudes toward wages and wage earners are a matter of "practical politics," though obviously the political setting is largely the result of past politics and of the generally pro- (Continued on page 24)

From Decartelization to Revival of West Germany's Branch-Banking

By Adolph E. Grunewald, *Associate Professor, Department of Accounting and Financial Administration, Michigan State University, East Lansing, Mich.*

Writer traces the complete cycle of the three principal West German banks from post-World War II Allied Military Control imposed decartelization to regained concentration. In depicting their reestablished positions of financial prominence, the writer charts the financial growth, branch expansion, holdings in key investments, general cash dividends, and evasion of the proscription against bearer stocks for all practical purposes. The bank's reborn power is said to have helped provide the financial boost for that country's phenomenal economic resurgence.

The history of the German banking system from the latter third of the 19th century is rich in dramatic developments. Inflations and depressions follow each other in quick succession. One of the most interesting phases is the rebuilding of the banking system after the complete collapse of the monetary and credit institutions which occurred with the unconditional surrender of Germany on May 9, 1945. It is also the phase in which the position of the three major banks with large branch networks known as the "Filialgroszbanken" was re-established in the West German economy after being neutralized in the immediate postwar years through the decartelization policies of the Western Allies.[1]

A. E. Grunewald

The following discussion of this interesting period is divided into three sections: the decartelization of the three former Filial-Grossbanken—the Deutsche Bank, the Dresdner Bank, and the Commerzbank, all with headquarters in Berlin—after World War II and their subsequent re-establishment;[2] the three Filial-Grossbanken as they exist today; and a summary of their development and an evaluation of their current stature.

I

Decartelization and Reconstruction of the Filial-Grossbanken

The general collapse which occurred at the end of World War II brought with it the destruction of the Grossbanken. On April 28, 1945, even before the end of hostilities, Soviet General Bersarin issued an order closing all banking houses and prohibiting every banking activity. This order affected all Berlin banks, among them the three Filial-Grossbanken.

The next step taken was to divide the banking system into the four occupation zones. All the private banks in the Russian zone were ordered closed immediately. In the American and the French zones a decentralization of the Filial-Grossbanken according to "Lander" or "States" was ordered in 1947. The Grossbanken in the British zone were at first permitted to continue their business on a centralized basis; but, in 1948, these banks were also ordered to decentralize according to "Lander." Through the command of the Western Allies, which prohibited the West German commercial banks from having branches outside the borders of one of the "Bundeslander," the three Berlin Filial-Grossbanken were split into 30 regional banks or "Teilinstitute." The Teilinstitute remained legal parts of their respective parent Groszbank which contin- (Continued on page 5)

1 The banks in the Russian Zone were socialized. Those lying east of the Oder-Neisse River were confiscated;

2 Prior to World War II, two other banks, the Berliner Handels-Gesellschaft and the Reichs-Kredit-Gesellschaft AG could also be counted among the "Groszbanken." These banks, however, did not maintain "daughter banks." The Reichs-Kredit-Gesellschaft AG no longer exists. The Berliner Handels-Gesellschaft has its main office in Frankfurt/M, but its juridical seat is in West Berlin.

SECURITIES NOW IN REGISTRATION—Underwriters, dealers and investors in corporate securities are afforded a complete picture of issues now registered with the SEC and potential undertakings in our "Securities in Registration" Section, starting on page 32.

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.

AUGUST HUBER
Partner, Spencer Trask & Co., New York City
Members New York Stock Exchange

Bendix Corporation

Currently selling around 62, the shares of Bendix Corporation have ranged between 44½ and a high of 89 over the past several years. Earnings last year (fiscal year Sept. 1960) were $4.88 per share. The management estimate sales for the current fiscal year at about $750 million compared with last year's $792 million. Profits should run $4 per share but significantly, the quarterly trend is upward.


August Huber

Earnings in the first quarter were 82 cents per share second quarter 90 cents per share; about 95 cents or better in the third quarter with around $1.30 estimated for the final period.

The current year has felt the influences of lower automobile production, narrower profit margins on military contracts and increased outlays for research and development.

Over the next few years, the outlook for the company is encouraging. About 15% of the company's sales represent a wide variety of automotive parts; 6% industrial products, 10% commercial aviation items.

The bulk of sales—about 69%—is derived from a broad line of so-called military orders. These include aviation products (41%), missile and space work (23%), with the balance comprised of electronic devices, etc.

Bendix' participation in the missile and space field covers a wide range. It holds prime contracts for the Navy's Talos missile. Among other programs in which Bendix participates are (1) the guidance system for the Pershing tactical missile; (2) subsystem or support equipment for the Polaris, Minuteman, Titan, Terrier, Tartar and Skybolt programs—including control devices, tracking systems and launching equipment. Communications equipment is being developed for the Advent space project, and Bendix is an important participant in the Mercury "man-in-space" program.

Only last month, Bendix was selected by the Navy to develop the new long-range *Typhon* missile. This weapon is designed for shipboard interception of enemy missiles, planes and vessels. The management believes Typhon work could mean a major system for a long time.

The prospect of (a) increased automobile production next year, and (b) the continued expansion of government defense expenditures with emphasis in the fields in which Bendix is most active, suggest a favorable longer term outlook for sales and earnings.

Bendix around 63, appears reasonably priced at 15.5 times the probable $4 share earnings for the current fiscal year, and well below an earlier peak of 89. In a good future year, potential earning power could be around the area of $6 to $7 per share.

The regular $2.40 per share dividend currently yields almost 4%.

The extensive development of new product lines for the aviation, automotive and electronic industries, along with missile and space devices, provide a basis for encouraging potentialities. Meanwhile, Bendix is a well situated issue which is still realistically priced marketwise, relative to current earnings, and affords a better than average income return. The stock is listed on the New York Stock Exchange.

T. REID RANKIN
Analyst, Lubetkin, Regan & Kennedy, New York City
Members New York Stock Exchange

Ilikon Corporation

As we enter the second industrial revolution, sometimes called the space-age, metallurgy is the key which will unlock the scientific miracles. Therefore, it becomes necessary to direct investment funds toward outstanding research companies in this field.


T. Reid Rankin

At Natick, Mass. — near Boston—there is just such a company. Through the mutual efforts of Neil E. Rogan, Lazlo J. Bonis and Ole A. Sandven, all graduates of Massachusetts Institute of Technology, the Ilikon Corp. was formed to undertake research and development in the field of materials, engineering and science.

Together, with a group of carefully chosen scientists, work is carried on as a team and new ideas developed in high temperature materials, electro-chemistry and corrosion, physical and mechanical metallurgy and new material - forming techniques; new materials and their application for government and industry and pure research to develop future products in the new space-age.

Four principal products have been developed to date: One is a thermal history gauge, which gives a recorded history of temperatures over a set-time period.

This gauge, which is only about the size of a dime, can be placed, for example, at the points of stress and strain under high temperatures in a jet engine. After a commercial jet flight from New York to California, the gauges are removed and the thermal history is recorded and quickly read, indicating which parts should be replaced or retained on the subsequent flight. Compare this with the standard technique of subjecting the various metal components to X-ray and microscopic examination which will show the results at the time of examination, but not necessarily the flaws that occurred in flight and which may result in jet failure at a subsequent moment during flight.

Another is STAP material. Ilikon has developed a new material which will be used in rockets and missiles where stress and strains at high temperatures will be encountered. This metal, many times more heat-resistant, and having a very high strength-to-weight ratio at elevated temperatures than the existing metals now in use, will increase the payload in outer space rockets and space travel. Uses for STAP material are unlimited. STAP is lighter and cheaper to make than the present exotic materials now in use.

Ultra high vacuum controls, components and systems, is another development. Mr. Imre Farkass, who is recognized as a leading authority on high vacuum research, is director of the Applied Physics Department.

A catalog is shortly being issued containing a complete line of high vacuum equipment developed by Ilikon Corp. Nothing . . . is available today, with a comparable quality, reliability and guarantee feature, from any other source. This type of equipment is used to test the reliability of critical missile components under simulated conditions of outer space and, as a production tool in the electronics industry.

Other developments include a new "alloying" technique for making ceramic-metal combinations for high temperature use in missiles, nose cones, skins for missiles, and aircraft where heat-resistant metals are the only material that can stand up under the tremendous heat generated; atom smashers and space-simulation chambers which will match pressures to be encountered hundreds of miles above the earth's surface.

Probably the most understandable development is the aluminum bubble . . . developed and perfected by Ilikon's scientists. Molten aluminum is blown into paper-thin bubbles and filled with a specific gas. The bubbles are gas tight and extremely light in weight. They can be formed into a honeycomb, or blown individually. They can now be used to build "flotation" chambers for ships—making a ship unsinkable, while at the same time stronger. The company is now working on a method to blow these bubbles with helium, to be used in airplanes which can make them "lighter-than-air" aircraft; ships that would not sink, airplanes that could not crash—sounds fantastic—but, it is now being perfected at Ilikon. These are only two uses for "bubbles." There will be many more in due time. Three new developments are expected to be completed and licensed to commercial development in 1961.

Ilikon's business will, of necessity, be contractual research and development work in the field of materials, engineering and science, for corporations and government agencies. It is the hope of management that within five years Ilikon's activities will be primarily devoted to its present and future projects (based upon ideas of its research staff) with contract research constantly lessening.

The present plant built for Ilikon is a modern glass and steel one-story, air-conditioned building in the Natick Industrial Centre, Natick, Mass., a short distance from Cambridge and Boston. The most modern instruments needed for research are used. Included is a 12-ton electron microscope with a 500,000-times magnification. This microscope has a reso-

Continued on Page 17

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

This Week's Forum Participants and Their Selections

Our Financial System And Economic Growth

By Matt S. Szymczak, Consultant, C. J. Devine & Co., New York City, and Professional Lecturer, Georgetown University, Washington, D. C.*

Retired central banker with 28 years of money and banking experience: (1) outlines enigmas and conflicting goals facing the Fed; (2) is certain Federal Reserve and Treasury officials can be trusted to pursue policies ensuring economic and financial stability and a high rate of economic growth; and (3) contends money's purchasing power and general acceptability, and not its intrinsic value, are what matters today. Mr. Szymczak also takes note of the high liquidity in our financial system and the questions being raised as to whether or not effective monetary policy should control some of our financial intermediaries' operations.

We are all familiar with the long history of money: how one or another commodity in common use slowly came to be accepted as a universal standard of value and medium of payments for other things; and how, over the centuries, many different commodities fulfilled this money function, from shells, hides and tobacco to the precious metals. The last century, and especially its second half, saw the heyday of the international gold standard, a monetary system that made the currencies of all gold standard nations automatically convertible into one another; that determined the total amount and the value of money through the forces of supply and demand; and that automatically determined the distribution of that money commodity, gold, between different countries through international trade and international capital movements.

M. S. Szymczak

That self-regulating international currency system based on gold no longer exists today. Two world wars and the world-wide depression of the Thirties delivered blows from which it did not recover; and today, though, economically speaking, we seem to have reached calm waters again, there appears little prospect that the world at large will return to the 19th century gold standard: our ideas about money and its role have changed too much for that. For one thing, we are no longer wedded to the belief that money must have intrinsic value. In the early days of the market economy, coins and banknotes were acceptable because they represented "real" money, standard money, and could be converted into it; today, all classes of society have become so accustomed to the use of what was once representative money that convertibility into gold is not important any more. Since money is recognized as a means of payment and not a commodity, what matters is its purchasing power and general acceptability, not its intrinsic value. General acceptability, of course, is assured by its serving as legal tender; and to safeguard its purchasing power is primarily the responsibility of the central bank, through keeping it scarce and in proper relation to the needs of commerce.

Limits a Government's Freedom

The other reason why most countries would not go back on the gold standard even if they could is that such a system abridges a nation's financial and economic sovereignty and its freedom to pursue various economic goals. Public opinion nowadays expects the monetary authorities to strive for price stability, and to pursue policies which will help attain full employment and economic growth. But such policies require the conscious management of the supply and price of money, and such monetary management is the opposite of an automatic regulation of money under a gold standard. Faced with this choice, practically all nations have opted for conscious management of money, and this decision appears unlikely to be reversed in the foreseeable future.

Management of money, however, cannot be limited to legal tender money. About four-fifths of our money supply consists of bank money, i.e., demand deposits in commercial banks, and for that reason monetary management implies not only control over the issue of legal tender but also supervision of the commercial banks. That is why the Federal Reserve System's power to set legal reserve requirements for demand deposits is so important. To be sure, the need to limit the creation of note and deposit liabilities by commercial banks was already recognized when the National Banking System and later the Federal Reserve System were established, but only in the twenties and thirties did the Federal Reserve System require and implement the right to vary the member banks' reserve ratios in accordance with the monetary needs of the country.

Credit Money Multiple Expansion

In recent years a controversy has slowly been developing as to whether it is sufficient for the Federal Reserve to confine itself to controlling the credit creation of member banks, or whether other sources of funds would also have to be brought under the supervision of the Federal Reserve or some other authority to make

Continued on page 29

CONTENTS

Articles and News

Regular Features

Published Twice Weekly
The COMMERCIAL and FINANCIAL CHRONICLE
Reg. U. S. Patent Office
WILLIAM B. DANA COMPANY, Publishers
25 Park Place, New York 7, N. Y.
REctor 2-9570 to 9576
CLAUDE D. SEIBERT, President
WILLIAM DANA SEIBERT, Treasurer
GEORGE J. MORRISSEY, Editor
Thursday, July 27, 1961

Every Thursday (general news and advertising issue) and every Monday (complete statistical issue—market quotation records, corporation news, bank clearings, state and city news, etc.)

Other Office: 135 South La Salle St., Chicago 3, Ill. (Telephone STate 2-0613).

Reentered as second-class matter February 25, 1942, at the post office at New York, N. Y., under the Act of March 8, 1879.

Subscription Rates

Subscriptions in United States, U. S. Possessions, Territories and Members of Pan-American Union, $65.00 per year; in Dominion of Canada, $68.00 per year; Other Countries, $72.00 per year.

Other Publications

Bank and Quotation Record — Monthly, $45.00 per year. (Foreign Postage extra).

Note—On account of the fluctuations in the rate of exchange, remittances for foreign subscriptions and advertisements must be made in New York funds.

OBSERVATIONS...

BY A. WILFRED MAY

THE STOCK OPTION IN OPERATION

The following is a summary of the statement by this writer before the Finance Committee of the U. S. Senate; July 21, 1961★:

Please note that the views expressed are strictly my own; and for which the publication I am associated with carries no responsibility.

PART I

RESULTS VS. THE AIMS

As presently constituted, our Stock Option system's workings are completely irrelevant to its constructive and laudable aims. In lieu of providing managerial incentive via rewarding the hard-working executive's achievements as measured by the intrinsic value of the company's stock, the optioning company has really involved the option-ee in a playing-the-market operation, (with "loading of the dice," as discussed hereinafter).

This is true mainly because the stock's fluctuating market price which determines the reward, does not reflect changes in the welfare of the enterprise — no matter who has been responsible therefor.

Basically contributing to the market's pricing, is of course, the value factor of the earnings. But more effective determinants are *market* conditions, ranging all the way from money rates to all important investor psychology. This divergence of market price fluctuations from earnings is indisputably evidenced by the long-term record of unceasing and violent volatility in the *price-earnings ratios* of all stocks. Thus, a company's stock price fluctuations are determined, not so much by the earnings or other corporate criteria as by the size of the multiplier by which they are capitalized, by the market community.

★At hearing on S.1625 "To amend the Internal Revenue Code so as to terminate the special tax treatment now accorded certain employe stock options." The transcript of the full proceedings is in process of publication by the Senate Finance Committee.

The Evidence

From 1939-1949 the *earnings* per share on Standard & Poors 500-Stock Composite Index rose by 196%, but their share *prices* gained only 34%. Conversely, during the following decade, while the earnings showed a net rise of 42%, the share prices which, of course, registered their capitalization by the market, gained a full 270%.

The determination of market price by investors psychology, rather than by the earnings, is again demonstrated by the 15-year course of price-earnings ratios on 125 Industrials (Moody's), as follows:

Year	Price-Earnings Ratio
1947	8.7
1950	6.8
1951	9.6
1952	10.5
1953	9.9
1954	11.4
1960	18.9
1961 (estimated)	21.

Fifty Utility Common Stocks (Standard & Poor's) sold at 11 times their earnings in 1950, at 15 times at the end of 1952, down to 13 times in mid-1953, and up at over 18 times in 1959.

The earnings of the 30 stocks in the Dow-Jones Industrial Average were capitalized by an 8.4 multiplier in 1950. In 1960 the multiplier was 18.9.

Particularly significant in showing the crucial importance of the market multipliers which are applied to the enterprise's earnings, are the rises in price in the face of reduced earnings, which occurred in the following individual Dow-Jones Average issues *during the decade.*

Stock	Earnings Per Share 1950 1960	Price '50 '60	Price-Erngs. Ratio '50 '60
American Can	$3.17-$2.06	$23-$35	1-17
Bethlehem Steel	3.04- 2.52	12- 39	4-16
Inter'l Paper	1.80- 1.74	13- 31	7-18
Johns Manville	3.61- 3.12	24- 57	7-18
United Aircraft	2.07- 1.95	16- 37	8-19
Westinghouse	2.68- 2.22	17- 49	6-21

Thus, the market fluctuations of the Company's stock are not attributable to the efforts or achievements of the option-holding executive.

Surely his incentive and reward should be geared directly to the earnings, and/or other value criteria; not to their so persistently haphazard capitalization by the market.

* * *

PART II

"HEADS-I-WIN TAILS-YOU-LOSE"

(The Broad Implications of the Contract-Juggle)

The "Resetting" privilege, that is the ex-post facto lowering of the option's contract price in the event of a subsequent decline in the stock market valuation has the broadest implications. This is so not only in compounding the *option-ee's* above-depicted market-playing role, but also vis-a-vis our broad tax structure.

Such mid-stream change-in-the-deal is specifically permitted by the tax statute. Prior to a 1954 amendment to the Internal Revenue Code, an option holder would have lost the right to the tax treatment accorded under the Code to restricted stock options if the option price were reduced during the term of the option. In 1954, however, the Code was amended to permit such a reduction, without the option holder's sacrificing such tax treatment, if the fair market value of the stock covered by the option had declined by an average of more than 20% over a period of at least one year.

Typically, American & Foreign Power recently took advantage of this "Resetting" privilege. Thirty-five options had been issued from 1955 to 1959, at prices (100% of the concurrent market) ranging from 11½ to 17⅜. The directors thereafter, on May 28 last, reduced them (with shareholder approval, via proxy) to the newly lowered market price as of the day of the price modification. Indicating the extent of the option-ee's "rate-cut," on May 15 last, the market price was $10½ and on May 25, $11.

This was management's stated justification:

"The Board of Directors believes that the effectiveness of the Plan authorized in 1955 in achieving its purposes is materially impaired when current market prices of the stock are substantially below the prices at which most of the outstanding options were granted."

The SEC's Status

Public Utility Holding companies under the jurisdiction of the 1935 Act must get the SEC's option - issuing permission in every instance (including control over the "Reset" privilege). This is so because of the Commission's obligation to *approve* new issues here—in contrast to its jurisdiction under the Securities Act of 1933 and the 1934 Act which is confined to *disclosure*. (The Mutual Fund Management Companies are specifically barred from all options by the Investment Companies Act of 1940, sec. 18-D.)

Two utility companies' cases of "Resetting" the price have recently occurred. Middle South Utilities' application for permission to reduce the price was SEC approved. While the privilege was subsequently dropped by the management, it can be used in the future.

The Ohio Edison Company likewise secured the SEC's approval, on March 16 last, to lower the outstanding option price and has retained the privilege.

Presumably, the number of such contract revisions will substantially increase during a future change to a Bear market from our recent Bullish era.

This witness has not heard of any provision or instance of "Re-setting" when the security has risen instead of fallen. (In other words the arrangement is for a *one*-way guarantee.)

Some Conclusions

The "Reset" price practice permitted by the statute accomplishes the option-ee executive's near-certainty of receiving additional compensation. (And, incidentally, of *diluting* the equity of the other shareholders.)

Calling such *assured* compensation a capital gain further contradicts the premise that the latter are fortuitous and risky, which elements provide the justification for their favored tax treatment (including the 25% rate ceiling and exemption via death) in this country, and complete exemption in most other nations.

Hence, so long as options are used, either the "Reset" should be eliminated, or the profits therefrom subjected to taxes as ordinary income, with a reduction of the present confiscatory rates.

In any event, in line with our demonstrations in both Sections I and II and above, the option should rather be replaced by a technique of getting outright share ownership to the corporate executive, either by bonus routine or as additional salary-type compensation.

This would accomplish the incentive objective, and also reduce the harmful divergence of interest between the management-controllers and the stockholding-owners.

New Sudler Branch

AURORA, Colo.—Amos C. Sudler & Co. has opened a branch office at 1505 Dallas under the management of Joseph H. Ullmer.

Amos Sudler Branch

LAKEWOOD, Colo. — Amos C. Sudler & Co. has opened a branch office at 8652 Colfax under the management of Howard J. Ruff.

Forms Mutual Secs.

EL PASO, Tex.—James M. Peterson is conducting a securities business from offices at 10120 Ballymote Drive under the firm name of Mutual Securities.

F. D. Forsch Joins Kuhn, Loeb & Co.

Kuhn, Loeb & Co., 30 Wall St., New York City, members of the New York Stock Exchange, have announced that Frederick D. Forsch has become associated with them as manager of the research department.

Laird, Bissell Wire to Florida

Laird, Bissell & Meeds, 120 Broadway, New York City, members of the New York Stock Exchange, have announced the opening of a direct private wire to Roman & Johnson, 15 Southeast Third Ave., Ft. Lauderdale, Fla.

Troster, Singer Co. Extends Wire

Troster, Singer & Co., 74 Trinity Place, New York City, have announced the installation of direct private wires to Edward L. Burton & Co., Salt Lake City, Utah, and to Vercoe & Co., Columbus, Ohio.

First Madison in New York City

First Madison Corporation is conducting a securities business from offices at 79 Madison Ave., New York City. The firm was formerly L. J. Termo & Company, Inc.

Lomasney, Loving Announce Phones

Lomasney, Loving & Co., 67 Broad St., New York City, have announced that their new telephone number is now Bowling Green 9-1800; the trading department number Bowling Green 9-8165 remains unchanged.

Morgan Named V.-P. Of B. C. Morton

ST. LOUIS, Mo.—J. L. Si Morgan has been elected a vice-president of the B. C. Morton Organization, it has been announced.

Mr. Morgan will work with Sales Vice - President Albert A. Brown.

Mr. Morgan entered the mutual fund field in 1951 as Texas divisional manager for King Merritt & Co. In 1953 he became national sales manager for shares of Managed Funds, Inc. He then became vice-president of FIF Associates.

Decartelization to Revival Of German Branch-Banking

Continued from page 1

ued as a legal entity until the decisions could be made regarding the disposition of these Teilinstitute. Organizationally and economically, however, they were completely independent. They were not even allowed to enter into a correspondent credit relationship with one another. For each institution an independent and non-political administrator, who served as trustee for the assets within the borders of one Land belonging to the Teilinstitute bank, was appointed. Each Teilinstitute was also given a new name. The Filialgroszbanken themselves, with their main offices in Berlin, continued as legal entities, but they were shorn of all power. The Teilinstitute continued to be liable for the obligations of the Filial-Grossbanken, but the latter were not allowed any voice in the affairs of their former branches.

Allied policy, in endeavoring to break up the borrowing system, was based on the conviction that the banking system had been an important instrument in rearmament, in serving the cause of the Nationalsocialist movement and in fostering cartelization.

The Teilinstitute operated with varying success. While those in the larger Lander were able to operate profitably, the Teilinstitute in the smaller Lander, however, had difficulties achieving a normal diversification of risk, a proper balance between supply and demand for credit, and an adequate capital base to service the needs of the larger firms.

The demands of the Allies for bank decartelization met with little enthusiasm among the Germans. It was felt that the order was neither politically nor economically justified. Consequently, within a short period of time, efforts were made to overcome the major disadvantages of the decartelization law. If the German economy were to meet the obligations imposed on it, a sound banking system was required. With the progressive consolidation of the West German economy, a reconsideration of the untenable legal circumstances under which the Teilinstitute were working became necessary.. The major question was whether credit institutions operating as corporations, and engaging primarily in deposit and short-term credit activities should be permitted to operate on a Lander basis, a regional basis, or a national basis. After about two years of discussions and consultations, a compromise solution was found.

First Step Toward Reconsolidation

The legal basis for the new treatment of the Filial-Grossbanken was the "Gesetz uber den Niederlassungsbereich von Kreditinstituten," passed on March 29, 1952. Popularly known as the "Grossbankengesetz," this was the first step toward reconsolidation.[3] Credit institutions, including those of foreign ownership, in the legal form of a corporation or Kommanditgesellschaft auf Aktien,[4] that were engaged in deposit and short-term credit activities were now permitted to establish branches within one of three regions instead of being limited to one of the Lander. This law, although not specially applicable only to the Grossbanken, was nevertheless of great importance to them. As a result, it was called for short the "Grossbankengesetz."

Under its provisions, each former Grossbank was to be divided into three successor banks or "Nachfolgeinstitute" instead of the more numerous Teilinstitute. West Germany was divided into the following three areas:

(a) The Lander of Bremen, Hamburg, Niedersachsen, and Schleswig-Holstein;
(b) The Lander of Nordrhein-Westfalen, and
(c) The Lander of Baden, Bayern, Hessen, Rheinland-Pfalz, Wurttemberg-Baden, and Wurttemberg-Hohenzollern.

Each of the former Filial-Grossbanken was permitted to establish a central bank in each of these areas. Thus, of the previous thirty Teilinstitute in the eleven Lander, there remained only nine Nachfolgeinstitute in three regions.[5]

Adaptation to the provisions of the law had to take place within one year. In one case of the Nachfolgeinstitute, the adaptation was to take place through an "Ausgrundung," that is, through the establishment of new corporations and issuance of the shares to the old Groszbanken shareholders.

No Bearer Stock Allowed

To frustrate any attempts at further concentration the following provisions were written into the Groszbankengesetz at the recommendation of the Allied Bank Commission.

(a) The shares of the Nachfolgeinstitute must be "Namensaktien," or order paper, and not "Inhaberaktien," or bearer stock, transferable by delivery. The name of the stockholder had to appear on the stock certificate, and the Nachfolgeinstitute must maintain a stock register book and record therein the name and residence of each stockholder as well as the size of his holdings. However, as Namensaktien are foreign to the German securities market and there was no provision in the law prohibiting endorsement in blank, this provision of the law was circumvented through a blank endorsement of almost all the Nachfolgeinsitute stock certificates enabling them to circulate as Inhaberaktien. This was tolerated in silence by the Allied authorities. However, only those whose names appeared on the stock certificates and in the stock record books were eligible to vote.

(b) No Nachfolgeinstitut could acquire the shares of another; this provision was later modified to permit the acquisition of up to 5% of the capital stock. Exercise of voting rights, however, was prohibited.

(c) Persons who were officers (Vorstandsmitglieder) or directors (Aufsichtsratmitglieder) of one Nachfolgeinstitut were not permitted at the same time to be officers or directors of another Nachfolgeinstitut.

(d) No one was permitted to own more than 5% of the capital stock of one Nachfolgeinstitut if he owned more than 5% of the capital stock of another.

The establishment of the Nachfolgeinstitute required that the assets and liabilities of the former Grossbanken be transferred to them. The officers of the old Filial-Grossbanken were charged with determining and evaluating the assets and liabilities to be transferred, proceeding so as not to injure the claims of creditors. Assets and liabilities were to be transferred against the issuance of shares of stock in the form of order paper which, however, were not to be issued to the Grossbanken, but to the Bank deutscher Lander, acting as trustee. Subsequently, the new shares were transferred to the old shareholders of the Filial-Grossbanken. In this way, each old Filial-Grossbank shareholder received shares in the Nachfolgeinstitute proportionate to his former holdings.[6] The basis for issuance of the shares of the Nachfolgeinstitute were the opening balance sheets of Jan. 1, 1952. The equity capital of the Nachfolgeinstitute of the three former Berlin Filial-Grossbanken, broken down into capital stock and reserves as well as opening asset and liability balances, are presented in Tables I, II, III.

Capital Stock Prorating

Issuance of the stock of the Nachfolgeinstitute to shareholders of the former Filial-Grossbanken

Continued on page 6

TABLE I*
The Nachfolgeinstitute of the Deutsche Bank, Berlin
(in 1,000 DM)

	Norddeutsche Bank Hamburg	Rheinische-Westfalische Bank Dusseldorf	Suddeutsche Bank Munchen	Total
Assets	747,554	1,549,080	1,450,865	3,757,500
Liabilities	719,454	1,492,880	1,404,665	3,617,000
Equity Capital	28,100	56,200	56,200	140,500
divided into:				
a. Capital stock	20,000	40,000	40,000	100,000
b. Legal reserves	5,000	10,000	10,000	25,000
c. Free reserves	3,000	6,200	6,200	15,500

*Source: Franz Seidel, *Die Nachfolgebanken in Westdeutschland*, (Vienna: Manzsche Verlags-und Universitatsbuchhandlung, 1955), p. 19.

TABLE II*
The Nachfolgeinstitute of the Dresdner Bank, Berlin
(in 1,000 DM)

	Hamburger Kreditbank Hamburg	Rhein-Ruhr Bank Dusseldorf	Rhein-Main Bank Frankfort/M	Total
Assets	654,304	965,354	900,996	2,520,655
Liabilities	626,804	921,354	856,996	2,405,155
Equity capital	27,500	44,000	44,000	115,500
divided into:				
a. Capital stock	21,000	36,000	36,000	93,000
b. Legal reserves	6,500	8,000	8,000	22,500

*Source: Franz Seidel, *Die Nachfolgebanken in Westdeutschland*, (Vienna: Manzsche Verlags-und Universitatsbuchhandlung, 1955), p. 19.

TABLE III*
The Nachfolgeinstitute of the Commerzbank, Berlin
(in 1,000 DM)

	Commerz- u. Disconto Bank Hamburg	Bankverein West-Deutschland Dusseldorf	Commerz- u. Kredit Bank Frankfort/M	Total
Assets	406,657	884,163	290,147	1,580,968
Liabilities	392,907	853,913	279,147	1,525,968
Equity capital	13,750	30,250	11,000	55,000
divided into:				
a. Capital stock	12,500	27,500	10,000	50,000
b. Legal reserves	1,250	2,750	1,000	5,000

*Source: Franz Seidel, *Die Nachfolgebanken in Westdeutschland*, (Vienna: Manzsche Verlags-und Universitatsbuchhandlung, 1955), p. 19.

3 An additional five years, however, were required to reestablish the Filial-Grossbanken.

4 A mixed form of a limited partnership and a corporation. One or more partners are unlimitedly liable (Komplementare) and the remainder (Kommanditisten, Kommandit-Aktienar) are liable only to the extent of their investment which is evidenced by shares of stock.

5 Each of the former Filial-Grossbanken continued to maintain a "daughter institution" in West Berlin. These institutions, with the permission of the Western Allies, were opened in the fall of 1949. The order was dated August 30, 1949, just a few months after the end of the blockade. The Deutsche Bank erected the Berliner Discontobank AG; the Dresdner Bank, the Bank fur Handel und Industrie AG; and the Commerzbank, the Berliner Commerzbank AG.

6 He also continued to hold his old Groszbanken shares. These institutions continued to exist legally and to possess unevaluated and unevaluatable assets lying in the Soviet zone and east of the Oder-Neisse River. These shares are quoted as "Restquoten" and traded on the West German exchanges.

Decartelization to Revival Of German Branch-Banking

Continued from page 5

was based upon the relationship of their relative holdings of the former Grossbanken capital stock (in Reichsmarks) to the total new capital stock of the Nachfolgeinstitute (in Deutsche Marks). This capital stock was then prorated among the individual Nachfolgeinstitute.

The Deutsche Bank Berlin at the end of the war had a capital stock of RM 160,000,000. The new capital stock of the three Nachfolgeinstitute of the Deutsche Bank was set at DM 100,000,000. This established an exchange ratio of 10 to 6¼. For every par value of RM 100 shares of Deutsche bank stock, a shareholder received shares in the Nachfolgeinstitute of the Deutsche Bank of total par value of DM 625. The division of the new capital stock among the Nachfolgeinstitute, as may be seen from Table I, was in the relationship of 1 : 2 : 2. The shareholder thus received shares with a par value of DM 125, in the Norddeutsche Bank AG, Hamburg, and shares with a par value of DM 250 in both the Rheinische - Westfalische Bank AG, Dusseldorf, and the Suddeutsche Bank AG, Munchen.

The Dresdner Bank Berlin has a capital stock of RM 150,000,000. The capital stock of the Nachfolgeinstitute was established at DM 93,000,000. This gave an exchange ratio of 10 to 6.2. For every par value RM 1000 shares of Dresdner Bank stock, the shareholder received stock with a par value of DM 620, which was divided among the Nachfolgeinstitute of the Dresdner Bank in the relationship of 7:12:12.

The Commerzbank Berlin had a capital stock of RM 100,000,000. The capital stock of the Nachfolgeinstitute was established at DM 50,000,000. This gave an exchange ratio of 10 to 5. For every par value RM 1000 shares of Commerzbank stock, the shareholder received stock with a par value of DM 500, which was divided among the Nachfolgeinstitute of the Commerzbank in the relationship of 5:14:4.

These exchange ratios provide some measure of the losses which the Groszbanken suffered upon the collapse of the Third Reich. Although the establishment of Nachfolgeinstitute became effective Jan. 1, 1952, they had operated profitably as Teilinstitute since at least 1948; and all the profits earned until 1952 were retained as reserves. Even so, none of the Filialgroszbanken was able to exchange stock on the basis of one DM for one RM.

Shareholders Did Not Fare Badly

In comparison with other sectors of the German economy, however, shareholders of the former Filial-Grossbanken did not fare badly.[7] For example, on the twenty-eighth of June, 1944, the shares of these banks were quoted on the Berlin Stock Exchange at 149% for the Deutsche Bank, 156.25% for the Dresdner Bank, and 146.25% for the Commerzbank.[8] An investor buying a share of Deutsche Bank stock, par value RM 1000, paid RM 1490 on June 28, 1944. On the establishment of the Nachfolgeinstitute, he received shares with a par value of DM 625 and a book value of 878⅛. In addition, he continued to hold shares in the original Grossbank. In October, 1954, shares of the nine Nachfolgeinstitute were quoted on West German exchanges at prices ranging from 180% to 188%; Restquoten ranged between 10% and 13%.[9] By February, 1959, prices of shares of the new Grossbanken had risen substantially, ranging between 369% and 376%; Restquoten were then between 7½% and 9¾%.[10]

7 The exchange ratio accepted by depositors was 10 RM to 1 DM.

8 *Berliner Borsen-Zeitung*, Reasonably similar prices prevailed in September, 1943, according to *The Wiener Compass*, as quoted by Franz Seidel in *Die Nachfolgebanken in Westdeutschland*, edited by Professor Dr. Hans Krasensky, (Vienna: Manzsche Verlags-und Universitatsbuchhandlung, 1955), p. 23.

9 Franz Seidel, *Die Nachfolgebanken in Westdeutschland*, p. 24.

Reunification Cleared

The passage of the "Gesetz zur Aufhebung der Beschrankung des Niederlassungsbereiches von Kreditinstituten," on the 25th of Dec., 1956, cleared the way for reunification of the Filial-Grossbanken. As a practical matter, they already were operating to a large extent as unified systems.[11] It was clear from the beginning that the Nachfolgeinstitute of the Deutsche Bank and the Dresdner Bank would reunite to form centrally controlled and directed Filial-Grossbanken. The Commerzbank it appeared at first, however, would take a different view.

The Commerzbank was expected to remain on a decentralized basis with two of the Nachfolgeinstitute being daughter banks of the third. However, late in 1958, just prior to expiration of the period in which merger of the Nachfolgeinstitute could be effected without tax penalties, the Commerzbank decided upon a centrally managed system. The Nachfolgeinstitute were converted into branches of a centrally directed Commerzbank AG.

Previously, the Deutsche Bank AG was founded on April 30, 1957, including the three Nachfolgeinstitute of the former Deutsche Bank, Berlin, Similarly, the three Nachfolgeinstitute of the Dresdner Bank, Berlin, merged in May, 1957, to form the Dresdner Bank AG. In both cases the effective date of merger was Jan. 1, 1957, and central offices were established in Frankfurt/M.

The capital of the Commerzbank-Bankverein AG, Dusseldorf, was raised from 60 to 150 million DM; these shares were exchanged for those of the other Nachfolgeinstitute on the basis of one for one. A similar process had been followed by the Deutsche Bank and the Dresdner Bank. With the culmination of the Commerzbank merger, which was made retroactive to July 1, 1958, the reconcentration of the old Filial-Grossbanken was complete.[12]

10 "Berliner Ausgabe," *Die Welt*, February 6, 1959.

11 "Die Dritte Groszbank," *Der Volkswirt*, September 20, 1958.

TABLE V

Branch Network Growth of the Bank Groups In the Post War Period

Bank (Group)—	Branches Jan. 1, 1952*	Branches Dec. 12, 1959†	Percentage Expansion	Deposit and Payment Offices Dec. 31, 1959
Deutsche Bank	168	245	45.8%	137
Dresdner Bank	92	‡189	105.4	‡122
Commerz Bank	83	169	103.6	89
Total	343	603	75.8%	348

*Source: *Frankfurter Allgemeine Zeitung*, February 1, 1952. †Source: Through correspondence. ‡As of December 31, 1960.

II

The Filial-Grossbanken Today

The growth of the Berlin Filial-Grossbanken Nachfolgeinstitute and the subsequently reestablished Filial - Grossbanken has been impressive. Since Jan. 1, 1952, they prospered and established themselves as prominent institutions in the economy of West Germany.

The Filial-Grossbanken at the end of 1960 had a combined balance sheet total of 28.1 billion DM. At the end of 1937, a time at which armament financing had not yet inflated bank balances, total assets of the three Grossbanken was 7.26 billion RM.[13] Even allowing that the purchasing power of the Mark is only half as great today as it was at that time, still the Grossbanken show an increase in their balance sheet totals, in the smaller area of Western Germany, of 100% since 1937. The combined balance sheet totals of all bank groups in Western Germany in December, 1960, were 233.1 billion DM.[14] Of this amount 61.8 billion DM is attributable to the commercial banks. In other words the Filial-Grossbanken at the end of 1960 accounted for 12.1% of total bank assets and 45.5% of all commercial bank assets.

12 A merging of the Berlin daughter banks into the Groszbanken does not appear likely at the present time. It is felt that the Berlin institutions can operate more purposefully and economically as independent legal organizations than if they were merely branches of the Groszbanken.

13 Dr. Max Kruk, "Schrumpfene Zinsspanne-mehr Dienstleistungsertrage," *Blick durch die Wirtschaft* (Frankfurter Allgemeine Zeitung), April, 1958, p. 72.

14 Through correspondence.

Table IV shows the capital stock of the Filial-Grossbanken in Reichmarks prior to World War II and in Deutsche Marks on Jan. 1, 1952, and on Oct. 31, 1960. Also presented are the reserves and balance sheet totals on Jan. 1, 1952, and Oct. 31, 1960. Between Jan. 1, 1952, and Oct. 31, 1960, the capital stock has grown by slightly more than 167.5%, and the balance sheet totals by 224.5%. The declared reserves, however, have expanded by 833.8%.

Evidence of the growth and expansion of these institutions is not limited to their balance sheets. It is also found in the number of new branches which were opened throughout Western Germany in the years between Jan. 1, 1952, and Oct. 31, 1959. These figures are presented in Table V. The high level from which the percentage increase is calculated should be considered in appraising the extent of expansion.

Generous Cash Dividends

The market prices and dividend record of these institutions reflect the growth and prosperity which they have enjoyed in recent years. Each of the bank groups distributed to its shareholders cash dividends of 10%, 12%, and 12%, and 14% of par value for the years 1955, 1956, 1957, and 1958 respectively. For the financial year 1959 the Deutsche Bank AG and the Dresdner Bank AG paid 16% dividend and the Commerzbank AG distributed a 14% dividend plus a 2% extra. On Dec. 31, 1960,

TABLE IV

Financial Growth of the Bank Groups in the Post War Period

Bank— (Group)	Old Cap. Stock of the Groszbanken Millions RM	January 1, 1952* Cap. Stock (Millions DM)	January 1, 1952* Reserves (Millions DM)	October 31, 1960† Capital Stock (Millions DM)	October 31, 1960† Reserves (Millions DM)	Share of Equity Capital—All Three Banks Jan. 1, '52 %	Share of Equity Capital—All Three Banks Oct. 31, '60 %	Balance Sheet Total Jan. 1, '52 (Millions DM)	Balance Sheet Total Oct. 31, '60† (Millions DM)	Expansion Capital Stock %	Expansion Bal. Sh. Total %
Deutsche Bank	160	100.0	40.5	250.0	250.0	41.1	38.5	3,757.5	11,161.4	150.0	197.0
Dresdner Bank	150	93.0	22.5	220.0	227.0	38.3	33.8	2,520.7	7,745.0	136.6	207.3
Commerz Bank	100	50.0	5.0	180.0	158.0	20.6	27.7	1,581.0	6,594.4	260.0	317.1
Total	410	243.0	68.0	650.0	635.0	100.0	100.0	7,859.2	25,500.8	167.5	224.5

*Source: Rudolf Herlt, "Das unvollendete Bankentrio," *Die Welt*, March 31, 1958. †Source: Through correspondence.

the shares of the Deutsche Bank AG, were quoted at 780%, the Dresdner Bank AG, shares at 692%, and the Commerzbank AG, shares at 650%.

The Vorstand members of the three Filial-Grossbanken held a total of 380 Aufsichtsrat positions in 1957-58. These positions were concentrated in key industries such as steel, coal, and chemicals. Of the 380 positions, the 11 Vorstand members of the Deutsche Bank AG controlled 161, the 14 Vorstand members of the Dresdner Bank AG, 121, and the 11 Vorstand members of the Commerzbank-Gruppe, 98.[15] The highest number of Aufsichtsrat positions held by one man was 31. On the average each man held from 10 to 15 posts. These banks also own, in their own name, substantial stock. Of special interest, perhaps, is the fact that these banks have participating interests in the three largest investment companies in Western Germany. The Commerzbank AG is a participant in the Allgemeine Deutsche Investment-gesellschaft mbH, capitalized at 1.8 million DM. The Deutsche Bank AG has a 30% participation in the Deutsche Gesellschaft fur Wertpapiersparen mbH, and the Deutsche Investment Trust Gesellschaft fur Wertpapieranlagen mbH, is 100% owned by the Dresdner Bank AG.[16]

Examples of Deutsche Bank AG participations and stock holdings:

(a) An interest in Hugo Stinnes Corp., New York;
(b) A majority interest in the Bayerische Electrizitats-werke, Munich, capitalized at 5.5 million DM;
(c) A 50% stock ownership of Deutsche Telefonwerke and Kabelindustrie AG, capitalized at 6.76 million;
(d) A 43.7% interest in Deutsche Fanto GmbH, capitalized at 8 million; and
(e) A 100% stock ownership of J. Wichelhaus P. Sohn AG, capitalized at 3 million.[17]

Examples of the Dresdner Bank AG participations and stock holdings:

(a) A 25% stock interest in Kaufhof AG, capitalized at 75 million;
(b) A majority interest in Elbschloss-Brauerei, capitalized at 4 million; and
(c) A 31% stock ownership in Lubecker Flender - Werke AG.[18]

Examples of Commerzbank AG participations and holdings are listed below. All are 25% or more owned by the Commerzbank AG.

(a) Kaufhof AG;
(b) Karstadt AG;
(c) Beton-und-Monierbau AG;
(d) Lubecker Flender - Werke AG;
(e) Schnellpressenfabrik AG;
(f) Deutsche Hypothekenbank, Bremen.[19]

The three reestablished Filial-Grossbanken—in addition to controlling a substantial portion of total bank assets in Western Germany,[20] having an extensive network of branches, and owning significant blocks of stock in industrial and commercial firms — frequently represent and vote the stock left with them by their shareholding customers for administrative purposes. However, of the total amount of stock outstanding, the percentage owned by Filial-Grossbanken is relatively small. Of 31.4 billion DM of stocks at par value outstanding in December, 1960, the Grossbanken held, at cost or market, 1.088 million DM.[21] "Cost or market" generally exceeds par value.

Today, as before the war, practically all stock in Western Germany is bearer paper. The companies maintain no record books and do not know their shareholders or the size of individual shareholdings. Notices of the declaration of dividends and other important information are printed in the daily newspapers. As it is inconvenient, time-consuming, and subject to inadvertent oversight, many shareholders forego personal supervision of their stocks and entrust the shares to bankers. The bank then, for a small fee, collects dividends for the shareholders, relays all important messages, and represents and votes the stock at stockholders meetings.

III

Summary

After a number of years, of relative dormancy imposed by the decartelization policies of the Western Allies, the Filial-Grossbanken have reappeared on the West German economic scene. Not only have they made their appearance under the old and respected names of Deutsche Bank, Dresdner Bank, and Commerzbank, but they have also regained positions of prominence among the financial institutions of Western Germany and of the world.

The explanation of this prominence and success in small, but highly industrialized Western Germany lies in a number of factors. The operation of these factors in the years after World War II enabled them to offer essential assistance in the revival and growth of Western German commerce and industry. The factors include an extensive branch-office system, the legal right to own unlimited amounts of common stocks and to vote these stocks as well as others left with them by their depositors, the holding by their executive officers of numerous directorates in other organizations, and the concentration of a significant percent of total commercial bank assets in a few banks. These are also, however, among the factors which the Allied powers considered as an excessive concentration of power which might be used to further national - socialistic aims and which must be destroyed. Accordingly, the Filial-Grossbanken were dissolved. However, in the course of political events this antagonism lessened and the Groszbanken were allowed to reestablish themselves, until today they once again take their place among the major banks of the world.

15 *Leitende Manner der Wirtschaft*, 6th Auflage, "Spezialarchiv der deutschen Wirtschaft," Hoppenstedt & Co., Darmstadt, 1957/58. *Annual Reports, 1957*, of the Deutsche Bank AG, and the Dresdner Bank AG, Commerzbank-Gruppe, *First-half, 1958, Annual Report.*

16 "Grossbanken und Investmentgesellschaften," *Deutsche Woche*, Munich, January 28, 1958.

17 *Ibid.*

18 "Grossbanken und Investmentgesellschaften," *Deutsche Woche*, Munich, January 28, 1958.

19 *Through correspondence.*

20 Hans Janberg, "Gedanken zum Aufbau der Westdeutschen Bankwesen," *Der Betrieb*, Nr. 51/52, December 31, 1957, p. 1238.

21 Through correspondence.

Elected V.-P. of Harriman Ripley & Co., Incorporated

F. Donald Kenney has been elected a Vice-President of Harriman Ripley & Co., Incorporated, 63 Wall St., New York City, it was announced by Stuart F. Silloway, President of the investment banking firm.

F. Donald Kenney

Mr. Kenney joined the staff of Harriman Ripley in 1951 and was elected an Assistant Vice-President in the Buying Department in 1958. He is a graduate of Holy Cross College, Worcester, Mass., and Harvard Business School, Cambridge, Mass.

Palm Beach Inv. Branch

FT. LAUDERDALE, Fla. — Palm Beach Investment Co., Inc. has opened a branch office in the Professional Bldg., Sunrise Center, under the management of Orgain E. McCullough, Jr.

Blair Announces Official Changes

Blair & Co. Incorporated, 20 Broad Street, New York, members of the New York Stock Exchange, have announced that E. Cummings Parker has been elected a director of the corporation and will be in charge of its Chicago office; Donald E. Nichols is withdrawing from administrative responsibilities but will continue as resident Vice-President, and Ores E. Zehr will continue as a resident Vice-President, also in the Chicago office.

At the same time, the investment firm announced that Andrew D. Cornwall and Joseph V. Yakowicz, of the New York office; George E. Burden, Manager of the Boston office, and Richard M. Coulton, Manager of the Rochester, N. Y. branch, have been elected Vice-Presidents. William McI. Crouse, Jr. and Frederick C. Sloan, also at the New York headquarters, have been named Assistant Vice-Presidents of the company.

DuBovy Forms Co.

FLUSHING, N. Y. — Joseph DuBovy is engaging in a securities business from offices at 144-45 Thirty-fifth Avenue under the firm name of DuBovy Associates.

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 comparison of leading banks and trust companies of the United States—New York Hanseatic Corp., 120 Broadway, New York 5, N. Y. Also available is a card memorandum on **Broken Hill Proprietary.**

Berlin Crisis—Discussion of effect on market—Hemphill, Noyes & Co., 8 Hanover Street, New York 4, N. Y.

Cincinnati Bank Stocks—Bulletin—Pohl & Co. Inc., Dixie Terminal Building, Cincinnati 2, Ohio.

Commission on Money and Credit—Comments on the report—W. E. Hutton & Co., 14 Wall Street, New York 5, N. Y.

Gold Exchange Standard—Bulletin—C. F. Childs & Co. Inc., 141 West Jackson Blvd., Chicago 4, Ill.

Instalment Credit Patterns—Review—First Security Bank of Utah, Salt Lake City, Utah.

Italy—Facts for American businessmen—Bulletin—Chase Manhattan Bank, 1 Chase Manhattan Plaza, New York 15, N. Y.

Japanese Market—Review—Yamaichi Securities Co. of New York Inc., 111 Broadway, New York 6, N. Y. Also available are reviews of the Japanese **Heavy Duty Electrical Equipment Industry, Camera Producers, Copper Refining Industry, Canon Camera Co. Inc.** and **Toyota Motor Co. Ltd.**

Japanese Market—Review—Nikko Securities Co., Ltd., 25 Broad Street, New York 4, N. Y. Also available is an analysis of **Mitsukoshi 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.**

Japanese Stock Market—Review—Daiwa Securities Co., Ltd., 149 Broadway, New York 6, N. Y.

Life Insurance Stocks—Comments on selected issues—J. H. Goddard & Co. Inc., 85 Devonshire Street, Boston 9, Mass.

Life Insurance Stocks—Comparative figures—Robert H. Huff & Co., 210 West Seventh Street, Los Angeles 14, Calif.

Natural Gas—Analysis—Goodbody & Co., 2 Broadway, New York 4, N. Y. Also available are bulletins on **Mack Trucks Inc., Central of Georgia, Emery Air Freight, New York Bank Stocks, Philip Morris, Public Service Co. of Indiana,** and **Spiegel,** and memoranda on **Craig Systems Inc.** and **McNeil Machine & Engineering.**

New Developments Along the Gold Front—Bulletin—John H. Lewis & Co., 63 Wall Street, New York 5, N. Y.

New York City Bank Stocks—Comparative figures—First Boston Corp., 15 Broad Street, New York 5, N. Y.

New York City Bank Stocks—Third Quarter Statistics—Laird, Bissell & Meeds, 120 Broadway, New York 5, N. Y.

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

Chas. Pfizer & Co.—Memorandum—Steiner, Rouse & Co., 19 Rector St., New York 6, N. Y.

Rubber Industry—Review—David L. Babson & Co. Inc., 89 Broad Street, Boston 10, Mass.

Sales Finance Industry with particular reference to **Atlas Credit** and **Pioneer Finance**—F. S. Moseley & Co., 50 Congress Street, Boston 2, Mass.

Silver—Memorandum—Jacques Coe & Co., 39 Broadway, New York 6, N. Y.

United States Banks—Comparative figures on 15 large banks in the U. S.—Bankers Trust Co., Bond Department, 16 Wall Street, New York 15, N. Y.

* * *

Acme Steel—Analysis—Blair & Co. Inc., 20 Broad Street, New York 5, N. Y. Also available are analyses of **Champion Paper & Fibre, Pall Corp., Chas. Pfizer & Co. Inc.** and **Southern Bakeries Co.**

Air Products—Memorandum—A. G. Becker & Co. Inc., 120 South La Salle Street. Also available are memoranda on **American Chicle, Black & Decker, Hammond Organ, New Hampshire Ball Bearings** and **O. M. Scott & Sons.**

Akron Brass Manufacturing Co. Inc.—Analysis—Equitable Securities Corp., 322 Union Street, Nashville 3, Tenn. Also available is an analysis of **Minneapolis Brewing Company.**

Alberto-Culver Co.—Analysis—Wm. H. Tegtmeyer & Co., 105 South La Salle Street, Chicago 3, Illinois.

Alden's—Memorandum—Hayden, Stone & Co., 25 Broad Street, New York 5, N. Y.

American Can—Memorandum—Thomson & McKinnon, 2 Broadway, New York 4, N. Y.

American Marietta Co.—Memorandum—R. W. Pressprich & Co., 80 Pine St., New York 5, N. Y.

Ampex Corp.—Analysis—Dean Witter & Co., 45 Montgomery St., San Francisco 6, Calif.

Associated Testing Laboratories—Analysis—du Pasquier, Seskis & Co., Inc., 61 Broadway, New York 6, N. Y.

Bausch & Lomb, Inc.—Bulletin—Hill, Darlington & Grimm, 2 Broadway, New York 4, N. Y.

Beech Nut Life Savers—Analysis—Cohen, Simonson & Co., 25 Broad St., New York 4, N. Y.

Boothe Leasing Corp.—Memorandum—Irving Lundborg & Co., 1184 Chestnut St., Menlo Park, Calif.

California Liquid Gas Corp.—Analysis—Hooker & Fay, Inc., 221 Montgomery St., San Francisco 4, Calif.

Champion Paper & Fibre—Analysis—Stein Bros. & Boyce, 6 South Calvert St., Baltimore 2, Md.

Chicago Milwaukee St. Paul & Pacific—Report—Edward A. Viner & Co., Inc., 26 Broadway New York 4, N. Y.

Crowell Collier Publishing Co.—Review—L. R. Rothschild & Co., 120 Broadway, New York 5, N. Y. Also available are data on **Fruehauf Trailer.**

Crowley's Milk—Memorandum—First Citizens Corp., 210 West Seventh St., Los Angeles 14, Calif.

Delaware Valley Financial Corp.—Analysis—Havener Securities Corp., 165 Broadway, New York 6, N. Y.

Diners Club, Inc.—Review 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 reports on **Safeway Stores, Electric Bond & Share, American Research & Development Co., Beryllium, Kawneer Co., A. P. Green Fire Brick Co., Siegler Corp.** and **Richardson-Merrell Inc.**

Edison Bros. Stores—Report—Courts & Co., 11 Marietta St., N. W., Atlanta 1, Ga.

Electrada Corp.—Report—Adams & Co., 5455 Wilshire Blvd., Los Angeles 36, Calif.

Electro Science Investors Inc.—Memorandum—Schwabacher & Co., 100 Montgomery St., San Francisco 4, Calif.

First National Stores—Analysis—J. A. Hogle & Co., 40 Wall St., New York 5, N. Y.

G B Components Inc.—Bulletin—Taylor, Bergen, Lynn & Lee, 1830 West Olympic Boulevard, Los Angeles 6, Calif. Also available is a bulletin on **Triangle Business Machines Inc.**

Garrett Corp.—Data—Purcell & Co., 50 Broadway, New York 4, N. Y. Also available are data on **Grumman Aircraft** and **Rohr Aircraft.**

General Electric Co.—Bulletin—Wood, Walker & Co., 63 Wall St., New York 5, N. Y.

General Finance—Report—Auchincloss, Parker & Redpath, 2 Broadway, New York 4, N. Y.

Gould National Batteries, Inc.—Report—Evans & Co., Inc., 300 Park Ave., New York 22, N. Y.

Hawaiian Pacific Industries, Inc.—Bulletin—De Witt Conklin Organization, Inc., 120 Broadway, New York 5, N. Y.

Imperial Chemical Industries Ltd.—Discussion in July-August issue of the "American Investor"—The American Investor, 86 Trinity Place, New York 6, N. Y.—15c per copy, \$1.00 per year. Also in the same issue are discussions of **Audion-Emenee, Giannini Controls** and an article on 27 long-time quarterly dividend payers.

Island Creek Coal—Analysis—J. C. Wheat & Co., 1001 East Main St., Richmond 19, Va. Also available is an analysis of **Robertshaw-Fulton Controls Co.**

Jack Amman Inc.—Memorandum—Parker, Ford & Co., Vaughn Building, Dallas 1, Texas.

Jerrold Electronics—Memorandum—Suplee, Yeatman, Mosley Co., Inc., 1500 Walnut St. Philadelphia 2, Pa.

Jerrold Electronics Corp.—Report—Butcher & Sherrerd, 1500 Walnut St., Philadelphia 2, Pa.

KVP Sutherland Paper Company—Analytical brochure—William Blair & Co., 135 South La Salle St., Chicago 3, Ill.

Lake Ontario Portland Cement Co., Ltd.—Memorandum—James Richardson & Sons, 14 Wall St., New York 5, N. Y.

Lence Lanes—Report—Stearns & Co., 80 Pine St., New York 5, N. Y.

Lockheed Aircraft Corporation—Bulletin—Schweickart & Co., 29 Broadway, New York 6, N. Y.

Louis Allis Co.—Analysis—Loewi & Co. Inc., 225 East Mason Street, Milwaukee 2, Wis. Also available is an analysis of **Ed. Schuster & Co. Inc.**

Lucky Stores—Memorandum—Birr & Co., Inc. 155 Sansome St., San Francisco 4, Calif.

Max Factor—Review—Ira Haupt & Co., 111 Broadway, New York 6, N. Y. Also available are data on **Swank** and **Colonial Corporation of America.**

Metalcraft Inc.—Memorandum—V. S. Wickett & Co., Inc., 99 Wall St., New York 5, N. Y. Also available is a memorandum on **All State Credit Corp.**

Mohawk Rubber—Memorandum—William R. Staats & Co., 640 South Spring St., Los Angeles 14, Calif.

Mother's Cookie Co.—Analysis—J. J. B. Hilliard & Son, 419 West Jefferson St., Louisville 2, Ky.

Northwest Nitro Chemical Ltd.—Memorandum—R. L. Warren Co., 818 Olive St., St. Louis 1, Mo.

Olin Mathieson—Memorandum—Pershing & Co., 120 Broadway, New York 5, N. Y.

Olivetti—Memorandum—Bear, Stearns & Co., 1 Wall St., New York 5, N. Y.

Opelika Manufacturing Co.—Report—H. Hentz & Co., 72 Wall St., New York 5, N. Y. Also available is an analysis of **Von's Grocery Co.**

Chas. Pfizer & Company—Report—E. F. Hutton & Company, 7616 Girard Avenue, La Jolla, Calif.

Pioneer Finance Co.—Analysis—Shearson, Hammill & Co., 14 Wall St., New York 5, N. Y.

Piper Aircraft Corp.—Review—L. F. Rothschild & Co., 120 Broadway, New York 5, N. Y. Also available is a review of **Consumers Power Company.**

Plough Incorporated—Analysis—A. C. Allyn & Co., 122 South La Salle St., Chicago 3, Ill.

Protective Security Life Insurance Co.—Memorandum—Olmstead, Allen & Co., 5455 Wilshire Blvd., Los Angeles 36, Calif.

Public Service Electric and Gas Co.—Analysis—Bache & Co., 36 Wall St., New York 5, N. Y.

Republic National Life Insurance—Memorandum—Sanders & Co., Republic National Bank Building, Dallas 1, Texas.

Sealright Oswego Falls Corp.—Report—A. M. Kidder & Co., Inc., 1 Wall St., New York 5, N. Y. Also available are data on **Dresser Industries, Inc.**

Security Columbian Bank Note Co.—Bulletin—Sutro Bros. & Co., 80 Pine St., New York 5, N. Y.

Sheraton Corporation of America—Analysis—Gruntal & Co., 50 Broadway, New York 4, N. Y.

Simulmatics Corporation—Brochure—Russell & Saxe, 50 Broad St., New York 4, N. Y.

South Penn Oil—Analysis—Eisele & King, Libaire, Stout & Co., 50 Broadway, New York 4, N. Y.

Standard Kollsman Industries, Inc.—Report—Hemphill, Noyes & Co., 8 Hanover St., New York 4, N. Y. Also available is a review of **Heyden Newport Chemical Corp., National Tea Co., Pittsburgh Plate Glass,** and **U. S. Freight.**

Sterling Drug—Memorandum—F. P. Ristine & Co., 15 Broad St., New York 5, N. Y.

Texas Instruments—Memorandum—Laidlaw & Co., 25 Broad St., New York 4, N. Y.

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

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

Wilson & Co.—Review—Fahnestock & Co., 65 Broadway, New York 6, N. Y. Also available is a review of **Fruehauf Trailer Co**

Winston-Muss—Memorandum—Halle & Stieglitz, 52 Wall St., New York 5, N. Y.

Joins Henry F. Swift

(Special to THE FINANCIAL CHRONICLE)

SAN FRANCISCO, Calif.—Aaron Senderman has become associated with Henry F. Swift & Co., 453 Montgomery Street, members of the Pacific Coast Stock Exchange. Mr. Senderman, who has been in the investment business in San Francisco for many years, has recently been with Hannaford & Talbot and Stone & Youngberg.

European Monetary Union Tempts Britain to Join ECM

By Dr. Paul Einzig

Developments regarding M. Jean Monnet's idea of a Western European Monetary Union present a greater temptation and, thus, make it ever more difficult for England not to join the E.C.M. Dr. Einzig adds to this view of his, the disquieting paradoxical facts regarding the rigid opposition taken by those bound to benefit from Britain's membership. He, further, points out that the Union would want to exercise some control over Britain's domestic inflationary policies.

LONDON, England — Before very long the British Government will declare its intention whether or not to embark on negotiations in view of joining the European Common Market. The chances are that the decision will be in favor of negotiating about the possibility of reaching an agreement which would safeguard the vital interests of the Commonwealth, the other members of the European Free Trade Association, and British agriculture. If in the course of the negotiations it will be found that the Common Market is not prepared to make acceptable concessions there is always time to withdraw.

In Britain and in the Commonwealth there is growing resistance to a virtually unconditional adhesion to the Rome Treaty. The sectional interests involved will no doubt mobilize all their political influence during the next few months to prevent an agreement. Unfortunately their attitude is purely destructive. While doing their utmost to destroy the chances of European unity, neither the Commonwealth Governments nor the British trade unions, industrial interests and agricultural interests show the least inclination to indicate their willingness to make any sacrifices, either to pave the way for a compromise, or to compensate Britain for losing the advantages of joining the Common Market.

Opposition Ignores Advantages

Yet those advantages have become distinctly more tempting during the last few days. M. Jean Monnet's vague idea of a Western European Monetary Union is receiving growing support within the Common Market, and the chances are that it will materialize in the not too distant future. The question is whether it will be confined to the Common Market as at present constituted, or whether Britain and other Western European countries will participate in the proposed arrangement. It would involve some degree of pooling of gold and foreign exchange resources, and the integration of monetary policies.

From Britain's point of view some such an arrangement appears to present very tempting advantages. As things are Britain's external short-term liabilities are far in excess of her liquid assets. To join forces with Western Germany, France and Italy, with their large and growing gold and foreign exchange reserves, would undoubtedly reinforce the defenses of sterling.

All is not gold, however, that glitters. If unity with Europe should be achieved at the cost of a disintegration of the Sterling Area, then the disadvantages of the change from the point of view of the technical position of sterling might outweigh its advantages. For at present rather more than half of the sterling balances are held by Sterling Area countries, and they are not subject to withdrawal as a result of any wave of distrust in sterling. If the Sterling Area should disintegrate, the resulting increase in the potential pressure on sterling would hardly be compensated by the lessening of the pressure through the proposed arrangement. Unless the Common Market is prepared to underwrite sterling to an unlimited extent neither Common Market residents nor residents outside the Common Market could rely on the new arrangement implicitly.

Yet it seems inconceivable that the Common Market countries would give an unconditional guarantee to holders of sterling, unless their authorities are given a control over British economic policies upon which the fate of sterling must depend in the long run. Would the West German or French public tolerate an arrangement under which Britain would be enabled to continue its wage inflation with impunity, at the cost of the other countries of the Common Market? Would they not insist on limiting wage increases in Britain to the extent of wage increases in continental Western Europe? If some such limit could be enforced sterling would cease to be a liability on the Western European Monetary Union. But then if the British Government were able and willing to apply such a limit, sterling would not need any support from the Common Market.

It seems most unlikely that the British Parliament would abdicate its privilege of determining Britain's economic policies. And even if it did, the attitude of the trade unions could still frustrate any efforts to coordinate British economic policies with those of the Common Market. Yet in the absence of some such coordination, the experiment of a Monetary Union is bound to fail completely. A stage is bound to be reached at which fundamental disequilibrium resulting from the British wage inflation would force the Common Market to abandon sterling to its fate, or at any rate to insist on a painful adjustment of the exchange parities at which its support could be continued without undue sacrifice.

But it would be perhaps too much to expect the British Government to see quite so far. Adhesion to a Western European Monetary Union would relieve pressure for the immediate future, and this certainly presents considerable temptation. For this reason the progress of the Monetary Union scheme has made it even more difficult to refuse to join the Common Market. Yet the trade unions which would be enabled to continue to live in a fool's paradise, and the Commonwealth Governments which would benefit by an increase of Britain's financial strength, are certain to do their best to prevent it from joining.

E. C. La Montagne With East-West Securities

PALO ALTO, Calif. — East-West Securities Co. has opened a branch office at 422 Waverley Street under the management of E. Clinton La Montagne. Mr. La Montagne was formerly President of La Montagne, Pierce & Co.

Sweeney Joins Doremus Agency

George F. Sweeney, formerly with Sidney J. Dubroff, Inc., has joined the New York public relations department of Doremus & Company, 120 Broadway, New York City, national advertising and public relations firm.

Prior to his association with the Dubroff company, Mr. Sweeney had been with several other New York agencies and with the European edition of the "Herald Tribune" in Paris.

Doremus & Company, founded in 1903, is one of the oldest firms in its field. In addition to the New York headquarters, regional offices are located in Boston, Philadelphia, Chicago, and San Francisco, and correspondents are located in Pittsburgh, Detroit, Cleveland, Washington, D. C., Dallas and London.

MacGregor V.-P. Of Glore, Forgan

C. Russell MacGregor has been elected a Vice-President of Glore, Forgan & Co. Incorporated, 45 Wall Street, New York City. Mr. MacGregor was formerly with American Securities Corporation and prior thereto was New York Manager for Singer, Deane & Scribner.

Credit and Interest Rates In the Next Six Months

By Homer J. Livingston,* *Chairman of the Board, The First National Bank of Chicago, Chicago, Illinois*

No change in banks' prime rate is anticipated in the last half of 1961 due to customary lag of loans with business recovery. Rising business, consumer and mortgage credit demands, plus government borrowings, are expected, however, to cause interest rates to rise in the months ahead with greatest pressure applied to shorter term maturities. Mr. Livingston opines this may cause a change in the Fed's policy from relative ease.

Any meaningful statement on the outlook for credit and interest rates must consider the probable level and pace of business activity in the period under review. Currently, there is general agreement that recovery from the recent recession in business has been under way since early this spring. Furthermore, it is beginning to appear that the present expansion is apt to be more vigorous and widespread than many observers anticipated earlier this year. In addition, it now seems likely that business activity in the months ahead will accelerate and by the year-end economic activity may be well above previous record levels.

Homer J. Livingston

In these circumstances, the demand for credit by the private sector of the economy—business and consumers—will expand, reflecting the rising level of business activity. First, inventory accumulation, if it has not already begun, is certain in the months ahead. This, together with some rise in plant and equipment spending indicated by recent surveys of businessmen, suggests an increase in credit demands by business. Second, the expansion in economic activity should improve the employment situation and the income of consumers, in which case we will see a rise in consumer buying and in the credit demands of the consumer to finance his purchases. Finally, the recent firmer trend in housing starts indicates the likelihood of a rising demand for mortgage credit.

To these anticipated increased demands for funds by the private sector must be added the demand for funds by governments. A further rise in borrowing by states and municipalities is indicated by the record volume of new bond issues approved by voters last November, as well as by the continued expansion of state and locally sponsored projects.

The revenues of the Federal government are larger in the January-June period of each year and this customarily results in a seasonal surplus of receipts over expenditures. Conversely, in the July-December period, which is now ahead of us, expenditures tend to exceed receipts and the Federal government is obliged to borrow to finance this seasonal deficit. This year, a part of the estimated $10 or $11 billion that will be borrowed will not be seasonal inasmuch as the Federal government is expected to operate at deficit for the entire fiscal year, which ends June 30, 1962.

Thus, in the last half of 1961, not only will there be the rising private credit demands of an expanding economy, but in addition the demands of the government sector will undoubtedly be heavy. These circumstances—i.e., an expanding economy and rising credit demands—will probably cause a gradual shift in Federal Reserve credit policy from the relative ease that has characterized the past 15 months or so.

These combined factors strongly suggest a rise in the interest rate structure in the months ahead. More specifically, I would expect the upward pressure to be greatest on the shorter maturities. However, the rise in short-term commercial borrowings from banks probably will lag the business recovery as it has in the three previous postwar cycles. Therefore, I doubt that there will be any change in the prime rate in the next six months.

*An address by Mr. Livingston at the "Business Outlook for the Last Six Months of 1961" sponsored by First National Bank of Chicago.

N. C. Roberts to Be Corporation

SAN DIEGO, Calif. — Effective July 27, N. C. Robert & Co. Incorporated, members of the New York Stock Exchange, will be formed with offices at 625 Broadway. Officers will be Norman C. Roberts, President; E. Keene Wolcott and W. Duncan Waterman, Vice-Presidents; Helen M. Thompson, Treasurer; and Domingo A. Bonet, Secretary. All, except Mr. Bonet, are partners in Norman C. Roberts Company.

Now First Continental

OAKLAND, Calif. — The firm name of Continental Mutual Funds Inc., 1330 Broadway, has been changed to First Continental Securities Inc. The firm maintains a branch office in San Francisco.

The Outlook for Steel

By Joseph L. Block,* *Chairman, Inland Steel Company, Chicago, Ill.*

Steel head voices optimism about the year's second half outlook which, assuming strong recovery, he translates into 55 to 60 million tons or 100 to 105 million tons for the year. This would be 5% ahead of last year—the best one since 1957.

Last December's sentiment was gloomy and steel production was at its lowest point since the bottom of the 1958 recession. At that time I expressed the belief that steel inventory liquidation would end, and some improvement in steel consumption would take place during the first half of 1961. It is, indeed, good to be able to report that both of these developments have occurred.

Joseph L. Block

I also said that we could reasonably expect production to total about 42 million ingot tons for the first six months of this year. Happily that guess has proved to be somewhat on the low side. Because the upturn in steel gained momentum a little faster than anticipated in the second quarter, ingot production for the first half was about 45 million tons, a 17% increase over the last half of 1960.

Optimistic About the Second Half

We are optimistic about the prospects for steel production in the second half. The current recovery is brisk and appears to be broadening in all three major sectors of the economy. Government spending is obviously headed upward, business expenditures are expected to improve, and the consumer seems to be losing some of his recent reluctance to purchase durable goods. Most forecasters are now predicting that industrial production will be above previous record highs by the end of 1961. This should mean a significant increase in steel consumption and additions to steel inventories by our customers to support their rising sales and manufacturing activities.

A recent McGraw-Hill survey indicates a significant increase in corporate capital spending in the second half, which means better business ahead for steel in two key markets — machinery and construction. Public construction is also expected to expand. While the housing market has not been particularly strong, residential starts are rising and appliance sales should move up with them. Auto production picked up in the second quarter, and the auto makers expect further gains in the second half. The output of cans and other containers should be stimulated by rising consumer outlays and increased industrial activity.

Translating this optimistic general picture into a forecast of steel production in the second half is a pleasant but nevertheless hazardous undertaking. Although steel consumption can be expected to increase at a rate commensurate with the business recovery, the amount of steel which our customers will add to their stocks is far more difficult to predict. Based on a strong business recovery and the assumption that steel inventory rebuilding will soon get under way, we expect ingot production to be about 55 to 60 million tons in the second half, and 100 to 105 million tons for the year. This would mean an increase of nearly 30% from the first to the second half, and would make the full year 1961 about 5% better than 1960 and the best year since 1957. The index of production (1957-59=100) would be about 119 for the second half and about 106 for the year. The index for the second half of 1960 was 79, and for the full year it was 102.

Of course, the steel industry still has its problems, including most particularly the profit squeeze (caused by employment cost increases not compensated by price advances) and the continuing competitive pressures from other materials and from imported steel. However, the resurgence of the industry thus far in 1961, and that which is confidently expected later in the year, must be confounding any "doubting Thomases" who have been skeptical about the outlook. It should now be clear to all that steel will continue to hold its place as the leading material of our modern civilization.

*An address by Mr. Block at the "Outlook for Business for the Last Six Months of 1961" seminar sponsored by the First National Bank of Chicago.

Kreuzer Named By AF-GL Agency

SAN FRANCISCO, Cal.—Richard B. Kreuzer of the San Francisco office of Albert Frank-Guenther Law, Inc. has been elected an Assistant Vice-President of the national advertising and public relations agency.

Richard B. Kreuzer

Mr. Kreuzer joined the agency, which has its headquarters in New York City, in 1952 as production manager of the San Francisco office. He later was appointed an advertising account executive. Previously he was associated with Holst, Cummings & Myers and the Kudner Agency in their San Francisco offices.

Semple, Jacobs Name Officers

ST. LOUIS, Mo.—As of Aug. 3, Semple, Jacobs & Company, Incorporated, 711 St. Charles Street, members of the New York Stock Exchange, will elect the following as officers of the company: L. Donald Steel, Vice-President and Secretary; Sigmond C. Seelig, Vice-President and Treasurer; Walter L. Schwab, Vice-President; and Warner A. Isaacs, Assistant Vice-President.

M. S. Maliner Co. Formed

M. S. Maliner & Co. Inc. has been formed with offices at 40 Exchange Place, New York City, to engage in a securities business.

Oppenheimer Branch Mgr.

EAST ORANGE, N. J. — Nat Ridolfo has been appointed Resident Manager of Oppenheimer & Company's East Orange branch office at 569 Main Street.

The new Resident Manager has been active in the securities business in the New Jersey area for the past eight years.

Boeing and Lockheed

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

A capsuled projection of the ascending prospects and the market orbit of these major space-age manufacturers.

K-rations used to be basic military rations. They still are but it's a different "K". The "K" now stands for Khrushchev and the rations are the $42-odd billion we now spend annually on defense, give or take another $20 billion for moon-shooting. Two animated beneficiaries of operation "warchest," Boeing and Lockheed, now seem to be in a vigorous upthrust. We have singled them out for discussion today.

BOEING COMPANY

Boeing has long been a distinguished manufacturer of air frames and in recent years has moved forward into a dominant position in jet transports. Its three series, the 707 (domestic and international), the intermediate range 720, and the short haul 727, give Boeing a complete line of tested and proven jet transports that should deliver a solid stream of earning power for the balance of this decade.

In the field of commercial jets Boeing now has a backlog of orders for over 200 planes (about $1 billion dollars) and looks forward to a steady gross from this division in the order of $400 million annually plus another $200 million in spare and replacement parts. The jet that cruises along at 500 or 600 miles an hour seems fast enough to slow down, for a while at least, the demand for a newer and faster commercial model every couple of years.

Military Business and Space Hardware

On the military side Boeing's B-52 series of manned bombers is the logical contender for the lion's share of the $525 million Congressional appropriation (fiscal 1962) for craft in that category. Boeing is also working on an order (that may be increased) for 20 Boeing C-135 military air transports.

In space hardware Boeing shepherds the Minuteman ICBM which should generate sizeable earning power in 1962. Its Dyna-Soar space glider has received much publicity and represents a long term program with significant profit potentials for several future years. The Bomarc has proved a dependable anti-aircraft missile and though it will be replaced, in due course, by a more advanced type, production, possibly supplemented by orders from foreign nations, may continue in volume for two or three years more.

The Boeing name is a respected one in air transports and aerospace. The company has achieved a nice balance between commercial and military business. It has consistently pioneered in advanced technology through its Research and Development program. Boeing has also been doing an effective job in converting sales into net. Against $3.01 per share earned in 1960, the first quarter this year produced 75 cents, and the full year should deliver close to $4.15 per share, and possibly above $5 in 1962. On this basis, Boeing common, selling at around 49 with a $1.50 dividend, appears to be an equity of merit and of promise in diversified aircraft. (Stock has a 1960-61 range between 23 and 38.) Also the 4½% debentures convertible into common at $50 have a lively look about them at 120.

LOCKHEED AIRCRAFT CORP.

The results at Lockheed for the last couple of years have been a bit uneven, but in 1961 the company has taken on a new and more attractive look. Historically an airplane company, it still gleaned 45% of its sales from airplanes last year. But its dynamic expansion has been in missiles, satellites, spacecraft and electronics. It is in these areas that Lockheed seems to offer its major speculative appeals.

We'll talk about the airframes first. In commercial planes (about 7% of 1960 volume) the company had some problems with its Electra and Jet-Star which resulted in modification and production write-offs last year of $55 million. The picture in military aircraft is far more attractive. The Lockheed F-104 Starfighter has been acclaimed and adopted by many nations. Lockheed expects to do around $700 million of in-plant sales of the F-104 in the next four years, and to receive royalties on over 1,200 planes of this model to be built in Belgium, Canada, Holland, Japan and West Germany. In addition to net royalties of roughly $10,000 a plane on this foreign production, a sizable continuing business in repair parts and service should develop.

The Lockheed C-130 plane was competitively selected and specified by Military Air Transport Service (in preference to three other major contenders), and 35 of these are on order with more to come. This business will be the largest single contributor to airframe earnings in 1961.

The Navy's P3-V-1 anti-submarine airplane (a military version of the Electra) should continue in production certainly through 1962 and probably longer. For the longer range, Lockheed has an Air Force order for prototype model C-141, a sophisticated new jet cargo and troop transport, ready to fly and test in 1963, and to enter production ($500 million or more in total business) a year later.

It is in spacecraft and satellites that Lockheed has been making its greatest progress. Its programs are in the main stream of our military effort and accorded a top priority by "The Brass" from President Kennedy on down. For Lockheed, missile and space business amounted to 52% of sales in 1960, with the Polaris program alone delivering almost $400 million in gross. Lockheed is also the prime contractor in the Agena satellite series. These models have made the front pages of newspapers and lead items of magazines all over the country. The first, "Discoverer," is phasing out, handing the spotlight over to two dazzling newcomers. The "Samos" does automatically what that U-2 pilot was doing for us when he was shot down over Russia. The "Samos" is the "spy in the sky" satellite, awash with the most perceptive photographic equipment in the world. The "Midas" is the Paul Revere of the sky ("ready to ride and spread the alarm"). With an infra-red sniffing system it can smell the heat of rocket exhausts a myriad miles away and give us a 30-minute warning of a ballistic missile attack. Polaris accounted for 32%, and satellite and spacecraft 22% ($295 million) of Lockheed's 1960 business. Because of its pioneer work and proven competence in space projects Lockheed should be able to gross $300 million to $500 million annually from this division for some years to come.

Diversification

Lockheed has made substantial progress in diversification. It acquired, in the fall of 1959, Stavid Engineering Inc., which has become the basic element in an electronics division, Lockheed Electronics Co. Its other acquisitions include a half interest in a rocket engine plant, a manufacturer of cranes and derricks, a drydock and shipbuilding company. Lockheed is definitely merger minded.

Lockheed has also owned 22.4% of the stock in Pacific Finance (315,937 shares), which, under a merger, will be converted into Transamerica 4½% preferred on the basis of 58 shares of preferred for each 100 shares of Pacific Finance. The new preferred, in turn, is convertible into Transamerica common at $35.15.

Lockheed lost money last year. For 1961, we would expect total income of above $1.4 billion and a net of $3 per share; and a further rise in net to around $4.25 in 1962 on the present 7,500,000 shares outstanding. An 11.2% stock dilution is possible if all stock options are exercised and the 3¾ debentures converted. These are convertible into common at $24.27 and sell above 190. LK common appears as an interesting speculation at 46½. Resumption of dividends is expectable this year.

Together, Boeing and Lockheed, our topics for today, seem to offer attractive entries into rising airborne earning power, and you are not asked to pay gaudy price/earnings multiples to become a stockholder. In any event, they operate in a sector of the economy in which there is no recession at all imminent.

Form Security Outlooks

Security Outlooks Inc. has been formed with offices at 100 West 42nd Street, New York City, to engage in a securities business. Officers are Joseph Rhodes, President and Treasurer; and Barbara Rhodes, Vice-President and Secretary.

H. Hill, Jr. Forming Own Inv. Co.

(Special to The Financial Chronicle)

SAN FRANCISCO, Calif.—Houston Hill, Jr. has formed Houston Hill, Jr. & Co. and effective September 1 will conduct a securities business from offices at 405 Montgomery Street. Mr. Hill was formerly Senior Vice-President of J. S. Strauss & Co. with which he had been associated for many years.

Houston Hill, Jr.

Ranson Co. Opens Denver Office

DENVER, Colo. — Ranson & Co. Inc. has opened a branch office at 1845 Sherman St. H. Jackson Shirley and William F. Scott are associated with the new office. Both were formerly with Cruttenden, Podesta & Co., Mr. Scott in the Denver Syndicate department and Mr. Shirley in the municipal department.

Form Chase Planning Corp.

Chase Planning Corporation has been formed with offices at 90 John Street, New York City, to engage in a securities business. Officers are Sidney S. Golden, President; Samuel Dimson, Secretary and Treasurer.

COLOR CURRENCY

The treasurer has made a report
In the Washington's latest news,
She plans to print new currency
In attractive, up-to-date hues.

The ONE will be a gingham design
With a background red and white,
Some rouge on Father George's face
To make the bill look bright.

The TWO the colors of Harvard
And here's one for the book,
A Thomas Jefferson crewcut
To give the Kennedy look.

The FIVE a striking pastel shade
Exclusive from Paree,
The kind for Cocktail parties,
Chit chats, and afternoon tea.

Peacock blue and yellow
Will feature the TEN dollar note,
With a Kelly green carnation
On Alexander's coat.

Pink tafetta for the TWENTY
Trimmed with Irish lace,
A reconstructed photo,
With a smile on Jackson's face.

Don't worry about the FIFTY,
The HUNDRED dollar and up,
You really haven't seen many of these
Since Hector was a pup.

JAMES M. WHALEN,
47-35 43rd Street,
Woodside 77, New York

McCullough Co. Now Corp.

JACKSON, Miss.—W. L. McCullough Company, Deposit Guaranty Building, is now conducting its securities business as a corporation. Officers are William L. McCullough, formerly proprietor, President and Treasurer; William L. McCullough, Jr., Vice-President; John S. McCullough, Vice-President and Secretary; and J. P. Harrison, Assistant Secretary.

Full Prosperity Ahead—Not Anemic Recovery

By William F. Butler,* *Vice-President, The Chase Manhattan Bank, New York City*

New York bank economist foresees a broadly based, vigorous recovery by end of the second quarter next year (GNP of $556 billion). Moreover, in disagreeing with the Council of Economic Advisers' fears of anaemic recovery, Dr. Butler explains why we will be using fully our productive resources at the end of next year ($580 billion GNP) and enjoy full prosperity through 1962 and, perhaps 1963 as well. Listed among the problems that could upset this optimistic forecast is a possible wave of speculation in common stocks. The economist, also, lists a numbers of rigorous economic challenges that must be solved to achieve an era of unprecedented prosperity.

At the moment, business is moving ahead in strong fashion. The recession ended in February. Industrial production has already advanced 6% and should regain its previous peak this summer. Thus, this has been the mildest and shortest of the postwar recessions.

William F. Butler

What lies ahead? This is one of those rare occasions when the fine art of business forecasting becomes as simple as shooting fish in a barrel. It is perfectly obvious that we are in a normal recovery period. In the year ahead—from the second quarter of 1961 to the second quarter of 1962—

Industrial production should rise 12%;

Gross national product should rise 9% to $556 billion—pause for a moment and admire the precision of that forecast;

The number of jobs should expand by 2¾ million.

To see why this sort of a recovery is in prospect, consider trends in the major areas of our economy.

The Year Ahead

The inventory adjustment is about over. This is important since the main cause of the recession was the shift from adding to inventories in early 1960 at a rate of $11½ billion to cutting them at a rate of almost $5 billion in the first quarter of this year. A shift to building inventories again will add at least $8 billion to the annual rate of production by the second quarter of next year.

The decline in business investment in new plant and equipment, which was very moderate, is about over. Surveys point to an uptrend in the second half. A year from now expenditures should be running at a rate of $52½ billion, an increase of $6½ billion. The emphasis will be on modernization, as the incentives to cut costs are persuasive.

Housing appears to have turned upward after a two-year decline. The easing in mortgage credit, plus the stimulus of the government's new housing program, should lift new housing starts from their present rate of 1.3 million to over 1.4 million a year hence. That means a rise in dollar terms of about $3 billion. This is a much smaller increase than that in previous recovery periods, when housing soared upward 25-30%. The reason is that we've caught up with the backlog of demand for housing—the limiting factor is no longer the supply of mortgage money. It is, rather, the ability of builders to produce an attractive product at an attractive price.

Our net exports may decline by $2 billion in the next year. Imports will rise, while exports may tend to level off or decline if the business boom in Western Europe and Japan tapers off. This is the only major area of the economy where a declining trend is in prospect.

Government expenditures are headed up. We look for an increase of $7 billion in spending by Federal, state and local governments. About half of this will come at the Federal level.

Consumer Markets

The increase in prospect in the key areas of inventories, plant & equipment, housing and government will add to total income. They should support a rise in the annual rate of personal income after taxes from $361 billion in the second quarter of this year to $388 billion in the second quarter of next year. Thus, over-all consumer purchases of goods and services should increase $25 billion, or 7%.

The biggest change will be in autos, appliances and other consumer durable goods. Auto sales really took a nose-dive early this year — to an annual rate of five million cars—about the replacement level. Auto sales have been rising in recent months and should reach an anual rate of 6½ million in the fourth quarter. That would mean a total of 5.9 million for this year including 375,000 imports. That is far from a banner year — but the trend ~~is~~ is up.

When you add all these trends together you get a picture of a broadly based, vigorous recovery. To attain by the second quarter of next year a GNP at a rate of $556 billion, and industrial production at 120 on the Federal Reserve Index, will represent a considebale accomplishment.

Yet it will not be good enough. Unemployment will still be 5% of the labor force versus the 4% that represents full employment. We will still not be producing at full capacity.

Full Recovery?

The problem, then, is whether the expansion will continue through 1962 and carry us back to a full use of our productive resources. That would mean a GNP at a rate of some $580 billion at the end of next year.

We did not achieve a full recovery after the 1957-58 recession. Thus, many forecasters, including the President's Council of Economic Advisers, are fearful that we shall again experience an anemic recovery. In my judgment, such forecasts are wrong —I believe we will achieve a full recovery.

My reasons for this belief fall into two broad categories. First, I think the failure to recover fully in 1959 and 1960 can be explained in large measure by national economic policies that were unduly repressive. We had very tight money—to the point where the money supply actually declined. The Federal budget swung from a large deficit in 1959 to a good-sized surplus in 1960. All of this was very potent deflationary medicine. There were good reasons for the general direction of these policies — we had a problem of coping with inflation.

However, I do not believe we will have policies that are comparably restrictive this year and next. For one thing, the cost of the New Frontier means that we don't have to worry about large budget surpluses. That may very well be the understatement of the day.

Private Durable Goods

A second reason for expecting a full recovery carrying through 1962 and beyond is that basic factors underlying markets for durable goods are swinging to the favorable side. For five years we have been going through a basic adjustment in markets for private durables goods—plant & equipment, housing, autos, appliances, furniture and other consumer durables. The population factor has been unfavorable. We've been adjusting to the end of the period of backlog demand and to a slower growth in stocks of invested capital per worker and housing, autos and other durables per family. Replacement demand has been rising from unusually low levels at the end of the war. Now, however, these factors are becoming more favorable and there is a potential for a good growth in these markets. To see this spelled out, look at the latest issue of my favorite publication, *Business in Brief*, which is issued bi-monthly by The Chase Manhattan Bank.

All in all, it seems to me that there are cogent reasons for expecting this recovery to carry us back to a full prosperity level lasting through 1962, and perhaps through 1963 as well.

Disturbing Elements

What could upset this glowing forecast? It seems to me that two things could happen that would change the outlook. One would be a wave of speculation in common stocks. Stock prices are plenty high today. If they go higher, as they could in view of the corporate profits outlook, they will be in a speculative area. The result—a boom and bust in the all too familiar pattern of the past.

Another most disturbing element is developments in the international political arena. I know of no way to predict what is going to happen. But this nation is in the midst of a time of troubles. Developments in Berlin, or in the Far East, or somewhere else could have significant repercussions on the course of business in the United States.

Other Problems

In taking a generally optimistic view of prospects for our economy in the period ahead, I do not wish to imply that everything is rosy, that there are no problems. I believe there are a number of rigorous economic challenges confronting the nation. I can't deal with all of them, or for that matter with any one in detail, because of the confines of this paper. But I shall list some of the leading challenges, not necessarily in what I consider to be their order of importance — they are all important.

Number One is to revise our tax system. We place far too heavy a burden on saving and investment, initiative and enterprise. If we are to enjoy prosperity and genuine economic growth, we must over-haul the tax structure. Congress is going to consider this problem next year. It is vitally important that business associations and individual businessmen support realistic tax changes. More than that, I urge each one of you to write your Congressman and your Senators asking them to support realistic depreciation and a reduction in the corporate and upper bracket individual income tax rates.

Problem **Number Two** is to avoid inflation. To do so we must do three things: Balance the Federal budget in times of prosperity; keep the increase in the money supply in line with the potential growth in real production; and hold wage increases in line with the advance in the economy's efficiency. We've been making progress along these lines, but more must be done. Avoiding inflation is particularly important in helping to bring our international payments into viable balance. This we must do to maintain the integrity of the dollar.

Problem **Number Three** is to improve the quality and quantity of education. We face a great influx of new workers in this decade —some 13 million. As things stand, too few of them will be properly trained for the jobs that will exist in a vigorous, growing economy. Moreover, we need to give every individual an opportunity to develop his talents to the full extent of his capabilities.

Problem **Number Four** is to secure greater efficiency on the part of business management. Markets are going to be tough and competitive in the decade ahead. This is as it should be. But it means that business must do an even better job. An important part of that job involves providing challenging opportunities for individuals, along with adequate motivation — partly, I suppose, in the form of frequent trips by rising young executives to the Greenbrier.

Problem **Number Five** involves our role in the world economy. This is a large and complex subject—but it is important since failure to meet our international responsibilities could jeopardize our domestic prosperity. We must keep our balance of payments under control, and we must develop new international financial mechanisms to guard against a world financial crisis. We must move steadily in the direction of expanding world trade—and we must support international development, through private foreign investment to the maximum possible extent.

There are other problems beyond these five — rehabilitating our cities; overhauling our farm program; getting the railroads back on their feet; and securing more efficient public administration. YET the five problems I have singled out—revising Federal taxes, controlling inflation, improving education, making business management more effective, and assuming our proper international responsibilities — strike me as the real economic challenges of the 1960s.

If the nation can measure up to these challenges, I believe we face an era of unprecedented growth and prosperity. I have no illusions that the nation or the Federal Government will have the great wisdom to follow my advice to the letter. But I have basic confidence that the American people will do what is necessary to support a growing, vital and exciting economic future.

*An address by Dr. Butler before the annual meeting of the Rubber Manufacturers Assn., White Sulphur Springs, W. Va., June 26, 1961.

Joins Straus, Blosser

CHICAGO, Ill.—The appointment of Arthur J. Jacobson as a registered representative has been announced by Straus, Blosser & McDowell, 39 South La Salle St., members of the New York and Midwest Stock Exchanges.

Mr. Jacobson was formerly associated for eight years with Salk, Ward & Salk, Inc., mortgage bankers, as loan officer and prior to that with Advance Mortgage Co. in a similar capacity.

Commercial Bank Failures In a Changing Economy

By John T. Masten, *Professor of Economics, University of Kentucky, Lexington, Ky.*

Numerous factors affecting commercial banking's viability directly and indirectly are examined which indicate that deposit insurance alone occupies but a small role in the decline of bank failures. Considered are: improved bank management and outside supervision; F.D.I.C.'s ability to forestall bank runs by meeting demands of isolated bank failures; increased concentration in banking industry's structure; changed character of bank assets and qualitative and quantitative changes in Federal Reserve Notes and reserves; Federal fiscal policy; and capacity of inflation to reduce a debtor's burden. The writer notes that the present high ratio (52%) of loans and discounts to deposits leaves less of a margin for possible future credit expansion than in the 1934-40 period, but that there is less likelihood banking will degenerate into the chaotic state of the 1920s and early 1930s. He foresees a repetition of 1934-40 pattern requiring the utmost from bank management, and avers monetary-fiscal policy must still prove its effectiveness under non-inflationary conditions.

Probably few Americans of the younger generation are aware of the uncertainty with which commercial banks were viewed by the average citizen in the period prior to 1934. The occasional bank failure today makes headlines in the press because defalcation is frequently involved and people seem to enjoy reading the details of how much someone may have pilfered, particularly a banker, and if no personal loss is involved.

John T. Masten

Prior to 1934, a bank failure usually brought disaster to many who, as a result, lost all or part of their savings. Bank failures were a common occurrence and while fraud was sometimes involved, the cause was more frequently due to losses suffered by banks as a result of default by borrowers on loans and investments. During the period 1921-1933 inclusive, there were 14,808 bank suspensions and the year 1933 alone records 4,000.[1]

As indicated in Table I, the number of bank suspensions declined drastically following the passage of the Federal Deposit Insurance Act in 1933. However, the rate of bank suspensions between 1934 and 1940 still averaged nearly 45 per year. Beginning in 1941, the number declined markedly, averaging less than four banks per year. It would appear that deposit insurance alone cannot account for the vastly improved record since 1941.

Table I

Commercial Bank Suspensions for Selected Periods

Period	No.	Av. per yr.
1921-1933	14,808	1,139.0
1934-1940	312	44.6
1941-1959	62	3.6

Source: Compiled from *Banking and Monetary Statistics,* p. 283 and *Annual Reports,* Federal Deposit Insurance Corporation.

The purpose of this article is to endeavor to account for the improved showing of our banking system since 1941. Changes in many areas have taken place during the past 20 years, but not all are equally significant. At the same time, it cannot be determined just how important each area of change is relative to another. No quantitative or qualitative weights can be ascribed to the various changes. The sequence of presentation is, therefore, of no special significance. What is presented is a brief historical account and assessment of the changes that have occurred in each of the major areas affecting commercial banking.

1 *Banking and Monetary Statistics,* Board of Governors of the Federal Reserve System, Washington, D. C., 1943, pp. 281-283. The term bank suspension refers to all banks closed to the public either temporarily or permanently by supervisory authorities or by the banks' boards of directors on account of financial difficulties, but does not include banks closed only temporarily as a result of the bank holiday.

Bank Management

As compared with the period of the 1920s and early 1930s, bankers today are probably much better informed and trained in the art of banking. Banks are recruiting a larger number of employees with a college education. This background not only makes a direct contribution to managerial training but is also likely to be an indication of capacity for further advancement. As is true of business in general, banks are staffing their organizations with more men who are knowledgeable in the fields of economics, accounting, law, communication skills and in other areas.

Banks have also been aggressive in providing ample educational and training opportunities for employees with and without college degrees. The facilities of the American Institute of Banking are available to bank employees and in most of the larger communities, special classes are available covering a wide range of practical subject matter. In addition to the A. I. B., there are many "schools of banking" and "management conferences," sponsored usually jointly by a state bankers association and a college or university. At a higher level, there are several graduate schools of banking, such as the Stonier Graduate School of Banking held at Rutgers University with an annual enrollment of about 1,200. Add to these the numerous conventions, conferences, group meetings, etc. and it is obvious that the opportunity to learn is there for those who may wish to participate. Many bankers have taken advantage of these opportunities and even more are likely to do so in the future. All of this contributes to the soundness of our banking system but it is inadequate to serve as the sole explanation.

Supervision

Prior to 1933, only national banks and state banks belonging to the Federal Reserve System were regularly subject to examination and regulation by the Federal authorities. For example, as of Dec. 31, 1929, only 8,522 out of a total of 24,633 commercial banks were subject to Federal examination. By Dec. 31, 1940, only 906 out of a total of 14,895 commercial banks were subject only to state regulation.[2] The number has since declined to about 350.

During the period 1921-1933, 14,808 banks suspended operations. Of this number, 3,305 were members of the Federal Reserve System, 10,918 were non-member state banks and 585 were private banks. As compared with the number of banks in existence as of June, 30, 1929, member bank suspensions were equal to 33% while state non-member bank suspensions were equal to 54.4%.[3] The differential rate is undoubtedly due to many factors including: adequacy of supervision, capital requirements, size of bank, location of bank, managerial capacity, etc.

While these data are not conclusive, it would appear that the extension of Federal supervision and regulation, as a result of the establishment of the F. D. I. C., is a factor accounting for the lower rate of bank failure in recent years. It is also probable that state regulatory agencies have upgraded their personnel and requirements since the 1920s and 1930s.

2 *Ibid.,* p. 16.

Deposit Insurance

The passage of the Banking Act of 1933 established the Federal Deposit Insurance Corporation which began operations on Jan. 1, 1934. The Act provided insurance coverage up to $2,500 per depositor but the limit was raised to $5,000 on July 1, 1934 and to $10,000 on Sept. 21, 1950. By December 30, 1960, 24,391 banking offices were covered by deposit insurance while only 358 commercial banks were non-insured. Of the non-insured banks, 54 were trust companies not regularly engaged in deposit banking; 85 were private banks and, therefore, ineligible for Federal deposit insurance. Total assets of the Corporation amounted to $2,336.7 million, Dec. 31, 1960. These assets consist almost entirely of U. S. Government securities. The total insurance fund is equal to about 0.85% of total deposits in insured banks.[4]

Between 1934 and 1959, the F. D. I. C. made disbursements to protect depositors in 439 banks. Most of these disbursements were made during the first nine years of deposit insurance. These 439 banks had more than 1,400,000 depositors with total deposits of nearly $600 million. All but about 5,000 depositors, or three-tenths of one per cent, had been paid in full by the end of 1959.[5] The small loss which resulted may be compared with losses to depositors of over $1⅓ billion between 1930 and 1933. The success of deposit insurance has served to instill public confidence in our banking system.

3 *Ibid.,* p. 283.

4 *Report to Insured Banks,* Federal Deposit Insurance Corporation, Washington, D. C., Dec. 31, 1960.

The F. D. I. C., however, recognizes that a fund of $2⅓ billion would not be adequate to meet losses comparable to those sustained by the banking system in the 1920s and early 1930s. In its 1957 *Annual Report,* the Corporation states: "There is no question that the present deposit insurance fund would be entirely inadequate should, for example, a situation similar to that of 1930-1933 recur. After a careful analysis, we have concluded that in order to make the necessary disbursements in such a situation, the Corporation would need to have at its disposal available funds equal, as a minimum, to 5% of the total deposits in all operating banks.[6] Since the fund is invested in government securities, there would be the added problem of liquidating assets at a time of possible economic crisis. This problem would also be present should the Corporation choose to call upon the Treasury for additional funds, for the Treasury would have to borrow in a disturbed market unless it were given the power to create the funds directly. The fact is that the F. D. I. C. is able to meet the demands occasioned by the isolated bank failure; has prevented, and is likely to prevent, these isolated failures from accumulating into a wave of bank runs and mass liquidation. The protection may be partly or even largely psychological, but it is none-the-less real.

The Changed Banking Structure

In spite of a decline of more than 50% since 1920, there are still over 13,400 banks in the United States. For this reason, our system is usually referred to as a "unit" system, in contrast with the system found in countries such as England or Canada where less than ten banks with extensive branch operations dominate the commercial banking system. American banking has, nevertheless, undergone a structural change since the 1930s. This change has reduced the number of banks and has resulted in a higher degree of concentration. Concentration prior to 1940 was due largely to the fact that many small banks failed, thus reducing the total number of banks. Since this date, bank consolidations and absorptions have accounted for most of a decline of over 800 in the number of banks.[7]

5 *Annual Report,* Federal Deposit Insurance Corporation, 1959.

6 *Annual Report,* Federal Deposit Insurance Corporation, 1957, p. 65.

Concentration in American banking occurs in several ways:

(1) Through an expansion of branch banking.

(2) Through the acquisition of independent banks by a holding company (group banking).

(3) Through the acquisition of several independent banks by an individual or a trust (chain banking).

(4) Through a more rapid rate of growth for large than for small banks.

While relatively few banks have branches, those that do seem to be expanding their facilities rapidly. This expansion is reflected in Table II.

Table II

Commercial Banks and Their Branches Selected Years, 1935-1959

	No.			
	1935	1941	1950	1959
Banks operating branches	817	968	1,241	2,250
Branches operated	3,156	3,564	4,721	9,790

Source: Monetary Policy and the Management of the Public Debt, Senate Document No. 123, Part I, 1952, p. 549 and *Annual Report* F.D.I.C., 1959, p. 112.

Group banking is not as extensive as branch banking and its relative importance seems to have decreased. Between 1931 and 1945, the number of bank holding companies declined from 97 to 33 and the number of banks under their control declined from 978 to 387.[8] By 1959, the number of holding companies controlling more than one bank had increased to 48 and the number of banks to 413. These 413 banks held 7.9% of all com-

Continued on page 28

7 For data on consolidation and absorptions between 1921 and 1951 see: *Monetary Policy and the Management of the Public Debt,* Joint Committee on the Economic Report, Washington, D. C., 1952, Part I, p. 556.

8 *Ibid.,* p. 551.

TAX-EXEMPT BOND MARKET

BY DONALD D. MACKEY

The state and municipal bond market, having done fairly well in its own right for the past few weeks, responded enthusiastically to the successful financings last mid-week involving both the corporate and Treasury bond markets. With the Shell 4⅝s well placed, and the Treasury operation satisfactorily accomplished, municipal bond dealers whooped up the dollar quotes and participated in some generally gratifying wholesale and retail business. On Thursday and Friday (July 20-21) the broad activity and heavy volume of municipal bond business was of bull market proportions.

Inventories Also Melt

The stale and swollen inventory situation that had obtained for months was substantially corrected within a few brief sessions as dealer and investor demand immediately responded to the improved criteria. The *Blue List* total of state and municipal bonds as reported last Monday was actually as low as $369,496,000. As against the $500,000,000 total that had variously prevailed for several weeks, this represented a remarkable change in market pace.

Much of this market activity was between dealers, or professionals, which is always the situation at a seemingly pivotal market juncture. The extent to which bonds were traded for subsequent markup or withdrawn from the market temporarily in this bullish melee is difficult to adjudge accurately.

The fact that the current (July 26) state and municipal bond *Blue List* figure totals but $378,441,000 indicates that a large proportion of the business has probably been retail. All factors considered, it is quite apparent that retail business was spectacularly good during most of last week and probably involved more secondary market volume than for any similar period during this year.

Week in Review

Dealers proceeded eagerly to work on Monday with high hopes for a continuance of this new market interest. However, as the day developed, it became apparent that the bond business was suddenly very quiet and bordered on the non-existent. The easy market for Treasury issues seemed to set the ominous pattern. These issues were variously quoted down, with bids vigorously hit early in the session. These markets were later stabilized but the bearish innuendo had pervaded the market; dealers and others were quick to scare and all were pretty well shaken.

In the municipal section of the market, dealers were nimble and the dollar quoted issues in the course of the morning were generally off a half-point or more from last Friday's high.

Unorthodox U. S. Money Policy

On Tuesday, the apparent explanation for this quick bond market reversal in form was made known through an announcement during mid-morning. A change in the Bank of England's bank rate from 5% to 7% had been more than enough to disconcert the bond people. It had again focussed attention to the gold flow and kindred international financial problems that had been recently in the background. Officials and others have been trying to rather naively forget them while indulging in international financial operations to an unprecedented degree and extent.

The U. S. seems to courageously or otherwise underestimate the quixotic motives and values involved in world-wide economic and financial entanglements. While trying to equate the money rate situation as between Europe's central banks and our American system, two basic theories seem at odds; the so-called modern U. S. notion of low money rates dictated largely by political considerations is generally antithetical to the traditional concept of money rates that dominates monetary policy throughout the rest of the world. All of the old world countries closely adhere to the 6% or higher concept of basic money rates. This is a difficult discrepancy in equating our foreign financial relations with domestic problems.

This important phase of the monstrous financial and economic problems that entangle the U. S. under present foreign policies has progressively had a directly adverse effect on our bond market. The investment banking industry has accomplished a fine record this year in handling a near record volume of financing in almost all the categories of debt securities. However, it has been an exceedingly belabored effort for most of the bond dealers involved because of the political pressure for lower interest rates that has prevailed and continues to. The dealers have earnestly and diplomatically attempted to appease these political pressures while at the same time attempting to serve the investment demands of an economy desperately attempting to be dynamic.

Continuously, the profit squeeze has been a real problem and the industry has suffered thereby. With a heavy volume of government debt shaping up for flotation, and with state and municipal financing forming up to a new record volume, it would seem to us that higher borrowing rates will be required as we go into the Fall period, if an orderly market is to prevail.

Technical Factors Sound

At present the technical factors involved in the municipal bond market are entirely favorable and a brisk market may persist for the near future. The visible supply of new issues is still only moderately heavy and the large volume items are well spaced. The market level continues to be relatively favorable. The *Commercial and Financial Chronicle's* high grade 20-year bond yield Index derived from current offerings shows a slight market gain since last reporting. The yield averages at 3.35% this week as against 3.357% a week ago. This represents a fractional gain against last week's very sharp gain. As previously alluded to, the inventory level seems presently a favorable market factor.

Recent Awards

On Thursday, July 20, the State of Mississippi awarded two issues of general obligation port bonds totaling $4,200,000 to the group headed by the First National City Bank of New York and including the Bankers Trust Co., Halsey, Stuart & Co., Inc., Equitable Securities Corp., Merrill Lynch, Pierce, Fenner & Smith, Inc., and others. The $3,000,000 Greater Port of Pascagoula (1964-1994) bonds were reoffered to yield from 2.50% to 3.75% in 1991. The last three maturities which carried a 1% coupon were not reoffered. The issue of $1,200,000 Port of Gulfport (1965-1996) bonds was scaled to yield from 2.50% to 3.75%. The bonds due 1992 to 1996 which bore a 1% coupon were not reoffered. An over-all balance of $1,129,000 bonds is reported at this writing.

On Monday, July 24, an issue of $2,500,000 Clackamas County, Oregon Union High School District No. 5 (1962-1974) bonds was won by a syndicate managed by the First National Bank of Oregon and including among others the Harris Trust & Savings Bank, Foster & Marshall, Inc., Merrill Lynch, Pierce, Fenner & Smith, Inc., and Pacific Northwest Co. This district, which is located just south of Portland, has shown extensive growth in recent years and has benefited both from highly productive farm land and an increasing number of industries. The bonds were priced to yield 1.50% to 3.40%. At present an unsold balance of $905,000 bonds remains in account.

On Tuesday, July 25, an issue of $2,500,000 West Palm Beach, Fla., various general obligation (1962-1986) bonds attracted six bids and was awarded to the account managed jointly by Ira Haupt & Co., and Merrill Lynch, Pierce, Fenner & Smith, Inc. and including A. C. Allyn & Co., J. C. Bradford & Co., Francis I. du Pont & Co. and other underwriters. The issue was scaled to yield from 2.00% to 3.90% for various coupons. The present balance is reported at $407,000.

Week's Big Ones

Wednesday, July 26, saw the sale of three sizable issues. The largest, $35,000,000 State of Michigan, Trunk Line Highway (1962-1986) bonds, was awarded to the group managed jointly by Blyth & Co., Inc., Halsey, Stuart & Co. and First of Michigan Corp. Included among the many major underwriters in the group were Braun, Bosworth & Co., Inc., Eastman Dillon, Union Securities & Co., Glore, Forgan & Co., Ladenburg, Thalmann & Co. and Lazard Freres & Co. The bonds were reoffered to yield from 1.70% to 3.80%. A balance of approximately $26,000,000 is reported after the initial order period.

The State of North Carolina also sought bids on $17,160,000 serial (1962-1981) bonds on July 26. The high bid for the issue was submitted by the account headed by the Wachovia Bank & Trust Co. The issue, which was priced to yield from 1.40% to 3.10%, was about half sold upon the initial reoffering.

Also on Wednesday the State of Alaska came to market with $13,975,000 general obligation (1962-1991) bonds. This was the first bond offering since it achieved statehood last year. The issue was awarded to the group managed by the Bankers Trust Co. and including Halsey, Stuart & Co., Inc., the Chemical Bank New York Trust Co., C. J. Devine & Co., Kidder, Peabody & Co. and many others. The major portion of the loan, $12,500,000 will be spent on ferry and road construction. It is hoped that through improved travel conditions, the already burgeoning tourist trade, a major factor in Alaska's economy will be enhanced. The issue was priced to yield from 1.70% to 3.90%. Due to the late hour of sale no balance is available at this writing.

Dollar Bonds Steady

The toll road and other revenue issues which are quoted in terms of dollars of course led last week's market improvement. The *Smith, Barney & Co.* Turnpike Bond Index showed an average improvement of about three-quarters of a point as reported on July 20, the last sampling date. The average yield was reduced to 3.78% as against 3.82% the week before. Since July 20 (last Thursday) quotes are down slightly and perhaps the average yield is slightly higher as of today due to the selloff following the Bank of England announcement.

The present new issue calendar through August totals in the neighborhood of $540,000,000. Less the $225,000,000 State of California issue scheduled for Aug. 16, this is not a formidable volume, particularly in that no important non-scheduled negotiated issues seem planned for marketing during this period.

MARKET ON REPRESENTATIVE SERIAL ISSUES

	Rate	Maturity	Bid	Asked
California (State)	3½%	1978-1980	3.75%	3.60%
Connecticut (State)	3¾%	1980-1982	3.40%	3.30%
New Jersey Highway Auth., Gtd.	3%	1978-1980	3.50%	3.40%
New York (State)	3%	1978-1979	3.30%	3.20%
Pennsylvania (State)	3⅜%	1974-1975	3.20%	3.10%
Vermont (State)	3⅛%	1978-1979	3.25%	3.15%
New Housing Auth. (N. Y., N. Y.)	3½%	1977-1980	3.40%	3.25%
Los Angeles, Calif.	3¾%	1978-1980	3.70%	3.60%
Baltimore, Md.	3¼%	1980	3.40%	3.30%
Cincinnati, Ohio	3½%	1980	3.40%	3.30%
New Orleans, La.	3¼%	1979	3.50%	3.40%
Chicago, Ill.	3¼%	1977	3.55%	3.40%
New York City, N. Y.	3%	1980	3.60%	3.55%

July 26, Index=3.35%

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.

July 27 (Thursday)			
Attleboro, Mass.	1,206,000	1962-1981	11:00 a.m.
Huntington UFSD 3, New York	1,511,000	1962-1991	11:00 a.m.
Maricopa County, Ariz.	1,512,000	1962	11:00 a.m.
Onondaga County, N. Y.	8,270,000	1963-1976	11:00 a.m.
Tampa, Fla.	2,850,000	1962-1990	11:00 a.m.
Triton Sch. Bldg. Corp., Ind.	1,700,000	1964-1991	1:00 p.m.
July 28 (Friday)			
Kent State University, Ohio	2,500,000	1962-1999	11:00 a.m.
July 29 (Saturday)			
So. Blount Co. Utility Dist., Tenn.	1,030,000	1963-1995	11:00 a.m.
July 31 (Monday)			
Charleston, West Virginia	4,000,000	1962-2000	Noon
Maricopa Co., Mesa HSD 207, Ariz.	1,800,000	1962-1971	11:00 a.m.
Aug. 1 (Tuesday)			
Berlin, Conn.	1,300,000	1962-1981	11:30 a.m.
Fort Wayne, Ind.	1,900,000	1963-1993	2:00 p.m.
Hamilton-Wenham R. S. D., Mass.	2,085,000	1962-1981	11:00 a.m.
Palos Verdes Peninsula USD, Calif.	1,300,000	1962-1986	9:00 a.m.
Aug. 2 (Wednesday)			
Lakewood City Sch. Dist., Ohio	2,470,000	1962-1980	1:00 p.m.
Madrid, Potsdam & Waddington School District 1, N. Y.	1,860,000	1962-1990	11:00 a.m.
Maryland (State of)	16,943,000	1964-1976	11:00 a.m.
Public Housing Admin., D. C.	60,315,000	1962-2001	Noon
Sacramento Unified Sch. Dist., Cal.	10,000,000	1963-1986	10:00 a.m.
San Jose, Calif.	4,000,000	1962-1981	11:00 a.m.
Aug. 3 (Thursday)			
Bloomfield, Conn.	1,100,000	1962-1981	11:30 a.m.
Medway, Mass.	1,425,000	1962-1980	11:30 a.m.
North Hempstead S. D. 10, N. Y.	4,525,000	1961-1990	11:30 a.m.
Rolling Hills Sch. Dist., Ohio	1,041,000	1962-1984	Noon
Aug. 7 (Monday)			
Churchill Area Sch. Auth., Pa.	3,790,000	1962-1992	7:30 p.m.
Clark County, Nev.	3,000,000	1962-1981	
Dartmouth College, N. Hamp.	1,594,000	1962-1999	11:00 a.m.
Fort Myers, Fla.	1,000,000	1962-1981	7:30 p.m.
Twin Falls, Idaho	1,700,000	1963-1981	8:00 p.m.
Aug. 8 (Tuesday)			
Anchorage, Alaska	4,086,000	1962-1981	10:00 a.m.
Anchorage Indep. S. D., Alaska	3,500,000	1963-1981	10:00 a.m.
Frankfort Sch. Bldg. Corp., Ind.	3,150,000	1964-1991	1:30 p.m.
Grossmont Union High S. D., Cal.	1,590,000	1963-1981	10:30 a.m.
Mobile, Ala.	8,000,000	1962-1990	Noon
Mt. Diablo Unified S. D., Calif.	1,415,000	1962-1981	10:30 a.m.
Pennsylvania General State Auth.	25,000,000	1964-1988	Noon
St. Petersburg, Fla.	14,000,000	1967-1991	11:00 a.m.
Vero Beach, Fla.	1,200,000	1962-1990	2:00 p.m.
Watertown, Conn.	2,500,000	1962-1981	11:30 a.m.
York County, Va.	1,250,000	1963-1982	Noon
Aug. 9 (Wednesday)			
Box Elder County S. D., Utah	1,250,000	1962-1971	8:00 p.m.
Fairfax County, Va.	9,125,000		
Maryland State Roads Commission	3,292,000	1962-1976	11:00 a.m.
Wichita Sch. Dist. No. 1, Kan.	1,600,000	1962-1981	10:00 a.m.
Aug. 10 (Thursday)			
Michigan (State of)	2,000,000	1963-1990	2:00 p.m.
Richmond County, Ga.	1,900,000	1962-1989	Noon
Aug. 14 (Monday)			
Incline General Impt. Dist., Nev.	5,395,000	1964-1976	11:00 a.m.
Michigan State Board of Education	1,480,000	1963-2000	11:00 a.m.
Aug. 15 (Tuesday)			
Carteret School District, N. J.	1,400,000	1962-1986	8:00 p.m.
Paducah, Ky.	7,050,000	1963-1988	1:00 p.m.
Aug. 16 (Wednesday)			
California (State of)	225,000,000	1962-1987	10:00 a.m.
University of Mississippi	2,422,000	1963-2000	10:00 a.m.
Aug. 21 (Monday)			
King County, Washington	2,393,000	1963-1991	1:30 p.m.
Aug. 22 (Tuesday)			
Cook County, Ill.	25,000,000		10:30 a.m.
Montclair, N. J.	1,562,000	1962-1986	8:30 p.m.
Rio San Diego Mun. Dist., Calif.	2,400,000		
Aug. 24 (Thursday)			
Glendale, Calif.	3,250,000	1962-1981	2:30 p.m.
Aug. 29 (Tuesday)			
San Diego Unif. Sch. Dist., Calif.	20,000,000	1963-1982	

Healthier Economy Marked Start of Year's Second Half

By Roger W. Babson

Summing up of first half year's developments in the economy's principal sectors sees improved posture for the economy. Mr. Babson concludes "The economy weathered the 'resting period' quite well, and has emerged on a healthier footing."

The laymen whom I meet and talk with often express confusion as to the true status of business and financial conditions, having been bombarded with conflicting reports from the optimists and pessimists. Therefore, I think it would be helpful to readers to have a brief survey of economic developments through mid-year 1961.

Securities Markets

The outstanding feature of financial conditions over the first six months of 1961 was the sharp upspurt in stock market activity. The Dow-Jones Industrial Average rose from 616 at the beginning of the year to an all-time high of 706 in the middle of May, before trailing off to 684 at mid-year. Althought part of the increase in investment interest was in anticipation of some improvement in general business later in the year, inflation psychology and speculative enthusiasm heightened buying impatience.

Bond prices were on the upside until late in this period as easy credit conditions in the banking system sustained demand for them. Tax-exempt bonds proved to be the exception, however, with prices depressed by the huge volume of new offerings.

General Business

Industrial production continued to decline during January and February, then in March regained the ground lost in those two months. Thereafter, output from the nation's factories expanded sharply. The breadth and vigor of the business upturn were indications that the fourth economic recession since World War II had run its course. Notwithstanding pump-priming measures initiated by the government, the business rebound was largely the result of natural curative forces. It has been my experience that overexertion, colds, and indigestion respond best to "rest treatment," usually without my having to resort to pills. So, too, the recessionary period provided the needed rest for the economy to appear to correct such imbalances as excessive inventories and debt, and unduly high price and cost structures.

The biggest source of disappointment during the first half of 1961 was the lethargic pace of consumer spending for goods. Monthly retail sales figures dawdled along at rates below those for the year-earlier period. This, however, may have been a blessing in disguise, since consumers were building up future buying potential by adding to their savings and paying off their instalment debts.

New Building and Real Estate

New construction expenditures continued the generally sidewise trend of 1960. Commercial, industrial, and public utility outlays for new construction were at record rates, but these were offset by the low levels of new home building and highway construction. However, housing starts began to edge upward after the beginning of the year, and road building took an upward spurt in the spring.

Real estate prices were generally steady during this period. Suburban property values held firm because of residential, commercial, and industrial developments in outlying areas made accessible by new highways. Urban real estate values, however, remained under the handicap of traffic and parking problems. Farm land prices continued to rise, aided by propspects of increased usage of agricultural products through foreign-aid programs.

Employment and Incomes

Employment conditions presented a mixed pattern. Unemployment rose sharply during the winter, and improved only slightly in the spring. Employment in manufacturing, mining, and construction suffered from the drop in business, and responded only grudgingly to the rebound in activity during the spring. Factory work weeks, however, showed a steady improvement.

Personal incomes edged downward early in the year. Lengthened factory work weeks and wage increases, however, restored the rising trend to personal incomes, which hit a new record level by midyear. The foregoing study indicates to me that, on the whole, the economy weathered the "resting period" quite well, and has emerged on a healthier footing.

Hawkins Asst. V.P. Of C. F. Childs

C. F. Childs and Company, Inc. has announced the election of Russell S. Hawkins as Second Vice-President of the investment firm. Mr. Hawkins makes his headquarters at the firm's New York office, 1 Liberty Street. Mr. Hawkins, who joined C. F. Childs in 1953, was formerly a partner in J. B. Roll & Co., N. Y. C. He has been active for many years among organizations of New York bond salesmen. In addition, he is a member of the American Institute of Finance, and the Bankers Club of America, a governor of the Men In Finance Club of New York University, and past president of the Money Marketeers of New York University.

Russell S. Hawkins

Pace College Issues Professional Mgt. Brochure

The art of professional management and what it is has been explored in a new brochure released by Pace College, New York City, entitled *Professional Management.*

It describes the five critical areas that determine the success or failure of a business. It tells why management became professional. It tells how management will be taught.

The free brochure also describes the Pace College management program. Classes for the fall 1961 semester in its Master of Business Administration degree program—for mature college men and women who seek greater management responsibility—will open Thursday, Sept. 21.

Copies of the brochure may be obtained by writing to the director of the Graduate Division, 41 Park Row, New York 38, New York.

FROM WASHINGTON ...Ahead of the News

BY CARLISLE BARGERON

Last week we reported that a combination of coal and private power interests had succeeded in killing in the House a proposal to provide $95,000,000 for an atomic energy electric power plant at Hanford, Wash. Apparently their victory was short-lived. When the matter came up in the Senate an amendment was added providing $5 million for a research program into making gas from coal with atomic energy. This was enough for the United Mine Workers to withdraw their opposition and get behind the bill. It will now very likely pass. The coal producers are still against it.

* * *

We are now extending the sale of subsidized farm surpluses to Iron Curtain countries. To be sure we have a surplus of farm products that we desire to sell on the world market, and, too, we are a humanitarian people who want to feed the hungry. But there is a major consideration and that is in regard to the assistance this gives to Khrushchev in his world conquest designs. In many respects food can be a strategic material.

Earlier this year the Department of Commerce reissued a license authorizing shipment of precision ballbearing manufacturing grinding machines to the Soviet Union. This action was reversed only after strong Congressional protest. Recent shipments of scrap metal from Michigan alone to Yugoslavia reached a volume of 6,250 tons a week. It is recalled how the extensive shipments of scrap metal to Japan before Pearl Harbor were shot back at American boys.

Congressman Thomas M. Pelly, Republican of Washington State, has focussed attention on "aid to the enemy" through exports. He wants the names of American shippers made public. So far the Department of Commerce has refused to make them public. At the same time, Congressman Delbert L. Latta, Republican of Ohio, is sponsoring legislation to ban the sale of agricultural commodities to Russian and her satellites.

Also before the House is a resolution by Congressman G. F. Lipscomb, Republican of California, directing a study of the enforcement of the Export Control Act of 1949 and its relationship to the Battle Act, and Trading with the Enemy Act.

* * *

President Kennedy is getting maximum political mileage over Congress' authority for him to appoint 73 Federal judges.

Deploring the backlog of Federal Court cases, President Kennedy originally asked for 60 new judgeships. Congress responded by giving him 73. Together with those vacated by death or retirement, Mr. Kennedy now has 100 posts to fill.

Now, more than two months later, however, he has named only seven jurists.

Democrats of both House and Senate report the White House will withhold appointments of most of the judges until after a series of key votes have been taken. New Frontier legislative lieutenants are brutally frank in telling wavering legislators they will receive "no consideration" if they vote the wrong way.

This explains to a large extent the amazing success of the Administration's legislative program thus far.

Judgeships, incidently, are the juiciest form of patronage. They are life-long appointments (contingent upon good behavior) paying $22,500 a year to Federal district judges and $25,500 to judges on U. S. Court of Appeals. Along with each judgeship come Federal marshals and the judge's staff.

* * *

A tiff has developed between two pressure group spokesmen—C. J. Haggerty of the AFL-CIO building trades department, and Representative Adam Clayton Powell, Chairman of the House Education and Labor Committee.

Powell, a Negro, in a speech July 14, told a Philadelphia convention of the National Association for the Advancement of Colored People that, until Negroes have equal membership privileges with whites in AFL-CIO craft unions, he would block a pending bill to reduce restrictions on picketing at construction sites.

Hagerty admitted that some local unions may bar Negroes, but contended the Building Trades Department lacks power to force their compliance with general AFL-CIO policy.

Forms Belfiore Investments

WASHINGTON, D. C.—Joseph F. Belfiore, Jr. is conducting a securities business from offices at 1001 Thirteenth Street, N. W., under the firm name of Belfiore Investments.

International Secs. Branch

LA HABRA, Calif.—International Securities Corp. has opened a branch office at 2530 A. West Whittier Blvd. under the management of K. E. Halbert.

Adell, Cohen and Hechtlinger Formed

Adell, Cohen & Hechtlinger, Inc. has been formed with offices at 80 Broad Street, New York City, to engage in a securities business. Officers are George Cohen, President; Albert Adell, Vice-President and Treasurer; and Louis L. Hechtlinger, Secretary.

H. D. Arnold Opens

(Special to THE FINANCIAL CHRONICLE)

CATHEDRAL CITY, Calif.—Harold D. Arnold, Sr., is conducting a securities business from offices at 69-850 Highway 111.

The State of TRADE and INDUSTRY

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

Surveying the recovery scene, *Business In Brief*, a bi-monthly report on U. S. business issued July 26 by the Chase Manhattan Bank, New York City, found that things are moving along "in good fashion."

The report noted that personal income is up 2½% over last year, industrial production is near previous highs, inventory liquidation has ended, government spending has increased at a $2 billion annual rate for each quarter of the past year, and housing and retail sales are showing moderate increases.

A third-quarter rise in investment in new plant and equipment, a moderate rise in housing and a continued $2 billion-per-quarter rise in government spending (including that of Federal, state and local units) are factors which could operate to keep the recovery moving, according to the report. It foresaw a possible resumption of inventory accumulation and pointed out that rising incomes have placed consumers in a position to support an increase in instalment debt — a development important to increased sales of durable goods.

Commenting on the changing role of government spending in the national economy, Chase Manhattan pointed out that defense spending and transfer payments (payments for social security, subsidies to farmers, veterans and others, and interest) have been mainly responsible for pushing government expenditures to 27% of gross national product. Certain types of expenditures — for schools, roads and law enforcement — are linked to population growth and consume a relatively stable proportion of the gross national product. Transfer payments and defense spending, on the other hand, depend largely on current conditions and administration policy rather than population.

The report concluded that if present trends continue, it might be difficult to hold government spending at the current percentage level, and that an increase involves "a heavy risk that the growth of the private economy may be held back," especially in view of the burden placed on savings and investment by the present tax system. Positive tax reforms, however, could stimulate the economy so that the government might increase the dollar totals of its spending while maintaining its percentage share of the gross national product, said the report.

Bank Clearings for Week Ended July 22 Were 7.2% Above Corresponding 1960 Week

Bank clearings this week will show an increase compared with a year ago. Preliminary figures compiled by the *Chronicle*, based upon telegraphic advices from the chief cities of the country, indicate that for the week ended Saturday, July 22, clearings for all cities of the United States for which it is possible to obtain weekly clearings will be 7.2% above those of the corresponding week last year. Our preliminary totals stand at $30,008,588,090 against $28,003,024,898 for the same week in 1960. Our comparative summary for the leading money centers during July 22 week follows:

Week End. July 22—	(000s omitted) 1961	1960	%
New York	$16,231,238	$14,744,783	+10.1
Chicago	1,406,405	1,310,109	+ 7.4
Philadelphia	1,168,000	1,164,000	+ 0.3
Boston	850,762	835,293	+ 1.9

August Steel Output to Be 3 to 5% Above July's

Look for a 3% to 5% upturn in August steel production over July's even if automotive demand falls short of original estimates, *Steel* magazine said on July 24.

Ingot output should approach 8.3 million tons—surpassing the eight million tons estimated for July but failing to equal June's 8.5 million.

That's the view held by steelmakers in Cleveland, Pittsburgh, and the East. They're encouraged by signs of better demand for cold rolled sheets, bars, plates, and structurals.

The outlook is not as rosy in Chicago where some mills estimate their July and August automotive tonnage will be off 40% to 50% from May and June levels. The slump in the Midwest can be traced primarily to automotive model changeovers.

Automotive steel shipments may be lower in September than in August. One company says it overbought for July and August and must balance inventory by cutting back steel receipts (up to 60%) in September. Other automakers are reportedly running into the same difficulties.

Despite the uncertainty about automotive requirements, most steelmen are confident that fourth quarter demand from the car companies will be strong. Reasons: (1) The inventory of unsold cars (920,000 vs. 1,065,000 a year ago) is small enough to pose no problem. (2) Strength in the used car market presages strong demand for the new models.

Steel said general business recovery from the recession now is running three to six months ahead of schedule. It has the makings of the fastest upturn in postwar history.

Production of steel this week is expected to be on a par with the 1,850,000 tons the magazine estimates the industry poured last week.

Some steel prices are still fluctuating. One company hiked base prices 5% to 7% on certain grades of stainless steel, while another

Continued on page 30

THE MARKET . . . AND YOU

BY WALLACE STREETE

Industrials continued to wander around in their limited trading range in this week's stock market, nothing in the news inspiring either a determined assault on the high or a convincing retreat on volume that would constitute a selling climax.

There was much evidence that some institutions and a great many of the public investors were waiting for a selling climax before they would take any more aggressive attitude toward the market and, as usual with the market, widespread expectations without fulfillment only served to keep investors cautious and the market in the doldrums.

Spotty Earnings

Earnings reports were spotty, some downright drab, and where results were lower than expectations, the shares reacted a bit sharply. Higher than expected earnings were largely ignored, particularly in the oils. In this section it took a good report plus a hiked dividend and a stock payment to spur moderate buying in the issue.

Electronics were the wide-swinging issues even though there was much talk that these long-glamorous issues had "had it." None of them were much inclined to get anywhere near their previous peaks. But, on the other hand, they weren't conspicuous on the lists of new lows with any persistence.

Outstanding Drug Issues

The drugs, under sporadic attack in Washington, were moderately heavy despite the fact that some have been well deflated from their 1961 peaks. Baxter Laboratories, listed on the senior exchange only for a shade over two months, nevertheless had carved out a 53-76 range in the brief period before reacting below the 60 line.

Serving a wide variety of hospitals, clinical laboratories, wholesale distributors and armed forces, Baxter's business was recession-resistant to where it posted record sales last year. It has been active in overseas markets to where nearly a fifth of its business comes from abroad. There is no apparent let-up in its growth pattern so far, so the downturn in the market price merely makes the shares more attractive than they were at the peak.

American Viscose is an issue that has been out of favor for a long while, but seems to have made a turn for the better. The shares that sold at 63 in 1951, and never reached that level since, were at 62 at their 1961 best, but also have reacted from the peak.

The spur to Avisco after its long neglect was development of a new product that could open up important earnings from the dietary food market. There is as yet no indication what the highly-purified cellulose product, named Avicel, will do for Avisco's earnings but it should be apparent next year whether there will be widespread acceptance of it.

Much of the neglect that centered on Avisco stemmed from a general dislike of rayon company shares. But Viscose's interests are far more varied than the acetate field alone. It is half owner of an Alaskan pulp mill, sharing the ownership with Puget Sound Pulp. It currently accounts for from a quarter to a third of the growing cellophane market. It is also a holding company, to a degree, through its large block of Monsanto Chemical, some 13% of the issue, which it received for its half interest in Chemstrand Corp. The bundle represented a holding equal to about $41 a share for the outstanding Avisco shares. That, by coincidence, was the low price for Avisco shares this year and at that level the market rated all other operations of the company at zero.

The stores stocks continued to attract mild attention, in part, because of a seeming determination by the old-line companies to meet the intense competition of the discount houses. They also have an advantage this year in that the peak selling season during the fall and holiday periods will not be restricted this year, as they were last year, by the recession. Their prospects for 1961, consequently, are considerably enhanced particularly since they have been aggressive in opening up suburban stores to keep up with the population shifts. One large service's index of the larger department stores has forged to a new peak while the general market has been in the doldrums, yet the shares still offer average to liberal dividend yields with Allied Stores' return running well above 5%.

In the tobacco section, American Tobacco which recently was a bit prominent in being able to post a new high, has since held close to that level — despite irregular markets. It is a candidate for a liberalized dividend in time, since the current payout is only a bit over half of the profit the company is expected to show for this year.

Interesting Item in the Rail Area

Railroad shares were rather thoroughly neglected, the bankruptcy of the New Haven and the other cases where dividends are in jeopardy keeping even the rail fanciers wary. General Railway Signal, which has been reaping the benefits of cost-cutting by the solvent rails via automatic controls and electronic devices that boost efficiency, has been taking steps to lessen its dependence on railroad business. It is now in the housewares line through acquisition of Regina Corp., floor polisher and vacuum cleaner maker. It has also been devoting research to highway controls and aircraft devices and ground control systems. All of its diversification moves add the promise that in time it will radically lessen its dependence on railroad business to add both growth and more stable profits to its future.

Also among the diversification companies is American & Foreign Power which was able to boost its first quarter profit comfortably despite the loss of its Cuban income. The aim in the case of Foreign Power is to diversify out of the utility field and already it has several millions committed to non-utility projects in Latin America. The commitment is expected to grow to hundred-million proportions in time. While the success of these moves is still obscure, it is an issue with promise and a yield approaching 5%.

Defensive Food Stores Come Through Again

Results of the food stores' operations through the recession have proved once again that people continue to eat even when business isn't in a boom stage. Hence they are defensive issues for trying times. But even when general business is good, some of them are able to expand importantly including Safeway Stores which has grown to the second largest retail chain in the country.

Safeway has been growing with determination, eliminating its older and less profitable units, and has concentrated on the fast-growing areas of the Pacific and Southwest regions to where these areas give it well over half of its sales volume today. Nearly two-thirds of its stores are less than 10 years old and the policy of concentrating on units of proven profitability is best illustrated by the fact that this year's schedule calls for closing 130 older stores while opening 170 new ones, most in the more rapidly growing population centers.

Safeway is not only concentrating on sales, but is cost-conscious, and working aggressively to lift its profit margins. Projections for this year give the chain a profit potential that would nearly double the dividend requirement which also hints at another dividend boost for continuation of an annual payout improvement that has been underway steadily for the last four years. The sales goal for this year is nearly $2½ billion, or an increase of about 5%, and there is no sign that its growth in stores, sales and profits is anywhere near the ultimate that the management thinks it can achieve.

[The views expressed in this article do not necessarily at any time coincide with those of the "Chronicle." They are presented as those of the author only.]

The Security I Like Best

Continued from page 2

lution of 5.2 angstroms; was made in Japan.

The company is young and ably managed. Brilliant engineers work as a team to produce the things they know are needed in the unlimited future of the new age.

Amply financed and recognized in scientific circles, income is received through license to manufacture the new products and methods, by large industrial corporations.

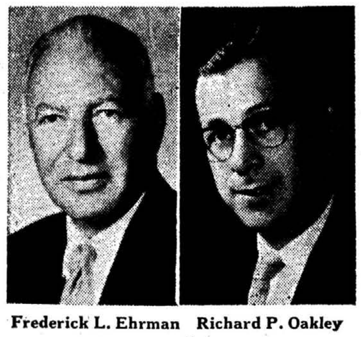
Management anticipates sales of half a million dollars by the end of this year, consisting of contractual research and development and sales, particularly in the high vacuum field. For the calendar year 1962, it is anticipated that sales will approximate $1 million with a profit margin of 10-15% net after taxes. The profit margin will depend upon what portion of total sales is derived from contractual research and development, and what portion comes from its own products.

Capitalization consists solely of: 350,000 shares of common stock. With such a small number of shares, successful conclusion of contracts would quickly be reflected in substantial net per share.

The stock enjoys an active market in the over-the-counter market where it sells at about $13 per share—down from a high of $29 in May. At this price the stock offers an attractive speculation in metallurgy in the space-age. Ilikon is destined to be a leader, and 1961 should be the year of "fruition" for the brilliant ideas of its three founders.

Named Dirs. of Lehman Corp.

Frederick L. Ehrman and Richard P. Oakley, partners of Lehman Brothers, have been elected to the board of directors of The Lehman



Frederick L. Ehrman — Richard P. Oakley

Corporation, it was announced by Robert Lehman, President of the corporation.

Mr. Ehrman became a partner of Lehman Brothers in 1941 and Mr. Oakley in 1958. Mr. Ehrman is also a director of Beckman Instruments, Inc., Continental Air Lines, Inc., TXL Oil Corporation and Monterey Gas Transmission Co., and a trustee of New York University Medical Center.

NEWS ABOUT BANKS AND BANKERS

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

The First National City Bank of New York opened its Pakistan branch in Karachi. Manager of the Karachi branch is John K. Cowan.

Including the Karachi branch, First National City Bank now operates 82 branches in 29 overseas countries and 89 branches in New York.

* * *

Morgan Guaranty Trust Company of New York will expand its services in Europe and the Far East by opening representative offices in Rome, Frankfort, and Tokyo this year. Henry C. Alexander, Chairman of the Board, announced plans for the new offices today.

The Rome office, serving the Mediterranean region, is scheduled to open next month. It will be located temporarily at via V. E. Orlando No. 3, Rome. The Frankfurt office, serving Central and Northern Europe, is to open in temporary quarters in September, and the Tokyo office, serving the Far East, in October.

Morgan Guaranty has two branch offices in London, one in Paris, and one in Brussels.

* * *

Manufacturers Trust Co., New York, announced that it will open its 122nd New York City banking office on July 29 at 607 Soundview Ave., Bronx, New York.

Peter Kaufman will be the officer in charge.

* * *

The appointments of Elias A. Sadallah as a Vice-President and of Frank W. Dougherty as an Assistant Vice-President of **Manufacturers Trust Co., New York,** are announced by Horace C. Flanigan, Chairman of the Board.

Mr. Sadallah began his banking career with the **Lebanon National Bank** in 1929 and joined Manufacturers Trust Co. with the merger of the two banks in 1931. He was appointed an Assistant Secretary in 1948 and an Assistant Vice-President in 1951. He will continue his assignment with the bank's Personal Loan Department located at 67 Broad St., New York.

Mr. Dougherty began his banking career with the **Federal Trust Co., Newark, N. J.** He joined Manufacturers Trust Company in 1946 and was appointed an Assistant Secretary in 1956. He will continue his present assignment in the bank's Business Development Department located at 44 Wall St., New York.

The appointments of Henry S. Mohr as an Assistant Vice-President and George Krehl as an Assistant Secretary were also announced by Mr. Flanigan.

* * *

Edmund F. Ebert and Harry A. Watkins have been elected Senior Vice-Presidents of **Bankers Trust Co., New York,** it was announced by William H. Moore, Chairman of the Board. Mr. Ebert, as head of the newly constituted Metropolitan Banking Department, will be responsible for the bank's New York City business; while Mr. Watkins will be in charge of its New National Banking Department.

Mr. Ebert's entire business career has been spent with Bankers Trust Co., beginning in 1928. Mr. Watkins, spent some years in the former firms of **J. P. Morgan & Co. and Morgan & Cie, Paris,** before joining Bankers Trust Company in 1941.

Mr. Moore also announced that Carl L. Maurer and Rudolph A. Schlumpf, both formerly Assistant Vice-Presidents, have also been named Vice-Presidents of the company.

Simultaneously, Mr. Moore announced that Arthur C. Christensen, 280 Park Avenue Building Project; Henry W. Parker, Credit Audit Division and Theodore K. Pullen, Banking Operations, all formerly Assistant Treasurers, have been elected Assistant Vice-Presidents. Mr. Moore also announced that Walter Tatje, Corporate Trust Operations; Lawrence W. Brueckner, Investment Research; Jacques S. David, Western Division; Alfred F. Kelly, Park Avenue Office; James A. Murray, Securities Markets Division; Bernard F. Smith, 16 Wall Street Branch Office were named Assistant Treasurers. Roland A. Schmidt, of the Perry Avenue Office, was named Manager.

* * *

Commercial Bank of North America, New York, received approval to increase its capital stock from $2,869,775 consisting of 573,955 shares of the par value of $5 each, to $2,941,520 consisting of 588,304 shares of the same par value by the New York State Banking Department.

* * *

William S. Hedley and Albert J. Casazza have been elected Vice-Presidents at the **Greater New York Savings Bank, Brooklyn, N. Y.**

* * *

Negotiations are reported completed for merger of **Valley National Bank of Long Island, Valley Stream, New York** with **Osborne Trust Co. of East Hampton, L. I., New York.**

In a joint statement issued by the two banks, the merger has been approved by directors and the proposal will go before the stockholders. The controller of the currency must also give approval.

* * *

David T. Andrews has been elected Vice-President and Trust officer of the **First Westchester National Bank, New Rochelle, N. Y.**

* * *

Raymond C. Kolb has been appointed Cashier of **Mellon National Bank and Trust Co., Pittsburgh, Pa.,** according to an announcement by Frank R. Denton, Vice-Chairman of the bank. Mr. Kolb succeeds Carl R. Korb, who is retiring August 1 after 46 years with the bank.

* * *

Appointment of Arie J. A. Geurtz as Assistant Treasurer was announced by James M. Large, Chairman of **Provident Tradesmens Bank and Trust Co., Philadelphia, Pa.**

Mr. Geurtz will join the Foreign Department of the bank's Commercial Division on August 1.

* * *

Permission for **Dauphin Deposit Trust Company, Harrisburg, Pa.,** to merge with **Camp Curtin Trust Co., Harrisburg, Pa.,** under charter and title of Dauphin Deposit Trust Company, was approved as of July 12 by the Board of Governors of the Federal Reserve System.

* * *

The Baltimore National Bank, Baltimore, Md., has named William B. Alexander, Comptroller to succeed Walter J. Andrew who has retired.

* * *

Frank R. Elliott, retired President of the **Harris Trust and Savings Bank, Chicago, Ill,** died July 18.

In 1900 he went to work for **N. W. Harris & Co., of Chicago.** When N. W. Harris & Co. was incorporated as the Harris Trust and Savings Bank in 1907, Frank Elliott became the bank's first Cashier. He became Treasurer in 1911, Vice-President in 1919, Director in 1923 and in 1943 he was elected President of the bank. He retired as President in 1946, and as Director in 1952.

* * *

On July 3 the Comptroller approved an application of the **Clinton National Bank and Trust Company, St. Johns, St. Johns, Mich.** and **The State Savings Bank of Elsie, Elsie, Mich.,** to consolidate under the charter of the former and under the title of "Clinton National Bank and Trust Company, St. Johns." The effective date is to be determined.

* * *

Eliot G. Fitch, President of the **Marine National Exchange Bank, Milwaukee, Wis.,** announced the election of Eugene W. Hart and G. Edward Stevens as Vice-Presidents.

Mr. Hart joined the Marine in 1957 as head of their newly formed auto finance division.

Mr. Stevens, joined the Bank as Manager of the Installment Loan Department in January, 1956, and was elected Assistant Cashier in July of that year. He was named an Assistant Vice-President in 1957.

* * *

First National Bank of West Des Moines, West Des Moines, Iowa, increased its common capital stock from $100,000 to $200,000 by a stock dividend effective July 1. (Number of shares outstanding 2,000 shares, par value $100).

* * *

By a stock dividend, the common capital stock of the **Stockyards National Bank, Union Stock Yards, Kansas,** was increased from $150,000 to $232,500 and from $232,500 to $250,000 by the sale of new stock effective July 6. (Number of shares outstanding 25,000 shares, par value $10).

* * *

Manchester Bank of St. Louis, Mo., has promoted five officers and has named a new officer of the bank, it has been announced by Mr. William H. Harlan, Jr., President.

Former cashier C. H. Stolte was promoted to Vice-President and Cashier; George H. Pfister, formerly Assistant Vice-President, has been named a Vice-President; and former Auditor W. C. Imming was appointed an Assistant Vice-President.

Also promoted to Assistant Vice-President were R. S. Kuehn and Richard M. Reilly, both former Assistant Cashiers.

The new officer of Manchester Bank of St. Louis is John R. Jennings who has been promoted to the post of Assistant Cashier.

* * *

On July 5, the Comptroller approved an application to merge the **Fort Hill Bank and Trust Company, Clemson, S. C.,** into **The First National Bank of South Carolina of Columbia, Columbia, S. C.,** under the charter and title of "The First National Bank of South Carolina of Columbia." Both Banks are located in the Fifth Federal Reserve District. The effective date is to be as of the close of business Aug. 4.

* * *

The office of the Comptroller of the Currency on July 3 issued a charter to the **Pasadena National Bank, Pasadena, Harris County, Texas.** The President is W. O. Frosch and the Cashier is Thomas I. Fetzer. The Bank has a capital of $200,000 and a surplus of $300,000.

* * *

Ralph H. Viney, Vice-President and petroleum engineer of the **First National Bank of Fort Worth, Texas,** announced his resignation.

Mr. Viney has been with the Fort Worth Bank since 1957, and prior to that was associated with **First National City Bank of New York.**

Walter C. Lawson has been elected a Director of the **Valley National Bank, Phoenix, Ariz.**

* * *

Carl M. Burrow was elected a Vice-President and Personnel Director of the **First National Bank of Arizona, Phoenix, Ariz.**

* * *

ZIONS FIRST NATIONAL BANK, SALT LAKE CITY, UTAH

	June 30,'61	Apr. 12,'61
	$	$
Total resources	144,604,477	147,694,454
Deposits	127,627,463	128,760,626
Cash and due from banks	24,197,481	26,337,813
U. S. Government security holdings	30,593,583	31,007,358
Loans & discounts	83,714,222	83,549,635
Undivided profits and Reserves	4,689,717	4,405,931

* * *

The following changes in the executive staff of **The Bank of California, N. A., San Francisco, Calif.,** were announced by Elliott McAllister, Chairman of the Board.

Richard D. Gordon has joined the bank as Vice-President in the Investment Department.

Alton A. Perkins was appointed Assistant Cashier at the Head Office and will serve as Credit Examiner in the Instalment Loan Supervision Division.

Frank M. Elliott, Manager of the bank's Modesto West Side Office, was named Assistant Manager at the Modesto Main Office and will head the Business Development program for all Bank of California offices in the Modesto area.

Wayne E. Lucas, Manager of the bank's Riverbank Office, succeeds Mr. Elliott as Manager of Modesto West Side Office.

William G. Boston, Assistant Cashier of Riverbank Office, was advanced to Manager.

At the Auburn Office, James Gregg was appointed Assistant Cashier and Manager of the Instalment Loan Department.

D. Robert Barlow was appointed Manager of The Bank of California's Watsonville Office, which is scheduled to open in September. Assistant Cashier of the new office will be Ernest C. Webb, Jr.

* * *

Opening of **Bank of America, San Francisco, Calif.,** overseas branch in Karachi, West Pakistan, was announced July 26 by President S. Clark Beise.

Manager of the new branch is J. D. Van Oenen, who has many years of international banking experience in the Far East.

* * *

United California Bank, Los Angeles, Calif., and **Farmers and Merchants Bank, Hemet, Calif.,** merged under charter and title of United California Bank. Effective July 14.

* * *

The common capital stock of **The American National Bank of San Bernardino, San Bernardino, Calif.** was increased from $800,000 to $950,000 by the sale of new stock, effective June 30. (Number of shares outstanding 190,000 shares, par value $5.00).

* * *

By the sale of new stock the common capital stock of the **Community National Bank of Kern County, Buttonwillow, Calif.** was increased from $300,000 to $500,000, effective July 1. (Number of shares outstanding 25,000 shares, par value $20).

* * *

The President of **The Bank of Nova Scotia,** F. William Nicks, announces that the bank's newest international office is now open in Los Angeles, at 611 Wilshire Blvd. The office will be in charge of James F. Musgrove.

* * *

Appointment of T. C. Marshall as a representative in the United States of **The Royal Bank of Canada, Montreal, Canada,** with headquarters in Dallas, Texas, is announced. He succeeds H. E. McClenaghan who has been named Assistant Supervisor, Commercial - Industrial Development at Head Office, Montreal.

BANK AND INSURANCE STOCKS

This Week—Insurance Stocks

ST. PAUL FIRE AND MARINE INSURANCE COMPANY

St. Paul Fire & Marine Insurance Company is the 15th largest stock fire and casualty insurance company in the nation. During 1960 premium volume reached $173.2 million. The company was originally formed as a mutual organization in 1853 and became a stock company in 1865. Operations are carried on through the parent company and two subsidiaries—St. Paul Mercury Insurance Company and Western Life Insurance Company. St. Paul Mercury Indemnity Company, a former subsidiary, was merged into the parent at the end of 1956.

The St. Paul group is licensed to write insurance in all states, the District of Columbia, Puerto Rico, and Canada. Through its membership in the American Foreign Insurance Association, the company participates in foreign insurance underwriting. All lines of insurance are written through approximately 14,000 agents located throughout the country. The company has obtained an extremely well-balanced book of business, almost equally divided between fire and casualty lines. No single line represents more than 17% of the company's total premium volume.

St. Paul Fire and Marine has established one of the most impressive records of growth and profitability throughout the insurance industry. Only three of the 14 stock insurance groups with larger premium volume than St. Paul have recorded a higher underwriting profit margin over the past decade. St. Paul's average underwriting profit margin over the period is 3.7%. Only once in the past 30 years has the company failed to record an underwriting profit. The exception was in 1957 when the industry and the company were hard hit by severe underwriting losses incurred on automobile business. St. Paul has achieved this superior record through the maintenance of high underwriting standards and a management philosophy of conservatism that is a characteristic of the company's entire operations.

Through the acquisition of Western Life Insurance Company (Helena, Montana) in 1957, St. Paul entered the life insurance field. Western Life is one of the smaller companies in the life field with assets of $102 million at year end and operations in 43 states, but the company has shown consistent growth since its affiliation with St. Paul. Life insurance in force increased nearly $100 million in 1960 to $581.6 million. During 1960 the company's home office was moved to St. Paul from Helena, Montana. While Western Life will not contribute significantly to earnings for a number of years because of the inherent heavy costs involved in expanding a small life insurance operation, it provides St. Paul with necessary life insurance facilities as the industry trend to all-line insurance underwriting continues.

Selected Statistics—Growth and Underwriting Results

Year	Net Premiums Written	Reported Operating Earnings	Total Admitted Assets	Loss Ratio	Expense Ratio	Profit Margin
	(Millions)					
1956	$123.2	$7.4	$257.0	59.0%	39.4%	1.6%
1957	138.6	2.5	276.0	64.2	38.1	—2.3
1958	149.1	11.6	320.3	59.7	37.5	3.8
1959	161.2	11.4	355.4	59.1	36.9	4.0
1960	173.2	11.1	389.9	62.4	35.8	1.8
1961†	40.6	2.3	N. A.	66.9	35.7	—2.6

Per Share Statistics

Year	Approximate Price-Range	Net Investment Income	Total Earnings*	Est. Liquidating Value*	Dividend
1956	$53-39	$2.06	$2.73	$38.51	$1.04
1957	57-39	2.02	1.70	36.46	1.12
1958	61-42	2.18	3.67	44.71	1.20
1959	62-52	2.35	3.62	48.42	1.28
1960	62-51	2.60	3.27	51.58	1.37
1961†	76-61	.65	.41	55.50	.36

*Adjusted for equity in unearned premium reserve.
†First quarter.
N.A. Not available.

St. Paul has emphasized tax-exempt bonds and common stocks in its investment program over the years. Municipal bonds represented 46.5% of total invested assets at year end 1960, an unusually high percentage within the insurance industry. Interest yields from 1960 bonds purchases reached 4.76%. Approximately two-thirds of the company's common stockholdings are in public utility stocks, which have shown substantial appreciation in market values. In recent years, management has placed greater emphasis on growth stocks in its common stock buying with 1960 new commitments including the stocks of Polaroid, Haloid-Xerox, Harcourt Brace, Corning Glass, and American Home Products.

The consistent growth in St. Paul's net investment income, at an annual compound rate of 8.2% over the past decade, has permitted St. Paul to pay a higher cash dividend each year since 1946. Dividend payments have averaged 55% of pre-tax investment earnings over that period. The present cash dividend rate is $1.44 annually.

St. Paul's underwriting profits declined in 1960 primarily because of losses incurred in Hurricane Donna. Premiums written increased 8% to $173.2 million. The $2.1 million hurricane loss sharply reduced the company's profits in the property lines, although results were satisfactory overall. The company's "Easy Auto" plan, which is a low cost, safe driver policy designed to meet the competition of the direct writers, continued to grow rapidly in premium volume. However, total automobile business failed to earn a satisfactory profit because of a substantial increase in the number of claims. The company's total underwriting profit margin declined from 4% in 1959 to 1.8% in 1960. The decline in underwriting earnings was partially offset by the gain in net investment income, as total adjusted earnings fell to $3.27 per share compared with $3.62 in 1959.

During the first quarter of 1961, St. Paul's earnings fell to 41 cents per share from the 66 cents earned in the first three months of 1960. An underwriting loss of 2.6% was recorded, compared with slight profit in the first three months of 1960, due principally to the heavy losses resulting from the severe winter weather experienced throughout the country during the first quarter. Total premium volume advanced 4% and net investment income nearly 7%. It is anticipated that full year earnings will be in excess of those recorded in 1960, in the absence of a major catastrophe such as Hurricane Donna.

The common stock of St. Paul Fire & Marine has fully participated in the 1960-61 bull market in insurance stocks. The present price is 75½ bid, an all-time high for the stock. At that price the stock yields 1.9% and sells at a 36% premium over its March 31 estimated liquidating value of $55.50. There are just over 4 million shares of common stock outstanding which are traded in the over-the-counter market.

Validation of Seven East German Dollar Bond Issues Approved

Under the terms of the new treaty between the United States and the Federal Republic of Germany ratified by the United States Senate and which became effective June 30, 1961, seven additional bond issues have been added to the list of 92 such issues initially approved for validation by the treaty in 1953.

Approximately $253,000,000 in face value of these old German dollar bond issues have been validated since 1953, and American and other holders have received cash payments or new bonds amounting to approximately $450,000,000 in value.

The Validation Board has virtually completed its work on the 92 issues included under the 1953 treaty. It will start receiving registration of the seven bond issues of Saxon Public Works Inc., Brandenburg Electric Power Co., Pomerania Electric Co. and East Prussian Power Co. on Sept. 1, 1961. These companies had their headquarters in cities which are now behind the Iron Curtain. The bonds of the East Prussian Power Co. were guaranteed by companies in Western Germany, and the holders of these bonds may expect payment under the terms of the London Agreements.

The headquarters of the other three companies were in areas now outside the jurisdiction of the Federal Republic. However, assets in substantial quantities which belong to those companies have been located within the Federal Republic, and under the recent amendment to the German Bankruptcy Act are to be liquidated and the proceeds distributed to creditors among whom are the dollar bond holders.

Douglas W. Hartman, the United States member of the Board, said: "It is too early to say how much a $1,000 bond holder may receive, but the Board is informed that all the signs indicate it will be enough to make registration of these bonds decidedly worthwhile." Erwin Blumenthal, the German member of the Board, said he expected the Validation Board's function would be substantially completed within a year.

The validation program became necessary because more than $350,000,000 worth of these German dollar bonds, which had been sold in the United States during the 1920s and which had been repurchased for retirement purposes by the German issuers and government, were looted from the vaults of the Berlin banks after that city was overrun by the Russian armies in April 1945. To prevent payment on these looted bonds, it was agreed during the London Debt Settlement negotiations in 1952-53 that machinery for examining the bonds to determine which were eligible for payment should be set up. Then the Validation Board for German Dollar Bonds was established at 30 Broad Street, New York City.

Fulton, Reid in New Quarters

CLEVELAND, Ohio—Fulton, Reid & Co., Inc., members of the Midwest Stock Exchange, have announced their removal effective July 31 to new and larger quarters on the top floor of the East Ohio Building. The firm is this year celebrating its 50th Anniversary.

Wilder V.-P. of Wood, Gundy Co.

TORONTO, Canada — William P. Wilder has been elected a member of the Board of Directors of Wood, Gundy & Company, Limited, 36 King Street, West, and has been appointed Executive Vice-President.

To Address Univ. Seminars

CHICAGO, Ill. — The School of Banking at the University of Wisconsin, sponsored by the Central States Conference of 16 mid-Western state bankers' associations, announced that the panel of speakers for its evening seminars had been completed.

The following individuals are scheduled to address the seminar sessions of the School of Banking when it convenes next month:

Monday, Aug. 14—Dr. Beryl W. Sprinkel, Vice-President and Economist, Harris Trust and Savings Bank, Chicago, Ill. *Subject:* "The Outlook for Business."

Tuesday, Aug. 15—Gaylord A. Freeman, Jr., President, the First National Bank of Chicago. *Subject:* "A Critical Analysis of the Report of the Commission on Money and Credit."

Wednesday, Aug. 16—Dr. Krafft A. Ehricke, Program Director, Convair (Astronautics) Division, General Dynamics Corp. *Subject:* "America's Outlook in the Space Race."

Thursday, Aug. 17 — The Hon. Barry M. Goldwater, United States Senator, state of Arizona. *Subject:* "A Conservative Speaks."

Monday, Aug. 21 — The Hon. Walter W. Heller, Chairman of the Council of Economic Advisers to the President. *Subject:* "Current Economic Policy."

Tuesday, Aug. 22—Dr. John A. Wilson, Andrew MacLeish, Distinguished Service Professor and Director, Oriental Institute, University of Chicago. *Subject:* "The New Threats to Freedom in the Middle East."

Wednesday, Aug. 23 — Marquis W. Childs, syndicated columnist, Washington correspondent of St. Louis Post-Dispatch. *Subject:* "Report From Washington."

Thursday, Aug. 24—Gen. Carlos P. Romulo, Ambassador of the Philippines to the United States. *Subject:* "World Tensions."

Approximately 1,250 bankers will attend the two-week session of the School of Banking. Mr. John J. McDonough, Vice-President of the Harris Trust and Savings Bank, Chicago, is the seminar faculty leader.

G & H Securities

BROOKLYN, N. Y. — G and H Securities, Inc. is conducting a securities business from offices at 66 Court Street.

Bosh Stack Associates

SCARSDALE, N. Y.—Irwin Bosh Stack is conducting a securities business from offices at 191 Sprain Road under the firm name of Bosh Stack Associates.

Childs Secs. Name Ostema & Close

C. F. Childs and Company, Inc., the oldest investment firm in the country specializing in U. S. Government securities, has announced the election of Clarence W. Ostema and Frederick J. Close as Vice-Presidents of Childs Securities Corporation, its subsidiary dealing in corporate and mortgage finance.

Mr. Ostema is well known to mortgage bankers as the first man to make a market in Federal National Mortgage Association common stock and Federal Housing Administration debentures. Analyses of FNMA operations by C. F. Childs together with Mr. Ostema's effective distribution efforts resulted in wide acceptance of the FNMA stock for investment purposes.

Mr. Close, one of the nation's foremost specialists in Capehart financing and in other large FHA-insured loans, has personally handled negotiations involving several hundred million dollars of these types of financing in all parts of the United States.

J & R Cowen Securities

BROOKLYN, N. Y.—J & R Cowen Securities Co., Inc. is engaging in a securities business from offices at 2015 Foster Avenue.

A Management Consultant Views U. S. Capital Outflow

By David L. Nicolson,* *Managing Director, Production-Engineering Ltd., London, England*

Head of one of Britain's largest international management consulting firms reprovingly warns that one of our most dynamic forces for goodwill abroad will be jeopardized by the passage of our Administration's proposal to tax U. S. earnings abroad. Mr. Nicolson draws attentiton to the crucial problems of creating a viable free world as a bulwark against communism which he says necessitates continuation of the pace set in international investment — including those by our firms. He comments on Britain's changing trade and investment direction, prospects the chances of her joining E. C. M., and predicts enactment of our tax plan will accelerate British firms' investments abroad.

A strongly unified Western World as a firm barrier against Communism is the prime consideration of all western European nations, the United States and members of the Commonwealth—a consideration which overrides all other problems.

David L. Nicolson

My recent meetings with industrialists in Canada, the United States and Common Market countries have emphasized to me this unity of thought, regardless of the many differences of opinion and conflicts of interest in other areas.

Business men who generally accept the first and overriding objective — the achievement of a strongly unified front against communism—seem to agree in the basic principle that this common goal will be furthered by the strengthening of European unity, as a preliminary to building an effective Atlantic Union. An essential to this concept is continuing U. S. investment in Europe and the extension of U. S. influence. Another basic corollary to this economic concept calls for the European Common Market countries (Belgium, France, Italy, Luxembourg, the Netherlands and Western Germany) to get together with the European Free Trade Association (Austria, Britain, Norway, Portugal, Sweden and Switzerland). Eventually, I believe these developments will be pushed forward effectively in ways that will make important contributions towards the interests of the Western World and will solidify a strong bulwark against communist influence.

International management consultants work very closely with many U. S. companies in planning investments abroad and observe at close hand the constructive impact of the American businessman in all of the foreign communities where he operates.

Praises Example of U. S. Foreign Plants

It is my considered belief that America's best ambassadors for peace, prestige and goodwill are these production and sales experts from the United States. They set a fine example through their foreign subsidiaries by providing good working conditions, paying high wages, plus fringe benefits, and maintaining progressive management policies. They also contribute personally to the betterment of the communities where their plants are located. They enter into the local life, are active in charity drives and take positive, active interest in civic welfare activities and in social, business and community affairs. They become important exponents of good public relations for the United States and the American way of life.

These American ways of doing business, projected in foreign communities throughout the world, regularly have sparked demands by the labor of those countries for improvements in wage scales and working conditions. These demands already have resulted in a steady raising of the standard of living in every area where American firms are operating.

This leadership by American business men in foreign countries is of tremendous value to American prestige abroad, I believe, because their activities have lifted living standards and strengthened the economies of America's allies.

On the economic side of the American ledger, there is a clear record that the United States has made money from its foreign investments. Between 1957 and 1960 there was a net inflow to this country of approximately $9,000,000,000.

American companies' operations have been increasing in Europe at an average rate of about 20% a year. Between 1958 and 1960, 464 subsidaries of U. S. companies were estabilshed in countries belonging to the Common Market. Now more than 700 U. S. subsidiaries and 500 British firms are established in the European Common Market. In 1959 no less than $750,000,000 was invested by U. S. firms in Western Europe.

The Common Market is growing at the rate of 6½% per annum. It is, without question, the fastest growing trade area in the world today. The demand for goods is growing dynamically, as the population seeks a better standard of living. Great Britain sees the Common Market as a great new mass market with a population of between 165,000,000 and 170,000,000. The population of the U. S. on April 1, 1960, approximated 180,000,000. Employment in the Common Market last year approximated 70,000,000 against 68,639,000 in the United States.

Reproves Plan to Tax Foreign Earnings

The extension of American influence in Europe, essential to maintenance of peace and development of prosperity, in my opinion, will be retarded by the recent tax proposal by the Kennedy Administration which would tax earned income of U. S. corporation subsidiaries abroad at the American level of 52%.

The enactment of such tax legislation would jeopardize America's most dynamic good will force abroad—the U. S. businessman—the production and sales experts who have been prime factors in raising the standards of living throughout the world.

The proposal by the Kennedy Administration to end tax deferral on profits earned abroad by American subsidiaries would make it difficult for U. S. corporations to compete effectively abroad, curtail profits and, therefore, reduce the dividends paid to millions of American shareholders. Another adverse effect would be the probable curtailment of U. S. corporation's" foreign-based research programs which have contributed many new and improved products. Consequently, such curtailment of foreign research, in the long run, would deprive American consumers of goods and services of value.

If all of the non-remitted overseas earnings of U. S. companies were taxed at the American level of 52%, the American firms would not be likely to be able to overcome the disadvantage. An American subsidiary in Italy, for example, could not pay the American level of 52% and compete with local firms who pay only 30%.

The proposed change in the tax structure would swing some U. S. investment from Europe back to the United Kingdom, where tax rates are slightly higher than in the U. S. but European subsidiaries of U. K. firms are subject to local taxation as are U. S. owner firms at present. The proposed higher tax rate probably would defeat President Kennedy's desire to see a greater flow of private capital to less developed countries, where the more meagre profit opportunities could not offset the losses incurred on European investments.

Growing Free Trade Trend

Meanwhile, the world is moving steadily toward Free Trade. Greece and Turkey have agreed to negotiate with the Common Market. Finland has agreed to negotiate with the European Free Trade Association.

When Trade Minister Gunnar Lange of Sweden, in January, 1960, said that the signing of the EFTA document for the Outer Seven free trade area was intended "As a step toward a wider association between European countries, including the Common Market (inner six) nations," he was stating what business men in many European countries had advocated for some time.

In contrast to this, British inter-Commonwealth trade is declining. It formerly approximated half of all trade for Great Britain and now approximates only 40%. Meanwhile British trade with Western Europe has risen until it approximates 33½%. This is one reason for the surprising way that barriers against Great Britain's entry into the Common Market have been dropping away in the last six months. Of course she is in somewhat of a dilemma about entry into this group; but we believe it need no longer be a choice between the Commonwealth or the Common Market.

Britain's and the Commonwealth's first considerations too must be a strong United Kingdom economy and a strong united Western Europe. The Commonwealth is held together by political interests that are less defensive than formerly, and Commonwealth economic relationships are changing. Take, for example, Canada and Great Britain. The Canadian trade gap is widening. Canada's' sales in the United Kingdom were up 20% in 1960. They will be more than $1,000,000,000 in 1961. Meanwhile, the United Kingdom, in 1961 expects sales to Canada only to be around $600,000,000; and furthermore Canada may develop her "Buy Canadian" campaign further.

The United Kingdom, therefore, though prosperous now, is worried about her balance of trade. Consideration is being given to the possibility of revising imperial preference and many think the destiny of the United Kingdom lies with Europe.

Furthermore, Great Britain is widely recognized as a logical force in developing stability of leadership for the Common Market, and Holland, Italy, West Germany and the United States are all enthusiastic about her joining. Naturally, Great Britain still plays a big part as senior partner in the Commonwealth, particularly with the new countries that have been established or are about to be formed, and 40% of her exports are to the sterling area.

But the majority of British industry is not afraid of the increased competition which would result from entry into the Common Market. Leading firms have accelerated operations recently to move into mass markets at home and abroad and would welcome Britain's entry. It is felt that such action would also stimulate backward and less progressive firms in Great Britain to step up improvements. Productivity and industrial efficiency is rising steadily in the country. One example of this is the fact that Great Britain expects by 1966 to be deriving 10% of all her power from the atom.

U. K.'s Accelerated Investments in E.C.M.

If American firms are forced to hold off additional investments in Europe and to reduce or liquidate the investments they already have there—due to adverse U. S. taxation, there is little doubt that British companies will try to accelerate their rate of investment in Common Market countries. Already many British companies are investing heavily abroad. Only recently Imperial Chemical Industries announced that it would invest $300,000,000 in the Common Market in the next decade.

Since it is so obviously to the interest of the West to achieve a strong Western Europe, we believe that this consideration eventually will outweigh other British Commonwealth reservations about Britain joining the Common Market. It seems probable that the British rate of investment in the Common Market countries will continue to accelerate, anyway.

It is true that African connections of the Common Market countries and of Great Britain do present some special difficulties but none that cannot be solved. Overall, the Commonwealth preference is only half of that of the Common Market protection of overseas territories, mostly French.

Solving Britain's Entry Into E.C.M.

Some of the suggested solutions include: retention of the status quo, with each group keeping its own tariffs; a single system of preferences, based on an average of the present different ones; or the abolition of all preferences and tariffs; thus opening Europe to world primary products. One of the arguments for the latter is that a country can always replace tariff protection for its proteges by direct financial help to meet special situations. Another advantage of the latter solution is that European markets in South America would not be prejudiced by exclusion of the latter's primary products. Furthermore some of the new states do not wish to continue exclusive links with their old masters. Under the latter system the Commonwealth would not be discriminated against in the Common Market.

To summarize, the Inner Six think Britain is coming into the Common Market. British official opinion is convinced of the wisdom of the move; there is much less inclination to think of the Commonwealth in terms of economic rather than political links. The United Kingdom is no longer scared of competition; and, in fact, regards competition as a stimulus to efficiency. This presents a complete swing in opinion from a year ago.

The most powerful argument of all is that the most dynamic growth situation in the whole world is in the Common Market. Productivity in Europe has been rising at a world record rate for several years. The creation of the European Common Market is continuously widening outlets and encouraging industrial growth.

Against this background although American industry challenges the world, it will constantly meet stiffer competition. Foreign firms, directly and indirectly, are building plants in the United States and are otherwise extending their production and sales in the United States. These are compelling reasons for American firms to continue their expansion abroad in order to hold their own position.

If the world is to obtain a better standard of living, more effective, more profitable production must be developed, so that more goods and services can be distributed throughout the world. Europeans want the United States to have a big investment in their future. This desire is in line with the mutuality of interest of the United States, Western Europe and the Commonwealth countries to unify the Western world as a firm bulwark against communism.

* An address by Mr. Nicolson at the Empire State Club, New York, before a group of World Trade specialists. Mr. Nicolson, just prior to this, had completed a series of meetings with industrialists in Canada and the United States.

J. E. Bridges Opens

TUSKEGEE, Ala. — James E. Bridges is engaging in a securities business from offices at 115 West Southside under the firm name of J. E. Bridges & Co.

Hinckley Is Elected Director of FIF Funds

DENVER, Colo. — Robert H. Hinckley, former chairman of the Civil Aeronautics Authority and Assistant Secretary of Commerce, has been elected a director of Financial Industrial Fund and Financial Industrial Income Fund, Chairman Charles F. Smith has announced.

Robert H. Hinckley

Now a director and member of the Executive Committee of American Broadcasting-Paramount Theatres, Inc., Mr. Hinckley is one of the founders and a one-time Vice-President of the American Broadcasting Co.

Mr. Hinckley entered government service with the Federal Emergency Administration and in 1933 was named an assistant administrator of the agency in charge of 11 western states, Hawaii and Alaska.

He joined the C.A.A. in 1938 and became its chairman the following year. While in charge of the agency, Mr. Hinckley established the Civil Pilot Training Program and supervised construction of Washington National Airport.

In 1940, he left the C.A.A. to accept an appointment as Assistant Secretary of Commerce, remaining in that post for three years.

Two years later, Mr. Hinckley retired from government service to become a Vice-President of the Sperry Corp., but after two years returned to Washington as Director of the Office of Contract Settlement.

He joined American Broadcasting in 1946 as Vice-President and director in charge of the company's relations with the Federal Communications Commission.

Flax Incorporates

SPRINGFIELD, Mass.—J. Clayton Flax & Co., 1562 Main Street, is now conducting its securities business as a corporation. Officers are J. Clayton Flax, President and Treasurer; Henry P. McAllister, Jr., Vice-President; and F. Arthur LaBrode, Clerk.

SECURITY SALESMAN'S CORNER

BY JOHN DUTTON

Some Observations Pertaining to the Servicing Of Speculative Accounts

A security salesman must be able to differentiate between people who are speculators and those who are primarily interested in investing. You cannot educate a speculator to become an investor—you must take him as he is. People who have speculative tendencies are psychologically different than investors. They fall into several classifications. Such as:

Compulsive Gamblers: These individuals cannot resist the urge to "beat the game" whether it is horses, cards, dice, dogs or stocks. They are active accounts in a most profitable way for many brokers.

People Who Want Something for Nothing: They put their funds into schemes that offer very high interest rates and never investigate before they grab their prize. They usually keep quiet because they are ashamed of their stupidity and don't complain to the authorities after they have been taken. They also rush into the stock market when it is making new highs and boiling with activity. They are motivated primarily by greed and avarice and eventually get their lesson. They follow tips from people who are supposed to be "in the know." They never read a prospectus, care less about records, and want all the "hot" new issues, but if they happen to latch onto a slow deal will either throw it back on the market and hit a supporting syndicate bid, or cancel their indication one hour before the public offering providing they have heard the underwriting is "sticky."

Those Who Wish to "Take a Flyer" Occasionally: These people are at least honest and intelligent to the extent that they limit their risks and know they are speculating. They want a few "kicks" and if they can afford it, they make a bet on a stock once in a while.

Informed, Professional Speculators: These rare individuals do not need, nor do they desire unsolicited advice, information, or "tips" from a broker or a salesman. They want service, and correct statements at the end of the month. They make a profession out of speculating in the market or in special situations, particular classes of securities, or even grains and other commodities. These are not the people who create overpriced markets, or make extra work for the brokers, or the policing agencies. They work hard and they try to make informed decisions—they deserve every dollar they earn. You are fortunate if you have one, or several such accounts, and also a competent bookkeeping department to back them up.

Since all these types of speculators are customers of brokers and security salesmen, you should know how to judge their category, deal with them and recognize them. There are some security firms that do not trade with speculators, but today such organizations specialize in institutional accounts, mutual funds, and tax-free bonds. It is a very rare salesman that does not run into some speculative clients these days.

The Furor About Regulation

During the past few months there has been another outpouring of statements by various government officials and others connected with the security business, that rules should be tightened so as to protect investors. These periodic vocal effusions have been going on for the past 30 years and they usually come after the market has had an excessive dose of bullish enthusiasm, and a horde of little firms have found the golden key to the small speculators' avaricious appetite for low-priced, border-line, speculative, new issues and have "gone public." During the past 18 months there has been evidence of such a boom in the security markets and it has been a virtual "bonanza" for many promoters, underwriters of stock issues, accountants, lawyers and large and small investment firms. The salesmen have also had a picnic.

The people who have bought these questionable securities appear to be quite happy, but recently some of the veneer is rubbing off, as it always does. The education of the present crop of speculators described in the beginning of this piece will be handled by the two factors of "time" and "reality." A lesson will not be learned, however, because some of these people never learn, and there will also be a new crop along when the next period of excessive speculation arrives. A few new laws may be written, a few more powers granted to the SEC and some more money will be spent; but little good of a permanent nature will come from it all. You can't change human greed and cupidity.

Use Your Common Sense

As a security salesman, it is up to you to make the best of your job. Your business is to service accounts, protect your investment clients when they ask for advice, and attempt to guide your speculative accounts away from "booby traps" if you hear of them. Sometimes it is best not to give any advice to a speculative account but certainly it is absolutely essential that *you* are not taken in by slanted and biased information. In the next few weeks, this column will present a few suggestions for security salesmen who are servicing speculative accounts that have been of practical value to others in this business.

2nd Dist. Secs. Names Officers

Loring T. Briggs and Edward L. Madden, Jr. have become associated with Second District Securities Co., Inc., 1 Chase Manhattan Plaza, as Vice-Presidents.

B. M. Rubin Opens

NEW ROCHELLE, N. Y. — Bertrand M. Rubin is engaging in a securities business from offices at 51 White Oak Street.

Frank-Street Co. Formed

PITTSBURGH, Pa.—Frank-Street & Co. has been formed with offices at 134 Carlton House to engage in a securities business. Frank Giovannitti, formerly an officer of Pittsburgh Hanseatic Inc. is a principal of the firm.

New Stanton-Lewis Office

GLENBURNIE, Md. — Stanton-Lewis & Co. has opened a branch office at 904 Genine Drive under the direction of John R. Baum.

Our Reporter on GOVERNMENTS

BY JOHN T. CHIPPENDALE, JR.

The Government, in making public the results of its first refunding operation of the new fiscal period, along with the way in which the new money raising issue was taken, showed that both of these were successful ventures. As was to be expected, the shortest refunding obligation was the most favored security, because there is no let up in the demand for the most liquid Treasury issues. In addition, the Federal Reserve Banks were takers of this security. However, the size of the turn-ins for the other two refunding obligations was a surprise but very much on the favorable side.

The world tension is still a factor in the money market as well as in the capital market and the stock market. Accordingly, until there is some lessening in this market force, it is not expected that there will be any important change in the monetary policy which has been in effect. Therefore, interest rates should remain pretty much as they have been for the foreseeable future.

British Bank Rate Increased

The demand for short-term obligations continues as heavy as ever and, according to some advices, the flow of foreign funds into our near-term securities has picked up sharply of late. This is believed to be due in some measure to the confused world conditions, especially with reference to the Berlin situation. Also the uncertain British economic conditions had brought short-term funds into our money market.

However, this week's sharp increase in the British bank rate from 5% to 7% will most likely serve to take money out of our near-term issues because of the higher yields that will be available in London.

Even though the interest in bonds is concentrated in corporate and tax exempt obligations there is steady buying and a fairly sizable amount of long-term Government bonds are finding a permanent home in institutional portfolios, mainly of the public pension fund variety.

Money and Capital Markets Acting Well

The improved feeling and tone which is evident in both the money and capital markets is being attributed in some measure to the successful Government refunding and new money raising operation, along with the favorable reception which was given to the large corporate bond issue of the Shell Oil Company. It is evident from both cases that the right or proper pricing of the obligations that were being used by the Government and the non-Federal corporation in their operations created a very sizable demand for these securities.

It appears as though the money and capital markets have been going along pretty much according to plans since the monetary authorities have kept sufficient funds available to both of these markets to make new money and refunding ventures of the Treasury no problem while at the same time there is a supply of money seeking an outlet in long-term non-Federal bonds. This has meant that corporate and tax exempt bond issues have been well taken in many instances, with the former bonds making a better showing than the tax sheltered obligations because the floating supply of the latter securities as well as the new offerings are much heavier than the corporate bonds.

Corporate Bonds in Demand

The way in which most of the recent new issues of corporate bonds have moved up in price after they were offered to the public in spite of the downtrend that took place in quotations of many of these bonds before the syndicates had to be dissolved, seems to indicate that there is a sizable supply of money available for long-term capital issues that are quality obligations.

In addition, there is more than a passing amount of opinion around that there will be a breathing spell in the new issue market for corporate bond offerings. This would be helpful since it would give the corporate bond market time to digest the new bonds which have come into the market for sale.

It seems as though the policy which the administration adopted of leaving the capital market or long-term bond sector to non-Federal borrowers such as corporations, state and local entities is working out very well. To be sure, there has been an upward trend in the yields of these new bond offerings but this has attracted buyers so that they have gone over. In addition, the somewhat higher rates which the corporate borrowers have had to pay in order to get the needed money does not amount to very much since the Federal Government still pays 52% of the bill. The tax free yield increase has likewise not been too important insofar as the public borrowers are concerned.

Phila. Bond Club To Hold Outing

PHILADELPHIA, Pa.—The 36th Annual Field Day Outing of The Bond Club of Philadelphia will be held on Friday, Sept. 29, at the Philmont Country Club, Philmont, Pa.

Willard S. Boothby, Jr. of Eastman Dillon, Union Securities & Co., President of the Club, stated that this year the sports activities will be held in the morning and completed in time for luncheon. An elaborate luncheon will be served, with entertainment during and after the meal. There will be no diner as the Outing will formally conclude after the afternoon stock exchange and entertainment.

Mr. Boothby also announced the appointment of nine committees charged with planning "very different and attractive features."

Chairmen of the various committees are: Arrangements, Leonard S. Bailey of G. H. Walker & Co.; Attendance, Stuart MacR. Wyeth of Stone & Webster Securities Corporation; Entertainment, Harry K. Hiestand, Reynolds & Co.; Golf, Oliver DeG. Vanderbilt, III of Blair & Co., Inc.; Minor Sports, George W. Schwinn, Jr. of Dean Witter & Co.; Publicity, Clifford C. Collings, Jr. of C. C. Collings and Company, Inc.; Stock Exchange, Theodore E. Eckfeldt of Stroud & Company, Inc. and Joseph E. Smith of Newburger & Co.; Tennis; Lawrence A. Brown of Hallowell, Sulzberger, Jenks, Kirkland & Co. and Trophy, A. William Battin of Stone & Webster Securities Corporation.

Stanton-Lewis Branch

WASHINGTON, D. C.—Stanton-Lewis & Co. has opened a branch office at 3910 McKinley St., N. W., under the management of Rodney D. Harder.

PUBLIC UTILITY SECURITIES

BY OWEN ELY

Columbus & Southern Ohio Electric

Columbus & Southern Ohio Electric serves electricity to a population of around 1,112,000 in Columbus and its suburbs. Columbus is the capital of Ohio, is an important university site, and a major wholesale and retail marketing center. Good transportation facilities and its strategic location have attracted to the city and its environs a wide variety of industries. Residential sales provide 41.5% of electric revenues, commercial 25.3%, industrial 23% and other 10.2%.

The company has two subsidiaries, Simco Incorporated and Columbus Transit Company, but their earnings are not consolidated (except for dividends) with those of the parent company. Simco, which has a joint interest with Peabody Company (from which Columbus buys all its coal), had net income of $202,000 last year. The other subsidiary, Columbus Transit, operates a fleet of 138 trolley coaches and 159 motor buses to provide transit in Columbus and the suburbs. The transit company's net income last year was $220,000.

Columbus & Southern Ohio Electric serves a growing territory, population gains in its service area having been greater during the past decade than in the state of Ohio, while Ohio grew faster than the nation. Franklin County, which includes Columbus and the suburbs, showed a population gain of 36% and this county accounts for about two-thirds of the company's business. The company's kwh. sales increased 134% in the decade, or an average annual growth rate of nearly 9%.

The company's share earnings record is indicated in the table below. The 1959 earnings of $2.40 were only slightly above those of 1950, but in 1960 (due to a rate increase) $2.98 was reported, and $3.15 is estimated for the calendar year 1961. The 1960 earnings were moderately affected by the recession, which had more effect on the company's sales than the steel strike of 1959. Residential sales in 1960 were up 5.6% compared with 3.7% for commercial and 4.1% for industrial. In considering the increase in industrial sales, allowance should be made for the fact that the 1959 sales had been retarded by the steel strike. "Other" kwh. sales, which amount to 15% of the total, made the best showing with a gain of 11.3% in 1960, largely because of housing developments in certain areas served by wholesale customers. Moreover, energy sold to public authorities increased more than usual because several large state facilities (which previously had obtained power from state-owned heating plants) began using the company as a source of power.

As indicated in the table below the rate of return on net property declined from 6.3% in 1954 to 4.8% in 1958. The company applied for various rate increases and on July 31, 1959, the Public Utilities Commission of Ohio granted the company rate increases covering residential and other secondary voltage electric service in Columbus and the surrounding unincorporated areas of Franklin County. These increases were estimated to amount to about $3,600,000 a year. The City of Columbus appealed this decision to the Supreme Court of Ohio, but the company was permitted to continue to collect the new rates while the appeal was pending. On May 24, 1960, the Supreme Court upheld the Commission order.

Between Dec. 2, 1959 and March 5, 1960, the other 18 incorporated municipalities in Franklin County authorized the company to apply the new Columbus rates in their areas. The increase in revenues from consumers in these municipalities is estimated at about $550,000 a year.

The company still has pending before the Public Utilities Commission an application for increases in areas not affected by the changes made in 1959 and 1960. It is understood that these increases if granted in full will amount to $950,000 per annum or about 17 cents per share.

As of Dec. 31, 1960, the company's capital structure, excluding bank loans and current sinking fund requirements, consisted of 54.7% long-term debt, 12.8% preferred shares and 32.5% common equity. No equity financing has been done since 1955.

The stock has been selling recently around 60 (range in 1961 to recent date approximated 65-51). The dividend rate was raised this year to $2 making the current yield 3.3%. The price-earnings ratio based on the 1961 estimate of $3.15 is 19.

Years—	Revenues (Millions)	% Earned on Net Property	Common Stock Record— Earned	Dividend	Price Range
1960	$57	6.0%	$2.98	$1.70	54 - 39
1959	52	5.5	2.40	1.60	43 - 33
1958	46	4.8	2.02	1.60	37 - 31
1957	44	5.2	2.57	1.60	32 - 26
1956	42	5.9	2.23	1.60	36 - 29
1955	39	5.5	2.18	1.60	35 - 28
1954	35	6.3	1.84	1.60	32 - 26
1953	32	5.6	2.15	1.45	28 - 23
1952	34	5.9	2.07	1.40	27 - 21
1951	31	5.2	1.84	1.40	23 - 19
1950	23	6.1	2.30	1.40	23 - 19

Mazal Security Planning

BROOKLYN, N. Y.—Jeno Taub is engaging in a securities business from offices at 200 Keap Street under the firm name of Mazal Security Planning.

H. D. Silverstein Opens

BROOKLYN, N. Y.—Harry D. Silverstein is engaging in a securities business from offices at 429 Mayfair Drive, South.

Sirota, Taylor & Co.

Sirota, Taylor & Co., Inc. is conducting a securities business from offices at 26 Broadway, New York City.

S. V. LeDonne Opens

SAUGUS, Mass.—Salvatore V. LeDonne is engaging in a securities business under the firm name of Salvatore V. LeDonne & Co. from offices at 425 Central Street.

Rasminsky Heads Bank of Canada

It was announced by the Board of Directors of the Bank of Canada that Louis Rasminsky, 53, has been appointed the new Governor of the Bank. The appointment has been approved by the Federal government.

Louis Rasminsky

Mr. Rasminsky, who is an authority on international finance and foreign exchange matters, has served with the Bank of Canada since 1940 and for the past six and one-half years has been Deputy Governor of the Bank. He is the third Governor of the Bank since its establishment in 1934—Graham Towers served for 20 years, followed by Mr. James Coyne, who held the post for six and one-half years and recently resigned in the wake of a dispute with leading officials in Canada.

In 1930, Mr. Rasminsky joined the League of Nations Secretariat where he became the League's specialist in monetary and financial matters. In 1939, Mr. Rasminsky returned to Canada and the following year he was invited by Mr. Towers, then Governor, to establish the Economic and Statistical Section of the Foreign Exchange Control Board. In 1941 he was appointed Assistant to the Chairman of the Board. In 1942 he became the Alternate Chairman and Chief Executive Officer and continued in this appointment until the Foreign Exchange Control Board concluded its operations in December 1951.

From 1943 to 1954, Mr. Rasminsky served as Mr. Towers' Executive Assistant. During this period he played an active part in Canada's representation at international financial conferences. He was a member of the Canadian delegation to the Bretton Woods Financial and Economic Conference in 1944, and served as Chairman of the drafting committee on the articles of agreement of the International Monetary Fund. When the Fund was organized in 1946, he represented Canada on its Executive Board and since 1950 has been the Executive Director of the International Bank for Reconstruction and Development.

In his new appointment as Governor of the Bank of Canada, Mr. Rasminsky will also serve as President of the Industrial Development Bank.

W. Sullivan With Nat'l Secs. Res.

Walter Sullivan has joined National Securities & Research Corporation, 120 Broadway, New York City, as Manager of the Public Utilities Division. The announcement was made by Henry J. Simonson, Jr., President of the investment company.

Mr. Sullivan was previously an Assistant Manager in the Investment Department of Manufacturers Trust Company.

Form Forjan Associates

Forjan Associates, Inc. is conducting a securities business from offices at 15 William Street, New York City.

AS WE SEE IT

Continued from page 1

fessed philosophy of the parties, both Republican and Democratic. And past politics involve rank favoritism in legislation as well as in the policies of the parties. Until some way is found by which this general slant in favor of the labor monopolies and all the rest can be eliminated from political campaigns, we may as well expect the unions to have their way for the most part year in and year out. And we hardly need expect improvement of a major sort until we get some down to earth realism in this field of labor relations.

That realism in industrial relations thinking should begin, possibly must begin, with an abandonment of some of the popular misconceptions of the nature of the relation of the compensation of labor to the economy in general. One of the first of these misconceptions that ought to go by the board is the notion that higher wages, less work and restricted activity on the part of the wage earner somehow stimulates economic activity, economic growth and economic welfare generally. The old, old fallacy that higher wages add to the purchasing power of the people and thus stimulate demand and improve markets is widespread, and is, of course, sedulously preached by wage earner groups in the process of trying to get higher wages.

It is strange what simple facts can be so completely overlooked when a subject of this sort is under consideration. Why should it be needful to remind the public that purchasing power is created in the process of the production of goods, and unless some one of the factors of production deliberately hoards his income (which is not likely) the same actual command over currently produced goods will be created whether wages are higher or lower. Artificially high wages may, indeed, favor one element in the population at the expense of others, and this is one of the very sound reasons why the great rank and file should be dubious of the wisdom of permitting union managers to force the compensation of their members higher and higher.

At the Expense of Others

Even when competition holds prices within normal relation to costs, the gain of the union monopolies is at the expense of the remainder of the community at large since prices rise and the income of those who are not members of the unions do not rise proportionately. Of course, the worst sufferers from any and all such changes are the so-called *rentiers*, that is the men and women who must get along on a relatively small fixed income. A growing proportion of these in this country today are the retired or incapacitated recipients of social security.

Another current fallacy is the notion that if the compensation of wage earners does not rise faster than "productivity" no harm may be done by higher and higher wages. Those who argue in this way forget what the word productivity means in current usage. One would suppose, and one suspects that the man in the street supposes, that productivity means the amounts of goods and services turned out by an individual —merely that and nothing more. The fact is, of course, that the term refers only to the amount that he produces per hour of work. Since the number of hours worked are on the whole tending to grow smaller and smaller, an increase in productivity as thus defined could actually be accompanied by a smaller outturn of goods and services per worker. What is more, even the rise in production per hour of work—so far as any one really knows what it is—is almost wholly, if not quite altogether, a result of large investments in machinery and equipment and the improvement in the manufacturing techniques for which the wage earner is in no way to be credited.

All Ought to Share

There has, of course, been astounding improvement in the production of goods and services. It is now possible to provide a great deal more of the good things of life, and it is naturally quite right and proper that the wage earners should share in this sort of progress. It is, however, equally the right of many a man and woman who belongs to no union and are the beneficiary of no hold-up by these organizations to share in these blessings. For the most part these improvements are the outgrowth of the genius of economic managers and their associates. Competition if permitted to exist in full vigor will prevent these elements from taking more than their just share of current output. Competition would also hold greedy unions in check if permitted to do so.

New Bache Branch

Bache & Co. has opened an investment center at Ramstein Air Force Base, Germany, one of the largest U. S. Air Force bases in the world.

The first of 35 such investment centers to be opened by Bache & Co. at Air Force Exchanges on more than half the air bases in Europe, the Ramstein installation features a stock quotation board linked to the Bache & Co. branch office in Frankfurt.

Devonbrook, Inc. Common Offered

Globus Inc., and Lieberbaum & Co., New York City, are making a public offering of 120,000 common shares of Devonbrook Inc., at $5 per share. Proceeds from the sale will go to the selling stockholder and no portion thereof will be received by the company.

Devonbrook, of 1400 Broadway, N. Y. City, is engaged in the production and distribution of popularly-priced items of wearing apparel, principally suits for women in the college and post-college group. Authorized stock consists of 800,000 10-cent par common shares, of which 600,000 will be outstanding upon completion of this financing.

Paul Jolles Opens

PHILADELPHIA, Pa.—Paul Jolles is conducting a securities business from offices at 6824 Sylvester St.

Kidder, Peabody Branch

HARRISBURG, Pa. — Kidder, Peabody & Co. has opened a branch office in the Payne-Shoemaker Building under the management of John F. Page.

Union Electric Common Offered

An underwriting group managed by Halsey, Stuart & Co. Inc. is offering an issue of $30,000,000 Union Electric Co. first mortgage bonds, 4¾% series, due July 1, 1991, at 101.608% and accrued interest to yield 4.65%. The underwriters won award of the bonds at competitive sale July 25 on a bid of 100.909%.

Net proceeds from the financing will initially become part of the general funds of the company, through reimbursement of its treasury for capital expenditures. The general funds will be subsequently used to retire short-term bank loans incurred in part for 1961 construction costs; to finance the cost of continuing additions to its property and plant; and for other corporate purposes.

The bonds are redeemable at regular redemption prices ranging from 101.61% to 100%, in each case with accrued interest.

The company, of 315 N. 12th Blvd., St. Louis, and its subsidiaries supply electric service to sections of Missouri, Illinois and Iowa, having an estimated population of 2,200,000 within an area of about 19,200 sq. miles. The largest part of this electric service is provided in northeastern Missouri, including the metropolitan St. Louis area. Natural gas service is supplied by the company in 19 Missouri communities and one Illinois community.

For the 12 months ended Mar. 31, 1961, the company and its subsidiaries had unaudited consolidated operating revenues of $158,993,491 and net income of $26,397,264.

Servonic Instr. Common Offered

C. E. Unterberg, Towbin Co., New York City, is manager of an underwriting group offering 95,000 common shares of Servonic Instruments, Inc. at $10 per share. The offering marks the initial public sale of the company's common stock.

Of the 95,000 shares offered, 50,000 shares are being sold for the company, and 45,000 for certain selling stockholders.

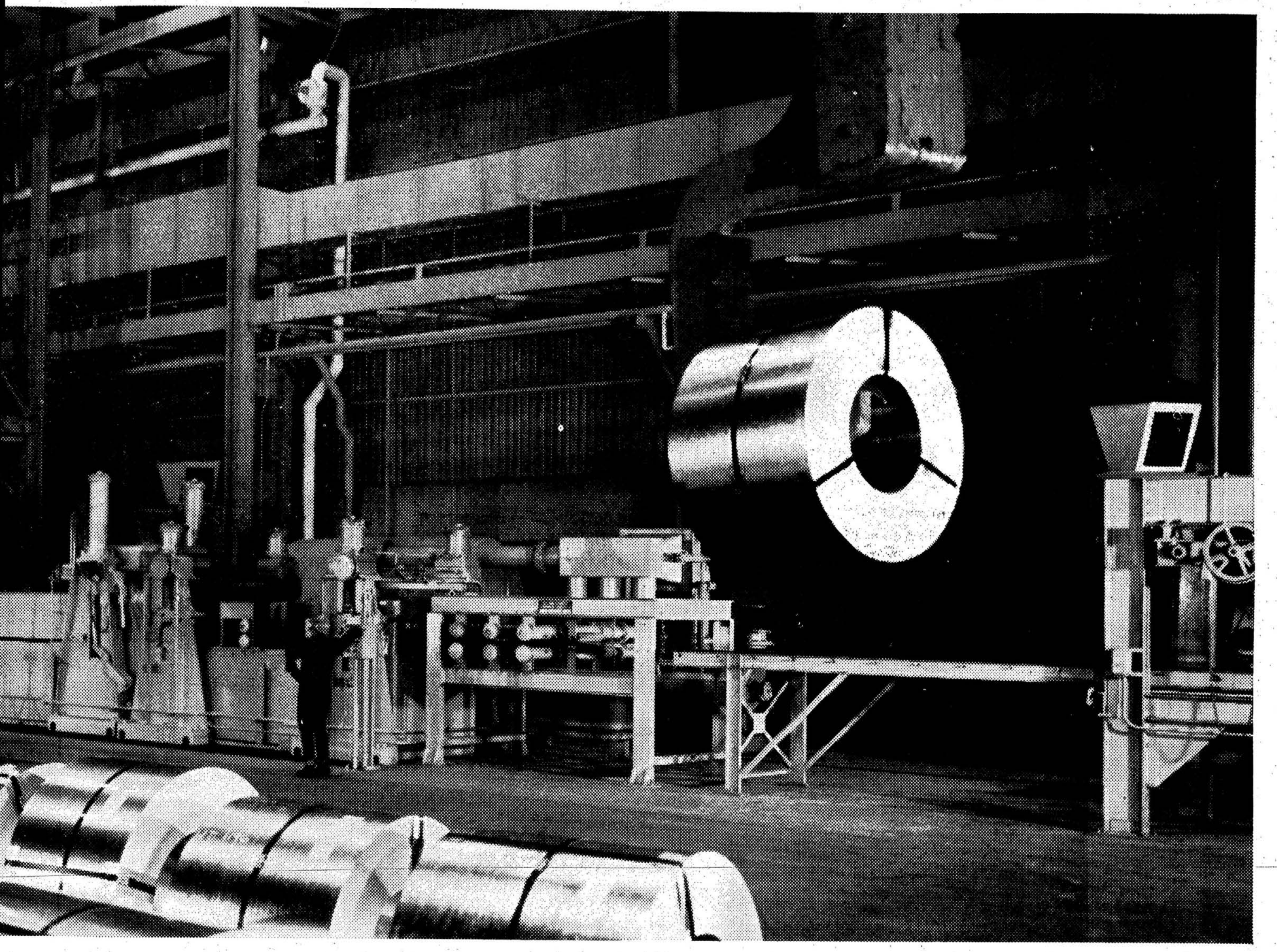
Net proceeds from the sale of its common stock initially will be added to the company's general funds. Subsequently, the company intends to use the funds for the purchase of production machinery and equipment; for additional test equipment; for miscellaneous improvements to plant and facilities; and for expansion of the research and development program. The balance of the proceeds will be made available as working capital.

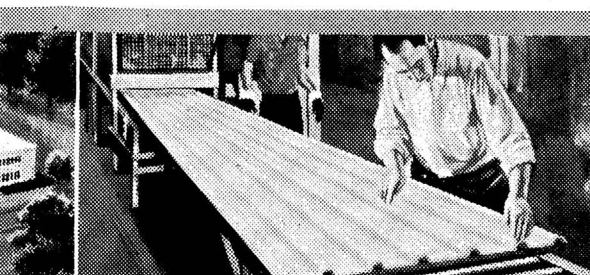
The company, of 1644 Whittier Ave., Costa Mesa, Calif., is engaged in the research, design, development and manufacture of a variety of proprietary electromechanical devices comprised largely of potentiometer type transducers for missile, space vehicle, aircraft, ground support and underwater ordnance applications. The company's sales are largely to customers who employ these products in military applications.

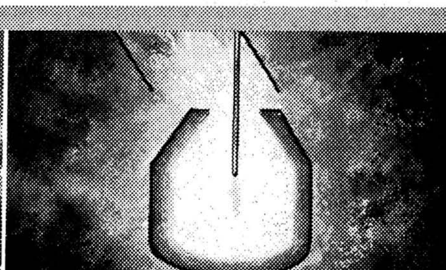
For the six months ended Feb. 28, 1961, the company had net sales of $666,789 and net income of $56,678. Upon completion of current financing, outstanding capitalization of the company will consist of 261,050 shares of capital stock, a term loan in the amount of $94,096, and a $50,000 short-term bank loan.

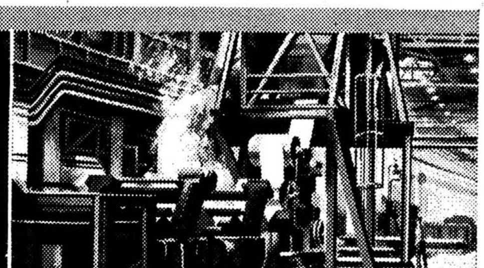
Eisenkraft Opens

Allan Eisenkraft has opened offices at 132 West 43rd Street, New York City, to engage in a securities business. He was formerly with Arden Perin & Co.









MUTUAL FUNDS

BY JOSEPH C. POTTER

Today and Tomorrow

Walter Benedick, a dean of the mutual fund field, tells us that folks who own funds will be pleased by the semi-annual reports of the companies which are now coming to hand. But the President of Investors Planning Corp. of America also makes this point that can't be stressed too often: the funds are long-term investments geared to five-year, 10-year and even 20-year goals.

He passes on this bit of advice that every intelligent seller of funds must stress to prospective clients: "They should never lose sight of the fact that mutual funds are not trading accounts and should not be regarded as securities in the usual sense of the word. Mutual funds are essentially financial planning devices, designed to help the investor achieve his objectives by enabling him to share in the nation's long-term economic growth."

There will be no disposition to quarrel with his contention that the funds are the soundest, most convenient investment method yet devised for the vast majority of the American people. Here again he makes a point that can't be emphasized often enough in dealing with the public: "It is as much a mistake to redeem fund shares simply because the market is off as it is to buy them solely because of generally rising security prices. How the market performs over three, six or 12 months really should not enter into the picture at all."

Benedick reasons that the same thing generally applies to the interim record of a fund. What should concern the investor is the suitability of the fund to his special needs, its performance over the past years and its prospects for satisfactory performance five, 10 or 20 years hence. In his view, there are no exceptions to the long-term nature of fund investing. His yardstick applies to all, from the aggressive growth-stock type to the conservatively managed balanced fund.

"Many growth stocks," says this 30-year veteran of the fund business, "are purchased as short-term investments. But no growth-stock mutual fund should ever be acquired for anything but the longer term."

His Investors Planning Corp. has pursued his philosophy of selling the need rather than the fund by offering one of the most extensive lines of funds and fund plans.

The plain fact is that many millions of Americans have money to invest, but have neither the time nor the inclination nor the know-how to invest their money profitably. These people, successful in their own work, want no part of guessing each turn in the market or appraising the worth of an individual stock.

Thus, we find that more than 76,000 educators now own variable annuities issued by the College Retirement Equities Fund. That group is only now marking its tenth year of operation, yet 1,000 educational institutions already are making this type of annuity available to their staff members. CREF, as it is known, has reached $196,000,000 in assets. This total resulted from the contributions of the colleges and their staff members toward the retirement annuities, dividend earnings on the common stocks in the fund and capital appreciation of assets.

Right now more than 1,000 retired college staff members or their beneficiaries are receiving annuity income benefits from CREF, according to William C. Greenough, President. Incidentally, participation in CREF is limited to staff members of colleges, universities, private schools and non-profit or research organizations.

An army of butchers, bakers and candlestick makers is eager for the professional investment services that will help today plan for the needs of tomorrow. Discussing this need the other day with one of the country's leading investment counselors, a man who has made a major contribution to a fast-growing Big Board house, we were told:

"You'll always have the fast-buck boys but there will be many more people interested in a long-time investment program. The only thing that has kept us from moving into the fund field is the inability to get the right kind of people. And we're prepared to pay $25,000 a year to the right man."

The Funds Report

Abacus Fund puts net assets as of June 30 at $4,172,697, or $51.62 per share. This compares with $38,616,498 and $45.12 a share at Dec. 31, 1960, and $37,869,268 and $44.25 a share at June 30, 1960.

* * *

Consolidated Investment Trust reports that at June 30 net assets amounted to $71,909,997, equivalent to $22.51 a share, against $0.74 a share on Dec. 31, 1960, and $20.47 a share on June 30, 1960. During the latest six-month period the company made purchases of American Telephone & Telegraph, Brunswick Corp., Otis Elevator, Rexall Drug & Chemical, Smith, Kline & French and United Shoe Machinery. During the same period it sold Dow Chemical, Gulf Oil, Noranda Mines, United Merchants & Manufacturers and Weyerhaeuser Co.

* * *

Energy Fund reports that at June 30 net assets totaled $22,619,591, or $24.03 a share. This compares with assets of $12,193,097, or $23.03 a share, a year earlier.

* * *

For the 12 months ended June 30 total assets of the five series of **Franklin Custodian Funds** increased 46% to $9,600,923.61. Assets a year ago were $6,591,586.79. Shares outstanding during the period increased to the new high of 2,273,257. Sales of new shares during the 12 months reached the all-time high figure of $3,311,-654.60.

* * *

General Investor Trust reports that at June 30 net assets were $14,491,805, equal to $7.14 a share, against $11,665,345 of assets and $6.84 a share at June 30, 1960.

* * *

Institutional Investors Mutual Fund Inc. reports that net assets at June amounted to $64,113,148, or $258.79 per share. This compares with assets of $49,906,279 and $226.07 per share on June 30, 1960.

* * *

Investment Corp of Fla. will diversify its real estate operations by launching a small business investment company within the next 30 days, it was announced by Gilbert P. Edwards, President.

The new company, a wholly owned subsidiary of ICOF, will start operations with invested capital and surplus of $1 million as soon as final authorization is received from the Small Business Administration. It expects to invest in industrial ventures, particularly electronics and other technological industries offering growth opportunities.

* * *

Madison Fund Inc. reports that at June 30 net assets amounted to $169,968,977, equal to $22.51 on each of 7,150,707 shares. This compares with assets of $141,549,-402, or $20.84 a share on 6,792,594 shares a year earlier. Net investment income for the first half of this year was $1,621,722 and net realized gain on investment was $12,237,812. This compares with $1,750,110 and $4,153,327, respectively, in the first six months of 1960.

* * *

National Investors Corp. reports that at the end of the first half of this year net assets amounted to $246,448,242, or $16.52 a share, compared with $227,099,787 of assets and $16.38 a share on Mar. 31 and $185,375,077 and $14.39 a share at the start of 1961. The company continued to be "virtually fully invested in growth-type common stocks during the second quarter," it was stated.

* * *

Research Investing Corp. reports these major changes in its common stock portfolio for the first half of its fiscal year, ended June 30.

New Purchases — 3,000 shares Federal Mart Corp.; 2,400 Hawaiian Pacific Industries; 20,000 Tesco Stores Ltd.; 3,000 Tropical Gas Co.; 20,000 Zenith Electric Supply Co. *Increases*—3,900 shares Okanagan Helicopters; 1,010 J. B. Beam Distilling Co. *Reductions*—400 shares Lily Tulip Cup Corp.; 4,000 J. C. Robinson Co. *Eliminations* — 1,300 shares National Cleveland Corp.; 2,100 Inland Homes Corp.; 5,300 Atlas Sewing Centers Inc.

* * *

Washington Mutual Investors Fund Inc. declared the regular dividend of 8 cents per share, payable from investment income on Sept. 1 to stock of record July 31. Total dividends from investment income for the past 12 months were 34 cents and capital-gain distributions amounted to 40 cents.

* * *

Whitehall Fund Inc. reports net assets at June 30 amounting to $12,620,549, or $13.41 a share. A year earlier the comparative figures were $11,771,246 and $12.48.

Nat'l Mutual Fund Ass'n

ATLANTA, Ga. — "The public needs to be informed that no one has invented a package of 'instant' stock market profit—and no one ever will," said Milton Fox-Martin, Vice-President in charge of sales of Hugh W. Long and Company of Elizabeth, N. J., in a speech July 13th before the newly-formed National Mutual Fund Association. Mr. Fox-Martin asserted that it is the responsibility of everyone in the investment business to "take a positive attitude toward educating people on the subject of prudent investing."

Mr. Fox-Martin was the speaker at the installation meeting of the organization which was formed to represent the rapidly growing ranks of mutual fund salesmen. Those installed as officers were: President: Harry Berchenko of Budd & Co.; Vice-Presidents: Coy R. Lander of A. M. Kidder & Co., Inc.; J. Coleman Budd of Robinson-Humphrey Company; and John B. Keeble of Mutual Funds of America; Secretary: Frank C. Tindall Jr. of J. W. Tindall & Co.; Treasurer: D. Graham Holloway of North American Investors; and Sergeant at Arms: Robert L. Wansker of First Fidelity Securities Corp.

The speaker noted that the Securities and Exchange Commission and other regulatory bodies have been vigorous in seeking to expose unscrupulous practices but that this is "negative" education.

"It educates the public about things to avoid," he said. It doesn't tell Mr. and Mrs. Investor how to invest wisely. All too often it throws a bad light on all investing."

Mr. Fox-Martin declared that the 2.6 million shareholders who have more than $20 billion invested in mutual funds have "found that mutual funds provide a possible solution to their investment problems."

He added, however, that with the investment product, conveniences and services mutual funds have to offer the investor, assets of mutual funds should be much higher. He said that advertising and public information programs of mutual fund underwriters "have focused the public eye on the mutual fund industry" but that the "direct approach can only be made on an individual basis by people like you, the retailers or mutual fund salesmen."

Mr. Fox-Martin asserted: "Your profession's responsibility to diagnose and prescribe ably for your client's financial health may be said to be no less important than the doctor's responsibility for protecting his patient's physical health."

Arcs Industries Debens. Offered To Stockholders

Pursuant to a July 26, 1961 prospectus, the company is offering common stockholders the right to subscribe to $1,630,000 of 6% convertible subordinated debentures due 1971 on the basis of $500 of debentures for each 100 shares held of record July 26, with rights to expire Aug. 8, 1961. The debentures are priced at 100% and accrued interest. Lomasney, Loving & Co., New York City, is the principal underwriter.

The company of 755 Park Ave., Huntington Station, L. I., New York, is engaged primarily in the manufacture of electronic, electrical and mechanical components for use in the missile and computer fields. Authorized capitalization consists of the above debentures and 500,000 shares of 10¢ par common stock of which approximately 326,001 shares are now outstanding.

IBA Studies Yield Differential of Govt. & Mun. Bds.

WASHINGTON, D. C.—The rate of change in U. S. Government debt appears to be the principal factor affecting the yield differential between municipal and government bonds, according to the latest issue of the IBA Statistical Bulletin (June), published by the Research Department, Investment Bankers Association of America. This conclusion is reached in a study of the yield relationships experienced since 1954.

Another article in the Bulletin points out that municipal bonds sales in 1961 will establish a new high if sales are maintained at the $8.2 billion seasonally adjusted rate indicated for the first five months.

The IBA study comparing yields on municipal and government bonds defines the "normal" relationship between yields on both types of bonds and tax deviations from the "norm" are examined. Many factors affect the yield of differential between municipal and government bonds, but the major factor influencing deviations from the "normal" relationship since 1954 appears to have been the rate of change in U. S. Government debt. During periods when the national debt is rising rapidly, yields on municipal bonds tend to fall below their "normal" relationship to government bonds. During periods when the national debt is contracting or rising rather slowly, municipals tend to sell at relatively high yields compared to government bonds.

In the early months of 1961 interest rates on long-term municipal bonds have been higher than "normal" relative to government bonds for the first time since last 1958. Considering past experience, this is not unexpected, since there has been relatively little change in the U. S. government debt during the past year. Another factor which may have caused U. S. government bonds to sell at relatively low yields compared to municipals during the early months of this year is the Federal Reserve's "operation nudge," which probably depressed long-term government bond yields relative to yields on other long-term bonds.

The IBA Statistical Bulletin also indicates that during the first quarter of 1961 $2,120 million in State and local government bonds were sold, about 12% more than in the same period of 1960. Based on preliminary reports for April and May, it appears that more than $3.4 billion of such bonds were sold during the first five months of 1961. This represents a seasonally adjusted annual rate of about $8.2 billion which, if maintained, would establish 1961 as a record year for municipal bond sales.

Bonds for elementary and secondary schools totaled $781 million, a new first quarter record, exceeding by 33% the volume of the first quarter of 1960. Water and sewer bonds accounted for $332 million of first quarter sales.

New York was the largest issuer of bonds during the first quarter with $340 million in bonds sales, followed by California with $256 million, Kentucky with $154 million, Pennsylvania with $99 million, Texas with $96 million and Illinois with $92 million.

American voters approved $421 million in new bond authorizations during the first quarter, of which $200 million was for elementary and secondary schools and $96 million for water and sewer projects. Preliminary information for April and May indicates that 1961 bond approvals are keeping pace with the record 1960 volume. During the first quarter, voters approved 78.1% (by value) of the bonds submitted to them.

It seems probable that 1961 will produce an unusually heavy volume of bond elections for an "off year." As of May 1, IBA records showed $1,784 million in bond elections scheduled for future months, of which $1,249 million are to be voted upon in November.

The backlog of bonds authorized since mid-1956, but not yet sold, declined by $33 million during the first quarter to a total of $11,193 million. Since mid-1956 the voters have approved nearly $20 billion in bonds, almost 57% of which have yet to be sold.

J. P. Penn Branch

ST. PAUL, Minn.—J. P. Penn & Co., Inc. has opened a branch office at 750 So. Cleveland under the direction of John Neuberger.

Spellman Engr. Common Offered

Pierce, Carrison, Wulbern Inc., Jacksonville, Fla., is manager of an underwriting group which is offering 150,000 shares of Spellman Engineering Inc. common stock at $6 per share. The offering marks the first public sale of the company's common shares.

A portion of the net proceeds from the financing will be used by the company to repay small business administration loans. The balance of the proceeds will be added to general funds and used as working capital.

The company, of 722 Brookhaven Drive, Orlando, Fla., specializes in the highly complex and unusual problems encountered in missile systems, missile ground support systems, and other highly specialized commercial and military mechanical problems.

As a mechanical contractor and engineer, the company brings together materials, equipment and craftsmen for the purpose of construction, repair and rehabilitation of mechanical systems such as missile fuel systems, steam generating systems, air-conditioning systems and water treating systems, from plans designed and drawn by engineers or architects. The company provides basic engineering services when its contract responsibilities as prime or sub-contractor require those services.

For the year ended March 31, 1961, the company and its subsidiaries had gross income of $994,441 and net income of $35,249. Upon completion of current financing, outstanding capitalization of the company will consist of 525,000 shares of common stock; 52,000 stock purchase warrants; and $11,563 of sundry debt.

Jas. Taylor With Wm. J. Mericka

CLEVELAND, Ohio — Wm. J. Mericka & Co. Inc., Union Commerce Building, members of the Midwest Stock Exchange, have announced that James R. Taylor has joined their firm in the municipal bond department. Mr. Taylor was formerly with the Ohio Company.

Form Major Syndications

Major Syndications, Inc. has been formed with offices at 16 East 42nd Street, New York City, to engage in a securities business.

Commercial Bank Failures In a Changing Economy

Continued from page 13

mercial bank deposits.[9] To some extent group banking is a substitute for branch banking, particularly in states where branch banking is prohibited or restricted. However, group banking may operate across state lines and frequently coexists with branch banking.

Chain banking is similar to group banking except that chain banks are controlled in some manner by one or more individuals rather than by a corporation. In 1945, there were 115 chains controlling 522 banks. While these figures indicate an increase over 1939, they are lower than the 176 chains and 908 banks reported in 1931.[10]

There seems to be a tendency in American commercial banking for large banks to grow more rapidly than smaller institutions. This may be due to the fact that most bank suspensions are of smaller institutions while mergers tend to create larger institutions. Figures are available which seem to verify this contention. The *Annual Report* of the F. D. I. C., 1959, shows that banks with deposits of less than $10 million held 19.6% of total bank assets in 1954, but only 16.7% in 1959. Banks with deposits of more than $250 million held 44.6% of all insured commercial bank assets in 1954 and 46.8% in 1959. The largest number of banks, by deposit size classification, falls within the $2 million to $5 million group. In 1954, there were 4,340 banks in this classification and in 1959 there were 4,345, or an increase of five banks. However, in 1954, they accounted for 8.0% of total bank assets and, in 1959, for only 6.7%. During the period, there was a decline in the total number of banks and at the same time there was a trend toward larger banking units. More factual data on this subject is desirable.

While the evidence is not complete nor clear in every respect, it would appear that the American commercial banking system has tended toward increased concentration. Current political policy seems to be opposed to concentration but it is probable that some of the improved record for bank solvency is due to this fact. In terms of the historical record in the United States, and by comparison with Canada and England, it is clear that a concentrated system is less subject to widespread bank failures. Domestic policy must weigh the danger of monopoly against the benefits of banking stability. In any event, with over 13,400 commercial banks, the banking system of the United States is far from being monopolistic. In addition, banks must compete with many other lenders; including, in some areas, the Federal Government.

Distribution of Assets

Since 1929, there has been a change in the character of bank assets. This change is undoubtedly a factor accounting for the improved showing made by commercial banks as compared with the 1920's and early 1930's. It is not the whole story, however, as bank assets were less liquid at the end of 1960 as compared with June, 1940. Yet there were 42 bank suspensions in 1939 and 22 in 1940. Since 1942, the largest number of bank suspensions occurred in 1958 when 8 banks failed. Since 1942, defalcation has more frequently been a cause of bank failure than has mismanagement of assets.

Probably the greatest improvement in bank assets, since 1929, is reflected in the increased holding of government securities; many of these are short-term and highly liquid. In 1929, loans accounted for over 56% of member banks assets while loans to purchase and carry securities alone accounted for 21%. Another change, as compared with 1929, is that "other securities" are more likely to be municipals or government agency issues while, in 1929, they were usually corporate bonds. Bank capital accounts were relatively higher, in 1929, but so too were borrowings by member banks. The changing character of bank assets is shown in Table III.

Table III

Percentage Distribution of Principal Balance Sheet Items for Member Banks for Selected Years

	6/29 1929	6/30 1940	12/28 1960
Loans	56.4	24.1	47.2
U. S. Gov. securities	9.1	25.5	23.1
Other securities	12.7	10.0	7.8
Other assets	21.8	40.4	21.9
Deposits	79.9	89.5	87.9
Borrowings	2.9	--	.9
Capital accounts	13.9	9.7	8.7

Source: **Compiled frcm data appearing in *Banking and Monetary Statistics* and the *Federal Reserve Bulletin.***

The item "other assets" represents mainly vault cash and due from bank items but, in 1929, "bank premises" absorbed over 2% of "total assets." In 1940, the high percentage for "other assets" represents mainly excess liquidity in the form of excess reserves. This, in turn, also accounts for the negligible volume of "borrowing" for that year. While member banks were not as liquid in 1960 as in 1940, failures have been fewer.

The asset distribution, in 1960, is substantially improved as compared with 1929. This improvement is mainly in terms of a larger percentage of government securities. The nature of the loan and "other securities" portfolio also reflects a more conservative policy. However, in 1960, the burden of maintaining the liquidity of the system rests to a greater extent upon the solvency of the government as opposed to the solvency of private business enterprises.

Monetary and Fiscal Policy

Since the debacle of the 1930's, the controls over money have been changed. While these changes give the monetary authorities greater freedom of action, they also permit an extensive expansion in the money supply and in so doing serve to increase the liquidity of the system in times of stress. This expansion of money has also served as a basis for inflation and is thus a mixed blessing.

The Glass-Steagall Act in February, 1932, is very important since it added government securities to the collateral against which Federal Reserve notes could be issued. The subsequent increase in government debt, and a reduction in required gold certificate collateral (gold prior to 1933) to 25%, have made this form of hand-to-hand money very elastic. Internal deposit drains can more easily be accommodated by an expansion of Federal Reserve notes. "The elaborate legal provisions for reserves, collateral, retirement, and redemption and against inflation are largely camouflage so far as providing safety to the Federal Reserve notes is concerned and serve only to conceal the facts as to the security."[11] A bill currently before Congress would eliminate even the 25% requirement.

In 1935, the Board of Governors of the Federal Reserve was given the power to set member bank reserve requirements within a range between the previous fixed level and twice that amount. The original intent in this action was to give the Reserve system the power to absorb excess liquidity resulting from the "gold avalanche" which followed the devaluation of the dollar in 1933 and 1934. However, since 1948, the trend in commercial bank required reserves has been downward.[12] For example, the reserve requirement for central reserve city banks is currently 16½%, down from 26% in 1948. For country banks, reserve requirements have been reduced from 22% to 12%. In addition, since December, 1960, member banks may now count all vault cash as a part of their legal reserve. This was not true of the earlier period. Reductions in bank reserves have enabled the commercial banking system to meet the expanded credit needs of the public and private sectors of the economy. While a credit squeeze has been avoided, it has been at the expense of the primary liquidity of the banking system. Primary liquidity today is no higher than it was in 1929, although it may be as high as is necessary to facilitate liquidity.

Legislation, in 1933 and 1934, gave the Board of Governors the power to control margin loans relative to the purchase of certain securities. In 1929, loans to brokers and dealers were over $9,700 million, over 21% of member bank assets. At the end of 1960, such loans were equal to only about 2% of member bank assets. While it is possible that bank credit can serve as a basis for excessive speculation, there is little proof that margin controls are capable of preventing excessive speculation or that loans to brokers and dealers are less liquid than an expanded volume of consumer and real estate loans.

It is difficult to prove, but it is possible, that the monetary authorities have more "know how" than they did in the 1920's and 1930's. Certainly they have more experience and more tools to work with. They also seem to have a greater willingness to use them. Postwar recessions have been mild. This could be more than mere coincidence.

Fiscal policy changes since 1929 are even more pronounced than are the monetary changes. Total Federal debt has risen from about $17 billion in 1929 to over $290 billion in 1961. Much of this debt has been monetized by the banking system, adding to the total supply of money. Between 1941 and 1945, commercial bank holdings of Government securities increased from $21.4 billion to $90.8 billion; holdings have since declined to $61.8 billion, as banks have diverted resources in the direction of more profitable, but less secure, business and personal loans. Of even greater significance, Federal Reserve Bank ownership of government debt has risen from $2.3 billion in 1941 to $27.5 billion in 1960. This has created additional bank reserves or "high powered" money which enables the commercial banking system to monetize debt by a multiple of about 7½ times.

The growth in government spending over the years has changed the relationship between the governmental and the private sector of the economy. This change is reflected in Table IV.

Table IV

Governmental Expenditures as a Per Cent of Gross National Product (selected years)

	1929	1939	1944	1960
Total, all units	8.1	14.6	45.7	20.0
Federal	1.2	5.7	42.1	10.5
National security	--	1.4	41.9	8.9
State and local	6.9	9.0	3.5	9.5

Source: **Compiled from data appearing in the *Federal Reserve Bulletin.***

The year 1944 reflects war time conditions when nearly half of our production was absorbed for governmental purposes. Deficit financing of a large portion of the war expenditures resulted in an increase in the money supply, higher incomes and inflation.

Even if we ignore the war period, the trend toward a larger and larger role for government is obvious. Between 1929 and 1939, governmental spending rose from 8.1% of GNP to 14.6%. The increase was evident at the state and local level as well as at the Federal level of government. There were 659 bank suspensions in 1929 and only 42 in 1939. By 1960, total governmental expenditures had risen to 20% of GNP; most of this increase was at the Federal level and in the form of national security expenditures. In 1960, there were only two bank failures, mainly due to internal irregularities.

While governmental spending did not produce full employment in 1939, a somewhat larger amount with a different mix was more successful, in 1960, in holding unemployment to a relatively low level. However, monetary and fiscal policy must still prove its worth in a world free of cold war tensions. The language of the Employment Act of 1946 commits the government to a "continuing policy and responsibility" for "providing useful employment opportunities." The language is clear but the means and ultimate effects are less certain.

If we assume that cold war tensions will increase and that the rate of government expenditure will expand, the impact could spell further inflation. This may not, however, be as certain as in the war and post-war period. Throughout the world, the balance between supply and demand for most items is less favorable for inflation. It is the magnitude of government expenditures relative to revenues that will be the key factor.

Inflation

Inflation during the 1940's and '50's was largely an outgrowth of monetary and fiscal policies of the war and post-war period. Since the impact of inflation upon our financial system is so great, it deserves separate consideration.

Inflation has undoubtedly been a factor in reducing the number of bank failures. Following 1922, and continuing through 1928, consumer and wholesale prices fluctuated within a range of about seven index points. Bank suspensions were, however, at a rate above the low of 498 banks in 1928. Beginning in 1929, prices began to fall sharply and by 1933, wholesale prices were 31% below the 1929 level. The fall in prices was accompanied by a great increase in the number of bank suspensions, reaching an estimated peak of 4,000 in 1933.

Following 1933, prices rose until the 1937-1938 recession, when they registered a rather sharp decline. Bank suspensions in 1937 and 1938 were 59 and 54 respectively, somewhat above the level of 34 in 1935 and 44 in 1936. With American entry into the war in 1941, prices began to rise and the number of bank suspensions began to decline. The years since 1941 have been marked by inflationary pressures and typically there have been about three bank failures per year, due mainly to internal irregularities, rather than to losses sustained on loans and investments.

Inflation has the effect of reducing the burden of indebtedness for the borrower. When nominal values are increasing, demand rises and with higher selling prices, loans can more easily be repaid. There are more commercial and industrial failures when prices are falling than when they are rising. During the period of maximum bank failures, 1930-33, commercial and industrial failures averaged about 26 600 per year. The period 1944-1947, a period of inflation, witnessed only two bank suspensions and an average failure rate for commercial and industrial concerns of about 1,160 per year. Since 1955, the failure rate for commercial and industrial concerns has tended to rise, reaching a post-war peak of 15,445 in 1960.[13] This rate of failure is more nearly comparable with that prevailing in the late 1930's, but so far, the number of bank suspensions has remained well below the late 1930's level. The increasing number of commercial and industrial failures has occurred, in spite of a gradual upward trend in the wholesale price level of about 8% since 1955.

The evidence seems to indicate that falling prices in the 1930's were accompanied by an increased number of both business and bank failures. The impact of World War II caused inflation, particularly between 1943 and 1948. This period experienced a much lower rate for commercial and industrial failures and also of bank failures. Since 1948, the trend has been upward in the number of business failures accompanying a somewhat reduced rate of inflation. However, bank failures since 1948 have shown no marked increase, except possibly for the eight reported in the recession year of 1958. By 1960, banks had established more adequate reserves against potential losses on loans. This may account, in part, for the failure of bank suspensions to rise correspondingly.

Conclusions

There is no way in which the individual factors affecting commercial banking may be properly evaluated in terms of their relative importance. Some of the changes are of a comparatively permanent nature and involve structural modifications of the social system. Included in this group are: (1) improved bank management, (2) deposit insurance, (3) increasing concentration in banking, (4) asset distribution and (5) some aspects of monetary and fiscal policy.

Some of the forces accounting for the improved position of commercial banks may be unique in the sense that they reflect unusual post-war conditions. Whether we like it or not, we must accept the fact that inflation and the high rate of governmental expenditure have served to underwrite the economy and thus reduce the number of bank failures. A still unanswered question is whether monetary and fiscal action would prove as effective in maintaining a high level of income and employment under a different set of international relationships. Inflation has largely been an outgrowth of war and war preparation. Unanswered too is the question of whether this kind of a stimulus can be maintained indefinitely.

The asset distribution of commercial bank funds today is more suitable for the maintenance of liquidity and solvency than was true of the late 1920's and early 30's. However, at the end of 1960, total commercial bank loans and discounts were equal to nearly 52% of total bank deposits. The magnitude of the amount indicates that the margin for possible future credit expansion is considerably less than it was in the 1934-40 period. As loan volume expands, bank liquidity tends to decline and the system becomes more vulnerable to losses during economic declines. The principal element of strength for banks today rests in their portfolio of government securities which, at the end of 1960, were equal to 24.2% of total assets. Government securities are safe as long as there is confidence in the government and its ability to meet its obliga-

9 *Federal Reserve Bulletin*, July, 1960, p. 813.

10 *Op. cit.*, Senate Document 123, p. 552.

11 Westerfield, Ray B., *Money, Credit and Banking*, The Ronald Press Co., N. Y., 1947, p. 604.

12 An upward adjustment was made during the 1951-53 period to check the inflationary impact of the Korean War.

13 Business failures based on Dun & Bradstreet Inc., information cited in *The World Almanac* and *Dun's Review*.

tions in money that is of acceptable value.

While commercial banks do not possess the same capacity for an additional credit expansion, as in 1940, there is little likelihood that banking will degenerate into the chaotic state of the 1920's and early 1930's. At the same time, the next 20 years may not be as favorable as the past 20; if we assume that many of the elements lending strength to the system were unique to the 1941-1960 period. Possibly the 1934-1940 period is more typical of what may be expected in the future, barring of course major wars. If this is true, the burden of achieving success will depend more heavily upon bank management. Monetary and fiscal policy must still prove its effectiveness under non-inflationary conditions.

Gilbert Data Systems, Inc. Stock Offered

The initial public sale of Gilbert Data Systems, Inc. common stock is being made with the offering of 175,000 shares at $2 per share, by Schrijver & Co., New York City.

Net proceeds from the financing will be used by the company to pay for the overhead trolley systems installed in its New York City premises; to discharge indebtedness to three affiliated corporations; and to carry on its data processing project. The balance of the proceeds will be added to working capital and used for general corporate purposes.

The company, of 441 Ninth Ave., New York, N. Y., is currently engaged in services, for department stores and chain stores, designed to reduce the time in which articles of wearing apparel and accessories can be made ready for sale at retail locations. The company receives and classifies merchandise; prepares and affixes price tags and other labels; prepares and forwards to the customer receiving reports and other commercial documents; and warehouses, packs, or otherwise prepares the merchandise for shipment.

The company intends to develop a data processing service with one or two of its present customers which would be integrated with its present classification and marking systems.

Upon completion of current financing, outstanding capitalization will consist of 698,573 shares of common stock.

Int'l Cablevision Class A Offered

James Anthony & Co., Inc., New York City is making a public offering of 132,000 class A common shares of International Cablevision Corp., at $10 per share. Proceeds will be used by the company for expansion, repayment of debt and other corporate purposes.

The company of 30 Broad St., New York City, and its subsidiaries presently operate Community Antenna Television Systems in Vero Beach and Fort Pierce Fla., and San Angelo, Tex. The company plans to expand such systems and to build additional facilities in Tallahassee, Panama City and Eau Gallie, Fla. Authorized stock consists of 650,000 class A and 350,000 class B common shares, of which 164,850 and 214,180 shares respectively, will be outstanding upon completion of this financing.

Central N. Y. Branch

SYRACUSE, N. Y.—Central New York Investment Corp. has opened a branch office at 205 Harrison St. under the management of George Harris.

Our Financial System And Economic Growth

Continued from page 3

monetary management fully effective. The reason for distinguishing until now between commercial banks on one hand, and all other financial institutions on the other is clear: commercial banks are the only financial institutions which can truly create additional purchasing power. That this should be so is a matter of historical accident and legal enactments. As far as we can tell, modern banking evolved as a sideline of medieval goldsmiths. These goldsmiths were often willing to store people's gold and valuables for safekeeping. To quote a well-known economist (Samuelson) "such establishments were at first simply like parcel checkrooms or warehouses. The depositor left his gold for safekeeping, was given a receipt, later presented that receipt, paid a small fee for safekeeping, and got back his gold. Quite obviously, however, money is wanted only for what it will buy, not for its own sake. Money has an anonymous quality so that one dollar is just as good as another, and one piece of pure gold as good as another. The goldsmiths soon found it more convenient **not** to have to tag the gold belonging to any one individual so as to be able to give him upon request exactly the same piece of gold that he had left. Instead, the customer was quite willing to accept a receipt for an amount of gold or money **of a given value**, even though it was not the identical particle of matter that he actually left."

In the course of time it became customary for the goldsmith-banker to keep only part of the deposits as a reserve against withdrawals, and to invest the rest by lending it to merchants. In this way the deposited money began to do double duty—and, of course, this process could be repeated many times whenever the money lent out came once more to be deposited with a bank. In this fashion the practice of keeping fractional reserves led quite naturally to what we know today as "multiple bank expansion." But the safety of the original depositors demanded that adequate reserves be kept and that, in an emergency, the banks' loans could be quickly liquidated. It is for this reason that Anglo-Saxon banking practice has long insisted that bank loans be short-term and self-liquidating. Today we no longer interpret this commandment literally, but we do draw the line when it comes to providing venture capital and most types of long-term investment. But commercial banks, besides holding primarily short-term assets, have also another distinguishing characteristic: they are the only financial institution that can, through buying assets against deposit liabilities, create new money—bank money. No other financial institution is in a position to do that. Such other institutions—mutual savings banks, savings and loan associations, insurance companies, sales finance companies, investment companies, credit unions, etc.—can lend out only funds which they have obtained from the public or from other institutions; they are financial intermediaries, not creators of credit. That is the rationale for confining Federal Reserve supervision to the commercial banks. But it is a fact that in recent decades financial intermediaries have gained increasing importance as sources and mobilizers of funds. And it is for this reason that many recent inquiries, both in this country and in the United Kingdom (Radcliffe Report) have put the spotlight on the high liquidity of a modern financial system and raised the question whether an effective monetary policy might not require some control over the operations of financial intermediaries as well.

Some of the Problems the Fed Faces

Why is it so important that the Federal Reserve System be able to regulate the supply of money and the availability of credit? I have mentioned before that the Federal Reserve System is expected to help promote price stability, full employment, and economic growth. To achieve those ends the Federal Reserve System can employ several policy instruments: open market operations, changes in the rediscount rate, variations in the legal reserve ratios of member banks, and the setting of margin requirements. But various problems arise in using these instruments. Being the fiscal agent for the government and charged with preventing disorderly conditions in the market for government securities, the Federal Reserve System must try to mesh its open market operations with the funding operations of the Treasury and simultaneously keep a wary eye on the trend of the market.

Changes in legal reserve ratios may run up against other difficulties: in time of recession, lower legal reserves may simply lead to excess reserves, if there is little demand for funds; while in times of inflationary pressure, higher reserve requirements may put some member banks under severe pressure whereas others might react by selling government securities, thus nullifying the attempt to restrict credit. Again, changes in rediscount rates are effective only insofar as banks are compelled to borrow from the Federal Reserve System. Margin requirements, finally, are the only type of selective control available today to the Federal Reserve System; and while they help damp down unhealthy stock market speculation they do not directly affect commercial credit.

But that is only the beginning of the problems which the Federal Reserve System is facing these days. Another problem has already been alluded to: the high liquidity in our financial structure means that the economy is to some extent cushioned against the impact of changes in the supply of money and credit.

Conflicting Goals

Yet, perhaps the most perplexing problem is that the various goals of monetary policy often seem to conflict. In the recession of 1954 prices did not fall, even though we had considerable excess capacity and unemployment. And in the recession of 1958 prices even rose. Now orthodox monetary policy calls for easy money in a period of recession and unemployment, and for tight money when there is upward pressure on prices. But what policy is the Federal Reserve System to pursue when both occur together? Another conundrum is presented by the conflicting needs of keeping prices stable and encouraging economic growth. The counsel of perfection, of course, is to hold money just tight enough, but not too tight, to ensure steady economic growth without price inflation. Yet for several years now we have been bedevilled by a relatively low growth rate and slowly rising prices. The Federal Reserve System has attempted to keep money and credit tight enough to prevent prices from getting out of control; but inevitably it has been blamed by some for the slow growth rate. To cap it all, a further problem has now been added: Our balance of international payments has for some years now been unfavorable. Such a state of affairs ordinarily calls for tighter money and higher interest rates; but again that would clash with any attempts to promote a higher level of employment, and to stimulate economic growth, through easier credit and, consequently, lower interest rates.

These are some of the problems with which the Federal Reserve System, together with the Treasury and other responsible authorities, are struggling today. They are very real problems, and no purpose is served by making light of them. But neither must we paint the picture too black. It is so simple—it is so involved. We must be interested. We must learn—we must be informed. A democracy such as ours, relies on our interest and knowledge of monetary and fiscal matters as they relate to our economic good. I am certain that the men in charge—my former colleagues in the Federal Reserve System, from Chairman Martin down, Secretary of the Treasury Dillon, Undersecretary Roosa, and all the other people concerned, are dedicated and able men who can be trusted to explore the issues patiently and to guide our monetary and fiscal policies in the direction best calculated to ensure economic and financial stability and a high rate of economic growth. They are not partisans — they are experienced, informed men, dedicated to the public interest and our system of free markets and free enterprises. And to support all policies of financial and economic stability and economic growth is the greatest contribution members of the financial community can make in the long contest—economic no less than ideological—that seems to lie before us, the countries of the free world.

* An address by Mr. Szymczak before the New Hempshire Bankers Association, Portsmouth, N. H., June 16, 1961.

Gordon & Breach, Science Publishers Stock All Sold

The offering of 80,000 shares of common stock of Gordon & Breach, Science Publishers Inc., at $1.75 per share has been oversubscribed and the books are closed. The offering was made by First Weber Securities Corp., New York City.

Net proceeds from the financing will be used by the company for the composition, printing, paper and binding required for the publication of titles currently in publication, and for working capital.

The company, of 150 Fifth Ave., New York, N. Y., plans to engage in a publishing business specializing in books dealing with advanced scientific research, as well as text and reference works on scientific subjects. The company also intends to translate and publish scientific books and journals from the Russian, Chinese, German and French languages.

Upon completion of current financing, outstanding capitalization of the company will consist of 180,000 10-cent par shares of common stock.

M. G. Davis Co. Names Two

M. G. Davis & Co., Inc., 150 Broadway, New York City, have elected Murray Goldman, Secretary-Treasurer of the firm.

Joseph Mandell has also joined M. G. Davis & Co. as syndicate manager.

Estate Funding Branch

SANTA ROSA, Calif. — Estate Funding Corp. has opened a branch office at 1165 Yulupa Ave. under the direction of Walter Wells, Jr.

Chock Full O'Nuts Debs. Offered To Stockholders

Chock Full O'Nuts Corp. is offering to the holders of its common stock, rights to subscribe at 100% for $6,938,900 principal amount of its 4½% convertible subordinated debentures, due Aug. 1, 1981, on the basis of $100 of debentures for each 50 shares of common stock held of record July 21, 1961. A group headed by F. Eberstadt & Co., New York City is underwriting the offer which expires Aug. 7.

The debentures are convertible until their maturity into common stock at $28.50 per share. They are redeemable at the option of the company at 104½% of the principal amount before Aug. 1, 1964 and at decreasing prices thereafter, and for a sinking fund commencing Feb. 1, 1967 at 100%.

Proceeds from the sale will be used for general corporate purposes including the current expansion program as follows: construction of a frozen doughnut plant, acquisition and development of properties for additional restaurants, capital improvements to and expansion of existing restaurants, construction of highway restaurants.

The company of 425 Lexington Ave., New York City operates a chain of 34 counter-service restaurants located principally in New York City. In addition, the company has recently opened one highway restaurant in New Jersey and is constructing two others. The company's restaurants specialize in service of a limited menu of quality food at low prices. The company also manufactures and sells Chock Full O'Nuts brand coffee, which is distributed in the New York metropolitan area and in other areas in the eastern and north-central sections of the country. Early in 1961, the company entered the instant coffee business and now markets the product in New York and in the eastern and northeastern sections of the country. During 1960, the company began test marketing of frozen whole wheat doughnuts in 88 supermarkets in New York City. Results of these tests have been favorable, and the company is proceeding with construction of the new frozen doughnut plant.

Total net sales of the company for the six months ended Jan. 31, 1961, totaled $15,883,989 and net income totaled $1,046,577 compared with total net sales of $14,591,194 and net income of $944,837 for the six months ended Jan. 31, 1960. For the year ended July 31, 1960, total net sales were $28,014,472 and net income was $1,815,557.

Capitalization of the company as of Mar. 15, 1961, and as adjusted to give effect to the sale of the convertible subordinated debentures includes $6,938,900 of such debentures, and 3,463,760 25-cent par common shares.

Amer. Facsimile Common Offered

Shell Associates, Inc., New York City, is offering 40,000 shares of American Facsimile Corp., at $3 per share. Net proceeds, estimated at $89,800, will be used by the company for the purchase of equipment, sales promotion and advertising, research and development and working capital.

The company of 160 Coit St., Irvington, N. J., is engaged in the development, manufacture, production and sale of facsimile communication equipment. Authorized stock consists of 1,000,000 10-cent par common shares of which 180,000 will be outstanding upon completion of this sale.

STATE OF TRADE AND INDUSTRY

Continued from page 16

withdrew a recent 2% increase on some stainless steel products. A tubular goods producer also discontinued a special 4% discount on tubing and casing offered to distributors.

Scrap prices held last week. *Steel's* price composite on No. 1 heavy melting grade remained at $37 a gross ton. Domestic mills are placing only small tonnage orders.

A surge in the world's capacity to produce steel is underway, the magazine said.

Steel capacity in 1965 in Latin America, Europe, Africa, the Middle East, the Far East, and Oceania is expected to be about 46% larger in 1965 than last year's output. If the goal is reached, those countries will have 402,500,000 net tons of ingot capacity. That would be two - and - a - half times the 160 million tons planned for the U. S. in 1965.

Adding Canada's 1965 planned capacity of 9.9 million tons, the world could produce 572,400,000 net tons in 1965. In 1960, world output was 380,934,000 tons.

Steel pointed out that this growth in capacity means new world markets will open up in the building and equipping of steel plants, in the furnishing of raw materials for steelmaking, and in the supplying of equipment for fabricating steel into consumer products.

In the nonferrous field, copper sales are headed for a five-year high. *Steel* estimates 1961 deliveries of refined copper to fabricators should rise at least 10% to 1.4 million tons. Shipments of 139,700 tons in June were the best in two years.

Automakers Upset Steel Order Pattern

A change in steel buying plans by automakers has cut into August orders, *The Iron Age* says. This has slowed the rate of improvement in August and has set back any sharp upturn in steel production into September.

The uncertainty of Detroit tends to overshadow a general strengthening of the market as orders for August come in. The month still looks better than July, and may surpass June. The automakers have not dropped out of August by any means, the magazine points out. But the rate of improvement now looks to be slower than was indicated two weeks ago.

As an illustration of this point, *The Iron Age* says delivery promises in automotive centers have shortened while elsewhere around the country, some spot lengthenings are noted.

This means that some mills in the Midwest are producing more than they are shipping during the summer and have tonnages available for shipment from inventory. This is the result of two factors: Some steel producers fully intend to provide nearly immediate delivery after demand strengthens; and mills have kept production relatively level in spite of the summer order slowdown.

The Iron Age says the lack of progress in auto labor talks can not be discounted in affecting the steel buying plans of auto companies. There is no particular reason for stronger strike talk, but automakers are not building heavy inventories until the labor situation clarifies.

Another factor is that some automakers have overbought during the summer months. Whether intentional or not, one of the major companies apparently has a greater tonnage than usual going into the changeover period. Then, too, changeover times vary considerably, making it more difficult to establish a uniform buying pattern for the late summer.

The magazine cites a cross-section of mill orders to show the midsummer picture: One mill says July is running 8% under June, and August is 10% ahead of July. This mill nevertheless holds August predictions down to a 5% gain because of automotive uncertainty.

Two other mills say advance orders indicate August will equal or better the June showing. One of these says September orders point to further improvement, although the tonnage involved is still too small for significance.

A major Midwestern mill says it expects to ship 10% less steel in August than July. This prediction is qualified by a possible change in favor of August, but the current rate of orders is below that for the May-June period.

This indicates the August-September pattern is far from stable, and it could stay that way well into the month of August. Assurance of nearly immediate delivery of many products has kept many buyers from advance ordering.

Steel Production Data for the Week Ended July 22

According to data compiled by the American Iron and Steel Institute, production for week ended July 22, 1961, was 1,858,000 tons (*99.7%), 0.1% below output of 1,860,000 tons (*99.8%) in the week ended July 15.

Production this year through July 22 amounted to 50,568,000 tons (*93.6%), or 21.7% below the 64,615,000 tons (*119.6%) in the period through July 23 1960.

The institute concludes with Index of Ingot Production by Districts, for week ended July 22, 1961, as follows:

	*Index of Ingot Production for Week Ending July 22, 1961
North East Coast	96
Buffalo	84
Pittsburgh	88
Youngstown	89
Cleveland	102
Detroit	117
Chicago	107
Cincinnati	117
St. Louis	107
Southern	103
Western	117
Total industry	99.7

* Index of production based on average weekly production for 1957-1959.

Earlier Model Changeover Reflected in Lower Car Output

U. S. passenger car production headed into a sharp decline last week as the auto industry entered an earlier - than - usual model changeover, *Ward's Automotive Reports* said.

The statistical agency said that as a result of phaseouts in Pontiac and Oldsmobile divisions of General Motors Corp., along with "buildouts" at three Chevrolet assembly sites and two Chrysler Corp. plants, industry output for the week ended July 22 dropped to 106,171 cars; this was 16.5% below the 127,157 volume in the preceding week, and compared with 112,179 in the same week of a year ago.

Ward's said that the industry's total model run would amount to about 5.3 million cars, compared with more than six million assembled in the 1960 model year, 5.6 million in 1959 and 4.3 million in 1958.

During the present week, Chrysler Corp. will complete its model runout, with Dodge and Plymouth assembly due to come to a halt on July 27 and the Detroit Jefferson Ave. Chrysler car plant to conclude work on 1961 models a day later. Production of 1962 models will commence about mid-August.

Buick division of General Motors will end current model production at its main Flint, Mich. plant July 27, and Chevrolet will close eight more assembly sites during the week. That company's main plant will close August 2. Cadillac, in Detroit, closed July 14.

American Motors, at Kenosha, Wis., will conclude Rambler manufacture on Friday, July 28, one week earlier than last year. Ford Motor Co. plants at several sites are nearing the end of current model making, but the company is not expected to be "phased out" until after mid-August.

Ward's said that the early changeover appears well-timed. Dealer stocks of 1961 model cars are well below inventories of a year ago, and by exerting some care in their control, auto makers can look to one of the brightest old model cleanups in the postwar period.

Of last week's output, General Motors accounted for 44.0%; Ford Motor Co. 33.0%; Chrysler Corp. 13.9%; American Motors Corp. 9.1%.

Carloadings Show 5.5% Drop From 1960 Week

Loading of revenue freight in the week ended July 15 totaled 573,306 cars, the Association of American Railroads announced. This was an increase of 148,322 cars or 34.9% above the preceding week which included the second week of the coal miners' vacation and the Independence Day holiday.

The loading represented a decrease of 33,508 cars or 5.5% below the corresponding week in 1960, and a decrease of 11,767 cars or 2% below the corresponding week in 1959.

There were 8,931 cars reported loaded with one or more revenue highway trailers or highway containers (piggyback) in the holiday week ended July 8, 1961 (which were included in that week's over-all total). This was an increase of 405 cars or 4.8% above the corresponding week of 1960 and an increase of 1,189 cars or 15.4% above the 1959 week.

Cumulative piggyback loadings for the first 27 weeks of 1961 totaled 295,236 for an increase of 10,372 cars or 3.6% above the corresponding period of 1960 and 84,175 cars or 39.9% above the corresponding period in 1959. There were 58 class I U. S. railroad systems originating this type traffic in the current week compared with 53 one year ago and 50 in the corresponding week in 1959.

Intercity Truck Tonnage 0.6% Ahead of Same 1960 Week

Intercity truck tonnage in the week ended July 15, was 0.6% ahead of the volume in the corresponding week of 1960, the American Trucking Associations, Inc., announced. Truck tonnage was 18.8% ahead of that of the previous week of this year. The sharp week-to-week tonnage increase was due largely to a return to normal following the Independence Day holiday which occurred on Tuesday of the preceding week of this year.

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

Electric Output 6.7% Higher Than in 1960 Week

The amount of electric energy distributed by the electric light and power industry for the week ended Saturday, July 22, was estimated at 15,829,000,000 kwh. according to the Edison Electric Institute. Output was 758,000,000 kwh. above that of the previous week's total of 15,071,000 kwh. and 999,000,000 kwh., or 6.7% above that of the comparable 1960 week.

Lumber Shipments Were 0.2% Below 1960 Volume

Lumber production in the United States in the week ended July 15, totaled 181,855,000 board feet compared with 129,809,000 board feet in the prior week, according to reports from regional associations. A year ago the figure was 184,497,000 board feet.

Compared with 1960 levels output dropped 1.4%, shipments dipped 0.2%, and orders fell 3.3%.

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

	July 15 1961	July 8 1961	July 16 1960
Production	181,855	129,809	184,497
Shipments	186,335	152,870	186,723
Orders	216,139	159,848	223,410

Wholesale Commodity Price Index Continues to Rise

The general wholesale commodity price level continued its slow climb last week, reaching a new high of 272.20 for the second successive week, on July 19, according to Dun & Bradstreet, Inc. As in the previous week, the level receded slightly by the weekend.

Wheat, lard, hogs and cotton prices moved up, while rye, oats, coffee, steers, rubber and tin declined. Wheat and cotton influence the index more heavily than other commodities, because of their importance to the economy.

The Daily Wholesale Commodity Price Index stood at 271.85 (1930-32=100) on Monday, July 24, compared with 271.71 a week earlier, and 269.71 on the same date last year.

Wholesale Food Price Index Advances Slightly in Latest Week

The Wholesale Food Price Index, compiled by Dun & Bradstreet, Inc., rose slightly in the latest week and continued fractionally higher than a year ago. On July 25, the Index stood at $5.95, up 0.3% from the $5.93 in the preceding week and it was up 0.7% from the $5.91 in the comparable week of 1960.

Moving upward in wholesale cost this week were wheat, hams, bellies, lard, cottonseed oil, cocoa, steers and hogs. Lower in price were corn, rye, oats, sugar, coffee, eggs and potatoes.

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

Business Failures Up Moderately In Latest Week

Commercial and industrial failures rebounded to 343 in the week ended July 20 from 304 in the preceding week, reported Dun & Bradstreet, Inc. This increase lifted casualties above the 259 occurring in the comparable week last year and the 259 in 1959. Some 37% more businesses succumbed than in prewar 1939 when the toll was 251.

Failures involving liabilities under $100,000 rose appreciably to 307 from 273 a week earlier, and 222 a year ago. There was a moderate increase among large casualties, those with losses in excess of $100,000 to 36 from 31 in the preceding week, but slightly below the 37 of this size last year.

Retail Trade Continues Above Last Year

Sparked by clearance promotions and interest in fall merchandise, retail trade in the week ended July 19 moved up from a week ago and continued ahead of the similar period last year. Consumer buying of women's apparel, junior wear, appliances, furniture and floor coverings showed year-to-year increases, offsetting declines in hardware and passenger cars and sluggish activity in linens and men's wear.

The total dollar volume in retail trade in the week under review was unchanged to 4% higher than a year ago, according to spot estimates collected by Dun & Bradstreet, Inc. Regional estimates varied from comparable 1960 levels by the following percentages: Middle Atlantic, Mountain and Pacific +1 to +5; South Atlantic, West South Central and West North Central 0 to +4; East North Central and East South Central —1 to +3; New England —2 to +2.

Nationwide Department Store Sales Increase 3% 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 July 15, 1961, showed a rise of 3% over the like period last year. For the week ended July 8, an increase of 6% was reported. The four-week period ended July 15, 1961, sales advanced 3% over last year.

According to the Federal Reserve System, department store sales in New York City for the week ended July 15, sales were 5% higher than same period last year. In the preceding week ended July 8, sales were 4% higher than in the same period last year. For the four weeks ending July 15 a 4% increase was reported above the 1960 period, while from Jan. 1 to July 15, showed a 2% increase over last year's sales.

No. Natural Gas Debens. Offered

Blyth & Co. Inc. and associates are offering publicly an issue of $35,000,000 Northern Natural Gas Co. 4⅞% sinking fund debentures, due Nov. 1, 1981, at 101% to yield 4.80%.

The debentures are not redeemable prior to Nov. 1, 1966 at a lower interest cost to the company than 4.80%. Otherwise, they are redeemable at the option of the company at regular redemption prices ranging from 106% for those redeemed in the first year, declining to par in the last year. The issue has the benefit of a sinking fund calculated to retire 89% of the debentures prior to maturity.

Net proceeds from the sale will be used to repay short-term bank loans incurred for a portion of the 1961 construction program and the purchase of securities issued by subsidiary companies for their costs of construction and acquisitions of property. Construction expenditures by the company and its subsidiaries in 1961 are estimated at $105,000,000.

The company, of 2223 Dodge St., Omaha, Neb., directly and through subsidiaries, owns and operates a pipeline system of about 14,300 miles of lines through which it transmits natural gas purchased principally from the Panhandle and Hugoton and Hansford, Texas, area gas fields and the Permian Basin to points in Kansas, Nebraska, South Dakota, Iowa, Illinois, Minnesota and Wisconsin, where it is distributed locally to domestic, industrial and commercial customers for their use, or sold at town borders for consumption and resale by 42 non-affiliated gas utilities. Of the 511 cities and towns served on Dec. 31, 1960, 130 were served by distribution systems operated by the company and the balance by non-affiliated gas utilities. These 511 cities and towns have a population of about 3,900,000.

For the 12 months ended Dec. 31, 1960, total operating revenues of the company and its subsidiaries were $188,102,000, and net income $22,253,000. This compared with operating revenues of $158,536,000 and net income of $18,631,000 for 1959.

Capitalization of the company and its subsidiaries on April 30, 1961, adjusted to give effect to the current sale of debentures, consisted of $290,877,000 in funded debt, $60,412,500 in preferred stock and $161,415,775 in common stock.

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 30	63.6	63.6	66.0	53.8
Equivalent to—					
Steel ingots and castings (net tons)	July 30	1,858,000	1,860,000	1,925,000	1,553,800
AMERICAN PETROLEUM INSTITUTE:					
Crude oil and condensate output—daily average (bbls. of 42 gallons each)	July 14	6,930,310	6,969,610	7,105,260	6,823,560
Crude runs to stills—daily average (bbls.)	July 14	8,167,000	7,954,000	8,224,000	8,257,000
Gasoline output (bbls.)	July 14	29,558,000	28,636,000	30,714,000	30,031,000
Kerosene output (bbls.)	July 14	2,184,000	1,995,000	2,315,000	2,469,000
Distillate fuel oil output (bbls.)	July 14	12,922,000	12,560,000	12,745,000	12,972,000
Residual fuel oil output (bbls.)	July 14	5,757,000	5,227,000	5,824,000	5,800,000
Stocks at refineries, bulk terminals, in transit, in pipe lines—					
Finished and unfinished gasoline (bbls.) at	July 14	197,841,000	*199,301,000	207,682,000	197,241,000
Kerosene (bbls.) at	July 14	30,284,000	29,771,000	29,211,000	29,157,000
Distillate fuel oil (bbls.) at	July 14	120,931,000	116,297,000	102,666,000	121,427,000
Residual fuel oil (bbls.) at	July 14	48,647,000	48,641,000	45,175,000	43,013,000
ASSOCIATION OF AMERICAN RAILROADS:					
Revenue freight loaded (number of cars)	July 15	573,306	424,984	602,153	606,814
Revenue freight received from connections (no. of cars)	July 15	420,340	414,461	494,064	438,295
CIVIL ENGINEERING CONSTRUCTION—ENGINEERING NEWS-RECORD:					
Total U. S. construction	July 20	$509,500,000	$594,600,000	$469,600,000	$519,800,000
Private construction	July 20	202,500,000	185,700,000	228,800,000	310,500,000
Public construction	July 20	307,000,000	408,900,000	240,800,000	209,300,000
State and municipal	July 20	220,800,000	312,200,000	177,600,000	191,400,000
Federal	July 20	86,200.000	96,700,000	63,200,000	17,900,000
COAL OUTPUT (U. S. BUREAU OF MINES):					
Bituminous coal and lignite (tons)	July 15	7,440,000	*1,410,000	9,065,000	7,389,000
Pennsylvania anthracite (tons)	July 15	347,000	64,000	382,000	354,000
DEPARTMENT STORE SALES INDEX—FEDERAL RESERVE SYSTEM—1947-49 AVERAGE=100	July 15	123	114	159	119
EDISON ELECTRIC INSTITUTE:					
Electric output (in 000 kwh.)	July 22	15,829,000	15,071,000	14,870,000	14,830,000
FAILURES (COMMERCIAL AND INDUSTRIAL) — DUN & BRADSTREET, INC.	July 20	343	304	307	259
IRON AGE COMPOSITE PRICES:					
Finished steel (per lb.)	July 17	6.196c	6.196c	6.196c	6.196c
Pig iron (per gross ton)	July 17	$66.44	$66.44	$66.44	$66.41
Scrap steel (per gross ton)	July 17	$36.67	$36.67	$37.83	$31.17
METAL PRICES (E. & M. J. QUOTATIONS):					
Electrolytic copper—					
Domestic refinery at	July 19	30.600c	30.600c	30.600c	32.600c
Export refinery at	July 19	28.670c	27.850c	28.375c	31.000c
Lead (New York) at	July 19	11.000c	11.000c	11.000c	12.000c
Lead (St. Louis) at	July 19	10.800c	10.800c	10.800c	11.800c
‡Zinc (delivered) at	July 19	12.000c	12.000c	12.000c	13.500c
Zinc (East St. Louis) at	July 19	11.500c	11.500c	11.500c	13.000c
Aluminum (primary pig, 99.5%) at	July 19	26.000c	26.000c	26.000c	26.000c
Straits tin (New York) at	July 19	115.250c	116.500c	113.000c	103.625c
MOODY'S BOND PRICES DAILY AVERAGES:					
U. S. Government Bonds	July 25	87.56	87.65	87.08	87.79
Average corporate	July 25	86.11	86.11	86.78	86.11
Aaa	July 25	90.06	90.06	90.91	90.34
Aa	July 25	88.27	88.27	89.09	88.27
A	July 25	85.33	85.33	85.98	85.72
Baa	July 25	81.05	81.17	81.78	80.45
Railroad Group	July 25	83.53	83.40	84.17	84.17
Public Utilities Group	July 25	87.32	87.45	88.40	86.51
Industrials Group	July 25	87.45	87.59	87.99	87.59
MOODY'S BOND YIELD DAILY AVERAGES:					
U. S. Government Bonds	July 25	3.89	3.87	3.92	3.75
Average corporate	July 25	4.70	4.70	4.65	4.70
Aaa	July 25	4.41	4.41	4.35	4.39
Aa	July 25	4.54	4.54	4.49	4.54
A	July 25	4.76	4.76	4.71	4.73
Baa	July 25	5.10	5.09	5.04	5.15
Railroad Group	July 25	4.90	4.91	4.84	4.85
Public Utilities Group	July 25	4.61	4.60	4.54	4.67
Industrials Group	July 25	4.60	4.59	4.57	4.59
MOODY'S COMMODITY INDEX	July 25	373.1	371.6	368.9	371.4
NATIONAL PAPERBOARD ASSOCIATION:					
Orders received (tons)	July 15	274,741	228,454	303,272	272,867
Production (tons)	July 15	245,221	202,725	325,848	248,079
Percentage of activity	July 15	73	55	92	74
Unfilled orders (tons) at end of period	July 15	478,595	449,261	444,833	474,165
OIL, PAINT AND DRUG REPORTER PRICE INDEX—1949 AVERAGE=100	July 21	113.91	114.00	113.56	109.47
ROUND-LOT TRANSACTIONS FOR ACCOUNT OF MEMBERS, EXCEPT ODD-LOT DEALERS AND SPECIALISTS					
Transactions of specialists in stocks in which registered—					
Total purchases	June 30	2,086,750	2,485,440	1,930,660	2,370,480
Short sales	June 30	312,890	413,390	340,590	489,860
Other sales	June 30	1,690,170	2,179,400	1,476,490	1,878,060
Total sales	June 30	2,003,060	2,592,790	1,817,080	2,367,920
Other transactions initiated off the floor—					
Total purchases	June 30	218,140	291,870	237,760	319,830
Short sales	June 30	14,100	24,800	14,300	38,100
Other sales	June 30	244,530	345,140	213,020	302,200
Total sales	June 30	258,630	369,940	227,320	340,300
Other transactions initiated on the floor—					
Total purchases	June 30	650,490	770,937	528,911	634,129
Short sales	June 30	112,850	133,400	37,720	75,855
Other sales	June 30	588,489	800,361	489,526	619,464
Total sales	June 30	701,339	933,761	527,246	695,319
Total round-lot transactions for account of members—					
Total purchases	June 30	2,955,380	3,548,247	2,697,331	3,324,439
Short sales	June 30	439,840	571,590	392,610	603,815
Other sales	June 30	2,523,189	3,324,901	2,179,036	2,799,724
Total sales	June 30	2,963,029	3,896,491	2,571,646	3,403,539
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 30	1,464,249	1,699,060	1,258,957	1,706,392
Dollar value	June 30	$75,586,252	$89,780,909	$75,039,166	$83,373,587
Odd-lot purchases by dealers (customers' sales)—					
Number of orders—customers total sales	June 30	1,370,685	1,664,644	1,346,285	1,596,200
Customers' short sales	June 30	10,647	13,982	4,373	5,507
Customers' other sales	June 30	1,360,038	1,650,662	1,341,912	1,590,693
Dollar value	June 30	$68,634,032	$83,616,620	$70,931,639	$72,995,622
Round-lot sales by dealers—					
Number of shares—Total sales	June 30	417,060	527,180	396,650	484,340
Short sales	June 30	------	------	------	------
Other sales	June 30	417,060	527,180	396,650	484,340
Round-lot purchases by dealers—Number of shares	June 30	484,430	546,380	332,070	540,730
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 30	548,120	733,490	438,430	704,660
Other sales	June 30	13,540,480	16,021,130	11,881,720	14,689,990
Total sales	June 30	14,088,600	16,754,620	12,320,150	15,394,650
WHOLESALE PRICES, NEW SERIES — U. S. DEPT. OF LABOR — (1947-49=100):					
Commodity Group—					
All commodities	July 18	118.5	118.7	118.7	119.6
Farm products	July 18	86.2	86.5	85.8	89.0
Processed foods	July 18	107.0	107.7	107.3	108.0
Meats	July 18	91.6	93.1	91.1	97.4
All commodities other than farm and foods	July 18	127.5	127.5	127.7	128.3

*Revised figure. †Number of orders not reported since introduction of Monthly Investment Plan. ‡Prime Western Zinc sold on delivered basis at centers where freight from East St. Louis exceeds one-half cent a pound.

	Latest Month	Previous Month	Year Ago
BUILDING CONSTRUCTION—U. S. DEPT. OF LABOR—Month of June (in millions):			
Total new construction	5,120	4,705	5,008
Private construction	3,469	3,232	3,474
Residential buildings (nonfarm)	1,960	1,793	2,022
New housing units	1,400	1,260	1,476
Additions and alterations	462	436	469
Nonhousekeeping	98	97	77
Nonresidential buildings	877	822	833
Industrial	221	227	224
Commercial	382	344	348
Office buildings and warehouses	184	180	169
Stores, restaurants, and garages	198	164	179
Other nonresidential buildings	274	251	261
Religious	84	78	84
Educational	50	47	46
Hospital and institutional	60	57	46
Social and recreational	57	50	62
Miscellaneous	23	19	23
Farm construction	133	122	118
Public utilities	476	471	476
Telephone and telegraph	77	89	103
Other public utilities	399	382	373
All other private	23	24	25
Public construction	1,651	1,473	1,534
Residential buildings	71	69	60
Nonresidential buildings	463	441	419
Industrial	48	46	35
Educational	271	254	249
Hospital and institutional	31	31	36
Administrative and service	60	58	55
Other nonresidential buildings	53	52	44
Military facilities	122	126	126
Highways	642	500	586
Sewer and water systems	138	137	130
Sewer	80	79	79
Water	58	58	51
Public service enterprises	58	56	59
Conservation and development	124	113	135
All other public	33	31	19
COAL OUTPUT (BUREAU OF MINES)—Month of June:			
Bituminous coal and lignite (net tons)	31,960,000	34,635,000	33,605,000
Pennsylvania anthracite (net tons)	1,373,000	*1,447,000	1,496,000
COPPER INSTITUTE—For Month of June:			
Copper production in U. S. A.—			
Crude (tons of 2,000 pounds)	112,998	*116,703	108,137
Refined (tons of 2,000 pounds)	141,140	148,961	161,073
Delivered to fabricators—			
In U. S. A. (tons of 2,000 pounds)	139,700	*131,847	106,207
Refined copper stocks at end of period (tons of 2,000 pounds)	89,006	106,982	87,667
CROP PRODUCTION — CROP REPORTING BOARD U. S. DEPT. OF AGRICULTURE— Crop as of July 1 (in thousands):			
Corn for grain (bushels)	3,175,177	------	3,891,212
Wheat, all (bushels)	1,259,007	1,343,022	1,350,339
Winter (bushels)	1,116,184	1,120,517	1,103,895
All spring (bushels)	142,823	222,505	246,444
Durum (bushels)	16,502	------	34,105
Other spring (bushels)	126,321	------	212,339
Oats (bushels)	961,357	------	1,150,774
Barley (bushels)	365,746	------	427,018
Rye (bushels)	26,187	------	32,491
Flaxseed (bushels)	19,350	------	30,409
Rice (100 lb. bag)	54,445	------	54,612
Hay, all (ton)	108,948	------	118,091
Hay, wild (ton)	8,771	------	10,481
Hay, alfalfa (ton)	62,136	------	67,137
Hay, clover and timothy (ton)	21,960	------	23,943
Hay, lespedeza (ton)	3,511	------	3,790
Beans, dry edible (cleaned) (100 lb. bag)	17,126	------	17,912
Peas, dry field (bag)	3,578	------	3,241
Potatoes:			
Winter (cwt)	4,354	4,222	3,264
Early spring (cwt)	4,636	4,545	3,489
Late spring (cwt)	26,983	27,599	26,451
Early summer (cwt)	14,495	14,111	14,637
Late summer (cwt)	34,962	------	34,552
Fall (cwt)	------	------	175,042
Total (cwt)	------	------	257,435
Sweetpotatoes (cwt)	14,693	------	15,636
Tobacco (lb)	1,978,451	------	1,943,487
Sugarcane for sugar and seed (ton)	9,010	------	7,721
Sugar beets (ton)	18,577	------	16,421
Hops (lb)	37,335	------	45,976
Apples, commercial crop (bushels)	122,770	------	108,515
Peaches (bushels)	75,688	76,885	74,315
Pears (bushels)	25,938	25,621	25,621
Grapes (ton)	3,123	------	2,997
Cherries (ton)	228	226	187
Apricots (ton)	203	224	243
EDISON ELECTRIC INSTITUTE—			
Kilowatt-hour sales of ultimate consumers—Month of April (000's omitted)	57,211,679	58,177,354	55,611,457
Revenue from ultimate customers—Month of April	$966,758,000	$981,032,000	$928,340,000
Number of ultimate customers at April 30	59,077,233	58,994,828	57,868,240
PERSONAL INCOME IN THE UNITED STATES (DEPARTMENT OF COMMERCE)—Month of June (in billions):			
Total personal income	$416.7	*$413.2	$406.1
Wage and salary receipts, total	280.0	*277.2	274.0
Wage and salary recepits, total	280.0	*272,2	274.0
Commodity producing industries	112.4	*110.5	112.0
Manufacturing only	88.9	*87.6	89.2
Distributing industries	73.3	*72.9	72.2
Service industries	42.8	*42.5	41.1
Government	51.6	*51.3	47.8
Other labor income	11.0	*10.8	11.0
Business and professional	36.4	*36.3	36.2
Farm	13.0	*12.9	12.5
Rental income of persons	11.5	*11.5	12.5
Dividends	14.2	*14.2	13.9
Personal interest income	27.1	*27.0	26.8
Transfer payments	33.1	*33.0	28.5
Less employees' contribution for social insurance	9.7	*9.7	9.3
Total nonagricultural income	399.6	*396.4	389.3
SELECTED INCOME ITEMS OF U. S. CLASS I RYS. (Interstate Commerce Commission)— Month of March:			
Net railway operating income	$32,070,404	*$4,825,042	$61,214,646
Other income	22,822,452	24,707,355	23,534,894
Total income	54,892,856	19,882,313	84,749,540
Miscellaneous deductions from income	5,805,895	4,674,491	5,282,178
Income available for fixed charges	49,086,961	15,207,822	79,467,362
Total fixed charges	30,870,684	31,045,095	30,971,264
Income after fixed charges	18,216,277	*15,837,273	48,496,098
Other deductions	3,797,250	3,710,342	4,240,684
Net income	14,419,027	*19,547,615	44,255,414
Depreciation (way & structure & equipment)	53,294,899	53,243,511	52,039,709
Federal income taxes	22,752,357	5,758,124	31,401,597
Dividend appropriations:			
On common stock	20,074,582	21,871,144	23,818,423
On preferred stock	574,622	7,766,619	1,033,131
Ratio of income to fixed charges	1.59	0.49	2.57

*Deficit.

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.G.E. Funds, Inc.
June 30, 1961 filed 200 co-ownership participations in the company's 1961 exploration and development fund H. **Price**—$5,000 per unit. **Proceeds**—To evaluate, acquire and develop oil and gas leaseholds. **Office**—120 South La Salle Street, Chicago, Ill. **Underwriter**—None.

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 Street, 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 Avenue, 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).

Acro Electronic Products Co.
July 17, 1961 filed 100,000 class A common shares. **Price** —$4. **Business** — The manufacture of transformers for electronic and electrical equipment. **Proceeds**—For relocating to and equipping a new plant, purchase of inventory, research and development, advertising, promotion and merchandising, repayment of debt and other corporate purposes. **Office**—369 Shurs Lane, Philadelphia. **Underwriter**—Roth & Co., Inc., Philadelphia.

● A-Drive Auto Leasing System, Inc. (9/11)
Jan. 19, 1961 filed 100,000 shares of class A stock, of which 75,000 are to be offered for public sale by the company and 25,000 shares, being outstanding stock, by the present holders thereof. **Price**—$10 per share. **Business**—The company is engaged in the business of leasing automobiles and trucks for periods of over one year. **Proceeds**—To repay loans; open new offices in Philadelphia, Pa., and New Haven, Conn.; lease and equip a large garage in New York City and lease additional trucks. **Office**—1616 Northern Boulevard, Manhasset, N. Y. **Underwriter**—Hill, Darlington & Grimm, New York City (managing).

Adelphi Electronics, Inc.
May 29, 1961 ("Reg. A.") 100,000 common shares (par 10 cents). **Price**—$3. **Business**—Distributes electronic products. **Proceeds**—To repay a loan, acquire new quarters, for expansion, inventory and working capital. **Office**—142 Mineola Boulevard, Mineola, N. Y. **Underwriter**—H. B. Crandall Co., New York.

Admiral Photo Corp.
June 20, 1961 ("Reg. A") 60,000 common shares (par 10 cents) of which 54,000 are to be offered by the company and 6,000 by the underwirter. **Price**—$5. **Proceeds**—For furniture, fixtures and equipment and repayment of debt. **Office**—1407 Broadway, New York. **Underwriter**—D. Klapper Associates, Inc., 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.

★ Advanced Investment Management Corp.
July 11, 1961 ("Reg. A") 100,000 common shares (par 25 cents). **Price**—$3. **Proceeds**—For purchase of furniture, reserves and working capital. **Office** — No. 15 Village Shopping Center, Little Rock, Ark. **Underwriter**—Affiliated Underwriters, Inc., 1321 Lincoln Avenue, Little Rock, Ark.

Advanced Scientific Instruments, Inc. (8/15)
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.

★ Aero Fidelity Acceptance Corp.
July 11, 1961 ("Reg. A") 100,000 common shares (par five cents). **Price**—$3. **Proceeds**—For repayment of loans, purchase of notes and equipment. **Office** — 185 Walton Avenue, N. W., Atlanta, Ga. **Underwriter**—Best & Garey Co., Inc., Washington, D. C.

★ Aero Space Electronics, Inc.
July 17, 1961 ("Reg. A") 80,000 capital shares (par 10 cents). **Price**—$3. **Proceeds**—For repayment of debt and working capital. **Office**—2036 Broadway, Santa Monica, Calif. **Underwriter**—Hamilton Waters & Co., Inc., Hempstead, N. Y.

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.

Ainslie Corp.
June 29, 1961 ("Reg. A") 75,000 common shares (par $1). **Price**—$4. **Proceeds**—For purchase of equipment, repayment of debt and working capital. **Office**—531 Pond St., Braintree, Mass. **Underwriter** — First Weber Securities Corp., Boston, Mass.

● Air Master Corp. (8/9)
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).

Airtronics International Corp. of Florida
June 29, 1961 filed 199,000 common shares of which 110,000 shares are to be offered by the company and 89,000 shares by stockholders. **Price**—By amendment. **Business** — The manufacture of electronic, mechanical and electro-mechanical rocket and missile system parts and components. **Proceeds**—For repayment of loans, expansion and working capital. **Office**—6900 West Road 84, Fort Lauderdale, Fla. **Underwriters** — Stein Bros. & Boyce, Baltimore & Vickers, MacPherson & Warwick, Inc. (managing). **Offering**—Expected in late August.

★ Alaska Honolulu Co.
July 24, 1961 filed 1,600,000 common shares and oil leases on 400,000 acres to be offered in 625 units each consisting of 640 acres and 2,560 shares. **Price**—$2,560 per unit. **Business**—The exploration and development of oil and gas properties in Alaska. **Proceeds**—For general corporate purposes. **Office**—120 S. Third St., Las Vegas, Nev. **Underwriter**—None.

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).

All Star World Wide, Inc.
July 7, 1961 filed $250,000 of 5% convertible subordinated debentures due 1971 and 150,000 common shares. **Price**—For debentures, at par; for stock, $5. **Business**—The operation of bowling centers. **Proceeds**—For expansion and general corporate purposes. **Office** — 100 W. Tenth St., Wilmington, Del. **Underwriters**—Alessandrini & Co., Inc. and Hardy & Hardy, New York (managing).

● Allstate Bowling Centers, Inc. (7/31-8/4)
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.

● Almar Rainwear Corp. (8/7)
April 28, 1961 filed 120,000 shares of common stock. **Price** — To be supplied by amendment. **Business** — The manufacture and sale of plastic film raincoats and related items for men, women and children. **Proceeds**—For inventory, taxes, accrued sales commissions and working capital. **Office**—Washington, Ga. **Underwriter** —D. H. Blair & Co., New York City (managing).

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. (8/8)
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.

Development Corp. of America Common Offered

Amos Treat & Co., Inc., New York City, and Bruno-Lenchner, Inc., Pittsburgh, are offering 200,000 shares of Development Corp. of America common stock at $3 per share. The offering marks the initial public sale of the company's common stock.

Net proceeds from the financing will be used by the company to purchase a 40 acre tract of land for development and home construction located south of the city of Miramar, Fla.; and for the development of this tract. The balance of the proceeds will be added to general funds and will be available for operations as required.

The company of 5707 Hollywood Blvd., Hollywood, Fla., is engaged principally in the development and construction of low to medium priced single-family residences and communities in the State of Florida. Since 1955 the company had developed and presently has under construction such residences and communities in the Hollywood, Miramar, Ft. Lauderdale, Cape Canaveral and Jacksonville areas in Florida containing 1,024 single family homes, of which 945 were completed and 79 under construction as of March 31, 1961. The company has also constructed related water and sewerage systems, as well as land drainage, streets, roads and curbs and landscaping in connection with its developments.

For the three months ended March 31, 1961, the company and its affiliated companies had total sales of houses and land in the amount of $882,211 and net income of $53,767. For the year 1960, sales were $3,290,487 and net income $201,603.

Upon completion of the current financing, outstanding capitalization of the company will consist of 1,015,000 shares of common stock and $1,918,548 of sundry debt.

Hupp Systems Class A Sold

Public offering of 50,000 class A common shares of Hupp Systems, Inc., at $3 per share is being made by Bayes, Rose & Co., Inc., 39 Broadway, New York City. Net proceeds from the sale, estimated at $109,000 will be used by the company for inventory expansion, advertising and promotion, research and development, repayment of debt and working capital.

The company, located in the Commerce Center Industrial Park, Hwy. 301 North, Sarasota, Fla., designs and manufactures equipment systems and apparatus used to fabricate fiberglass and fibrously reinforced plastic materials. Authorized stock consists of 300,000 class A and 50,000 class B common shares, of which 50,000 shares of each class will be outstanding upon completion of this financing.

American Finance Co., Inc.
April 21, 1961 filed $500,000 of 6% convertible subordinated debentures due 1971; 75,000 shares of common stock, and 25,000 common stock purchase warrants to be offered for public sale in units consisting of one $200 debenture, 30 common shares and 10 warrants. **Price**—$500 per unit. **Business**—The company and its subsidiaries are primarily engaged in the automobile sale finance business. One additional subsidiary is a Maryland savings and loan association and two are automobile insurance brokers. **Proceeds**—For the retirement of debentures, and capital funds. **Office** — 1472 Broadway, New York City. **Underwriter**—Lomasney, Loving & Co., New York City. **Offering**—Expected in September.

★ **American Home Security Life Insurance Co.**
July 6, 1961 ("Reg. A") 198,000 class A common shares (par 20 cents) to be offered for subscription by stockholders for a 15 day period. **Price**—$1.50. **Proceeds**—For legal reserves. **Office**—2207 N. Main Street, Roswell, N. Mex. **Underwriter**—None.

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 August.

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 Packing Co.
June 29, 1961 filed 150,000 common shares. **Price**—$4.50. **Business**—The processing and sale of canned salmon. **Proceeds**—For general corporate purposes. **Office**—303 N. E. Northlake Way, Seattle. **Underwriter** — Joseph Nadler & Co., Inc., New York (managing).

★ **American Realty Trust**
July 25, 1961 filed 500,000 shares of beneficial interests. **Price**—$10. **Business**—A real estate investment company. **Office**—608 Thirteenth St., N. W., Washington, D. C. **Underwriter**—Stifel, Nicholaus & Co., Inc., St. Louis.

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 Sports Plan, Inc.
June 29, 1961 filed 200,000 common shares. **Price**—$6. **Business**—The operation of bowling centers. **Proceeds**—For expansion. **Office**—473 Winter Street, Waltham, Mass. **Underwriter**—None.

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.

Amerline Corp.
July 3, 1961 filed 150,000 outstanding class A common shares. **Price**—By amendment. **Business**—The manufacture of components and products for sale to manufacturers of magnetic tape, electronic computers, data processing machines, etc. **Proceeds**—For selling stockholders. **Office**—2727 W. Chicago Ave., Chicago. **Underwriter**—Dean Witter & Co., San Francisco (managing).

● **Amford International Corp.**
June 28, 1961 ("Reg. A") 75,000 common shares (par 10 cents). **Price**—$3.50. **Business**—International air and ocean freight forwarding. **Proceeds**—For expansion, advertising and working capital. **Office**—80 Wall St., New York. **Underwriters**—V. S. Wickett & Co., Inc., and Williams & Lee, 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.

★ **Anderson New England Capital Corp.**
July 21, 1961 filed 400,000 common shares. **Price** — By amendment. **Business** — A small business investment company. **Proceeds**—For investment. **Office**—150 Causeway Street, Boston. **Underwriter**—Putnam & Co., Hartford, Conn. (managing).

Continued on page 34

NEW ISSUE CALENDAR

July 28 (Friday)

Canandaigua Enterprises Corp.—Units
(S. D. Fuller & Co.) 8,000 units

Pan American Resources, Inc.—Common
(Fred. Martin & Co.) $280,000

Pickwick Organization, Inc.—Common
(Theodore Arrin & Co. Inc.; Katzenberg, Sour & Co. and Underhill Securities Corp.) $550,000

T. V. Development Corp.—Common
(Kesselman & Co. and Brand, Grumet & Seigel Inc.) $500,000

July 31 (Monday)

Allstate Bowling Centers, Inc.—Capital
(Offering to stockholders—underwritten by Bear, Stearns & Co.) $3,000,000

BBM Photocopy Manufacturing Corp.—Common
(Shields & Co.) 50,000 shares

Bloomfield Industries, Inc.—Common
(Westheimer & Co. and Divine & Fishman Inc.) 140,000 shares

Gulf-Southwest Capital Corp.—Common
(Harriman Ripley & Co. and Underwood, Neuhaus & Co., Inc.) 1,250,000 shares

Jaymax Precision Products, Inc.—Common
(Armstrong & Co. Inc.) $500,000

Jefferson Counsel Corp.—Common
(No underwriting) $300,000

Missile-Tronics Corp.—Common
(Hopkins, Calamari & Co. Inc.) $227,850

Northwestern Public Service Co.—Bonds
(Bids 10:00 a.m. CDST) $4,000,000

Ormont Drug & Chemical Co., Inc.—Common
(Ravener Securities Corp.) $300,000

Progressitron Corp.—Common
(Netherlands Securities Co.) $300,000

Ripley Co., Inc.—Common
(Dominick & Dominick) 82,500 shares

Shepard Airtronics, Inc.—Common
(I. C. Wegard & Co.; L. J. Termo & Co. Inc. and Copley & Co.) $300,000

Space Technology & Utilities Corp.—Common
(Henry Fricke Co.) $300,000

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

Transcontinent Television Corp.—Common
(Carl M. Loeb, Rhoades & Co. and Bear, Stearns & Co.) $300,000

Versapak Film & Packaging Machinery Corp.—Units
(Hill, Thompson & Co.; Hampstead Investing Corp. and Globus, Inc.) $468,750

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

California Computer Products, Inc.—Common
(Mitchum, Jones & Templeton) $300,000

Electrarc, Inc.—Common
(P. de Rensis & Co., Inc.) $500,000

Interstate Department Stores, Inc.—Debentures
(Lehman Brothers and Shearson, Hammill & Co.) $5,859,400

Northern Pacific Co.—Equip. Trust Ctfs.
(Bids to be received) $7,200,000

Patent Resources, Inc.—Common
(Darius Inc.; N. A. Hart & Co. and E. J. Roberts & Co. Inc.) 150,000 shares

Precision Specialties, Inc.—Common
(Harrison & Co.) $300,000

August 2 (Wednesday)

Calvideo Electronics, Inc.—Common
(J. K. Norton and Stern, Zeiff) $300,000

Lafayette Realty Co.—Interests
(Tenney Securities Corp.) $646,500

Long Island Lighting Co.—Bonds
(Bids 11 a. m. EDT) $25,000,000

Polymetric Devices Co.—Common
(Weil & Co. Inc.) $337,500

Vic Tanny Enterprises, Inc.—Common
(S. D. Fuller & Co.) 320,000 shares

August 3 (Thursday)

Consolidated Production Corp.—Common
(Shearson, Hammill & Co.) 200,000 shares

Famous Artists Schools, Inc.—Common
(Bear, Stearns & Co.) 336,625 shares

Fifth Dimension Inc.—Common
(Milton D. Blauner & Co., Inc.) 60,000 shares

Instrument Systems Corp.—Common
(Milton D. Blauner & Co.; M. L. Lee & Co. Inc. and Lieberbaum & Co.) $750,000

Magna Pipe Line Co., Ltd.—Common
(Bear, Stearns & Co. and W. C. Pitfield & Co. Ltd.) 750,000 shares

Packer's Super Markets, Inc.—Common
(Milton D. Blauner & Co., Inc.) $600,000

Taffet Electronics, Inc.—Common
(Fialkov & Co. Inc.) $396,000

August 4 (Friday)

First Surety Corp.—Capital
(Dempsey-Tegeler & Co.) 754,730 shares

August 7 (Monday)

Apache Corp.—Units
(APA, Inc. Minneapolis, Minn.) $4,500,000

Atlantic Fund for Investment in U. S. Government Securities, Inc.—Common
(Capital Counsellors) $50,000,000

Almar Rainwear Corp.—Common
(D. H. Blair & Co.) 120,000 shares

Bel-Aire Products, Inc.—Common
(International Equities Co.) $300,000

Builtwell Homes, Inc.—Units
(Robinson-Humphrey Co. Inc.) 100,000 units

CMC Finance Group, Inc.—Class A
(Auchincloss, Parker & Redpath) 150,000 shares

Calandra Photo, Inc.—Class A
(Cruttenden, Podesta & Co.) 170,000 shares

Clarkson Laboratories, Inc.—Common
(Ross, Lyon & Co. Inc. and Globus Inc.) $400,000

Fairfield Controls, Inc.—Common
(Globus Inc. and Lieberbaum & Co.) $150,000

Krystinel Corp.—Class A
(Ross, Lyon & Co. Inc. and Schrijver & Co.) $225,000

Mohawk Insurance Co.—Common
(R. F. Dowd & Co., Inc.) $900,000

Monticello Lumber & Mfg. Co., Inc.—Common
(J. Laurence & Co. Inc.) $300,000

Nationwide Homes, Inc.—Units
(Cruttenden, Podesta & Co. and McDaniel Lewis & Co.) 150,000 units

Radiation Instrument Development Laboratory, Inc.—Common
(Hayden, Stone & Co.) 100,000 shares

Reher Simmons Research Inc.—Capital
(McLaughlin, Kaufmann & Co.) $900,000

Second Financial, Inc.—Common
(Globus Inc.) $300,000

Spencer Laboratories, Inc.—Class A
(Offering to stockholders—underwritten by E. T. Andrews & Co.) $162,400

Transvision Electronics, Inc.—Common
(Adams & Peck) 140,000 Shares

August 8 (Tuesday)

American Electronic Laboratories, Inc.—Common
(Offering to stockholders—underwritten by Suplee, Yeatman, Mosley Co. Inc.) 10,632 shares

Arizona Color Film Processing Laboratories, Inc.—Common
(Offering to stockholders—no underwriting) $462,110

Greene (M. J.) Co.—Common
(Hess, Grant & Remington Inc.) $300,000

Income Planning Corp.—Units
(Espy & Wanderer Inc.) $200,000

Kimberly-Clark Corp.—Debentures
(Blyth & Co. Inc.) $30,000,000

Northern States Power Co.—Bonds
(Bids to be received) $20,000,000

Pueblo Supermarkets, Inc.—Common
(Merrill Lynch, Pierce, Fenner & Smith Inc.) 100,000 shares

U. S. Fiberglass Products Co.—Common
(Hauser, Murdock, Rippey & Co.) $400,000

August 9 (Wednesday)

Air Master Corp.—Common
(Francis I. du Pont & Co.) 200,000 shares

Gulf, Mobile & Ohio RR—Equip. Trust Cfts.
(Bids noon CDT) $3,600,000

Texas Capital Corp.—Common
(Dempsey-Tegeler & Co.) 1,000,000 shares

August 10 (Thursday)

Business Funds, Inc.—Capital
(Clark, Dodge & Co. Inc.; Alex. Brown & Sons and Rotan, Mosle & Co.) $14,300,000

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

Harper (H. M.) Co.—Common
(Blunt Ellis & Simmons) 180,000 shares

August 11 (Friday)

Applied Research Inc.—Common
(Cruttenden, Podesta & Co.) $780,000

Audio Visual Teaching Machines, Inc.—Common
(No underwriting) $300,000

August 14 (Monday)

Amity Corp.—Common
(Karen Securities Corp.) $266,217

Brisker Corp.—Common
(Copley & Co.) $160,000

Cosnat Record Distributing Corp.—Common
(Amos Treat & Co.) 150,000 shares

Dallas Airmotive, Inc.—Common
(Eppler, Guerin & Turner, Inc.) 390,000 shares

Electra International, Ltd.—Capital
(Robret A. Martin Associates, Inc. and Ezra Kureen Co.) 70,000 shares

Ets-Hokin & Galvan, Inc.—Common
(Van Alstyne, Noel & Co.) 209,355 shares

Garan Inc.—Common
(J. R. Williston & Beane) $780,000

Kane-Miller Corp.—Common
(Netherlands Securities Co., Inc.; Seymour Blauner Co. and J. J. Bruno & Co.) $600,000

Lease Plan International Corp.—Common
(Hayden, Stone & Co.) 125,000 shares

Long Island Bowling Enterprises, Inc.—Common
(Trinity Securities Corp.) $300,000

Pell Pharmaceuticals, Inc.—Common
(R. P. & R. A. Miller & Co. Inc.) $300,000

Riverview ASC, Inc.—Common
(Albion Securities Co., Inc.) $300,000

Speed-O-Print Business Machines Corp.—Common
(Rodman & Renshaw) 125,000 shares

Taddeo Bowling & Leasing Corp.—Units
(Lomasney, Loving & Co.) $1,600,000

Triangle Instrument Co.—Common
(Armstrong & Co. Inc.) $300,000

Vinco Corp.—Debentures
(S. D. Fuller & Co.) $2,000,000

August 15 (Tuesday)

Advanced Scientific Instruments, Inc.—Common
(Naftalin & Co.) $1,006,250

Apache Corp.—Units
(APA Inc.) $750,000

Apache Realty Corp.—Units
(Blunt Ellis & Simmons) $5,000,000

Chemonics Corp.—Common
(Grant, Fontaine & Co.; Evans MacCormack & Co.; Stone & Youngberg and Sellgren, Miller & Co.) $300,000

City Gas Co. of Florida—Common
(Kidder, Peabody & Co.) 112,278 shares

Consumers Power Co.—Bonds
(Bids 11:30 a.m. EDST) $40,000,000

Parkview Drugs, Inc.—Common
(Scherck, Richter Co.) 141,000 shares

Superstition Mountain Enterprises, Inc.—Common
(No underwriting) $5,000,000

Wisconsin Power & Light Co.—Preferred
(Offering to preferred stockholders and employees—underwritten by Smith, Barney & Co. and Robert W. Baird & Co. Inc.) 15,000 shares

Wisconsin Power & Light Co.—Preferred
(Smith, Barney & Co. and Robert W. Baird & Co. Inc.) 50,000 shares

Continued on page 34

Continued from page 33

August 16 (Wednesday)

Industrial Gauge & Instrument Co., Inc.---Common
(R. F. Dowd & Co. Inc.) $225,000

Kirk (C. F.) Laboratories, Inc.---Common
(Hill, Darlington & Grimm) 100,000 shares

Mite Corp.---Capital
(Kidder, Peabody & Co. and Charles W. Scranton & Co.) 325,000 shares

Mortgage Guaranty Insurance Co.---Common
(Bache & Co.) 155,000 shares

Nitrogen Oil Well Service Co.---Common
(Underwood, Neuhaus & Co. Inc.) $1,000,000

Plasticon Corp.---Common
(No underwriting) $1,996,998

Technical Materiel Corp.---Common
(Kidder, Peabody & Co.) 50,000 shares

TelePrompTer Corp.---Debentures
(Bear, Stearns & Co.) $5,000,000

August 17 (Thursday)

U. S. Home & Development Corp.---Capital
(Auchincloss, Parker & Redpath) 300,000 shares

August 18 (Friday)

Lytton Financial Corp.---Capital
(William R. Staats & Co. and Shearson, Hammill & Co.) 300,000 shares

Shelley Urethane Industries, Inc.---Common
(Garat & Polonitza Inc.) 200,000 shares

August 21 (Monday)

Bid D Chemical Co.---Class A
(No underwriting) $300,000

Cellomatic Battery Corp.---Common
(Armstrong & Co. Inc.) $250,000

Flato Realty Fund---Shares
(Flato, Bean & Co.) $20,000,000

Frontier Airlines, Inc.---Common
(No underwriting) 250,000 shares

G-W Ameritronics, Inc.---Units
(Fraser & Co.) $320,000

NAC Charge Plan & Northern Acceptance Corp.---Class A
(Sade & Co.) 33,334 shares

Real Estate Investing Association Inc.---Units
(No underwriting) $50,000,000

Sav-Mor Oil Corp.---Common
(Armstrong & Co. Inc.) $230,000

Trinity Funding Corp.---Common
(Trinity Securities Corp.) $1,500,000

August 22 (Tuesday)

Reeves Broadcasting & Development Corp.---Debentures
(Laird & Co. Corp.) $2,500,000

August 25 (Friday)

Intercontinental Dynamics Corp.---Common
(M. H. Woodhill Inc.) $300,000

Service Photo Industries, Inc.---Class A
(N. A. Hart & Co.) $600,000

August 28 (Monday)

Automated Gift Plan, Inc.---Common
(J. Laurence & Co. Inc.) $300,000

Cressey, Dockham & Co., Inc.---Common
(Mann & Cressy) $300,000

Douglas Microwave Co., Inc.---Common
(J. R. Williston & Beane and Hill, Darlington & Grimm) 100,000 shares

Gloray Knitting Mills, Inc.---Common
(Shields & Co.) 125,000 shares

Harn Corp.---Common
(J. R. Williston and Beane) 150,000 shares

Lewis (Tillie) Foods, Inc.---Common
(Van Alstyne, Noel & Co.) 400,000 shares

MPO Videotronics, Inc.---Common
(Francis I. du Pont & Co.) 60,000 shares

Philadelphia Laboratories, Inc.---Common
(Woodcock, Moyer, Fricke & French, Inc.) $600,000

Reher Simmons Research, Inc.---Capital
(McLaughlin, Kaufmann & Co.) $900,000

Supronics Corp.---Common
(Amos Treat & Co. Inc.; Standard Securities Corp. and Bruno-Lenchner Inc.) 90,000 shares

United Investors Corp.---Class A
(No underwriting) $761,090

August 29 (Tuesday)

Republic Aviation Corp.---Common
(Merrill Lynch, Pierce, Fenner & Smith Inc.) 214,500 shares

August 30 (Wednesday)

Conolite, Inc.---Class A
(Amos Treat & Co. Inc.) $850,000

Irvan Ferromagnetics Corp.---Common
(Thomas Jay Winston & Co., Inc.) $200,000

Jolyn Electronic Manufacturing Corp.---Common
(Kerns, Bennett & Co. Inc.) $193,500

Minichrome, Inc.---Common
(Continental Securities Inc.) $172,500

Old Empire, Inc.---Debentures
(Laird, Bissell & Meeds) $700,000

Security Acceptance Corp.---Units
(No underwriting) $800,000

Southern Realty & Utilities Corp.---Units
(Hirsch & Co. and Lee Higginson Corp.) 6,280 units

Tresco, Inc.---Common
(Amos Treat & Co. Inc.) $500,000

West Coast Bowling Corp.---Common
(Hill Richards & Co. Inc.) $1,252,231.50

September 4 (Monday)

S. O. S. Photo-Cine-Optics, Inc.---Units
(William, David & Motti) $200,000

September 5 (Tuesday)

Computer Instruments Corp.---Common
(Hayden, Stone & Co.) 160,000 shares

Ihnen (Edward H.) & Son, Inc.---Common
(Amos Treat & Co. Inc.) $375,000

September 7 (Thursday)

Rodney Metals, Inc.---Common
(Amos Treat & Co. Inc.) $1,400,000

September 8 (Friday)

Western Union Telegraph Co.---Common
(Offering to stockholders—underwritten by Kuhn, Loeb & Co. and Lehman Brothers) 1,075,791 shares

September 11 (Monday)

A-Drive Auto Leasing System, Inc.---Class A
(Hill, Darlington & Grimm) $1,000,000

September 12 (Tuesday)

Rocky Mountain Natural Gas Co., Inc.---Units
(Merrill Lynch, Pierce, Fenner & Smith Inc.) 75,000 units

September 13 (Wednesday)

King's Department Stores, Inc.---Common
(Shearson, Hammill & Co.) 500,000 shares

September 15 (Friday)

Walter Sign Corp.---Common
(Amber, Burstein & Co.) $300,000

September 18 (Monday)

Parish (Amos) & Co., Inc.---Common
(The James Co.) 208,000 shares

September 26 (Tuesday)

Pacific Gas & Electric Co.---Bonds
(Bids to be received) $60,000,000

September 27 (Wednesday)

Rochester Gas & Electric Corp.---Bonds
(Bids to be received) $15,000,000

October 3 (Tuesday)

Gulf States Utilities Co.---Debentures
(Bids 11 a. m.) $15,000,000

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

Continued from page 33

Animal Insurance Co. of America
June 29, 1961 filed 40,000 common shares. **Price**—$15.50. **Business** — The insuring of animals, primarily race horses, trotters and pacers. **Proceeds**—For expansion and general corporate purposes. **Office**—92 Liberty St., New York. **Underwriter**—Bernard M. Kahn & Co., Inc., New York (managing).

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.

Apache Corp. (8/15)
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.

● **Apache Corp. (8/7)**
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. (8/15)
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. (8/11)**
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**—$6.50. **Business**—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. **Offering**—Expected in late September.

● **Arcs Industries, Inc.**
May 19, 1961 filed $1,630,000 of 6 convertible subordinated debentures due 1971, being offered for subscription by common stockholders on the basis of $500 of debentures for each 100 shares held of record July 26, with rights to expire Aug. 8. **Price**—At par. **Business**—The manufacture of electronic, electrical and electromechanical devices for use in the missile and computer fields. **Proceeds**—To repay loans, purchase a building, and for working capital. **Office** — 755 Park Avenue, Huntington Station, L. I., N. Y. **Underwriter**—Lomasney, Loving & Co., New York City (managing).

● **Arizona Color Film Processing Laboratories, Inc. (8/8)**
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.

Arlan's Dept. Stores, Inc.
July 5, 1961 filed 300,000 common shares of which 60,000 shares are to be offered by the company and 240,000 shares by the stockholders. **Price**—By amendment. **Business**—The operation of 12 self-service discount stores. **Proceeds**—For working capital and expansion. **Office**—350 Fifth Ave., New York. **Underwriter**—Eastman Dillon, Union Securities & Co., New York (managing).

★ **Assembly Engineers, Inc.**
July 11, 1961 ("Reg. A") 100,000 common shares (par 50 cents). **Price**—$3. **Proceeds**—For plant, equipment and working capital. **Office** — 3640 Holdrege Avenue, Los Angeles. **Underwriter**—California Investors, Los Angeles.

★ **Astronetic Research, Inc.**
July 11, 1961 ("Reg. A") 54,000 class A common shares (par $1). **Price** — $5. **Proceeds** — For purchase and installation of equipment, and working capital. **Office**—45 Spring Street, Nashua, N. H. **Underwriter** — Schirmer, Atherton & Co., Boston, Mass.

● **Atlantic Fund for Investment in U. S. Government Securities Inc. (8/7-11)**
July 22, 1960, filed 2,000,000 shares of common stock. **Price** — $25 per share. **Business** — A diversified investment company, which will become an open-end company with redeemable shares upon the sale and issuance of the shares being registered. **Proceeds**—For investment in U. S. Government securities. **Office**—50 Broad Street, New York City. **Underwriter**—Capital Counsellors, 50 Broad Street, New York City. **Note**—This company was formerly the Irving Fund for Investment in U. S. Government Securities, Inc.

Audiographic Inc.
Feb. 27, 1961 filed 150,000 shares of common stock. **Price**—$4 per share. **Business**—The manufacture and sale of fire and burglar warning systems. **Proceeds**—To establish subsidiaries, buy equipment to make component parts of warning systems now manufactured by others, reduce indebtedness, add to inventory, and for working capital. **Office**—Bellemore, L. I., N. Y. **Underwriter**—First Broad Street Corp., New York City (managing).

● **Audio Visual Teaching Machines, Inc. (8/11)**
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. (8/28)**
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 Data Processing, Inc.**
July 19, 1961 filed 100,000 common shares, of which 50,000 shares are to be offered by the company and 50,000 shares by stockholders. **Price**—$3. **Business**—Electronic data processing. **Proceeds**—For construction and

working capital. **Office**—92 Highway 46, East Paterson, N. J. **Underwriter**—Golkin, Bomback & Co., New York (managing).

● Automotive Vacuum Control Corp.
March 30, 1961 (letter of notification) 60,000 shares of common stock (par $1). **Price**—$5 per share. **Proceeds**—For advertising, new products and working capital. **Office**—1007 East Second Street, Wichita, Kan. Note—Donald J. Hinkley Co. is no longer underwriting this issue. New underwriter is to be named.

● BBM Photocopy Manufacturing Corp. (7/31-8/4)
May 26, 1961 filed 50,000 shares of common stock. **Price**—To be supplied by amendment. **Business**—The assembly and sale of accessory equipment for photocopy machines. **Proceeds**—For acquisition of the Bohn Duplicator Co. a division of Willmor International Corp. **Office**—42 W. 15th St., New York City. **Underwriter**—Shields & Co., New York City (managing).

BSF Company
June 30, 1961 filed $2,500,000 of 5% convertible subordinated debentures due 1966. **Price**—At par. **Proceeds**—To repay debt and as a reserve for possible acquisitions. **Office**—818 Market St., Wilmington, Del. **Underwriter**—None.

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).

★ Bankers Dispatch Corp.
July 20, 1961 filed 100,000 outstanding common shares. **Price**—By amendment. **Business**—The transportation of commercial paper, documents and non-negotiable instruments for banks. **Proceeds**—For the selling stockholder. **Office**—4652 S. Kedzie Avenue, Chicago. **Underwriter**—E. F. Hutton & Co., Inc., New York.

★ Beam-Matic Hospital Supply, Inc.
July 21, 1961 filed 100,000 common shares. **Price**—$3. **Business**—The manufacture of hospital equipment and supplies. **Proceeds**—For expansion of plant facilities, purchase of equipment, expansion of sales program, development of new products and working capital. **Office**—25-11 49th Street, Long Island City, N. Y. **Underwriter**—First Weber Securities Corp., New York.

● Bel-Aire Products, Inc. (8/7)
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. (8/21)
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. **Note**—Donald J. Hinkley Co. is no longer underwriting this issue. New underwriter is to be named.

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.

Bloch Brothers Tobacco Co.
July 3, 1961 ("Reg. A") 4,000 common shares (par $12.50). **Price**—By amendment. **Proceeds**—For the selling stockholders. **Office**—4000 Water St., Wheeling, W. Va. **Underwriter**—Fulton, Reid & Co., Inc., Cleveland.

Bloomfield Building Industries, Inc.
June 29, 1961 filed 300,000 class A common shares. **Price**—$5. **Proceeds**—For advances to a subsidiary, purchase of additional land and the construction of buildings thereon. **Office** — 3355 Poplar Ave., Memphis, Tenn. **Underwriter**—Lieberbaum & Co., New York.

● Bloomfield Industries, Inc. (7/31)
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.

● 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. **Note**—This offering has been temporarily postponed.

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).

Boulder Lake Corp.
June 28, 1961 filed 315,000 common shares. **Price**—$2.50. **Business**—The acquisition, exploration and development of mineral properties. **Proceeds**—For construction of roads and buildings, purchase of machinery and exploration of properties. **Address**—P. O. Box 214, Twin Bridges, Mont. **Underwriter**—Wilson, Ehli, Demos, Bailey & Co., Billings, Mont.

Bowling Internazionale, Ltd.
June 30, 1961 filed 200,000 common shares. **Price**—$5. **Proceeds**—For the construction or acquisition of a chain of bowling centers principally in Italy, and for expansion and working capital. **Office**—80 Wall St., New York. **Underwriters**—V. S. Wickett & Co., and Thomas, William, & Lee, Inc., New York City.

● Brisker Corp. (8/14)
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.

British-American Construction & Materials Ltd.
July 7, 1961 filed $3,500,000 (U. S.) debentures, 6% sinking fund series due 1981 (with warrants) and 300,000 outstanding common shares. **Price**—By amendment. **Business**—A construction company. **Proceeds**—Debentures—For repayment of debt, construction, acquisition and working capital. Stock—For the selling stockholders. **Office**—Jarvis Ave., at Andrews St., Winnipeg, Manitoba, Canada. **Underwriter**—P. W. Brooks & Co., Inc., New York (managing).

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. (8/7)
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. (8/10)
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. (8/7-11)
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.
March 23, 1961 filed 196,109 shares of capital stock. **Price**—$1.15. **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. **Offering**—Expected in late October.

● Calandra Photo, Inc. (8/7)
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 Computer Products, Inc. (8/1)
July 3, 1961 ("Reg. A") 75,000 common shares (par 50 cents). **Price**—$4. **Proceeds**—For new products, inventory, repayment of loans and working capital. **Office**—8714 E. Cleta St., Downey, Calif. **Underwriter**—Mitchum, Jones & Templeton, Los Angeles, Calif.

● California Growth Capital Inc.
July 18, 1961 filed 600,000 common shares. **Price**—By amendment. **Business**—A small business investment company. **Proceeds**—For investment. **Office**—111 Sutter St., San Francisco, Calif. **Underwriters**—H. M. Byllesby & Co., Inc., Chicago and Birr & Co., Inc., San Francisco.

Cal-Val Research & Development Corp.
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**—19907 Ventura Boulevard, Woodland Hills, Calif. **Underwriter**—Auchincloss, Parker & Redpath, Washington, D. C. **Offering**—Expected in late August.

● Calvideo Electronics, Inc. (8/2)
May 29, 1961 ("Reg. A.") 100,000 common shares (par 10 cents). **Price**—$3. **Proceeds**—For repayment of debt and working capital. **Office**—18601 S. Santa Fe Ave., Compton, Calif. **Underwriters**—J. K. Norton & Co. and Stern, Zeiff & Co., Inc., New York.

● Canandaigua Enterprises Corp. (7/28)
May 2, 1961 filed $4,000,000 of 7% sinking fund debentures due 1976 (convertible on or before July 1, 1966), and 240,000 shares of class A stock, to be offered for public sale in units, each consisting of $500 of debentures, and 30 class A shares. **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 Income Fund, Inc.
July 3, 1961 filed 30,000 common shares. **Price** — By amendment. **Business**—A mutual fund. **Proceeds** — For investment. **Office** — 900 Market St., Wilmington, Del. **Underwriter**—Capital Management Corp., Miami (managing).

Capitol Research Industries, Inc.
June 28, 1961 filed 165,000 common shares and 75,000 common stock purchase warrants. **Price**—For stock, $2; for warrants, 20 cents. **Business**—The manufacture of X-ray film processing machines. **Proceeds**—For repayment of loans and working capital . **Office**—4206 Wheeler Avenue, Alexandria, Va. **Underwriter**—None.

● Cellomatic Battery Corp. (8/21-25)
June 20, 1961 ("Reg. A") 100,000 common shares (par 10 cents). **Price** — $2.50. **Proceeds** — For repayment of debt, inventory and working capital. **Office**—300 Delaware Avenue, Archbald, Pa. **Underwriter**—Armstrong & Co., Inc., New York.

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.
June 26, 1961 filed 127,632 common shares being offered for subscription by stockholders on the basis of one new share for each 15 shares held of record July 19, with rights to expire Aug. 3. **Price**—$34. **Business**—The manufacture of building materials, principally asphalt roofing. **Proceeds**—For working capital. **Office**—120 E. Lancaster Ave., Ardmore, Pa. **Underwriter**—Lazard Freres & Co., New York (managing).

Challenger Products, Inc.
June 30, 1961 filed 125,000 common shares. **Price**—$5. **Proceeds**—For the repayment of debt, purchase of new equipment, and working capital. **Office**—2934 Smallman St., Pittsburgh, Pa. **Underwriter**—Pistell, Crowe, Inc., New York.

Charles Jacquin et Cie, Inc.
July 7, 1961 filed 140,000 common shares of which 20,000 shares are to be offered by the company and 120,000 shares by stockholders. **Price**—By amendment. **Business**—The production of cordials, vodka, rum, brandy, etc. **Proceeds**—For working capital, sales promotion and advertising. **Office**—2633 Trenton Ave., Philadelphia. **Underwriter**—Stroud & Co., Inc., Philadelphia (managing). **Offering**—Expected in early September.

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. (8/15)
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.
April 7, 1961 filed $6,938,900 of 4½% subordinated debentures, due Aug. 1, 1981 being offered for subscription by stockholders on the basis of one $100 debenture for each 50 common shares held of record July 21 with rights to expire Aug. 7. **Price**—At par. **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 Ave., 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

Continued on page 36

Continued from page 35

purposes. **Office**—17 Jeffrey Lane, Hicksville, N. Y. **Underwriter**—Lewis Wolf, Inc., New York. **Note**—This letter was withdrawn June 15.

Church Builders, Inc.
Feb. 6, 1961 filed 50,000 shares of common stock, series 2. **Price**—$5.50 per share. **Business**—A closed-end diversified investment company of the management type. **Proceeds**—For investment. **Office**—501 Bailey Avenue, Fort Worth, Texas. **Distributor**—Associates Management, Inc., Fort Worth, Texas.

● **Churchill Stereo Corp.**
July 17, 1961 105,000 common shares and 105,000 attached five-year warrants to be offered in units of one share and one warrant. **Price**—$3.60 per unit. **Business**—The manufacture of stereophonic, hi-fidelity, radio and/or television equipment and the operation of six retail stores. **Proceeds** — For expansion, repayment of loans, working capital and other corporate purposes. **Office**—200 E. 98th Street, Brooklyn, N. Y. **Underwriter**—Lieberbaum & Co., New York (managing).

City Gas Co. of Florida (8/15)
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.

★ **Clarise Sportswear Co., Inc.**
July 21, 1961 filed 125,000 common shares, of which 75,000 shares are to be offered by the company and 50,000 shares by stockholders. **Price**—$5. **Business**—The manufacture of women's sportswear. **Proceeds**—For working capital. **Office**—141 W. 36th Street, New York. **Underwriters**—Allessandrini & Co., Inc. and Hardy & Hardy, New York (co-managing).

● **Clarkson Laboratories, Inc. (8/7)**
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.

★ **Cle-Ware Industries, Inc.**
July 25, 1961 filed 195,000 common shares of which 160,000 shares are to be offered by the company and 35,000 shares by stockholders. **Price**—By amendment. **Business**—The wholesaling of parts, chemicals and accessories related to the automotive and marine fields. **Proceeds**—For repayment of loans, working capital and other corporate purposes. **Office**—10604 St. Clair Ave., Cleveland. **Underwriter**—Westheimer & Co., Cincinnati.

Clute (Francis H.) & Son, Inc.
July 3, 1961 filed 1,000,000 common shares. **Price**—$1.50. **Business** — The manufacture of farm and industrial equipment. **Proceeds**—For materials and inventory, research and development and working capital. **Office**—1303 Elm St., Rocky Ford, Colo. **Underwriter** — Stone, Altman & Co., Inc., Denver.

Coburn Credit Co., Inc.
July 18, 1961 filed $1,500,000 of convertible subordinated debentures due 1976. **Price**—At par. **Business**—A consumer finance company. **Proceeds**—For general corporate purposes. **Office** — 53 N. Park Ave., Rockville Center, N. Y. **Underwriters**—Brand, Grumet & Seigel, Inc. and Kesselman & Co., Inc., New York.

★ **Color Lithography Corp.**
July 11, 1961 ("Reg. A") 100,000 common shares (par 10 cents). **Price**—$3. **Proceeds**—For repayment of a loan and working capital. **Office**—493 C Street, Boston, Mass. **Underwriter**—None.

Color Reproductions, Inc.
May 10, 1961 (letter of notification) 950 units of $95,000 of 6% subordinated debentures, due June 30, 1971, and 47,500 shares of common stock (par one cent) to be offered in units, each unit consisting of $100 of debentures and 50 shares of common stock. **Price**—$287.50 per unit. **Business**—The company makes color photographs and reproductions for churches, institutions, seminaries and schools. **Proceeds**—For equipment; sales promotion; repayment of loans; construction of buildings and improvements of facilities. **Office**—202 E. 44th St., New York, N. Y. **Underwriter**—William, David & Motti, Inc., New York, N. Y.

Columbia Research Group
June 20, 1961 filed 5,000,000 preferred shares (par one cent). **Price**—$1. **Business**—The production of religious and educational phonograph records. **Proceeds**—For general corporate purposes. **Office**—3600 Market Street, Salt Lake City, Utah. **Underwriter**—None.

Columbian Bronze Corp.
July 13, 1961 filed 150,000 common shares. **Price**—$5 **Business**—The manufacture of marine propellers and electronic equipment, hydraulic products and metal furniture. **Proceeds**—For repayment of loans and expansion. **Office**—216 N. Main St., Freeport, N. Y. **Underwriter**—Lomasney, Loving & Co., New York (managing).

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 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.

● **Computer Instruments Corp. (9/5-8)**
July 13, 1961 filed 160,000 outstanding common shares. **Price**—By amendment. **Business**—The manufacture of precision potentiometers, electronic components and measuring instruments. **Proceeds** — For the selling stockholders. **Office**—92 Madison Ave., Hempstead, N. Y. **Underwriter**—Hayden, Stone & Co., New York (managing).

Concrete Designs, Inc.
June 21, 1961 ("Reg. A") 75,000 common shares (par 10 cents). **Price**—$4. **Business**—The design, manufacture and installation of pre-cast reinforced concrete buildings and building products. **Proceeds**—For repayment of loans, expansion, inventory and working capital. **Office**— S. W. 44th Avenue, and Griffin Road, Fort Lauderdale, Fla. **Underwriter**—A. M. Shulman & Co., Inc., 37 Wall Street, New York.

Conolite, Inc. (8/30)
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 Marine Industries, Inc.
June 20, 1961 filed 200,000 common shares. **Price**—$6. **Business**—A holding company for concerns engaged in the pleasure-boat industry. **Proceeds**—For working capital and other corporate purposes. **Office**—809 Cameron Street, Alexandria, Va. **Underwriter**—Alexandria Investments & Securities, Inc., Washington, D. C.

Consolidated Production Corp. (8/3)
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.

Continental Fund Distributors, Inc.
April 13, 1961 filed 296,000 common shares and 296,000 warrants for the purchase of stock of Continental Management Corp., advisor to Continental Growth Fund, Inc. The securities will be offered for public sale in units of one common share and one warrant. **Price**—$1 per unit. **Business**—The company is the sponsor of Continental Growth Fund, Inc. **Proceeds**—For expansion. **Office**—366 Fifth Ave., New York City. **Underwriter**—Niagara Investors Corp., 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.

Cooperative Grange League Federation Exchange, Inc.
July 3, 1961 filed $250,000 of 4% subordinated debentures due 1966, 10,000 shares of 4% cumulative preferred stock (par $100) and 250,000 common shares. **Price**—For debentures, at par; for preferred, $100 and for common, $5. **Business**—An incorporated agricultural cooperative association. **Proceeds**—For redemption of securities of two subsidiaries and working capital. **Office**—Terrace Hill, Ithaca, N. Y. **Underwriter**—None.

Copycat Corp.
June 19, 1961 ("Reg. A") 100,000 common shares (par 10 cents). **Price**—$3. **Business**—The distribution and sale of photocopy and distributing machines. **Proceeds**—For working capital, advertising, research and expansion. **Office**—200 Park Ave., S., New York. **Underwriters**—Treves & Co. and Reich & Co., 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.

Cosmetic Chemicals Corp.
June 28, 1961 filed 100,000 common shares (par one cent). **Price** — $4. **Business** — The distribution of cosmetics. **Proceeds**—For advertising, sales expenses, inventory, research, working capital and other corporate purposes. **Office**—5 E. 52nd Street, New York. **Underwriter**—Nance-Keith Corp., New York.

Cosmo Book Distributing Co.
July 6, 1961 filed 110,000 common shares. **Price** — $3. **Business**—The wholesale distribution of books. **Proceeds**—For repayment of a loan, inventory, working capital and general corporate purposes. **Office** — 1130 Madison Ave., Elizabeth, N. J. **Underwriter**—Frank Karasik & Co., Inc., New York.

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. (8/14-18)**
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. **Office**—315 W. 47th St., New York. **Underwriter**—Amos Treat & Co., New York City (managing).

Cott Bottling Co., Inc.
June 29, 1961 filed 335,000 common shares of which 170,000 shares are to be offered by the company and 165,000 shares by stockholders. **Price**—By amendment. **Business** — The manufacture of carbonated beverages. **Proceeds**—To repay loans, increase inventory and for expansion. **Office**—177 Granite Street, Manchester, N. H. **Underwriter**—R. W. Pressprich & Co., New York.

Crank Drug Co.
July 3, 1961 filed 130,000 common shares. **Price** — By amendment. **Business** — The operation of retail drug stores. **Proceeds**—For repayment of loans, and for expansion. **Office**—1947 E. Meadowmere St., Springfield, Mo. **Underwriter** — Reinholdt & Gardner, St. Louis (managing).

★ **Crescent Credit Corp.**
July 17, 1961 ("Reg. A") 65,000 common shares (par $1). **Price**—$4.50. **Proceeds**—To increase capital and surplus. **Office**—Frank Leu Building, Montgomery, Ala. **Underwriter**—None.

Cressey, Dockham & Co., Inc. (8/28-9/1)
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.

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.

Dadan, Inc.
June 29, 1961 ("Reg. A") 160,000 common shares (par 50 cents). **Price**—$1.15. **Business**—The manufacture of games. **Proceeds**—For repayment of loans, development of new products and working capital. **Office**—209 Wilder Bldg., Rochester 14, N. Y. **Underwriter**—McDonald, Anderson, Peterson & Co., Inc., Minneapolis.

● **Dallas Airmotive, Inc. (8/14)**
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 Management, Inc.**
July 17, 1961 ("Reg. A") 260,869 class A common shares (par 10 cents). **Price**—$1.15. **Proceeds**—For purchase of equipment, investments, and working capital. **Office**—1608 First National Bank Building, Minneapolis. **Underwriter**—M. H. Bishop & Co., Minneapolis.

Datom Industries, Inc.
July 17, 1961 filed 112,500 common shares. **Price**—$4. **Business**—The manufacture of electrical products such as transistorized and conventional tube radios, portable phonographs and educational kits. **Proceeds**—For working capital and other corporate purposes. **Office**—350 Scotland Road, Orange, N. J. **Underwriter**—Robert L. Ferman & Co., Miami, Fla. (managing).

Deco Aluminum, Inc.
July 5, 1961 ("Reg. A") 100,000 common shares (par five cents). **Price** — $3. **Proceeds** — For repayment of loans; inventory; equipment and working capital. **Office**—4250 Adams Ave., Philadelphia. **Underwriter**—R. P. & R. A. Miller & Co., Inc., Philadelphia.

Delta Venture Capital Corp.
July 13, 1961 filed 520,000 common shares. **Price**—$3.30. **Business**—An investment company. **Proceeds**—For investment. **Office**—1011 N. Hill St., Hopkins, Minn. **Underwriter**—None.

★ Dennis Real Estate Investment Trust
July 24, 1961 filed 100,000 shares of beneficial interest. **Price**—$100. **Business**—A real estate investment company. **Office** — 90 State Street, Albany, N. Y. **Underwriter**—None.

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).

● Diversified Industries, Inc.
June 12, 1961 ("Reg. A") 24,059 7% convertible preferred shares (par $5) being 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 with rights to expire Aug. 9. **Price**—$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.

Diversified Wire & Steel Corp. of America
July 17, 1961 filed 100,000 class A common shares. **Price**—$4. **Business**—The manufacture of cold drawn steel wire, furniture springs and related products. **Proceeds**—for repayment of debt, acquisition and improvement of property, equipment, and working capital. **Office**—3525 E. 16th St., Los Angeles. **Underwriter**—V. K. Osborne & Sons, Inc., Beverly Hills, Calif. (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.

● Douglas Microwave Co., Inc. (8/28-9/1)
June 29, 1961 filed 100,000 common shares. **Price**—By amendment. **Business**—The manufacture of microwave components, test equipment and sub-systems. **Proceeds**—For repayment of loans, research and development, advertising, purchase of equipment and other corporate purposes. **Office**—252 E. 3rd Street, Mount Vernon, N.Y. **Underwriters**—J. R. Williston & Beane and Hill, Darlington & Grimm, New York (managing).

Drug & Food Capital Corp.
July 14, 1961 filed 500,000 common shares. **Price**—$10. **Business**—A small business investment company. **Proceeds**—For investment. **Office**—30 N. La Salle St., Chicago. **Underwriters**—A. C. Allyn & Co., Chicago & Westheimer & Co., Cincinnati (managing).

Duke Shopping Center Limited Partnership
June 28, 1961 filed 269 units of limited partnerships interests. **Price** — $1,000. **Business** — The acquisition and construction of a shopping center at Alexandria, Va. **Proceeds**—For the purchase of the above property. **Office**—729-15th Street, N. W., Washington, D. C. **Underwriter**—Investor Service Securities, Inc., Washington, D. C.

Dunlap & Associates, Inc.
June 30, 1961 filed 75,000 common shares, of which 60,000 will be offered by the company and 15,000 by stockholders. **Price**—By amendment. **Business**—The company provides scientific research, engineering consulting and development services to the Armed Services, U. S. Government agencies and private industry. **Proceeds**—For purchase of building sites, expansion, and working capital. **Office**—429 Atlantic St., Stamford, Conn. **Underwriter**—Dominick & Dominick, New York. **Offering**—Expected in early September.

Dynamic Gear Co., Inc.
June 29, 1961 filed 125,000 common shares of which 100,000 shares are to be offefred by the company and 25,000 shares by a stockholder. **Price** — $3. **Business** — Manufacture of precision instrument gears. **Proceeds**—For purchase and rebuilding of automatic gear-cutting machines, prepayment of a note, inventory, a new plant and for general corporate purposes. **Office**—175 Dixon Avenue, Amityville, N. Y. **Underwriters**—Flomenhaf, Seidler & Co., Inc. and Lomasney, Loving & Co., New York (managing).

Dynamic Toy, Inc.
June 30, 1961 ("Reg. A") 81,000 common shares (par 10 cents). **Price**—$3. **Business** — The manufacture of toys. **Proceeds**—For advertising, development of new products expansion and working capital. **Address**—109 Ainslie St., Brooklyn, N. Y. **Underwriter**—Hancock Securities Corp., New York. **Offering**—Expected in September.

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 early August.

Eckerd Drugs of Florida, Inc.
June 29, 1961 filed 90,000 common shares and $900,000 of 7% convertible subordinated debentures due 1971 to be offered in units consisting of one common share and $10 of debentures. **Price**—By amendment. **Business**—The operation of drug stores. **Proceeds**—To open 5 new stores, repay loans and other corporate purposes. **Office**—3665 Gandy Blvd., Tampa, Fla. **Underwriter**—Courts & Co., Atlanta (managing).

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). **Offering**—Expected in early September.

Educators Furniture & Supply Co., Inc.
June 29, 1961 ("Reg. A") 5,099 capital shares (par $10). **Price**—$20. **Proceeds**—For repayment of loans. **Office**—2617 Kay St., Sacramento, Calif. **Underwriter**—None.

● Electra International, Ltd. (8/14-18)
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. (8/1)
April 21, 1961 filed 100,000 shares of common stock, **Price** — $5 per share. **Business** — The research and development of arc welding and wire shielding. **Proceeds**—For equipment, working capital and miscellaneous expenses. **Office**—505 Washington St., Lynn, Mass. **Underwriter**—P. de Rensis & Co., Inc., Boston, Mass.

Electro-Med, Inc.
July 17, 1961 filed $540,000 of convertible subordinated debentures due 1971. **Price**—By amendment. **Business**—The manufacture of medical-electronic instruments. **Proceeds**—For working capital. **Office** — 4748 France Avenue, N. Minneapolis. **Underwriter** — Craig-Hallum, Kinnard, Inc., Minneapolis (managing).

Electro-Miniatures Corp.
June 19, 1961 ("Reg. A") 100,000 common shares (par 10 cents). **Price**—$3. **Business** — The manufacture of electronic and electro-mechanical devices for the aircraft, radar, missile and rocket industries. **Proceeds**—For the selling stockholders. **Office**—600 Huyler St., Hackensack, N. J. **Underwriter**—Burnham & Co., New York.

Electro-Temp Systems, Inc.
June 30, 1961 ("Reg. A") 75,000 common shares (par one cent). **Price** $4. **Business**—The sale of refrigeration machinery and equipment. **Proceeds**—For repayment of a loan, inventory, promotion and advertising, and working capital. **Office**—150-49 Hillside Ave., Jamaica, N. Y. **Underwriters**—Planned Investing Corp., New York and Bayes, Rose & Co., Inc., 39 Broadway, New York.

Electronic Instrument Co., Inc.
June 28, 1961 filed 175,000 capital shares, of which 118,000 shares are to be offered by the company and 57,000 shares by a selling stockholder. **Price**—By amendment. **Business** — The manufacture of electronic equipment. **Proceeds**—For repayment of loans and general corporate purposes. **Office** — 33-00 Northern Blvd., Long Island City, N. Y. **Underwriter**—Goodbody & Co., New York (managing).

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. **Offering**—Imminent.

Empire Fund, Inc.
June 28, 1961 filed 1,250,000 shares of capital stock to be offered in exchange for blocks of designated securities. **Business**—A "centennial-type" fund which plans to offer a tax free exchange of its shares for blocks of corporate securities having a market value of $20,000 or more. **Office**—44 School Street, Boston, Mass. **Underwriter**—A. G. Becker & Co. Inc., Chicago.

Empire Life Insurance Co. of America
March 14, 1961 (letter of notification) 30,000 shares of capital stock (no par). **Price**—$10 per share. **Proceeds**—To go to selling stockholders. **Office**—2801 W. Roosevelt Road, Little Rock, Ark. **Underwriter**—Consolidated Securities, Inc., 2801 W. Roosevelt Road, Little Rock, Ark.

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.

★ Eternal Memorial Gardens
July 18, 1961 ("Reg. A") 275,000 common shares. **Price**—At par ($1). **Proceeds**—For working capital. **Office**—1604 Grand Avenue, Billings, Mont. **Underwriter** — None.

● Ets-Hokin & Galvan, Inc. (8/14-18)
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).

● Fairfield Controls, Inc. (8/7)
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.

Fairmount Chemical Co., Inc.
June 28, 1961 filed 150,000 common shares of which 125,000 shares are to be offered by the company and 25,000 shares by stockholders. **Price**—By amendment. **Business**—The manufacture of chemicals. **Proceeds**—For purchase of equipment and the repayment of loans. **Office**—117 Blanchard Street, Newark, N. J. **Underwriter**—Andresen & Co., New York.

Famous Artists Schools, Inc. (8/3)
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.
Jan. 30, 1961 filed $2,000,000 of 6% convertible subordinated debentures. **Price**—100% of principal amount. **Business**—The company is engaged in the manufacture and distribution of high reliability materials and basic electronic components, including dielectric and electrolytic capacitors and precision tungsten wire forms. **Proceeds**—For the payment of debts and for woorking capital. **Office**—471 Cortlandt Street, Belleville, N. J. **Underwriter**—S. D. Fuller Co. **Note**—July 11, the SEC instituted "Stop Order" proceedings challenging the accuracy and adequacy of this statement. A hearing on the matter will be held Aug. 14.

Fashion Homes Inc.
July 18, 1961 filed $600,000 of subordinated debentures due 1971; 100,000 common shares and 100,000 five-year warrants (exercisable at from $4 to $8 per share) to be offered for public sale in units of one $60 debenture, 10 common shares and 10 warrants. The registration also covers 40,800 common shares. **Price**—$100 per unit, and $6 per share. **Business**—The construction of shell homes. **Proceeds**—For redemption of 8% debentures; advances to company's subsidiary; repayment of loans; advertising and promotion, and other corporate purposes. **Office**—1711 N. Glenstone, Springfield, Mo. **Underwriters** — Globus, Inc. and Ross, Lyon & Co., Inc., New York.

● Federal Factors, Inc. (8/10)
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 Manufacturing & Engineering Corp.
June 30, 1961 filed 535,002 common shares of which 92,782 shares will be offered for subscription by stockholders on basis of 1 new share for each 5 shares held, and 92,782 shares offered for subscription by stockholders of Victoreen Instrument Co., parent firm, on the basis of one new share for each Victoreen share held. **Proceeds**—For the repayment of bank loans and other corporate purposes. **Office**—1055 Stewart Ave., Garden City, N. Y. **Underwriter**—None.

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.

Fifth Dimension Inc. (8/3)
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 (managing).

First Mortgage Fund
June 12, 1961 filed 1,000,000 shares of beneficial interests. **Price** — $15. **Business** — A real estate investment trust. **Proceeds**—For investment. **Office**—30 Federal St., Boston. **Underwriter**—Shearson, Hammill & Co., N. Y. **Offering**—Expected in September.

First National Real Estate Trust
June 6, 1961 filed 1,000,000 shares of beneficial interest

Continued on page 38

Continued from page 37

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 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 754,730 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. **Office**—237 Olive Ave., Burbank, Calif. **Underwriter**—Dempsey-Tegeler & Co., St. Louis (managing).

Fischbach & Moore, Inc.
June 29, 1961 filed 50,000 outstanding common shares. **Price**—By amendment. **Business**—Electrical contracting on office buildings, industrial plants and missile, radar and power plant installations. **Proceeds**—For the selling stockholders. **Office** — 545 Madison Ave., New York. **Underwriter**—Allen & Co., New York (managing).

● **Flato Realty Fund (8/21)**
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.

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).

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). **Offering**—Expected in early September.

Fotochrome Inc.
June 29, 1961 filed $3,500,000 of convertible subordinated debentures due 1981 and 262,500 outstanding common shares. The debentures are to be offered by the company and the stock by stockholders. **Price** — By amendment. **Business** — The processing of photographic films; the wholesaling of photographic supplies and the development and sale of film processing. **Proceeds** — For construction of a new plant, purchase of equipment, moving expenses and for other corporate purposes. **Office**—1874 Washington Ave., New York. **Underwriters**—Shearson, Hammill & Co., and Emanuel, Deetjen & Co., New York. **Offering**—Expected in September.

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. (8/21)**
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. (8/21)**
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. (8/14)**
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).

★ **Gatlinburg Ski Corp.**
July 14, 1961 ("Reg. A") 145,000 common shares (par $1). **Price**—$2. **Proceeds**—For development of a ski resort. **Address** — Gatlinburg, Tenn. **Underwriters** — Cumberland Securities Corp., Nashville, and Davidson & Co., Inc., Knoxville, Tenn.

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 Photos, Inc.
June 30, 1961 ("Reg. A") 100,000 common shares (par 50 cents). **Price**—By amendment. **Proceeds**—For new equipment, purchase of stock and working capital. **Office** — 130 N. Wells St., Chicago, Ill. **Underwriter** — Divine & Fishman, Inc., 134 S. La Salle St., Chicago, Ill.

General Plastics Corp.
June 20, 1961 ("Reg. A") 60,000 common shares (par $1). **Price**—$5. **Proceeds**—For repayment of loans, inventory, equipment and working capital. **Office**—12414 Exposition Blvd., West Los Angeles, Calif. **Underwriters**—Pacific Coast Securities Co. and Sellgren, Miller & Co., San Francisco.

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).

Geoscience Instrument Corp.
June 22, 1961 ("Reg. A") 125,000 common shares (par one cent). **Price**—$1. **Business**—The preparation of minerals and metals for the electronic, metallurgical and geoscientific industries. **Proceeds** — For repayment of loans, purchase of equipment, expansion, working capital and other corporate purposes. **Office**—110-116 Beekman St., New York. **Underwriter** — First Philadelphia Corp., New York.

Gerber Scientific Instrument Co.
July 14, 1961 filed 78,000 common shares, of which 60,000 shares are to be offered by the company and 18,000 shares by the stockholders. **Price** — By amendment. **Business** — The manufacture of scientific instruments. **Proceeds**—For repayment of loans, expansion and working capital. **Office**—140 Van Block Ave., Hartford, Conn. **Underwriter**—Estabrook & Co., Boston, Mass.

Getz (William) Corp.
June 6, 1961 filed 105,000 shares of common of which 80,000 shares are to be offered by the company and 25,000 shares by a stockholder. **Price** — By amendment. **Business**—Company manufactures dental supplies. **Proceeds**—For repayment of a bank loan and general corporate purposes. **Office**—7512 S. Greenwood Ave., Chicago. **Underwriter**—Bacon, Whipple & Co., Chicago.

● **Giannini Scientific Corp.**
Feb. 27, 1961 (letter of notification) 30,000 shares of common stock (par 10 cents). **Price** — $10 per share. **Business**—Research, development and manufacturing in technological fields. **Proceeds** — For general corporate purposes. **Office**—30 Broad Street, New York, N. Y. **Underwriter**—Kidder. Peabody & Co., Inc., New York, N. Y. **Offering**—Imminent.

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 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.

★ **Girder Process, Inc.**
July 21, 1961 filed 80,000 class A common shares. **Price**—$5.25. **Business**—The manufacture of adhesive bonding films and related products. **Proceeds**—For acquisition of a new plant, purchase and construction of new machinery and equipment, research and laboratory product development, sales program, advertising, working capital and other corporate purposes. **Office**—102 Hobart Street, Hackensack, N. J. **Underwriter**—Winslow, Cohu & Stetson, New York (managing).

● **Gloray Knitting Mills, Inc. (8/28-9/1)**
June 30, 1961 filed 125,000 common shares. **Price**—By amendment. **Business** — The manufacture of boys and mens' knitted sweaters. **Proceeds**—For general corporate purposes. **Office**—Robesonia, Pa. **Underwriter**—Shields & Co., New York (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.

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. (8/8)**
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. **Underwriter**—Hess, Grant & Remington, Inc., Philadelphia.

★ **Gro-Rite Shoe Co., Inc.**
July 21, 1961 filed $500,000 of 6% convertible subordinated debentures due 1970 to be offered for subscription by stockholders on the basis of one $100 debenture for each 60 shares held. **Price**—At par. **Business**—The manufacture of specialized children's shoes. **Proceeds**—For new molds, construction and working capital. **Address**—Route 2, Box 129, Mount Gilead, N. C. **Underwriter**—None.

Growth, Inc.
May 17, 1961 (letter of notification) 100,000 shares of common stock (par $1). **Price**—$3 per share. **Address**—Lynn, Mass. **Underwriter**—Mann & Creesy, Salem, Mass.

Growth Properties
May 9, 1961 filed 100,000 shares of common stock. **Price**—To be supplied by amendment. **Business**—The company plans to engage in all phases of the real estate business. **Proceeds** — To reduce indebtedness, construct apartment units, buy land, and for working capital. **Office**—Suite 418, Albert Bldg., San Rafael, Calif. **Underwriter**—Pacific Coast Securities Co., San Francisco, Calif. (managing). **Offering**—Expected in late July.

Gulf-Southwest Capital Corp. (7/31-8/4)
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).

★ **Gyrodyne Co. of America, Inc.**
July 13, 1961 filed $1,500,000 of convertible subordinated debentures due 1976 (with attached warrants) and 90,000 common shares to be offered in 30,000 units each consisting of $50 of debentures (with warrants) and three common shares. **Price**—By amendment. **Business**—The manufacture of helicopters. **Proceeds**—For redemption of preferred stock, construction, purchase of machinery and equipment, furniture and fixtures and working capital. **Office**—St. James, L. I., N. Y. **Underwriter**—Harriman Ripley & Co., New York (managing).

● **Harn Corp. (8/28-9/1)**
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).

Harper (H. M.) Co. (8/10)
June 15, 1961 filed 180,000 common shares (par $1) of which 150,000 shares will be sold by the company and 30,000 shares by stockholder. **Price** — By amendment. **Business**—The manufacture of stainless steel and nonferrous corrosion resistant fasteners and parts. **Proceeds**—For working capital. **Office**—8200 Lehigh Ave., Morton Grove, Ill. **Underwriter** — Blunt Ellis & Simmons, Chicago.

● **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. Stockholders are to vote on the merger Sept. 7, 1961.

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.

★ **Hexagon Laboratories, Inc.**
July 20, 1961 filed $540,000 of 6% convertible subordinated debentures due 1976 and 90,000 common shares to be offered in units consisting of $300 of debentures and 50 common shares. **Price**—$500 per unit. **Business**

—The manufacture of medicinal chemicals. **Proceeds**—For equipment, expansion, repayment of loans and working capital. **Office**—3536 Peartree Avenue, New York. **Underwriter**—Stears & Co., New York (managing).

● 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. **Note**—This issue is being withdrawn.

Hilco Homes Corp.
June 30, 1961 filed $650,000 of 6½% convertible subordinated debentures due 1979 and 195,000 common shares to be offered for public sale in 6,500 units, each consisting of one $100 debenture and 30 common shares. **Price**—By amendment. **Business**—The manufacture of pre-cut homes and components in the heating, plumbing and kitchen equipment fields. **Proceeds**—To organize a new finance subsidiary, for plant expansion, and for working capital. **Office**—70th St., and Essington Ave., Philadelphia. **Underwriter**—Rambo, Close & Kerner, Inc. Philadelphia.

● Hoffman International Corp.
July 18, 1961 filed $1,890,700 7% convertible subordinated debentures due 1973 to be offered for subscription by stockholders on the basis of $100 of debentures for each 25 shares held. **Price**—At par. **Business**—The manufacture of pressing and dry-cleaning equipment. **Proceeds**—For repayment of loans and general corporate purposes. **Office**—107 Fourth Ave., New York. **Underwriter**—J. R. Williston & Beane, New York.

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. **Offering**—Expected in late August.

● 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. **Note**—J. I. Magaril & Co. was withdrawn as underwriter.

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. **Note**—This offering has been temporarily postponed.

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. **Underwriter**—Industrial Securities Corp., Denver, Colo. **Offering**—Expected in September.

● Ihnen (Edward H.) & Son, Inc. (9/5-8)
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.

Illinois Tool Works Inc.
July 12, 1961 filed 100,000 outstanding common shares (par $10). **Price**—By amendment. **Business**—The manufacture of metal and plastic fasteners, gear-cutting tools, measuring instruments, etc. **Proceeds**—For the selling stockholders. **Office**—2501 N. Keeler Ave., Chicago. **Underwriter**—White, Weld & Co., New York (managing). **Offering**—Expected in early September.

● Income Planning Corp. (8/8)
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.

Industrial Electronic Hardware Corp.
June 29, 1961 filed $1,000,000 of 6% convertible subordinated debentures due Aug. 1, 1976 to be offered by the company and 25,000 outstanding common shares by the stockholders (par 50c). **Price**—For debentures—100%; For stock—By amendment. **Business**—The manufacture of basic component parts for the electrical and electronic equipment industry. **Proceeds**—For expansion, inventory, introduction of new products and general corporate purposes. **Office**—109 Prince Street, New York. **Underwriter**—S. D. Fuller & Co., New York (managing). **Offering**—In early September.

Industrial Gauge & Instrument Co., Inc. (8/16)
June 28, 1961 ("Reg. A") 75,000 common shares (par 10 cents). **Price** — $3. **Business** — The sale of industrial gauges, valves and allied products. **Proceeds**—For production, inventory, working capital and repayment of loans. **Office**—1403 E. 180th St., New York 69, N. Y. **Underwriter**—R. F. Dowd & Co., Inc., New York.

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.

● Industry Fund of America, Inc.
July 10, 1961 filed 740,000 common capital shares. **Price**—Net asset value plus a sales charge of up to 8½%. **Business** — A mutual fund. **Proceeds** — For investment. **Office**—400 Utah Savings Bldg., Salt Lake City. **Underwriter**—None.

Instrument Systems Corp. (8/3)
June 28, 1961 filed 150,000 common shares (par 25 cents). **Price**—$5. **Business**—The manufacture of precision instruments and controls for the aircraft and electronics industries. **Proceeds**—For expansion and working capital. **Office**—129-07 18th Avenue, College Point, N. Y. **Underwriters**—Milton D. Blauner & Co. (managing), M. L. Lee & Co., Inc., Lieberbaum & Co., New York.

Intercontinental Dynamics Corp. (8/25)
July 18, 1961 ("Reg. A") 200,000 common shares. **Price**—$1.50. **Business**—The manufacture of electronic and electro-mechanical devices used to determine the accuracy of aircraft flight instruments. **Office**—170 Coolidge Avenue, Englewood, N. J. **Underwriter** — M. H. Woodhill 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.

★ Interstate Bowling Corp.
July 25, 1961 filed 150,000 common shares. **Price**—$3.50. **Business** — The acquisition and operation of bowling centers in Colorado. **Proceeds**—For repayment of debts and general corporate purposes. **Office**—10391 Magnolia Ave., Riverside, Calif. **Underwriter**—Currier & Carlsen, Inc., San Diego.

Interstate Department Stores, Inc. (8/1-20)
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 deben. for each 20 shares held of record about Aug. 1 with rights to expire about Aug. 20. **Price**—At par. **Business**—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).

● Irvan Ferromagnetics Corp. (8/30)
July 6, 1961 ("Reg. A") 40,000 common shares (par 50 cents). **Price**—$5. **Proceeds**—For production equipment, repayment of loans and research. **Office**—13856 Saticoy St., Van Nuys, Calif. **Underwriters**—Thomas Jay, Winston & Co., Inc., Beverly Hills, Calif. and Maltz, Greenwald & Co., New York.

Irwin (Richard D.), Inc.
July 10, 1961 filed 160,000 common shares of which 35,000 shares are to be offered by the company and 125,000 by stockholders. **Price**—By amendment. **Business**—The publishing of textbooks on business and economic subjects. **Proceeds** — For working capital and general corporate purposes. **Office**—1818 Ridge Road, Homewood, Ill. **Underwriter**—A. G. Becker & Co., Inc., New York (managing).

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. **Underwriter**—Ivest, Inc., One State Street, Boston. **Offering**—Expected in September.

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.

● Jaymax Precision Products, Inc. (7/31-8/4)
July 5, 1961 ("Reg. A") 75,000 common shares (par 10 cents). **Price**—$4. **Proceeds**—For construction, purchase of equipment, inventory and working capital. **Office**—15 Broad St., New York. **Underwriter**—Armstrong & Co., Inc., New York.

● Jefferson Counsel Corp. (7/31)
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.

Jefferson Growth Fund, Inc.
July 11, 1961 filed 1,000,000 shares of capital stock. **Price**—Net asset value plus 8½% sales commission. **Business**—A mutual fund. **Proceeds**—For investment. **Office**—52 Wall St., New York. **Underwriter**—Jefferson Distributors Corp., New York.

★ Johnstown Equipment Co.
July 19, 1961 ("Reg. A") $50,000 of 6½% debentures due Aug. 1, 1966 to be offered in denominations of $100 each. **Price**—At par. **Proceeds**—For repayment of debt. **Address**—Johnstown, Colo. **Underwriter**—None.

● Jolyn Electronic Manufacturing Corp. (8/30)
April 24, 1961 (letter of notification) 65,500 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.

● Kane-Miller Corp. (8/14-18)
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.

Keller Corp.
June 29, 1961 filed $1,200,000 of 6½% convertible subordinated debentures due 1968. **Price**—At 100%. **Business**—The development of land, construction of homes and related activities in Florida. **Proceeds**—For repayment of debt, acquisition of Yetter Homes, Inc., and general corporate purposes. **Office**—101 Bradley Place, Palm Beach, Fla. **Underwriter**—Casper Rogers & Co., Inc., New York (managing).

★ Kent Washington, Inc.
July 19, 1961 filed 200,000 common shares. **Price**—$5. **Business**—General real estate. **Proceeds**—For repayment of loans, working capital, construction and other corporate purposes. **Office**—1420 K Street, N. W., Washington, D. C. **Underwriter**—Hodgdon & Co., Inc., Washington, D. C.

Kimberly-Clark Corp. (8/8)
July 12, 1961 filed $30,000,000 of sinking fund debentures due 1986. **Price**—By amendment. **Business**—The manufacture of white paper, cellulose wadding products, etc. **Proceeds**—For general corporate purposes. **Office**—Neenah, Wisc. **Underwriter**—Blyth & Co., Inc., New York City.

King's Department Stores, Inc. (9/13)
July 12, 1961 filed 500,000 common shares (par $1) of which 250,000 shares are to be offered by the company and 250,000 shares by the stockholders. **Price** — By amendment. **Proceeds**—For expansion. **Office**—910 Commonwealth Ave., Boston, Mass. **Underwriter**—Shearson, Hammill & Co., New York (managing).

King's Office Supplies & Equipment, Inc.
July 5, 1961 ("Reg. A") 65,000 common shares (par $1). **Price**—$2. **Proceeds**—For inventory and working capital. **Office**—515-5th St., Santa Rosa, Calif. **Underwriter** — Pacific Coast Securities Co., San Francisco.

Kirk (C. F.) Laboratories, Inc. (8/16)
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).

★ Kleber Laboratories, Inc.
July 17, 1961 ("Reg. A") 150,000 common shares (par two cents). **Price** — $2. **Proceeds** — For repayment of debt, equipment, research and development, and working capital. **Office**—215 S. La Cienga Boulevard, Beverly Hills, Calif. **Underwriter**—D. E. Liederman & Co., Inc., New York.

● Krystinel Corp. (8/7)
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. (8/2)
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.

Continued on page 40

Continued from page 39

"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—32 Rothschild Blvd., Tel-Aviv, Israel. Underwriter—None.

★ Laurel Oak Corp.
July 20, 1961 ("Reg. A") 5,260 class A common shares (par 25 cents); and 1,000 class B common shares (no par). **Price**—$25. **Business**—The operation of golf and recreational facilities. **Proceeds**—For repayment of loans, construction, equipment, landscaping, etc. **Office**—120 Kings Highway W., Haddonfield, N. J. **Underwriter** — Butcher & Sherrerd, Philadelphia.

★ Leader Durst Tri-State Co.
July 21, 1961 filed $2,015,750 of limited partnership interests. **Price** — $5,000 per interest. **Business** — A real estate investment company. **Proceeds**—For investment. **Office**—41 E. 42nd Street, New York. **Underwriter**—None.

● Lease Plan International Corp. (8/14-18)
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).

● Lee Filter Corp.
July 7, 1961 ("Reg. A") 1,334 capital shares (par $1). **Price**—$7.25. **Business**—The manufacture of air, oil and gasoline filters for vehicles. **Proceeds**—For the selling stockholders. **Office**—191 Talmadge Road, Edison, N. J. **Underwriter**—Omega Securities Corp., 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 — The Apache Investment Planning Division of the Apache Corp., Minneapolis.

● Lewis (Tillie) Foods, Inc. (8/28-9/8)
July 3, 1961 filed 400,000 common shares (par $1), of which 200,000 shares are to be offered by the company and 200,000 shares by stockholders. **Price**—By amendment. **Business**—The processing, canning, bottling and selling of fruits and vegetables. **Proceeds**—For repayment of debt and working capital. **Office**—Fresno Ave. & Charter Way, Stockton, Calif. **Underwriter**—Van Alstyne, Noel & Co., New York (managing).

Liberty Real Estate Trust of Florida
June 30, 1961 filed 2,500,000 shares of beneficial interest in the Trust to be offered in exchange for real property, interests in real property and mortgages on property in Florida. Price—$10 per share. Office—1230 N. Palm Ave., Sarasota, Fla. Underwriter — Liberty Securities Corp., Sarasota, Fla.

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 York.

★ Long Falls Realty Co.
July 21, 1961 filed $1,708,500 of limited partnership interests. **Price**—$5,000 per interest. **Business**—General real estate. **Proceeds**—For investment. **Office**—18 E. 41st Street, New York. **Underwriter** — Tenney Securities Corp., New York.

● Long Island Bowling Enterprises, Inc. 8/14-18)
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**—Trinity Securities Corp., New York City.

● Long Island Lighting Co. (8/2)
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). **Bids**—Aug. 2, 1961 (11 a. m. EDST) at office of First National City Bank, 2 Broadway, New York.

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).

● MPO Videotronics, Inc. (8/28)
June 28, 1961 filed 60,000 common shares. **Price**—By amendment. **Business**—The production of television commercials and motion pictures for industry. **Proceeds**—For expansion. **Office**—15 E. 53rd Street, New York. **Underwriter**—Francis I. duPont & Co., New York (managing).

★ MacLevy Associates, Inc.
July 20, 1961 ("Reg. A") 150,000 common shares (par one cent). **Price**—$2. **Business**—The distribution of health, exercise and slenderizing equipment. **Proceeds**—For repayment of loans, equipment, new products, sales promotion and advertising, plant removal and working capital. **Office**—189 Lexington Avenue, New York 16, N. Y. **Underwriter**—Continental Bond & Share Corp., Washington, D. C.

Magna Pipe Line Co. Ltd. (8/3)
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.

Marine Structures Corp.
Feb. 1, 1961 (letter of notification) 100,000 shares of common stock (par one cent). Price—$3 per share. Proceeds—To purchase raw materials, advertising and for working capital. Office—204 E. Washington St., Petaluma, Calif. Underwriter—Grant, Fontaine & Co., Oakland, Calif.

Mark Truck Rental Corp.
June 28, 1961 ("Reg. A") 50,000 common shares (par one cent). **Price**—$1. **Proceeds**—For working capital. **Office**—301 Cliff Ave., Scranton, Pa. **Underwriter**—Vickers Securities Corp., New York.

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. (managing), and Globus, Inc., N. Y.

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.

Master Craft Medical & Industrial Corp.
July 10, 1961 filed ("Reg. A") 75,000 common shares. **Price**—$4. **Business**—The manufacture of medical and industrial plastic devices. **Proceeds**—For general corporate purposes. **Office**—95-01 150th Street, Jamaica 35, N. Y. **Underwriter**—Sulco Securities, Inc., N. Y. C.

Medco, Inc.
July 13, 1961 filed 125,000 class A common shares. **Price**—By amendment. **Business**—The operation of jewelry concessions in closed-door membership department stores. **Proceeds**—For expansion. **Office**—1211 Walnut St., Kansas City, Mo. **Underwriters**—Midland Securities Co., Inc. (managing) and Barret, Fitch, North & Co., Inc., Kansas City, Mo.

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.

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.

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.

Midwest Investors Fund, Inc.
July 17, 1961 filed 5,000,000 common shares. **Price**—By amendment. **Business**—A mutual fund. **Proceeds**—For investment. **Office** — 1815 First National Bank Bldg., Minneapolis. **Underwriter** — Midwest Planned Investments, Inc., Minneapolis.

Midwest Technical Development Corp.
July 14, 1961 filed 800,000 common shares. **Price**—By amendment. **Business** — A small business investment company. **Proceeds**—For investment. **Office**—2615 First National Bank Bldg., Minneapolis. **Underwriters** — Lee Higginson Corp., New York and Piper, Jaffray & Hopwood, Minneapolis.

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. (8/30)
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.

● Missile-Tronics Corp. (7/31)
May 8, 1961 (letter of notification) 151,900 shares of common stock (par 10 cents). **Price**—$1.50 per share. **Business**—The manufacturers of technical equipment. **Proceeds** — For payment of loans; machinery and office equipment; reduction of current liabilities; research and development and working capital. **Office**—245 4th St., Passaic, N. J. **Underwriter** — Hopkins, Calamari & Co., Inc., 26 Broadway, New York, N. Y.

Missouri Fidelity Life Insurance Co.
July 14, 1961 filed 200,000 common shares. **Price**—By amendment. **Business**—A life insurance company. **Proceeds**—To be added to capital and surplus accounts. **Office**—4221 Lindell Blvd., St. Louis. **Underwriter**—A. C. Allyn & Co., Chicago (managing).

Missouri Utilities Co.
July 3, 1961 filed 50,676 common shares to be offered for subscription by stockholders on the basis of one new share for each 10 shares held. **Price**—By amendment. **Proceeds**—For repayment of loans and for expansion. **Address**—Cape Girardeau, Mo. **Underwriter**—Edward D. Jones & Co., St. Louis, Mo.

Mite Corp. (8/16)
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).

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. (8/7-11)
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.

● Mon-Art, Inc.
June 26, 1961 ("Reg. A") 60,000 convertible preferred shares. **Price**—At par ($5). **Business**—The manufacture of mosaic tile kits. **Proceeds**—For retirement of debt, increase of inventory and purchase of equipment. **Office** — 1548 E. Grand Blvd., Detroit. **Underwriter** — Davis, Rowady & Nichols Inc., Detroit.

Mon-Dak Feed Lot, Inc.
July 17, 1961 filed 150,000 common shares. **Price**—$3. **Business**—The breeding of livestock owned by others. **Proceeds**—For drilling of water test wells, purchase of land, construction, general administrative costs and working capital. **Address**—Glendive, Mont. **Underwriter**—Wilson, Ehli, Demos, Bailey & Co., Billings, Mont.

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. (8/16)
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.

• 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 September.

• 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 September.

• NAC Charge Plan and Northern Acceptance Corp. (8/21)
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).

★ National Bowling Lanes, Inc.
July 21, 1961 filed 200,000 capital shares. **Price**—$5.50. **Business**—The operation of bowling centers. **Proceeds**—For expansion, repayment of loans, and working capital. **Office** — 220 S. 16th Street, Philadelphia. **Underwriter**—Edward Lewis & Co., Inc., New York.

★ National Cleaning Contractors, Inc.
July 19, 1961 filed 200,000 outstanding common shares. **Price** — By amendment. **Business** — The maintenance of commercial buildings. **Proceeds**—For the selling stockholders. **Office**—60 Madison Avenue, New York. **Underwriter**—Bear, Stearns & Co., New York (managing).

National Hospital Supply Co., Inc.
June 22, 1961 ("Reg. A") 100,000 common shares (par 10 cents). **Price**—$3. **Business**—The distribtuion of medical supplies. **Proceeds**—For inventory, advertising and promotion, expansion, repayment of loans and working capital. **Office**—38 Park Row, New York. **Underwriters**—Edward Lewis & Co., Inc. and Underhill Securities Corp., New York (co-managers).

National Periodical Publications, Inc.
July 18, 1961 filed 500,000 common shares (par $1). **Price** — By amendment. **Business** — Publishers of magazines and paperback books. **Proceeds**—For the selling stockholders. **Office**—575 Lexington Avenue, New York. **Underwriters** — Shearson, Hammill & Co., New York and Prescott, Shepard & Co., Inc., Cleveland (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. (8/7)
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**—Collinsville, Va. **Underwriters**—Cruttenden, Podesta & Co., Chicago and McDaniel Lewis & Co., Greensboro, N. C.

New Era Mining Co.
July 5, 1961 filed 800,000 common shares. **Price**—50c. **Proceeds**—For equipment, working capital, repayment of debt and reserves. **Office**—9635 W. Colfax Ave., Denver. **Underwriter**—None.

New West Land Corp.
June 30, 1961 ("Reg. A") 200,000 common shares (par $1). **Price**—$1.50. **Proceeds**—For repayment of notes and acquisition of real estate interests. **Office**—3252 Broadway, Kansas City, Mo. **Underwriter** — Barrett, Fitch, North & Co., Kansas City, Mo.

• 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. **Note**—This issue has been temporarily postponed.

Nitrogen Oil Well Service Co. (8/16)
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.

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 being offered for subscription by stockholders of record May 15 with rights to expire Aug. 25. **Price**—$25. **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 St., Galion, Ohio. **Underwriter**—None.

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.

• Northwestern Public Service Co. (7/31)
June 30, 1961 filed $4,000,000 of first mortgage bonds due 1987. **Office**—Huron, S. D. **Underwriters**—To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc., Kidder, Peabody & Co., and Salomon Brothers & Hutzler. **Bids**—10 a. m. (CDST) July 31, in room 1705, 231 S. La Salle St., Chicago.

NuTone, Inc.
July 17, 1961 filed 375,000 outstanding common shares. **Price**—By amendment. **Business**—The manufacture of household appliances. **Proceeds**—For the selling stockholders. **Office**—Madison & Red Bank Roads, Cincinnati. **Underwriter**—Kidder, Peabody & Co., New York (managing).

Occidental Petroleum Corp.
June 29, 1961 filed $3,962,500 of subordinated convertible debentures due 1976 to be offered for subscription by common stockholders on the basis of $100 principal amount of debentures for each 100 shares held. **Price**—At par. **Business**—The acquiring and developing of oil and gas properties. **Proceeds**—For exploration and development of oil leases and working capital. **Office**—8255 Beverly Blvd., Los Angeles. **Underwriter**—None.

• Old Empire, Inc. (8/30)
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.

Ore-Ida Foods, Inc.
June 29, 1961 filed 220,000 common shares of which 200,000 will be sold by the company and 20,000 by stockholders. **Price**—By amendment. **Business**—The processing of raw potatoes into various packaged frozen products. **Proceeds**—For the repayment of debt, purchase of equipment, plant expansion and working capital. **Office** — Ontario, Ore. **Underwriter** — Kidder, Peabody & Co., New York (managing).

• Orkin Exterminating Co., Inc.
July 6, 1961 filed 360,000 outstanding no par common shares. **Price**—By amendment. **Business**—Pest and termite control services. **Proceeds**—For selling stockholders. **Office**—713 W. Peachtree St., N. E., Atlanta. **Underwriters**—Merrill Lynch, Pierce, Fenner & Smith Inc., New York and Courts & Co., Atlanta. **Offering**—Expected in late August.

• Ormont Drug & Chemical Co., Inc. (7/31-8/4)
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.

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 States Steel Corp.
June 21, 1961 filed 100,000 outstanding shares of capital stock (par 50 cents) to be sold by stockholders. **Price**—$6. **Business**—The manufacture of steel products. **Proceeds**—For the selling stockholder. **Office**—35124 Alvarado-Niles Road, Union City, Calif. **Underwriters**—First California Co., Inc., and Schwabacher & Co., San Francisco (managing).

• Packer's Super Markets, Inc. (8/3)
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).

Palmetto Pulp & Paper Corp.
June 28, 1961 filed 1,000,000 common shares. **Price**—$3.45. **Business**—The growth of timber. **Proceeds**—For working capital and the possible purchase of a mill. **Address**—P. O. Box 199, Orangeburg, S. C. **Underwriter**—Stone & Co.

• Pan American Resources, Inc. (7/28)
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. (9/18)
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.

Parkview Drugs, Inc. (8/15)
June 21, 1961 filed 141,000 common shares (par $1) of which 100,000 will be sold by the company and 41,000 by stockholders. **Price**—By amendment. **Business**—The operation of a chain of retail drug stores and licensed departments in closed - door membership department stores. **Proceeds**—For expansion. **Office**—2323 Grand Avenue, Kansas City, Mo. **Underwriter**—Scherck, Richter Co., St. Louis.

Patent Resources, Inc. (8/1)
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. (8/14-18)
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. (8/28)
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).

• Pickwick Organization, Inc. (7/28)
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. **Offering**—Expected in September.

Plasticon Corp. (8/16)
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. (8/2)
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. (8/1)
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.

Continued on page 42

Continued from page 41

Prep Products, Inc.
July 6, 1961 ("Reg. A") 1,400 common shares. **Price**—At par ($100). **Proceeds**—For royalty payments on leases, repayment of debt and working capital. **Address**—Highway 20, Thermopolis, Wyo. **Underwriter**—Wilson, Ehli, Demos, Bailey & Co., Billings, Mont.

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. (7/31-8/4)**
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.

Publishers Vending Services, Inc.
July 3, 1961 filed $600,000 of 5½% convertible subordinated debentures due 1971; 120,000 common shares which underlie 2-year first warrants exercisable at $7.50 per share, and 120,000 common shares which underlie 5-year second warrants, exercisable at $10 per share. The securities are to be offered for public sale in units of one $100 debenture, 20 first warrants and 20 second warrants. **Price**—$100 per unit. **Business**—The design, manufacture, sale and leasing of coin-operated vending machines for magazines, newspapers and paperback books. **Proceeds**—For the repayment of debt, advertising, sales promotion, and the manufacture of new machines. **Office**—1201 South Clover Drive, Minneapolis. **Underwriter**—D. H. Blair & Co., New York.

● **Pueblo Supermarkets, Inc. (8/8)**
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 early August.

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 manufacturer of pharmaceuticals, cosmetics, lighter fluid and related items. **Proceeds**—To repay loans and for working capital. **Office**—700 N. Sepulveda Boulevard, El Segundo, Calif. **Underwriter**—H. Hentz & Co., New York.

● **Radiation Instrument Development Laboratory, Inc. (8/7-11)**
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 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. (8/21)**
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.

● **Reeves Broadcasting & Development Corp. (8/22)**
June 16, 1961 filed $2,500,000 of convertible debentures. **Price**—At par. **Business**—The operation of TV stations and recording studios and the development of real estate properties in North Carolina. **Proceeds**—For expansion, the repayment of loans, for working capital and other corporate purposes. **Office**—304 E. 44th St., New York. **Underwriter**—Laird & Co., Corp., Wilmington, Del. (managing).

● **Reher Simmons Research Inc. (8/28-9/1)**
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., (managing).

● **Republic Aviation Corp. (8/29)**
July 11, 1961 filed 214,500 outstanding common shares. **Price**—By amendment. **Business**—The manufacture of airplanes and ground support equipment. **Proceeds**—For the selling stockholder. **Address** — Farmingdale, L. I., N. Y. **Underwriter**—Merrill Lynch, Pierce, Fenner & Smith Inc., New York (managing).

Ripley Co., Inc.
May 19, 1961 filed 82,500 shares of common stock, of which 25,000 shares are to be offered for public sale by the company and 57,500 outstanding shares by the present holders thereof. **Price**—To be supplied by amendment. **Business**—The manufacture and distribution of photoelectric street light controls, centrifugal blowers and other electronic equipment. **Proceeds**—For new product development. **Office**—One Factory Street, Middletown, Conn. **Underwriter** — Dominick & Dominick, New York City (managing). **Offering**—Imminent.

● **Riverview ASC, Inc. (8/14)**
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.

Roanwell Corp.
July 11, 1961 filed 150,000 shares of common stock of which 50,000 will be sold by the company and 100,000 by stockholders. **Price**—By amendment. **Business**—The manufacture of electro-acoustical transducers in the voice communications field. **Proceeds** — For additional equipment, working capital and other corporate purposes. **Office**—180 Varick St., New York. **Underwriter**—Paine, Webber, Jackson & Curtis, New York. **Offering**—Expected in early September.

Roberts Lumber Co.
June 28, 1961 filed 55,000 common shares of which 20,000 shares are to be offered by the company and 35,000 shares by a selling stockholder. **Price**—By amendment. **Business**—The sale of building materials. **Proceeds**—For repayment of a loan and working capital. **Office**—2715 Market Street,Wheeling, W. Va. **Underwriter**—Arthurs, Lestrange & Co., Pittsburgh, Pa. (managing).

● **Rocky Mountain Natural Gas Co., Inc. (9/12)**
July 10, 1961 filed $1,500,000 of sinking fund debentures due 1981 (with attached warrants) and 150,000 common shares to be offered in 75,000 units, each consisting of $20 of debentures (with an attached warrant) and two common shares. **Price**—By amendment. **Proceeds**—For construction and general corporate purposes. **Office**—1726 Champa St., Denver. **Underwriter**—Merrill Lynch, Pierce, Fenner & Smith Inc., New York (managing).

Rodney Metals, Inc. (9/7)
June 30, 1961 filed 140,000 common shares. **Price**—$10. **Proceeds** — For the repayment of debt and other corporate purposes. **Office**—261 Fifth Ave., New York. **Underwriter**—Amos Treat & Co., Inc., New York (managing).

Ross Products, Inc.
July 14, 1961 filed 200,000 common shares, of which 100,000 shares are to be offered by the company and 100,000 shares by the stockholders. **Price**—By amendment. **Business**—The importing and distributing of general merchandise. **Proceeds**—For repayment of debt, expansion and general corporate purposes. **Office**—1107 Broadway, New York. **Underwriters**—Blair & Co. and F. L. Rossman & Co., New York.

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.

● **S. O. S. Photo-Cine-Optics, Inc. (9/4)**
June 29, 1961 filed $50,000 of 6% subordinated debentures due 1969 and 50,000 common shares to be offered in units consisting of $10 of debentures and 10 common shares. **Price**—$40 per unit. **Business**—The manufacturing, renting and distributing of motion picture and television production equipment. **Proceeds**—For new equipment, advertising, research and development, working capital and other corporate purposes. **Office**—602 W. 52nd St., New York. **Underwriter** — William, David & Motti, Inc., New York.

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.

● **Sav-Mor Oil Corp. (8/21-25)**
July 5, 1961 ("Reg. A") 92,000 common shares (par one cent). **Price**—$2.50. **Business**—Wholesale distribution of gasoline and oil to service stations. **Proceeds**—For expansion. **Office**—151 Birchwood Park Dr., Jericho, L. I., N. Y. **Underwriter**—Armstrong & Co., Inc., New York.

Save-Tax Club, Inc.
July 6, 1961 ("Reg. A") 150,000 common shares (par 10 cents). **Price**—$2. **Business**—A plan to stimulate retail merchandising in New York City. Retail establishments who join the plan will give 3% discounts to members of the Save-Tax Club. **Proceeds**—For salaries to salesmen, advertising, public relations, additional employees, and working capital. **Office**—135 W. 52nd St., New York. **Underwriter**—B. G. Harris & Co., Inc., New York.

★ **Scot's Discount Enterprises, Inc.**
July 21, 1961 filed 175,000 common shares. **Price**—$2.25. **Business**—The retail sale of merchandise at a low markup. **Proceeds**—For new stores, inventory, and working capital. **Address**—East Windsor, Conn. **Underwriter**—Willis E. Burnside & Co., Inc., New York.

● **Second Financial, Inc. (8/7)**
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.

● **Security Acceptance Corp. (8/30)**
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.

Semicon, Inc.
June 30, 1961 filed 125,000 class A common shares. **Price**—By amendment. **Business**—The manufacture of semiconductor devices for military, industrial and commercial use. **Proceeds**—For equipment, plant expansion and new products. **Address**—Sweetwater Avenue, Bedford, Mass. **Underwriter**—S. D. Fuller & Co., New York (managing). **Offering**—In early September.

Service Photo Industries, Inc. (8/25)
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).

Shasta Minerals & Chemical Co.
April 24, 1961 filed 500,000 shares of common stock. **Price**—$2.50 per share. **Business**—Acquisition, development, and exploration of mining properties. **Proceeds**—For general corporate purposes. **Office** — 1406 Walker Bank Bldg., Salt Lake City, Utah. **Underwriter**—None.

Shelley Urethane Industries, Inc. (8/18)
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. (7/31-8/4)**
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.

★ **Shulton, Inc.**
July 21, 1961 filed 50,000 class A and 50,000 class B common shares. **Price**—By amendment. **Business**—The manufacture of toiletries and household chemical products. **Proceeds**—For general corporate purposes. **Address**—697 Route 46, Clifton, N. J. **Underwriter**—Smith, Barney & Co., New York (managing).

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. 16th St., Boca Raton, Fla. **Underwriter**—J. I. Magaril Co., Inc., New York.

Southern Growth Industries, Inc.
June 28, 1961 filed 100,000 common shares. **Price**—$6. **Business**—A small business investment company. **Proceeds**—For investment. **Office**—Poinsett Hotel Building, Greenville, S. C. **Underwriter**—Capital Securities Corp., Greenville, S. C.

● **Southern Realty & Utilities Corp. (8/30)**
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).

★ **Southwestern Growth Fund, Inc.**
July 21, 1961 filed 200,000 common shares. **Price**—At net asset value plus 8½% sales commission. **Business** — A mutual fund. **Proceeds**—For investment. **Office**—402 University Towers, El Paso, Texas. **Underwriter**—None.

● **Space Technology & Research Corp. (7/31)**
June 20, 1961 ("Reg. A") 300,000 common shares (par 10 cents). **Price**—$1. **Proceeds**—For repayment of debts, furniture and equipment, and working capital. **Office**—520 Midland Savings Bldg., Denver, Colo. **Underwriter**—Henry Fricke Co., New York.

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. (8/14)**
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).

● **Spencer Laboratories, Inc. (8/7)**
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.

Star Homes, Inc.
June 28, 1961 filed $500,000 7% subordinated debentures due 1971 and 200,000 common shares to be offered in units, each unit consisting of $50 of debentures and 20 common shares. **Price**—$100 per unit. **Business**—The construction and sale of shell homes. **Proceeds**—For repayment of loans, advances to a subsidiary, establishment of branch sales offices and working capital. **Office**—336 S. Salisbury Street, Raleigh, N. C. **Underwriter**—D. E. Liederman & Co., Inc., New York (managing).

★ **Sterling Electronics, Inc.**
July 24, 1961 filed 125,200 common shares, of which 82,000 shares are to be offered by the company and 43,200 shares by stockholders. **Business**—The distribution of electronic parts and equipment. **Proceeds**—For repayment of loans and working capital. **Office**—1616 McKinley, Houston, Texas. **Underwriter**—S. D. Fuller & Co., New York (managing).

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.

Superstition Mountain Enterprises, Inc. (8/15)
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. (8/28-9/1)**
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.

Swanee Paper Corp.
June 29, 1961 filed 150,000 common shares, of which 35,000 shares are to be offered by the company and 115,000 shares by the stockholders. **Price**—By amendment. **Business**—The production of tissue paper products. **Proceeds**—For general corporate purposes. **Office**—205 E. 42nd St., New York. **Underwriter**—Blair & Co., Inc., New York (managing). **Offering**—Expected in late Aug.

● **Swingline Inc.**
June 14, 1961 filed 200,000 outstanding class A common shares. **Price**—By amendment. **Business**—The manufacture of stapling machines. **Proceeds** — For the selling stockholders. **Office**—32-00 Skillman Ave., Long Island City, New York. **Underwriter**—Paine, Webber, Jackson & Curtis, New York (managing). **Offering**—Expected in late September.

T. F. H. Publications, Inc.
June 22, 1961 ("Reg. A") 60,000 common shares (par 10 cents). **Price**—$5. **Business**—The publishing of books, pamphlets and magazines. **Proceeds**—For repayment of loans, production of new garden books, installation of air-conditioning and working capital. **Office**—245-247 Cornelison Ave., Jersey City, N. J. **Underwriter**—Arnold Malkan & Co., Inc., New York.

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. (7/28)**
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. (8/14-18)**
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. (8/3)**
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**—Temporarily postponed.

Tassette, Inc. (7/31)
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.

Tastee Freez Industries, Inc.
July 12, 1961 filed 350,000 common shares, of which 200,000 shares are to be offered by the company and 150,000 shares by a stockholder. **Price**—By amendment. **Business**—The franchising and supplying of stores with a soft ice cream product and selected food items. **Proceeds**—For acquisition of properties and working capital. **Office**—2518 W. Montrose Ave., Chicago. **Underwriter**—Bear Stearns & Co., New York (managing).

Tax-Exempt Public Bond Trust Found
Jan. 16, 1961 filed $5,000,000 of interests (5,000 units). **Price**—To be computed on the basis of the trustees evaluation of the underlying public bonds, plus a stated percentage (to be supplied by amendment) and dividing the sum thereof by 5,000. **Business** — The trust was formed by John Nuveen & Co., Chicago, Ill., to invest in tax-exempt obligations of states, counties, municipalities and territories of the United States. **Sponsor** — John Nuveen & Co., 135 South La Salle Street, Chicago, Ill.

Tax-Exempt Public Bond Trust Fund, Series 2
Feb. 23, 1961 filed $10,000,000 (10,000 units) ownership certificates. **Price**—To be filed by amendment. **Business**—The fund will invest in interest bearing obligations of states, counties, municipalities and territories of the U. S., and political subdivisions thereof which are believed to be exempted from Federal income taxes. **Proceeds** — For investment. **Office** — 135 South La Salle Street, 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.

★ **Technical Information Systems & Service, Inc.**
July 18, 1961 ("Reg. A") 22,442 common shares (par $1). **Price**—$2.50. **Proceeds**—For working capital. **Office**—1430 W. Peachtree Street, N. E., Atlanta. **Underwriter**—None.

Technical Materiel Corp. (8/16)
June 30, 1961 filed 50,000 outstanding common shares. **Price** — By amendment. **Business** — The design, manufacture and sale of components for high frequency radio communications. **Proceeds**—For the selling stockholder. **Office**—700 Fenimore Rd., Mamaroneck, N. Y. **Underwriter**—Kidder, Peabody & Co., 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.

★ **Telecredit, Inc.**
July 24, 1961 filed 155,000 common shares. **Price**—$1. **Business**—The development of high-speed electronic data processing systems. **Proceeds**—For organizational expenses, establishment of service centers and reserves. **Office**—100 W. 10th Street, Wilmington, Del. **Underwriter**—Globus, Inc., New York (managing).

TelePrompTer Corp. (8/16)
July 6, 1961 filed $5,000,000 of convertible subordinated debentures due 1976. **Price**—By amendment. **Business**—The manufacture of communication systems and equipment. **Proceeds**—For repayment of loans and working capital. **Office**—50 W. 44th St., New York. **Underwriter**—Bear, Stearns & Co., New York (managing).

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.

Texas Capital Corp. (8/9)
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.
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). **Note**—This offering was temporarily postponed.

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).

★ **Theil Publication, Inc.**
July 25, 1961 filed 110,000 common shares. **Price**—$3. **Business**—The writing and producing of technical material for industry and Department of Defense. **Proceeds**

Continued on page 44

Continued from page 43

—For repayment of loans, working capital and general corporate purposes. **Office**—1200 Hempstead Turnpike, Franklin Sq., L. I., N. Y. **Underwriter**—None.

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.

★ **Thermotronics Corp., Inc.**
July 10, 1961 ("Reg. A") 100,000 common shares (par 10 cents). **Price**—$3. **Business**—Research and development of electronic and electrical devices, principally an electronic water heater. **Proceeds**—For raw materials, plant and equipment, advertising research and development and working capital. **Office**—27 Jericho Turnpike, Mineola, L. I., N. Y. **Underwriter**—J. B. Coburn Associates, Inc., New York.

30 North La Salle Street Realty Fund
July 3, 1961 filed 200,000 shares of beneficial interests. **Price**—$5. **Business**—A real estate investment company. **Proceeds**—For investment. **Office**—30 N. LaSalle St., Chicago. **Underwriter**—None.

Thoroughbred Enterprises, Inc. (7/31)
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.

Thriftway Foods, Inc.
July 13, 1961 filed 140,000 common shares, of which 66,915 shares are to be offered by the company and 73,085 shares by stockholders. **Price**—By amendment. **Business**—The wholesale distribution of food products to retail stores. **Proceeds**—For repayment of debt and general corporate purposes. **Office**—Church & Henderson Rds., King of Prussia, Pa. **Underwriter**—Kidder, Peabody & Co., New York (managing).

Tinsley Laboratories, Inc.
June 29, 1961 ("Reg. A") 100,000 capital shares (par 16⅔ cents). **Price**—$3. **Proceeds**—For repayment of loans, purchase of equipment and working capital. **Office**—2448 Sixth St., Berkeley, Calif. **Underwriter**—Troster, Singer & Co., New York.

● **Transcontinent Television Corp. (7/31)**
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. **Underwriter**—William R. Staats & Co., Los Angeles (managing).

Transvision Electronics, Inc. (8/7)
June 29, 1961 filed 140,000 common shares. **Price**—By amendment. **Business**—The manufacture of specialized TV equipment. **Proceeds**—For expansion, repayment of debt and working capital. **Office**—460 North Avenue, New Rochelle, N. Y. **Underwriter**—Adams & Peck, New York.

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. (8/30)**
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. (8/14-18)**
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.

Tri Metal Works, Inc.
June 29, 1961 filed 68,000 outstanding common shares to be offered by the stockholders. **Price**—At the market. **Business** — The designing, converting and equipping trucks used in sale of ice cream, etc. It also engages in the research, design and manufacture of vacuum furnaces, ovens and components in the fabrication of metal equipment for the food, pharmaceutical and chemical industries. **Proceeds**—For the selling stockholders. **Office**—Bennard & Warrington Sts., East Riverton, N. J. **Underwriters**—R. L. Scheinman & Co., New York and Blaha & Co., Inc., Long Island City, N. Y.

● **Trinity Funding Corp. (8/21-25)**
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.

Turf & Paddock, Inc.
June 26, 1961 ("Reg. A") 100,000 common shares (par one cent). **Price**—$3. **Proceeds**—For working capital. **Office**—One State St., Boston. **Underwriter**—Shawe & Co., Inc., Washington, D. C.

Union Leagues, Inc.
June 28, 1961 filed $700,000 of 7% subordinated sinking fund debentures due 1976 (with attached warrants) and 140,000 common shares to be offered in units consisting of 80 common shares and $400 of debentures. **Price**—$800 per unit. **Business**—The operation of bowling centers. **Proceeds**—For repayment of debt, acquisition of a warehouse and working capital. **Office**—11459 E. Imperial Highway, Norwalk, Calif. **Underwriter** — Holton, Henderson & Co., Los Angeles.

● **United Investors Corp. (8/28-9/1)**
May 26, 1961 filed 76,109 shares of class A stock. **Price**—$10 per share. **Business**—The company plans to acquire 15 realty properties in eight states. **Proceeds**—For the repayment of debt, property acquisitions, and working capital. **Office**—60 E. 42nd Street, New York City. **Underwriter**—None.

● **U. S. Fiberglass Products Co. (8/8)**
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. (8/17)
May 11, 1961 filed 300,000 shares of class A capital stock. **Price**—To be supplied by amendment. **Business** — The planning, development and marketing of single-family-home communities in New Jersey. **Proceeds**—For the repayment of loans, purchase of land and development of properties. **Office** — 52 Neil Ave., Lakewood, N. J. **Underwriter**—Auchincloss, Parker & Redpath, Washington, D. C., and New York City.

U. S. Plastic & Chemical Corp.
July 11, 1961 filed 125,000 common shares. **Price** — By amendment. **Business**—The manufacture of plastic materials for use by the button and novelty industries. **Proceeds**—For the repayment of debt, expansion, and working capital. **Office** — Metuchen, N. J. **Underwriter**—Adams & Peck, New York.

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 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).

Universal Publishing & Distributing Corp.
June 28, 1961 filed 50,000 6% cumulative preferred shares (par $10) and 50,000 common shares to be offered in units, each consisting of one preferred share and one common share. **Price**—$15 per unit. **Business**—The publishing of magazines and paper bound books. **Proceeds**—For expansion, additional personnel, sales promotion, working capital and other corporate purposes. **Office**—117 E. 31st Street, N. Y. **Underwriter**—Allen & Co., New York.

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.

● **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. **Offering**—Expected in early August.

Versapak Film & Packaging Machinery Corp. (7/31)
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. (8/2)
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. (8/14)**
May 19, 1961 filed $2,000,000 of 6% convertible subordinated debentures due 1976. **Price**—At 100% of principal amount. **Business**—The production of gauges and measuring instruments and the manufacture of precision parts and subassemblies for the aircraft, missile and other industries. **Proceeds**—For the repayment of debt, expansion, working capital and reserves for possible future acquisitions. **Office**—9111 Schaefer Highway, Detroit, Mich. **Underwriter**—S. D. Fuller & Co., New York City (managing).

Wagner Baking Corp.
July 5, 1961 filed 50,637 outstanding common shares. **Price**—At-the-market. **Business**—The manufacture of pies, cakes and other pastries and the distribution of frozen foods. **Proceeds**—For the selling stockholders. **Office**—13 Vesey St., Newark. **Underwriter**—None.

Wainrite Stores, Inc.
June 23, 1961 ("Reg. A") 100,000 common shares (par 10 cents). **Price**—$3. **Business**—The operation of discount merchandising centers. **Proceeds**—For repayment of loans, expansion and working capital. **Office**—691 E. Jericho Turnpike, Huntington Station, N. Y. **Underwriter**—Omega Securities Corp., New York.

★ **Waldbaum, Inc.**
July 21, 1961 filed 183,150 common shares, of which 120,000 shares are to be offered by the company and 63,150 shares by the stockholders. **Price**—By amendment. **Business**—The operation of a supermarket chain and the wholesaling of food products. **Proceeds**—For repayment of loans, expansion, inventory and other corporate purposes. **Office**—2300 Linden Boulevard, Brooklyn, N. Y. **Underwriter**—Shields & Co., New York (managing).

Walter Sign Corp. (9/15)
March 30, 1961 (letter of notification) 100,000 shares of common stock (par one cent). **Price**—$3 per share. **Business** — The manufacture and installation of highway signs. **Proceeds**—For the reduction of debt, sales promotion, inventory and reserves. **Office**—4700 76th St., Elmhurst, L. I., N. Y. **Underwriter**—Amber, Burstein & Co., 40 Exchange Place, New York 5, N. Y.

Washington Engineering Services Co., Inc.
June 29, 1961 filed 375,000 common shares. **Price**—$1. **Business**—The servicing of manufacturing companies and engineering professions, through various training programs. **Proceeds**—For leasehold improvement, repayment of loans and working capital. **Office**—4915 Cordell Avenue, Bethesda, Md. **Underwriter**—None.

★ **Water Industries Capital Corp.**
July 21, 1961 filed 964,100 common shares. **Price**—$11. **Business**—A small business investment company. **Proceeds**—For investment. **Office**—122 E. 42nd Street, New York. **Underwriter**—Hornblower & Weeks, New York (managing).

★ **Wesco Industries, Inc.**
July 19, 1961 ("Reg. A") 80,000 common shares. **Price**—$3. **Business**—The manufacture of pumps, mist coolant general tanks and machine component parts for the missile industries. **Proceeds**—For moving expenses, equipment, research and development, and working capital. **Office** — Burbank, Calif. **Underwriter** — First Madison Corp., New York.

West Coast Bowling Corp. (8/30)
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).

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 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.

Western Union Telegraph Co. (9/8)
July 12, 1961 filed 1,075,791 common shares to be offered for subscription by stockholders on the basis of one new share for each six shares held of record Sept. 8, 1961. **Price**—By amendment. **Proceeds**—For repayment of loans and expansion. **Office**—60 Hudson St., New York. **Underwriters**—Kuhn, Loeb & Co. and Lehman Brothers, New York (managing).

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).

★ **Wilco Commercial Corp.**
July 21, 1961 ("Reg. A") 100,000 common shares (par 10 cents). **Price**—$3. **Business**—The financing of business institutions. **Proceeds**—For working capital. **Office**—350 Fifth Avenue, New York. **Underwriter**—A. J. Gabriel Co., Inc., New York.

Wisconsin Power & Light Co. (8/15)
July 17, 1961 filed 65,000 cumulative preferred shares (par $100) of which 50,000 shares will be offered to public and 15,000 shares to employees and preferred stockholders of record Aug. 10, 1961, with rights to expire Aug. 30, 1961. **Price**—By amendment. **Proceeds**—For construction. **Office**—122 W. Washington Avenue, Madison 1, Wis. **Underwriters**—Smith, Barney & Co., New York and Robert W. Baird & Co., Inc., Milwaukee (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.

Woodard Research Corp.
June 23, 1961 ("Reg. A") 40,000 common shares (par 66⅔ cents). **Price**—$4. **Proceeds**—For constructing and equipping a laboratory, and for working capital. **Office**—34 Station St., Herndon, Va. **Underwriter**—First Investment Planning Co., Washington, D. C.

★ **World Wide Bowling Enterprises, Inc.**
July 20, 1961 filed 130,000 common shares. **Price**—$4. **Business**—The operation of bowling centers. **Proceeds**—For repayment of debt, expansion and working capital. **Office**—2044 Chestnut Street, Philadelphia. **Underwriter**—Fraser & Co., Philadelphia.

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.

XTRA, Inc.
June 28, 1961 filed 182,570 common shares of which 160,000 shares are to be offered by the company and 22,570 shares by stockholders. **Price**—By amendment. **Business**—The leasing of truck trailers to railroads or customers of railroads. **Proceeds**—For repayment of debt and for working capital. **Office**—150 Causeway Street, Boston. **Underwriter**—Putnam & Co., Hartford, Conn. (managing).

Yardney Electric Corp.
July 18, 1961 filed 200,000 common shares. **Price**—By amendment. **Business**—The manufacture of silver-zinc primary and rechargeable batteries. **Proceeds**—For purchase and installation of equipment and property, working capital and other corporate purposes. **Office**—40-52 Leonard St., New York. **Underwriter**—Kidder, Peabody & Co., Inc., New York.

York Research Corp.
June 28, 1961 filed 75,000 class A shares. **Price**—By amendment. **Business**—The testing of industrial and consumer products. **Proceeds**—For the establishment of a new laboratory and the purchase of equipment. **Office**—1 Atlantic Street, Stamford, Conn. **Underwriter**—Allen & Co., New York (managing).

★ **Zion Foods Corp.**
July 20, 1961 filed 110,000 common shares, of which 90,000 shares are to be offered by the company and 20,000 shares by a selling stockholder. **Price**—$5. **Business**—The processing of meat and poultry. **Proceeds**—For inventory and plant expansion. **Office**—482 Austin Place, Bronx, N. Y. **Underwriter**—Finkle & Co., New York (managing).

Prospective Offerings

Acoustica Associates, Inc.
April 11, 1961, it was stated that this company is seeking to acquire other firms with compatible product lines and that equity financing may be needed to finance current expansion program. **Business** — The company manufactures ultrasonic cleaning systems for missile equipment, hospital surgical instruments and the metals industry. It also makes fluorescent lighting fixtures and a product for gauging the level of liquids. **Office**—First National Bldg., Birmingham, Ala. **Underwriter**—Lehman Brothers, New York City.

Adrian Steel Co.
June 30, 1961 it was reported that a "Reg. A" will be filed with the SEC shortly covering 100,000 common shares (par 50c). **Price**—$3. **Business**—Automotive fabricating. **Proceeds**—To establish a new industrial air conditioner division. **Office**—Adrian, Mich. **Underwriter**—Morrison & Frumin, Inc., Detroit.

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).

Appalachian Power Co.
Feb. 1, 1961 it was reported that this subsidiary of American Electric Power Co., Inc., plans to sell $35,000,000 to $40,000,000 of bonds late in 1961 or early in 1962. **Office**—2 Broadway, New York City. **Underwriters**—To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co., Inc.; First Boston Corp.; Harriman Ripley & Co., Inc.; Kuhn, Loeb & Co. and Eastman Dillon, Union Securities & Co. (jointly).

Arizona Public Service Co.
May 26, 1961 it was reported that this company is considering the sale of about $5,000,000 of preferred stock this summer and about $35,000,000 of first mortgage bonds in November. **Proceeds**—For construction. **Office**—501 South Third Ave., Phoenix, Ariz. **Underwriters**—To be named. The last sale of preferred stock on June 18, 1958 was made privately through Blyth & Co., and the First Boston Corp. The last sale of bonds on March 26, 1959 was also handled privately through Blyth & Co., and First Boston Corp. However, the company stated that there is a possibility that these bonds will be sold at competitive bidding, in which case the following are expected to bid on them: Halsey, Stuart & Co. Inc.; Kidder, Peabody & Co.; First Boston Corp.; Blyth & Co.; White, Weld & Co., Inc., and Merrill Lynch, Pierce, Fenner & Smith Inc.

Baltimore Gas & Electric Co.
May 15, 1961 it was reported that this company plans to issue about $20,000,000 of first mortgage bonds in late 1961 or early 1962. **Office** — Lexington and Liberty Streets, Baltimore 3, Md. **Underwriters**—To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; White, Weld & Co., and First Boston Corp. (jointly); Harriman Ripley & Co., Inc., and Alex. Brown & Sons (jointly).

★ **Best Plastic Corp.**
July 25, 1961 it was reported that this company plans to file a "Reg. A" shortly covering 125,000 common shares. **Price**—$3. **Business**—The manufacture of plastic party favors for children. **Proceeds**—For expansion. **Office**—945 39th St., Brooklyn, N. Y. **Underwriters**—S. B. Cantor Co., and John R. Maher Associates, New York.

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.

Caxton House Corp.
Jan. 24, 1960 it was reported that a full filing of this company's stock, constituting its first public offering, will be made. **Price**—Approximately $3 per share. **Business**—Book publishing. **Office**—9 Rockefeller Plaza, New York City. **Underwriter**—To be named.

Central Louisiana Electric Co., Inc.
Feb. 21, 1961 it was reported that the company is considering the issuance of $6,000,000 of bonds or debentures in the latter part of 1961. **Office** — 415 Main St., Pineville, La. **Underwriters**—To be named. The last issue of bonds on April 21, 1959 was bid on by Kidder, Peabody & Co. and Rauscher, Pierce & Co., Inc. (jointly); Salomon Bros. & Hutzler, and Merrill Lynch, Pierce, Fenner & Smith Inc. (jointly); Halsey, Stuart & Co., Inc.; White, Weld & Co.

Cincinnati Gas & Electric Co.
Feb. 16, 1961 it was stated in the company's 1960 annual report that this utility plans to sell both first mortgage bonds and common stock in 1962 to finance its $45,000,000 construction program. **Office**—Fourtin & Main Sts., Cincinnati, O. **Underwriter**—(Bonds) To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; Merrill Lynch, Pierce, Fenner & Smith Inc. and Lehman Brothers (jointly); Morgan Stanley & Co. and W. E. Hutton & Co. (jointly); Blyth & Co., Inc., and First Boston Corp. (jointly); Eastman Dillon, Union Securities & Co., and White, Weld & Co. (jointly). The last issue of common stock (81,510 shares) was sold privately to employees in August, 1960.

Colorado Interstate Gas Co.
Oct. 17, 1960 it was reported by Mr. A. N. Porter of the company's treasury department that the company is awaiting a hearing before the full FPC with reference to approval of its application for expansion of its system, which will require about $70,000,000 of debt financing which is expected in the latter part of 1961. **Proceeds**—For expansion. **Office**—P. O. Box 1087, Colorado Springs, Colo.

Columbia Gas System, Inc.
April 24, 1961 it was reported that this company is considering the sale of either $20,000,000 of debentures, or $25,000,000 of common stock in the fall. **Office**—120 East 41st Street, New York 17, N. Y. **Underwriters**—To be determined by competitive bidding. Probable bidders on the debentures: Halsey, Stuart & Co. Inc.; Morgan Stanley & Co.; Merrill Lynch, Pierce, Fenner & Smith Inc., and White, Weld & Co. (jointly). The last sale of common stock on May 4, 1960 was handled by a group headed by Merrill Lynch, Pierce, Fenner & Smith Inc.; Shields & Co.; R. W. Pressprich & Co., and Carl M. Loeb, Rhoades & Co.

Columbus & Southern Ohio Electric Co.
March 13, 1961 it was reported the company will sell about $10,000,000 additional common stock in late 1961. **Proceeds**—For expansion purposes. **Office**—215 N. Front St., Columbus 15, Ohio. **Underwriter**—Dillon, Read & Co.

Commonwealth Edison Co.
July 12, 1961 it was reported that the company plans to spend $720,000,000 on construction in the five-year period 1961-65 and that the program would require $150,000,000 of outside financing. Present plans call for $40,000,000 of debt financing in 1962 and about $20,000,000 in each of the following three years. No common or preferred stock financing is planned during the period. **Office** — 72 West Adams St., Chicago 90, Ill. **Underwriters** — To be determined by competitive bidding. Probable bidders: First Boston Corp.; Halsey, Stuart & Co. Inc.; Glore, Forgan & Co.

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.

Cosmetically Yours, Inc.
May 16, 1961 it was reported that this corporation is contemplating a public offering. **Business**—The manufacturing and sale of cosmetics. **Office** — 15 Clinton Street, Yonkers, N. Y. **Underwriter**—P. J. Gruber & Co., Inc., New York City.

Contact Lens Guild, Inc.
June 19, 1961 it was reported that this company plans to file a "Reg. A" shortly covering an undisclosed number of common shares. **Business**—The manufacture of contact lenses. **Office**—353 East Main St., Rochester, N.Y. **Underwriter**—To be named.

Cowles Magazine & Broadcasting, Inc.
May 3, 1961 it was reported that this corporation will issue stock later this year. The firm denied the report. **Business** — Publishing and allied fields. **Office** — 488 Madison Ave., New York City. **Underwriter**—Goldman, Sachs & Co., New York City (managing).

Delaware Power & Light Co.
Feb. 7, 1961 it was reported that the company has postponed until early 1962 its plan to issue additional common stock. The offering would be made to common stockholders first on the basis of one share for each 10 shares held. Based on the number of shares outstanding on Sept. 30, 1960, the sale would involve about 418,536 shares valued at about $14,600,000. The last offering of common to stockholders in June, 1956, consisted of 232,520 shares offered at $35 a share to holders of record June 6, on the basis of one share for each eight shares held. **Proceeds**—For construction. **Office**—600 Market Street, Wilmington, Del. **Underwriter**—To be determined by competitive bidding. Probable bidders: Carl M. Loeb, Rhoades & Co., New York; W. C. Langley & Co., and Union Securities Co. (jointly); Lehman Brothers; First Boston Corp.; White, Weld & Co., and Shields & Co. (jointly); Kidder, Peabody & Co., and Merrill Lynch, Pierce, Fenner & Smith Inc. (jointly).

Dixie Pipeline Co.
April 17, 1961 it was reported that this firm, recently formed by eight major oil companies, plans to build a 1,100 mile liquified petroleum gas pipeline from Texas and Louisiana to Mississippi, Alabama, Georgia and the Carolinas. It is expected that the multi-million dollar pipeline will be financed in part by the sale of bonds and that it will be in operation by late 1961. **Office**—Tulsa, Okla. **Underwriters**—First Boston Corp.; Morgan Stanley & Co.; Carl M. Loeb, Rhoades & Co.

Continued on page 46

Continued from page 45

Exploit Films, Inc.
March 8, 1961 it was reported that this company plans a full filing covering 100,000 common shares. **Price**—$5 per share. **Proceeds**—For the production of TV and motion picture films, the reduction of indebtedness, and for working capital. **Office**—619 W. 54th Street, New York City. **Underwriter**—McClane & Co., Inc., 26 Broadway, New York City (managing).

First National Bank of Toms River (N. J.)
March 22, 1961 it was reported that stockholders voted on this date to increase the authorized stock to provide for payment of a 66⅔% stock dividend and sale of 20,000 new shares of common (par $5) to stockholders on the basis of one new share for each 20 shares held of record July 17, with rights to expire Aug. 17. **Price** — $22 per share. **Proceeds**—To increase capital. **Office**—Toms River, N. J. **Underwriter**—None.

Florida Power & Light Co.
May 11, 1961, it was reported that the company may issue bonds in the second half of 1961 to finance its current $40,000,000 construction program. **Office**—25 S. E. 2nd Ave., Miami, Fla. **Underwriter**—To be determined by competitive bidding. Probable bidders: Merrill Lynch, Pierce, Fenner & Smith Inc. and Kidder, Peabody & Co. (jointly); Halsey, Stuart & Co., Inc.; White, Weld & Co.; First Boston Corp.; Blyth & Co., Inc.

Gabriel Co.
April 27, 1961, the company announced plans to form a new subsidiary, Rocket Power, Inc., by merging the present Rocket Power, Talco and Bohanan divisions. In the fall of 1961, stock of the new subsidiary would be offered through subscription rights to Gabriel stockholders and debenture holders with about 20% of the offering going to the public. **Office** — 1148 Euclid Avenue, Cleveland, Ohio. **Underwriters**—To be named. The last financing by the company in September, 1959, was handled by Carl M Loeb, Rhoades & Co., New York City and Prescott, Shepard & Co., Inc., Cleveland.

General Public Utilities Corp.
March 14, 1961 it was stated in the company's 1960 annual report that the utility expects to sell additional common stock to stockholders in 1962 through subscription rights on the basis of one share for each 20 shares held. Based on the 22,838,454 common shares outstanding on Dec. 31, 1960, the offering will involve a minimum of 1,141,922 additional shares. **Office**—67 Broad St., New York 4, N. Y. **Underwriter**—None.

General Telephone Co. of California
Feb. 1, 1961 it was reported that this subsidiary of General Telephone & Electronics Corp. plans to sell about $20,000,000 of bonds in December 1961. **Office** — 2020 Santa Monica Blvd., Santa Monica, Calif. **Underwriters** — To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; First Boston Corp. and Equitable Securities Corp. (jointly); White, Weld & Co. and Kidder, Peabody & Co. (jointly); Paine, Webber, Jackson & Curtis, and Stone & Webster Securities Corp.

General Telephone Co. of Florida
Feb. 8, 1961 it was reported that this subsidiary of General Telephone & Electronics Corp., expects to offer about $15,000,000 of bonds in November. **Office** — 610 Morgan St., Tampa, Fla. **Underwriters**—Stone & Webster Securities Corp., and Paine, Webber, Jackson & Curtis, both of New York City.

Georgia Bonded Fibers, Inc.
Sept. 14, 1960 it was reported that registration of 150,000 shares of common stock is expected. **Offices**—Newark, N. J., and Buena Vista, Va. **Underwriter**—Sandkuhl and Company, Newark, N. J., and New York City.

Georgia Power Co. (10/18)
Dec. 29, 1960 this subsidiary of the Southern Co., applied to the Georgia Public Service Commission for permission to issue $15,500,000 of 30-year first mortgage bonds, and $8,000,000 of new preferred stock. **Proceeds**—For construction, plant modernization or refunding of outstanding debt. **Office**—Electric Bldg., Atlanta 3, Ga. **Underwriters** — To be determined by competitive bidding. Previous bidders for bonds included Harriman Ripley & Co., Inc.; Lehman Brothers; Blyth & Co., Inc., Kidder, Peabody & Co., and Shields & Co. (jointly); First Boston Corp.; Morgan Stanley & Co.; Halsey, Stuart & Co. Inc.; Equitable Securities Corp., Eastman Dillon, Union Securities & Co. (jointly). Previous bidders for preferred were First Boston Corp., Lehman Brothers, Morgan Stanley & Co.; Eastman Dillon, Union Securities & Co.; and Equitable Securities Corp. **Bids**—Expected to be received on Oct. 18.

Gluckin (Wm.) & Co., Inc.
April 19, 1961 it was reported that this subsidiary of Essex-Universal Corp., plans to sell about 200,000 common shares. **Business**—Manufactures and sells women's foundation garments. **Underwriter**—To be named.

★ Gulf, Mobile & Ohio RR (8/9)
July 26, 1961 it was reported that this company plans to sell about $3,600,000 of ½ to 15 year equipment trust certificates. **Office**—104 St. Francis St., Mobile, Ala. **Underwriters** — Competitive. Probable bidders: Salomon Brothers & Hutzler and Halsey Stuart & Co., Inc. **Bids**—To be received Aug. 9 at Noon (CDST) in Chicago.

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.

★ Gulf States Utilities Co. (10/3)
July 25, 1961 it was reported that this company plans to issue about $15,000,000 of debentures. **Office** — 285 Liberty Ave., Beaumont, Texas. **Underwriters** — Competitive. Probable bidders: Salomon Brothers & Hutzler and Eastman Dillon, Union Securities & Co. (jointly); Lehman Brothers; Halsey, Stuart & Co. Inc.; Merrill Lynch, Pierce, Fenner & Smith, Inc., and White, Weld & Co. (jointly); Stone & Webster Securities Corp. **Bids**—Oct. 3, 1961 at 11 a. m.

Hawaiian Telephone Co.
March 8, 1961 it was reported that this company plans to sell about $5,000,000 of common stock to stockholders through subscription rights later this year. **Office**—1130 Alakea St., Honolulu, Hawaii. **Underwriter**—None.

Hollywood Artists Productions, Inc.
June 20, 1961 it was reported that this company plans to file a "Reg. A" shortly covering 100,000 common shares (par 10 cents). **Price**—$3. **Business**—The production of motion picture and TV feature films. **Proceeds** — For working capital and other corporate purposes. **Office**—350 Lincoln Road, Miami Beach, Fla. **Underwriter**—A. M. Shulman & Co., Inc., 37 Wall Street, New York.

Houston Fearless Corp.
Feb. 27, 1961, Barry J. Shillito, President, stated that the company plans to expand its Western Surgical and Westlab divisions into a new national medical and hospital supply concern. He added that 80% of the new firm's stock would be retained by Houston and the remaining 20% sold to the public. **Office** — 11801 W. Olympic Blvd., Los Angeles 64, Calif.

Houston Lighting & Power Co.
Oct. 17, 1960 Mr. T. H. Wharton, President, stated that between $25-$35 million dollars is expected to be raised publicly sometime in 1961, probably in the form of preferred and debt securities, with the precise timing depending on market conditions. **Proceeds**—For construction and repayment of bank loans. **Office** — Electric Building, Houston, Texas. **Underwriter** — Previous financing was headed by Lehman Brothers, Eastman Dillon, Union Securities & Co. and Salomon Bros. & Hutzler.

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.

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.

★ Lone Star Gas Co.
July 26, 1961 it was reported that this company plans to sell an undisclosed amount of securities, possibly debentures, in September. **Business**—The company produces and distributes natural gas in Texas and Oklahoma. **Office**—301 South Harwood St., Dallas, Tex. **Underwriter**—To be named. The last issue of debentures in April 1957 was underwritten by First Boston Corp., New York, and associates.

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.

Mainco Electronics & Marine Development Corp.
July 17, 1961 it was reported that a "Reg. A" will be filed shortly covering $300,000 of common stock. **Proceeds**—For general corporate purposes. **Address**—Booth Bay Harbor, Maine. **Underwriter**—Nance-Keith Corp., New York City.

Masters Inc.
Jan. 6, 1961 it was reported that this corporation is contemplating its first public financing. **Business**—The operation of a chain of discount houses. **Office**—135-21 38th Avenue, Flushing 54, L. I., N. Y.

McCulloch Corp.
Jan. 9, 1961 it was reported that this corporation will schedule its initial public financing for late 1961 or some time in 1962. **Business**—The corporation manufactures Scott outboard motors and McCulloch chain saws. **Office**—6101 West Century Blvd., Los Angeles, Calif.

Metropolitan Edison Co.
Feb. 1, 1961 it was reported that this subsidiary of General Public Utilities Corp., plans to sell about $10,000,000 of first mortgage bonds and $5,000,000 of debentures in August or September. **Office** — 2800 Pottsville Pike, Muhlenberg Township, Berks County, Pa. **Underwriters** — To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; White, Weld & Co.; Kidder, Peabody & Co. and Drexel & Co. (jointly); Blyth & Co., Inc.

Metropolitan Food Co.
April 12, 1961 it was reported that this company plans to sell 100,000 common shares. **Price** — $5 per share. **Business** — Food distribution. **Proceeds** — For working capital. **Office** — 45-10 Second Ave., Brooklyn, N. Y. **Underwriters**—Brand, Grumet & Siegel, and Kesselman & Co., Inc., New York City (managing).

Metropolitan Telecommunications Corp.
July 5, 1961 it was reported that a fully registered secondary offering of this firm's stock will be made in September. **Office**—Ames Court, Plainview, L. I., New York. **Underwriter**—M. L. Lee & Co., Inc., New York (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.
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). **Note** — June 28, 1961 it was announced that this financing has been temporarily postponed.

Monroe Mortgage & Investment Corp.
Dec. 12, 1960, Cecil Carbonell, Chairman, announced that this company is preparing a "Reg. A" filing covering 150,000 shares of common stock. **Price** — $2 per share. **Business**—The company is engaged in first mortgage financing of residential and business properties in the Florida Keys. **Proceeds**—To expand company's business. **Office**—700 Duval Street, Key West, Fla. **Underwriter**—None.

Monterey Gas Transmission Co.
April 24, 1961 it was reported that Humble Oil & Refining Co., a subsidiary of Standard Oil Co. of New Jersey, and Lehman Brothers, had formed this new company to transport natural gas from southwest Texas to Alexandria, La., for sale to United Fuel Gas Co., principal supplier to other Columbia Gas System companies. It is expected that the pipeline will be financed in part by public sale of bonds. **Underwriter** — Lehman Brothers, New York City (managing).

National Airlines, Inc.
May 8, 1961, it was reported that the CAB had approved the company's plan to sell publicly 400,000 shares of Pan American World Airway's Inc., subject to final approval of the Board and the SEC. The stock was originally obtained under a Sept. 9, 1958 agreement under which the two carriers agreed to a share-for-share exchange of 400,000 shares and the lease of each others jet planes during thier respective busiest seasons. The CAB later disapproved this plan and ordered the airlines to divest themselves of the stock. **Price** — About $20 per share. **Proceeds**—To repay a $4,500,000 demand loan, and other corporate purposes. **Office**—Miami International Airport, Miami 59, Fla. **Underwriter**—Merrill Lynch, Pierce, Fenner & Smith Inc., New York City (managing).

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, it was reported 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 Pacific Co. (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.

★ **Pacific Gas & Electric Co. (9/26)**
July 25, 1961 it was reported that this company plans to sell about $60,000,000 of first and refunding mortgage bonds in September. **Office**—245 Market St., San Francisco. **Underwriters** — Competitive. Probable bidders: First Boston Corp., and Halsey, Stuart & Co., Inc. (jointly) and Blyth & Co., Inc. **Bids**—Expected on Sept. 26, 1961.

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.
June 30, 1961 the company turned over its business and assets in Washington, Oregon and Idaho to Pacific Northwest Bell Telephone Co., a new subsidiary. The company plans to offer about 56% of the stock of Pacific Northwest to stockholders through subscription rights in late September with the balance being offered to them within three years. Pacific Northwest Bell expects to sell a large issue of debentures publicly in from six to nine months. **Office** — 140 New Montgomery St., San Francisco, Calif. **Underwriter**—(For the rights offering) None. However, A. T. & T., which owns about 90% of the Pacific Tel's outstanding shares plans to exercise its rights to subscribe to its pro rata share of the offering. (Debentures) Competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; Morgan Stanley & Co., and First Boston Corp.

Pan American World Airways, Inc.
May 8, 1961 it was reported that the CAB ordered this company to sell its 400,000 share holdings of National Airlines, Inc., and to file a plan of sale with the board within 30 days. The stock was originally obtained under a Sept. 9, 1958 agreement under which the two carriers agreed to a share-for-share exchange of 400,000 shares and the lease of each other's jet planes during their respective busiest seasons. The CAB later disapproved this plan and ordered the airlines to divest themselves of the stock. **Office**—135 East 42nd St., New York City. **Underwriter**—To be named.

Panhandle Eastern Pipe Line Co.
March 8, 1961 it was reported that this company expects to sell about $72,000,000 of debentures in September, subject to FPC approval of its construction program. **Office**—120 Broadway, New York City. **Underwriters**—Merrill Lynch, Pierce, Fenner & Smith Inc., and Kidder Peabody & Co., both of New York City (managing).

Pennsylvania Power & Light Co.
April 11, 1961 it was stated in the 1960 annual report that this utility expects to spend $140,000,000 on new construction in the 1961 to 1965 period, of which about $56,000,000 will have to be raised through the sale of securities. However, the company now sees no necessity for the sale of equity securities, but expects to convert its present $35,000,000 of bank loans to long-term debt when securities market conditions are favorable. **Office**—9th and Hamilton Streets, Allentown, Pa. **Underwriters**—To be named. The last four bond issues were sold privately. The last public offering of bonds on Oct. 4, 1945 was underwritten by Smith, Barney & Co.; First Boston Corp.; Dillon, Read & Co., Inc., and associates.

Penthouse Club, Inc.
June 1, 1961 it was reported that this company plans to issue 60,000 common shares. **Price**—$5. **Business**—The operation of dining clubs. **Proceeds**—For expansion and working capital. **Office**—15th and Locust St., Philadelphia. **Underwriter**—To be named.

Producing Properties, Inc.
July 12, 1961 it was reported that stockholders had voted to increase authorized common stock from 3,000,000 to 5,000,000 shares. Robert J. Bradley, chairman, stated that the company intends to sell sufficient common shares to net $5,000,000 after commissions and expenses, subject to approval of the SEC. **Business**—The purchase and operation of oil and gas properties. **Proceeds** — For the development of underground reserves. **Office**—35th floor, Southland Center, Dallas, Tex. **Underwriters**—To be named. The last offering of common and debentures in November 1954 was underwritten by Hemphill, Noyes & Co., and Shields & Co., New York and Rauscher, Pierce & Co., Dallas.

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.

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 California Edison Co.
May 23, 1961 it was reported that this company will need an additional $35,000,000 to finance its 1961 construction program. No decision has yet been made as to whether the funds will be raised by bank loans, or the sale of preferred stock or bonds. **Office**—601 West Fifth St., Los Angeles, Calif. **Underwriter**—To be named. The last sale of preferred stock on May 12, 1948 was handled on a negotiated basis by First Boston Corp., New York City and associates. The last sale of bonds in April 1961 was bid on by Blyth & Co.; First Boston Corp., Dean Witter & Co. (jointly); Halsey, Stuart & Co. Inc.; Kuhn, Loeb & Co., Equitable Securities Corp. (jointly).

Southern Natural Gas Co.
Oct. 28, 1960 it was reported by Mr. Loren Fitch, company comptroller, that the utility is contemplating the sale of $35,000,000 of 20-year first mortgage bonds sometime in 1961, with the precise timing depending on market conditions. **Proceeds** — To retire bank loans. **Office**—Watts Building, Birmingham, Ala. **Underwriter**—To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; First Boston Corp.; Blyth & Co. and Kidder, Peabody & Co. (jointly). **Offering**—Expected in October.

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.

Southwestern Public Service Co.
July 19, 1961, Herbert L. Nichols, Chairman, stated that the company plans to issue about $13,000,000 of common stock in March 1962. The shares will be offered for subscription by common stockholders on the basis of one new share for each 20 shares held. **Proceeds**—For construction. **Office**—720 Mercantile Dallas Bldg., Dallas 1, Texas. **Underwriter**—To be named. The last rights offering to stockholders in January 1957 was underwritten by Dillon, Read & Co., New York City.

Dividend Advertising Notices Appear on Page 16.

Tower Construction Co.
July 5, 1961 it was reported that a registration statement will be filed shortly covering an undisclosed number of common shares. **Price**—$10 per share. **Business**—The installation and maintenance of radar, micro-wave relay and broadcast antenna towers for military and commercial use. **Office** — 2700 Hawkeye Drive, Sioux City, Iowa. **Underwriter** — C. E. Unterberg, Towbin & Co., New York (managing). **Offering**—Expected in Aug.

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).

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 Street, 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 would purchase 250,000 shares of class B stock for $100,000 and WUI would sell $4,500,000 of debentures or bonds. **Office** — 60 Hudson Street, New York City. **Underwriter**—American Securities Corp. (managing).

Wisconsin Southern Gas Co.
Dec. 12, 1960 it was reported in a company prospectus that an undetermined amount of capital stock or bonds will be sold in 1961-1962. **Proceeds**—For the repayment of short-term bank loans incurred for property additions. **Office** — Sheridan Springs Road, Lake Geneva, Wis. **Underwriter**—The Milwaukee Co., Milwaukee, Wis. (managing).

Bramalea Consol. Developments Units Offered

Shields & Co., New York City and associates are offering publicly today (July 27) 120,000 units of Bramalea Consolidated Developments Limited at $100 per unit. Each unit consists of $50 principal amount of 6½% debentures, due July 1, 1973 five common shares and two common share purchase warrants, each evidencing the right to purchase one common share.

Of the net proceeds of the sale of the units, approximately $3,855,000 will be applied to the discharge of all mortgages outstanding against the company's undeveloped lands, $5,000,000 will be applied to the payment of current bank loans, and the balance will be added to working capital.

The company of Brampton, Ont., Canada was incorporated under the laws of the Province of Ontario in 1957 to acquire and develop lands located near Metropolitan Toronto and there establish a planned and balanced industrial - commercial - residential community. It has acquired approximately 5,615 acres of land in the Township of Chinguacousy, Ontario.

Giving effect to the sale of the units, outstanding capitalization consists of $6,000,000 of 6½% sinking fund debentures, and 887,638 common shares, without par value.

Williams Bros. Common Offered

A public offering of 200,000 shares of common stock of Williams Brothers Co. is being made today (July 27) at $21.25 per share by Reynolds & Co., Inc. and associates.

All of the stock is being offered by certain selling stockholders and none of the proceeds will be received by the company.

The company located in Tulsa, Okla., is principally engaged in constructing pipelines and in other aspects of the heavy construction industry.

For the year ended Dec. 31, 1960, consolidated net earnings amounted to $2,740,143 equal to $2.26 per share. For 1959, comparable figures were $763,749 equal to 60 cents per share.

The company has paid regular quarterly dividends on its common and class B common stock since 1957.

Giving effect to the offering, outstanding capitalization of the company consists of 651,205 shares of $1 par common stock; and 559,295 shares of $1 par class B common stock. The class B common may be converted on a share-for-share basis into common stock at any time at the option of the holder.

J. Stefani Opens

MERCED, Calif.—Joe Stefani is engaging in a securities business from offices at 1733 L Street.

First Republic Branch

KINGSTON, N. Y.—The First Republic Corporation has opened a branch office at 12 John Street under the management of Robert I. Baron.

New Hutton Branch

LOS ANGELES, Calif.—E. F. Hutton & Company has opened a branch office at 150-38 South Fairfax Avenue under the management of Paul A. Woods.

Johnston Co. Branch

ELYRIA, Ohio—Johnston & Company, Inc., has opened a branch office at 538 Broad Street under the direction of William J. Krantz.

WASHINGTON AND YOU

BEHIND-THE-SCENES INTERPRETATIONS FROM THE NATION'S CAPITAL

WASHINGTON, D. C. — Before the Berlin crisis developed, there was a loud cry among a good many members of Congress that the law-makers should expedite their work and go home.

There was talk of early adjournment. Now there is little or no adjournment discussion. Some of the pessimists feel that Congress will still be in session in October.

With a great crisis facing the Nation, Congressmen feel more secure, as far as their constituents are concerned, in Washington than they do at home. They want to feel that they are a part of the team that is making the big decision's in the Nation's Capital. It gives them more stature at home.

At the same time the chambers of Congress serve as a sounding board for members to express their own views and the views of their constituents to a national audience.

It is conceivable that President Kennedy's address to the Nation may result in Congress remaining in session longer than it normally would.

Judging by the mail that some members of Congress say they have been receiving from home, the country does not want the United States to give any more ground to Soviet Premier Khrushchev and the Communist leaders.

Apparently the people, already sorely burdened with taxes, are ready to take on a little more, if necessary, to build up the military manpower to meet the threat.

Defense Costs

The House about a month ago passed 412 to 0 a bill appropriating $42,711,105,000 to the Department of Defense for fiscal 1962 which began on July 1. The amount, incidentally, was almost $2,000,000,000 more than the sum recommended in President Eisenhower's budget which he sent to Capital Hill just before Mr. Kennedy succeeded him.

The Defense Department already gets more than half of all the appropriated funds made by Congress.

The House-passed measure, which will be amended to take care of the growing crisis, provides for an active duty military department of 2,511,900 people for fiscal 1962. This would amount to about 22,000 more than the average strength for fiscal 1961.

Under the plan the military personnel would be divided in this manner: Army 874,000; Navy 627,800; Marine Corps 184,000 and Air Force 825,000.

On Balance

There is considerable gloom in some quarters of Washington about the strength of Russia. But the truth is, we are more powerful today than ever before. So is Russia. The Soviet Union's newspaper, "Izvestia," proudly claims that Russia has a larger fleet of rocket-firing submarines than the United States.

That might be true, but our Navy is still the most powerful naval fleet in all the world. It is generally known in the military circles of this country that Russia has been working on an accelerated program of atomic-powered submarines.

Apparently we are going to step up the program for building long-range bombers. Under the pending military legislation, the sum of $448,840,000 will be used for development and production of long-range bombers—the type of manned craft that can travel 2,000 miles an hour.

Recall Hitler's Error

Meantime, there was strong hope in Washington that Soviet Premier Khrushchev will not be mislead about the attitude of the people in this country, who do not want war but who will not be pushed any further.

Official Washington is hoping that Soviet Ambassador Menshikov has told Khrushchev that the United States will fight over Berlin. The Ambassador has denied making a remark at a Washington party that he did not believe the people of this country would fight over the German capital. He would be making a serious mistake if he should believe that to be true and correct.

The Soviet Ambassador's purported Washington party remark brought to mind in Washington the report that the German Ambassador in London, Joachim von Ribbentrop, made to Adolf Hitler in 1938. Ribbentrop asserted that the British would not go to war over Poland, and, further, the United States was putting on a sham about its military preparations.

History records that Ribbentrop's advice to Hitler was bad. Ambassador Menshikov is regarded in diplomatic circles in Washington as a "very shrewd and articulate man."

"No War Over Berlin"

Despite all the gloom predictions and pessimism taking place in Washington, there is at least one ranking member of Congress who thinks that the Berlin situation has been blown up all out of proportions.

He is Senator Allen J. Ellender, perhaps the most traveled man in the United States Congress. As a member of the Senate Appropriations Committee, he travels far and wide each year after Congress adjourns to check on expenditures that he and his committee recommend. He has stoutly denied that he is a junketeer.

The Louisianian, who has been in Congress since 1935, has huddled with Khrushchev in the Kremlin and has visited Russia twice in recent years.

Senator Ellender believes that Premier Khrushchev has been doing a considerable amount of "popping off" about the Berlin separate peace treaty, etc.

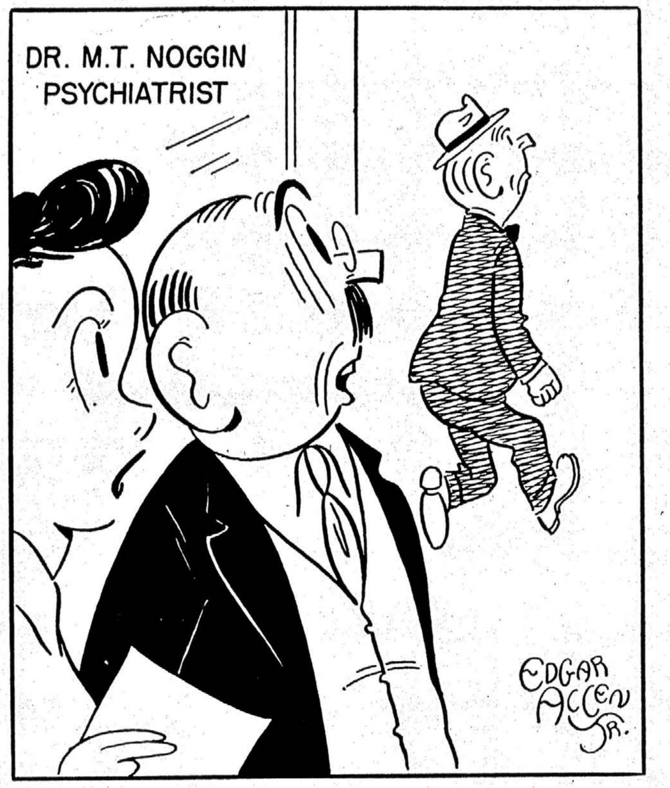
"There's not going to be any war this year or next over Berlin," said Sen. Ellender. "Mark my word on it. . . . Sure there will be some more crises. Next year if it is not Berlin it will be something else."

Regardless of the outcome, it seems that the arms race will continue for years to come.

[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.]

Form Suburban Inv. Secs.

DISTRICT HEIGHTS, Md.—Suburban Investment Securities Corp. has been formed with offices at 5560 Silver Hill Road to engage in a securities business. Officers are Oscar C. Casto, president; Woodrow A. Shriver, Vice-President; Frank B. Higdon, Jr., Treasurer; and Charles S. Shapiro, Secretary. Mr. Casto was formerly with H. F. Weekley & Co.



"He needs shock treatment—phone his stock broker and ask him to raise his commissions!"

COMING EVENTS

IN INVESTMENT FIELD

Aug. 11, 1961 (Detroit, Mich.)
Basis Club fourth annual summer outing at St. Clair Inn & Country Club, St. Clair, Mich.

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.

Sept. 29, 1961 (Philadelphia, Pa.)
Bond Club of Philadelphia 36th annual field day at the Philmont Country Club, Philmont, Pa.

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 mid-year meeting.

April 8-10, 1962 (San Antonio, Tex.)
Texas Group of Investment Bankers Association of America, annual meeting at the St. Anthony Hotel.

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.

Koenig, Hawkins & Titus Formed in Los Angeles

(Special to THE FINANCIAL CHRONICLE)

LOS ANGELES, Calif. — Koenig, Hawkins & Titus, Incorporated has been formed with offices at 606 South Hill Street to engage in a securities business. Officers are William M. Hawkins, President; Stephen Titus, Vice-President and Treasurer; Merritt M. Williams, Jr., Vice-President and Secretary; and B. S. Levitt, Assistant Secretary. Mr. Hawkins was formerly an officer of California Fund Management Co.; Mr. Titus and Mr. Williams were partners in Counselors Management Co.

Col. Miller Vice-Pres. Of Saul Lerner

NEW YORK—Colonel Homer E. Miller, formerly director of education and research at the Saul Lerner Co., 40 Exchange Place, New York, has been named Vice-President of the company.

Tritsch Elected Secy. Of Chemical Fund

Chemical Fund, Inc. has announced that Robert G. Tritsch had been elected Secretary of the Company by the Board of Directors.

Before joining Chemical Fund, Inc., Mr. Tritsch had been with Heyden Newport Chemical Corporation and Cerro Corporation as a corporate attorney.

Chemical Fund, Inc. was founded by F. Eberstadt & Co. in 1938.

Forms Nordic Securities

Nils A. Sandberg is engaging in a securities business from offices at 556 West 118th Street, New York City, under the firm name of Nordic Securities Co.