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## Editorial AS WE SEE IT

Ever since the end of World War II we have been spending vast sums of money for foreign aid of one sort or another. President Kennedy is asking for a very substantial enlargement of these contributions. Although it is not wholly clear how much he will get there is little doubt that substantial increases are to be expected for some years to come. Yet at times one is obliged to wonder whether anyone in authority has ever sat down and seriously formulated our objectives even in his own mind. We are, of course, glib enough in saying that what we are doing is alleviating hardships, appeasing hunger, and in general making life a little more bearable for many of the "underprivileged" of the world in the hope that in this way we shall be able to halt the spread of communism. This, however, is hardly a satisfactory account.

It would be a good thing if we took the trouble to consider precisely what is causing the turbulence in so many areas of the world and what can be done and ought to be done to remedy the situation. Under Secretary of State Chester Bowles, who recently returned from a flying trip to many parts of the world has just paid his respects to the notion that we can buy friends or bribe peoples to reject communism. These are his words: "We could buy United Nations votes with aid. We could think that if the people are full of rice they will support the *status quo*, but, then, we shall only have more muscular Communism." There may be, there probably is, a good deal of substance in what Mr. Bowles has to say on the subject.

### "The Tide of History"

But the Under Secretary is not content to confine himself to this essentially negative warning. On the contrary he asserts that "throughout the non-communist world the tide of history is now running with flood force: for self-government, for economic justice, for racial equality." He then adds that "these are the principles which we must support, morally, because (Continued on page 25)

## The C. E. D. Commission's Report On Money and Credit Analyzed

By Walter E. Spahr, Executive Vice-President, Economists' National Committee on Monetary Policy, Professor Emeritus of Economics, New York University

Dr. Spahr, alleging inappropriateness of reporting group's assumption of term "Commission," criticizes its shunning of expert participation. Scores advocacy of additional "Keynesian devices" for governmental economic management, including repeal of reserve requirements along with over-all impairment of Federal Reserve System's independence from political domination. Warns of resulting reduction of U. S. currency to "hollow shell of unsupportable paper". Cites Keynes' "more responsible" 1920 suggestion: "No order of society perishes save by its own hand."

### The Nature of the Commission

"The Commission on Money and Credit," according to a Summary in a special section of *The New York Times*, June 25, 1961, p. 2, inserted by Representative Abraham Multer of Brooklyn in the *Congressional Record* of July 13, pp. 11618-11631, "was established in 1957 by the Board of Trustees of the Committee for Economic Development [C. E. D.] to study public and private financial institutions of the United States." Mr. Frazer B. Wilde, Chairman of the Commission and also of the Board of the Connecticut Life Insurance Co., states in the Summary that it contains all the recommendations of the Commission's Report. Apparently the formation of the Commission was completed in May, 1958, according to Mr. Gaylord A. Freeman, Jr., a member of the Commission and President of The First National Bank of Chicago, in the *American Banker* (New York, June 20),



Walter E. Spahr

p. 7. Mr. Freeman's account of the Commission was also inserted by Representative Multer in the *Congressional Record* of July 13, pp. 11615-11618.

Financial support for the Commission's effort, according to Mr. Wilde (*Summary*, p. 3), came from "The Ford Foundation, the Merrill Foundation, and the Committee for Economic Development." More specifically, according to Mr. Freeman in the *American Banker* for June 21, p. 8, The Ford Foundation supplied \$1.3 million, and the Merrill Foundation \$35,000. The front flap of the Commission's book, *Money and Credit, Their Influence on Jobs, Prices, and Growth: The Report of the Commission on Money and Credit* (Prentice-Hall, Inc., Englewood Cliffs, N. J., 1961), 282 pp., states that the Report was financed "by grants totaling nearly a million and a half dollars from the Ford Foundation and Merrill Foundation as well as the Committee for Economic Development." 1

Although the word "commission" may apply to a private arrangement, such as commissioning an artist to paint a picture, or to a government commission, such as the National Monetary Commission appointed under the Aldrich-Vreeland Act of 1908, the Commission on Money and Credit was initiated by the C.E.D., and was a private undertaking in nature. For this reason, it should have been more appropriate, because less misleading, had the word "commission" not been employed since, in the field of money and credit, the term is commonly associated with a government commission.

The C.E.D. was organized in 1942, by Mr. Paul Hoffman for the announced purpose of recommending ways to smooth the transition from World War II to peacetime activities after which it was to disband. But for other reasons it has continued its activities in the fields of economics and government.

It is commonly regarded as wise, and as necessary in the field of science, (Continued on page 20)

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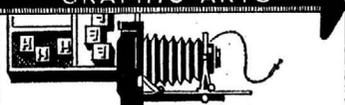
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HERBERT E. HARRIS

Investment Securities, Dayton, Ohio

**River Brand Rice Mills, Inc.**

To live, every human being must have air, water—and food. The most highly consumed food throughout the world is—rice. Per capita annual consumption in the United States ranges from a minimum of 2 pounds to 40 pounds. But, in other countries, it ranges from 60 pounds to as high as 400 pounds—in Asiatic countries. Therefore, given a successful processor and marketer of such a necessary product—a product which will always be in demand regardless of all else—should prove a profitable investment providing a dependable and satisfactory income which should steadily increase.

River Brand Rice Mills, Inc. was born in 1946 through consolidation of several milling companies and a packaging-marketing company; the oldest of which is 50 years and each of which has been profitable since its founding. River Brand Rice Mills, Inc. is one of our largest millers and distributors of rice and is first in packaged rice sales. Its famous brand names are; Aunt Caroline, River Brand Brown Rice, River Brand White Rice and Carolina Brand Rice.

The Company's 1960 Annual Report showed assets in excess of \$9 million of which current assets were close to \$6 million vs. less than \$2 million current liabilities; a very favorable three-to-one ratio. The only debt is a long term note in the amount of \$960,000. The Company has no bonds nor preferred stock. In 1960 net sales exceeded \$31 million; 37% over 1951. Net earnings per share increased 40% and dividends increased 38% in the past ten year period. 1960 fiscal year earnings were \$2.61 a share and are expected to be about \$2.80 for the 1961 fiscal year. In 1951 the annual dividend was 87 cents a share and has been as high as \$1.50 since then. Current annual dividend is \$1.20 a share. It is more likely that the dividend will be increased and a reasonable estimate is back to \$1.50 a share.

As the stock is available at about \$30 a share, the current yield is about 4%. At \$1.50 dividend it would be 5%. The stock is selling at less than 12 times earnings and the dividend is only about 45% of earnings. If you are a real investor, this should command your attention.

Supplementing its large domestic business is a substantial export business, part of which is done through Government supervision. It once had a large business in Cuba but foreseeing trouble, it gave that business up before the trouble occurred and other foreign business is more than compensating for it.

Here, then, is an investment for realistic investors: investors who prefer sound situations based upon FACTS rather than will-o-the-wisp glamour which is composed mostly of froth. This is an investment in one of the most necessary and most demanded commodities.



Herbert E. Harris

It is an investment in a very successful company; one which has paid a dividend in every year since its formation. The several attractive situations about which I have written in this column over the years, have confirmed my confidence in them. I believe River Brand Rice Mills will do likewise and I am glad to add it to my recommendations at this time.

LOUIS SAPIR

Partner, Cohen, Simonson & Co.,  
New York City

Members: New York Stock Exchange  
and American Stock Exchange

**De Soto Chemical Coatings, Inc.**

It is too often assumed by the current crop of security analysts, and neophyte investors, that growth can only be equated with the new, the glamorous, or the scientific. No room is permitted, by these committed individuals, to the revitalized revamped, or reoriented. These areas have been relatively overlooked, yet offer real attraction to those perceptive individuals with the value-oriented approach to securities.



Louis Sapir

De Soto Chemical's current corporate image meets the criteria of basic strength, revitalized management, and growth in sales, earnings and dividends.

Let us look at the record:

In August of 1956, the company acquired the paint and wallpaper manufacturing operations of Sears, Roebuck & Co. in exchange for 60,000 shares of 4 3/4% class A cumulative preferred stock and 2,854,609 shares of common stock. The company after this transaction had outstanding: 3,113,642 shares of common; 35,591 shares of class B cumulative convertible preferred, and 60,000 shares of class A preferred.

STATISTICS (millions unless indicated)

	1957	1958	1959	1960
Net sales	\$39,669	\$43,820	\$47,125	\$48,425
Income Before Taxes	3,405	4,692	4,769	5,237
Net Income for Common	3,062	2,623	2,081	2,369
Net Income Per Share:				
(a) Incl. tax-loss carry forward	\$ .96	\$ .82	\$ .65	\$ .74
Less Credit	.53	.31		
(b) Excl. tax-loss carry forward	\$ .43	\$ .51	\$ .65	\$ .74
Dividends Per Share	\$ .25	\$ .25	\$ .30	\$ .35*

\*Present indications assume a \$.10 quarterly dividend.

**What Are De Soto's Present Areas of Operations?**

De Soto manufactures for interior and exterior use—household paints, enamels, wall finishes, latex paints, plastic masonry paints, varnishes and stains. These items account for approximately 59% of total sales.

Approximately 31% of sales consist of industrial coatings and paints manufactured by the company to maintain metal finishes and coatings, interior and exterior coatings for food and beverage cans; and chemical resistant finishes for oil refineries and chemical plants. In addition, the company has developed and is presently manufacturing polyester joint compounds for clay pipe joints, and certain types of polyester laminating resins for use in production of structural panels and small boats. These new and improved coatings, the result of

**This Week's  
Forum Participants and  
Their Selections**

**River Brand Rice Mills, Inc.**—Herbert E. Harris, Investment Securities, Dayton, Ohio. (Page 2)

**De Soto Chemical Coatings, Inc.**—Louis Sapir, Partner, Cohen, Simonson & Co., New York City. (Page 2)

On the basis of book value, Sears then had approximately 90.5% of the total stockholders equity in the company, and about 91.5% of the voting power.

It was obvious that Sears stock ownership offered several problems, as well as the distinct advantages that such control entailed. If one could read into the corporate mind, the analyst-seer would perhaps proceed in exactly the same manner as Sears; to wit: build up the operation, increase profitably, and, once this has been accomplished, increase the marketability of the common and establish a wider base of ownership. What was actually accomplished.

Management: A revitalized executive team, Sears trained and oriented, under the guidance of President Sam U. Greenberg, took over control.

Operations: De Soto in about two years absorbed over \$6,000,000 of tax-loss carry-forward incurred by the former company. (Known as United Wallpaper). For the fiscal period June 30, 1959, the company paid taxes at the full rate.

Construction: New plants erected in Chicago and California.

Sales: Increased more than 20% between 1957-60.

Pre-Tax Income: Increased more than 50% between 1957-60.

Per Share Earnings: (excluding tax-loss carry forward) increased more than 70% between 1957-60.

Dividends: Increased from 25¢ in 1957 to its present basis of 40¢ annually.

Simplified Capitalization: The class B cumulative convertible preferred was called, and the class A preferred is being reduced by a sinking fund to the extent of 3,000 shares annually.

The following statistics will give meaning to the above statements:

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# The President's Major Economic Problem

By Edwin G. Nourse,\* Author and Consultant, Washington, D. C.,

Former Council of Economic Advisers' Chairman raises what he believes is the most crucial economic question facing us today: will the President be able to dissuade Big Business and Big Labor from dealing a "death blow to the free enterprise system they profess to love?" Dr. Nourse assesses Mr. Kennedy as an economic statesman after tracing the origin and development of the totally new concept of the President as a mover of and intervener in the state of economic affairs. He praises his knowledgeability, prudent refusal to push the panic button, and perceptive ability in enunciating this "crucial dilemma" in his State of the Union Message.

The concept of the President of the United States as an economic statesman—not merely a political and diplomatic statesman—is a creature of the 20th century. It began with Theodore Roosevelt, gained clarity under Woodrow Wilson, and has become a criterion avowed by or applied to every President from Herbert Hoover forward. The 19th century was the heyday of *laissez-faire* and the "rugged individualists." Government intervention came only occasionally and was related to topical issues such as the tariff, immigration, slavery, or free land. These issues were dealt with largely in political, moral, sectional and emotional terms in a narrow context rather than as broad economic policy.



Edwin G. Nourse

Theodore Roosevelt, the conservationist, the trust-buster, spokesman for labor reform and human welfare, opened the new century as the leader of an economic re-orientation. In 1908 he rolled his special causes into an ambitious but untidy package that he called "the Progressive Party." Woodrow Wilson, more of a scholar than Theodore Roosevelt, formulated a more systematic economic statesmanship under a national economic policy labeled "The New Freedom." He sponsored the Federal Trade Commission to tailor anti-trust policy to concrete situations. He coordinated a system of commercial credit under the Federal Reserve Board and of farm mortgage credit through Federal Land Banks. The war he tried to keep us out of required a national economic effort and put the national debt in a position of new and continuing significance. But Wilson was too ill and too preoccupied with international problems to make further contributions to the economic statesmanship of "The New Freedom."

### The Stock Market Crash

After an easy-going postwar decade, the stock market crash of 1929 brought new demands for constructive economic statesmanship, and the response of Herbert Hoover was compounded of his engineering training and his humanitarian experience in postwar

relief in Europe on a national scale. Even before the onset of general depression, he recognized the plight of the nation's agriculture and approved the Agricultural Marketing Act, with its Federal Farm Board as a top strategy body armed with a Federally underwritten "stabilization corporation." As depression deepened, he appealed to business leaders to subordinate personal and company considerations to the public interest—and they double-crossed him. He then turned to the novel device of a National Reconstruction Finance Corporation to aid states, cities, and private firms and the Home Loan Bank to backstop savings, building and loan, and homestead associations and to make and service loans to veterans.

As for the second Roosevelt and Harry Truman, the particular events of the New Deal and the Fair Deal are too fresh in our minds to need repeating here. But a few comments on their orientation to an integrated economic statesmanship—or their disorientation—may not be out of place.

In the idiom of military strategy, Franklin Roosevelt launched a four-front war. Something, said he, had to be done for the farmer, so he stepped up the Agricultural Marketing Act into an Agricultural Adjustment Act, with price and income subsidies and some production control. Something had to be done for business, so he promulgated industry codes that in effect relieved company managers of the rigors of the anti-trust laws. Something had to be done for labor, so he hatched a Blue Eagle of re-employment and, later, backed the Wagner Act, with its National Labor Relations Board. Feeling that something had to be done about prices in general, he sought "reflation" through upping the mint value of gold and withdrawing it from coin circulation. Relief payments to families were expanded as an act of mercy rather than economic strategy. But they were soon amplified or metamorphosed into a Social Security system that has become a significant factor among national stabilization devices.

President Roosevelt had a natural flair for the political phases of his job and for daring improvisation of government programs. But wrestling with this four-front economic war against depression gave him a growing realization of the need for some means of bringing segmental poli-

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## OBSERVATIONS . . .

BY A. WILFRED MAY

## A USEFUL THERMOMETER FOR "HOT ISSUES"

Not at all apocryphal, and most significant, now is this accountant's yarn. Examining the books and accounts of a shaky business proprietor, he reported, "Either file for bankruptcy, or 'go public.'"

Likewise enjoying wide public circulation is debunking of specific new issues. But most of such vigorous excoriation, in following after the subscription date, and concentrating on the subsequent sensational price pyrotechnics, mostly misses constructive usefulness for the investor. In fact, the very accounts of the fireworks' price and profit-wise serve to whet the appetite for getting aboard the very next issue.

## Who Really "Goes Public?"

One of the Offerings phases, simple and clear, on which Mr. Public presumably can be taught to look before he leaps, is whether the Company's treasury or selling "insiders" are to get the new money. Of the total proceeds of new common stock issues, 29% (\$899 million) in 1960, and 29% (\$621 million) in 1959, have gone directly to selling stockholders. In those instances it is, of course, "the insiders," not their companies, who "go public."

## A Real Bear Tip

While we do not agree with that segment of the tipping fraternity which keys their tips to following "the insiders," as through the monthly publication of all their transactions as prescribed by the Securities Exchange Act of 1934 (Sec. 16a) and the Investment Company Act of 1940 (Sec. 30f); we would give some credence to this type Bear tip as revealed by major liquidations via Prospectus.

Hence our prize exhibit here is a current new offering, which directly embodies both the features which we have cited above! Namely a sale of managers' stock and bankruptcy.

Interestingly here, the "ring-leader" of these new managers borrowed \$50,000 from the company, which he will repay, without any beastly interest, out of the proceeds of the current offering.

## "Wake Up and Read!"\*

Clearly set forth in the current "Red Herring" preliminary Prospectus in compliance with the statute, it might be assumed that even an eager-beaver public would have the sense and energy to absorb such horrendous procedure.

The "X" Company, a management consultant service organization, with practically no fixed assets or capital surplus, was under creditors' extension from April, 1956, to February, 1959, when it took the big—and bullish—plunge into bankruptcy (evidently ante-dating the "Going Public" possibility). The shares now being offered were given to the present stockholder-managers amidst the 1959 bankruptcy proceedings in consideration of \$115,000 of loans they made to the company, and \$100 paid to the then owner of all of the common stock. With the completion of their present offering, the four managers, including the Chairman, as clearly included in the preliminary prospectus, will perform a complete "walk-away" from their management affiliation as well. In other words, the new offering subscribers will be functioning as the final bailers-out in a bankruptcy arrangement.

After nominal "net income" reported over the past two years, a substantial deficit remains. (The latest eight-month interest earnings are one-third less than last year.)

Incidentally, the offering price (pre - pyrotechnics) now anticipated is \$3 per share, which would represent 12 and 15 times respectively, the enterprise's past two years' earnings. The underwriters have bought from the selling stockholders 10,000 shares at 30 cents per share; have acquired options at a cost of 30 cents per share, to buy 34,000 shares at \$2.70; and received \$65,000 toward "expenses."

All this is, of course, set forth in clear and simple English in the prospectus; which fact involves some broad implications. Despite the public's constantly revealed ignorance of the prospectus facts and of the prescribed bold-face disclaimer of SEC responsibility (with representations to the contrary constituting a "criminal offense"), we still hold to the conviction that the Commission should go no further than ensure full disclosure. Government guaranty of value, as has long been recognized in other countries, entails the "where do we draw the line?" impracticability; as well as conferring a wholly false sense of security on the (particularly now) speculative.

The Stock Exchange member

\* The slogan used during the recent Library Week celebration.

firms are truly making constructive efforts to curb the "Hot Issue" recklessness. Some have invoked the rule of compelling such consumers (men as well as women) to sign the statement, "This order was not solicited." Some of these firms limit the formal "Confession" to issues under a minimum price—say \$10.

## New "Speed-Reading" Course Called For

On the other hand, we find that a previously advanced idea to have the buyer also sign for having read the Prospectus, has been abandoned. (Doubtless "that would be going to far.")

Even in the absence of a "Speed - Reading" addict, the above-cited "Selling Stockholder" factor can surely be scrutinized.

Offsetting the attempts at restraint is the pushing (though not too much is required now) applied by the "Hot" underwriters and their followers. Legally powerless are the mails to escape from horrendous promotions, including at least this choice tid-bit using the "research" and "guest subscription" rackets. "... We maintain an active and experienced research department. ... Today's active 'New Issue' market offers attractive opportunities for capital gains to the intelligent investor. Our research department scrutinizes every major new issue." [Emphasis added by us.]

Investor education, along with a modicum of personal effort, in the new issue field as well as elsewhere throughout the investment world, remains as the only effective antidote to idiotic behavior.

## MULTIPLE DISCLAIMING

The zeal of disclaimer efforts, in the current speculative state, sometimes goes to lengths that are quite amusing. We have received by mail an elaborate 16-page profusely illustrated promotional pamphlet from an oil company, whose first page is entirely devoted to disclaiming-like-mad ("... This booklet is published as a public service . . . not as an offer to provide any services to investors . . . the only offerings ever made by ----- Oil Company are to a limited group of selected investors who are personally invited by officers of the company to participate in particular programs.")

So far, perhaps not too unusual. But accompanying is a letter from the company's Vice-President and Attorney, a friend, including some personal thoughts along with references to this Oil Company—with the meticulous "P. S." legalism in bold type, "DICTATED BUT NOT READ BY CGB."

Clarkson Labs.  
Common Offered

Offering of 200,000 common shares of The Clarkson Laboratories, Inc. is being made today (Aug. 24) by Ross, Lyon & Co. Inc. and Globus, Inc. The stock is priced at \$2 per share, and the offering is made as a speculation.

The Clarkson Laboratories is made up of a merger of a company of the same name, Manufacturers Chemical Co., Inc. and Norchem Products, Inc. The company with headquarters in Camden, N. J., is engaged in the development, manufacture, packaging and sale of industrial chemicals and chemical compounds, and latex, resins and plastic compounds for industrial and chemical use.

Proceeds from the sale will be used to defray the cost of an addition to the company's plant, and to repay a demand note and for working capital.

Life Insurance Sales to Firms  
More Than Triple Since 1950

The amount of life insurance purchased for business purposes has more than tripled in the United States during the past decade, as American business firms have increasingly protected themselves against the loss of the brains and skills of key employees and executives, which are among the most important assets of any company.

This was pointed out recently by the Institute of Life Insurance, New York City. It noted, for example, that during 1960, business firms bought about \$5,000,000,000 of life insurance to protect themselves against financial losses that might result from the death of important personnel. Some life insurance companies, the story revealed, reported that business policies accounted for as much as 20 to 25% of their new ordinary life insurance purchased last year. Total business life insurance in force in the U. S. at the end of 1960 was between \$30,000,000,000 and \$35,000,000,000. This upward trend has been especially noticeable among medium-size corporations, where the death of an owner, officer, manager, technical expert or even a shop foreman is likely to be felt more keenly than in larger enterprises.

The Institute referred to a case of an advertising agency in a Mid-Western city, which purchased last year a \$50,000 policy on the life of its general manager, who also owned 38% of the firm's stock. When he was killed in an airline crash several months later, the policy not only indemnified the firm against the loss of his technical knowledge but also helped to repurchase his stock from his family.

There are many cases of smaller firms which probably would have had to be liquidated following the death of an owner or partner, except for business life insurance.

Another example cited dealt with two partners in a general contracting business in a small Western community who began 10 years ago to take out insurance on each other's lives. Both of them agreed in advance that, in case either should die, the surviving partner would use the policy proceeds to buy out the other. The firm's main activity was transporting heavy drilling equipment to oil fields. One partner did almost all the outside work, while the other handled all the office routine and kept the books. Last February, when the "inside" partner died following a surgical operation, his share of the business was purchased by the other partner with the help of

\$40,000 in death payments from a business life insurance policy.

## Use as Pension Funds

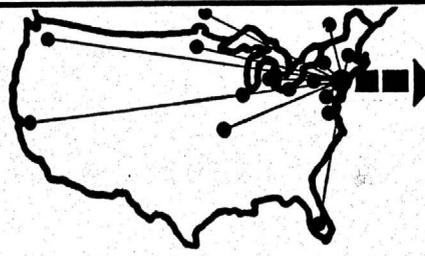
Business life insurance policies not only protect the firm against financial loss resulting from death but are also frequently used to accumulate pension funds for executives who live to retire. The cash values that build up in a policy during an executive's working years can be used for this purpose when the firm no longer needs the policy's protection features. Such provisions in business policies have even been known to induce key employees to turn down appealing offers to change jobs to other firms.

Non-profit and non-business organizations also sometimes purchase life insurance policies on key executives—particularly where personal talents are vital to important, long-term projects. For example, the popular and widely known minister of a church in a large Southwestern city had dreamed of building a \$250,000 youth center for his community. When the minister was killed in a plane crash last year, the youth center might never have been built—except for a \$400,000 insurance policy that his foresighted congregation had taken out on his life.

The use of business life insurance has been on the rise among virtually all types and sizes of enterprises.

For example, one of the largest recent life insurance benefit payments resulted from the death of the founder and principal stockholder in a major Mid-Western and Southern credit company. The company had begun buying insurance on his life 10 years ago and had increased its protection to a total of more than \$1,300,000 at the time of his death. This insurance helped avert a financial crisis for the firm, which has some 70 offices in seven different states.

Another Mid-Western firm, a small printing shop with only four employees, was owned jointly by its President and his son. The President spent about 90% of his time as a working printer in the press room. The son served as Vice-President and Secretary, and handled most of the firm's sales and administrative affairs. The two of them decided to take out life insurance to protect the firm against the loss of either man's services and to provide cash to repurchase either's stock in case of death. Ten days after a \$10,000 policy was issued on the father's life he died unexpectedly in his sleep of a heart attack.



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# The State of TRADE and INDUSTRY

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

Industrial production, construction activity, and nonfarm employment continued to increase in July. The unemployment rate was unchanged. Total commercial bank credit increased further, while the money supply showed little change and time deposits rose substantially. Following announcement in late July of a substantial increase in defense spending, common stock prices rose and yields on U. S. Government and on corporate bonds advanced. Commodity prices generally changed little.

## Industrial Production

Industrial production rose further in July to a new high as gains continued widespread among both final products and materials. At 112% of the 1957 average, the index was 2% higher than in June and 2½% above the plateau in the first half of 1960. The previous high of 111% was in January 1960.

Output of consumer goods, already at a record high in June, rose further in July. Output of television and home radios remained at advanced levels while production of most other home goods and of consumer staples continued to increase. Auto assemblies were unchanged after allowance for the earlier model changeover this year. Production of industrial and commercial machinery increased and total output of business equipment regained its mid-1960 level.

Output of iron and steel, other metals, and construction materials continued to rise. Total output of durable materials, however, was still somewhat below its high in early 1960 when inventory accumulation was at an exceptionally rapid rate. Nondurable materials reached another new high as output of chemicals, paper, and some other materials rose further.

## Construction

New construction activity advanced 2% further in July to a seasonally adjusted annual rate of \$58.7 billion, a new high. Residential and highway building continued to rise and activity on military facilities increased sharply while most other construction changed little.

## Employment

Seasonally adjusted employment in nonfarm establishments continued to rise in July, reflecting further gains in durable goods industries and in construction, trade, and services. At 53.4 million, nonfarm employment was 1.2 million above the March low and equal to the peak reached a year earlier. The seasonally adjusted rate of unemployment was 6.9%, about the level prevailing since December.

## Distribution

Retail sales, which had increased more than 2% from April to June, declined 1% in July mainly because of a decrease at stores in the automotive group. Department store sales rose further in July, and total sales at stores other than the automotive group were nearly maintained; in June total sales excepting the automotive group had risen 2%, almost regaining the peak of April 1960.

## Agriculture

The crop production forecast based on August 1 conditions was 113% of the 1947-49 average, 1% higher than a month earlier but 7% below the production record in 1960. Feed grain output is expected to be down 15% from last year as acreage was reduced under the Feed Grain Program. The cotton crop was forecast at 13.9 million bales, 3% less than last year. Output of livestock and products is increasing further this year.

## Commodity Prices

The comprehensive index of wholesale commodity prices has been relatively stable since mid-July. Although prices of steel scrap and a few other sensitive industrial materials have increased, prices of basic commodities generally have shown little change since July 25 when an increase in defense spending was announced.

## Bank Credit and Reserves

Total commercial bank credit increased further in July, as banks added to holdings of U. S. Government securities in connection with Treasury financing operations. Bank holdings of other securities also rose while loans declined somewhat. The average money supply, seasonally adjusted, showed little change at the level prevailing since late March. Time deposits increased substantially further.

Member bank excess reserves about \$600 million and borrowings from the Federal Reserve averaged about \$75 million over the four weeks ending August 9. Between early July and early August, reserves were absorbed principally by reductions in Reserve Bank float and were supplied by currency inflow and Federal Reserve purchases of U. S. Government securities. Required reserves rose reflecting mainly increases in U. S. Government deposit associated with bank purchases of new Treasury securities.

## Security Markets

Common stock prices declined during the first three weeks of July and then advanced substantially to new highs. Yields on U. S. Government securities rose considerably after the third week of

July, and yields on corporate bonds also increased while those on state and local issues changed little.

## Bank Clearings for Aug. 19 Week Were 1.4% Below Corresponding Week Last Year

Bank clearings last week showed a decrease compared with a year ago. Preliminary figures compiled by us, based on telegraphic advices from the chief cities of the country, indicate that for the week ended Saturday, Aug. 19, clearings from all cities of the United States from which it is possible to obtain weekly clearings was 1.4% below those for the corresponding week last year. Our preliminary totals stand at \$28,135,029,863 against \$28,546,048,838 for the same week in 1960. Our comparative summary for the leading money centers for the week follows:

Week End.	(000s omitted)		%
Aug. 19—	1961	1960	
New York	\$14,653,022	\$14,845,489	-1.3
Chicago	1,403,455	1,443,869	-2.8
Philadelphia	1,119,000	1,121,000	-0.2
Boston	827,486	823,223	+0.5

## Explosive Steel Market Conditions May Cause a Short-Term Steel Shortage

Pressures for an explosion of the steel market are building up, *The Iron Age* says. The mounting potential will lengthen steel delivery promises in the early fall and threatens to create a short-term steel shortage.

The magazine lists these factors in the potential market buildup:

- (1) Inventories of steel are low and too many large users are relying on fast delivery. Inventories must be rebuilt to sustain even current rates of manufacturing.
- (2) Berlin and other international problems are creating pressures, both real and psychological. Users are afraid of controls and do not want to get caught short in case of a national emergency. At the same time, the defense buildup will add a moderate bulge to tonnage needs.
- (3) The general economy is rising at a faster rate than expected. The record rate of industrial production in July was reached with little stepup in steel orders. When users try to build up steel stocks in a period of increasing rate of consumption, effects on the market multiply.
- (4) Some instances of price hedging against a possible increase in steel costs after Oct. 1 are on record.
- (5) Auto companies, which have been cautious as labor contract deadlines approach, will have to come into the market for much larger tonnages than now on the books. Users know from experience that automakers get priority when they demand large tonnages for a given date.

Automakers have notified steel companies the bulge is likely to come in September and they expect to get what they want when they want it.

Auto parts makers, who got the work early, have already stepped up their production and steel buying, to be ready for the upsurge in auto assemblies after the labor trouble is cleared away.

*The Iron Age* observes that most of these pressures are still below the surface and have not yet made a strong impact on sales offices. But there has been a general improvement of orders on a broad base in the past 10 days, with elements all in place for a first-class upsurge.

In the Midwest, major mills, sensing the situation, expect a six weeks extension on delivery dates for flat-rolled products by October; some say even sooner.

At the present time, orders are coming into steel mills at a rate to sustain operations at nearly 70% of capacity. Some mills that have a heavy percentage of business on sheets are doing better than that.

Flat-rolled products, as is the usual case, lead the upturn, even

before the influx of automotive orders. Galvanized and tinplate have been strong through the year. Warehouses, which did not build inventories during the summer as improved business countered slightly better mill orders, are now building stocks. Bars and plates are also universally stronger as the market advances.

## Estimate of August Steel Output Revised Upward

Steel market analysts are making upward revisions in their estimates of August output, *Steel* magazine reported.

They're looking for the August total to be 5% above July's and equal to the 8.5 million ingot tons poured in June. Earlier, they figured this month's output would be only slightly higher than July's 8.1 million ingot tons.

The metalworking weekly predicts that this week's steel output will be up for the fourth straight week. Last week's production is estimated at 1,925,000 tons.

With the continuing rise in steel output, scrapmen expect a buying pickup. *Steel's* price composite on No. 1 heavy melting grade is up 33 cents to \$38.33 a gross ton.

The improved outlook for steel production reflects stronger demand from appliance makers, the construction industry, and small users who are starting to consume steel at a faster rate.

It suggests, in addition, that steelmakers are stockpiling semi-finished material for quick processing in September. Reason: They are looking for an avalanche of orders from automakers after the new labor contracts are signed.

*Steel* reports that 1962 auto sales could run a million units higher than 1961's. Estimates of analysts and economists queried by the publication range from 6 million to 6.8 million cars.

Detroit is encouraged by the general expectation of a continuing economic upturn through this year and well into 1962. However, a collapse in the auto-labor negotiations could cause a deterioration in the outlook.

The car companies have enough steel on hand to start production of their new models (some probably have enough metal to last them through September) but they're going to need more in a hurry if they are to sustain a production rate of 500,000 to 600,000 cars a month.

Price cutting on many nonferrous metals is still common despite the almost universal pickup in business, *Steel* reported.

There may be a little less quotation piling than earlier in the year, but it will take a greater resurgence in orders than economists predict to fully halt the practice in 1961.

A quick check of new aluminum price lists shows about as many downward revisions as increases. New schedules better reflect market conditions.

The situation in zinc has led to a standard discount under quoted prices of 0.5 cent a pound. Sales

of special high grade zinc and die-casting alloy ingots are still weak. Copper prices seem firm but may rise higher before the year is out.

Brass mill sales are up, but there's still some price weakness.

The tin price is the strongest of any nonferrous metal now. It has settled in the \$1.15 to \$1.20 range since the hectic gyrations of the late spring and early summer.

Even the newer metals are not immune to price pruning. Titanium is a case in point. A little nibbling at quotations has lowered the composite price about 12%.

## Steel Production Data for the Week Ended Aug. 19

According to data compiled by the American Iron and Steel Institute, production for week ended Aug. 19, 1961 was 1,944,000 tons (\*104.4%), 1.8% above the output of 1,910,000 tons (\*102.5%) in the week ended Aug. 12.

Production this year through Aug. 19 amounted to 58,090,000 tons (\*94.5%), or 17.9% below the period through Aug. 19, 1960.

The Institute concludes with Index of Ingot Production by Districts, for week ended Aug. 19, 1961, as follows:

	Index of Ingot Production for Week Ending Aug. 19, 1961
North East Coast	114
Buffalo	90
Pittsburgh	90
Youngstown	96
Cleveland	109
Detroit	128
Chicago	106
Cincinnati	109
St. Louis	115
Southern	110
Western	115

Total 104.4

\*Index of production based on average weekly production for 1957-1959.

## Auto Makers Fashion 8,500 New Cars for 1962

All of the nation's auto makers were in various stages of 1962 model production this week, giving the industry a three-weeks head start over 1961 model production, not generally undertaken until after Labor Day last year, *Ward's Automotive Reports* said.

Cadillac, Buick, Oldsmobile and Pontiac divisions of General Motors, along with Studebaker-Packard Corp. fashioned some 8,500 new cars this week to gain the jump in what might well become the industry's most competitive campaign.

*Ward's* said that Chrysler Corp., recalling workers to five of the company's six assembly plant locations, spent the week in such preliminary operations as "framing" and "filling the line," but will start a regular production count by Tuesday of next week. The company's truck plant, at Warren, Mich., however, did produce its first fleet of 1962 model units.

American Motors, at Kenosha, Wis., also entered the preliminary phase for assembly of its cars, and

Continued on page 26

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# TAX-EXEMPT BOND MARKET

By GEORGE L. HAMILTON\*

The market for municipal bonds has literally marked time this past week although the *Commercial and Financial Chronicle's* high grade bond Index shows an average market decline of about one-quarter of a point. This Index went to a 3.4076% basis on Wednesday, Aug. 23, from a 3.3920% basis as reported a week ago.

The technical position of the market which has remained generally good for the past few months underwent a rather sudden change of status since we last went to press and is now of real concern to all involved. The chief cause of concern is the rapid build-up of the new issue calendar. While it was expected that the calendar of new flotations would increase over the early fall the rapidity of this increase was more than even we had anticipated. Last week the volume of sealed bids for the coming 30-day period totaled only \$193,419,000 which represented the low total volume for this column during the past two years. In one short week there have been numerous announcements from all over the country by various public officials heralding a total of over \$486,160,000 of bonds to be sold during the next month. The sizable additions include \$100,000,000 State of California Veterans' (1963-1987) bonds for sale Sept. 13; \$32,250,000 Detroit, Mich. various purpose bonds for sale Sept. 26; \$10,000,000 Cheyenne, Wyoming Waterworks (1963-1991) improvement bonds for sale Sept. 12; \$47,000,000 Commonwealth of Massachusetts serial (1-50 year) bonds for Sept. 12; \$15,000,000 Los Angeles, California Department of Water and Power bonds for Sept. 13; \$35,500,000 Oklahoma State College and Institution bonds for Sept. 19; \$25,893,000 Pennsylvania State Public School Authority Revenue bonds for Sept. 19; and \$42,940,000 New York City various improvement (1962-1976) bonds for Sept. 20. With a large potential but unissued supply also hanging over the market, dealers are suddenly faced with the problem of absorbing more volume than can be conveniently placed at the current level of prices.

Another negative factor is the supply of street inventory which has been hovering around the \$400,000,000 level for the past few weeks. The *Blue List*, which is our best measure of street float, totaled \$412,953,000 on Aug. 23. While this total has been higher in past weeks, this present float plus the new issue volume would indicate a general testing of present price levels.

There has been nothing very startling in the way of general financial news or world events during the past week which would have any effect on municipal bonds but the Street is still buzzing about William S. Morris & Co. and his purchase through State Street Securities Corp. of \$100,000,000 State of California School bonds late last Wednesday, Aug. 16. Talk has been rampant

\* Pinch-hitting for Don Mackey.

among dealers as to the award of such a large block of bonds by the State Treasurer on a \$100,000 Good Faith Check to a virtually unknown firm and the various other implications involved in future California sales but while talk is cheap and no problems have been solved in the heat of arguments the one important thing is that the State Street Securities Corp. has a balance of only \$3,808,000 bonds remaining in account and that they have made a profit of close to \$1,000,000. Repercussions and discussions are likely to be felt for years to come over this.

This week from an underwriting viewpoint has seen five issues of importance come to market. The largest issue of the week, \$25,000,000 Cook County, Illinois Expressway (1962-1976) bonds, attracted three bids on Tuesday, Aug. 22, and was awarded to the account managed jointly by The First National Bank of Chicago, the Harris Trust and Savings Bank, The Northern Trust Co., the Continental Illinois National Bank and Trust Co. of Chicago, and The First National City Bank of New York. Also included among the other major underwriters were the Chemical Bank New York Trust Co., C. J. Devine & Co., Kuhn, Loeb & Co., The First National Bank of Oregon, and White, Weld & Co. The bonds which were priced to yield 1.75% to 3.50% with a 3½% coupon were in good demand upon initial reoffering. At this writing \$5,853,000 bonds remain in account.

Also on Tuesday, the State of Vermont, a relatively infrequent borrower and an issue carrying the highest credit rating, awarded \$5,000,000 general obligation (1962-1981) bonds to the account consisting of The First Boston Corp. and the Bank of America N. T. & S. A. This "Aaa" rated issue was reoffered to yield from 1.50% to 3.15% for a 3% coupon. Yesterday's balance was \$2,730,000. A syndicate headed jointly by John Nuveen & Co. and the City Securities Corp. was the successful bidder late Tuesday for \$3,625,000 Speedway School Building Corp., Ind. bonds. This suburb of Indianapolis is better known to the public as the home of the famed Indianapolis Motor Speedway and Memorial "500." Once a year the attention of the world of sport is focused on this 1,500-acre town but for our own purposes the monies raised from this bond sale is to be used for erecting a high school for the local residents. Scaled to yield from 2.40% in 1964 to 4.05% in 1983 the issue is more than 50% sold.

The important New York State school district market was represented this week by the sale on Wednesday, Aug. 23, of \$4,013,000 Huntington and Babylon, New York CSD No. 5 (1962-1990) bonds to the account headed by Halsey, Stuart & Co., Inc., and including Roosevelt & Cross, Inc., George B. Gibbons & Co., Inc., First of Michigan Corp., Francis I. duPont & Co. and several others. The issue was scaled to yield from 1.80% to 3.90% with a 3.80% cou-

pon. After the initial order period the unsold balance was \$2,103,000 bonds.

As we go to press Kansas City, Mo., has awarded \$4,034,000 general obligation (1962-1981) bonds to the group headed by Phelps, Fenn & Co., and including as majors Goldman, Sachs & Co., F. S. Moseley & Co., Paine, Webber, Jackson and Curtis, Dean Witter & Co., and Dominick & Dominick. The bonds were reoffered to yield from 1.60% to 3.35% in 1980. The last maturity carrying a one-quarter of 1% coupon was priced to yield 4.00%. Due to the late hour of sale no balance is available, but all indications point to a successful placement.

The dollar quoted turnpike revenue bonds continue to be a little better than the general market for tax-exempt securities. On Aug. 17, the *Smith, Barney & Co.* yield Index was 3.84%. This average was unchanged from the previous week and were it struck today a small gain would be in evidence. Turnpike revenue reports continue to improve almost without exception and many of these issues formerly slow getting started are now seasoned and flourishing.

Next week's new issue calendar is light as we approach the summer's close and the Labor Day weekend. The total of new financings for the coming week is about \$50,622,000 with \$20,000,000 San Diego County, Calif. bonds, Tuesday, Aug. 29, the feature.

There is at present only one negotiated type revenue bond issue on the horizon. The Florida Turnpike Refunding and Northern Extension issue is expected early in the fall. Dillon, Read & Co. will form an underwriting group to submit a bid for this \$160,000,000 financing.

## Form Sutter Hill Co.

(Special to THE FINANCIAL CHRONICLE)

SAN FRANCISCO, Calif.—Sutter Hill Co., Inc. is engaging in a securities business from offices at 593 Market Street. Officers are Frank J. Lodato, President; Gregor G. Peterson, Vice-President and Treasurer; and David L. Fletcher, Vice-President and Secretary.

## V.-P. of First Investors

James M. Turner has been promoted to Assistant Vice-President of First Investors Corporation, 120 Wall Street, New York City. He joined the corporation in 1951 and was appointed First Secretary in 1954.

## Now S. E. Capital

NASHVILLE, Tenn.—The firm name of Tennessee Investors, Inc., L & C Tower, has been changed to Southeastern Capital Corporation.

## Barth Opens Branch

OAKLAND, Calif.—J. Barth & Co. has opened a branch office in the Financial Center Building under the direction of James E. Kramer.

## Hill, Darlington Branch

TACOMA, Wash.—Hill, Darlington & Grimm have opened a branch office in the Rust Building under the management of Victor Frank.

## Form T. B. Raul Inc.

NEW ROCHELLE, N. Y.—Theodore B. Raul, Inc. has been formed with offices at 409 North Avenue to engage in a securities business.

## Form Planned Inv. Sales

(Special to THE FINANCIAL CHRONICLE)  
MINNEAPOLIS, Minn.—Planned Investment Sales Corporation has been formed with offices in the First National Bank Building to engage in a securities business.

# 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.

Aug. 24 (Thursday)			
Glendale, Calif. ....	3,250,000	1962-1981	2:30 p.m.
Groton, Conn. ....	1,276,000	1962-1981	2:00 p.m.
Pinal County Elec. Dist. 3, Ariz. ....	2,250,000	1991	11:00 a.m.
West Springfield, Mass. ....	1,000,000	1962-1981	11:00 a.m.
Aug. 28 (Monday)			
Bedford School District, Ohio ....	1,800,000	1963-1982	1:00 p.m.
Collingswood Sch. Dist., N. J. ....	1,600,000	1962-1980	8:00 p.m.
Aug. 29 (Tuesday)			
Conroe Indep. Sch. Dist., Texas ....	2,435,000	1962-1976	7:30 p.m.
Emerson Sch. Dist., N. J. ....	2,300,000	1963-1984	8:00 p.m.
Indianapolis F. C. D., Ind. ....	2,725,000	1964-1983	10:00 a.m.
Macon, Ga. ....	5,000,000	1962-1991	Noon
San Diego Unif. Sch. Dist., Calif. ....	20,000,000	1963-1982	10:30 a.m.
State College A & MA, S. Dak. ....	1,700,000	1964-2001	2:00 p.m.
Aug. 30 (Wednesday)			
Islip, New York ....	1,940,000	1962-1981	11:00 a.m.
Aug. 31 (Thursday)			
Fort Lauderdale, Fla. ....	5,000,000	1962-1990	10:00 a.m.
Rochester, N. Y. ....	6,930,000	1962-1973	11:00 a.m.
Sept. 1 (Friday)			
Chatham County, Ga. ....	1,000,000	1966-1990	11:00 a.m.
Sept. 5 (Tuesday)			
El Paso County, Texas ....	1,750,000	-----	-----
Sept. 6 (Wednesday)			
Covington, Va. ....	1,050,000	1962-1981	Noon
Frederick County, Md. ....	2,500,000	1962-1986	11:00 a.m.
Rosary Hill College, N. Y. ....	1,070,000	1933-2000	10:00 a.m.
St. Paul Port Authority, Minn. ....	2,500,000	1964-1991	Noon
Sept. 7 (Thursday)			
Florida State University ....	1,486,000	1964-2001	11:00 a.m.
Gettysburg School Authority, Pa. ....	1,465,000	1963-1991	8:00 p.m.
Peoples Community Hospital Authority, Mich. ....	1,550,000	1963-1990	8:00 p.m.
South Windsor, Conn. ....	2,030,000	1962-1981	2:00 p.m.
Tampa, Fla. ....	1,200,000	1963-1987	11:00 a.m.
Sept. 11 (Monday)			
Fort Myers, Fla. ....	1,000,000	1962-1981	7:30 p.m.
Parma City Sch. Dist., Ohio ....	1,200,000	1963-1982	1:00 p.m.
Sept. 12 (Tuesday)			
Cheyenne, Wyo. ....	10,000,000	1963-1991	11:00 a.m.
Commonwealth of Massachusetts ....	47,000,000	-----	-----
Manor Jt. High Sch. Authority, Pa. ....	1,125,000	1963-1982	7:30 p.m.
Sacramento, Calif. ....	8,000,000	-----	-----
Springfield, Mass. ....	3,000,000	1962-1986	11:00 a.m.
Suffolk County Water Auth., N. Y. ....	4,500,000	-----	-----
Sept. 13 (Wednesday)			
California (State of) ....	100,000,000	-----	-----
Harris Co., Houston Nav. Dist., Tex. ....	9,000,000	-----	-----
Los Angeles Dept. of W. & P., Cal. ....	15,000,000	-----	-----
Sept. 14 (Thursday)			
Caddo Parish Waterworks, D., La. ....	1,402,000	1964-1991	10:00 a.m.
Essex County, N. J. ....	4,149,000	1962-1976	11:15 a.m.
Fresno, Calif. ....	2,500,000	1962-1991	10:00 a.m.
Sept. 15 (Friday)			
Franklin U. H. S. D. No. 2, Wis. ....	1,100,000	-----	-----
Rollins College, Fla. ....	1,072,000	1964-2001	10:00 a.m.
Sept. 19 (Tuesday)			
Dearborn, Mich. ....	1,000,000	1962-1991	8:00 p.m.
Fridley, Minn. ....	1,190,000	-----	8:00 p.m.
Milwaukee, Wis. ....	7,250,000	1962-1976	10:30 a.m.
Oklahoma (State of) ....	35,500,000	-----	-----
Pennsylvania State Sch. Building Authority, Pa. ....	25,893,000	-----	-----
Sept. 20 (Wednesday)			
Atlanta, Ga. ....	5,300,000	-----	-----
New York City, N. Y. ....	42,490,000	1962-1967	11:00 a.m.
Sept. 26 (Tuesday)			
Detroit, Mich. ....	22,250,000	-----	-----
Detroit City Sch. Dist., Mich. ....	10,000,000	1963-1988	-----
Sept. 28 (Thursday)			
Indianapolis, Ind. ....	2,200,000	-----	1:30 p.m.
Sept. 29 (Friday)			
Minneapolis, Minnesota ....	3,400,000	1989	4:30 p.m.
Oct. 10 (Tuesday)			
Los Angeles City Col. Dist., Calif. ....	7,500,000	-----	-----
Los Angeles U. S. D., Calif. ....	27,500,000	-----	-----
Oct. 17 (Tuesday)			
Wayne County, Mich. ....	16,815,000	1966-2001	-----
Oct. 24 (Tuesday)			
Portland, Ore. ....	3,500,000	1934-1983	-----
Nov. 1 (Wednesday)			
Commerce, Texas ....	1,082,000	-----	-----
Nov. 14 (Tuesday)			
Los Angeles Flood Control D., Cal. ....	15,000,000	-----	-----
Dec. 12 (Tuesday)			
Los Angeles Co. Hosp. Dist., Calif. ....	3,781,000	-----	-----

## MARKET ON REPRESENTATIVE SERIAL ISSUES

	Rate	Maturity	Bid	Asked
California (State) .....	3½%	1978-1980	3.80%	3.65%
Connecticut (State) .....	3¾%	1980-1982	3.45%	3.35%
New Jersey Highway Auth., Gtd. ....	3%	1978-1980	3.50%	3.40%
New York (State) .....	3%	1978-1979	3.35%	3.25%
Pennsylvania (State) .....	3¾%	1974-1975	3.25%	3.15%
Vermont (State) .....	3½%	1978-1979	3.35%	3.20%
New Housing Auth. (N. Y., N. Y.) ..	3½%	1977-1980	3.40%	3.25%
Los Angeles, Calif. ....	3¾%	1978-1980	3.75%	3.65%
Baltimore, Md. ....	3¼%	1980	3.50%	3.40%
Cincinnati, Ohio .....	3½%	1980	3.45%	3.35%
New Orleans, La. ....	3¼%	1979	3.65%	3.55%
Chicago, Ill. ....	3¼%	1977	3.65%	3.55%
New York City, N. Y. ....	3%	1980	3.60%	3.55%

August 23, 1961 Index=3.4076%

# Sheraton Corp. of America

By Ira U. Cobleigh, *Enterprise Economist*

A compact review of this leading real estate company with special emphasis on the growth of its assets and earning power.

In any tabulation of growth companies in the United States, you would certainly have to give a prominent place to Sheraton Corporation. Here's an enterprise that, in 24 years of hotel operation, has grown from a small company running a single hotel to a renowned hotel chain of 60 hotels with assets totalling over \$400 million in estimated market value. These assets produced \$205 million in gross revenues in fiscal year ending April 30, 1961. This amazing expansion is substantial tribute to a gifted management team, headed by Mr. Ernest Henderson, President, which has reduced hotel operation, valuation and real estate financial techniques to virtually a science.

In addition to managerial competence, Sheraton Corporation has had a number of other things operating in its favor. The upsurge in population, the ever-increasing propensity of Americans to travel, the consistent rise in the price level of urban real estate, and the rising tax shelter provided in depreciation—all these factors have helped to produce, for Sheraton, a growth curve comparable with that of the most spectacular industrial companies.

While Sheraton Corporation has not been unmindful of net earnings and dividends to shareholders it has paid cash dividends uninterruptedly for the past 20 years, plus many stock extras, it has placed major emphasis on sustained growth in net asset value. Working to that end is the policy of reinvesting, each year, as much as is available of cash flow, after dividend payments, in projects with attractive pre-debt service earnings.

### Property Valuation Formula

It is the Sheraton custom to compute semi-annually the indicated value of outstanding common shares by a formula that makes sense and has proved quite reliable over the years. The key figure is what Mr. Henderson calls "basic" cash flow (earnings before interest, depreciation and income taxes). The Sheraton method is to determine valuations (and indirectly net asset values) by capitalizing this basic cash flow on a 10% to 12% basis. Thus for valuation of a property, you multiply the annual flow by a factor of between 8 and 10 depending on the age, location, prestige and available financing. The resulting figure gives a quite accurate valuation of the price at which a property could be sold. The formula is also a useful yardstick in determining the price to be offered for a new acquisition. In general, for valuation purposes, 5% of gross sales is considered as normal for hotel repair and maintenance, and less for relatively new structures.

Sheraton's consistent growth has come through a steady acquisition of favorably situated hotels at satisfactory prices, coupled with their renovation or modernization as indicated. Sheraton properties are uniformly well maintained and the company benefits, taxwise, by being able to charge off most improvements against current income. This together with depreciation provide the interesting tax shelter inherent in Sheraton common stock. Depreciation is designed to compensate for property deterioration due to aging or obsolescence, but where properties are maintained in the Sheraton manner there is actually little or no real depreciation. Further, the long term nationwide rise in realty values generally is a constant offset to depreciation.

For Sheraton the foregoing sophisticated valuation formula, and functional property maintenance program, have resulted in a steady growth in net asset value. In the past decade alone asset value has quadrupled while Sheraton common has increased six-fold in market price. The growth rate has averaged over 11% annually for many years.

### Capitalization

In the annual report just published for the year ended April 30, 1961, total fixed and contingent indebtedness stood at \$178,830,234, a figure representing about 49% of total assets as determined by company officers. This is consistent with a planned ratio, maintained for many years, by which debt has varied but little from 50% of property valuations. About this debt—\$25 million was raised last year through sale of 7½% Income Debentures. Some investors wondered about the apparently high interest rate. This rate, however, proved most attractive to buyers and from the company standpoint represented a quite low cost way of expanding capital. The net cost of the money (with interest deductible before taxes) was no higher than though an issue of 3¾% preferred had been publicly offered instead.

There is an issue of 4¾% debentures due 1967 convertible into common at the rate of 33 shares for each \$1,000 bond, \$1.5 million in 4% convertible preferred, followed by 5,262,595 common shares listed on the NYSE and now selling at around 21¼. There are also two issues of warrants; 215,940 to buy 1.2 shares at a total price of \$10 until Oct. 1, 1964, and 276,290 to buy 1.2 shares at a total price of \$25 until Sept. 1, 1966. So you see there are a number of interesting ways of becoming an investor in Sheraton Corporation.

Long term shareholders in Sheraton have prospered by the constant rise in asset value, and by dividend increases in 17 out of the past 20 years. Net asset value per share, which stood at \$7.42 at April 1, 1950, was \$32.70 at April 1, 1961. Net income per share was 61c last year after record depreciation charges of \$18,181,468. Present indicated dividend rate is 60c in cash and 2% in stock.

In common with most real estate issues, Sheraton common has consistently sold at around 50% of its net asset value. As the underlying values of Sheraton are more widely understood, and particularly in an economy with a long term inflationary bias, it might be expected that Sheraton common would sell at a price closer to asset value. Further—selling around five times cash flow—Sheraton would appear undervalued compared with other realty equities of comparable stature.

Sheraton's hotels are interesting properties. They include the finest hotel in Israel, the Sheraton Tel Aviv, the Princess Kaiulani in Honolulu, the new Sheraton-Chicago, the latest addition (leased), the Sheraton-Oklahoma in Oklahoma City, and coming, the Sheraton-Lincoln in Houston. Altogether the Sheraton chain offers to its guests over 28,000 rooms, which it kept about 72% occupied last year. For the past 5 years Sheraton has had an occupancy rate above the industry average.

Sheraton is, as you can see, a huge enterprise providing employment to 21,900 individuals and a source of investment serenity to some 18,000 stockholders.

Since the dawn of history, real estate has been man's favorite investment. For those who don't

wish to concern themselves with titles, deeds, accounting, leases, taxes and management details, associated with actual realty ownership, purchase of stock in Sheraton Corporation of America may prove a diversified, rewarding and quite effortless way of sharing the growth and earning power of land and structures. In Sheraton you have a fine management working for you; you can visit and see for yourself the sources of earnings in many cities. You can share further in additional investment interests of the company—a 9% interest in Diners' Club and 84% interest in a sound manufacturing enterprise, Thompson Industries, Inc., which itself earned \$739,102 last year. Sheraton has plenty of room (and rooms) for continued growth.

### Four With M. M. Meyers

OMAHA, Neb. — L. Max Brown, Lloyd L. Hardesty, MacDonald L. Hobbs, and Clair M. Wolfe have become connected with M. M. Meyers, Inc., Insurance Building.

### Book & Kasten Opens

BROOKLYN, N. Y. — Arnold M. Book and Jack Kasten are engaging in a securities business from offices at 16 Court Street under the firm name of Book & Kasten.

### Wolfson Named V.P. Of B. C. Morton Co.

Marvin Wolfson, head of B. C. Morton & Company's office at 10 East 40th Street, New York City, has been named a Resident Vice-President.

The newly appointed Resident Vice-President will continue to supervise Morton's Manhattan office, and in addition will assume responsibilities for planning in the Morton Organization.

## Newburger & Co. To Admit Hano

As of Aug. 31 Nicholas G. Hano will acquire a membership in the New York Stock Exchange and will become a partner in Newburger & Co., members of the New York Stock Exchange. He will make his headquarters at the firm's New York office, 14 Wall Street.

## Scheffmeyer, Werle to Admit

Peter Morgenstern, member of the New York Stock Exchange, on Sept. 1, will become a partner in the Exchange member firm of Scheffmeyer, Werle & Co., 2 Broadway, New York City. Mr. Morgenstern is a partner in Newburger & Company.

### Transcontinental Secs.

Transcontinental Securities Corporation is conducting a securities business from offices at 41 East 42nd Street, New York City.

### With Calif. Investors

LOS ANGELES, Calif. — Murad John Kalajian is now associated with California Investors, 3932 Wilshire Boulevard, members of the Pacific Coast Stock Exchange.

### With Commerce Trust

(Special to THE FINANCIAL CHRONICLE)  
KANSAS CITY, Mo. — James R. Isleib, Jr., has joined the staff of the Commerce Trust Company, 10th & Walnut Streets. Mr. Isleib was formerly in the municipal department of Stern Brothers & Company.

**Representing Oppenheimer**  
UTICA, N. Y.—John G. Scalise is representing Oppenheimer & Co. from offices at 172 Elmwood Place.

**Williston & Beane Branch**  
PHILADELPHIA, Pa.—J. R. Williston & Beane has opened a branch office at 1510 Chestnut Street under the management of George Riggs, Jr.

### All-State Properties

FLORAL PARK, N. Y.—All-State Properties, Inc. is engaging in a securities business from offices at 30 Verbena Avenue.

### Leon Appleman Opens

Leon Appleman is conducting a securities business from offices at 150 East 61st Street, N. Y. City.

### Form Blank, Lieberman

BROOKLYN, N. Y.—Blank, Lieberman & Co., Inc. has been formed with offices at 195 Whitman Drive, to engage in a securities business.

### Now Vickers, MacPherson

The firm name of Vickers Securities Corporation, 375 Park Avenue, New York City, has been changed to Vickers, MacPherson & Warwick, Inc.

### L. V. Mills Opens

MIDDLETOWN, N. Y.—Louis V. Mills is engaging in a securities business from offices at 58 Highland Avenue.

### Marx & Co. in N.Y.C.

Marx & Co., Inc. has been formed with offices at 25 Broad Street, New York City, to engage in a securities business.

Interest exempt from all present Federal Income Taxes

NEW ISSUE August 18, 1961

**\$100,000,000**

**State of California**

**5%, 3½%, and 3¾% School Building Aid Bonds, Series Z**

Dated: September 1, 1961 Due September 1, 1963-87 as shown below\*

Principal and semi-annual interest (March 1 and September 1) payable at the Office of the Treasurer of the State of California, in Sacramento, California, or at The First National Bank of Chicago, Chicago, Illinois, or at The First National City Bank of New York, New York, N. Y. Coupon bonds in \$1,000 denomination, registerable as to both principal and interest.

These bonds, to be issued for school purposes, in the opinion of counsel will be valid and legally binding general obligations of the State of California, payable from ad valorem taxes to be levied against all taxable property therein, without limitation as to rate or amount.

Amount	Coupon	Maturity	Price or Yield	Amount	Coupon	Maturity	Price or Yield
\$3,200,000	5%	1963	2.00%	\$4,000,000	3¾%	1976	3.60%
3,200,000	5	1964	2.25	4,000,000	3¾	1977	3.65
3,200,000	5	1965	2.50	4,400,000	3¾	1978	3.70
3,200,000	5	1966	2.70	4,400,000	3¾	1979	3.70
3,200,000	5	1967	2.85	4,400,000	3¾	1980	100
3,600,000	5	1968	3.00	4,400,000	3¾	1981	100
3,600,000	3½	1969	3.00	4,400,000	3¾	1982	3.80
3,600,000	3½	1970	3.10	4,800,000	3¾	1983*	3.80
3,600,000	3½	1971	3.20	4,800,000	3¾	1984*	3.85
3,600,000	3½	1972	3.30	4,800,000	3¾	1985*	3.85
4,000,000	3½	1973	3.40	4,800,000	3¾	1986*	3.85
4,000,000	3½	1974	3.45	4,800,000	3½	1937*	3.90
4,000,000	3½	1975	100				

(Accrued interest to be added)

\*Bonds due 1983 to 1987 are optional for prior redemption on September 1, 1982 or on any interest payment date thereafter at par and accrued interest.

*These Bonds are offered when, as and if issued and received by us, subject to an unqualified approval as to their legality by Messrs. Orrick, D. Blquist, Herrington & Sutcliffe, Attorneys, San Francisco, California.*

**WILLIAM S. MORRIS & CO.**

## 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**—Analysis—Orvis Brothers & Co., 15 Broad St., New York 5, N. Y.

**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**.

**Investment Banking**—Illustrated brochure discussing the functions of the investment banker—The Ohio Company, 51 North High St., Columbus 15, Ohio.

**Japanese Electronics Industry**—Analysis—Nomura Securities Co., Ltd., 61 Broadway, New York 6, N. Y.

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

**Japanese Market**—Review—Yamaichi Securities Co. of New York, Inc., 111 Broadway, New York 6, N. Y. Also available are analyses of **Korakuen Stadium Co., Ltd.** and **Sekisui Chemical Co. Ltd.**

**Japanese Stocks**—Handbook for investment, containing 20 essential points for stock traders and investors—The Nikko Securities Co., Ltd., Tokyo, Japan—New York office 25 Broad Street, New York 4, N. Y.

**Market**—Discussion in current "Newsletter"—Robinson & Co., Inc., 15th & Chestnut Sts., Philadelphia 2, Pa.

**Mutual Fund Management Distributing Companies**—Review—Laird, Bissell & Meeds, 120 Broadway, New York 5, N. Y.

**New York City Bank Stocks**—Second Quarter Statistics on 11 New York Banks—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.

**Railroad Stocks**—Analysis—Hemphill, Noyes & Co., 8 Hanover St., New York 4, N. Y.

**Rubber Fabricators**—Bulletin—Evans & Co., Incorporated, 300 Park Ave., New York 22, N. Y.

**Savings & Loan Holding Companies**—Report—David L. Babson & Company, Inc., 89 Broad St., Boston 10, Mass.

**Savings and Loan Holding Companies**—Mid-year report—Kidder, Peabody & Co., 17 Wall St., New York 5, N. Y.

**Selected Stocks**—Circular—Butcher & Sherrerd, 1500 Walnut St., Philadelphia 2, Pa.

**Sugar Industry**—Analysis with particular reference to **Great Western Sugar, Holly Sugar and American Crystal Sugar**—Hornblower & Weeks, 40 Wall St., New York 5, N. Y.

**Allied Chemical Corporation**—Analysis—Paine, Webber, Jackson & Curtis, 25 Broad St., New York 4, N. Y. Also available is an analysis of **White Motor Company** and data on **Central Illinois Public Service, Steel Stocks, Colgate-Palmolive vs. Procter & Gamble, FMC Corp.** and **General Electric**.

**Allied Paper**—Memorandum—Ingalls & Snyder, 100 Broadway, New York 5, N. Y.

**American Cement Corporation**—Analysis—L. F. Rothschild & Co., 120 Broadway, New York 5, N. Y.

**American Radiator & Standard Sanitary Corp.**—Report—Parrish & Co., 40 Wall St., New York 5, N. Y.

**American Telephone & Telegraph Co.**—Review—Carl M. Loeb, Rhoades & Co., 42 Wall St., New York 5, N. Y. Also available are reviews of **Fairchild Camera and Brunswick**.

**Armstrong Rubber**—Review—McDonnell & Co., Inc., 120 Broadway, New York 5, N. Y. Also available are brief reviews of **Beckman Instruments, Cenco Instruments, Crowell Collier, Diebold, Inc., Emerson Electric, Ford Motor, Interstate Vending, Papercraft, Sanders Associates and Western Publishing**.

**Atchison, Topeka**—Memorandum—F. P. Ristine & Co., 15 Broad St., New York 5, N. Y. Also available is a memorandum on **Fluor**.

**Automation Laboratories Inc.**—Analysis—Sandkuhl & Co., 39 Broadway, New York 6, N. Y.

**Avon Products Inc.**—Analysis—Edwards & Hanly, 100 North Franklin St., Hempstead, N. Y.

**Charles Bruning & Co.**—Memorandum—Robert J. Levy & Co., First National Bank Building, Chicago 3, Ill.

**Canada Packers**—Watt & Watt, 6-8 Jordan St., Toronto 1, Ont., Canada.

**Canadian Chemical Company Ltd.**—Discussion—Doolittle & Co., Main & Pine Sts., Lockport, N. Y. Also available are discussions of **Columbia Cellulose Company, Ltd.**, and **Canada Southern Petroleum**.

**Canadian Kodiak Refineries Ltd.**—Report—Troster, Singer & Co., 74 Trinity Place, New York 6, N. Y. Also available are reports on **Kahr Bearing Corporation** and **Air Express International Corp.**

**L. E. Carpenter & Co.**—Analysis—Marron, Sloss & Company, Inc., 63 Wall St., New York 5, N. Y.

**Caterpillar Tractor Co.**—Report—Hill, Darlington & Grimm, 2 Broadway, New York 5, N. Y.

**Celanese Corporation of America**—Analysis—J. A. Hogle & Co., 40 Wall St., New York 5, N. Y.

**Champlin Oil & Refining Co.**—Analysis—H. Hentz & Co., 72 Wall St., New York 5, N. Y. Also available are reports on **Louisville & Nashville and Texas Gas Transmission Corporation**.

**Colgate-Palmolive**—Memorandum—Herzfeld & Stern, 30 Broad St., New York 4, N. Y.

**Consultants Bureau Enterprises Inc.**—Report—William, David & Mottl, Inc., 50 Broadway, New York 4, N. Y.

**Continental Insurance Company**—Analysis—Carreau & Company, 115 Broadway, New York 5, N. Y.

**Crown Photo Inc.**—Analytical brochure—Johnston, Lemon & Co., Southern Building, Washington 5, D. C.

**Dara Corp.**—Discussion in current issue of "Investor's Reader"—Merrill Lynch, Pierce, Fenner & Smith Inc., 70 Pine St., New York 5, N. Y. In the same issue are discussions of **Controls Company of America, Hertz Corp., Ekco Products Company, National Cash Register Co., Indian Head Mills Inc., Spencer Chemical Co., Good-year Tire & Rubber and Charles of the Ritz**.

**Dodge Wire Corp.**—Analysis—Varnedoe, Chisholm & Co., Inc., Savannah Bank & Trust Building, Savannah, Ga.

**Dorsey Corp.**—Memorandum—Purcell & Co., 50 Broadway, New York 4, N. Y.

**Dow Chemical**—Memorandum—Edward D. Jones & Co., 300 North Fourth St., St. Louis 2, Mo. Also available is a memorandum on **Truck Lines**.

**Duquesne Light Corp.**—Analysis—Halle & Stieglitz, 52 Wall St., New York 5, N. Y.

**Edgerton, Germeshausen & Grier Inc.**—Report—A. G. Edwards & Sons, 409 North Eighth St., St. Louis 1, Mo.

**Filters, Inc.**—Memorandum—Dempsey-Tegeler & Co., 210 West Seventh St., Los Angeles 14, Calif. Also available is a memorandum on **Warren Brothers Co.**

**First National Bank of San Jose**—Memorandum—Jacoby & Co., Inc., 610 South Broadway, Los Angeles 14, Calif.

**First National Stores, Inc.**—Analysis—Hardy & Co., 30 Broad St., New York 4, N. Y.

**General Instruments**—Memorandum—Uhlmann & Co., Inc., Board of Trade Building, Kansas City 5, Mo.

**Godfrey Co.**—Memorandum—Loewi & Co., Inc., 225 East Mason St., Milwaukee 2, Wis. Also available are memoranda on **Bowman Products and Snap On Tools**.

**Golden Triangle Industries, Inc.**—Analysis—Hannaford & Talbot, 519 California St., San Francisco 4, Calif.

**W. R. Grace & Co.**—Analytical brochure—Oppenheimer & Co., 25 Broad St., New York 4, N. Y. Also available is an analytical brochure on **Olivetti**.

**Greater New Orleans Expressway**—Bulletin—Scharff & Jones, Inc., 140 Carondelet St., New Orleans 12, La.

**Hooker Chemical Corporation**—Analysis—A. C. Allyn & Co., 122 South La Salle St., Chicago 3, Ill. Also available are analyses of **A. E. Staley Manufacturing Co.** and **Texas Gas Transmission Corporation**.

**Horne's Enterprises Inc.**—Analysis—Johnson, Lane, Space & Co., Inc., Florida Title Building, Jacksonville 2, Fla. Also available is an analysis of **Savannah Sugar Refining Corp.**

**Hudson Vitamin Products Inc.**—Memorandum—Schwabacher & Co., 100 Montgomery St., San Francisco 4, Calif.

**Imperial Tobacco Company of Canada Ltd.**—Report—Green, Ellis & Anderson, 61 Broadway, New York 6, N. Y. Also available is a report on **W. R. Grace & Co.**

**International Nickel**—Bulletin—Goodbody & Co., 2 Broadway, New York 4, N. Y.

**International Paper**—Chart analysis—Auchincloss, Parker & Redpath, 2 Broadway, New York 4, N. Y.

**P. Lorillard Company**—Bulletin—Schweickart & Co., 29 Broadway, New York 6, N. Y.

**Manhattan Shirt**—Analysis—Ira Haupt & Co., 111 Broadway, New York 6, N. Y.

**Mercantile Stores**—Memorandum—Courts & Co., 11 Marietta St., N. W., Atlanta 1, Ga.

**Meridian Electronics Inc.**—Report—B. N. Rubin & Co., Inc., 56 Beaver St., New York 4, N. Y.

**Metalcraft Inc.**—Memorandum—Irving Weiss & Co., 40 Exchange Pl., New York 5, N. Y.

**National Tea Company**—Analysis—Eastman Dillon, Union Securities & Co., 15 Broad St., New York 5, N. Y.

**Pacific Gamble Robinson Co.**—Bulletin—De Witt Conklin Organization, Inc., 120 Broadway, New York 5, N. Y.

**Pacific Vitamin**—Memorandum—Norman C. Roberts Company, 625 Broadway, San Diego 1, Calif.

**Pauley Petroleum**—Report—William R. Staats & Co., 640 South Spring St., Los Angeles 14, Calif.

**Peerless Tube Company**—Bulletin—G. A. Saxton & Co., Inc., 52 Wall St., New York 5, N. Y.

**Peninsular Life Insurance Company**—Report—M. W. Janis Com-

pany, Inc., 19 Rector St., New York 6, N. Y.

**Porce-Alume**—Data—Pearson, Murphy & Co., 50 Broad St., New York 4, N. Y. Also available are data on **Vanguard Air & Marine Corp.**

**Radar Design Corporation**—Report—Bertner Bros., 63 Wall St., New York 5, N. Y.

**Raytheon**—Memorandum—Perishing & Co., 120 Broadway, New York 5, N. Y.

**Reheis Co. Inc.**—Analysis—Boening & Co., 1529 Walnut St., Philadelphia 2, Pa.

**Seatrains Lines**—Memorandum—Coburn & Middlebrook, Inc., 49 Pearl St., Hartford 3, Conn.

**Frank G. Shattuck**—Memorandum—Garvin, Bantel & Co., 120 Broadway, New York 5, N. Y.

**Spencer Kennedy Laboratories**—Memorandum—Draper, Sears & Co., 50 Congress St., Boston 2, Mass.

**Standard Kollsman Industries**—Analysis—Tucker, Anthony & R. L. Day, 120 Broadway, New York 5, N. Y.

**Standard Oil Company of California**—Report—Blyth & Co., Inc., 14 Wall St., New York 5, N. Y.

**State Loan & Finance**—Memorandum—A. G. Becker & Co., Inc., 120 South La Salle St., Chicago 3, Ill.

**Studebaker-Packard**—Analysis—Colby & Co., Inc., 85 State St., Boston, Mass.

**Sunbeam Corp.**—Report—A. M. Kidder & Co., Inc., 1 Wall St., New York 5, N. Y. Also available are reports on **Chemtron Corp., Thomas & Betts, Carlisle Corp., Ferro Corp., Van Waters & Rogers and Pacific Petroleum**.

**Texaco Inc.**—Analysis—Thomson & McKinnon, 2 Broadway, New York 4, N. Y. Also available are bulletins on **Daystrom Inc.** and **Colgate-Palmolive Co.**

**Timken Roller Bearing Co.**—Analysis—J. R. Williston & Beane, 2 Broadway, New York 4, N. Y.

**Trans Canada Pipe Lines Limited**—Analysis—Greenshields & Co. (N. Y.) Inc., 64 Wall St., New York 5, N. Y.

**Walnut Grove Products Co., Inc.**—Analysis—Cruttenden, Podesta & Co., 209 South La Salle St., Chicago 4, Ill.

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

**White Motor Co.**—Memorandum—E. F. Hutton & Co., 1 Chase Manhattan Plaza, New York 5, N. Y.

**Form Rockwood Securities**  
FOREST HILLS, N. Y.—Howard Goldstein is continuing his investment business from offices at 107-11 Continental Avenue, under the firm name of **Rockwood Securities Co. Mr. Goldstein was formerly in business at Howard Beach, N. Y.**

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# The Economic Consequences Of the Berlin Crisis

By Paul Einzig

**Dr. Einzig points out necessity of assessing likely economic effects of prospective increasing gravity of Berlin political embroilment. While citing inflationary and expansionary effects of military build-up, he also calls attention to offsetting potentialities, as additional taxation, reduced buying by scared consumers; and, in the stock market, investors' yearning to increase liquid reserves. Maintains missiles' range eliminates "safe" areas. Expects increased gold demand; and cites vulnerability of Western non-German currencies.**

LONDON, England—The disturbing effect of the East German measures to prevent the flight of population to West Berlin is a foretaste of graver things to come. Nobody seriously expects war as a result of these measures alone, even though they constitute a flagrant Hitlerian-style breach of a freely negotiated agreement. But this first step is likely to be followed by others which are likely to aggravate the international political situation and are likely to entail adverse economic consequences.

Dr. Adenauer's threat of economic blockade of the Communist countries by the Western Allies is not likely to be followed by action. For one thing, the Soviet bloc can retaliate by cutting off all communications with West Berlin. Besides, economic sanctions have always been utterly ineffective as means to bring pressure on aggressive countries. They would hurt industrial firms in Britain and other free countries, since they have re-tooled to the production of goods to Russian and satellite countries' specifications, and this capital outlay and the cost of the goods in the pipeline would be a dead loss. All this might become inevitable, but only in retaliation for a cutting off of communications with West Berlin and not for the present measures.

## Military Costs

Since it seems certain that during the next few months the Berlin crisis will become increasingly grave it is necessary to envisage the economic effects of that crisis. Already all Western Governments have announced military measures which will cost money and whose effects is bound to be inflationary unless special taxes are introduced to cover the additional expenditure. The extent of the additional outlay does not at present appear to be very substantial, but it is possible that the military preparations will have to be greatly increased as and when the situation will become increasingly threatening.

For this reason there can be no doubt that the undertone of the economy will be distinctly inflationary during the next few months, that is, the existing inflationary undertone will become accentuated. This should mean an improvement of business prospects, but the other side of the picture is represented by the incalculable effect of the political uncertainty on consumer demand and on capital projects. Will the public react by abstaining from unnecessary spending in order to accumulate liquid reserves? Or will they increase their purchases in anticipation of higher prices and shortages of supplies? Will industrial firms slow down their expansion for the sake of increasing their liquidity, or will they go ahead full steam in anticipation of the inflationary boom? The answers are likely to vary from case to case, but it seems that on balance the threat of a conflict over Berlin will have a restraining effect rather than a stimulating effect.

## Stock Market Implications

Stock Exchanges are not likely to benefit by the inflation, partly because of the anticipation of this restraining effect, but mainly because a threat of war is likely to induce investors to increase their liquid reserves, and because the remotest possibility of a destructive nuclear war would make equities appear unattractive to hold. As for government loans and other fixed interest bearing securities, they are bound to come under the influence of inflation prospects, in addition to the influence of a war threat. Owing to the range of inter-continental missiles, there are no "safe" areas which would offer complete security to the investor, even though distance is still an advantage, and the proximity of important targets a disadvantage.

## Increased Gold Demand

An aggravation of the Berlin crisis is certain to lead to an increased demand for gold. Already the beginnings of that movement are clearly noticeable in the London, Paris and other bullion markets, but as and when the crisis will be approaching its climax, we are likely to witness a gold

boom comparable to that of 1960. The premium on coins over their metallic value is certain to increase, for gold coins are a most attractive form of wealth during acute troubles.

The outlook for foreign exchanges is very obscure. In this crisis, Western Allies are all together, so there is no particular political reason why sterling should weaken in terms of dollars, and even less reason why it should weaken in terms of the currencies of countries which are even more exposed than Britain. The slight depreciation of sterling in terms of D. mark in response to the latest East German move came as a surprise. However, the foreign exchange market interpreted these measures as a bear point for sterling, possibly because sterling is still rather sensitive in spite of the reinforcement it has received, so that it is liable to tend to weaken each time something happens that affects adversely all Western currencies. A much more likely reason is that it will become necessary for the Allies to send additional reinforcements to West Germany. This will mean a further deterioration of the British balance of payments and an improvement of the West German balance of payments, unless Britain will insist this time that West Germany must bear a larger proportion of the cost of the defensive measures. Although West German politicians and the Press have been urging the Allies to adopt firm measures, they gave no indication of any willingness to increase their share in the expenses involved. But possibly an aggravation of the Berlin situation might induce them to see the gross unfairness of deriving financial benefit from the military measures taken for the sake of their protection.

## J. R. Clarke on European Trip

J. R. Clarke, Vice-President of The Dominion Securities Corporation, 40 Exchange Place, New York City, has left on an extended business trip to Europe where he will visit England, Scotland, Switzerland and Germany. He will return to his desk Sept. 29.

## I. S. Freedman Opens

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PATCHOGUE, N. Y.—George Gilligan & Co., Inc. has been formed with offices at 83 East Main Street, to engage in a securities business.

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The firm name of Fifth Avenue Investors, Inc., 745 Fifth Avenue, New York City, has been changed to Douglas Barr, Zrike, Hart & Alkazin, Inc.

## Now Chartered Secs.

LITTLE ROCK, Ark. — The firm name of The Huntley Corporation, 1321 Lincoln Avenue, has been changed to Chartered Securities Corporation.

## Edlin-Goldman Formed

Edlin-Goldman-Robinson, Inc. has been formed with offices at 635 Madison Avenue, New York City, to engage in a securities business.

## IBA Appoints John M. Nash

WASHINGTON, D. C. — The Investment Bankers Association of America has announced the appointment of John M. Nash as Assistant Municipal Director for Public Education. Mr. Nash formerly served as a marketing specialist with the Westinghouse Electric Corporation. For five and one-half years, he was Director of Public Relations for the Maryland Division of the American Cancer Society. Mr. Nash is a veteran of World War II and the Korean conflict. He attended Fisher College, Boston, Mass., where his major was business management. He obtained his B.S. Degree in marketing at the University of Baltimore. His activities with the Investment Bankers Association will have to do with sales promotion, advertising, public education and public information about municipal securities, with the over-all objective of broadening the municipal market.

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*August 23, 1961.*

# Outlook for Production Costs In the U.S.A. and Abroad

By Dr. Antonie T. Knoppers,\* President, Merck Sharp & Dohme International Division of Merck & Co., Inc., New York City

Half truths about foreign production costs vis-a-vis our own as well as future cost trends affecting foreign operations and competition in the years ahead are analyzed by Dr. Knoppers with respect to chemicals and pharmaceuticals. Our production volume is said to have kept us, so far, from being priced out of world markets which would not have been the case if costs abroad were based on "equal volume and efficiency." Factors affecting our cost advantages in the future examined by Dr. Knoppers include comparative wage growth and relationship between wages and production, and Europe's more liberal tax and depreciation policy which spell lower cost of product abroad. Explained are the reasons U. S. firms must invest abroad; the harmfulness of recent proposal to tax U. S. earnings abroad; the need to obtain lower tariffs abroad; and the need to achieve labor-management statesmanship. The outlook need not be pessimistic, Dr. Knoppers concludes, if we take the remedial steps he suggests.

Among the many complex factors which determine the competitive position of any company, production costs rank in the forefront. It is imperative that we determine "cost of product" trends before we decide where and how to expand our operations. This becomes even more imperative in a changing world, that is gradually becoming regionalized into larger units, such as "Common Markets" and "Free Trading Areas."



Dr. A. T. Knoppers

I have become very much aware of the complexity of the subject, of the often repeated half-truths concerning the actual situation and of the uncertainties of projecting into the future. The fac-

tors influencing cost of product are so multifold, interrelated and sometimes two-sided, that in discussing this subject I feel self-admonished: "fools rush in where angels fear to tread." But there is one certainty recently expressed by Per Jacobsson that "the good Lord has given the American people no dispensation from ordinary economic principles such as the basic importance of cost of product."

Production costs is defined as the sum total of all expenditures incurred in the manufacturing operations of specific products. Such costs include material purchases, labor cost and utilization, and overhead expenses. Excluded from production costs, however, are those expenses incurred in the selling, distribution and general administration of business, i.e., operating expenses. There are substantial differences in the practical application of this principle: country by country, company by company, and on down the line. It goes without saying that this presentation, supported

by figures, is mostly limited to the chemical-pharmaceutical industry.

## Volume Makes Our Costs Competitive

In comparing "material cost," "labor cost" and "overhead expenses" in different areas of the world and the U.S.A., one could easily arrive at the conclusion that the U.S. is at a disadvantage in the aggregate of these major factors. One would tend to subscribe to that half-truth that "we are pricing ourselves out of the world markets," were it not for an overriding factor, volume of production. Presently, in many fields, the paradox is that due to volume the U.S. is competitive, in the sense that high labor costs per man hour, which is income, creates in many cases a large buyer's market, volume production and consequently lower costs per unit. Generally speaking, due to this factor the U.S. can produce many goods in large volume in a competitive way. Such a market calls also for product improvement and innovations, and large effective product research and development, a prerequisite for maintaining a competitive position.

The three main components of "cost of product" mentioned, such as material cost, labor utilization, and direct overhead, are strongly influenced by factors of geography and national economic structure. Therefore, the outlook for production costs abroad has to be analyzed on an area by area basis. Such influencing factors are: the availability of natural resources, economic stability, personnel availability, process efficiency (in our industry), labor-management relations, taxation and depreciation practices.

In planning production abroad one does well to project and balance these factors carefully. Recently we analyzed the cost of building a plant and consequently the "cost of product" in an outlying, moderately developed coun-

try in South East Asia. We made this analysis because the product involved had its largest market in that country. We found that the cost of building a plant in this case was substantially higher than in the U.S.A. The reason was not only that most of the equipment had to be imported, but also the necessity of building facilities (power, steam, waste disposal) for one product rather than for a broad production mix as we have in the large volume market of the U.S. Added to this we found that the raw materials we needed are generally higher priced in that outlying country. These factors completely submerged the lower labor costs.

Let us now take a closer look on the major factors governing cost of product in some major countries. I refer especially to Japan and to Western European countries such as the U.K., Holland and West Germany. In discussing comparable data at equivalent production volumes and production techniques, production costs abroad in our type of industry are lower than those in the U.S. This will be generally true in those manufacturing operations where labor and overhead cost are significant (one-third or more of total cost).

It is necessary to mention process and production efficiency in our industry as vital cost determining factors. Some of our engineers visited recently a number of foreign factories, producing the same product under a Merck license. The difference in efficiency between factories, even using the same or analogous process was striking — a real eye opener.

Concerning raw materials, an analysis of the major items—\$100,000 or more—purchased by our company indicates that more than 50% of them could be purchased cheaper in foreign countries. It depends naturally on the raw material need of the product involved, whether this factor is favorable or unfavorable. Let us

take an example of one of our own products, chlorothiazide. The material cost of one kilogram of chlorothiazide is about 56% more in England than in the U.S. and 160% more in Brazil. In our case, this increase is not necessarily due to higher purchase price of ingredients but rather to substitution of materials for those specified in the U.S. process, and less efficient utilization of solvents. Substitutions of local ingredients are often necessary because of import duty restrictions which may either prohibit importation of U.S. material or render the landing cost exorbitant. In Japan, for example, the higher raw material prices prevailing in the chemical industry are due to a marked scarcity of these indigenous materials, so that much of Japan's imports of petrochemicals are from the Western Hemisphere, carrying heavy freight charges. European countries, too, are deficient in some chemical raw materials. However, it is worthy of note that any cost advantage in the U.S. today in petrochemicals (and many other industrial chemicals) may be short-lived because of rapid development of foreign chemical and petrochemical industries.

## Where We Are at a Disadvantage

In labor costs we are everywhere at a large disadvantage. Skilled workers in our industry earn (including fringe benefits) \$3.45 per hour, vs.

West Germany	-----	\$1.18
U. K.	-----	1.16
Belgium	-----	1.109
Italy	-----	.83

This is also true for typists, book-keepers, clerks, etc., whose activities also form part of the cost of product. The remuneration of supervisory, academically trained personnel in foreign countries is substantially lower than in the U.S.

A typical illustration is provided by the cost analysis in three countries for Vitamin C production:

	% of Merck Inventory Cost		
	Merck	W. Ger.	Japan
Labor	12%	4%	3%
Materials	48	57	54*
Factory overhead	40	22	21
	100%	33%	78%

\*Here the U.S. is at an advantage.

I am certain that when we project costs beyond the inventory level to establish total cost of product, the difference between U.S. and foreign producers becomes even more adverse for us.

The factory overhead is higher in the U.S. due to many factors, one of them the plant construction cost. We know, for instance, that a plant for one of our products, producing an equal volume, could be built for 78% of the U.S. cost in Holland, for 70% in Great Britain and for 50% in Japan. The figures for pharmaceutical office and warehouse building cost are similar.

In practice, the volume factor pops up again, for example, the production of Vitamin C abroad is a large quantity one. In many other cases the cost of product can be higher in a foreign country as the volume consumed in the U.S. is much larger than in the country involved. Chlorothiazide is an example.

We have examined the cost factors operating to the advantage or disadvantage of foreign chemical - pharmaceutical firms, and determined that in one industry (and I suspect in many others) the total production cost tends to be less abroad on equal volume and efficiency.

## Future Comparative Wage Trends

The most important question however is: How will future trends affect foreign operations and foreign competition in years ahead?

It is quite pertinent to give immediate attention to cost of labor and also take into account pro-

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ductivity (a factor somewhat neglected hitherto). In this field we meet again a half-truth (and at this time a soul-appeasing one). We assume that generally there will be a rising pattern of wages in the European countries and in Japan. So far so good, but the conclusion that shortly the importance of the dramatic wage difference between the U.S. and other countries will vanish, falls in the category of wishful thinking.

There are two trends to which we should give attention: the comparative growth of wages and the relation between wages and productivity. Indeed wages in Western Europe increase faster than in the U.S., but the "baseline" causes severe consequences. We learned before that the chemical industry wages in the U.S. for skilled workers are about \$3.45 per hour vs. \$1.18 in West Germany (I take the most favorable example, as in Holland and Italy wages are well below \$1.00). Now let us assume realistically that wages will increase annually 3% in the U.S. (at Merck the 6 year average is about 4%) and in West Germany 6% (about the registered average). This development looks quite impressive. But the figures are not! Let us take as a starting point: U.S. \$3.45 per hour and West Germany \$1.18. After one year the situation would be: U.S. \$3.55 per hour vs. West Germany \$1.25. The absolute gap between the U.S. and West Germany has widened from \$2.27 to \$2.30. And after a decade: the U.S. \$4.62 per hour and West Germany \$2.12. The absolute gap has still widened: \$2.50. Then the situation starts to improve slowly, but on this basis it will take 37 years to close the gap! I am fully aware that this extrapolation into the future goes much too far. Still the figures suggest a hard fact.

Now let us look at the productivity advantage. Certainly, American industry generally produces more per man than foreign industry. In this advantage two factors are involved: the efficiency of American industrial facilities through automation, technology and volume, and the skills of the American workers. Parenthetically, I would like to mention that this last advantage seems to weaken. There are indications that some American workers have become much more interested in the actual wage than in the pride of workmanship. The handling of actual figures in this domain is full of pitfalls. I take, therefore, the extreme of Italy as compared with the U.S.

In Italy taking 1953 as 100 industry wise, real wages were 106.7 in early 1960 and productivity 181.9. In the U.S. the similar figures are for 1959 (1953 as starting point as well) real wages 115 and productivity 124. Other continental European countries fall in between.

This means that while in the U.S. the far greater part of the increase of productivity was distributed to labor, increasing local buying power, in Italy it reduced production costs, making that country more competitive in export markets and also creating an expanded and upgraded technical apparatus, although the Italian worker can only profit by this development at a later date.

However, the fact that the gap between wages in the U.S. and Western Europe might close quite slowly, especially in the 60's, is not without advantage. It signifies that in selected fields of production which are dependent on buying power of the people, we will be able to hold the volume of production factor to our advantage. This is the category of relatively high added value goods in mass production. (Therefore, it is highly advisable that in GATT negotiations we try to obtain for such goods lower tariffs in other countries).

The development of the large

trade blocs like the Common Market and the EFTA will certainly bring industrial chemical prices down. The tendency, notwithstanding some differences of opinion in the Common Market, is for an even greater unity, in other words: the U.K. might go really European!

**Europe's More Liberal Taxes And Depreciation**

Another major factor influencing cost of product is taxation. Generally speaking, taxation is more liberal in Western Europe. This is true also for depreciation policies, which is reflected in a faster write-off for original cost and improvements. France, for instance, permits depreciation allowances on replacement value. Firms in Great Britain, Italy, Germany and Holland operate at a real advantage as well. Generally speaking, the U.S. Federal tax rate of 52% levied on profits of domestic U.S. companies is higher than that of most other leading nations.

In other words, the progressive and realistic tax systems in most other countries also act as stimulants to industrial and economic expansion, and the liberal depreciation schedules tend to improve industrial output, job opportunities and ultimately purchasing power.

For most progressive American companies competing with each other, the income from exports and from foreign operations has become an essential part of their present earnings, and more important of their future. With the presented facts in mind, indicating lower cost of product abroad, aggravated by tariffs, local laws and customer preference, it is not surprising that many American firms must protect their interest through complete production, or produce from intermediates in foreign countries. This is no matter of choice but tough reality: either we take this step or lose the market. We have striking figures that our foreign operations not only produce favorable returns in earnings, and have a very positive influence on the balance of payments, but also increase employment in the U.S.

It is therefore astounding, that the tax proposals presented to Congress tend to weaken the position of foreign operations essentially. At present, our foreign subsidiaries are locally taxed generally in the same way as companies of the country involved. In other words, a fair situation of equal position in competition is maintained. Like those companies, we can decide how much to remit (in our case to the parent company) and how much to reinvest. The remittances are then taxed in the U. S. and the firm gets credit for the tax paid in the foreign country. The present proposals call for immediate taxation of undistributed earnings at the U.S. rate, putting U.S. subsidiaries at a disadvantage in a highly competitive world. The present proposals would also be damaging to joint ventures, politically advocated by the government.

The whole tax package — tax credit rather than better depreciation rates, the foreign part and even the expense account—looks somewhat impractical.

I have consciously omitted references to the threat of competition from the Sino-Soviet bloc, as I do not know how to compare cost of product. But this does not alleviate this major threat.

Referring again to the quotation from Per Jacobsson, that the U.S. has no dispensation from the basic importance of cost of product, and viewing the trends of the past in the present and extrapolating into the future, the problems facing us are severe. We have to remain competitive by exports and by foreign operations, we have to safeguard our domestic economy by the purchase of the needed materials abroad, and we have to protect our balance of payments.

My presentation might look somewhat pessimistic, but steps could be taken to change the pattern. Others have done that, too. We have to become very realistic in our management-labor relations, in our system of industrial depreciation and taxation, in our official attitude toward export and foreign investment and in our policies on tariff negotiations, striving there for real reciprocity, looking for results supporting our strength.

**Labor-Management Statesmanship**

The management-labor relation seems to be a dominant factor. It might be interesting that in the country of my birth, The Netherlands, this problem seems to have been solved. The parallel there between wage increases and pro-

ductivity and labor peace are by no means a coincidence. It is based on one of those freaks of history. In 1944 the Nazis put the captains of industry and the labor leaders in the same concentration camp. There they learned to respect each other. Both groups saw that their motivation was the same: the respect for real freedom in the frame of social justice. They stood up for it. But in the hours of frustration, of unused time, they had their lectures; their discussions, their exchanges of opinions, which resulted in sophisticated management-labor relations after the war through a Foundation of Labor with independent economists, serving both industry and labor. The result: an expanding economy with full employment.

I would not recommend this history as a method, but it is a true parable teaching us that many problems can be solved. We have succeeded in mass production for a large consumer market. I do not see any reason why we could not succeed in creating awareness and understanding through mass education. In a democratic country this will be the solution to the grave problems confronting us.

\*An address by Dr. Knoppers before the 45th Annual Meeting of the National Industrial Conference Board, New York City.

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# Monetary Policy's Role in Assuring Economic Growth

By C. A. Matthews, Chairman, Department of Finance & Insurance, University of Florida, Gainesville, Fla.

Positing savings-lack hinders advanced as well as underdeveloped countries' growth, finance professor declares monetary policy's chief contribution to savings should be to thwart price inflation. Prof. Matthews takes exception to the claimed effectiveness of an interest rate deliberately set below expected earnings upon the investment level, and of employing price inflation to induce forced savings or to promote equity flow at the expense of debt financing. He warns that a forced draft may collapse and an increased money supply to make money cheap may nourish enlarged liquid balances. The writer maintains savings are correlated with interest rates, and monetary policy influences total effective demand-costs and availability of funds. He would leave to government policies and not to easy money the direction of investments, and insists the best monetary policy cannot compensate for fiscal shortcomings.

I  
Last year, the Joint Economic Committee of Congress held extensive hearings; published 22 study papers, a staff report and a committee report which included majority, minority, supplemental and additional views—on the subject "Employment, Growth and Price Levels." No respectable economic organization has convened in recent years which did not include this general topic on its agenda. Nor has any reputable economic journal appeared for a year without at least one article adding to the voluminous literature which purports to deal with the question of monetary policy and economic growth.

By economic growth is meant an increase in total production of goods and services. The rate of this increase should exceed the rate of growth of the population in order to provide a larger output per capita. Since the economic output is generally measured in terms of money value—or Gross National Product—it should be emphasized that we are interested in the growth in production of real goods and services. That part of any increase in GNP which consists of price increases contributes little to the economic welfare.

In our discussion of monetary

policy, we shall assume this to mean that policy applied through the use of general credit controls, i.e., variations in the rediscount rate changes in legal reserve requirements, open market operations; and the use of the selective control of variations in margin requirements.

## II

There are several schools of thought concerning how monetary policy influences economic activity. One of the most extreme is represented by Anatol Murad, who says, in an article published in the *Southern Economic Journal* for January, 1956, that prices and economic activity cannot be regulated through control of the money supply and that the Federal Reserve Authorities need have no fears about inducing inflation nor any guilt about causing depression.

### Denies Monetary Policy Is Ineffective

This position cannot be substantiated. Only a casual reading of the financial news leads to the conclusion that monetary policy as applied by the Federal Reserve has influenced the course of economic events. Most leading economic historians contribute to monetary forces some effect on the level of prices, on economic trends, and on economic fluctuations. Another school of thought is represented by a large group of economists who hold that while monetary policy is not one of the major determinants of the rate of economic growth, it can do much to promote such growth. They contend that monetary policy promotes growth by helping keep

total money demand for goods in line with the capacity to produce and by helping to provide an environment favorable to savings and investment.

## III

Considering first the question of savings, I think it is the general consensus of economists that the volume of savings is largely a function of the level of income, its distribution, etc. Two other forces which influence the volume of savings are the rate of interest and expectations. Monetary policy exerts its influence on savings through either or all of these. Since savings are considered a function of income, and the level of income is generally regarded as determined by the volume of expenditures, we shall discuss the effect of monetary policy on income in connection with investments. It should be emphasized at this point, however, that where a high and sustained rate of economic growth is desired, maintaining the level of income, and hence of savings, is an essential objective of monetary policy.

### Savings Correlated to Interest Rates

The idea that savings are positively correlated with the rate of interest is an old one. During the decade of the thirties this was largely discarded. In the period since World War II, the idea has been revived. The present reasoning is that during periods of tight money, when the rate of interest is rising and availability of funds limited, business concerns attempt to insulate themselves from the higher market rates and to assure themselves funds needed for expansion through larger retained earnings.

Support for this position has been developed, to some extent, by those who criticize monetary policy on the basis that it discriminates against new, small, and weak firms, in favor of the large, well-established businesses. On the other hand, doubt has been cast on the discriminatory nature of monetary policy and hence on the positive correlation of interest rates and savings because of the length of time required to accumulate funds needed for capital expansion. It is possible, however, that firms can meet larger working capital requirements, which accrue in smaller doses, from retained earnings.

There has developed considerable support for the effect of expectations on savings. If prices have been rising steadily for a period of time, and if they are

expected to continue to rise, savers may decide to consume more in the present. If this is a general trend then the volume of savings will be adversely affected.

We are inclined to associate this process with underdeveloped countries. It is generally regarded that the major factor limiting growth in these countries is the lack of savings. In order to increase savings it is necessary to decrease consumption. But the level of income for large segments of the population is so low, and the propensity to consume for these same segments so high, that an increase in voluntary savings is extremely difficult. Consequently, there is a tendency to adopt policies to force savings upon the economy.

One possibility is to increase taxes in order to reduce total consumption and transfer real savings to the government sector. Such an approach has a distinct disadvantage, however, in that to be successful it must, in the initial stages, weigh heavily on low income groups. Taxes which fall primarily on the high income groups would probably not materially increase total savings. These groups already account for the major part of voluntary savings in their countries. This is not to deny, however, that it may be advantageous to use the tax power to redirect savings into channels where they would contribute more to economic growth.

### Leary of Inflation to Induce Savings

Underdeveloped countries have resorted to monetary policy to encourage economic growth. The objective, either explicitly stated or implied, has been to force savings through rising prices. It is difficult to appraise the net effect on total savings. It is possible that as prices increase, especially if the rate of increase is high, that voluntary savings will fall as forced savings rise. It is also possible that voluntary savings will be further encouraged to seek investment in those sectors which offer protection from erosion by inflation. Funds will flow into real estate, jewelry and precious stones, foreign exchange, etc., where there is little contribution to economic growth. The development of financial institutions will be hampered. Not only will the savers become more leary of holding financial investments in the form of bonds, time deposits, etc., but they may be more reluctant to acquire interest in public utility type enterprises which are rather basic for economic development of the underdeveloped countries.

Although in the more economically developed countries, maintaining an adequate level of investment has been considered the major problem for economic growth, there is an increasing tendency to consider the possibility that the volume of savings may be, or may become, the limiting factor. This position has been stated recently by D. H. Robertson, of Cambridge University and by Professor William J. Fellner of Yale. Their concern is that the volume of savings—voluntary and involuntary—may be less than needed to provide the growth desired. If we consider the pressure for public investment in defense, in roads, in schools, in housing, etc., plus the desire for ever expanding standards of living which necessitates expanding private investment, it is conceivable that the volume of savings may be the factor limiting economic growth. If to these demands we add the desire for capital on the part of underdeveloped countries which the industrial countries are seeking to aid, for political and other reasons, the possibility emerges as a distinct probability.

The question then becomes: How can we obtain the total vol-

ume of savings which is necessary to provide the investment needed to obtain the desired level of growth?

We believe that monetary policy can make its maximum contribution to savings only if (while contributing to high levels of production, employment, and incomes) the public is convinced that dollars saved today will purchase approximately as much next year, and next decade as they will today. A monetary policy which contributes to a persistent and steady rise in prices cannot do this. A monetary policy which extracts forced savings from the economy cannot do this. A monetary policy which achieves intermittent stability of prices between persistent upward adjustments does not adequately do this.

Failure to achieve price stability will not necessarily be reflected immediately in the volume of savings. But eventually persistent price increases of the magnitude of those which have occurred in the United States over the last two decades will take their toll. G. L. Bach estimates that rising prices in the United States have wiped out over half a trillion dollars in creditors claims (measured in 1957 prices) since World War II. Such price increases encourage spending for consumption and discourage savings.

Two other possible effects of price level changes, and hence of monetary policy on savings deserve attention. Both relate to alterations in the flow of savings. It is conceivable that as a result of expected price increases more savings will seek equity investments. Current savings will tend to by-pass many existing financial institutions. These institutions are largely in a debtor relationship to the saver and in a creditor relationship to the investor. Consequently, if emphasis is placed on acquiring variable income assets, then the savings will flow through other media into investments. The economy may find it difficult to find adequate substitutes for the services rendered by these financial institutions such as the allocation of funds to firms, industries, and regions.

### Effect of Increased Equity Flow

The other possible effect of price level changes on the flow of savings is to provide a larger volume of equity capital. This raises the question: How will a larger flow of equity funds influence the rate of economic growth? Two potential effects may serve to indicate the wide range of possibilities. It may be favorable to a faster rate of growth. Risk capital, seeking higher rewards should encourage innovations, new endeavors, etc. Furthermore, many firms unable to acquire funds as debtors may be quite attractive as speculative ventures and hence would benefit from the changed flow of savings. On the other hand, the redirection of savings may encourage speculation within the economy. This may contribute to the hoarding of goods, to a non-productive absorption of factors of production, and to serious deterioration in the quality of production. The net effect is likely to depend on the degree and duration of the price increases.

## IV

While there is some tendency among economists to conclude that monetary policy is more effective in influencing savings in underdeveloped countries than in developed countries, the opposite is true with respect to investments. Opportunities for investments and the prospective returns are so high in the less developed sections of the world, that it follows quite logically that monetary policy is not required to



C. A. Matthews

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stimulate investment through low rates of interest. Nor is it considered desirable—even if there were reasons to think the effort would be successful—to curtail total investment through forcing already high rates of interest even higher. Such a policy would probably result in curtailing investments which are considered most desirable from an economic and social point of view, without influencing materially the more speculative investments.

In the more developed countries, however, it is usually considered that the volume of savings is so large, and the accumulation of capital so great, that limitations of growth are imposed by the lack of incentives to invest. There are two ways in which monetary policy may favorably influence investment decisions. First, it may be used to keep the rate of interest below the expected rate of return. And second, it may be used to maintain the level of effective demand and thus the level of expected profits.

**May Cause Forced Draft Ending in Collapse**

There is little question but that monetary policy can keep the rate of interest at a low level for substantial periods of time. There may be some question as to the effectiveness of the rate of interest on the level of investment. If the expected return from investment has fallen to levels approaching zero, or is negative, conditions characteristic of depressions such as that of the 1930's, then monetary policy may be ineffective in stimulating investment spending. But during periods of relatively full employment and high levels of income, conditions which are characterized by the post-World War II period, monetary policy should be able to keep the rate of interest below the expected rates of return. Two possible problems growing out of this policy deserve consideration.

The first relates to the ability to sustain growth if the rate of interest is kept "too low." If, for example, we decide that the economy should grow at a rate of 5, 6, or X% per year and proceed to use monetary policy to help achieve this rate of growth, what are likely to be the consequences? If there are numerous investment projects which would be undertaken at slightly lower rates of interest, then any reduction in interest rates is likely to induce substantial increases in investment spending. The result may be an increase in capacity to produce which exceeds the willingness of the economy to purchase the end product. The economy has moved ahead under forced draft only to end up in collapse.

**Liquid Balances Increase as Money Supply Goes Up**

The second problem grows out of the increase in the money supply which may be necessary to maintain low rates of interest, or rates low enough to achieve the desired level of investment. As the rate of interest falls it reaches a level where the public desires to hold cash balances rather than fixed income assets. There are two reasons why the additional money supply flows primarily into liquid balances after the rate of interest reaches a low level. Past experience has been for rates to fluctuate. If they are at historic low levels, then the present trend must be reversed. To commit funds to fixed income securities at prevailing rates will mean a capital loss as rising market rates force down the market price of such securities. The other reason for preferring cash balances at low rates of interest stems from the risks associated with holding assets. The probability of loss from default while

small may be large enough so that the prevailing rate of interest is inadequate compensation for parting with liquid balances which offer complete protection from these risks.

The accumulated balances pose potential problems for the authorities because of the possibility that some event—such as a Korean incident—may drastically alter expectations. Not only may the accumulated balances be exchanged for goods and services but the propensity to consume out of a given level of income may increase, stimulating an expansion in investment spending. The task confronting the monetary authorities becomes one of limiting total effective demand. Modest decreases in the money supply may be more than offset by increases in velocity of circulation. Efforts to offset changes in velocity may require such large reductions in the money supply—which would need to be effected largely through open market operations—as to produce severe disturbances in the securities markets, especially the market for government bonds. The disruptive effects of the policy, coupled with the probable ineffectiveness of it in the short-run would be strong reasons against it.

In influencing total effective demand, monetary policy not only influences the cost of funds to borrowers but also the availability of funds. If there are no unsatisfied borrowers at existing rates of interest and availability of funds, then an easy money policy may be ineffective in stimulating demand. To maintain total demand it may be necessary to supplement monetary policy with other government policies designed to increase the level of income. If the two approaches—monetary and fiscal—are coordinated then a total effective demand may be achieved which encourages a sustained rate of economic growth.

**Effect on School, Church and Public Construction**

There is another aspect of monetary policy and investments which warrants consideration—the influence of policy on the direction of investments. Monetary policy aimed at curtailing inflationary pressures has been criticized because it regards the construction of schools, homes, roads, and other community facilities. If these charges can be substantiated, then the verdict should be to abandon monetary policy. But before we do, an examination of the allocation of funds and the effect on economic growth must be made.

There is some evidence to support the charge that housing construction has lagged behind other sectors of the economy during periods of monetary restraint. There is also some evidence that residential construction has been among the first sectors to benefit from an easy money policy. Housing starts increased in each of the three years from 1953 to 1955, a period of monetary ease, declined in 1956 and 1957, a period of tight money, and increased in 1958, and again in 1959, which were periods of ease and tightness, respectively, in monetary policy.

An examination of total starts, however, fails to reveal some interesting trends. From 1955 to 1957 starts underwritten by the government declined 348,000 units, while those financed under conventional mortgages increased. During this time the average rate of interest on long-term Aaa corporate bonds increased 1.15%, the yield on long-term U. S. Treasury obligations 0.67%, but the rate on VA mortgages remained fixed while the rate on FHA mortgages was raised only 0.25%. Since housing starts financed with conventional mortgages increased and the rate of interest on these fluctuates with market conditions, the question might be raised whether it was the tight money policy (and high rates of interest) which limited housing construction, or the limitation on interest rates permitted on FHA and VA mortgages. Similar conclusions are indicated by an examination of interest rate differential during the period 1957-1959.

The effect of tight money policies and high interest rates on school and road construction is more difficult to evaluate, but the forces at work are similar to those in housing. Many states or localities have placed limits on the rate of interest which may be paid by the state or its instrumentalities for the use of borrowed money. Hence, when market rates of interest rise above these limits by a sufficient amount to overcome the advantages to be received from a favored tax treatment and, possibly, a better credit position, the issuing government finds it difficult to sell its securities. Since schools and roads are typically financed with borrowed funds, it follows that these projects would be among those which tend to be curtailed during periods of tight money. Without the limitations, monetary policy would not curtail construction to the same extent as now maintained. Nor am I convinced that monetary policy has retarded economic growth because it has retarded growth in specific sectors of the economy. Some sectors are obviously more subject to influence by monetary policy than others. What monetary policy may have done is retard growth in these specific sectors in the short-run, but in doing this contributed to the long-run overall economic growth.

**Undesired Direction of Investment Spending**

One may contend that the sectors which are retarded in their development by monetary policy, are the sectors which should be developed first as they contribute most to long-run economic growth. In other words, monetary policy may contribute to stability and to sustained growth, but not

to the type of growth which is preferred. This may be true, but an easy money policy to achieve low rates of interest might result in an even less preferred direction of growth. It would encourage speculation and an undesirable, from a social and political viewpoint, allocation of resources. What is needed is a change in other policies which will (1) permit these sectors to compete for funds on a competitive basis, (2) transfer income through taxation if necessary into those sectors which it is desired to promote, and (3) increase the mobility of the factors of production and encourage their transfer from declining regions and industries to those which are expanding.

V

In summary, economic growth in both developed and underdeveloped countries is, in our opinion, limited by the supply of savings. Monetary policy can encourage an adequate supply of savings and contribute to sustained economic growth through helping promote relative price stability. In developed economies, the problem of maintaining investment spending may also be a problem. A flexible monetary policy can make the maximum contribution to sustained growth by alternately encouraging and discouraging levels of investment spending. But while monetary policy may help obtain the desired level of investment spending, it may not achieve the resired allocation of investment spending. This is preferably achieved through other governmental policies and not through monetary policy.

This discussion also leads to a further conclusion. While monetary policy can encourage and help maintain economic growth, it cannot assure a high rate of growth. Other policies are equally, if not more, important. Unless these are designed with the objective of economic growth, monetary policy, however wisely applied, cannot compensate for their shortcomings.

**G. A. Saxton Co. Elects V.-Ps.**

G. A. Saxton & Co., Inc., 52 Wall Street, New York City, has announced the election of Walter R.



Walter R. Johnson Frank W. Warner

Johnson and Frank W. Warner as Vice-Presidents of the firm. Both have been with the firm for many years.

**New Hutton Office**

MANSFIELD, Ohio—W. E. Hutton & Co. has opened a branch office at 150-38 South Fairfax Avenue, under the management of Paul A. Woods.

Also associated with the new office is Paul F. Cropper, Jr. Mr. Cropper was formerly local manager for Ball, Burge & Kraus.

**Forms Inv. Planning Serv.**

MIAMI, Fla.—David G. Kalmanson is engaging in a securities business from offices at 13020 S. W. 82nd Avenue under the firm name of Investment Planning Service.

**Forms Lane Co.**

RICHMOND, Va.—Benjamin R. Lane, Jr. is conducting a securities business from offices in the Central National Bank Building under the firm name of Lane Company.

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August 24, 1961

# New Antitrust Directions in Pricing Policy and the Law

By James A. Rahl,\* Professor of Law, The School of Law, Northwestern University, Chicago, Ill.

Law expert charts new directions in antitrust policy in the light of the electrical equipment case and the advent of the new Administration. He comments, also, on existing incongruities which can be potentially dangerous to both antitrust policy and business freedom if the practical reconciliations holding them in check should cease to operate. Professor Rahl predicts a shift in attention back to the more simple, but more clearly objectionable orthodox restraints, more investigations, and more serious penalties for similar violations. Moreover, he expects the standards of proof will be tightened. Further, the doctrines of "implied conspiracy" and "conscious parallelism" or "price administration" will not by themselves be sufficient proof of guilt or of antitrust significance since in an economic sense they do not "demonstrate either actual or probable violation of the Sherman Act." Last but not least, the writer dashes cold water on the idea that antitrust laws have much to offer in solving price inflation.

In speaking of "new directions" in antitrust law relating to pricing policy, I cannot go into much that is really novel. The things which are of greatest current interest involve some very old problems, and I shall largely be discussing "new directions" in emphasis concerning these questions.



James A. Rahl

Prices, from the dawn of history, have been a matter of concern to law-makers. An interesting brochure recently published by the duPont Company, called "The Story of Prices" points out that earlier than 2000 B.C. the Babylonian Code of Hammurabi contained some price controls, as did the regulatory efforts of Egyptian pharaohs, the Hittites, and Justinian.

Accordingly, such things as the legislative investigations of "administered prices" by the Kefauver Committee, and the Government's attention, both in the old and the new administrations, to problems of suspicious uniformity of prices among competitors, are all in an ancient tradition.

To forecast new directions, we must first identify briefly the present directions of antitrust law

as applied to pricing. The antitrust laws apply directly to pricing in three ways: (1) agreement on prices among competitors is prohibited outright; (2) discrimination in selling prices is made illegal in many circumstances by the Robinson-Patman Act; and (3) resale price control—so-called "Fair Trade" pricing—is given a qualified exemption, the availability of which is dependent upon state law.

There are a number of other important but less direct relationships between prices and antitrust. It is often said that the antitrust laws are not concerned with how high or low a firm's prices are, but only with the maintenance of conditions favorable to competitive determination of prices in a free market. But this is only partly true. A seller's price on a given product in a given market could be so low over a period of time that competitors might be driven out of business. This could lead to a charge of monopolization under the Sherman Act, or of unfair method of competition under the FTC Act, or of selling at an "unreasonably low price" under the criminal provisions of the Robinson-Patman Act. On the other hand, prices which seem high in relation to costs may suggest that a firm is reaping monopoly profits, or that a price-fixing combination is holding up the industry price level.

And of course, regardless of how reasonable a price may be,

it may still invite antitrust attention if it is suspiciously identical with the prices of competitors, implying a possible conspiracy.

Considered abstractly, it therefore sometimes seems that to obtain complete antitrust safety, a businessman's price must be neither higher nor lower than those of others, but also must never be the same as others.

It is, of course, farcical to suggest that the antitrust laws really make a possible illegal consequence out of every kind of price. But it is true that to a certain extent our antitrust policies have developed in a way that makes inconsistent demands upon the pricing policies of business.

For example, if large firms, that are so-called "price leaders", were to indulge in really flexible price competition, the effect on smaller firms could soon give them worse antitrust trouble than they have now. Similarly, although accusing fingers often point to the rigidity of prices in heavily concentrated industries, we continue at the same time to support a Robinson-Patman Act which rewards inflexibility and penalizes fluid price-making. Government leaders sometimes ask business to exercise forbearance in price increases and ask them to "hold the line", thereby calling for a kind of cooperation which would usually involve the very kind of price fixing activity which the Attorney General would be duty-bound to prosecute. Probably the greatest inconsistency of all is the federal "Fair-Trade" exemption which gives federal blessing to coercive price fixing on the part of a minority of businessmen.

### Disturbing Potential Dangers

Fortunately, these inconsistencies do not seem to operate concretely on individual businesses often enough to discredit the antitrust laws as a whole. The muddy inconsistencies in antitrust have a way of coming out in the wash. But these incongruities are nevertheless disturbing, because they are of great potential danger both to antitrust policy and to business freedom, if the present practical reconciliations which hold them in check should cease to operate. It is in this large and not wholly harmonious context that I believe the questions of current "new directions" need to be examined. Which way or ways are we going, and where is the greatest emphasis likely to be placed in the next few years?

### Views of the New Administration

The first few months of the new National administration have not, in my opinion, revealed that any great choices in direction as to pricing policy have yet been made, or at least publicly acknowledged. General statements made by the new Chairman of the Federal Trade Commission, Mr. Dixon, and the new head of the Antitrust Division, Judge Loevinger, indicate that they believe that existing antitrust policies are consistent and should be vigorously enforced, including both those calling for hard price competition and those which interfere with price competition. It should be noted that the President and the Attorney General also have called for a continuing crack-down on price-fixing collaboration and at the same time have called upon business to help stabilize prices. The one new note was sounded by Chairman Dixon, who indicated that he will try to find a way to use the powers of the Federal Trade Commission to bring down prices in some industries where he believes "administered prices" are being maintained at unduly high levels.

Except for that idea, these statements do not presage radical changes in enforcement policy, and none can be predicted. Nevertheless, I believe that the next few years may well actually see some substantial reorientation. This will come through a greatly increased emphasis upon attacking collusive price fixing and related restraints, and a resulting better general understanding of the inconsistencies in other present approaches to the pricing problem.

### Price Fixing

There can be no discussion of prices without reference to the recent electrical equipment convictions and sentences. These cases have dramatized the importance of the antitrust laws both to the Government and to the public in a way which is almost unparalleled, except in the very early years of our antitrust policy at the turn of the century. The effects should make the electrical cases one of the most important events in the history of the Sherman Act.

Price fixing has been the No. 1 restraint of trade problem since the early days of the Act. In recent years, from one-half to two-thirds of all Sherman Act proceedings, both civil and criminal, have involved charges of price fixing. I would estimate that at least 500 price fixing cases have been filed by the Department of Justice since World War II. A very high percentage of all antitrust criminal prosecutions are price fixing cases. The price fixing problem is thus extremely persistent.

But there has nevertheless been a tendency on the part of some to regard price fixing as a bit old-fashioned and as either relatively rare or in any event relatively unimportant as compared with the great structural and power questions concerning our economy. Attention of both scholars and lawmakers has tended to center upon more sophisticated and debatable questions.

The recent electrical equipment cases will inevitably shift attention back to the more simple, but more clearly objectionable restraints. Thus at a time when antitrust might have tended toward being weakened by theoretical arguments, and by the stresses of cold war, space technology, and increased emphasis upon Government responsibility for the economy, events instead have solidified the position of the antitrust laws on their strongest and most orthodox ground.

Nineteen sixty-one is therefore a year when a newly reinvigorated national antitrust policy forces us to face some very ele-

mentary realities. We know that we cannot have a competitive system of free enterprise worthy of the name and at the same time tolerate widespread price fixing and market sharing. We have to acknowledge that there is nothing so unique about the electrical equipment industry as to warrant belief that the problem ends there. We know that such practices can and do occur among big and small businesses alike, in products and services of great importance to the nation and under the very noses of experienced purchasing agents. We have always known this, but we have seldom appreciated it so fully as a nation.

The Federal Government has no alternative but to follow through with further investigations in all industries where there is evidence of similar violations. Moreover, there is a current revival of interest in State antitrust laws in a number of important States. Recently I had occasion to study the types of complaints being dealt with by State authorities in New York, Texas, and certain other active States, and I found that about 80% of the problems which have been arising on the local level involve price fixing and market sharing arrangements.

The possible consequences of this emphasis are several.

### Criminal Prosecutions

For one thing, businessmen who continue to maintain illegal, clandestine relations with competitors in the face of these plain signs of danger are, more certainly than at any time in many years past, inviting business ruin and personal disaster. For many, the incentives to fix prices are powerful. The urge comes from factors which are much more pressing than an evil desire to mulct the public. But yielding to the urge will now carry great personal risks. It is to be hoped that many will pay more attention to the advice of their lawyers than they have heretofore.

The long-standing reluctance of Federal Judges to use jail sentences in flagrant cases has probably been reduced by the precedents of the electrical cases and the jail sentences in 1959 in the hand-tool case in the Federal Court in Columbus. Use of criminal punishment in borderline types of antitrust cases is unconscionable, and it is unwarranted in cases where guilt is doubtful. But where there has been knowing violation of a clear antitrust prohibition, such as price fixing and market sharing, Federal Judges are likely to begin to impose serious penalties in the future. Sentences up to one year for each violation are possible.

### Proof of Conspiracy

This new emphasis does not mean, however, that Federal Judges will relax the standards of proof of conspiracy in contested cases. If anything, these standards will be tightened.

There has been a great deal of discussion in the past 15 years of doctrines of so-called "implied conspiracy" and "conscious parallelism" which would make it easier to prove a violation of the Sherman Act. These doctrines grew out of great natural pressures to make the requirements of the law conform more nearly to newer economic concepts. They were advanced for situations where members of an industry were so relatively few in number that they set their prices, or their market shares or individual production levels, or made other important market decisions with a high degree of conscious, though independent, uniformity of action. Our newer economics had taught us that in such situations competition has major imperfections, or contains "monopolistic" elements, or constitutes "oligopoly." The

Continued on page 26

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# Our Reporter on GOVERNMENTS

BY JOHN T. CHIPPENDALE, JR.

The Government market is operating with what appears to be a minimum of interest and this is not unusual since at this time of the year the doldrums is not to be unexpected as far as the money and capital markets are concerned. Vacations appear to take a yearly toll of the volume and activity in the capital markets. However, the short-term Government obligations continue to be the bellwethers of what goes on in the money markets since the commitments in these issues are still very large in spite of the moderately rising yields for these securities. The return on the most liquid Treasury securities, however, is not historically high even at current levels.

The uncertainty over how the enlarged defense program will be carried out and how the money will be raised along with the cost of this program is having a retarding influence on the money and capital markets.

### Short-Term Issues Firm

The demand for short-term issues is still very large even though the yield on these obligations continues to go up modestly. This has not been an unfavorable development as far as our position in the international monetary situation is concerned since it has helped to keep funds here which might have been transferred to England with its very high near-term and long-term rates. The firm tone for short-term issues in this country along with the cost of hedging against the future position of the Pound Sterling is resulting in a slight differential in favor of the yield which is available in our near-term very liquid obligations, as compared with what is available in the British money market. By keeping the return on our short-term securities high enough so that the readily transferable funds find it profitable to remain here pressure is thus taken off our international monetary position. Even though money rates in England are about as high as they have ever been and long-term British Government obligations are selling at or

near all time lows, there is no rush yet developing to put American and other nations' funds into these securities. It is evident that the English have a way to go yet before the monies of other countries will be seeking investment there. There is no question but what a firm short-term rate in the United States will continue to keep the "hot money" here because there is no doubt about the safety of the funds which are kept here since the dollar is still one of the world's strongest currencies.

### Plenty of Funds

The demand for the most liquid Government issues is as large as ever among corporations but the banks from the large money centers are now making a decided bid for leadership in this area of the market. It is indicated that these institutions have plenty of funds available not only for loans but also for investment in the very liquid Government obligations. There is also evidence that some of the medium sized deposit banks have not only been buyers of Treasury bills but they have also been putting funds into selected intermediate term obligations. Savings banks have likewise been in the market for some of the middle-term issues, even though these institutions as a group have been sellers of the longer term Governments in modest amounts. As against this the savings institutions have been fairly sizable buyers in some cases of corporate bonds with the higher yielding ones getting most of this attention. Because the yield on corporate bonds is still more attractive than those of Government bonds the institutional demand continues to be in non-Federal issues even though the activity at this time is limited. However, with the coming of fall there is quite likely to be a developing interest in new corporate issues and tax-free bonds, although the corporate flotations might still be on the small side.

The impending new money raising on the Government according to most money market specialists

is quite likely to be confined to tax anticipation bills. This would seem to eliminate the prospects of an intermediate-term issue being part of the operation. Also there is at this time no feeling around about a forward refunding offer or the raising of new money through the sale of long-term Government bonds. It is evident that the market for long Treasury bonds is still very much on the professional side.

## Kleber Labs. Common Sold

Public offering of 150,000 common shares of Kleber Laboratories, Inc., at \$2 per share is being made by D. E. Liederman & Co., New York City. Proceeds will be used by the company for repayment of debt, purchase of equipment, a plant lease, research and development and working capital.

The company with headquarters in Beverly Hills, Calif., intends to begin the manufacture of instruments for the detection of beryllium to be used in prospecting, refining and control of manufacturing processes employing beryllium compounds. The metal, which has extreme resistance to heat and cold, is used in missiles, space capsules and aircraft.

## Paine, Webber Office

SAN BERNARDINO, Cal.—Paine, Webber, Jackson & Curtis have opened a branch office in the California Hotel Building under the direction of Louis R. Aragon.

## Joins Schirmer, Atherton

(Special to THE FINANCIAL CHRONICLE)

BOSTON, Mass.—Robert H. Tillson has joined the staff of Schirmer, Atherton & Co., 50 Congress Street, members of the New York and Boston Stock Exchanges. Mr. Tillson was formerly with H. C. Wainwright & Co.

## Carl Derman Opens

BROOKLYN, N. Y.—Carl Derman is engaging in a securities business from offices at 1506 East Seventh Street.

## With Cruttenden, Podesta

(Special to THE FINANCIAL CHRONICLE)

ST. LOUIS, Mo.—Michael C. Bastunas has been added to the staff of Cruttenden, Podesta & Co., 322 North Broadway. He was formerly with Fusz-Schmelzle & Co.

## Distaff Members at ABA School



EVANSTON, Ill.—The National Trust School of the American Bankers Association has gone coeducational. Shown between classes of the school's second annual session at Northwestern University, Aug. 7 to 25, are the 11 women students among an enrollment of 215.

Left to right, first row: Margaret B. Williams, The Philadelphia National Bank, Philadelphia, Pa.; Marie H. Harrold, First National Bank in Greensburg, Pa.; Doris R. Kunkle, The Third National Bank of Ashland, Ky.; Ann E. Lauris, Worcester County National Bank, Worcester, Massachusetts.

Second row: Arlene M. Blewett, Bank of America, Beverly Hills, Calif.; Nora B. Birdsall, First Western Bank & Trust Company, Pasadena, Calif.; Jo Anne Valentine, Lincoln National & Trust Company of Fort Wayne, Ind.

Third row: Eva W. Barrow, The First National Bank of Birmingham, Ala.; Marjorie L. Taylor, The Midland National Bank of Billings, Mont.; Pauline H. Sterni, North Adams Trust Company, North Adams, Mass.; Shirley K. Marshall, The Atlantic National Bank of Jacksonville, Fla.

*This advertisement is not and is under no circumstances to be construed as an offering of these securities for sale or a solicitation of an offer to buy any of such securities. The offering is made only by the Prospectus.*

August 23, 1961

488,332 Shares

## Florida Capital Corporation

Common Stock  
(Par Value \$1)

The Company is offering to the holders of its Common Stock, of record as of the close of business on August 22, 1961, Rights, evidenced by transferable Warrants, to subscribe for additional Common Stock, subject to the terms and conditions set forth in the Prospectus. The Warrants expire at 3:30 P.M., E.D.S.T., on September 5, 1961. The several Underwriters may offer shares of Common Stock, pursuant to the terms and conditions set forth in the Prospectus.

Subscription Price \$7.75 per share

*Copies of the Prospectus may be obtained from the undersigned only in those States in which the undersigned may legally offer these securities in compliance with the securities laws of the respective States.*

### A. C. Allyn and Company

- |  |   |   |                           |
|--|---|---|---------------------------|
| Bache & Co.                                  | Goodbody & Co.                            | Shearson, Hammill & Co.                         | Walston & Co., Inc.       |
| Auchincloss, Parker & Redpath                | R. S. Dickson & Company                   | Francis I. duPont & Co.                         |                           |
| H. Hentz & Co.                               | The Johnson, Lane, Space Corporation      | Mitchum, Jones & Templeton                      |                           |
| Prescott, Shepard & Co., Inc.                | R. W. Pressprich & Co.                    | The Robinson-Humphrey Company, Inc.             |                           |
| Straus, Blosser & McDowell                   | Winslow, Cohú & Stetson of New York, Inc. | Arthurs, Lestrangle & Co.                       |                           |
| Jack M. Bass & Company                       | Burnham and Company                       | Emanuel, Deetjen & Co.                          |                           |
| First California Company                     | Granger and Company                       | Hirsch & Co.                                    | Hooker & Fay Inc.         |
| Pierce, Carrison, Wulbern, Inc.              | Stein Bros. & Boyce                       | Stifel, Nicolaus & Company                      |                           |
| Westheimer and Company                       | J. R. Williston & Beane                   | Blunt Ellis & Simmons                           |                           |
| Clark, Landstreet & Kirkpatrick, Inc.        | Courts & Co.                              | Cruttenden, Podesta & Co.                       |                           |
| Lentz, Newton & Co.                          | Rauscher, Pierce & Co., Inc.              | Wyatt, Neal & Waggoner                          |                           |
| Bateman, Eichler & Co.                       | Brooke, Sheridan, Bogan & Co., Inc.       | C. F. Cassell & Co., Inc.                       |                           |
| John W. Clarke & Co.                         | The First Cleveland Corporation           | Hill, Darlington & Grimm                        |                           |
| Hallowell, Sulzberger, Jenks, Kirkland & Co. |   | Howard, Weil, Labouisse, Friedrichs and Company |                           |
| Mason & Lee, Inc.                            | Varnedoe, Chisholm & Co.                  | J. C. Wheat & Co.                               | Zuckerman, Smith & Co.    |
| Barret, Fitch, North & Co.                   | Beil & Hough, Inc.                        | Oscar E. Dooly & Co.                            | Charles H. Eldredge & Co. |
| French & Crawford, Inc.                      | S. D. Lunt & Co.                          | Mason-Hagan, Inc.                               | McNeel-Rankin, Inc.       |
| Mullaney, Wells & Company                    | Nugent & Igoo                             | Raffensperger, Hughes & Co.                     |                           |
| Irving J. Rice & Company                     | Sutro Bros. & Co.                         | Taylor, Rogers & Tracy, Inc.                    |                           |
| Willis, Kenny & Ayres                        |   | Yarnall, Biddle & Co.                           |                           |

*This announcement is under no circumstances to be considered as an offer to sell or a solicitation of an offer to buy any of these securities. The offer is made only by the Prospectus which is available only in such states where these securities may be lawfully sold.*

NEW ISSUE  
August 24, 1961

## 200,000 Shares The Clarkson Laboratories, Inc.

Common Stock  
(Par Value \$.01 per Share)

Price \$2.00 per Share

ROSS, LYON & CO., INC. GLOBUS, INC.

## Alix of Miami Common Offered

Public offering of 100,000 class A common shares of Alix of Miami, Inc., is being made at \$9 per share through a syndicate managed by Clayton Securities Corp., Boston. Of the shares being offered, 30,000 are being sold for the account of stockholders and 70,000 shares for the company. The net proceeds to be received by the company will be used to improve its working capital position, and may be applied to any corporate purpose including financing of accounts receivable, off-season inventory purchases, and increased sales promotion and advertising.

The company with headquarters in Miami, Fla., is primarily engaged in the styling, manufacture, and sale of women's and misses' dresses, misses' sportswear, and glamor swimsuits and beach ensembles, all of which are sold under its brand name, "Alix of Miami." The company's products are styled by its own staff and are retailed in over 3,000 stores throughout the United States.

For the year ended Jan. 31, 1961 Alix of Miami and its wholly owned subsidiary, Brookfield Mills, Inc., reported combined sales of \$2,425,385 and net income equal to 44c per share, based upon the number of shares outstanding prior to the current offering. Upon completion of this financing, capitalization will consist of 100,000 shares of class A common (par 25c), and 125,000 shares of class B common stock (par 25c).

## Sjostrom Automations, Inc. Common Offered

J. I. Magaril Co., Inc., New York City, is offering publicly 700,000 class A common shares of Sjostrom Automations, Inc., at \$4 per share. Proceeds from the sale will be used by the company for the repayment of debt, the purchase of equipment and inventory and for working capital.

The company of 140 N. W., 16th St., Boca Raton, Fla., is engaged in the development, manufacture and sale of electronically controlled automatic equipment for the textile and laundry industries.

It also produces "Knotwood" metal textile feed aprons and markets "Slip-Prufe" rubber roll covering.

### V.-Ps. of Techno Fund

COLUMBUS, Ohio—Dr. L. Kermit Herndon, Executive Vice-President of Techno Fund, Inc., announced that Dr. Richard E. Warner and Frank G. Hull have been elected Vice-Presidents of the firm.

### Lewis Secs. Branch

SPRINGFIELD, Vt.—Lewis Securities Company has opened a branch office at 33½ Woolson Block under the management of William C. Waite.

### DIVIDEND NOTICES

#### CITY INVESTING COMPANY

980 Madison Ave., New York 21, N. Y.  
The Board of Directors of this company on August 18, 1961, declared the regular quarterly dividend of \$1.375 per share on the outstanding 5½% Series Cumulative Preferred Stock of the company payable October 1, 1961, to stockholders of record at the close of business on September 18, 1961.  
HAZEL T. BOWERS,  
Secretary



#### The Board of Directors of CONSOLIDATION COAL COMPANY

at a meeting held today, declared a quarterly dividend of 35 cents per share on the Common Stock of the Company, payable on September 14, 1961, to shareholders of record at the close of business on September 1, 1961. Checks will be mailed.

JOHN CORCORAN,  
Vice-President & Secretary  
August 21, 1961.

#### BRIGGS & STRATTON CORPORATION



#### DIVIDEND

The Board of Directors has declared a regular quarterly dividend of fifty cents (50c) per share and an extra dividend of twenty cents (20c) per share on the capital stock (\$3 par value) of the Corporation, payable September 15, 1961, to stockholders of record August 25, 1961.

L. G. REGNER, Secretary-Treasurer  
Milwaukee, Wis.  
August 15, 1961

### Livingston, Williams Brch.

TOLEDO, Ohio—Livingston, Williams & Co., Inc., has opened a branch office at 227 Michigan St. under the management of Robert I. Basch.

### DIVIDEND NOTICES

#### E. I. DU PONT DE NEMOURS & COMPANY



Wilmington, Del., August 21, 1961

The Board of Directors has declared this day regular quarterly dividends of \$1.12½ a share on the Preferred Stock—\$4.50 Series and 87½¢ a share on the Preferred Stock—\$3.50 Series, both payable October 25, 1961, to stockholders of record at the close of business on October 10, 1961; also \$1.50 a share on the Common Stock as the third quarterly interim dividend for 1961, payable September 14, 1961, to stockholders of record at the close of business on August 28, 1961.  
P. S. DU PONT, Secretary

#### INTERNATIONAL SALT COMPANY

#### DIVIDEND NO. 189

A dividend of ONE DOLLAR a share has been declared on the capital stock of this Company, payable September 30, 1961, to stockholders of record at the close of business on September 15, 1961. The stock transfer books of the Company will not be closed.

W. L. BENDER  
Treasurer.

**GOULD-NATIONAL BATTERIES, INC.**  
Manufacturers of a complete line of automotive, industrial and military storage batteries plus motive specialties.

**A REGULAR QUARTERLY DIVIDEND** of 30c per share on Common Stock, was declared by the Board of Directors on July 11, 1961 payable Sept. 15, 1961 to stockholders of record on Sept. 1, 1961.

**This is our 119th Common Dividend.**

A. H. DAGGETT  
Chairman  
ST. PAUL 1, MINNESOTA

### DIVIDEND NOTICES

#### Allegheny Ludlum Steel Corporation

Pittsburgh, Penna.  
At a meeting of the Board of Directors of Allegheny Ludlum Steel Corporation held today, August 18, 1961, a dividend of fifty cents (50c) per share was declared on the Common Stock of the Corporation, payable September 30, 1961, to shareholders of record at the close of business on September 8, 1961.  
S. A. McCASKEY, JR.  
Secretary



#### INTERNATIONAL HARVESTER COMPANY

The Directors of International Harvester Company have declared quarterly dividend No. 186 of sixty cents (60¢) per share on the common stock, payable October 16, 1961, to stockholders of record at the close of business on September 15, 1961.

GERARD J. EGER, Secretary

#### KENNECOTT COPPER CORPORATION

161 East 42nd Street, New York, N. Y.

August 18, 1961

At the meeting of the Board of Directors of Kennecott Copper Corporation held today, a cash distribution of \$1.25 per share was declared, payable on September 22, 1961, to stockholders of record at the close of business on August 29, 1961.

PAUL B. JESSUP, Secretary

#### NATIONAL STEEL Corporation



#### 127th Consecutive Dividend

The Board of Directors at a meeting on August 15, 1961, declared a quarterly dividend of seventy-five cents per share on the capital stock, which will be payable September 12, 1961, to stockholders of record August 24, 1961.

PAUL E. SHRODS  
Senior Vice President

### DIVIDEND NOTICES



#### DIVIDEND NOTICE

The Board of Directors today declared a dividend of 52 cents per share on the Common Stock of the Company, payable October 2, 1961 to stockholders of record at the close of business September 1, 1961.

D. W. JACK  
Secretary

August 18, 1961



SHREVEPORT, LOUISIANA

#### Dividend Notice

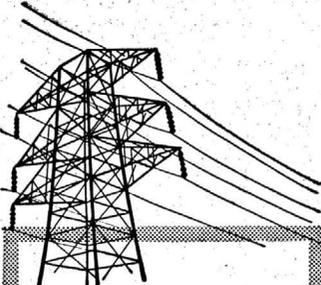
The Board of Directors has this date declared a dividend of thirty-seven and one-half cents (37½¢) per share on the Common Stock of the Corporation, payable October 2, 1961, to stockholders of record at the close of business on September 8, 1961.

B. M. BYRD

August 22, 1961 Secretary



SERVING THE



#### Southern California Edison Company

#### DIVIDENDS

The Board of Directors has authorized the payment of the following quarterly dividends:

ORIGINAL PREFERRED STOCK  
Dividend No. 209  
65 cents per share;

CUMULATIVE PREFERRED STOCK,  
4.32% SERIES  
Dividend No. 58  
27 cents per share.

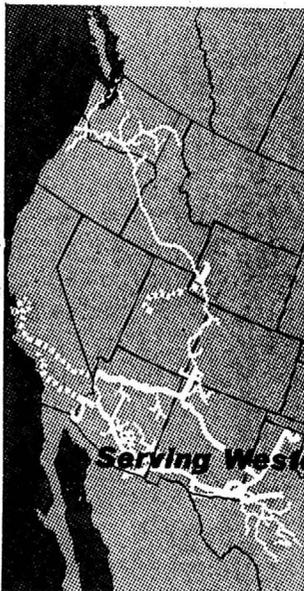
The above dividends are payable September 30, 1961, to stockholders of record September 5. Checks will be mailed from the Company's office in Los Angeles, September 29.

P. C. HALE, Treasurer

August 17, 1961



## EL PASO NATURAL GAS COMPANY



DECLARES **100**<sup>TH</sup> CONSECUTIVE QUARTERLY DIVIDEND

The Board of Directors, at a meeting held August 15, 1961, declared a regular quarterly dividend of 32½ cents per share on the Company's Common Stock. This dividend is payable September 30, 1961, to stockholders of record at the close of business August 25, 1961. Dividend checks will be mailed.

Viggo Pittman  
Treasurer

Serving Western America with Energy from Natural Gas

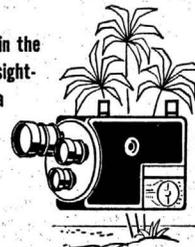
Assets . . . . \$1,504,902,446  
1960 Gross Revenues . . . 504,634,163  
Net Income . . . . . 50,909,378



EXPLORATION ■ PRODUCTION ■ TRANSMISSION ■ SALES of Natural Gas

Oil exploration, production, refining, marketing and petrochemicals.

Put yourself in the picture in a sight-seeing Florida vacation . . .



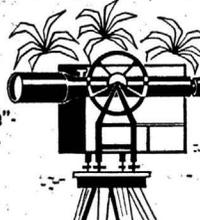
#### DIVIDEND NOTICE FLORIDA POWER & LIGHT COMPANY

P. O. BOX 1-3100 • MIAMI, FLORIDA

A quarterly dividend of 28c per share has been declared on the Common Stock of the Company, payable September 19th, 1961 to stockholders of record at the close of business on Aug. 25th, 1961.

ROBERT H. FITE  
President

...and Florida offers industrial "site"-seeing, too, for business and industry.



# THE MARKET . . . AND YOU

BY WALLACE STREETE

Selected industrial stocks continued to do better work in markets that were largely irregular this week and in the process kept nudging their average to its highest standing in history, crossing the 725 level for the first time.

If, as so many market students believe, the average continues to work higher during ensuing months it could reach the 762 level, which would represent a reading exactly double that of the fabled year of 1929.

### Flaws in the Averages

Comparisons of the industrial average of today and that of 1929 are not exact. Over the years there have been issues eliminated for various reasons and new ones substituted so that nearly half of the components of this average in 1929 are no longer in it. In addition, the method of computing the average has varied over the years as the various components split their shares.

When the 1929 high of 381 was finally exceeded in 1954, the divisor in use then was 5.89, which was where the attrition through splits and stock dividends had lowered it from the original 30 for the 30 issues involved. Today it is down to 3.09. In 1929 it was 10.77.

As these trims in the divisor take place, the average becomes more volatile and there is no end in sight for this whittling-down process since several of the components of the average are candidates for eventual stock splits.

The ability of one of the components to shore it up was best illustrated as it hovered on the brink, and then crossed the 725 line. It was almost solely due to a four-point jump in American Tobacco that it forged to the line, and again American Tobacco's two-point jump was a major factor in carrying it across it. The feat of a record high was hardly mirrored by the actual market on the latter occasion since there were only three more advances than declines scored by the general list.

### Yardsticks Deceptive

It all added up to a market that wasn't performing anything like some of the yardsticks used to measure it, and left many issues around that were nowhere near any historic peaks. Oils, for one, despite bright earnings comparisons had no sustained following such as that they enjoyed in the immediate post-War II era.

Where the average yield of the industrial thermometer was slightly under 3%, Standard Oil (New Jersey) was available at a return of around 5% and 4% or more was available in such well-known companies as Ohio Standard Oil, Pure Oil, Cities Service and Royal Dutch. By comparison, some of the issues that have been popular recently show yields of less than 1% including Brunswick, Minnesota Mining and American Photocopy, not to mention such high-flying issues as International Business Machines and Xerox.

American Radiator & Standard Sanitary, despite high prospects for the building industry, has been absent from the spotlight for long, and its yield runs to 5½%. Like many other American companies, American Standard has turned in large scale to foreign fields where the growth pace is more rapid to bolster its fortunes. More than a fourth of its sales dollars flow in from foreign operations.

Unlike some companies that ran afoul of antitrust troubles, American Standard's divestment of its Youngstown Kitchens as required

in the consent decree is actually beneficial since the division hasn't been profitable for years and amounts for only a minute portion of total sales. Far from backing up the picture of a market at a record high, American Standard is only a few points above its poorest price for the last decade and only a little better than half of its 1955 peak. Admittedly, it will be some time since the upturn in housing starts that is generally expected is fully translated into profits for companies such as American Standard, but the company did show an earnings gain in the year-to-year comparisons for the June quarter. It was the first such gain shown in a year and a half. So the company could have reached the low point and a turning point as well.

Charges of anti-trust violations by some of the drug makers did little to perk up interest in drug shares. The case for Colgate-Palmolive, which is a relative newcomer to the drug field, is mostly one of long-standing neglect, however. The shares that were last split in 1959, which sold for more than 43 that year, were still working against resistance to reach 50 for the first time this week.

### A Diversified Drug Item

Colgate's entrance into the prime drug field was made only two years ago and it is still concentrating on product research to build up its portion of its business, leaving the old-time lines of soaps and toiletries to provide the bread-and-butter line for the company. It, too, has been busily developing foreign markets which were built up to where they provided a shade more than half of last year's sales but some three-fourths of the company's profit. For foreign operations have held consistently at a profit margin of 5% or so while the margin on domestic operations was slipping from a shade over 3% to less than 2%.

With its entrance into the proprietary and ethical drug fields, its heavy emphasis on new product development and energetic efforts to cut costs and step up domestic sales, Colgate is hopeful of sparking an upturn in its lagging domestic business. As part of this drive, the executive who headed up the foreign operations where the recent growth has been dynamic has been upped to direct the destinies of the entire company. The company that is expected to show sales of \$600 million this year has set as a goal the billion dollar mark by 1966 which is an even faster growth pace than it showed over the last decade when it started with \$346 million sales in 1951.

### Brunswick's Sky-Rocketry Abandoned

Brunswick Corp. shares lately have lost the skyrocket aspect they once had but, apparently, not their popularity with a good many market analysts. For one, they have had a sizable correction which sheared a score of points from this year's peak. For another, the company that owed its popularity to the explosive growth of bowling alleys and installations of bowling pinsetters awhile back is off on a new tangent in the last year or so. It started with acquisition of Owens Yacht Co., second largest maker of pleasure craft, and recently added to that with the acquisition of Kiekhaefer Corp., which makes the Mercury line of outboard motors, to complete its representation in the boat field. In addition, use of the marketing outlets of Owens could expand sales of outboard motor's ma-

terially. The management's goal for this year is to continue record sales and earnings once more to make it eight years of new highs in a row.

Zenith is also an issue that is not statistically cheap, but that doesn't seem to cut into its popularity in any way. The shares that had a sharp runup earlier this year to 185, followed by an equally sharp correction, had snapped back this week to go on to new highs with some persistence. Some of the plus items behind Zenith are conjectural, including its Phonevision system of subscription TV and its color TV work, but its earnings did show an uptrend in the second quarter this year that could lead to a favorable gain over last year. Meanwhile a three-for-one stock split is pending for early November.

[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.]

## NAIC to Change Name Oct. 1

The Investment Company Institute will officially become the new name of the National Association of Investment Companies on Oct. 1, 1961, it has been announced by George K. Whitney, President of the Association and a Trustee of Massachusetts Investors Trust.

The Institute is a continuation of the National Association of Investment Companies, and the new name reflects a broadened scope of activities. Members of the Association have recently completed balloting on the revision.

The NAIC was established 20 years ago shortly after enactment of the Investment Company Act of 1940. Its membership, at present is composed of 160 open-end and 25 closed-end investment companies.

Membership now will include not only issuers of investment company shares but also affiliated investment advisers and underwriters, each to be a separate Division of the Institute. Approximately 125 investment advisers and underwriters are eligible to become Institute members, in addition to the investment companies now included in the membership. Both open-end and closed-end investment companies are eligible for membership, but the closed-end companies are expected to organize separately to



### STANY BOWLING SEASON

The Security Traders Association of New York has announced that the Bowling season will start Sept. 14 (5:30 to 8 p m.) at the City Hall Bowling Centers, 23 Park Row.

All members and associate members interested in participating should contact Sidney Jacobs, Sidney Jacobs & Co., Chairman, or one of the following captains: John Barker, Lee Higginson Corporation; Stanley E. Dawson-Smith, Crutenden, Podesta & Co.; Joseph F. Donadio, Wm. V. Frankel & Co., Inc.; E. Michael Growney, Gregory & Sons; Wellington Hunter, Wellington Hunter Associates (Jersey City); Wilbur Krisam, John C. Legg & Company; John Manson, Hardy & Co.; Herman D. Meyer, Schweickart & Co.; Theodore M. Schneider, Burnham and Company; Stanley R. Shaw, Josephthal & Co.; Robert M. Topol, Greene and Company, and Roswell J. Yunker, A. M. Kidder & Co., Inc.

There will be a meeting of all the captains at the office of Sidney Jacobs & Co. on Sept. 7.

establish an association affiliated with the Institute.

The revised Memorandum of Association provides that "associated organizations," upon approval of a majority of members of the Institute, may become associated with the Institute with respect to matters of common interest, and the facilities of the Institute may be made available to such organizations.

The broadening of the membership, Mr. Whitney said, will enable the Institute to act more effectively in the interests of the several million American investors who are shareholders of investment companies, and will also result in a strengthening of the traditional cooperation of the investment companies with State and Federal regulatory authorities, also with the objective of the best interests of investors.

The management and the administration of the affairs of the Institute are vested in a Board of Governors composed of 21 members, 11 of whom must be officers or trustees of members of the Investment Company Division of the Institute. Seven members are elected annually for three year terms. A ballot will go out shortly to members for election of seven new members for the coming fiscal year to supplement the present 14 Governors of the Association whose terms are not expiring.

Activities of each Division of the Institute will be directed by a Committee subject to the supervision and control of the Board of Governors. The Chairman of these Committees will be members of the Board and are to be appointed by the Board.

The headquarters of the Institute will continue at 61 Broadway, New York City.

### To Form R. J. Murphy Co.

Richard J. Murphy & Co. will be formed with offices at 60 Wall Street, New York City. Partners will be Richard J. Murphy and Francis J. Eulner, who will acquire a membership in the New York Stock Exchange.

### With Ranson & Co.

(Special to THE FINANCIAL CHRONICLE)

DENVER, Colo.—Alan A. Ashby has become associated with Ranson & Co., Inc., 1845 Sherman St. Mr. Ashby was formerly with Crutenden, Podesta & Co. and Boettcher and Company.

### Now With Boettcher

(Special to THE FINANCIAL CHRONICLE)

PUEBLO, Colo.—Ray A. Ricketts, Jr., has become associated with Boettcher and Company, Thatcher Building. Mr. Ricketts was formerly with B. C. Christopher & Co. in Kansas City, Mo.

This announcement is not an offer to sell or a solicitation of an offer to buy any of these securities. The offering is made only by the Offering Circular, a copy of which Offering Circular has been filed with the Department of Law of the State of New York. Such filing does not constitute approval of the issue or the sale thereof by the Department of Law or the Attorney General of the State of New York.

NEW ISSUE

Aug. 24, 1961

100,000 Shares

American & St. Lawrence Seaway Land Co., Inc.

COMMON STOCK  
(Par Value 25¢ Per Share)

Offering Price: \$3.00 per Share

Copies of the Offering Circular may be obtained from the undersigned and from such other dealers as may lawfully offer these securities in this State.

Professional and Executive Planning Corp.

124 East Park Avenue

Long Beach, New York

# SECURITY SALESMAN'S CORNER

BY JOHN DUTTON

## Some Observations Pertaining to the Servicing Of Speculative Accounts

(Fifth in a series of articles)

The most productive type of account any security salesman can acquire is an informed, professional investor, or speculator. When you fortunately obtain a speculative account that is managed by a professional who knows his business there are certain rules that you must follow. If you will remember them you will hold the account, providing you are able to render the type of service that is required by a professional speculator.

Rule 1: Don't offer advice or suggestions. Be an order taker. If there is anything that a professional speculator resents it is to be subjected to motivation that may confuse him. Unless your customer asks to send him reports, advices, or suggestions do not place them before him. Be very careful not to pass along rumors, tips, or gossip, even if you believe it to be helpful, unless you have cleared this phase of your relationship with him.

### Always Be Modest

Rule 2: Don't parade your contacts, your market savvy, your experience before him. It is always good salesmanship to be modest in speaking of your own experience in the business. Let your alertness and your accuracy and promptness in reporting trades speak for itself. If there is a market change that is important in a security where you are holding some Good Till Cancelled orders, report it without comment. Keep your opinions to yourself. Report markets and executions promptly.

Rule 3: Follow instructions to the letter. Any unusual requests should be written in your memo pad and not committed to memory. If you are selling certain securities and they are to be delivered by another broker free, be sure your cashier has written instructions. If you receive copies of your client's monthly statements, check carefully for any errors, so that your customer will have no difficulty in obtaining your help if a correction becomes necessary. What your professional trader and speculator wants above all else is SERVICE. You are his

focal point of contact with your order clerks and the cashiering department. Be a step ahead of him—if an error occurs try and call it to his attention before he calls you. Suggest that you will make the correction.

### How to Say "Thank You"

Rule 4: If your customer is supplying you with a sizable volume of business and you are in a position to pass along "new issues" that are very much in demand, save your good ones for him. This is a legal way to say, "Thank you," to a good customer, and he deserves to be remembered when the "ice cream and cake" is served. It is the ledger activity that counts in this business, as in any other, and the client who gives you the preference in handling his trading account should not be forgotten. Incidentally, a professional speculator doesn't ask you for the "hot ones" and toss the "slow ones" back at you. This man is a "pro," and if he gets a dozen or two "new issues" during the year and some of them lay an egg he won't complain. It is only the fellow who wants something for nothing who will cancel out a slow issue that doesn't go to a premium right away. A real professional takes them all—the bitter with the sweet.

Rule 5: Be absolutely certain that no one BUT YOU knows about his business. Don't discuss with your fellow associates in the office any account you may be handling. But be especially careful not to mention what an active, professional, trader, may be doing at anytime. If you see some particular reason to do so, make it very clear to your secretary, your cashier, and your order department to handle all memos, orders, and other data so that important trades cannot be seen and become the subject of office gossip. Never mention what your customer is buying or selling, or how well, or how poorly, he may be doing. Keep your voice low if you are in a busy office, and when you talk on the telephone and report any transactions, be businesslike, brief, and as quiet about it as possible.

The rest is up to your order clerks, your representation on the Exchange, your over-the-counter trading department, and your cashier. If they do their job well, and you follow the procedure outlined here you should have a successful account that should remain loyal and productive. They are not easy to find. You don't come across them on every street corner, but when you get one that is a real "pro" you can be very grateful. There is no cleaner, satisfactory, or profitable type of client and every broker knows it. That's why it pays to spend more time and effort in acquiring a few such customers, and when you get them, KEEP THEM.

## Trubee, Collins To Admit Two

BUFFALO, N. Y. — Trubee, Collins & Co., M. & T. Building, members of the New York Stock Exchange, on Sept 1, will admit William H. Richardson to partnership.

On Aug. 25, Robert N. Westlund, member of the New York Stock Exchange, will become a partner in the firm, making his headquarters at the New York office, 65 Broadway.

## McInerney Joins Oppenheimer Co.

Frank N. McInerney has joined the New York Stock Exchange firm of Oppenheimer & Co., 25 Broad Street, New York City, as regional representative of its Oppenheimer Fund Inc. He previously served as director of press relations for Hugh W. Long & Co. and with Distributors Group, Inc. as director of sales promotion.

## To Be V.-P. of Clark, Dodge Co.

On Sept. 1 William Ewing, Jr., will become a Vice-President of Clark, Dodge & Co. Inc., 61 Wall Street, New York City, members of the New York Stock Exchange.

## To Form Leib & Williams

Kenneth R. Williams and Gordon B. Leib, both members of the New York Stock Exchange, will form the Exchange member firm of Leib & Williams, 11 Wall Street, New York City, effective Sept. 1.

# PUBLIC UTILITY SECURITIES

BY OWEN ELY

## The Search for Better Yields in Utility Stocks

The average electric utility stock now yields about 3.5%; the yield on telephone issues is about the same and gas stocks average some 4%. Fast growth utilities give very low returns—about 1.5% to 2.5%, and moderate growth issues about 2½ to 4%. However, there are still a few utility stocks that can be purchased by "widows and orphans" who are interested mainly in good yield, safety of income, and perhaps a small degree of growth. Such investors can now obtain 4¾% or a little more in good-grade bonds and preferred stocks, but they will probably settle for 4½% common stock if there is a chance for an occasional dividend increase.

There are two groups of stocks that afford yields of 4.5% or more: (1) utilities that pay both cash and regular stock dividends; and (2) some of the smaller and less well-known utilities with high dividend payouts and low growth rates. It seems strange that the first group is not more popular, but most people who need income want it regularly, and even though they could sell the stock dividend once a year and add to their total income they do not seem to be much attracted by this possibility. (Only one utility, Missouri Public Service, pays its stock dividends on a regular quarterly basis.) Following is a list of these utilities:

	Approx. Price	Cash Dividend	Cash Yield	Stock Dividend	Combined Yield
Commonwealth Edison	90	\$2.00	2.2%	2.4%*	4.6%
Missouri Public Service	24	.72	3.0	2.0	5.0
Michigan Gas & Electric	92	2.00	2.2	3.3**	5.5
Rochester Gas & Electric	54	1.80	3.3	3.0	6.3
New Jersey Natural Gas	33	1.00	3.0	2.0	5.3

\*Amount slightly irregular, depending upon earnings. The Company will sell the stock dividend and remit cash on request.

\*\*3% in earlier years.

Some of these stocks have good growth records—especially Commonwealth Edison, which is currently being split. Commonwealth's object in paying a stock dividend is to keep the cash payout at a low level and retain a substantial amount in the treasury to help finance construction programs. Thus the company hopes to avoid any equity financing in future, or at least to hold it to a minimum amount. The dilution of earnings which would occur with equity financing (perhaps every two or three years) is replaced by a smaller annual dilution and the growth in earnings is made more regular. Those who wish to hold the stock dividends get a built-in growth factor while those that cash them get extra income. The same philosophy is probably true of the other stocks although the managements may not have stated their policy as clearly as Commonwealth did.

The following issues afford a straight yield of 4½% or more (based on recent prices):

	Approx. Price	Dividend	Approx. Yield	Dividend Payout	Aver. 5-Year gain in Earn.
Central Vermont Public Serv.	23	\$1.08	4.7%	82%	*2%
Eastern Utility Associates	43	2.20	5.1	87	4
Edison Sault Electric	19	.90	4.7	80	—
Green Mountain Power	17	.80	4.7	85	4
Lake Superior Dist. Power	27	1.28	4.7	70	4
Maine Public Service	20	.95	4.7	85	4
Otter Tail Power	38	1.80	4.7	80	1
Public Service of New Hampshire	24	1.08	4.5	76	2
Upper Peninsula Power	36	1.70	4.7	74	—
Western Mass. Companies	26	1.20	4.6	76	†1

\*1.4% if "flow-through" tax savings are eliminated.

†Increased by tax savings from accelerated depreciation.

Six of these companies are located in New England, where the regulatory climate is (with the exception of Massachusetts) uncertain or unfavorable. Moreover, due to the exodus of the textile and shoe industries New England has been tagged as a "non-growth" area although the loss has been offset in some areas by gains in electronics and research industries. However, as indicated in the last column of the table, the gains in share earnings for the companies listed (during the past five years) have been below the industry average of 6%. Moreover, the high yields are due in part to the relatively high payouts which exceed the industry average of 71% in every case but one.

Among the gas utilities some 18 stocks were available recently with yields of 4.5% or better. One of these, Providence Gas, has paid dividends for 122 years—but it has had an uninteresting record of share earnings until recently (results for the 12 months ended May showed a gain of 38% over last year, which may have been due largely to weather conditions). Before the recent gain earnings had remained in a range of 50-65 cents for five years.

In the telephone group only one issue—British Columbia Telephone—yields 4.5%, although Southern New England Telephone (4.4%) and Bell of Canada (4.2%) are runners-up. Among the water service stocks the list shows four companies with good yields—California Water Service, Elizabethtown Water, New Haven Water and Ohio Water Service. All four have rather drab earnings records, however, although New Haven Water showed a big gain in 1960.

High yields are characteristic of transit stocks, most of which yield 5 to 10%. But the risks are much greater due to the vagaries of share earnings and very high payouts in some cases. Greyhound, with a yield of 4.4%, is perhaps one of the more dependable. National City Lines just cut its dividend from \$2 to \$1.20, reflecting the uncertainties in this group.

All of these shares having been sold, this advertisement appears as a matter of record only.

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# MUTUAL FUNDS

BY JOSEPH C. POTTER

## Scolding Amid the Scalding

A compact pleasantly colored monthly publication is "News and Views," devoted to the management - distributing companies of the fund field. It is put out by the highly competent folks at Laird, Bissell & Meeds.

The current issue contains some interesting comments on National Securities & Research Corp., which is responsible for managing over 210,000 shareowner accounts in the National Securities series of mutual funds with assets of well over a half billion dollars. Says Laird, Bissell of National Securities:

"... capital stock was never publicly underwritten. The management of the fund distributes only the briefest sort of earnings statements. It has not used its top-flight sales promotion talent to generate interest in its management stock.

"The combination of these factors does not help stimulate public enthusiasm for the equity. Moreover, we have seen very little published literature on National Securities & Research Corp. which might inform investors of the progress of this company, its future potentials or the high yield which the stock affords."

This warm-weather complaint arrived in the same mail that brought a clever orange-and-white folder from National Securities, which subtly scolds the fellow who is determined to go it alone in the marketplace. The cover page is shrewdly addressed

to the do-it-yourself investor and tells him how to manage his investments.

Opening the folder, the reader is confronted with a half-dozen questions that are designed to establish his qualifications (or lack thereof) to handle a portfolio of stocks. Just about everybody outside the financial community is certain to flunk the test.

Thus, the first question is whether the investor has the background knowledge - entailing study at a school of finance and participation in the investment business.

Other questions on this test deal with the crucial importance of continuous basic information (reading publication such as *The Commercial and Financial Chronicle*), the need to make field trips, the essential need to put in full time on the investing job and the immunity to emotion.

The back page of the National Securities folder has a chart that impressively demonstrates the comprehensive organization of the company. It shows how original research, factual research and scientific consultation are fed into its research department of analysts, industry specialists, statisticians and librarians. The refined product moves on to fund executives (seven series, consisting of stock, growth stocks, income, dividend, balanced, preferred and bond). The next way station is the investment committee, which is responsible for investment commitments, and finally there is the policy committee, which reviews business, economic, political, international and market trends to establish basic institutional policy.

Even the individual who has enjoyed moderate success in the marketplace is bound to be startled by the contrast between his approach to investing and the comprehensive methods of people such as these. He may find himself asking whether he wouldn't have been better off turning to an organization with over 30 years of experience in the investment field.

Laird, Bissell has high praise indeed for National Securities & Research, stating: "Its seven individual mutual funds fill the need of a wide variety of investment objectives. Management is highly regarded."

So, if it's been a hot summer, it also would appear to have been a time of intelligent analysis, introspection, criticism and counsel. Investment dealers and investors, taking heed, should benefit.

## The Funds Report

Trustees of George Putnam Fund of Boston have declared a quarterly dividend of 10 cents per share from investment income, payable Sept. 22 to stock of record Aug. 31. This dividend is the same as the amount paid last year at

this time and is its 96th consecutive cash distribution.

Gross sales of Delaware Fund shares last month totaled \$1,733,200, up 18% from July, 1960, the company reported. Repurchases this July amounted to \$438,700, against \$171,200 in the 1960 month, it was announced.

Total assets of Franklin Custodian Funds crossed the \$10,000,000 level and reached the historic high of \$10,057,972 on July 28. Sales of new shares during July reached a monthly all-time high of \$574,195.

Investment Co. of America has declared a dividend of 6 cents per share, payable from net investment income and representing the 101st consecutive quarterly dividend. The dividend is payable Sept. 28 to stock of record Sept. 1.

Shares of Investors Group Canadian Fund Ltd. had a net asset value of \$6.10 (U. S. dollars) on June 30, compared with \$5.32 on Dec. 31, 1960, and \$4.93 on June 30, 1960. Total assets amounted to \$112,315,051 at midyear, according to the semi-annual report.

Keystone High Grade Common Stock Fund, Series S-1, has declared a fiscal year-end special distribution from net realized profits of \$1.14 per share, in addition to a 20-cent per share regular distribution from net investment income. Keystone Discount Bond Fund, Series B-4, has declared a regular distribution from net investment income of 29 cents per share. All distributions are payable on Sept. 15 to holders of record Aug. 31.

Lexington Income Trust reports these new purchases: Bell Isle Corp., Republic Natural Gas. Additions: Fedders Corp., Interstate Department Stores, Royal Dutch Petroleum. Eliminations: American Telephone & Telegraph, Pacific Lighting Corp., Southern Railway, Union Tank Car, National Steel, General Motors.

### Carlson Secs. Formed

Carlson Securities Inc. is conducting a securities business from offices at 56 Beaver Street, New York City.

### Cohen Co. Branch

Cohen and Company of San Francisco has opened a branch office at 30 Broad Street, N. Y. City.

### J. J. Daly Co. Opens

EAST PATCHOGUE, N. Y.—John J. Daly & Co., Inc. has been formed with offices at 10 Dahlia Drive, West, to engage in a securities business.

### Now Chelsea Planning

The firm name of Chase Planning Corporation, 90 John Street, New York City, has been changed to Chelsea Planning Corporation.

### Now Equity Securities

LOS ANGELES, Calif.—The firm name of Gordon C. McCormick, Inc., 5150 Wilshire Boulevard, has been changed to Equity Securities Corporation.

# The Automobile Outlook

By Edward N. Cole,\* General Manager, Chevrolet Motor Division, and Vice-President, General Motors Corp., Detroit, Mich.

A sharp sales rebound in the next few months, stimulated by the 1962 line, is expected to accompany the business recovery. Hops is expressed for an equitable labor-management settlement without production curtailment.

There are a number of reasons why we believe that the last half of 1961 will be good not only for the automotive industry but also for business in general.

First of all, our economy is now definitely on the way to recovery from the recession which started last summer and bottomed out in late February of this year. Since that time the economy has shown constant improvement in most basic areas. Recent gains in industrial production show considerable strength.

The automotive industry, with the rest of the economy, hit its low point in January and February. Industry sales for March, April and May advanced to substantially higher levels and further improvement is expected in the months ahead.

Of particular importance in our over-all economic outlook is the fact that the downward adjustment of inventories, which played such an important role in the earlier economic decline, has now been essentially completed in all fields. As a result, the production of steel and other basic industrial materials is on the rise and production of consumer products is now being scheduled to match the current sales levels.

Along with the general improvement of economic conditions, of course, has come a significant rise in consumer confidence. This is particularly important for the automotive and other "hard goods" industries which traditionally suffer most from any appreciable loss of consumer confidence.

Looking to the last half of 1961, personal incomes have already recovered to the previous high set in October, 1960 and can be expected to continue to rise. Gross national product and industrial production will likely establish new highs in the late summer or early fall. It is also expected that spending by consumers, government and business will show substantial increases over the level recorded thus far in 1961.

### Sees Sales Rebound

Under these conditions, we believe that spending for automotive products should rebound sharply. This has been the experience in other periods of recovery from economic readjustment.

We also believe that many people who deferred purchasing new cars or trucks during the past year because of the recession will come into the market during the next few months. Incentive to buy will be tremendously increased in the fall when the industry brings out its 1962 models.

Current contract negotiations with labor naturally raise questions about the ability of the auto industry to operate at high levels of production during the last half of 1961. We realize that work stoppages would hurt not only the automobile business but, because of the many other industries which serve as our suppliers, could also seriously impair the well-being of the entire economy. We are hopeful and confident, however, that an equitable settlement between labor and management can be reached without any curtailment of production.

In summary, I believe that the last half of 1961 should be a pe-

riod of good business for the automotive industry.

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

## Merrill Lynch Branch

SANTA ANA, Calif. — Merrill Lynch, Pierce, Fenner & Smith Inc. has opened a branch office at 2215 North Broadway, under the management of Norman M. Dahl.

## Charles L. Kuhlman Now With Smith, Moore

(Special to THE FINANCIAL CHRONICLE)

ST. LOUIS, Mo.—Charles L. Kuhlman has become associated with Smith, Moore & Co., 509 Olive Street, members of the New York and Midwest Stock Exchanges. Mr. Kuhlman, who has been in the investment business in St. Louis for many years, was formerly with Crutenden, Podesta & Co. and Dean Witter & Co.

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# BANK AND INSURANCE STOCKS

## This Week — Insurance Stocks

### FIRST HALF UNDERWRITING RESULTS

First reports of second quarter underwriting results for the fire and casualty insurance industry were generally disappointing. Although most companies were able to show some improvement over the poor experience of the first quarter, the results for the April-May-June months in most cases were less favorable than those of the comparable months of 1960 and on an unprofitable basis. Six months results are thus well below those of a year ago and experience over the remainder of the year will need to substantially improve in order to match the underwriting performance of 1960.

Premium volume advanced 3%-4% over-all in the six-month period with higher gains reported by some of the specialty underwriters. The increase in premiums written is less than that recorded in the first half of 1960 and reflects the continuation of strict underwriting controls by many of the top quality companies, the reduction in rates through competitive pressures in Home-owners policies, the greater use of discount and lower cost merit-rating policies in the automobile field, and the effects of the 1960-61 recession.

The decline in underwriting profitability is attributed to a rise in the loss ratio as expenses in relation to premiums written remained constant or actually declined through the continuing efforts to improve operating efficiency throughout the industry. Increased fire losses were the principal factor in the rise in incurred losses. The National Board of Fire Underwriters reported fire losses at \$635 million during the first six months of 1961, 10.6% higher than a year ago. June fire losses at \$103 million were 24.8% greater than in 1960. In addition to the poor experience in the fire lines, which was primarily felt in the first quarter, wind-storm losses resulting from a number of tornadoes in the Middle West and poor hail experience also were significant in the decline in the underwriting profitability. Results in automobile lines are believed to have been similar to those of a year ago, while workmen's compensation, fidelity and surety, and general liability lines showed some improvement, although the level of profits in these lines is still not satisfactory.

### Selected Reported Underwriting Profit Margins

	1st Qtr. 1961	2nd Qtr. 1961	1st Half 1961	1st Half 1960
Aetna Insurance	0.2%	-1.0%	-0.4%	3.3%
American Insurance	-2.9	-1.8	-2.3	2.2
Fireman's Fund	-2.7	-5.8	-3.4	0.1
Glens Falls Ins.	-7.5	-0.8	-3.9	-0.9
Home Insurance	-6.9	-3.4	-5.1	0.3
Ins. Co. of N. A.	-2.8	1.7	-0.5	4.3
Phoenix Insurance	-13.3	4.1	-4.4	-0.8
St. Paul F & M	-2.6	-1.8	-2.2	4.0
U. S. F. & G.	1.5	3.1	2.4	2.2

While the reports of disappointing second quarter and first half underwriting results did have some effect on the market for insurance stocks, most prices remained at or near their 1961 highs. In some individual cases this was due to the successful countering of the industry trend in underwriting results or to the increased possibility of mergers because of the Connecticut General case decision. However, investors generally were impressed with the continuing rise in net investment income and the substantial gains in policyholders' surplus through appreciation in stock market values. Furthermore, the market has apparently already discounted the underwriting results of the first six months and is looking ahead to a sharp recovery over the remainder of the year.

Reported gains in net investment income during the first six months generally ranged from 5% to 10%. In almost all cases net investment income exceeded statutory underwriting losses so that an over-all operating profit was realized. New investments, for the companies whose cash position permitted the investment of excess funds, were concentrated in common stocks and municipal bonds. The increase in book values was even more impressive than the gains in investment income. Many companies with heavy commitments in common stocks, benefiting from the 1961 bull market in stocks, had rises in surplus in excess of 10% during the first half.

Underwriting results over the remaining months of 1961, in the absence of a major catastrophe, will compare favorably with those of 1960 which were severely penalized by the \$150 million loss incurred in Hurricane Donna. However, even allowing that the industry will suffer only relatively minor losses during the approaching hurricane season, many companies will be hard pressed to match their 1960 profit margins due to the sharp decline in first half underwriting results. If the industry were to

suffer severe hurricane losses, 1961 underwriting results would be the worst since the heavy losses of 1957.

### Leading Fire and Casualty Insurance Stocks

	Recent Price	1961 Range	Est. Div.	Yield	Est. 1961 NEI*	Price X Est. NEI	Est.† Discent. (Prem.)
Aetna Casualty	140	140-94	1.40	1.0	5.60	25.0	(52)
Aetna Insurance	123	125-89	3.00	2.4	8.60	14.3	15
American Ins.	30	35-26	1.30	4.3	2.30	13.0	25
Boston Insurance	36	37-31	1.80	5.0	3.10	11.6	37
Continental Ins.	67	67-54	2.20	3.3	3.75	17.8	25
Continental Cas.	103	116-87	1.50	1.5	2.55	40.3	(140)
Federal Insurance	72	76-57	1.00	1.4	2.10	34.3	(55)
Fireman's Fund	61	70-53	2.00	3.3	4.30	14.2	20
Glens Falls Ins.	44	45-37	1.00	2.2	3.50	12.5	34
Great American	56	64-48	2.00	3.6	4.35	12.9	39
Hartford Fire	75	76-57	1.10	1.5	2.75	27.2	(32)
Home Insurance	60	65-54	2.20	3.6	4.05	14.8	35
Ins. Co. of N. A.	101	109-76	1.80	1.8	3.10	32.6	(53)
Maryland Cas.	43	45-30	1.70	3.9	3.35	12.8	18
Phoenix Ins.	118	124-81	3.00	2.5	7.40	15.9	36
St. Paul F & M	81	81-60	1.44	1.8	2.80	28.9	(44)
U. S. F. & G.	62	62-42	1.20	1.9	2.90	21.4	(19)

\* Net Investment Income.

† Discount (Premium) based on estimated 6/30/61 Liquidating Values.

## C.E.D. Commission's Report On Money; Credit Analyzed

Continued from page 1

When one wishes to obtain the truth in the field of medicine or surgery, to consult well-trained, specialized, and experienced physicians. The same principle, among scientists, applies to questions in physics, or chemistry, or engineering, or statistics, or in any other specialized field including the history and principles of money and banking which require for reliability a training, specialization, and experience comparable to that in any of the fields mentioned. At least it is a fact that such is the means by which truth is obtained, if it is available by any known method. Truth is what the scientists in a particular field have established; and science is the method by which truth is obtained.

But the organizers of the C.E.D. Commission on Money and Credit utilized a different principle. States Mr. Wilde in the *Times* special section, p. 3: "The members of the Commission were deliberately selected to provide a group of men with different backgrounds: banking, business, government, labor, and the professions." The Commission had an advisory board of men well known in their respective fields and a research staff to aid or guide members of the Commission. In addition, "some 110 professors worked on research projects and brought in reports" according to Mr. Freeman in the *American Banker* of June 21, p. 8.

One consequence of this arrangement is that much or most of the material in the Commission's book is anonymous in nature, thus making it generally impossible for one to recognize the authorship of any section, paragraph, or sentence, and difficult or impossible to apply the principles of external criticism (critical investigation of authorship) to the product — an important prelude to, or companion of, the application of the principles of internal criticism (determination of accuracy) to individual statements in a document. Exceptions are the comments, reservations, and dissents recorded in footnotes by designated members of the Commission in respect to various sections or smaller portions of the book. It is stated in the *Report* (book), p. x, that "Bertrand Fox and Eli Shapiro . . . prepared and revised a large number of drafts of the Commission *Report* . . ."

### Experts Shunned

A question that arises, at least in the mind of this author, is what of value is accomplished in a report so constructed that has not

already been accomplished by the professors of money and banking who have devoted their adult lives to their field of specialization, and, for example, by the highly-specialized members of the Economists' National Committee on Monetary Policy, the National Bureau of Economic Research, the American Institute for Economic Research, and the Tax Foundation, Inc., all of which organizations have been in existence and have been fruitful in their research and products over periods of many years. For example, the Economists' National Committee on Monetary Policy, which, unlike the C.E.D. Commission, advocates a currency with the quality of integrity, has been in existence for 28 years and has a membership, past and present, of 171 monetary economists with an annual membership ranging from 69 to 93.

Despite the voluminous and scholarly works in the field of money, banking, business fluctuations, and fiscal affairs published since, say, 1914, the C.E.D. Commission's book carries the following statement on the back flap of the cover: "This is the most complete study of this nature since the Aldrich Committee's report in 1908 that led to the establishment of the Federal Reserve System." The Aldrich Commission's report was not made in 1908; the 23 or 24 volumes (depending on method of binding) were issued in 1910-1912. Furthermore, says H. Parker Willis in his 1765-page book on *The Federal Reserve System* (The Ronald Press Co., New York, 1923), p. 526: "Least of all did the Federal Reserve Act draw [from preceding proposals] upon the Aldrich bill for its broader concept."

Smith and Beasley state in their *Carter Glass: A Biography* (Longmans, Green and Co., New York, 1939), p. 87: "They [The National Monetary Commission] climaxed their achievement with a voluminous report, and this together with the accompanying paraphernalia was at last interred to gather cobwebs in the basement of the Library of Congress. The matter is worth mentioning merely because of a persistent fable that this Commission's work and report were the basis, in some remote degree, of the Federal Reserve Act."

The C.E.D. Commission's *Report* was delivered by Mr. Wilde to the President on June 19 although this was not the first public display of the recommendations of the Commission since *Business Week* (McGraw-Hill Co., New

York) had published a summary in its edition of June 17.

### The General Trend of the Report

The central themes around which the *Report* is built are the currently-popular slogans or jargon of (1) "an adequate rate of economic growth, sustained high levels of production and employment, and reasonable stability of prices" (Mr. Wilde's *Summary*, p. 3, and the *Report*, p. 9); (2), the so-called compensatory principle by which the national government, especially the Executive branch, is to manage our monetary and fiscal affairs and the degree of general employment in a manner which, proponents of this theory contend, would minimize or prevent business fluctuations in the aggregate; and (3) coordination of money and fiscal policies under the control of the President.

The Commission's *Report* could not be described accurately as one in which it is deemed appropriate that the chief function of the national government, aside, for example, from performance of such necessary functions as provision for national protection and conduct of war, is that of umpire of private enterprise within the limits of the Constitution of the United States. Instead, it is a report which assumes the desirability of a high degree of governmentally-managed economy, especially under the direction of the President, and recommends an aggregate of devices for government management beyond the many that now constitute a heavy burden on our people and a dangerous trend away from Constitutional government. In the words of Mr. Wilde, *Summary*, p. 3: ". . . The subject of the Commission's work is the responsibility of governmental institutions in promoting the success of our economy." And further, p. 3: "The Commission . . . recognizes the role of government in providing a proper degree of useful goods and services and in providing appropriate coordinating and regulatory functions."

The slogan (1), which runs like a leitmotif or fugue through the book and *Summary*, is not a good substitute for the concept of "economic equilibrium" (dynamic) which means the best balance in production, consumption, exchange, and distribution of income as determined in free markets, with the government serving chiefly as a nondisturbing element (chiefly as umpire for private enterprise), and with the currency sound, that is, with the nongold currency redeemable in gold and with credit automatically self-liquidating.

The notion that anyone could determine "an adequate rate of economic growth," if such growth could be defined and measured in a precise and meaningful manner (the C.E.D. Commission meets the requirement of precision by using output per manhour per unit of employed labor as a measure of productivity—*Report*, p. 31), is not well grounded. The same applies to "high levels of production and employment." Surely our farmers are not engaged in a high level of production and employment under our various government programs of subsidy designed to induce scarcity—an aspect of our productive inactivity that was not discussed in any direct manner by the Commission in its *Report*. Furthermore, the idea that a rate of economic growth should be related, as by the Commission and others, to the statistical concoction called "Gross National Product" has no valid argument in its favor for the reason that should the national government increase its expenditures for personnel, waste, and destruction, as in war, gross national product could be expected to in-

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crease, other things remaining unchanged.

#### Reasonable Stability of Prices

"Reasonable stability of prices," according to the Commission's Report, apparently means some variety of stability at the present (1961) high level, as compared with that of 1939, for example, during which period the purchasing power of the dollar declined approximately 58% as measured by the official index of wholesale prices and approximately 54% as measured by the official index of consumer prices. Improved methods, and a greater volume, of production apparently are not to be permitted to result in lower prices; in fact it is stated, in the interests of price stability, "that the average rate of growth of the money supply should be consistent with the continued maintenance of high employment at stable prices and adequate economic growth" (Summary, p. 5, and Report, p. 61)—a sort of quantity theory of the value of money which lacks validity. For example, on June 30, 1920, the total of money and deposits was \$42,902,000,000. The index of wholesale prices was 167 (1917-1919=100). On June 30, 1936, the total of money and deposits was \$57,576,000,000. The index of wholesale prices was 79.2. The index of industrial production for June, 1920, was 91) adjusted for seasonal variation, average for 1923-1925=100); that for June, 1936, was 105.

Elsewhere in the Report (p. 13) it is stated that "The Commission's concern with reasonable price stability is directed primarily to the avoidance of sustained, moderate increases in the general price level and of rapid increases even of limited duration."

As to the use of irredeemable currency, a tool of dictatorial governments, versus a currency with the quality of integrity (a currency redeemable in the standard gold dollar and credit automatically self-liquidating), the Commission seems to assume the desirability of irredeemable currency without question. No important amount or variety of consideration is given to the two types of currency; or to the very fundamental issue involved in the use of irredeemable currency domestically. The fact that a redeemable currency represents integrity in both a nation's currency and in its government in respect to that nation's currency finds no place in the Commission's Report.

#### The Compensatory Theory

The compensatory theory of government action (2) is treated as though the members of the Commission were not aware of the fact that regardless of business expansion or recession heavy government spending, taxation, persistent deficits, and mounting national debt have been practically continuous procedures on the part of the national government since, say, 1939. The compensatory theory, with its nonfactual basis and with the assumption that someone in the Executive branch of the government can successfully manipulate monetary, fiscal, and other controls as strings are managed in a puppet show, commonly overlooks the fact that under our Constitution, it is Congress that controls the public purse. Also overlooked, in the Commission's Report, as is commonly the case, is the fact that, with an irredeemable currency in effect, the general public has lost practically all effective control over the use of the public purse and that Congress can spend and spend as it sees fit and as it has been doing since early 1933.

As the evidence and our Constitutional system should demonstrate, serious consideration of the compensatory theory of gov-

ernment action is essentially indulgence in impractical and unjustifiable theorizing. Nevertheless the Commission treats this theory with seriousness and solemnity.

Still further: In its recommendation that Congress delegate to the President the authority to juggle the income tax rate on the first income tax bracket of 20% up or down as he sees fit within the limits of five points above or below the 20% rate (Wilde's Summary, p. 8) in the interests of the compensatory theory and the coordination of monetary and fiscal affairs under the Executive, the question arises as to whether the Commission had good advice on the principles of delegation of legislative powers within the limits of what is supposed to be well-grounded Constitutional Law. It is even suggested (Wilde's Summary, p. 6) that it might be wise to have selective credit controls for the purpose of controlling business inventories; that at least the possibility of using such a control be investigated by the central government.

In brief, it may be said that the Commission's Report embraces the major features of the currently popular new or modern, essentially Keynesian, political economy theories which point toward more government management with an increased proportion of this power of management lodged with the Executive branch of the government and an international agency (the International Monetary Fund), and with recommendations that would weaken still further the currency of the United States and impair the proper independence, from political manipulation, of the Federal Reserve System.

#### Increasing the Responsibility of the President

The various recommendations (3) to increase the power of the President, by Congressional delegation of authority and otherwise, are referred to briefly by Mr. Wilde in his Summary, p. 3, as follows: "A fundamental and basic element in this report is the recommendation that the help of government in its various phases requires more liaison between the different institutions involved and more coordination. The significant role of the President in this regard is pointed out. . . ."

Mr. Wilde states further, p. 4: "Since it [the Commission] is deeply concerned with the role of all government agencies involved in originating or executing economic policies, the Commission would place greater responsibility in the office of the President for the proper, continuing, and effective coordination of money and credit instruments necessary to achieve the national economic goals. It would seek to coordinate the Federal Reserve System more closely with the Government's economic policies, in accordance with the mandates of the Employment Act of 1946. The Commission also seeks a greater degree of centralization for the Federal Reserve System."

Perhaps it should be pointed out here that under the *ejusdem generis* rule of statutory construction, the Employment Act of 1946 does not apply to the Federal Reserve System since it is not among the institutions listed in that Act. And "a greater degree of centralization for the Federal Reserve System" evidently refers to bringing it under the direct control of the President.

The Commission's proposals for greater coordination of various institutions under the President are very similar to the proposals made by the staff of the C.E.D. in *Jobs and Markets* (March 1, 1946). There it was stated, p. 70: "What is most important is that there be an effective body specifically responsible under the President for coordinating fiscal, monetary and price policy during the transition

[from a war to a peace economy]." They stated further, p. 70: "It is particularly important that tax policy, expenditure policy, banking policy and debt policy be fused into one effective, flexible instrument of monetary-fiscal policy."

"Coordination of policy at this level will require special machinery. It means the development and operation of a single program which involves major policies of the Treasury, the Federal Reserve, the price control agency and certain other government agencies. Essentially, responsibility for such coordination rests with the President. . . . There is need for an instrumentality to prepare an integrated program for review by the President and to see that the various parts of the approved program [approved by whom?] are carried out at the proper time."

There seems to be nothing of importance in the Commission's Report in behalf of more coordination under the Executive and the application of the compensatory theory that does not conform to the prescriptions of the C.E.D. staff in 1946 (which were stated to be for the transition period only, and which gives the Constitution of the United States and Constitutional Law a back seat in the proposed overhauling of our national government's activities—a remodeling pointing toward Executive dictatorship.

#### The Proposal That the Requirement of Reserves for Federal Reserve Banks Be Abolished

One of the extremely dangerous recommendations of the Commission is that the reserve requirements for Federal Reserve banks be eliminated. Mr. Wilde, in his Summary, p. 13, calls this "strengthening the U. S. position as a world banker." The Report states that such action "would greatly strengthen the international position of the U. S. dollar. . . ." (P. 62.)

Mr. Wilde states further, p. 13: "The requirement that gold be held against the note and deposit liabilities of the Federal Reserve banks tied up nearly \$12 billion of U. S. gold at the end of 1960, leaving a 'free gold' stock of less than \$6 billion available for international settlements."

"The retention of the domestic gold reserve requirement is not necessary for domestic monetary control. In the efforts to achieve adequate economic growth, low levels of unemployment and reasonable price stability, the monetary authorities should not be limited by so mechanical a rule."

"The Commission believes that threat of a confidence crisis would be greatly reduced if it were generally recognized, both here and abroad, that all U. S. gold is available to meet our international obligations. Any doubts about the U. S. policy should be removed by elimination of the gold reserve requirement at the earliest convenient moment so that all of the U. S. gold stock is available for international settlements."

The statement that "nearly \$12 billion of U. S. gold at the end of 1960" was tied up is not accurate. All the reserve of Federal Reserve banks can be paid out; but the important consideration is that tax penalties on deficiencies begin to operate as the reserve ratio falls below 25%. It is this braking mechanism on deficient reserves that the Commission would remove; and this is analogous to removing the brakes on a locomotive or automobile and then insisting that complete trust can safely be, and should be, placed in the driver. It is equivalent to saying that if we open up our gold reserves to an unrestricted run on them, with no penalties attached, and if our reserves should be radically depleted, or disappear, others will have greater

confidence in the future value of our currency than would be the case if we maintained gold reserves and exacted sharp penalties for pushing them below the specified 25%. Such an argument is tantamount to assuming that one could persuade intelligent people that black is white.

The Commission seems not to recognize the fact that the common experience of nations lacking the protective device of reserve controls has been an overexpansion of nongold money and credit, decline in the purchasing power of the currencies, and repeated devaluations. Nor does the Commission seem to recognize the fact that a gold reserve protects a nation's currency from unlimited overexpansion and from a possible ultimate collapse in value.

The Commission's proposal would open the way to a reduction of U. S. currency to nothing but a hollow shell of unsupportable paper, the value of which could drop to any level.

Should Congress be so unwise as to adopt the Commission's recommendation, it would seem reasonable to expect foreigners to make heavy runs on our gold stock since the removal of these reserve requirements should constitute an announcement to the world that there is no good reason for confidence in the future value of our dollar. The assertion made by the Commission that it believes the threat to confidence in our dollar "would be greatly reduced" (Report, p. 234) if these reserve requirements were repealed, cannot possibly be anything but some form of delusion or wishful thinking.

#### A Life or Death Choice

The Commission's proposal would open the way to a complete loss of this nation's gold stock which would mean that a war chest of gold, which any nation should have for purposes of safety, could disappear. We need to import many foreign minerals and metals if we are to produce and maintain various weapons in modern armament; and gold is sometimes the only certain means of purchasing from foreign countries, particularly those of a primitive nature. A war chest of gold can mean the difference between life and death for a nation at war. Wise and patriotic men do not recommend a procedure which could dissipate such a valuable war chest.

Should the brake on our loss of gold be removed and should the way be opened to an unlimited expansion of credit, as would be the case if the C.E.D. Commission's recommendation were followed, the government could no longer properly ask people to buy its securities. Considering the many sensible and patriotic bankers scattered across this nation, it seems reasonable to suppose that they would neither invest further in such securities nor advise their customers to do so.

#### Multer-Widnall Bills

On May 9, Representative Abraham Multer of Brooklyn introduced H.R. 6900 to repeal the reserve requirements of the Reserve banks. On May 16, Representative William B. Widnall of New Jersey introduced H.R. 7110 to accomplish the same purpose. Fortunately, the opposition to this proposed legislation proved to be so strong and well grounded that, at this time at least, enactment seems to be improbable despite reported endorsement of the proposal by Secretary of the Treasury Dillon, June 19, before the Joint Committee of the House and Senate on the President's budget.

Various internationalists and other advocates of a governmentally-managed economy, besides the C.E.D. Commission, have endorsed this dangerous proposal; but whether they can marshal sufficient support to induce the majority of Congress to enact the

Multer or Widnall bill remains to be seen. Some maneuvering to accomplish that purpose has been revealed. At the same time there are reports that the Multer bill is dead.

One of the arguments employed by those who advocate repeal of the reserve requirements of Federal Reserve banks has been that few central banks abroad have such requirements. Back in 1920, John M. Keynes, before he embraced a governmentally-managed economy and therefore irredeemable currency, gave what would appear to be a correct answer to that fallacious contention. Said he in his book, *The Economic Consequences of the Peace* (Harcourt, Brace and Howe, New York, 1920), p. 236: "In the latter stages of the war all the belligerent governments practised, from necessity or incompetence, what a Bolshevik might have done from design. Even now, when the war is over, most of them continue out of weakness the same malpractices."

The perspective of many of our "moderns" seems so short that they now appear to regard as normal, progressive, and desirable the practices of nations, during emergencies, which have been digging themselves out of monetary, fiscal, and other economic depths caused by war, socialism, and dictatorships. A consequence is that these U. S. "progressives" or "moderns" propose to put the United States in the same quicksand of weak currencies, government management of central banking practices, and a high degree of government—especially Executive—management of the economy that have caused so much distress and loss of human freedom abroad. Such proposals seem to be widely considered as far-sighted wisdom. This is a fundamental characteristic of some of the major proposals in the C.E.D. Commission Report.

#### The Proposal to Subject the Federal Reserve System to the Control of the President

This recommendation runs counter to the well-grounded lessons of human experience unless the desire be for government dictatorship or irresponsibility in government. One device proposed by the Commission to effect this change in our arrangements, which were designed to preserve the independence of the Federal Reserve System from political manipulation, is that the number of members on the Board of Governors be reduced from seven to five and that "The Chairman of the Board and the Vice Chairman of the Federal Reserve should be designated by the President from among the Board's membership to serve a four-year term coterminous with the term of President of the United States." (Wilde's Summary, p. 6, Report, p. 87.)

Although the proposal, if made effective, would probably be all that would be necessary to make the Reserve Board a tool of the President, since the Chairman and Vice Chairman should be able to control at least one other member of the proposed five-member Board, and since the President would be able to appoint other members under the plan that there be a vacancy each odd-numbered year, there is a little unimportant bending of the knee to the desirability of independence of the Federal Reserve System. Says Mr. Wilde, in the Summary, p. 6: "While accepting basic arguments for independence, the Commission nevertheless finds that the need for better coordination is very important." The words "nevertheless" and "better coordination" point to the essence of the Commission's attitude in respect to impairment of the proper independence of the Federal Reserve System. "Better coordination" refers in general to coordination in the Executive

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# C.E.D. Commission's Report On Money; Credit Analyzed

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branch of the government substantially as recommended by the C.E.D. staff in 1946.

Representative Multer introduced, on March 9, H.R. 5447 to accomplish a portion of this purpose. The title of that bill reads: "To amend the Federal Reserve Act to provide that the terms of office of the Chairman and Vice Chairman of the Board of Governors of the Federal Reserve System shall expire upon the expiration of the term of office of the President." The bill does not provide for the reduction of the number of Board members from seven to five as recommended by the C.E.D. Commission.

Thus far this bill has attracted little attention and, it is to be hoped, little support and interest. Presumably only Representative Multer knows why he introduced the two bills, H.R. 6900 and H.R. 5447, both on March 9, 1961. He demonstrated in the *Congressional Record* of May 25, p. 8304, that he was not aware of who owned the Federal Reserve banks.

Another device of the C.E.D. Commission for impairing the independence of the Federal Reserve System is to retire the capital of the Reserve banks now supplied by member banks and on which they are paid a cumulative dividend of 6%. In Mr. Wilde's words, p. 6, in the *Summary*: "The present capital stock of the Federal Reserve Banks should be retired. Instead, membership in the System should be evidenced by a membership certificate of \$500, the same for each member bank." Neither Mr. Wilde nor the book explains what would be done in respect to the present right of member banks to elect six of the nine directors of their Reserve bank.

Still further, the Commission recommends (*Report*, p. 89) that the Federal Advisory Council be chosen by the Board of Governors which would be under the control of the President. At present the members of the Council are chosen by the Boards of Directors of the Reserve banks. Although the Commission refers to the fact (*Report*, p. 83) that the Board of Governors of the Federal Reserve System, since 1946, that is, beginning in 1947, has been paying approximately 90% of the net earnings of the Reserve banks to the U. S. Treasury, this violation of Section 7 of the Federal Reserve Act does not elicit any adverse criticism from the Commission.

## Principles of Good Central Banking

Back in 1932, Sir Cecil H. Kisch and W. A. Elkin published the 4th edition of their book, *Central Banks* (Macmillan and Co., Ltd., London), in which they outlined the lessons learned in respect to the principles of good central banking based upon the experiences of the leading nations of the world over relatively long periods of time. They said, for example, pp. 22-23: ". . . If the control of the operations of the Central Bank lies directly or indirectly with the Government, it becomes fatally easy for the Government to finance itself for a time by means of book entries and short loans from the Bank, a course which is the first step towards currency depreciation and inconvertibility.

". . . If the Government has a controlling influence over the Bank, there are obvious ways by which the more powerful interests in the country can try to enforce their wishes. The road is open for political intrigue, and there can be no safeguard that the policy of the Bank will be carried on with-

out bias as national interests require."

Said Kisch and Elkin, pp. 20-21: "Just because the decisions of the Bank react on every aspect of the economic activities of the country, it is essential that its direction should be as unbiased as is humanly practicable, and as continuous as possible. But clearly if the Bank is under State control continuity of policy cannot be guaranteed with changing Governments, nor can freedom from political bias in its administration be assured."

Generalizations of this type by careful scholars in respect to principles of good central banking are to be found in abundance in our libraries which contain carefully-prepared and well-grounded books on central banking. To cite one more example: Said the Brussels Conference Resolution III of 1920: "Banks and especially a bank of issue should be freed from political pressure and should be conducted solely on the lines of prudent finance." (Available in Kisch and Elkin, *op. cit.*, p. 17.)

In the light of the lessons in respect to the importance of an independent central banking system, stated so well by Kisch and Elkin for example, the following statement by the C.E.D. Commission in its *Report*, p. 85, is remarkable indeed: "Some arguments for independence [of the Federal Reserve System] are more or less frankly antidemocratic in their premises." Presumably one is expected to assume that the C.E.D. Commission's recommendations in behalf of domination of the System by the President are democratic in their implications. Executive dictatorship hardly contains the characteristics of democracy; and it is the present democratic arrangements in the Federal Reserve System that the Commission proposes to destroy.

The recommendations of the C.E.D. Commission in behalf of coordination of money, banking, and fiscal affairs under the Executive are not in accordance with the findings of scholars who oppose government management of a people and their economy. Furthermore, the Commission's recommendation that the Federal Reserve System be coordinated more closely with the government's economic policies, in accordance with the mandates of the Employment Act of 1946, overlooks the vital fact that the first and most basic function of our Federal Reserve System should be to preserve the integrity of our dollar. That would require prudent financing as recommended by Kisch and Elkin.

## To Give an International Agency Greater Control Over the U. S. Monetary System

After outlining various proposals to increase the power of the International Monetary Fund, including the plan to transfer still more of U. S. gold to the Fund, as a means of assisting its member countries in financing their temporary payments deficits, Mr. Wilde states, *Summary*, p. 13: "The United States should now seek multilateral arrangements to protect the world payments mechanism against exchange crises. This objective can be accomplished through greater cooperation [by whom?] with central banks of other industrial countries in handling short-term capital movements and through further evolutionary development of the International Monetary Fund. IMF resources should be increased so there is no doubt that they are adequate to meet the maximum foreseeable needs of its members consistent with their economic stability. This can be

accomplished by further increases in member quotas and by formalizing the right of the Fund to borrow the currencies of countries in payments surplus."

There is also much discussion of devising ways of maintaining the liquidity of the nations participating in the Fund (*Summary*, p. 13), but there is practically nothing to the effect that a nation should be prudent in its monetary and fiscal affairs. The general trend of the Commission's argument seems to be revealed rather well in its program for the U. S. A. in respect to its heavy and persistent adverse balance of payments. Says Mr. Wilde, *Summary*, p. 12: "The classical policy prescription for reducing a payments deficit is a restrictive monetary policy. . . ."

"The Commission believes that the costs in terms of unemployment and lower growth would be so great from trying to correct our balance of payments deficit by general restrictive monetary and fiscal policies that alternative means must be sought to achieve the necessary balance."

In brief, the problem, as the Commission treats it, is apparently how to maintain a continuing prodigality without facing any commonly-exacted penalties. That is, indeed, a remarkable idea. But it is not confined to the C.E.D. Commission. The frequently-stated modern theory is that disasters, such as wars, and mankind's foolishness in the uses of credit, particularly by governments, must not be permitted to bring their logical penalties and readjustments. A progressive and far-sighted government must know how to overcome or absorb the tendency toward readjustments so that human foolishness may suffer no penalties. Government prodigality must be continued without successful challenge; and the question of what the ultimate consequences may be falls outside the concerns of these "moderns" who proceed as though the correct prescriptions have at last been found, and by them — proper economic growth, full employment, and reasonably stable prices.

Prescriptions for avoidance of practices which can lead to sharp economic reactions are not in general deemed worthy of serious consideration these days since they might impede proper economic growth and full employment. The simple central problem, with modern enlightenment, is for the central government to have the tools by which the shocks which commonly result from human weakness and foolishness may be counteracted by government.

The concept of the best balance in the economic system, all pertinent facts considered — that is, the concept of dynamic economic equilibrium — appears not to be understood by those who embrace the over-simplified economic goals offered by the C.E.D. Commission and others, particularly the Keynesians with which brand of theory the C.E.D. Commission *Report* belongs. Ascertainment of the net balance of forces working toward or away from economic equilibrium, and advocacy of those that contribute to a healthy economic balance, are far removed from the mere enunciation of the goals offered by the C.E.D. Commission. One may easily state that full physical and mental vigor and absence of headaches and other unpleasant experiences are good; but such statements of such simple opinions are far removed from the requirements necessary to enable one to enjoy those aids to comfort and happiness.

## After Us, the Deluge

The essence of this common type of modern prescription, typified by the C.E.D. Commission's recommendations, is a reckless "after us the deluge." As solutions for our present politico-economic

difficulties, among which are our unfavorable balance of payments, prodigal government spending, relatively high prices, and loss of gold in recent years, it is proposed, among other things, that the reserve requirements for our Federal Reserve banks be abolished, that Federal Reserve functions be coordinated with various activities prescribed for the Executive, that the way be opened to a complete paper money structure, and that the International Monetary Fund be provided with additional strength, presumably by giving it some or all of our gold. On this last item the Commission is vague. But Mr. Wilde is not vague in respect to the following item, *Summary*, p. 12: "If large U. S. payments deficits appear persistent, the need for a change in the exchange rate structure must be recognized by other countries. The change can be either a U. S. devaluation or appreciation of some other currencies."

Apparently the C.E.D. Commission's recommendations assume that government profligacy should continue even if it means another devaluation of our currency! The logical end of a government program based upon such thinking is a worthless currency.

In the "Introduction to his *Summary*, Mr. Wilde states, p. 3: "It could fairly be said that their [members of the Commission] conclusions represent a consensus of American philosophy and economic judgment today." That might possibly be the case if all scientific, nonpolitical, professional economists, who are highly specialized and have long-time perspectives and much experience in the fields of the history and principles of money and banking and business fluctuations are ruled out of the picture.

Should the authors of that report consult, for example, the book on *A Proper Monetary and Banking System for the United States* (The Ronald Press Co., New York, 1960) by Drs. Bell, Bradford, Kemmerer, Niehaus, Palyi, Patterson, Phelps, Spahr, and Wiegand, all long-time specialists and professionals in the field of money and banking, it should be clear that they could not be included in Mr. Wilde's generalization. In that book there are no recommendations that reserve requirements of the Reserve banks be abolished, that the independence of the Federal Reserve authorities be impaired, that there be coordination of monetary and fiscal affairs under the control of the Executive, that the way be opened to a dissipation of this nation's gold stock, that the use of irredeemable currency is good or that it be continued. There are other fundamental differences between the recommendations in that book and those in the C.E.D. Commission's *Report*.

Other recommendations by the Commission probably can be ignored safely, in the interests of brevity, partly because they are, at present at least, of little importance and partly because, if any of the unsound ones should receive serious consideration in influential Congressional circles, they can then be analyzed for the benefit of the concerned public.

## Important Omissions

A peculiar and unjustifiable omission in connection with the Commission's discussions of the uses of total Reserve bank credit and of member bank reserves is consideration of the float — the extension of Reserve credit, against uncollected checks and drafts, free of charge to member banks in the form of reserves. The float is referred to and in effect defined in the *Report*, p. 61; but no effort is made to acquaint the reader with the fact that for over a decade the float, which is an unauthorized device for

creating member bank reserves, has in general been the second largest item — next to investment by the Reserve banks in U. S. Government securities — in Federal Reserve credit outstanding.

Concern for legal and appropriate practices by the Reserve banks in extending credit should have resulted in a careful examination of the float and a recommendation that its employment be terminated. Mr. Marriner Eccles was a member of the C.E.D. Commission, and it was under his Chairmanship of the Board of Governors of the Federal Reserve System that the float was expanded to such a high level of importance as a means of extending Reserve bank credit without cost to member banks.

Another remarkable omission is an index to the *Report*. According to the front cover flap on the book, "nearly a million and a half dollars" went into the financing of this C.E.D. Commission project which yielded a book of 282 pages — almost \$5,320 per page. A book without an index tends to defeat the reader. It is much like assembling merchandise in a would-be store, then preventing possibly interested customers from finding easily those things of interest to them. Although the "Table of Contents" of this extraordinarily expensive book is well constructed, it cannot be a good substitute for a thorough index. The producers of a 282-page book costing approximately one and a half million dollars should have been able to provide readers or searchers with easy and proper access to its contents.

## The Collective Import of the Commission's Study and Recommendations

As this author read Mr. Wilde's *Summary* and then turned to the Commission's *Report* for greater detail, the question arose, of course, as to the collective or net import of the Commission's study and recommendations. The conclusion reached is that the work of the Commission may provide an illustration of the pertinence of that well-conceived comment made by John M. Keynes in 1920, in his book *The Economic Consequences of the Peace*, before he indulged in his mischief of embracing governmentally-managed economies and, of course, the use of irredeemable currencies. Said he during that more responsible period of his life (p. 238): "They [the capitalists] allow themselves to be ruined and altogether undone by their own instruments, governments of their own making, and a press of which they are the proprietors. Perhaps it is historically true that no order of society ever perishes save by its own hand."

## Nikko Kasai Appoints Mgr.

SAN FRANCISCO, Calif.—Shizuo Hayase, President of Nikko Kasai Securities Company, has announced the appointment of Tadao Kobayashi as manager of the San Francisco office, 220 Montgomery St. He recently arrived from Tokyo where he was sub-manager of Nikko Securities' Numazu Branch.

Mr. Kobayashi has been with the Japanese securities firm eight years.

Paul Hayashi will continue as Assistant to Mr. Hayase and sub-manager of the local office.

## Detroit Bond Club Outing

DETROIT, Mich.—The Bond Club of Detroit will hold its Annual Fall Outing Tuesday, Oct. 3, 1961 at Lochmoor Country Club, Grosse Pointe Woods, Mich.

# The President's Major Economic Problem

Continued from page 3

cies of Executive Departments and other major agencies into some consistent grand strategy. After experimenting first with an Executive Council and then with a National Emergency Council and a Fiscal and Monetary Advisory Board, he created the Executive Office of the President in 1939. Its largest component was (and is) the Bureau of the Budget, which has the important function of reflecting the President's national economic policy in dollar terms.

## Council of Economic Advisers

During President Truman's first term the Executive Office of the President acquired a new agency for synthesizing and objectifying the economic statesmanship of the President, to-wit, the Council of Economic Advisers. In the Employment Act of 1946, the Congress expressed a mandate to the Chief Executive to present at the opening of each Congressional session a new major state paper midway between his State of the Union Message and his annual Budget. Its content is made up of three main parts: (1) a statistical and analytical review of the state of the economy and trends of its major elements, (2) a re-statement of national economic objectives and prospects for and impediments to their attainment, (3) recommendations for Congressional action to effectuate "maximum employment, production, and purchasing power . . . in a manner calculated to foster and promote free competitive enterprise and the general welfare." The Council of Economic Advisers was set up as a professional staff arm of the President in studying the economic problems of the country as he formulates his economic statesmanship for dealing with them.

The entry of a new President into office has always created something of a dilemma in this ritual of economic statesmanship. The outgoing President must submit his State of the Union Message, his Economic Report, and his Budget promptly after the convening of the Congress, whereas the incoming President a few weeks, or even a few days later must begin to reshape Executive policy in his own image. President Kennedy resolved this confusion with neatness and dispatch. Instead of following the precedent of slow and piecemeal reinterpretation of the economic state of the country, submitting fragmentary recommendations for changes, in programs, and doing *ad hoc* tinkering with the existing budget, he went before the Congress of Jan. 29 with a new State of the Union Message, sent the Chairman of the Council of Economic Advisers to the Joint Economic Committee of Congress with a condensed and drastically altered economic report and program, and had the Bureau of the Budget draft the details of a substantially altered budget for the fiscal year beginning July 1, 1961.

## The President's Economic Upbringing

Any real statesman is both a product of his time and an architect of his time. The life of John F. Kennedy has fallen entirely within the New Dispensation of economic liberalism. He was born in 1917, just as we reluctantly entered a "war to make the world safe for democracy." His formative years from 16 to 24 coincided with the yeasty period of Franklin Roosevelt's first two terms in office. The 13 years of his own Congressional service covered by all but a few months the whole period since

enactment of the Employment Act of 1946. Such economics courses as he may have had in college and such economic philosophy as he has developed from his voluminous reading and his Congressional experience have inevitably borne the strong imprint of the recent widespread preoccupation with fiscal and monetary policies and programs. Whether the President now proceeds from this sort of lopsided system of economic thinking and action or displays a better-rounded economic statesmanship will be the real test of his intellectual stature and practical sagacity.

Mr. Kennedy left no doubt during his campaign that he conceived the office of President as making demands heavily, perhaps dominantly, for economic statesmanship. And history, in its lengthening perspective, will judge him, in no small measure, by that standard. Did he choose with wisdom and press with discrimination as well as vigor the economic policies and programs that would most surely and fully vindicate and validate the free way of economic life against the rival claims and pressures of communist imperialism? It would be premature for anyone, and presumptuous for this writer, to offer any generalized answer or a bill of particulars in response to those questions. But as an individual economist I shall presume to state what seem to me to be a few major issues in that unfolding drama.

## Issues in the Unfolding Drama

The President of the United States in 1961 does not face any such clear-cut dichotomy as Abraham Lincoln faced in 1861. "Honest Abe's" profile of courage faced unequivocally away from secession and toward the preservation of an indissoluble union. Chattel slavery and human freedom, too, were categorical opposites. But our Honest John must carve his profile of courage in the lines of a complex statesmanship that will sturdily preserve the blessings of economic liberty for ourselves and our posterity but at the same time achieve the dynamic of democratically and intelligently directed action by our central government.

For the attainment of this great end, economics, being a social science, does not offer the precision tools that natural science supplies to industrial production and space probes. But economic analysis does give tools for tracing cause-and-result sequences, identifying and evaluating alternatives, and deciding upon direction, scale, and timing of action programs. These analyses relate to price, wage, investment, saving, and spending policies and practices in the private sector of the economy and to fiscal and monetary policies, spending and taxing, in the public sector and to regulatory activities in the area where government and private business overlap.

Now while I reserve my private citizen's right to gripe and the economist's right to quibble about doctrine, I will venture the opinion that, on the record so far, President Kennedy's economic statesmanship has appeared knowledgeable, discriminating, vigorous and, at the same time, prudent. Among these four adjectives, "vigorous" speaks for itself, but I have linked with it the term "prudent" to emphasize the fact that, although Mr. Kennedy has expressed deep concern, even alarm, over the state of the economy, he has not "pressed the panic button" and in a number of important areas has held back behind what the Congress insisted

on doing. He has curbed his zeal to apply Federal measures to promote activity and growth till he could see how fast and how far the existing forces of recovery will carry. He was too canny to resort to artificial stimulants which would come into effect just in time to turn healthy prosperity into inflationary boom.

"Knowledgeable" is my own personal dictum. By it I mean that the President is endowed with the intellectual reach and grasp to appreciate economic theory and to check it against business experience. Since economic doctors disagree and the opinions of business "big shots" and labor and farm leaders (even financial spokesmen) are likely to be colored by special interest, as true statesman of the economy he must pick and choose among his economic advisers and a vast and often inconsistent array of economic diagnoses and prescriptions.

## Guidelines of Future Policy

I shall conclude, therefore, with a purely personal comment of what I believe will be truly discriminating choices and blends among the doctrine that will furnish guidelines for economic statesmanship in 1961-62-63 and then some. In my view, the last two or three decades have witnessed a fashionable distortion of economic science to magnify fiscal and monetary manipulations as the means to attain the end of full employment and maximum production. It was, in the '30's, both timely and salutary to seek fuller understanding and wider recognition of that part of the economic process that channels through the public treasury rather than through private treasuries. But the thing got out of hand and led economists government functionaries, and the general public to denigrate or neglect the role of private business management and organized labor's growing influence. Business executives and labor union executives themselves fell under the insidious illusion that, even with the great power they were gaining with the advance of multi-billion-dollar corporations and multi-million-member unions, they were absolved from any positive responsibility for the maintenance of national prosperity. When they jointly produced such a mess as the 117-day steel shutdown or the assassination of price competition, the President and the Congress would in some magical way compensate for this breach of public trust, make GNP so ample that everyone could come in "for grabs"—and yet all these groups be free to continue their irresponsible ways of private administration of the nation's productive resources.

## The Big Question

I have been pondering this question since last fall: Will Mr. Kennedy be the economic statesman who leads the way to integration of Big Business and Big Labor into a pattern of peaceful co-existence reasonably geared to full use of national resources privately owned and managed? He has quite evidently realized that this is a challenge to his economic statesmanship no less pressing than budgeting, debt management, and tax reform. He promptly set up an Advisory Committee on Labor-Management Policy of top business and labor executives on a continuing basis under rotating chairmanship of the Secretaries of Commerce and of Labor. There is good reason to feel that this is no mere window-dressing or the delegation of his leadership to his Cabinet lieutenants. If an automobile workers' strike erupts before the Labor-Management Conference has time to enlighten the minds of strong and willful men or tries to use national security as the weapon of its bargaining power, he will be loath to sit supinely by. But how far can Presi-

dential prerogatives be carried in a "free" economy? Mr. Truman was quite willing to have industrial disputes brought to his White House desk. When he wrote the formula for a steel settlement and both sides refused to accept these terms, he seized the steel industry and ran up the American flag as a sign of Federal occupation. The Supreme Court ruled that this was an unconstitutional use of the Presidential power, but new legislation could certainly be devised that would take such areas of labor-management action permanently out of the hands of the private parties.

Oscar Wilde, the poet, said: "Men kill the thing they love." I wonder if John Kennedy can dissuade business tycoons and labor bosses from giving a death blow to the free enterprise system they profess to love. Or can he spur and inspire them to such devoted practice of that system that we will "bury" the threat of Communist encroachment in the free or uncommitted world.

Already union leaders are busy preparing wage demands, and industrial price-makers planning mark-ups that will short-circuit the Administration's full employment program into a new inflation game—and the stock market is discounting such inflation in a big way.

## The President's Perception

That President Kennedy clearly sees the cruel dilemma in which his Administration and his country are caught was made evident in the State of the Union Message that he presented to a joint session of the Congress nine days after his inauguration. Listen to his words:

"I speak today in an hour of national peril and national opportunity. Before my term has ended, we shall have to test anew whether a nation organized and governed such as ours can endure. The outcome is by no means certain. The answers are by no means clear. All of us together—this Administration, this Congress, this nation—must forge those answers. . . .

"Only with complete dedication by us all to the national interest can we bring our country through the troubled years that lie ahead. Our problems are critical. . . . It is one of the ironies of our times that the techniques of a harsh and repressive system should be able to instill discipline and ardor in its servants—while the blessings of liberty have too often stood for privilege, materialism, and a life of ease."

It is the part of economic statesmanship to curb those disruptive tendencies, not pander to them. As an economist I have grave misgivings about the statesmanship of allocating billions of dollars and accompanying top-flight human talent to keeping up with the Russians' "spectaculars." I deplore the apparent intention to condone the stupidity of lavish subsidies to certain branches of agriculture to perpetuate the maladjustment of their enterprise to market demands. I question the wisdom of shaping tax policy to the giving of incentives to industrial managers to expand plant in the very lines where we already have excess capacity or to "modernize" their processes in ways that put more pressures of demand on talent that is scarce and curtail the number of jobs that would give a livelihood to grades of ability that are already swelling the ranks of the unemployed. I am disturbed at some hints of a desire to bring Federal Reserve policy under the dominance of Treasury policy. I believe proper harmony can be achieved without loss of administrative freedom.

These, as I said before, are just some of my personal crotchets. But with my youthful optimism I do not let them give me ulcers. I shall close with the same sentence that I used to conclude a

recent article under the title "1960: Hinge Between Two Decades." Suggesting that the term "sobering sixties" may be better than "soaring sixties" to describe the period just ahead, I said:

"If the Sobering Sixties are in fact to mark our progress toward a wary partnership of labor and management and a pragmatic complementarity of private enterprise and public enterprise, the hinge period on which we swing toward that better day needs to be well oiled with both economic intelligence and group tolerance."

\*An address by Mr. Nourse before the District of Columbia Bankers Association, The Homestead, Va.

## Orkin Company Common Sold

Merrill Lynch, Pierce, Fenner & Smith Inc., New York City, and Courts & Co., Atlanta, are joint managers of an underwriting group which is offering 360,000 shares of Orkin Exterminating Co. Inc. at \$24 per share. The offering marks the initial public sale of the company's common stock.

None of the proceeds from the sale of the common shares will accrue to the company as the stock is being sold for the account of certain stockholders.

Orkin, with headquarters in Atlanta, Ga., is believed to be the world's largest pest control company in terms of consolidated sales and net worth. The company and its subsidiaries operate in 28 southern, central and southwestern states and the District of Columbia. Pest and termite control services are provided on a contract basis through approximately 2,900 sales and service personnel to residential, commercial and industrial customers. The company is a successor to a business which was founded in 1901 to sell pest control chemicals to industrial and commercial users in eastern Pennsylvania.

For the six months ended April 30, 1961, the company and its subsidiaries had consolidated gross revenues of \$14,014,000 and net income of \$831,000, equal to 35 cents per common share. The outstanding capitalization of the company consists of 2,400,000 shares of no par common stock.

## Upjohn Co. Common Sold

Morgan Stanley & Co. and associates are offering publicly 633,400 common shares of The Upjohn Co. at \$52.50 per share. The stock is being sold by Kalamazoo College, certain charitable organizations and certain members of families descendant from and relatives of Dr. W. E. Upjohn who founded the business in 1886. The proceeds will go to the selling stockholders.

The company has earned a net profit and paid cash dividends on its common stock in every year since 1909. Quarterly dividends at the rate of 18 cents per share have been paid in the last year and a half.

The company with headquarters in Kalamazoo, Mich., is one of the largest ethical drug manufacturers in the United States. Products are sold primarily to a professional market comprised essentially of physicians, hospitals and pharmacists. The company currently manufactures and sells approximately 490 ethical drug products and limited amounts of fine chemicals, veterinary and agricultural products.

## In Securities Business

CHICAGO, Ill.—Alexander Hamilton Investment Co., Inc. is conducting a securities business from offices at 53 West Jackson Boulevard. Donald A. Smith is a principal of the firm.

# NEWS ABOUT BANKS AND BANKERS

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

George E. Maccaro has been elected President and Chief Executive Officer of Security National Bank of Long Island, N. Y., it was announced Aug. 22. He was formerly Vice-President and general counsel of the institution in which he is also a Director.



George E. Maccaro

Mr. Maccaro succeeds as President Herman H. Maass who has been elevated to Chairman of the Board of Directors.

Mr. Maccaro from 1949 to 1952 was a Director and counsel of Fort Neck National Bank of Seaford, L. I.

Upon the consolidation of the bank into Security National Bank of Long Island in 1958, Mr. Maccaro was elected a Vice-President and Director of the merged institution. The following year he was also elected General Counsel of the bank.

Robert V. Higdon has joined the Chase Manhattan Bank, New York, as Technical Director—electronics industry, it was announced Aug. 23 by David Rockefeller, President.

The merger of the Hempstead Bank, Hempstead, N. Y. into the Chase Manhattan Bank, New York was approved Aug. 22 by both institutions at special stockholder meetings. The merger must be approved also by the State Banking Department and the Federal Reserve Board.

The plan calls for issuance of thirteen-eightieths of a share of Chase Manhattan stock for each of the 360,000 shares of stock of the Hempstead Bank outstanding.

The common capital stock of The Meadow Brook National Bank, New York City, New York, was increased from \$14,204,675 to \$14,488,765 by a stock dividend, effective August 9. (Number of

shares outstanding 2,897,753 shares, par value \$5.)

Chemical Bank New York Trust Company has elected Lewis P. Seiler and Henry H. Henley, Jr. to its Grand Central and Upper Midtown Advisory Boards, respectively, Chairman Harold H. Helm announced Aug. 23.

The opening on Aug. 21 of a branch at 60 Wall St., New York, was announced by Bank Leumi le-Israel (Hebrew for: National Bank of Israel).

Dr. Y. Foerder, Chairman of Bank Leumi, announced the appointment of Gideon Strauss as Manager, and of Theodore K. Landau as Assistant Manager of the New York Branch. Mr. Strauss has been in the service of Bank Leumi since 1936. He became its Representative here in 1950 and its Agent in 1959. Mr. Landau is connected with the Bank since 1950 as Assistant Representative and later as Assistant Agent.

Willard Fiske Place, 65, Chairman of the Board and former President of the Excelsior Savings Bank, New York, died on Aug. 19.

The County Trust Company, White Plains, N. Y., named Harold P. Haghenbeck, Walter J. Michaels, and Edward C. Donnelly Assistant Treasurers.

Approval was given on Aug. 11 by the New York State Banking Department to the Port Chester Savings Bank, Port Chester, N. Y., to change its title to the Port Chester-Rye Savings Bank.

The Cape Ann National Bank of Gloucester, Gloucester, Massachusetts, with common stock of \$200,000, was merged with and into Gloucester Safe Deposit and Trust Company, Gloucester, Massachusetts, under the charter of Gloucester Safe Deposit and Trust Company and under the title Cape Ann Bank & Trust Company, effective June 2.

First Bank and Trust Company, Perth Amboy, New Jersey, on Aug. 7 received approval from

the Board of Governors of the Federal Reserve System, to purchase the assets and assume the liabilities of The Fords National Bank, Fords, New Jersey.

The First National Bank of Middlesex County, South River, New Jersey, has increased its common capital stock from \$900,000 to \$1,000,000 by a stock dividend, effective Aug. 7. (Number of shares outstanding 40,000 shares, par value \$25)

Frederic W. Burr has been appointed Trust Officer in the Trust Department of Mellon National Bank and Trust Company, Pittsburgh, Pa., according to an announcement by Mr. Frank R. Denton, Vice-Chairman.

Traders Trust and Banking Co., Spencer, West Virginia, has changed its title to The Traders Bank, effective July 27.

By a stock dividend, the common capital stock of The First National Bank of North Platte, North Platte, Nebraska, was increased from \$250,000 to \$350,000, effective August 8. (Number of shares outstanding 3,500 shares, par value \$100.)

The Office of Comptroller of the Currency on Aug. 9 issued a charter to The First National Bank of Laurens, Laurens, South Carolina. The President is George L. Phinney and the Cashier is J. P. Southland. The Bank has a capital of \$200,000 and a surplus of \$150,000.

City National Bank of Baton Rouge, Baton Rouge, La., increased its common capital stock from \$1,800,000 to \$2,000,000 by a stock dividend, effective August 11. (Number of shares outstanding 200,000 shares, par value \$10.)

Richard W. French has been elected a Director of the Texas National Bank, Houston, Texas.

The common capital stock of the First National Bank at Lubbock, Lubbock, Texas, was increased from \$2,000,000 to \$2,300,000 by stock dividend and from \$2,300,000 to \$2,500,000 by sale of new stock, effective Aug. 5. (Number of shares outstanding 25,000 shares, par value \$100.)

Allyn C. Browne, Assistant Cashier at the Oakland office of The Bank of California, N. A., San Francisco, Calif., died Aug. 18. He was 31 years old.

Mr. Browne joined The Bank of California in 1956 and was advanced to Assistant Cashier in 1959.

Richard W. Heldridge has been appointed a Vice-President and Assistant Manager, at the capital office in Sacramento, by the Crocker-Anglo National Bank, San Francisco, Calif.

Gilbert H. LaPiere has been elected a Vice-President of Union Bank, Los Angeles, Calif., and Manager of the petroleum department, it was announced by Harry J. Volk, President.

Previously Mr. LaPiere was an officer in the petroleum department of Chase Manhattan Bank in New York.

## BANK OF HAWAII, HONOLULU, HAWAII

	June 30, 1961	Dec. 31, 1960
Total resources	\$362,545,707	\$357,074,213
Deposits	330,601,001	325,955,098
Cash and due from banks	62,180,941	61,144,527
U. S. Government security holdings	103,107,718	93,450,327
Loans & discounts	172,720,494	179,271,542
Undivided profits	5,743,856	5,081,698

A Swiss investment and banking group has announced the establishment of a private bank in Panama City, Panama, to be called

the Banco Suizo Panamericano (Swiss Pan American Bank, Inc.), with an initial capitalization of \$1,000,000 and to be headed by Dr. Manuel Cisneros.

Branches of The Chartered Bank, London, England, have been opened at Hung Hom, Kowloon, Hong Kong and in the market district of Phnom Penh (Cambodia) as well as at Queenstown, Singapore.

## Florida Capital Rights Offering To Stockholders

Florida Capital Corp. is offering to holders of its common stock, rights to subscribe for 488,332 additional shares at \$7.75 per share, on the basis of one new share for each two shares held of record Aug. 22. Rights to subscribe will expire on Sept. 5, 1961.

A. C. Allyn & Co. Inc., is manager of a group which will underwrite the offering.

Net proceeds from the financing will be used by the company to make additional investments in small business concerns in line with its overall investment policy. The company specializes in investments in firms engaged in activities related either to the development of land or to the electronic industry. A portion of the proceeds may be used for the construction of a new office building on real estate located at Palm Beach, Fla.

The company with headquarters in Palm Beach, Fla., was licensed under the Small Business Investment Act of 1958. It is registered as a closed-end non-diversified management investment company under the Investment Company Act of 1940, and provides long-term investment capital to small business concerns under the Small Business Investment Act. These investments are made primarily in companies in the field of land development or related activities or in the electronics industry.

Upon completion of the current financing, outstanding capitalization will consist of 1,464,996 shares of common stock and \$2,600,000 of sundry debt.

## Ralph Dahl Joins Garat, Polonitza

LOS ANGELES, Calif. — Garat & Polonitza, members of the Pacific Coast Stock Exchange, have opened a branch office at 639 South Spring Street, under the management of Ralph M. Dahl. Mr. Dahl who has been in the investment business on Spring Street for many years has recently been with Sellgren, Miller & Co., Inc. Prior thereto he was with Evans, MacCormack & Company.



Ralph M. Dahl

## Macgill Named Secy. of Robert Winthrop Co.

Charles F. Macgill has been elected Secretary of Robert Winthrop & Co., Incorporated, 20 Exchange Place, New York City.

## Internat'l Secs. Branch

FRESNO, Calif. — International Securities Corporation has opened a branch office in the T. W. Patterson Building under the management of Carl Steinhauer.

## American & St. Lawrence Seaway Land Co. Common Offered

Public offering of 100,000 common shares of American & St. Lawrence Seaway Land Co., Inc., is being made at \$3 per share by Professional & Executive Planning Corp., Long Beach, N. Y. Net proceeds will be used by the company for repayment of debt, construction and working capital.

The company with headquarters at 60 E. 42nd St., New York City was organized primarily to engage in the general real estate business. Its principal tangible asset consists of approximately 100 acres of land located on Black River Bay, Sachets Harbor, New York. Called Port Madison, the property is a natural deep water harbor 15 nautical miles from the mouth of the St. Lawrence River and is the nearest deep water harbor on the American side of the Seaway. On 40 of the 100 acres there are 115 buildings plus all utilities, streets and sidewalks. The remaining 60 acres abut upon paved roads that contain all utilities and are available for future development. At present, there are no docking facilities. The Penn-Canada Highway, now under construction, which will connect with the New York Thruway and arterial highways into New England, is within a few miles of the company's property.

Authorized stock consists of 2,000,000 shares of common stock (par 25 cents), of which 423,425 shares will be outstanding upon completion of this sale.

## Business Funds Stock Offered

A group managed jointly by Clark, Dodge & Co. Inc., Alex. Brown & Sons and Rotan, Mosle & Co. is offering publicly an issue of 1,750,000 shares of Business Funds, Inc. capital stock at \$11 per share.

Business Funds, with headquarters in Houston, Tex., is licensed as a small business investment company. Its basic activities consist of making investments in the equity capital and long-term debt securities of small business concerns, furnishing consulting and advisory services to these concerns, and the financial administration of its investments.

Net proceeds from the sale of the new shares will become additional working capital to be invested in, or loaned to, small business concerns. Upon issuance and sale of the shares, the company will have a paid-in capital and surplus of approximately \$19,000,000. This will permit it to invest, in normal operations, up to \$3,800,000 in any single small business concern.

Giving effect to the sale of the new shares of capital stock, capitalization consists solely of 1,965,000 shares of capital stock, par \$8.

## New McDonnell Branch

SAN JOSE, Calif.—McDonnell & Co. Incorporated has opened a branch office at 353 Town and Country Village under the management of Richard Smith.

## Four With Morris Cohon

(Special to THE FINANCIAL CHRONICLE)  
LOS ANGELES, Calif. — Sydney Goldstone, Albert R. Gulbin, Robert R. Leavitt, and Robert Reinman have joined the staff of Morris Cohon & Co., 5740 Wilshire Boulevard. All were formerly with Raymond Moore & Co.

## UNCLAIMED PROPERTY

Notice of Names of Persons Appearing as Owners of Certain Unclaimed Property Held by THE TITLE GUARANTEE COMPANY formerly TITLE GUARANTEE AND TRUST COMPANY 176 Broadway, New York 38, N. Y.

### AMOUNTS DUE ON DEPOSITS

Garrity, Anna	234 Kingsland Ave., Brooklyn, N. Y.
La Bau, Jean	Unknown
Owens, Mary C.	Unknown
Penacine, Thomas D.	Unknown
Quinn, J. J. M.	Unknown
Solz, Morris	Unknown
Unknown	Unknown

### AMOUNTS HELD OR OWING FOR THE PAYMENT OF NEGOTIABLE INSTRUMENTS OR CERTIFIED CHECKS

Fletcher, Bertha A. and Fletcher, Maxwell K.	4326 Warwick Blvd., Kansas City, Mo.
Furst, Flora R.	129 S. E. 4th St., Miami, Florida
Guessner, Arnold L.	1218 Roanoke Blvd., Minneapolis, Minn.
Harmon, Albert H.	c/o West Publishing Co., St. Paul, Minn.
Hass, Florence and Hass, Henry	91 Central Park West, New York, N. Y.
Huston, Annie	606 W. 116th St., New York, N. Y.
Sposedo, Emma and Sposedo, William G.	R. F. D. Box 52, North Windham, Maine
Stenland, Nellie C.	822½ Oxford Ave., Eau Claire, Wisc.
Taylor, Eurliegh M.	Conway, New Hampshire
Wentzel, A. J.	Room No. 104 Bank Bldg., Superior, Wisc.
Wilk, Agnes and Wilk, John	141-19 Cherry Ave., Flushing, N. Y.

A report of unclaimed property has been made to the State Comptroller pursuant to §301 of the Abandoned Property Law. A list of the names contained in such notice is on file and open to public inspection at the principal office of the bank located at 176 Broadway, New York 38, N. Y. where such abandoned property is payable.

Such abandoned property will be paid on or before October 31st next to persons establishing to its satisfaction their right to receive same.

In the succeeding November, and on or before the tenth day thereof, such unclaimed property will be paid to the State Comptroller and it shall thereupon cease to be liable therefor.

## AS WE SEE IT Continued from page 1

they rest at the foundation of our own society and, realistically, because they represent the crucial force which is now shaping the institutions of our time." Again we must agree that Mr. Bowles has gone at least part way in stating the essence of the situation now existing in the so-called underdeveloped nations of the earth. In general and in the abstract at least most if not all these peoples want "self-government," and all of them so far as they have thought about the matter a great deal want "economic justice," which in the jargon of the day usually means a larger share of the current product for the man who works with his hands—and quite possibly a larger share of the accumulated social capital. Where discrimination is practiced, there is probably little doubt that the majority of the peoples in most instances at least want "racial equality."

We must, however, confess some doubt whether these things would, without the improved plane of living which Mr. Bowles seems to belittle, produce the results desired. All these things plus a greater abundance of rice might well be the best antidote for the virus of communism. But all this leaves the really vital questions unsolved. Precisely how do we, definitely outsiders, assure these peoples of "economic justice," "racial equality," or even in some cases "self-government?" And how do we manage our grants-in-aid or our "loans" best to promote these ends? It seems fairly obvious that we have not succeeded very well in doing any such thing in the past—with the best of intentions, no doubt.

### A Quandary

Existing governments chosen, or at least accepted by the people turn out to be incompetent and even dishonest. Yet the peoples are, or may be, in real need of assistance—and there does not appear to be any way to afford help except through the existing regimes. In a good many other cases we find that the people appear quite unable to provide self-government of any sort which can effectively rule the country and administer its affairs. In some cases as in the Congo there are many factions, and the people (many of whom are simply tribes ranging the forests) are apparently quite unable to agree among themselves upon any form of government or any one or any group of natives to operate it. And racial discrimination? Our own imperfect record in this matter seems to place us under a handicap in dealing with it elsewhere.

But, are all these things we

aspire to do self-consistent? We are, according to Mr. Bowles, in duty bound to respect and to promote self-government, yet we are also supposed to promote a number of causes which can hardly be appropriately imposed on a "self-governing" people. A country which is required to alter the relationships among the various factors of production in order to get aid from us is hardly "self-governed." Certainly the elimination of racial discrimination—where it exists—is the exclusive business of the government which is established and maintained by the people themselves.

### Who Decides?

We may go even further. Who is to say that any established regime is not one which represents "self-government"? Is it the duty, or even the privilege, of an outside nation (which happens to have gifts to offer) to say that any *de facto* government accepted by the people themselves is not really the choice of the people but a usurper which has set itself up to victimize the people? Of course, the communists are doing just that again and again—at the same time that they proclaim themselves the sole sincere advocates of self-determination of peoples. In point of fact it is one of their most employed modes of procedure. We call it subversion—and mostly we are quite correct in doing so. Yet it is a fact that our non-interference in such matters has led more often than we could wish to situations in which a favored few enrich themselves upon our benefactions while the rank and file remain in poverty and misery.

Again, it is apparently generally believed that substantial improvement in the economic position of the great rank and file, along with reasonable promise of a continuation of such improvement, is essential to a successful anti-communism program. Yet this requires much more than a fairer distribution of the current economic product—assuming that such things are really any of the business of outsiders. In many instances—as in India, for example—a *sine qua non* of substantial improvement of the economic status of the rank and file is vastly increased production by the rank and file. Such an increase in productivity requires capital. It, as a matter of fact, demands much more than capital—the ability to use capital to a good advantage. And if adequate capital is to be forthcoming reasonable evidence of such ability must be forthcoming—a problem for individuals or groups rather than government.

This matter of making aid

contribute to causes we think are desirable is far more complex than it may seem at first glance.

## The Security I Like Best

Continued from page 2

pany as its principal source for paint and wallpaper.

Up to the present moment we have discussed the internal operation of the company, until December, 1960. In June of this year Sears took one further significant step. A secondary issue of 1,000,000 shares of common, emanating from Sears' holdings, was consummated by an excellently diversified underwriting group headed by Goldman, Sachs & Co., and Lehman Brothers. Where formerly the stock had a floating supply of approximately 300,000 shares of common, marketability and a better market for the stock was achieved by this offering.

### Where Does De Soto Now Stand?

It has a parent, one of the largest corporations in the United States, who takes 58% of its sales. This might be considered dangerous, but remember that Sears still owns 54% of the common.

It has an excellent research staff.

It has Sears as a source of managerial talent, and market guidance.

It has a built-in profit picture.

### Where Can De Soto Go?

It has the intention of decreasing its dependence on Sears, and increasing its trade sales. The small trade sales base—approximately \$20,000,000—gives it a wide area of development.

Management has incentive options on stock expiring 1966 at prices below current levels. It could be expected that this time element would be utilized to build up a much stronger operation.

While sales and per share earnings for the six months ended June 30, 1961, were comparable to 1960, these results are not necessarily indicative of operating achievements for the full year. I would conservatively estimate sales in excess of \$50,000,000. Earnings, management has indicated, are presently budgeted to be ahead of last year's \$0.74 a share. A substantial increase in per-share figures could well develop based on economic prospects in the fourth quarter.

The field of coatings and finishes is a rapidly developing one. The market could very well expand in the direction of the most agile and adventuresome company, rather than the tradition-laden industrial giant.

The stock is presently selling about \$11 a share. At approximately 13 times contemplated earnings for this year, this equity, in the opinion of the writer, has the necessary basic elements for potential capital appreciation. This is derived from its possession of aggressive management, the proven record of success of the Sears-developed organization, and the contemplated increase in public and private spending plans for housing repairs and rehabilitation, and new construction.

It is listed on the New York Stock Exchange.

### Capitalization

Class A preferred: 48,000 shares 4¾% preference (\$100 par)—redeemable at \$103.25 after Aug. 1, 1961, then lower.

Common: authorized 5,000,000 shares; outstanding 3,186,576 shares.

The firm or its partners may from time to time have a position in the security.

## FROM WASHINGTON ...Ahead of the News

BY CARLISLE BARGERON

President Kennedy's omnibus housing program enacted less than two months ago by Congress is already in trouble.

As many experts had predicted, investors are slow to buy the risky, low term mortgages, which carry a low rate of return. They can do better elsewhere.

Administration timing of the latest interest cut is also to blame. The reduction on interest paid by Federal Housing Administration mortgages from five and one half percent to five and one fourth percent came just as other interest rates were rising. The result, of course, was to discourage investment in the Administrations' mortgages.

The president's deficit spending, ostensibly meant to boost the economy, is another factor troubling his housing program. It might very well force the Treasury to issue \$5 to \$8 billion in bonds before the end of the calendar year, which would provide a more attractive investment than long term, low interest rate mortgages. For one thing there is a minimum of risk in Treasury bonds and they pay off in a relatively short time. When the cost of servicing a mortgage is considered, the bonds pay about the same or a better rate of return.

Compounding these difficulties is the long delay in processing applications for mortgage insurance at FHA. Six weeks to six months are required as compared with about a week in the private market. Hiring and firing at FHA, due to patronage obligations, the difficulty in transferring the new housing law into regulations the field staff can understand and appropriation delays are responsible.

"We are anxious to cooperate with the Federal Housing officials," said Robert Tharpe, President of the Mortgage Bankers' Association of America, "but investors are turning their backs on us, and we can't blame them. Their interest in FHA mortgages is just about nil."

Low down payments and 35 to 40 years mortgages discourage investors because they tie up savings for too long a time. They also create risks for the lender. Under these terms, many years must pass before the home-buyer acquires any appreciable equity in his home. Meanwhile, depreciation will have set in, diminishing his incentive to pay off the mortgage.

Even though the FHA mortgages are insured, there is a risk. No investor likes a foreclosure because mortgage service costs increase and there is always some loss on a complete delinquency. Further, FHA is a year behind in making good on losses. Finally, FHA pays off in 10 year Treasury debentures, not in cash.

The result of these factors is that the Government itself is forced to buy up the Kennedy mortgages through the Federal National Mortgage Association (Fanny Mae). Under its special assistance fund, Fanny Mae borrows from the Treasury to buy the mortgages—another avenue of backdoor financing and another contributor to Federal deficits, a kind of vicious circle.

A Washington real estate consultant spelled out the problem this way: "No matter what was said during the campaign, Mr. Kennedy cannot legislate a good housing market. He cannot force investors to buy a turkey."

\* \* \*  
"We can afford it."

That, in essence was the Kennedy Administration's reply last week to Republican attacks on the President's decision to go ahead with plans for increased defense spending without curbing non-essential civilian programs.

Budget Director Bell's reply to Republican members of the House Ways and Means Committee, conceded the New Frontier has asked for many non-defense spending programs, but added "As per capita income rises, people can afford a higher level of personal consumption expenditures and a high level of Government services..."

Mr. Bell also attempted to blame the fiscal 1962 deficit "which he estimated at only \$5.3 billion on the effects of the recession" which President Kennedy recently said has been brought to an end by his Administration.

## Shurtleff V.-P. Of Inv. Counsel

Investors Counsel, Inc., 445 Park Avenue, New York City, has announced the appointment of O. Lynn Shurtleff as Vice-President



Lynn Shurtleff

of this mutual fund management company. Mr. Shurtleff was also appointed a Vice-President of Capital Sponsors, Inc., which sponsors Mutual Investment Company of America as well as Capital Life Insurance Shares and Growth Stock Fund, mutual funds managed by Investors Counsel, Inc.

Mr. Shurtleff has spent 28 years in Wall Street following his graduation from the Massachusetts Institute of Technology where he received a degree in Business and Engineering Administration. He has been affiliated with a number of the country's leading financial institutions in a research and investment advisory capacity. From 1954 to 1959, he was the partner-in-charge of research at Hayden, Stone & Company, one of the largest investment banking and brokerage firms in Wall Street.

For many years, Mr. Shurtleff has been closely identified with the mutual fund industry and he is recognized as an authority on the mutual fund management-distributing companies. In 1960, he joined the New York Stock Exchange firm of Laid, Bissell & Meeds where he established the first department in Wall Street specializing in these stocks and founded the monthly service *News and Views on the Mutual Fund Management-Distributing Companies*. He has been instrumental in assisting a number of management companies establish a public market for their shares.

Mr. Shurtleff has served on the Investment Advisory Committee of Institutional Shares and was also a member of the Investment Advisory Group counselling American Growth Fund, Ltd.

### R. L. Hylton Opens

JAMAICA, N. Y.—Robert L. Hylton is engaging in a securities business from offices at 134-22, 160th Street.

# STATE OF TRADE AND INDUSTRY

Continued from page 5

Ford Motor Co., while still in production of 1961 models, began recalling workers at several plants which had phased out "old" model production earlier. Ford will continue 1961 output at Atlanta next week, but most other plants will be prepping 1962 models.

Ford's standard car plant at Dearborn completed its 1961 schedule Thursday, closing for six or seven weeks. Ward's said that the site will probably be converted for production of the company's new "middle-size" car. The Ford plant at St. Louis, out on strike since July 26, is still stocked with 1961 components, and will probably return to that production upon settlement of the dispute taking place there.

Of the week's output (13,946), 1962 models accounted for about 62%. Last week, the total of 21,029 passenger cars were all produced by Ford Motor Co., and were all of 1961 vintage.

General Motors built 7,116 cars this week (1962s), Studebaker-Packard, 1,500 (1962s) and Ford Motor Co., 5,330 (1961s).

## Business Failures Edge Up in Week Ended Aug. 17

Commercial and industrial failures edged up to 366 in the week ended Aug. 17 from 343 in the preceding week, reported Dun & Bradstreet, Inc. Casualties exceeded considerably the 279 occurring in the similar week a year ago and 263 in 1959. As well, 45% more businesses succumbed than in prewar 1939 when the toll was 253.

Failures with liabilities of \$100,000 or more climbed to 39 from 28 in the previous week and 29 a year ago. Casualties with liabilities under \$100,000 also increased, turning up to 327 from 315 last week and 250 in 1960.

The week's increase was primarily concentrated in the Pacific States, where casualties climbed to 103 from 64, and in the East South Central where the toll mounted to 22 from 11. There was a mild upturn in the New England States. In contrast, five regions reported slight dips from last week—the Middle Atlantic toll was off to 87 from 99. In eight of the nine major regions, more businesses failed than in the similar week of last year.

Canadian failures rose to 35 from 30 in the preceding week and 43 in the corresponding week a year ago.

## Electric Output 5.4% Higher Than in 1960 Week

The amount of electric energy distributed by the electric light and power industry for the week ended Saturday, Aug. 19, was estimated at 15,665,000,000 kwh., according to the Edison Electric Institute. Output was 415,000,000 kwh. below that of the previous week's total of 16,080,000,000 kwh. and 799,000,000 kwh., or 5.4% above that of the comparable 1960 week.

## Lumber Shipments Were 5.9% Above 1960 Volume

Lumber production in the United States in the week ended Aug. 12, totaled 223,339,000 board feet compared with 221,214,000 board feet in the prior week, according to reports from regional associations. A year ago the figure was 232,189,000 board feet.

Compared with 1960 levels output dropped 3.8%, shipments gained 5.9%, and orders rose 5.3%.

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

	Aug. 12 1961	Aug. 5 1961	Aug. 13 1960
Production	223,339	221,214	232,189
Shipments	226,390	222,566	213,860
Orders	224,030	225,370	212,677

## Freight Carloadings for Aug. 12 Week Up

Loading of revenue freight in the week ended Aug. 12 totaled 591,062 cars, the Association of American Railroads announced. This was an increase of 2,093 cars or four-tenths of one per cent above the preceding week.

The loadings represented a decrease of 8,959 cars or 1.5% below the corresponding week in 1960, but an increase of 46,493 cars or 8.5% above the corresponding week in 1959 (during the steel strike).

There were 10,761 cars reported loaded with one or more revenue highway trailers or highway containers (piggyback) in the week ended Aug. 5, 1961 (which were included in that week's over-all total). This was a decrease of 116 cars or 1.1% below the corresponding week of 1960 but an increase of 3,030 cars or 39.2% above the 1959 week.

Cumulative piggyback loadings for the first 31 weeks of 1961 totaled 338,530 for an increase of 11,687 cars or 3.6% above the corresponding period of 1960 and 97,132 cars or 40.2% 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 55 one year ago and 50 in the corresponding week in 1959.

## Intercity Truck Tonnage for Week Ended Aug. 12 Was 4% Ahead of Last Year's Corresponding Week

Intercity truck tonnage in the week ended Aug. 12, was an even 4% ahead of the volume in the corresponding week of 1960, the American Trucking Associations, Inc., announced. Truck tonnage was 0.1% above that of the previous week of this year.

These findings are based on the weekly survey of 34 metropolitan areas conducted by the ATA Department of Research and Transport Economics. The report reflects tonnage handled at more than 400 truck terminals of common carriers of general freight throughout the country.

The terminal survey for last week showed increased tonnage from a year ago at 21 localities. Thirteen points reflected tonnage decreases from the 1960 level. Truck terminals at five centers showed gains of more than 10%; these were Birmingham up 19.5, Charlotte 18.7, Dallas-Ft. Worth 14.8, Indianapolis 11.9, Louisville 11.7. Albuquerque, Pittsburgh, and Omaha each experienced year-to-year tonnage decreases of 5% or more.

Compared to the immediately preceding week, 20 metropolitan areas registered increased tonnage while 14 areas reported decreases.

Although the aggregate traffic handled has been depressed by seasonal influences the ATA indicated that the week ended Aug. 12 was relatively one of the most favorable this year on a year-to-year basis.

## Wholesale Commodity Price Index Reaches New High for Third Consecutive Week

The general wholesale commodity price level climbed again for the third consecutive week to reach a new peak for the year of 274.46 on Aug. 21, reports Dun & Bradstreet, Inc. Increases in prices quoted on grains; coffee, sugar, hogs, rubber and tin accounted for the week's rise. Steers and lambs were the only commodities quoted lower.

The Daily Wholesale Commodity Price Index climbed to 274.46 (1930-32=100) on Monday, Aug. 21, compared with 274.01 in the preceding week and 267.37 on the same day a year ago.

## Wholesale Food Price Index Stays Close to Prior Week

There was only a fractional change this week in the Wholesale

Food Price Index, compiled by Dun & Bradstreet, Inc., from the prior week, but it was up from a year ago. On Aug. 22 it slipped 0.2% to \$5.98 from the \$5.99 of a week earlier, and it was up 1.4% from the \$5.90 of the corresponding date a year ago.

Commodities quoted higher in wholesale cost this week were wheat, corn, beef, hams, cheese, beans, and potatoes. Lower in price were rye, oats, bellies, lard, butter, cocoa, eggs, steers and hogs.

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.

## Retail Purchases Lag for Week Ended Aug. 16

Consumer buying lagged in the week ended Wednesday, Aug. 16, as high temperatures persisted in many areas. Total retail volume slipped slightly below last year. Purchases of women's apparel and automobiles continued slow for the second week, while activity in home furnishings was uneven. Again, the sales of men's wear and linens moved ahead in contrast to the general lull in retailing.

The total dollar volume in retail trade in the week ended Wednes-

day, Aug. 16, was 3% below to 1% higher than last year, according to spot estimates collected by Dun & Bradstreet, Inc. Regional estimates varied from comparable 1960 levels by the following percentages: East South Central -1 to +3; West South Central -2 to +2; New England, South Atlantic and Mountain -3 to +1; Middle Atlantic and Pacific -4 to 0; East North Central and West North Central -5 to -1.

## Nationwide Department Store Sales Unchanged Over The 1960 Week

Department store sales on a country-wide basis as taken from the Federal Reserve Board's index for the week ended Aug. 12, 1961, were unchanged over the like period last year. For the week ended Aug. 5, an increase of 3% was reported. The four-week period ended Aug. 12, 1961, sales advanced 2% over last year.

According to the Federal Reserve System, department store sales in New York City for the week ended Aug. 12, were 3% lower than the same period last year. In the preceding week ended Aug. 5, sales were 2% higher than in the same period last year. For the four weeks ending Aug. 12, a 2% increase was reported above the 1960 period, while from Jan. 1 to Aug. 12, a 2% increase over sales in the comparable period of 1960, was recorded.

bility that the Federal Trade Commission, under the leadership of Chairman Dixon, who was general counsel for the Kefauver Committee, will seek to deal in some ways with the problem. The Federal Trade Commission Act's broad prohibition of "unfair methods of competition" was held a number of years ago in the *Rigid Steel Conduit* case to empower the Commission to issue a cease and desist order against a firm which consciously but independently follows the prices set by a conspiracy. The Commission has never acted to my knowledge, however, in a case where all that was involved was conscious parallelism, or "administered prices." If it does attempt to do so, it will encounter one very powerful obstacle which will almost certainly defeat it, and that is that it has no power to deal with the causes. And for Congress to give it the power would require it to face basic questions about our industrial structure which I think it is unwilling to face.

A related question is the relevance of antitrust policy to the problem of inflation. For the reasons already stated, the antitrust laws actually have very little to offer toward solution of the problem of long-run inflation, even if the debatable assumption is made that inflation is partly due to the presence of oligopoly, or "administered prices."

## Fair Trade and Robinson-Patman

This paper does not permit any substantial discussion of "new directions" in the important pricing areas of "Fair Trade" and price discrimination under the Robinson-Patman Act.

I have already referred to the inconsistencies between these policies and the Sherman Act's condemnation of price fixing. The new emphasis upon the latter should increase the incentive to remove these inconsistencies.

A nation which values intellectual integrity should not, and I hope will not, tolerate the pampering of some business groups through legalized and enforced restraints upon price competition, while other businesses are subjected to charges of moral turpitude and threats of jail sentences for seeking avoidance of price competition for themselves.

Consequently, I believe a serious blow has been dealt to the efforts to induce Congress to pass a Federal Fair Trade law. Such a law is being sought in order to repair the damage done by the State Supreme Courts of 18 or 19 States where Fair Trade has been held unenforceable.

For similar reasons, I believe that the Federal Trade Commission's effort, represented in the pending *Anheuser-Busch* case, to make it legally hazardous to sell for competitive reasons at different prices in different markets will meet real opposition in the Supreme Court. The Robinson-Patman Act should apply to regional price cutting done for predatory reasons. But it ought not to be permitted to stifle effective price competition in local markets merely on the ground that the seller has higher prices in some other market.

It does not seem likely that the very court system which is now engaged in rigorous criminal punishment of private businessmen for limiting price competition will look with sympathy upon the doctrine manifested in the FTC's *Anheuser-Busch* approach.

There will be "new directions" in antitrust price policy, if these predictions are correct, only in the sense that we will go more clearly in one and the same direction. As far as I am concerned, this would be the right direction.

\*An address by Prof. Rahl before the Fourth Economic Conference of the National Industrial Conference Board, New York City.

# New Antitrust Directions in Pricing Policy and the Law

Continued from page 14

argument was that if the Sherman Act is aimed at preserving price competition, these situations should be attacked as non-competitive by reshaping the "conspiracy" doctrine to catch them. The term, "conscious parallelism," became the ingenious term of art which was offered to bridge the gap between the economic idea and the law.

This argument has had some effect in causing Judges to liberalize the use of circumstantial evidence in the proof of conspiracy. It has also certainly had the effect of causing much business alarm. It has proved in the long run, however, to have far more bark than bite, and there have been few, if any, Sherman Act cases where a conviction was based upon substituting consciously parallel, but independent action, for conspiracy.

On the contrary the courts in recent years have repeatedly balked at the idea. This they were bound to do for two very strong reasons. One is that violation of the Sherman Act is a crime, and the contention that a criminal violation could be based upon the fiction that independent business behavior was conspiratorial has been decidedly unpalatable to the courts. This objection could be met by limiting "conscious parallelism" cases to civil proceedings, but this is impossible under the present legal theory of the Sherman Act, under which the substantive law is the same whether the form of the case is criminal or civil. Even limiting such cases to civil proceedings would not meet the second major objection to this doctrine—an objection to which I have never heard a really plausible answer. This is that adoption of the doctrine would mean that much of our industry would be in a situation of inescapable and perpetual violation. But we have no present means whereby the causes of this situation could be removed, even if we thought it good policy to do so, and certainly the courts have neither the desire nor the wisdom to engage in the radical structural

redesigning which would be required.

The "new direction" which I see for this matter is simply that the electrical cases have reemphasized the seriousness of actual conspiracy and the importance of combating it. And the increased possibility of serious criminal punishment and jail sentences will undoubtedly cause the courts to be even more demanding in requiring adequate proof of guilt. The dismissal by district Judges of the price fixing charges in the *Salk Vaccine* case in 1959, and the *Arkansas Fuel Oil* case in 1960, and the reversal by a Court of Appeals of the judgment of conviction in the *Continental Baking* case also last year are leading examples of a definite present-day judicial district of convictions based upon merely uniform action. We may expect more such decisions.

## Administered Prices and Inflation

Renewed emphasis on real price fixing violations should also shift attention away from the phenomenon known as "administered prices," popularized by the name given to hearings conducted by the Kefauver Committee in steel, bread, automobiles, drugs and now electrical equipment. While those hearings have been important, this phrase in itself has no real antitrust content or significance. Presence of "administered prices" in the economic sense does not demonstrate either actual or probable violation of the Sherman Act.

"Administered prices" come from structures which typify contemporary American industry. In fact, insofar as the term means anything other than old-fashioned conspiracy, it is merely another way of talking about conscious parallelism, and the answer to it is the same. The courts will not attempt to remove the basic structural causes. Moreover, Congress is not likely to do anything basic about it either, nor should it do so in our present state of relative ignorance concerning really better alternatives. There is the possi-

# 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	Latest Month	Previous Month	Year Ago
<b>AMERICAN IRON AND STEEL INSTITUTE:</b>							
Indicated steel operations (per cent capacity)..... Aug. 27	66.5	65.3	63.6	54.5			
Equivalent to.....							
Steel ingots and castings (net tons)..... Aug. 27	1,944,000	1,900,000	1,858,000	1,552,000			
<b>AMERICAN PETROLEUM INSTITUTE:</b>							
Crude oil and condensate output—daily average (bbbls. of 42 gallons each)..... Aug. 11	7,045,360	7,024,160	6,930,310	6,836,810			
Crude runs to stills—daily average (bbbls.)..... Aug. 11	8,437,000	8,466,000	8,167,000	8,335,000			
Gasoline output (bbbls.)..... Aug. 11	30,061,000	30,626,000	29,558,000	30,015,000			
Kerosene output (bbbls.)..... Aug. 11	2,595,000	2,737,000	2,184,000	2,823,000			
Distillate fuel oil output (bbbls.)..... Aug. 11	13,726,000	14,037,000	12,922,000	13,314,000			
Residual fuel oil output (bbbls.)..... Aug. 11	5,469,000	6,207,000	5,757,000	6,090,000			
Stocks at refineries, bulk terminals, in transit, in pipe lines—							
Finished and unfinished gasoline (bbbls.) at..... Aug. 11	192,098,000	193,042,000	197,841,000	191,838,000			
Kerosene (bbbls.) at..... Aug. 11	32,123,000	*32,300,000	30,284,000	31,224,000			
Distillate fuel oil (bbbls.) at..... Aug. 11	137,927,000	*132,875,000	121,380,000	140,647,000			
Residual fuel oil (bbbls.) at..... Aug. 11	50,005,000	*49,758,000	48,647,000	43,969,000			
<b>ASSOCIATION OF AMERICAN RAILROADS:</b>							
Revenue freight loaded (number of cars)..... Aug. 12	591,062	588,969	563,306	600,021			
Revenue freight received from connections (no. of cars)..... Aug. 12	483,758	479,830	420,340	485,928			
<b>CIVIL ENGINEERING CONSTRUCTION—ENGINEERING NEWS-RECORD:</b>							
Total U. S. construction..... Aug. 17	\$479,000,000	\$557,300,000	\$509,500,000	\$455,100,000			
Private construction..... Aug. 17	240,000,000	240,000,000	202,500,000	238,900,000			
Public construction..... Aug. 17	225,800,000	317,300,000	307,000,000	216,200,000			
State and municipal..... Aug. 17	194,800,000	230,900,000	220,800,000	158,500,000			
Federal..... Aug. 17	31,000,000	86,400,000	86,200,000	57,700,000			
<b>COAL OUTPUT (U. S. BUREAU OF MINES):</b>							
Bituminous coal and lignite (tons)..... Aug. 12	8,220,000	7,925,000	7,440,000	8,080,000			
Pennsylvania anthracite (tons)..... Aug. 12	318,000	347,000	347,000	343,000			
<b>DEPARTMENT STORE SALES INDEX—FEDERAL RESERVE SYSTEM—1947-49 AVERAGE=100</b>							
..... Aug. 12	131	132	123	131			
<b>EDISON ELECTRIC INSTITUTE:</b>							
Electric output (in 000 kwh.)..... Aug. 19	15,665,000	16,080,000	15,829,000	14,866,000			
<b>FAILURES (COMMERCIAL AND INDUSTRIAL)—DUN &amp; BRADSTREET, INC.:</b>							
..... Aug. 17	366	343	343	279			
<b>IRON AGE COMPOSITE PRICES:</b>							
Finished steel (per lb.)..... Aug. 14	6.196c	6.196c	6.196c	6.196c			
Pig iron (per gross ton)..... Aug. 14	\$66.44	\$66.44	\$66.44	\$66.41			
Scrap steel (per gross ton)..... Aug. 14	\$37.83	\$37.83	\$36.67	\$32.50			
<b>METAL PRICES (E. &amp; M. J. QUOTATIONS):</b>							
Electrolytic copper—							
Domestic refinery at..... Aug. 16	30.600c	30.600c	30.600c	32.600c			
Export refinery at..... Aug. 16	28.075c	27.925c	27.900c	29.500c			
Lead (New York) at..... Aug. 16	11.000c	11.000c	11.000c	12.000c			
Lead (St. Louis) at..... Aug. 16	10.800c	10.600c	10.800c	11.800c			
Zinc (delivered) at..... Aug. 16	12.000c	12.000c	12.000c	13.500c			
Zinc (East St. Louis) at..... Aug. 16	11.500c	11.500c	11.500c	13.000c			
Aluminum (primary pig, 99.5%) at..... Aug. 16	26.000c	26.000c	26.000c	28.000c			
Straits tin (New York) at..... Aug. 16	119.500c	117.500c	116.250c	101.875c			
<b>MOODY'S BOND PRICES DAILY AVERAGES:</b>							
U. S. Government Bonds..... Aug. 22	86.56	86.02	88.02	89.25			
Average corporate..... Aug. 22	85.59	85.72	86.11	87.72			
Aaa..... Aug. 22	89.64	89.64	90.06	92.64			
Aa..... Aug. 22	87.74	87.86	88.13	90.06			
A..... Aug. 22	84.68	84.81	85.33	87.05			
Baa..... Aug. 22	80.93	80.93	81.17	81.66			
Railroad Group..... Aug. 22	83.15	83.28	83.40	84.94			
Public Utilities Group..... Aug. 22	86.38	86.51	87.45	88.95			
Industrials Group..... Aug. 22	87.45	87.45	87.45	89.23			
<b>MOODY'S BOND YIELD DAILY AVERAGES:</b>							
U. S. Government Bonds..... Aug. 22	4.02	4.08	3.83	3.61			
Average corporate..... Aug. 22	4.74	4.73	4.70	4.58			
Aaa..... Aug. 22	4.44	4.44	4.41	4.23			
Aa..... Aug. 22	4.58	4.57	4.55	4.41			
A..... Aug. 22	4.81	4.80	4.76	4.63			
Baa..... Aug. 22	5.11	5.11	5.09	5.05			
Railroad Group..... Aug. 22	4.93	4.92	4.91	4.79			
Public Utilities Group..... Aug. 22	4.68	4.67	4.60	4.49			
Industrials Group..... Aug. 22	4.60	4.60	4.60	4.47			
<b>MOODY'S COMMODITY INDEX</b>							
..... Aug. 22	376.4	377.1	371.6	363.0			
<b>NATIONAL PAPERBOARD ASSOCIATION:</b>							
Orders received (tons)..... Aug. 12	333,959	371,056	274,741	303,937			
Production (tons)..... Aug. 12	332,332	328,490	245,221	314,180			
Percentage of activity..... Aug. 12	94	94	73	92			
Unfilled orders (tons) at end of period..... Aug. 12	518,944	517,880	478,595	461,915			
<b>OIL, PAINT AND DRUG REPORTER PRICE INDEX—1949 AVERAGE=100</b>							
..... Aug. 18	114.46	114.40	113.91	109.62			
<b>ROUND-LOT TRANSACTIONS FOR ACCOUNT OF MEMBERS, EXCEPT ODD-LOT DEALERS AND SPECIALISTS</b>							
Transactions of specialists in stocks in which registered—							
Total purchases..... July 28	2,636,440	2,121,360	2,086,750	2,309,810			
Short sales..... July 28	508,100	348,050	312,890	366,650			
Other sales..... July 28	2,280,610	1,763,520	1,690,170	2,080,600			
Total sales..... July 28	2,788,710	2,111,570	2,003,060	2,447,250			
Other transactions initiated off the floor—							
Total purchases..... July 28	246,500	170,390	218,140	266,790			
Short sales..... July 28	25,200	6,300	14,100	65,540			
Other sales..... July 28	253,100	216,470	244,530	258,500			
Total sales..... July 28	278,300	222,770	258,630	324,040			
Other transactions initiated on the floor—							
Total purchases..... July 28	892,738	676,695	650,490	600,600			
Short sales..... July 28	153,140	97,760	112,850	97,750			
Other sales..... July 28	957,094	587,867	788,489	491,205			
Total sales..... July 28	1,110,234	285,627	701,339	588,955			
Total round-lot transactions for account of members—							
Total purchases..... July 28	3,775,678	2,968,445	2,955,380	3,177,200			
Short sales..... July 28	686,440	452,110	439,840	529,940			
Other sales..... July 28	3,490,804	3,567,857	2,823,189	2,830,305			
Total sales..... July 28	4,177,244	3,019,967	2,963,029	3,360,245			
<b>STOCK TRANSACTIONS FOR ODD-LOT ACCOUNT OF ODD-LOT DEALERS AND SPECIALISTS ON N. Y. STOCK EXCHANGE—SECURITIES EXCHANGE COMMISSION</b>							
Odd-lot sales by dealers (customers' purchases)—†							
Number of shares..... July 28	1,942,780	1,461,819	1,464,249	1,634,549			
Dollar value..... July 28	\$99,854,436	\$76,187,306	\$75,586,252	\$81,247,404			
Odd-lot purchases by dealers (customers' sales)—							
Number of orders—customers total sales..... July 28	1,650,227	1,359,996	1,370,685	1,293,471			
Customers' short sales..... July 28	12,302	18,093	10,647	18,365			
Customers' other sales..... July 28	1,637,925	1,341,903	1,360,038	1,275,106			
Dollar value..... July 28	\$83,931,142	\$69,674,708	\$68,634,032	\$62,881,602			
Round-lot sales by dealers—							
Number of shares—Total sales..... July 28	436,910	408,800	417,060	335,580			
Short sales..... July 28	436,910	408,800	417,060	335,580			
Other sales..... July 28	436,910	408,800	417,060	335,580			
Round-lot purchases by dealers—Number of shares..... July 28	730,760	510,300	484,430	670,450			
<b>TOTAL ROUND-LOT STOCK SALES ON THE N. Y. STOCK EXCHANGE AND ROUND-LOT STOCK TRANSACTIONS FOR ACCOUNT OF MEMBERS (SHARES):</b>							
Total round-lot sales—							
Short sales..... July 28	878,090	586,370	548,120	723,430			
Other sales..... July 28	17,225,830	13,347,410	13,540,480	12,590,720			
Total sales..... July 28	18,103,920	13,933,781	14,088,600	14,314,150			
<b>WHOLESALE PRICES, NEW SERIES — U. S. DEPT. OF LABOR — (1947-49=100):</b>							
Commodity Group—							
All commodities..... Aug. 15	118.9	*118.8	118.5	119.3			
Farm products..... Aug. 15	88.2	*87.5	86.2	80.6			
Processed foods..... Aug. 15	108.2	*107.7	107.0	107.8			
Meats..... Aug. 15	95.1	93.2	91.6	96.4			
All commodities other than farm and foods..... Aug. 15	127.4	*127.5	127.5	128.3			
<b>AMERICAN PETROLEUM INSTITUTE—Month of May:</b>							
Total domestic production (barrels of 42 gallons each).....	251,208,000	249,899,000	240,095,000				
Domestic crude oil output (barrels).....	221,553,000	219,846,000	212,296,000				
Natural gasoline output (barrels).....	29,637,000	30,040,000	27,739,000				
Benzol output (barrels).....	18,000	13,000	60,000				
Crude oil imports (barrels).....	33,566,000	26,969,000	30,571,000				
Refined product imports (barrels).....	23,902,000	27,878,000	20,711,000				
Indicated consumption domestic and export (barrels).....	292,610,000	280,611,000	275,070,000				
Increase all stocks (barrels).....	16,066,000	24,135,000	16,307,000				
<b>AMERICAN RAILWAY CAR INSTITUTE—Month of July:</b>							
Orders for new freight cars.....	2,452	1,214	1,306				
New freight cars delivered.....	1,229	3,142	3,893				
Backlog of cars on order and undelivered (end of month).....	10,644	11,821	26,658				
<b>BANK DEBITS—BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM—Month of July (000's omitted):</b>							
.....	\$247,657,000	\$272,083,000	\$223,539,000				
<b>BANKERS' DOLLAR ACCEPTANCES OUTSTANDING—FEDERAL RESERVE BANK OF NEW YORK—As of July 31:</b>							
Imports.....	\$414,951,000	\$395,245,000	\$400,062,000				
Exports.....	925,778,000	895,824,000	545,356,000				
Domestic shipments.....	22,914,000	24,321,000	17,240,000				
Domestic warehouse credits.....	163,050,000	182,502,000	58,641,000				
Dollar exchange.....	45,229,000	69,819,000	166,200,000				
Based on goods stored and shipped between foreign countries.....	728,914,000	702,970,000	373,469,000				
Total.....	\$2,300,837,000	\$2,270,681,000	\$1,560,968,000				
<b>BUSINESS INCORPORATIONS (NEW) IN THE UNITED STATES—DUN &amp; BRADSTREET, INC.—Month of July:</b>							
.....	14,382	16,418	14,709				
<b>BUSINESS INVENTORIES — DEPT. OF COMMERCE NEW SERIES — Month of June (Millions of dollars):</b>							
Manufacturing.....	\$53,600	*\$53,800	\$54,900				
Wholesale.....	13,400	13,300	12,900				
Retail.....	24,600	*25,100	25,300				
Total.....	\$91,600	*\$92,200	\$93,100				
<b>COMMERCIAL PAPER OUTSTANDING—FEDERAL RESERVE BOARD OF NEW YORK—As of July 31 (000's omitted):</b>							
.....	\$1,534,000	\$1,460,000	\$1,213,000				

# Securities Now in Registration

★ INDICATES ADDITIONS  
SINCE PREVIOUS ISSUE  
● ITEMS REVISED

**NOTE**—Because of the large number of issues awaiting processing by the SEC, it is becoming increasingly difficult to predict offering dates with a high degree of accuracy. The dates shown in the index and in the accompanying detailed items reflect the expectations of the underwriter but are not, in general, to be considered as firm offering dates.

## A. & E. Plastik Pak Co., Inc.

Aug. 1, 1961 ("Reg. A") 40,000 common shares (no par). Price—\$7.50. Proceeds—For equipment and working capital. Office—652 Mateo Street, Los Angeles. Underwriters—Blalack & Co., Inc., San Marino, Calif.; Harbison & Henderson, Los Angeles; May & Co., Portland, Ore., and Wheeler & Cruttenden, Inc., Los Angeles.

## Abbey Automation Systems, Inc. (8/29)

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.

## Abby Vending Manufacturing Corp.

July 26, 1961 ("Reg. A") 100,000 common shares (par 10 cents). Price—\$3. Business—The manufacture of coin operated vending machines. Proceeds—For moving expenses, an acquisition and working capital. Office—79 Clifton Place, Brooklyn, N. Y. Underwriter—L. H. Wright & Co., Inc., 135 Broadway, 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).

## Admiral Plastics Corp.

July 27, 1961 filed 340,000 common shares, of which 20,000 shares are to be offered by the company and 320,000 shares by the stockholders. Price—By amend-

ment. Business—The manufacture of plastic houseware products. Proceeds—For a new warehouse, repayment of debt and other corporate purposes. Office—557 Wortman Ave., Brooklyn, N. Y. Underwriter—Shearson, Hammill & Co., New York (managing).

## 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. (9/5)

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-Dynamics Corp.

Aug. 7, 1961 filed 100,000 common shares. Price—\$5. Business—The importation and distribution of Italian marble and mosaic tiles. Proceeds—For the purchase and installation of new moulds, machinery and equipment, research and general corporate purposes. Office—250 Goffle Road, Hawthorne, N. J. Underwriters—Cambridge Securities, Inc. and Edward Lewis Co., Inc., New York.

## 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.

## Airbalance, Inc.

July 17, 1961 ("Reg. A") 60,000 common shares (par five cents). Price—\$5. Office—2046 E. Lehigh Ave., Philadelphia. Underwriter—A. Sussel Co., 1033 Chestnut St., Philadelphia.

## Air Master Corp. (9/5)

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 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 October.

## Aksman (L. J.) & Co., Inc.

July 28, 1961 ("Reg. A") 80,000 common shares (par 10 cents). Price—\$3. Business—A mechanical contractor in design and installation of heating, ventilating and air conditioning systems. Proceeds—For moving, purchase of machinery and equipment, inventory, repayment of loans and working capital. Office—1425 Utica Avenue, Brooklyn 3, N. Y. Underwriters—Rothenberg, Heller & Co., Inc. and Carroll Co., New York.

## 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.

## 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).

## Allied Stores Corp. (10/9)

Aug. 4, 1961 filed \$27,006,200 of convertible subordinated debentures due Oct. 1, 1981 to be offered for subscription by stockholders on the basis of \$100 of debentures for each ten shares held. Price—By amendment. Business—The operation of department stores. Proceeds—For general corporate purposes. Office—401 Fifth Ave., New York. Underwriter—Lehman Brothers, New York (managing).

## Allstate Bowling Centers, Inc.

May 19, 1961 filed 300,000 shares of capital stock, of which 200,000 shares are being sold for the account of the company and 100,000 shares for All-State Properties, Inc., parent. The stock is being offered for subscription by holders of All-State Properties on the basis of one share for each nine shares held of record Aug. 11, with rights to expire Aug. 28. 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. (8/28)

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).

## Alpine Geophysical Associates, Inc.

July 28, 1961 filed 150,000 common shares. Price—By amendment. Business—The conducting of marine and land geophysical surveys for petroleum and mining exploration and engineering projects, and the manufacture of oceanographic and geophysical apparatus. Proceeds—For repayment of debt and general corporate purposes.

## Ainslie Corp. Stock All Sold

First Weber Securities Corp., New York City, reports that its recent offering of 75,000 common shares of Ainslie Corp., at \$4 per share has been all sold and the books closed. Net proceeds will be used by the company for an increase in plant facilities; retirement of debt; purchase of equipment; preparation of test range facilities and working capital.

The company with headquarters at Braintree, Mass., is engaged in the design, development and manufacture of micro-wave antennas, reflectors, ground support and handling equipment, wave-guide components and associated equipment. Its products are sold primarily to companies in the electronics, microwave, communications and radar detection and identification industries for use in systems involved in microwave relay, scatter com-

munications, missile guidance, satellite tracking, target acquisition, tactical military communications and radio astronomy.

## Now Beebe & Laval

HOUSTON, Tex.—The firm name of Beebe, Guthrie & Laval, First City National Bank Building, has been changed to Beebe & Laval.

## In Securities Business

WASHINGTON, D. C.—James C. Burkett is continuing the investment business of Guardian Investment Corporation, 1925 K Street, N. W.

## New Walston Branch

CONNEAUT, Ohio—Walston & Co., Inc. has opened a branch office at 245½ Main Street under the management of Reuben P. Markijohn. Mr. Markijohn was formerly with Ball, Burge & Kraus and Perry T. Blaine & Co.

## \$100,000,000 Calif. School Aid Bonds Offered

State Street Securities Corp., an affiliate of William S. Morris & Co., offered on Aug. 16, \$100,000,000 State of California school building aid bonds, series Z, due 1963-87, with coupons of 5, 3¾ and 3½%, priced to yield from 2% for the 1963 maturities out to 3.90% for those maturing in 1987.

State Street Securities won the issue at competitive sale on a bid of 100.005 for the assorted coupons, setting net interest cost at 3.7544%.

Drake & Co. has been retained as agent to run the books and is confirming bonds to recognized dealers and dealer banks only.

Rated Aa by Moody's and AAA by Standard & Poor's, the bonds are general obligations, backed by the full faith and credit of the State of California.

YOUR PRIME SOURCE FOR

all NEW  
ISSUES

BOUGHT - SOLD - QUOTED  
for Banks, Brokers, Institutions

Sidney A. SIEGEL  
& Co., Inc.

39 Broadway, New York 6, N. Y.

Digby 4-2370 Teletype No. N.Y. 1-5237

**Office**—55 Oak St., Norwood, N. J. **Underwriter**—S. D. Fuller & Co., New York (managing). **Offering**—Expected in early October.

**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.

**Amerel Mining Co. Ltd.**  
July 31, 1961 filed 400,000 common shares. **Price**—50 cents. **Business**—The company is engaged in exploration, development and mining. **Proceeds**—For diamond drilling, construction, exploration and general corporate expenses. **Office**—80 Richmond St., W., Toronto. **Underwriter**—E. A. Manning, Ltd., Toronto.

**Amerford 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 Thomas, Williams & Lee, Inc., New York.

**American Automatic Vending Corp.**  
Aug. 15, 1961 filed 270,000 common shares. **Price**—By amendment. **Business**—The sale of merchandise through vending machines. **Proceeds**—For the repayment of debt and other corporate purposes. **Office**—7501 Carnegie Ave., Cleveland, O. **Underwriter**—McDonald & Co., Cleveland.

**American Data Machines, Inc.**  
Aug. 17, 1961 filed 150,000 common shares. **Price**—\$4.50. **Business**—The manufacture of data processing equipment. **Proceeds**—For repayment of loans, new products, advertising, engineering, new machine tools, working capital and general corporate purposes. **Office**—7 Commercial St., Hicksville, N. Y. **Underwriters**—Amos Treat & Co., Inc. and Golkin Bomback & Co., New York (managing).

**American Electronic Laboratories, Inc. (9/11)**  
May 26, 1961 filed 10,632 shares of class A common stock to be offered for subscription by stockholders at the rate of one new share for each 10 shares held. **Price**—To be supplied by amendment. **Business**—The company is engaged in research and development in the field of electronic communication equipment. **Proceeds**—For construction, new equipment, and other corporate purposes. **Office**—121 North Seventh Street, Philadelphia. **Underwriter**—Suplee, Yeatman, Mosley Co., Inc., Philadelphia, Pa.

**American 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 Heritage Publishing Co., Inc.**  
Aug. 18, 1961 filed 140,000 common shares, of which 75,000 shares are to be offered by the company and 65,000 shares by stockholders. **Price**—By amendment. **Business**—Magazine and book publishing. **Proceeds**—For repayment of loans and general corporate purposes. **Office**—551 Fifth Ave., New York. **Underwriter**—White, Weld & Co., New York (managing). **Offering**—Expected in late October.

**American Micro Devices, Inc.**  
Aug. 2, 1961 filed 1,500,000 class A common shares. **Price**—\$1.15. **Business**—The manufacture of electronic components. **Proceeds**—The purchase of equipment and materials, operational expenses, working capital and rewriter—Naftalin & Co., Inc., Minneapolis.

**American Mortgage Investment Corp.**  
April 29, 1960 filed \$1,800,000 4% 20-yr. collateral trust bonds and 1,566,000 shares of class A non-voting common stock. It is proposed that these securities will be offered for public sale in units (2,000) known as Investment Certificates, each representing \$900 of bonds and 783 shares of stock. **Price**—\$1,800 per unit. **Proceeds**—To be used principally to originate mortgage loans and carry them until market conditions are favorable for disposition. **Office**—210 Center St., Little Rock, Ark. **Underwriter**—Amico, Inc.

**American 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 Precision Industries, Inc.**  
Aug. 18, 1961 filed 158,000 common shares, of which 115,000 shares are to be offered by the company and 38,000 shares by stockholders. **Price**—By amendment. **Business**—The machining and fabrication of components and assemblies from steel, aluminum and certain alloys and other metals. **Proceeds**—For a new plant and equipment, research and development, repayment of debt and working capital. **Office**—3901 Union Rd., Buffalo. **Underwriter**—Eastman Dillon, Union Securities & Co., 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, Nicolaus & 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 Self Service Stores, Inc.**  
Aug. 11, 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**—By amendment. **Business**—The operation of self-service shoe stores. **Proceeds**—For repayment of loans and expansion. **Office**—1908 Washington Avenue, St. Louis. **Underwriter**—Schreck, Richter Co., St. Louis.

**American Univend Corp. (8/25)**  
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. (8/28)**  
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).

**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 Ave., New York. **Underwriter**—J. J. Krieger & Co., 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).

**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. (8/28)**  
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.

**Ansul Chemical Co.**  
July 24, 1961 ("Reg. A") 12,000 common shares (par \$1). **Price**—By amendment. **Proceeds**—For working capital. **Address**—Marinette, Wis. **Underwriter**—Paine, Webber, Jackson & Curtis, Milwaukee.

**Apache Realty Corp. (9/11)**  
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. (8/28)**  
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

**NEW ISSUE CALENDAR**

<b>August 25 (Friday)</b>	
American Univend Corp. (Robert A. Martin Associates, Inc.) 100,000 shares	Common
Armour & Co. (Offering to stockholders—underwritten by Wertheim & Co.) \$32,500,000	Debentures
Eastern Air Devices, Inc. (Offering to stockholders—underwritten by Sutro Bros. & Co. and Gregory & Sons) \$750,000	Common
Fischbach & Moore, Inc. (Allen & Co.) 50,000 shares	Common
U. S. Fiberglass Products Co. (Hauser, Murdock, Rippey & Co.) \$400,000	Common
U. S. Home & Development Corp. (Auchincloss, Parker & Redpath) 300,000 shares	Capital
Vinco Corp. (S. D. Fuller & Co.) \$2,000,000	Debentures
<b>August 28 (Monday)</b>	
Alnar Rainwear Corp. (D. H. Blair & Co.) 120,000 shares	Common
Amerline Corp. (Dean Witter & Co.) 150,000 shares	Common
Anodyne, Inc. (Ross, Lyon & Co., Inc. and Globus, Inc.) \$6,250,000	Units
Applied Research Inc. (Cruttenden, Podesta & Co.) \$780,000	Common
Automated Merchandising Capital Corp. (Elair & Co. Inc.) \$4,000,000	Common
Casa Electronics Corp. (Adams & Co.) \$200,000	Common
Central Investment Corp. of Denver (Boettcher & Co.; Bosworth, Sullivan & Co., Inc. and Peters, Writer & Christensen, Inc.) \$2,250,000	Common
G-W Ameritronics, Inc. (Fraser & Co.) \$320,000	Units
Industrial Engravers, Inc. (A. J. Frederick Co., Inc.) \$240,000	Common
Industrial Gauge & Instrument Co., Inc. (R. F. Dowd & Co. Inc.) \$225,000	Common
Missile-Tronics Corp. (Hopkins, Calamari & Co., Inc.) \$227,850	Common
Taylor-Country Estate Associates. (Nat. Berger Associates, Inc.) \$2,420,000	Interests
T-Bowl International, Inc. (Peter Morgan & Co.) 400,000 shares	Common
Terry Industries, Inc. (Greenfield & Co., Inc.) 1,728,337 shares	Common
Tinsley Laboratories, Inc. (Troster, Singer & Co.) \$300,000	Capital
Trans-World Financial Co. (William R. Staats & Co.) 185,000 shares	Common
Tresco, Inc. (Amos Treat & Co. Inc.) \$500,000	Common
<b>August 29 (Tuesday)</b>	
Abbey Automation Systems, Inc. (John Joshua & Co., Inc.) \$300,000	Common
Blackman Merchandising Corp. (Midland Securities Co., Inc.) 72,500 shares	Common
Cal-Val Research & Development Corp. (Auchincloss, Parker & Redpath) 200,000 shares	Common
Marsan Industries, Inc. (T. M. Kirsch & Co.) \$500,000	Class A
Republic Aviation Corp. (Merrill Lynch, Pierce, Fenner & Smith Inc.) 214,500 shares	Common
<b>August 30 (Wednesday)</b>	
Irvan Ferromagnetics Corp. (Thomas Jay Winston & Co., Inc.) \$200,000	Common
Jolyn Electronic Manufacturing Corp. (Kerns, Bennett & Co. Inc.) \$193,500	Common
Minichrome, Inc. (Continental Securities Inc.) \$172,500	Common
Security Acceptance Corp. (No underwriting) \$800,000	Units
Southern Realty & Utilities Corp. (Hirsch & Co. and Lee Higginson Corp.) 6,280 units	Units
West Coast Bowling Corp. (Hill Richards & Co. Inc.) \$1,252,231.50	Common
<b>September 1 (Friday)</b>	
Automated Gift Plan, Inc. (J. Laurence & Co. Inc.) \$300,000	Common
Mohawk Insurance Co. (R. F. Dowd & Co. Inc.) \$900,000	Common
Reeves Broadcasting & Development Corp. (Laird & Co. Corp.) \$2,500,000	Debentures
Templeton Damroth Corp. (Hecker & Co.) \$445,000	Debentures
Thoroughbred Enterprises, Inc. (Sandkuhl & Co. Inc.) \$340,000	Common
Trinity Funding Corp. (Trinity Securities Corp.) \$1,500,000	Common
Washington Engineering Services Co., Inc. (No underwriting) 375,000 shares	Common
<b>September 4 (Monday)</b>	
Rabin-Winters Corp. (H. Hentz & Co.) 180,000 shares	Common
<b>September 5 (Tuesday)</b>	
Advanced Scientific Instruments, Inc. (Naftalin & Co.) \$1,006,250	Common
Air Master Corp. (Francis I. du Pont & Co.) 200,000 shares	Common
Bid D Chemical Co. (No underwriting) \$300,000	Class A
Computer Instruments Corp. (Hayden, Stone & Co.) 160,000 shares	Common
Continental Leasing Corp. (H. B. Crandall Co. and Cambridge Securities, Inc.) \$300,000	Common
Cosnat Record Distributing Corp. (Amos Treat & Co.) 150,000 shares	Common
Dadan, Inc. (McDonald, Anderson, Peterson & Co., Inc.) \$184,000	Common
Electro-Miniatures Corp. (Burnham & Co.) \$300,000	Common
Federal Tool & Manufacturing Co. (Jamieson & Co.) \$600,000	Common
Foamland U. S. A., Inc. (Fialkov & Co.) \$750,000	Common
Frontier Airlines, Inc. (No underwriting) 250,000 shares	Common
Ihnen (Edward H.) & Son, Inc. (Amos Treat & Co. Inc.) \$375,000	Common
Instrument Systems Corp. (Milton D. Blauner & Co.; M. L. Lee & Co., Inc. and Lieberbaum & Co.) \$750,000	Common

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Israel-America Hotels, Ltd. (Brager & Co.) \$1,250,000	Common
Kirk (C. F.) Laboratories, Inc. (Hill, Darlington & Grimm) 100,000 shares	Common
Mark Truck Rental Corp. (Vickers Securities Corp.) \$50,000	Common
Micro-Lectric, Inc. (Underhill Securities Corp.) \$220,000	Common
Nitrogen Oil Well Service Co. (Underwood, Neuhaus & Co. Inc.) \$1,000,000	Common
Old Empire, Inc. (Laird, Bissell & Meeds) \$800,000	Debentures
Patent Resources, Inc. (Darius Inc.; N. A. Hart & Co. and E. J. Roberts & Co. Inc.) 150,000 shares	Common
Riverview ASC, Inc. (Albion Securities Co., Inc.) \$300,000	Common
Roanwell Corp. (Paine, Webber, Jackson & Curtis) 150,000 shares	Common
Roberts Lumber Co. (Arthurs, Lestrangle & Co.) 55,000 shares	Common
Royal School Laboratories, Inc. (B. N. Rubin & Co., Inc.) \$850,000	Common
S. O. S. Photo-Cine-Optics, Inc. (William, David & Mottl) \$200,000	Units
Spectron, Inc. (Hampstead Investing Corp.) \$381,875	Common
Strouse, Inc. (H. A. Riecke & Co.) \$600,000	Debentures
Supronics Corp. (Amos Treat & Co. Inc.; Standard Securities Corp. and Bruno-Lencher Inc.) 90,000 shares	Common
TelePromPTer Corp. (Bear Stearns & Co.) \$5,000,000	Debentures
Templeton Damroth Corp. (Hecker & Co.) \$445,000	Debentures
Texas Capital Corp. (Dempsey-Tegeles & Co.) 1,000,000 shares	Common
Transvision Electronics, Inc. (Adams & Peck) 140,000 Shares	Common
Tri Metal Works, Inc. (Offering to stockholders—underwritten by R. L. Scheinman & Co. and Blaha & Co., Inc.) 68,000 shares	Common
Vic Tanny Enterprises, Inc. (S. D. Fuller & Co.) 320,000 shares	Common
XTRA, Inc. (Putnam & Co.) 182,570 shares	Common
York Research Corp. (Allen & Co.) 75,000 shares	Class A
<b>September 6 (Wednesday)</b>	
Gordon (I.) Realty Corp. (George D. B. Bonbright & Co.) \$1,600,000	Common
Intercontinental Dynamics Corp. (M. H. Woodhill Inc.) \$300,000	Common
Vacu-Dry Co. (Wilson, Johnson & Higgins) 400,000 shares	Common
<b>September 7 (Thursday)</b>	
Cosmodyne Corp. (Dean Witter & Co.) 100,000 shares	Common
Greene (M. J.) Co. (Hess, Grant & Remington Inc.) \$300,000	Common
Plasticon Corp. (No underwriting) \$1,996,998	Common
Rodney Metals, Inc. (Amos Treat & Co. Inc.) \$1,400,000	Common
T. V. Development Corp. (Kesselman & Co. and Brand, Grumet & Seigel Inc.) \$500,000	Common
<b>September 8 (Friday)</b>	
Lewis & Clark Marina, Inc. (Apache Corp.) \$300,000	Common
Lewis (Tillie) Foods, Inc. (Van Alstyne, Noel & Co.) 400,000 shares	Common
Western Union Telegraph Co. (Offering to stockholders—underwritten by Kuhn, Loeb & Co. and Lehman Brothers) 1,075,791 shares	Common
<b>September 11 (Monday)</b>	
A-Drive Auto Leasing System, Inc. (Hill, Darlington & Grimm) \$1,000,000	Class A
American Electronic Laboratories, Inc. (Offering to stockholders—underwritten by Suplee, Yeatman, Mosley Co. Inc.) 10,632 shares	Common
Apache Realty Corp. (Blunt Ellis & Simmons) \$5,000,000	Units
Arizona Color Film Processing Laboratories, Inc. (Offering to stockholders—no underwriting) \$462,110	Common
Cle-Ware Industries, Inc. (Westheimer & Co.) 195,000 shares	Common
First Small Business Investment Co. of Tampa (No underwriting) \$6,250,000	Common

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heating system. **Proceeds**—For inventory, salaries, advertising and promotion, and working capital. **Office**—1608 First National Bank Building, Minneapolis. **Underwriter**—M. H. Bishop & Co., Minneapolis. **Offering**—Expected in late September.

#### Arizona Color Film Processing Laboratories, Inc. (9/11)

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.

#### Arian'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).

Flato Realty Fund (Flato, Bean & Co.) \$20,000,000	Shares
Gilbert Youth Research, Inc. (McDonnell & Co.) 65,000 shares	Common
Glory Knitting Mills, Inc. (Shields & Co.) 125,000 shares	Common
Holly Stores, Inc. (Allen & Co.) 175,000 shares	Common
Income Planning Corp. (Espy & Wanderer Inc.) \$200,000	Units
Lytton Financial Corp. (William R. Staats & Co. and Shearson, Hammill & Co.) 300,000 shares	Capital
Missouri Fidelity Life Insurance Co. (A. C. Allyn & Co.) 200,000 shares	Common
National Semiconductor Corp. (Lee Higginson Corp.) 75,000 shares	Capital Stock
Southern Growth Industries, Inc. (Capital Securities Corp.) \$600,000	Common
T. F. H. Publications, Inc. (Arnold Malkin & Co., Inc.) \$300,000	Common
Techno-Vending Corp. (International Services Corp.) \$300,000	Common
Telephones, Inc. (Hayden, Stone & Co. and McCormick & Co.) 250,000 shares	Common
Thermo-Chem Corp. (Best & Garey Co., Inc.) \$565,000	Common
Triangle Instrument Co. (Armstrong & Co. Inc.) \$300,000	Common
U. S. Plastic & Chemical Corp. (Adams & Peck) 125,000 shares	Common
Universal Health, Inc. (Cortlandt Investing Corp.) \$300,000	Common
Wetterau Foods, Inc. (G. H. Walker & Co., Inc.) 100,000 shares	Common
<b>September 12 (Tuesday)</b>	
Rocky Mountain Natural Gas Co., Inc. (Merrill Lynch, Pierce, Fenner & Smith Inc.) 75,000 units	Units
Universal Moulded Fiber Glass Corp. (A. G. Edwards & Sons) \$2,750,000	Common
<b>September 13 (Wednesday)</b>	
Creative Playthings, Inc. (A. G. Becker & Co., Inc. and Semple, Jacobs & Co., Inc.) 100,000 shares	Common
King's Department Stores, Inc. (Shearson, Hammill & Co.) 500,000 shares	Common
Photo-Animation, Inc. (First Philadelphia Corp.) \$187,500	Common
<b>September 15 (Friday)</b>	
Rudd-Melkian, Inc. (Stearns & Co.) \$1,300,000	Common
Walter Sign Corp. (Amber, Burstein & Co.) \$300,000	Common
<b>September 18 (Monday)</b>	
Badger Northland, Inc. (Loewi & Co., Inc.) 100,000 shares	Common
Commonwealth Theatres of Puerto Rico, Inc. (J. R. Williston & Beane) \$1,000,000	Com.
Consolidated Production Corp. (Shearson, Hammill & Co.) 200,000 shares	Common
Custom Shell Homes, Inc. (T. J. McDonald & Co.) \$300,000	Common
Douglas Microwave Co., Inc. (J. R. Williston & Beane and Hill, Darlington & Grimm) 100,000 shares	Common
Drug & Food Capital Corp. (A. C. Allyn & Co. and Westheimer & Co.) \$5,000,000	Common
Empire Life Insurance Co. of America (Consolidated Securities, Inc.) \$300,000	Capital
Harn Corp. (J. R. Williston and Beane) 150,000 shares	Common
Houston Corp. (Offering to stockholders—no underwriting) 583,334 shares	Common
Lincoln Fund, Inc. (Horizon Management Corp.) 951,799 shares	Common
Loew's Companies, Inc. (G. H. Walker & Co., Inc.) 388,250 shares	Common
M P I Glass Fibers, Inc. (Atlantic Equities Co.) \$300,000	Common
Mairs & Power Income Fund, Inc. (No underwriting) 40,000 shares	Common
NAC Charge Plan & Northern Acceptance Corp. (Sade & Co.) 33,334 shares	Class A
National Periodical Publications, Inc. (Shearson, Hammill & Co. and Prescott, Shepard & Co., Inc.) 500,000 shares	Common
Natpac Inc. (William, David & Mottl, Inc.) \$475,000	Common
Parish (Amos) & Co., Inc. (The James Co.) 208,000 shares	Common
Polytronic Research, Inc. (Jones, Kreeger & Co. and Balogh & Co.) 193,750 shares	Common
Second Financial, Inc. (Globeus Inc.) \$300,000	Common

#### Armour & Co. (8/25)

Aug. 3, 1961 filed \$32,500,000 of convertible subordinated debentures due 1983 to be offered for subscription by stockholders. **Price**—By amendment. **Business**—Meat packing. **Proceeds**—For plant expansion and general corporate purposes. **Office**—401 N. Wabash Ave., Chicago. **Underwriter**—Wertheim & Co., New York (managing).

#### 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.

#### Atmotron, Inc.

July 27, 1961 ("Reg. A") 150,000 common shares (par 10 cents). **Price**—\$1.15. **Proceeds**—For general corporate purposes. **Office**—5209 Hanson Court, Minneapolis. **Underwriter**—J. P. Penn & Co., Inc., Minneapolis.

#### 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

United Investors Corp. (No underwriting) \$761,090	Class A
Wainrite Stores, Inc. (Omega Securities Corp.) \$300,000	Common
<b>September 20 (Wednesday)</b>	
General Forms, Inc. (Equity Securities Co.) \$300,000	Common
<b>September 22 (Friday)</b>	
Gyrodyne Co. of America, Inc. (Harriman R. Peay & Co.) 30,000 units	Units
<b>September 25 (Monday)</b>	
Bargain Town, U. S. A., Inc. (Schweickart & Co.) \$1,800,000	Common
Cellomatic Battery Corp. (Armstrong & Co. Inc.) \$250,000	Common
Micro-Precision Corp. (Manufacturers Securities Corp.) \$300,000	Common
Middle Atlantic Investment Co. (Best & Garey Co., Inc.) \$700,000	Common
Midwest Technical Development Corp. (Lee Higginson Corp. and Piper, Jaffray & Hopwood) 800,000 shares	Common
Reher Simmons Research Inc. (McLaughlin, Kauffman & Co.) \$900,000	Capital
Semicon, Inc. (S. D. Fuller & Co.) 125,000 shares	Common
Stratton Corp. (Cooley & Co.) \$60,000	Debentures
Valley Title & Trust Co. (Louis R. Dreyling & Co.) \$600,000	Common
<b>September 26 (Tuesday)</b>	
Pacific Gas & Electric Co. (Bids to be received) \$60,000,000	Bonds
<b>September 29 (Friday)</b>	
Mite Corp. (Kidder, Peabody & Co. and Charles W. Scranton & Co.) 325,000 shares	Capital
<b>October 2 (Monday)</b>	
Public Service Co. of Colorado (Bids 11:30 a. m. EDST) \$20,000,000	Bonds
Sav-Mor Oil Corp. (Armstrong & Co. Inc.) \$230,000	Common
Shasta Minerals & Chemical Co. (No underwriting) \$1,250,000	Common
<b>October 3 (Tuesday)</b>	
Gulf States Utilities Co. (Bids 11 a. m.) \$15,000,000	Debentures
<b>October 9 (Monday)</b>	
Allied Stores Corp. (Offering to stockholders—underwritten by Lehman Bros.) \$27,006,200	Debentures
<b>October 10 (Tuesday)</b>	
Kansas Power & Light Co. (Bids to be received) \$13,000,000	Debentures
<b>October 13 (Friday)</b>	
Columbia Research Group (No underwriting) \$5,000,000	Preferred
<b>October 16 (Monday)</b>	
Hogan Faximile Corp. (William R. Staats & Co.) 300,000 shares	Common
Keller Corp. (Casper Rogers & Co., Inc.) \$1,200,000	Debentures
Swingline, Inc. (Paine, Webber, Jackson & Curtis) 200,000 shares	Common
<b>October 17 (Tuesday)</b>	
Public Service Electric & Gas Co. (Bids 11 a. m. EDST) \$50,000,000	Debentures
<b>October 18 (Wednesday)</b>	
Georgia Power Co. (Bids 11 a. m. EDST) \$7,000,000	Preferred
Georgia Power Co. (Bids noon EDST) \$10,000,000	Bonds
<b>October 23 (Monday)</b>	
Guy's Foods, Inc. (Allen & Co.) \$970,000	Common
Wonderbowl, Inc. (Standard Securities Corp.) \$300,000	Common
<b>October 25 (Wednesday)</b>	
New England Power Co. (Bids to be received) \$20,000,000	Bonds
<b>November 14 (Tuesday)</b>	
Rochester Gas & Electric Corp. (Bids to be received) \$15,000,000	Bonds
<b>December 5 (Tuesday)</b>	
Virginia Electric & Power Co. (Bids to be received) \$15,000,000	Bonds

ment investment company formed to provide financial assistance to concerns active in the vending industry. **Proceeds**—For investment. **Office**—10 East 40th St., New York City. **Underwriter**—Blair & Co., Inc., New York City (managing).

#### Automated Prints, Inc.

July 24, 1961 ("Reg. A") 85,000 common shares (par 10 cents). **Price**—\$3.50. **Business**—The silk screen printing of designs on textile fabrics. **Proceeds**—For equipment, a new plant, repayment of debt and working capital. **Office**—201 S. Hoskins Rd., Charlotte, N. C. **Underwriter**—Street & Co., Inc., New York.

#### 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).

#### Avemco Finance Corp.

Aug. 15, 1961 filed 300,000 common shares. **Price**—By amendment. **Business**—The retail financing of time sales to consumers and the financing of dealer sales of aircraft and related equipment. **Proceeds**—For the repayment of debt. **Office**—8645 Colesville Rd., Silver Spring, Md. **Underwriters**—Sterling, Grace & Co., New York and Rouse, Brewer, Becker & Bryant, Inc., Washington, D. C.

#### Babcock Electronics Corp.

Aug. 11, 1961 filed 300,000 capital shares, of which 50,000 shares are to be offered by the company and 250,000 shares by stockholders. **Price**—By amendment. **Business**—The manufacture of electronic units for remote control of aircraft. **Proceeds**—For repayment of loans, working capital and general corporate purposes. **Office**—1640 Monrovia Avenue, Costa Mesa, Calif. **Underwriters**—Blyth & Co., Inc., New York and Schwabacher & Co., San Francisco (managing).

#### Badger Northland, Inc. (9/18)

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.

#### Bargain Town, U. S. A., Inc. (9/25)

July 27, 1961 filed 300,000 common shares, of which 200,000 shares are to be offered by the company and 100,000 shares by the stockholders. **Price**—\$6. **Business**—The operation of discount department stores. **Proceeds**—For the repayment of debt, and working capital. **Office**—Rockaway Turnpike, North Lawrence, L. I., N. Y. **Underwriter**—Schweickart & Co., New York (managing).

#### 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.

#### Bid D Chemical Co. (9/5)

May 17, 1961 (letter of notification) 60,000 shares of class A common stock (par \$1). **Price**—\$5 per share. **Office**—1708 W. Main St., Oklahoma City, Okla. **Underwriter**—To be named.

#### Black & Decker Manufacturing Corp.

Aug. 11, 1961 filed 120,000 outstanding common shares. **Price**—By amendment. **Business**—The manufacture of power tools. **Proceeds**—For the selling stockholder. **Office**—Towson, Md. **Underwriter**—Eastman Dillon, Union Securities & Co., New York (managing).

#### Blackman Merchandising Corp. (8/29)

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.

#### 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.

#### Bowl-Tronics, Inc.

Aug. 16, 1961 ("Reg. A") 100,000 common shares. **Price**—\$2.30. **Business**—The manufacture of automatic electronic scorecards for bowling alleys and other electronic entertainment devices. **Proceeds**—For working capital and expansion. **Office**—1319 F St., N. W., Washington, D. C. **Underwriters**—Fund Securities, Inc., Staten Island, N. Y. (managing) and Seaborn Co., Washington, D. C.

#### 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.

#### Bradley Industries, Inc.

July 25, 1961 filed 70,000 common shares (par \$1). **Price**—\$5. **Business**—The manufacture of plastic boxes and containers. **Proceeds**—For repayment of loans, purchase of additional molds, acquisition of a new plant, working capital and general corporate purposes. **Office**—1650 N. Damen Ave., Chicago. **Underwriter**—D. E. Liederman & Co., Inc., New York.

#### Brinkton, Inc.

July 28, 1961 ("Reg. A") 133,000 common shares (par 70 cents). **Price**—\$2.25. **Proceeds**—Repayment of loans and working capital. **Office**—710 N. Fourth Street, Minneapolis. **Underwriter**—McDonald, Anderson, Peterson & Co., Inc., Minneapolis.

#### 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**—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).

#### Buffums'

Aug. 7, 1961 filed 40,000 common shares. **Price**—By amendment. **Business**—The operation of department stores in Southern California. **Proceeds**—For general corporate purposes. **Office**—Pine at Broadway, Long Beach, Calif. **Underwriter**—Lester, Ryons & Co., Los Angeles.

#### Bundy Electronics Corp.

Aug. 22, 1961 filed 100,000 common shares. **Price**—\$4. **Business**—The design, development and manufacture of electronic components for space and earth communications. **Proceeds**—For moving expenses, repayment of debt and working capital. **Office**—171 Fabyan Place, Newark. **Underwriters**—Bruno-Lencher, Inc., Pittsburgh and Harry Odzer Co., New York (co-managing).

#### Burns (William J.) International Detective Agency, Inc.

Aug. 22, 1961 filed 175,000 class A common shares. **Price**—By amendment. **Proceeds**—For the selling stockholders. **Office**—101 Park Ave., New York. **Underwriter**—Smith, Barney & Co., Inc., New York (managing).

#### Business & Product Promotions, Inc.

Aug. 15, 1961 ("Reg. A") 80,000 common shares (par \$1). **Price**—\$2.50. **Proceeds**—For working capital. **Address**—P. O. Box A, East Tincup, Colo. **Underwriter**—None.

#### Caidor, Inc.

July 27, 1961 filed 120,000 common shares. **Price**—\$5. **Business**—The operation of retail discount stores. **Proceeds**—For expansion and working capital. **Office**—69 Jefferson St., Stamford, Conn. **Underwriter**—Ira Haupt & Co., New York (managing).

#### California Growth Capital Inc.

July 18, 1961 filed 660,000 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.

#### California Real Estate Investors

Aug. 17, 1961 filed 1,000,000 shares of beneficial interest. **Price**—\$10. **Business**—Real estate investment. **Office**—12014 Wilshire Blvd., Los Angeles. **Underwriter**—Harnack, Gardner & Co., (same address) (managing).

#### Cal-Val Research & Development Corp. (8/29)

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.

#### 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).

#### Carboline Co.

Aug. 4, 1961 filed 100,000 common shares, of which 35,000 shares are to be offered by the company and 65,000 shares by stockholders. **Price**—\$5. **Business**—The manufacture of synthetic linings and coatings for industrial use. **Proceeds**—For repayment of loans, research and working capital. **Office**—32 Hanley Industrial Court, St. Louis. **Underwriter**—Reinholdt & Gardner, St. Louis (managing).

#### Card Key Systems, Inc.

July 28, 1961 ("Reg. A") 60,000 common shares (no par). **Price**—\$5. **Proceeds**—For research and development, advertising equipment and working capital. **Office**—923

S. San Fernando Boulevard, Burbank, Calif. **Underwriter**—Rutner, Jackson & Gray, Inc., Los Angeles.

#### Caressa, Inc.

Aug. 2, 1961 filed 150,000 common shares, of which 75,000 will be sold by the company and 75,000 by a stockholder. **Price**—By amendment. **Business**—The manufacture of women's shoes. **Proceeds**—The company will use its share of the proceeds for expansion, the repayment of debt and for other corporate purposes. **Office**—5300 N. W. 37th Ave., Miami, Fla. **Underwriter**—Shearson, Hammill & Co., New York (managing).

#### Carold Realty Co., Inc.

Aug. 14, 1961 ("Reg. A") 200-7% subordinated notes (\$1,000 face amount) due Oct. 1, 1976 with the right to acquire 50,000 common shares (par one cent). **Price**—For notes, 100%; for stock, \$2. **Business**—General real estate. **Proceeds**—For working capital. **Office**—1100 Bergen Street, Brooklyn 16, N. Y. **Underwriter**—None.

#### Casa Electronics Corp. (8/28-9/1)

July 19, 1961 ("Reg. A") 80,000 common shares (par 50 cents). **Price**—\$2.50. **Proceeds**—For test equipment, reduction of mortgage and working capital. **Office**—2233 Barry Ave., West Los Angeles, Calif. **Underwriter**—Adams & Co., Los Angeles (managing).

#### Casavan Industries, Inc.

Aug. 21, 1961 filed 275,000 capital shares. **Price**—By amendment. **Business**—The production and importation of marble and vitreous mosaic products used in the building construction field. **Proceeds**—For equipment, inventory, leasehold improvements, construction, repayment of loans and general corporate purposes. **Office**—250 Vreeland Avenue, Paterson, N. J. **Underwriter**—To be named.

#### Cellomatic Battery Corp. (9/25)

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.

#### Central Investment Corp. of Denver (8/28)

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.

#### 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. **Note**—Pistell, Crowe, Inc., is no longer underwriting this issue. New underwriter to be named.

#### 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).

#### Chermil Capital Corp.

July 25, 1961 filed 250,000 common shares. **Price**—\$2. **Business**—A closed-end investment company. **Proceeds**—For investment. **Office**—32 Broadway, New York. **Underwriter**—Edward H. Stern & Co., Inc., New York.

#### 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).

#### 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**—Alessandrini & Co., Inc. and Hardy & Hardy, New York (co-managing).

#### Cle-Ware Industries, Inc. (9/11)

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.

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**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.

**Cobbs Fruit & Preserving Co.**

July 27, 1961 filed 150,000 common shares, of which 128,500 are to be offered for public sale by the company and 21,500 by the underwriter. Price—\$5. **Business**—The sale of fruits, candies, preserves and novelties. **Proceeds**—For expansion and other corporate purposes. **Office**—400 N. E. 79th St., Miami, Fla. **Underwriter**—Jay W. Kaufmann & Co., New York.

**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 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 (10/13)**

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).

**Commonwealth Theatres of Puerto Rico, Inc. (9/18)**

July 23, 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—\$10. **Business**—The operation of a chain of theatres in Puerto Rico. **Proceeds**—For construction of a drive-in movie theatre, building renovations and general corporate purposes. **Address**—Santurce, Puerto Rico. **Underwriter**—J. R. Williston & Beane, New York (managing).

**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).

**Comstock Coin Co.**

Aug. 15, 1961 ("Reg. A") 5,680 class A common shares (par \$30). Price—\$50. **Proceeds**—For advertising, furniture, equipment and inventory. **Office**—158 N. Virginia Street, Reno. **Underwriter**—None.

**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. (9/18)**

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 Cadon Production Corp.

**Consumers Utilities Corp.**

July 27, 1961 filed 302,000 outstanding common shares to be offered for subscription by stockholders of Mobilife Corp., of Bradenton, Fla., parent company, on the basis of 3 Consumers shares for each 5 Mobilife shares held. Price—By amendment. **Business**—The acquisition, construction and operation of water-treatment and sewage-disposal plants in suburban areas of Florida. **Proceeds**—For the selling stockholder (Mobilife Corp.). **Office**—Sarasota, Fla. **Underwriter**—Golkin, Bomback & Co., New York City.

**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. (9/5)**

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.

**Continental-Pacific Industries, Inc.**

July 21, 1961 ("Reg. A") 300,000 common shares (par 10 cents). Price—\$1. **Proceeds**—For repayment of loans, tooling, a patent purchase, salaries, inventory and working capital. **Office**—1299 Bay Shore Blvd., Burlingame, Calif. **Underwriter**—Amos C. Sudler & Co., Denver.

**Continental Real Estate Investment Trust**

Aug. 3, 1961 filed 300,000 shares of beneficial interest. Price—\$10. **Business**—Real estate. **Proceeds**—For investment. **Office**—530 St. Paul Place, Baltimore. **Underwriter**—F. Baruch & Co., Inc., Washington, D. C. (managing).

**Continental Vending Machine Corp.**

Aug. 11, 1961 filed \$5,052,700 of 6% convertible subordinated debentures due 1976, to be offered for subscription by stockholders on the basis of \$100 of debentures for each 80 common shares held. Price—By amendment. **Business**—The manufacturing of vending machines. **Proceeds**—For repayment of loans and working capital. **Office**—956 Brush Hollow Road, Westbury, L. I., N. Y. **Underwriter**—Hardy & Co., New York (managing).

**Control Data Corp.**

Aug. 10, 1961 filed 300,000 common shares. Price—By amendment. **Business**—The manufacture of mechanical equipment. **Proceeds**—For repayment of loans, working capital and general corporate purposes. **Office**—501 Park Avenue, Minneapolis. **Underwriter**—Dean Witter & Co., San Francisco (managing).

**Control Lease Systems, Inc.**

July 21, 1961 ("Reg. A") 260,000 common shares (par 10 cents). Price—\$1.15. **Proceeds**—For equipment, research and development and capital expenditures. **Office**—3386 Brownlow Ave., St. Louis Park, Minn. **Underwriters**—M. H. Bishop & Co., and J. P. Penn & Co., Inc., Minneapolis.

**Cook (L. L.)**

Aug. 4, 1961 filed 49,736 common shares, of which 9,600 shares are to be offered by the company and 40,136 shares by stockholders. Price—By amendment. **Business**—The processing of photographic film, wholesaling of photographic supplies and the manufacture of post cards. **Proceeds**—For general corporate purposes. **Office**—1830 N. 16th St., Milwaukee. **Underwriter**—Milwaukee Co., Milwaukee (managing).

**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.

**Corning Glass Works**

Aug. 4, 1961 filed 150,000 common shares (par \$5). Price—By amendment. **Business**—The manufacture of specialized glass products. **Proceeds**—For the selling stockholders. **Address**—Corning, N. Y. **Underwriters**—Harriman Ripley & Co. and Lazard Freres & Co., New York (co-managing).

**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. (9/7)**

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**—Dominick & Dominick, Inc., New York.

**Cosnat Record Distributing Corp. (9/5-8)**

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.

**Cramer Electronics, Inc.**

July 27, 1961 filed 150,000 common shares, of which 107,250 shares are to be offered by the company and 42,750 shares by the stockholders. Price—By amendment.

**Business**—The distribution of electronic components and equipment. **Proceeds**—For repayment of loans, inventory and working capital. **Office**—811 Boylston St., Boston. **Underwriter**—Carl M. Loeb, Rhoades & Co., New York (managing).

**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).

**Creative Playthings, Inc. (9/13)**

July 28, 1961 filed 100,000 common shares. Price—By amendment. **Business**—The manufacture of equipment and material for children. **Proceeds**—For research and development, expansion, repayment of loans and working capital. **Address**—Cranbury, N. J. **Underwriter**—A. G. Becker & Co., Inc., Chicago and Semple, Jacobs & Co., Inc., St. Louis.

**Cromwell Business Machines, Inc.**

Aug. 1, 1961 ("Reg. A") 100,000 common shares (par 50 cents). Price—\$3. **Proceeds**—For repayment of loans, machinery, leasehold improvements, advertising and working capital. **Office**—7451 Coldwater Canyon Avenue, North Hollywood, Calif. **Underwriter**—Pacific Coast Securities Co., San Francisco.

**Crossway Motor Hotels, Inc.**

Aug. 4, 1961 filed 70,000 common shares. Price—\$5. **Business**—The operation of a motor hotel chain. **Proceeds**—For acquisition, expansion and the repayment of debt. **Office**—54 Tarrytown Rd., White Plains, N. Y. **Underwriter**—Candee & Co., New York.

**Custom Shell Homes, Inc. (9/18)**

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. (9/5)**

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.

**Dale Systems, Inc.**

Aug. 9, 1961 filed 100,000 common shares. Price—\$3.50. **Business**—A shopping service which checks the efficiency of retail sales employees. **Proceeds**—For expansion and general corporate purposes. **Office**—1790 Broadway, New York. **Underwriter**—Theodore Arrin & 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 Capital Corp.**

Aug. 9, 1961 filed 500,000 common shares. Price—By amendment. **Business**—A small business investment company. **Proceeds**—For investment. **Office**—610 National Bank of Commerce Building, New Orleans. **Underwriters**—Blair & Co., New York and Howard, Weil, Labrousse, Friedrichs & Co., New Orleans (managing).

**Delta Sonics, Inc.**

Aug. 3, 1961 ("Reg. A") 100,000 common shares (par \$1). Price—\$3. **Business**—The manufacture of ultrasonic and electronic systems and components. **Proceeds**—For plant and equipment; material and inventory; repayment of a loan and working capital. **Office**—12918 Gerise Ave., Hawthorne, Calif. **Underwriter**—Hass, Lidster & Co., Los Angeles.

**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. (9/18)**

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).

**Dressen-Barnes Electronics Corp.**

Aug. 14, 1961 filed 100,000 capital shares, of which 75,000 shares are to be offered by the company and 25,000 shares by stockholders. **Price**—By amendment. **Business**—The manufacture of power supplies and automatic label dispensers. **Proceeds**—For repayment of loans, and working capital. **Office**—250 N. Vinedo Street, Pasadena, Calif. **Underwriter**—Lester, Ryons & Co., Los Angeles.

• **Drug & Food Capital Corp. (9/18-22)**

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 Cable Systems**

July 31, 1961 ("Reg. A") 50,000 common shares (par 50 cents). **Price**—\$6. **Proceeds**—For repayment of debt-equipment and working capital. **Office**—8421 Telfair Avenue, Sun Valley, Calif. **Underwriter**—Raymond Moore & Co., Los Angeles.

**Dynamic Gear Co., Inc.**

June 29, 1961 filed 125,000 common shares of which 100,000 shares are to be offered 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.

• **Eastern Air Devices, Inc. (8/25)**

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 of record about Aug. 25 with rights to expire Sept. 15. **Price**—\$5. **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).

★ **Eastern Properties Improvement Corp.**

Aug. 22, 1961 filed 1,500,000 of subordinated debentures due 1981 and 250,000 common shares. **Price**—For debentures, \$1,000; for stock, \$10. **Business**—General real estate. **Proceeds**—For the acquisition and development of real properties, repayment of debt and engineering, etc. **Office**—10 E. 40th St., New York. **Underwriter**—Woodcock, Moyer, Fricke & French, Inc., Philadelphia (managing).

**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).

**Electra International, Ltd.**

May 5, 1961 filed 70,000 shares of capital stock. **Price**—To be supplied by amendment. **Business**—The manufacture of products in the automotive ignition field for sale outside of the United States. **Proceeds**—For research, and development, and working capital. **Office**—222 Park Ave., South, New York City. **Underwriter**—Ezra Kureen Co., New York City.

★ **Electra-Tronics, Inc.**

Aug. 14, 1961 ("Reg. A") 60,000 common shares (par 75 cents). **Price**—\$3. **Proceeds**—For repayment of loans; inventory; expansion and working capital. **Office**—724 King St., Cocoa, Fla. **Underwriter**—Jay Norton & Co., Sarasota, Fla.

**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. (9/5)**

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-Tec Corp.**

July 28, 1961 filed 91,000 common shares (par 10 cents). **Price**—By amendment. **Business**—The manufacture of slip rings and brush block assemblies, switching devices, relays, and precious metal products. **Proceeds**—For the selling stockholders. **Office**—10 Romanelli Ave., South Hackensack, N. J. **Underwriter**—Harriman Ripley & Co., Inc., New York (managing). **Offering**—Expected in late September.

**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.

**Electronics Discovery Corp.**

July 26, 1961 filed 150,000 common shares. **Price**—\$1. **Business**—The company plans to develop a device to make non-conductors into electrical conductors by the addition of chemicals. **Proceeds**—For research and development. **Office**—1100 Shames Dr., Westbury, L. I., N. Y. **Underwriter**—Globus, Inc., New York.

★ **Electronics, Inc.**

Aug. 14, 1961 ("Reg. A") 60,000 common shares. **Price**—\$3. **Business**—The company is a military sub-contractor in the electronics field. **Proceeds**—For the repayment of loans and working capital. **Office**—1242 N. Palm, Sarasota, Fla. **Underwriter**—Jay Morton & Co., Inc., Sarasota.

**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. **Offering**—Expected in mid-September.

**Empire Life Insurance Co. of America (9/18)**

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.

★ **Equipment Investors, Inc.**

Aug. 14, 1961 ("Reg. A") 250,000 common shares (par 25 cents) to be offered to residents of the State of Minnesota only. **Price**—\$1.15. **Proceeds**—For machinery, equipment and working capital. **Office**—1309 S. Clover Drive, Minneapolis 20, Minn. **Underwriter**—None.

**Equitable Leasing Corp.**

June 19, 1961 ("Reg. A") 90,000 common shares (par 25 cents) being offered for subscription by stockholders of record August 15, with rights to expire August 30. **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.

**Executive Equipment Corp.**

Aug. 1, 1961 filed 100,000 common shares. **Price**—\$4. **Business**—The long-term leasing of automobiles. **Proceeds**—For the purchase of automobiles, establishment of a trucking division and a sales office, and for working capital. **Office**—790 Northern Blvd., Great Neck, N. Y. **Underwriters**—Reich & Co., and Jacques Coe & Co., New York.

**FM-Stereo Guide, Inc.**

Aug. 4, 1961 "Reg. A" 50,000 common shares. **Price**—\$6. **Business**—The company plans to publish a national magazine featuring detailed FM radio program listings, reviews, interviews, etc. **Proceeds**—For general corporate purposes. **Office**—1711 Walnut Street, Philadelphia. **Underwriter**—Valley Forge Securities Co., Inc., New York City and Philadelphia.

**Fairfield Controls, Inc.**

May 19, 1961 filed 150,000 shares of common stock. **Price**—\$1 per share. **Business**—The manufacture of electronic solid state power controls designed by the company's engineers from specifications supplied by customers. **Proceeds**—For equipment, repayment of a loan, inventory, advertising and working capital. **Office**—114 Manhattan Street, Stamford, Conn. **Underwriters**—First Philadelphia Corp., and Lieberbaum & Co., both of New York.

**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 working 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 Sept. 8.

**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 Manufacturing & Engineering Corp.**

June 30, 1961 filed 534,346 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. The record date and the rights expiration date in both cases are Aug. 25 and Sept. 14, respectively. **Price**—\$4. **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. (9/5)**

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.

**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 in the Trust. **Price**—By amendment. **Business**—Real estate investment. **Office**—15 William St., New York. **Distributor**—Aberdeen Investors Program, Inc., New York.

**First National Realty & Construction Corp.**

Aug. 11, 1961 filed \$3,000,000 of 6½% subordinated debentures due 1976 (with warrants attached). **Price**—By amendment. **Business**—The construction and management of real estate. **Proceeds**—For repayment of loans and general corporate purposes. **Office**—630 Third Avenue, New York. **Underwriter**—H. Hentz & Co., New York (managing).

• **First Small Business Investment Company**

of Tampa, Inc. (9/11)  
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.

• **Fischbach & Moore, Inc. (8/25)**

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 (9/11)**

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.

**Fleetwood Securities Corp. of America**

Aug. 8, 1961 filed 70,000 common shares, of which 56,000 shares are to be offered by the company and 14,000 shares by stockholders. **Price**—\$10. **Business**—Distributor of Electronics Investment Corp., Contractual Plans and a broker-dealer registered with NASD. **Proceeds**—To increase net capital and for investment. **Office**—44 Wall St., New York. **Underwriter**—General Securities Co., Inc., New York. **Offering**—Expected in early Oct.

**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 of record Aug. 22 with rights to expire Sept. 5. **Price**—\$7.75. **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. (9/5)**

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).

**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, mov-

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ing 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.

**Frontier Airlines, Inc. (9/5)**  
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. (8/28)**  
Jan. 25, 1961 filed 80,000 shares of common stock and 100,000 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 1961 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.

**General Foam Corp.**  
Aug. 15, 1961 filed \$4,000,000 of 6% convertible subordinated debentures due 1981. **Price**—At par. **Business**—The manufacture of urethane foam and foam rubber products. **Proceeds**—For repayment of loans and working capital. **Office**—640 W. 134th St., New York. **Underwriter**—Brand, Grumet & Seigel, Inc., New York.

★ **General Forms, Inc. (9/20)**  
Aug. 15, 1961 ("Reg. A") 100,000 common shares (par 10 cents). **Price**—\$3. **Proceeds**—For repayment of loans, plant improvements, equipment and working capital. **Office**—7325 Northwest 43rd St., Miami. **Underwriter**—Equity Securities Co., New York.

**General Kinetics Inc.**  
Aug. 7, 1961 filed 200,000 common shares. **Price**—By amendment. **Business**—The company conducts various activities within the fields of electronics, mechanical engineering, instrumentation and mathematics. **Proceeds**—For expansion. **Office**—2611 Shirlington Road, Arlington, Va. **Underwriters**—Balogh & Co., Inc., Washington, D. C. and Irving J. Rice & Co., Inc., St. Paul, Minn.

**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 Public Service Corp.**  
July 26, 1961 filed 3,947,795 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 closed-end investment company. **Proceeds**—For investment. **Office**—90 Broad St., New York. **Underwriter**—Stone & Webster Securities Corp., New York (managing).

**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**—\$1.25. **Business**—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., and Globus, Inc., New York. **Offering**—Imminent.

**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.

● **Gilbert Youth Research, Inc. (9/11)**  
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).

● **Glenn Pacific Corp.**  
July 27, 1961 filed 80,000 common shares. **Price**—\$5. **Business**—The manufacture of power supplies for arc welding equipment. **Proceeds**—For repayment of a loan and working capital. **Office**—703-37th Ave., Oakland. **Underwriter**—Birr & Co., Inc., San Francisco.

**Glickman Corp.**  
Aug. 3, 1961 filed 600,000 class A common shares. **Price**—By amendment. **Business**—Real estate. **Proceeds**—For investment. **Office**—501 Fifth Ave., New York. **Underwriters**—Bache & Co., and Hirsch & Co., New York (managing).

**Globe Coliseum, Inc.**  
July 21, 1961 ("Reg. A") 300,000 common shares. **Price**—At par (\$1). **Proceeds**—For construction of a coliseum building, furnishings and incidental expenses. **Address**—c/o Fred W. Layman, 526 S. Center, Casper, Wyo. **Underwriter**—Northwest Investors Service, Inc., Billings, Mont.

**Globe Rubber Products Corp.**  
Aug. 10, 1961 filed 175,000 common shares, of which 60,000 shares are to be offered by the company and 115,000 shares by stockholders. **Price**—By amendment. **Business**—The manufacture of rubber floor mats, swim gear and household products. **Proceeds**—For repayment of loans and general corporate purposes. **Office**—418 W. Ontario Street, Philadelphia. **Underwriter**—Kidder, Peabody & Co., New York (managing).

**Glory Knitting Mills, Inc. (9/11)**  
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**—Robeson, Pa. **Underwriter**—Shields & Co., New York (managing).

**Gordon (I.) Realty Corp. (9/6)**  
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.

**Greene (M. J.) Co. (9/7)**  
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.

**Growth, Inc.**  
May 17, 1961 (letter of notification) 100,000 shares of common stock (par \$1). **Price**—\$3 per share. **Address**—Lynn, Mass. **Underwriter**—Mann & Creesy, Salem, Mass.

**Growth Properties**  
May 9, 1961 filed 100,000 shares of common stock. **Price**—To be supplied by amendment. **Business**—The company plans to engage in all phases of the real estate business. **Proceeds**—To reduce indebtedness, construct apartment units, buy land, and for working capital. **Office**—Suite 418, Albert Bldg., San Rafael, Calif. **Underwriter**—Pacific Coast Securities Co., San Francisco, Calif. (managing).

★ **Gulf States Utilities Co. (10/3)**  
Aug. 21, 1961 filed \$15,000,000 of debentures due 1981. **Office**—285 Liberty Avenue, 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. **Information Meeting**—Sept. 28 (11 a.m. EDT) at 70 Broadway (18th floor) New York.

● **Guy's Foods, Inc. (10/23)**  
Aug. 2, 1961 filed 97,000 common shares (par \$2). **Price**—\$10. **Business**—The processing of foods. **Proceeds**—For purchase of buildings, equipment and additional inventories. **Office**—2215 Harrison, Kansas City, Mo. **Underwriter**—Allen & Co., New York (managing).

**Gyrodyn Co. of America, Inc. (9/22)**  
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).

**Hallmark Insurance Co., Inc.**  
Aug. 3, 1961 filed 225,000 common shares. **Price**—\$3. **Business**—An insurance company. **Proceeds**—For capital and surplus. **Office**—636 S. Park St., Madison, Wis. **Underwriters**—Braun, Monroe & Co., Milwaukee and Harley, Haydon & Co., Inc., Madison.

**Hamilton Electro Corp.**  
Aug. 9, 1961 filed 135,000 common shares, of which 80,000 shares are to be offered by the company and 55,000 shares by stockholders. **Price**—\$7.50. **Business**—The distribution of solid state electronic parts and equipment. **Proceeds**—For inventory, new product lines, repayment of loans and working capital. **Office**—11965 Santa Monica Blvd., Los Angeles, Calif. **Underwriter**—William Norton Co., New York.

**Hampton Sales Co., Inc.**  
July 27, 1961 filed 150,000 common shares. **Price**—\$4. **Business**—The operation of real discount stores. **Proceeds**—For repayment of bank loans and working capital. **Office**—8000 Cooper Ave., Glendale, L. I. (Queens),

N. Y. **Underwriter**—Godfrey, Hamilton, Magnus & Co., Inc., New York.

★ **Hannett Industries, Inc.**  
Aug. 11, 1961 ("Reg. A") 100,000 common shares (par one cent). **Price**—\$3. **Business**—The fabrication of components for missiles, jet engines, aircraft landing gears and precision machines. **Proceeds**—For machinery, research and development and working capital. **Office**—40 Sea Cliff Avenue, Glen Cove, N. Y. **Underwriter**—Albion Securities Co., Inc., New York.

**Harmon (George) Co., Inc.**  
July 21, 1961 ("Reg. A") 62,500 common shares. **Price**—\$4. **Proceeds**—For working capital, equipment, research and development, advertising, etc. **Office**—18141 Napa St., Northridge, Calif. **Underwriter**—Hamilton Waters & Co., Inc., Hempstead, N. Y.

● **Harn Corp. (9/18)**  
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).

**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.

**Hawaiian Telephone Co.**  
Aug. 15, 1961 filed 782,144 common shares, of which 711,040 shares are to be offered for subscription by stockholders on the basis of one new share for each six shares held and 71,104 shares to be sold to employees. **Price**—By amendment. **Proceeds**—For working capital. **Office**—1130 Alakea St., Honolulu. **Underwriter**—Kidder, Peabody & Co., New York (managing).

**Hawthorne Financial Corp.**  
Aug. 10, 1961 filed 33,117 capital shares. **Price**—By amendment. **Business**—A holding company for a savings and loan association and an insurance agency. **Proceeds**—For the selling stockholders. **Office**—305 S. Hawthorne Boulevard, Hawthorne, Calif. **Underwriter**—Crowell, Weedon & Co., Los Angeles.

**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**—Stearns & Co., New York (managing).

**Hi-Shear Corp.**  
Aug. 1, 1961 filed 139,500 common shares, of which 105,000 will be sold by the company and 34,500 by stockholders. **Price**—By amendment. **Business**—The manufacture of high strength fastening devices and assembly systems for the aircraft and missile industries. **Proceeds**—For construction, repayment of loans and other corporate purposes. **Office**—2600 W. 247th St., Torrance, Calif. **Underwriter**—William R. Staats & Co., Los Angeles.

**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.

● **Hogan Faximile Corp. (10/16)**  
July 26, 1961 filed 300,000 common shares. **Price**—By amendment. **Business**—The manufacture of electrolytic recording paper and equipment. **Proceeds**—For repayment of debt and working capital. **Office**—635 Greenwich St., New York. **Underwriter**—William R. Staats & Co., Los Angeles (managing).

● **Holly Stores, Inc. (9/11)**  
July 28, 1961 filed 175,000 common shares, of which 100,000 shares are to be offered by the company and 75,000 shares by the stockholders. **Price**—By amendment. **Business**—The operation of a chain of women's and children's apparel stores. **Proceeds**—For land purchase, inventory and general corporate purposes. **Office**—115 Fifth Ave., New York. **Underwriter**—Allen & Co., New York (managing).

**Hollywood Artists Productions Inc.**

July 28, 1961 ("Reg. A") 100,000 common shares (par 10 cents). Price—\$3. Business—The production of motion picture and TV feature films. Proceeds—For repayment of loans, producers' fee, stories and working capital. Office—350 Lincoln Rd., Miami Beach, Fla. Underwriter—A. M. Shulman & Co., Inc., New York. 37 Wall St., New York.

**★ Home-O-Nize Co.**

Aug. 14, 1961 ("Reg. A") 833 common shares (par \$10). Price—\$60. Proceeds—For general corporate purposes. Office—301 Oak Street, Muscatine, Iowa. Underwriter—None.

**Houston Corp. (9/18)**

June 9, 1961 filed 583,334 common shares to be offered for subscription by holders of common and class A stock. Price—By amendment. Business—The operation of a pipe line system of natural gas. Proceeds—For expansion, working capital and general corporate purposes. Office—First Federal Bldg., St. Petersburg, Fla. Underwriters—Blyth & Co., Inc., Lehman Brothers and Allen & Co., New York.

**● Howe Plastics & Chemical Companies, Inc.**

March 29, 1961 (letter of notification) 40,000 shares of common stock (par one cent). Price—At-the-market. Business—The manufacture of plastic items. Proceeds—For the repayment of debt; advertising and sales promotion; expansion and working capital. Office—4077 Park Ave., Bronx 57, N. Y. Underwriter—To be named. Note—This issue was suspended by the SEC Aug. 17.

**Hydrosniff 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 "HydroSniff" 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.

**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. (9/11)**

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 Engravers, Inc. (8/28)**

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. Note—This company formerly was named Data Components, Inc.

**Industrial Gauge & Instrument Co., Inc.**

(8/28-9/1)  
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.

**Industrionics Controls, Inc.**

July 26, 1961 filed 84,000 common shares. Price—\$5. Business—The manufacture of electronic controls for the monitoring of machinery. Proceeds—For repayment of a loan, purchase of raw material and equipment, advertising, establishment of a field engineering service organization and other corporate purposes. Office—20 Vandam St., New York. Underwriter—Jacey Securities Co., New York (managing).

**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. (9/5-8)**

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. Offering—Expected in late August.

**● Intercontinental Dynamics Corp. (9/6)**

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 Housing Corp.**

Aug. 16, 1961 filed 440,000 common shares. Price—\$1.15. Business—For construction and financing of shell homes. Proceeds—For working capital and general corporate purposes. Office—2101 N. E. Broadway, Minneapolis. Underwriter—Bratner & Co., Inc., Minneapolis.

**Interstate Bowling Corp.**

July 25, 1961 filed 150,000 common shares. Price—\$3.50. Business—The acquisition and operation of bowling centers in Colorado, California and other states. Proceeds—For repayment of debts and general corporate purposes. Office—10391 Magnolia Ave., Riverside, Calif. Underwriter—Currier & Carlsen, Inc., Los Angeles.

**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. (9/5)**

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.

**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.

**★ James Vending Machine Co., Inc.**

Aug. 11, 1961 ("Reg. A") 100,000 common shares (par 10 cents). Price—\$3. Business—The sale of vending machines. Proceeds—For purchase of trucks, development and general corporate purposes. Office—5523 Illinois Ave., N. W., Washington 11, D. C. Underwriter—Mitchell, Carroll & Co., Inc., 1801 K St., N. W., Washington, D. C.

**★ Jarrell-Ash Co.**

Aug. 17, 1961 filed 60,000 class A common shares and 9,000 outstanding voting trust certificates (representing beneficial interest in 9,000 class B common shares). Price—By amendment. Business—The manufacture of optical instrumentation. Proceeds—For repayment of loans and working capital. Office—7 Farwell St., Newtonville, Mass. Underwriters—Stearns & Co., New York and Clayton Securities Corp., Boston.

**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.

**Jergens (Andrew) Co.**

Aug. 3, 1961 filed 250,002 outstanding common shares. Price—By amendment. Business—The manufacture of toiletries. Proceeds—For the selling stockholders. Office—2535 Spring Grove Ave., Cincinnati. Underwriter—Hornblower & Weeks, New York (managing).

**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—Kernes, Bennett & Co., Inc., New York, N. Y.

**Kaufman & Broad Building Co.**

Aug. 11, 1961 filed 174,500 common shares, of which 124,500 shares are to be offered by the company and 50,000 shares by stockholders. Price—By amendment. Business—The construction and sale of low-priced homes. Proceeds—For repayment of loans and working capital. Office—18610 W. Eight Mile Road, Southfield, Mich. Underwriter—Bache & Co., New York (managing).

**● Keller Corp. (10/16)**

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.

**★ Kentucky Central Life & Accident Insurance Co.**

Aug. 16, 1961 filed 400,000 class A non-voting common shares, of which 200,000 shares are to be offered by the company and 200,000 shares by stockholders. Price—From \$13 to \$17 per share. Proceeds—To increase capital and surplus. Address—Anchorage, Ky. Underwriter—Stifel, Nicolaus & Co., St. Louis (managing).

**Keystone Alloys Co.**

Aug. 10, 1961 filed 42,000 common shares. Price—By amendment. Business—The manufacture of aluminum siding and doors and accessories. Proceeds—For acquisitions and repayment of loans. Office—511 Mellon Bank Building, Latrobe, Pa. Underwriter—Singer, Deane & Scribner, Pittsburgh (managing).

**★ Keystone Steel & Wire Co.**

Aug. 23, 1961 filed \$20,000,000 of convertible subordinated debentures due 1981. Price—By amendment. Business—The production of steel. Proceeds—For the repayment of debt and working capital. Office—Peoria, Ill. Underwriters—Hornblower & Weeks and Eastman Dillon, Union Securities & Co. (co-managing).

**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. (9/5-8)**

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).

**Kronfeld (Phil), Inc.**

July 28, 1961 ("Reg. A") 75,000 common shares (par 10 cents). Price—\$4. Business—The operation of men's retail stores. Proceeds—For a new store, working capital and general corporate purposes. Office—201 W. 49th Street, New York. Underwriter—Kernes, Bennett & Co., Inc., New York.

**Kulicke & Soffa Manufacturing Co.**

Aug. 15, 1961 filed 122,980 common shares, of which 100,000 shares are to be offered by the company and 22,980 shares by stockholders. Price—By amendment. Business—The manufacture of machinery for production of transistors and similar devices. Proceeds—For payment of taxes, new products, down payment on a new plant and general corporate purposes. Office—401 N. Broad St., Philadelphia. Underwriter—Marron, Sloss & Co., Inc., New York (managing).

**L. L. Drug Co., Inc.**

July 26, 1961 filed 100,000 common shares. Price—\$4.50. Business—The manufacture of pharmaceuticals. Proceeds—For repayment of a loan, purchase of equipment, research and development, advertising and working capital. Office—1 Bala Ave., Bala-Cynwyd, Pa. Underwriter—Stevens Investment Co., Bala-Cynwyd, Pa.

**★ Lam-Craft Corp.**

Aug. 14, 1961 ("Reg. A") 50,000 common shares (par \$1). Price—\$2.50. Proceeds—For expansion and inventory. Office—910 N. Marshfield Avenue, Chicago. Underwriter—None.

**"Lapidoth" Israel Oil Prospectors Corp. Ltd.**

Oct. 27, 1960 filed 1,500,000 ordinary shares. Price—To be supplied by amendment, and to be payable either totally or partially in Israel bonds. Business—The company was organized in October 1959 as a consolidation of individual and corporate licensees who had been operating in the oil business as a joint venture. Proceeds—For exploration and development of oil lands. Office—22 Rothschild Blvd., Tel-Aviv, Israel. Underwriter—None.

**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.

**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. (9/8)**

May 9, 1961 (letter of notification) 150,000 shares of common stock (par \$1). Price—\$2 per share. Address—

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**Yankton, S. D. Underwriter** — The Apache Investment Planning Division of the Apache Corp., Minneapolis.

● **Lewis (Tillie) Foods, Inc. (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).

● **Libby International Corp.**

Aug. 3, 1961 ("Reg. A") 100,000 common shares (par 10 cents). **Price**—\$3. **Business**—The distribution of tractors and farm equipment manufactured by Kramer-Werke, a German company. **Proceeds**—For repayment of loans, inventory and working capital. **Office**—325 W. Houston Street, New York. **Underwriter**—Tau Inc., New York.

● **Lincoln Fund, Inc. (9/18)**

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.

● **Liverpool Industries, Inc.**

Aug. 1, 1961 ("Reg. A") 85,700 common shares (par 10 cents). **Price**—\$3.50. **Business**—The manufacture of precision parts for the aircraft and electronic industries. **Proceeds**—For sales promotion and working capital. **Office**—162 57th Street, Brooklyn, N. Y. **Underwriter**—Arden Perin & Co., Inc., New York. **Offering**—Expected about mid-Sept.

● **Loew's Companies, Inc. (9/18)**

July 28, 1961 filed 388,250 common shares. **Price**—By amendment. **Business**—The retail and wholesale distribution of building supplies, household fixtures and appliances, etc. **Proceeds**—For the selling stockholders. **Address**—North Wilkesboro, N. C. **Underwriter**—G. H. Walker & Co., Inc., New York (managing).

● **Londontown Manufacturing Co.**

Aug. 8, 1961 filed 150,000 common shares. **Price**—By amendment. **Business**—The manufacture of rainwear and golf jackets. **Office**—3600 Clipper Mill Road, Baltimore. **Underwriter**—Alex. Brown & Sons, Baltimore.

● **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.**

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. **Offering**—Imminent.

● **Long-Lok Corp.**

July 26, 1961 ("Reg. A") 100,000 capital shares (no par). **Price**—\$3. **Proceeds**—For a new subsidiary, machinery repayment of a loan and working capital. **Office**—4101 Redwood Ave., Los Angeles. **Underwriter**—Rutner, Jackson & Gray, Inc., Los Angeles.

● **Lortogs, Inc.**

July 26, 1961 filed 200,000 common shares, of which 150,000 shares are to be offered by the company and 50,000 shares by the stockholders. **Price**—\$6.50. **Business**—The manufacture of children's sportswear. **Proceeds**—For repayment of loans; inventories; new products; working capital, and general corporate purposes. **Office**—85 Tenth Ave., New York. **Underwriter**—Reich & Co., New York (managing).

● **Lytton Financial Corp. (9/11)**

March 30, 1961 filed 300,000 shares of capital stock. **Price**—To be supplied by amendment. **Business**—The company owns the stocks of several California savings and loan associations. It also operates an insurance agency, and through a subsidiary, Title Acceptance Corp., acts as trustee under trust deeds securing loans made by the associations. **Proceeds**—To repay loans and for working capital. **Office**—8150 Sunset Boulevard, Hollywood, Calif. **Underwriters**—William R. Staats & Co., Los Angeles and Shearson, Hammill & Co., New York City (managing).

● **M P I Glass Fibers, Inc. (9/18)**

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. **Note**—This company formerly was named Industrial Materials, Inc.

● **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.

● **Mag-Tronics Corp.**

July 17, 1961 ("Reg. A") 250,000 common shares (par 10 cents). **Price**—\$1.15. **Proceeds**—For inventory, equip-

ment and working capital. **Office**—2419 Hiawatha Ave., Minneapolis. **Underwriter**—Craig-Hallum Kinnard, Inc., Minneapolis.

● **Magazines For Industry, Inc.**

Aug. 2, 1961 filed 135,000 common shares. **Price**—By amendment. **Business**—The publishing of business periodicals. **Proceeds**—For promotion, a new publication and working capital. **Office**—660 Madison Ave., New York. **Underwriter**—S. D. Fuller & Co., New York (managing).

● **Magna Pipe Line Co. Ltd.**

June 1, 1961 filed 750,000 common shares, of which 525,000 will be offered for sale in the U. S., and 225,000 in Canada. **Price**—By amendment. **Business**—The company plans to build and operate an underwater natural gas transmission pipeline from British Columbia to 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. **Note**—This registration has been temporarily postponed.

● **Magnetic Metals Co.**

July 28, 1961 filed 151,200 common shares. **Price**—By amendment. **Business**—The manufacture of magnetic components used in the electrical and electronics industries. **Proceeds**—For the selling stockholders. **Office**—Hayes Avenue at 21st Street, Camden, N. J. **Underwriter**—Butcher & Sherrerd, Philadelphia (managing).

● **Mairs & Power Income Fund, Inc. (9/18)**

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**—Nohe.

★ **Major Finance Corp.**

Aug. 18, 1961 filed \$200,000 of 7% senior subordinated debentures due 1971 (with attached warrants) and 100,000 common shares to be offered in units consisting of \$100 debenture (with a warrant to purchase one common share at \$4) and 50 common shares. **Price**—\$300 per unit. **Business**—Consumer finance. **Proceeds**—For working capital. **Office**—912 Thayer Ave., Silver Spring, Md. **Underwriter**—Manhattan Eastern Corp., New York (managing).

● **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. (9/5-8)**

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. (8/29)**

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. **Note**—This company formerly was named American Missiltronics Corp.

● **Marshall Industries**

Aug. 4, 1961 filed 131,305 common shares to be offered for subscription by stockholders on the basis of one new share for each four shares held. **Price**—By amendment. **Business**—The manufacture of electronic components and instruments primarily for space and missile applications. **Proceeds**—For repayment of debt and advances to subsidiaries. **Office**—2065 Huntington Dr., San Marino, Calif. **Underwriters**—William R. Staats & Co., Los Angeles and Shearson, Hammill & Co., New York (managing).

● **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.

★ **McAlester Aircraft, Inc.**

Aug. 15, 1961 ("Reg. A") 25,000 class A common shares (par \$1). **Price**—\$10. **Proceeds**—For research, engineering, production and working capital. **Office**—2801 S. Air Depot Boulevard, Midwest City, Okla. **Underwriter**—Honnold & Co., Inc., Oklahoma City.

● **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**—Barret, Fitch, North & Co., Inc. (managing) and Midland Securities Co., Inc., Kansas City, Mo.

● **Merchants Co.**

June 19, 1961 ("Reg. A") \$300,000 of 6% convertible 15-year subordinated debentures due 1976 now being offered for subscription by stockholders for 14 days in units of \$100 each. **Price**—At par. **Proceeds**—For work-

ing capital. **Office**—300 E. Pine St., Hattiesburg, Miss. **Underwriter**—Lewis & Co., Jackson, Miss.

● **Micro-Lectric, Inc. (9/5)**

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.

● **Micro-Precision Corp. (9/25)**

July 28, 1961 ("Reg. A") 100,000 common shares (par 20 cents). **Price**—\$3. **Business**—The development and manufacture of language laboratories for the electronics educational field and the manufacture of electronic and micro-wave components. **Proceeds**—For expansion and working capital. **Office**—55 Ninth St., Brooklyn, N. Y. **Underwriters**—Manufacturers Securities Corp., New York (managing); Bioren & Co., Boenning & Co., Philadelphia, Chace, Whiteside & Winslow, Inc., Draper, Sears & Co., and Schirmer, Atherton & Co., Boston.

● **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 Credit Corp.**

July 27, 1961 filed \$120,000 of 6½% subordinated debentures due 1971 and 60,000 common shares to be offered in units consisting of \$200 of debentures and 100 shares of stock. **Price**—\$500 per unit. **Business**—A commercial and industrial finance company. **Proceeds**—For working capital. **Office**—1518 Walnut St., Philadelphia. **Underwriters**—R. L. Sheinman & Co., and A. W. Benkert & Co., Inc., New York.

● **Middle Atlantic Investment Co. (9/25)**

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. (9/25-29)**

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.

★ **Milo Components, Inc.**

Aug. 15, 1961 ("Reg. A") 170,000 class A shares (par 10 cents). **Price**—\$1. **Business**—The manufacture of precision components, assemblies for aircraft, armaments, computers, floor waxers and industrial vacuum cleaners. **Proceeds**—For equipment, research and development, repayment of loans and working capital. **Office**—9 Cleveland Street, Valley Stream, N. Y. **Underwriter**—Nelson Securities, Inc., Hempstead, N. Y.

● **Miner Industries, Inc.**

Aug. 10, 1961 filed 120,000 common shares. **Price**—\$4.50. **Business**—The manufacture of toys. **Proceeds**—For new products, advertising and working capital. **Office**—430 Southern Boulevard, New York. **Underwriters**—Golkin, Bomback & Co. and Oppenheimer & Co., New York.

● **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.

● **Minuit Investing Corp.**

Aug. 4, 1961 ("Reg. A") 28,000 shares of 80 cents cumulative, participating preferred stock (par \$1). **Price**—\$10. **Business**—An investment company. **Proceeds**—For acquisitions, working capital and general corporate purposes. **Office**—225 Broadway, New York 7, N. Y. **Underwriter**—Pine Tree Securities, Inc., 225 Broadway, New York 7, N. Y.

● **Missile-Tronics Corp. (8/28)**

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. **Offering**—Imminent.

● **Missouri Fidelity Life Insurance Co. (9/11-15)**

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. (9/29)**

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**—United Planning Corp., Newark, N. J.

**Mohawk Insurance Co. (9/1)**

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.

**Monmouth Capital Corp.**

Aug. 1, 1961 filed 200,000 shares of capital stock. **Price**—\$10. **Business**—A small business investment company. **Office**—First National Bank Bldg., Main St., Freehold, N. J. **Underwriter**—Meade & Co., New York.

**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. Lawrence & Co., Inc., New York, N. Y.

**Motor Coils Manufacturing Co.**

July 27, 1961 filed 100,000 common shares. **Price**—\$6.50. **Business**—The manufacture of armature, stator and field coils. **Proceeds**—For repayment of loans, working capital and general corporate purposes. **Office**—110 Thirty-Second St., Pittsburgh. **Underwriter**—Golkin, Bomback & Co., New York.

**Mountain Fuel Supply Co.**

Aug. 7, 1961 filed \$18,000,000 of debentures due Sept. 1, 1986. **Price**—By amendment. **Proceeds**—For repayment of loans and general corporate purposes. **Office**—180 E. First South St., Salt Lake City, Utah. **Underwriter**—First Boston Corp., New York (managing). **Offering**—Expected in early Sept.

**Movie Star, Inc.**

Aug. 9, 1961 filed 200,000 class A shares. **Price**—By amendment. **Business**—The manufacture of women's clothing. **Proceeds**—For general corporate purposes. **Office**—392 Fifth Avenue, New York. **Underwriter**—Milton D. Blauner & Co., Inc., New York (managing).

**Multifax Co.**

Aug. 11, 1961 ("Reg. A") 15,000 common shares (no par). **Price**—\$10. **Proceeds**—For repayment of loans and purchase of equipment. **Address**—Easton, Md. **Underwriter**—None.

**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.

**Murray Magnetics Corp.**

Aug. 15, 1961 filed 150,000 common shares. **Price**—\$6. **Business**—The financing, exploitation and sale of a new line of electric kitchen and household appliances. **Proceeds**—For the purchase of inventory, sales promotion and working capital. **Office**—230 Fifth Ave., New York. **Underwriter**—Amos Treat & Co., Inc., New York.

**NAC Charge Plan and Northern Acceptance Corp. (9/18)**

June 27, 1961 filed 33,334 class A common shares. **Price**—By amendment. **Proceeds**—For working capital. **Of-**

**ice**—16 East Pleasant St., Baltimore, Md. **Underwriter**—Sade & Co., Washington, D. C. (managing).

**Narrow Fabric Co.**

Aug. 18, 1961 filed 212,000 common shares, of which 75,000 shares are to be offered by the company and 137,000 shares by stockholders. **Price**—By amendment. **Business**—The manufacture of braided, woven and knitted fabrics and production of coated and processed papers. **Proceeds**—For repayment of loans, expansion and working capital. **Office**—7th and Reading Aves., West Reading, Pa. **Underwriter**—Drexel & Co., Philadelphia (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 distribution 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. (9/18)**

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. (9/11-15)**

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).

**Natpac Inc. (9/18)**

July 28, 1961 filed 100,000 common shares. **Price**—\$4.75. **Business**—The processing of meat and frozen food products; the financing, sale and servicing of home food freezers, and the operation of a supermarket. **Proceeds**—For consumer time payments, expansion, and working capital. **Office**—93-25 Rockaway Blvd., Ozone Park, N. Y. **Underwriters**—William, David & Motti, Inc., and Flomenhaft, Seidler & Co., Inc., New York.

**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**—Barret, Fitch, North & Co., Kansas City, Mo.

**Nitrogen Oil Well Service Co. (9/5)**

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 1½ 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 Carolina Natural Gas Corp.**

Aug. 17, 1961 filed \$2,250,000 of convertible second mortgage pipeline bonds due 1981. **Price**—By amendment. **Proceeds**—For repayment of loans, working capital and general corporate purposes. **Office**—Grace Fittman Bldg., Fayetteville, N. C. **Underwriters**—To be named.

**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.

**Nuclear Corp. of America**

Aug. 11, 1961 filed 536,280 outstanding shares of capital stock, and \$2,087,800 of 5½% convertible subordinated debentures due 1976 to be offered for subscription by stockholders on the basis of \$100 of debentures for each 300 shares held. **Price**—By amendment. **Business**—The refining of rare earths and the manufacture of radiation instruments and vacuum tubes. **Proceeds**—For repayment of loans and working capital. **Office**—3540 W. Osborn Road, Phoenix. **Underwriter**—Bear, Stearns & Co., New York (managing).

**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, Cincin-

nati. **Underwriter**—Kidder, Peabody & Co., New York (managing).

**Old Empire, Inc. (9/5)**

May 1, 1961 filed \$800,000 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, New York City.

**Olson Co. of Sarasota, Inc.**

April 26, 1961 ("Reg. A") 59,000 common shares (par \$1). **Price**—\$5. **Business**—The manufacture of marine supplies and electronic equipment. **Proceeds**—To repay loans, purchase raw materials and equipment and increase working capital. **Address**—P. O. Box 2430, Sarasota, Fla. **Underwriter**—Jay Morton & Co., Inc., Sarasota (managing).

**Orbit Industries, Inc.**

Aug. 22, 1961 filed 125,000 common shares. **Price**—\$4. **Business**—Research, development, engineering and manufacturing in the telephone, electronics and related fields. **Proceeds**—For repayment of loans, and equipment. **Office**—213 Mill St., N. E., Vienna, Va. **Underwriter**—Hodgdon & Co., Inc., Washington, D. C.

**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).

**Ormont Drug & Chemical Co., Inc.**

May 2, 1961 (letter of notification) 100,000 shares of common stock (par 10 cents). **Price**—\$3 per share. **Business**—Manufacturers of drugs. **Proceeds**—For expansion, and working capital. **Office**—38-01 23rd Ave., Long Island City, N. Y. **Underwriter**—Havener Securities Corp., New York, N. Y. **Offering**—Imminent.

**Oswow Products Co., Inc.**

July 28, 1961 ("Reg. A") 60,000 common shares (par 10 cents). **Price**—\$5. **Business**—The manufacture of car and window washing equipment. **Proceeds**—For working capital, research and development, new products and general corporate purposes. **Office**—115 Hazel Street, Glen Cove, L. I., N. Y. **Underwriter**—General Securities Co., Inc., New York.

**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).

**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-Alaska Fisheries, Inc.**

July 26, 1961 filed 120,000 common shares. **Price**—By amendment. **Business**—The processing of Alaska king crab. **Proceeds**—For acquisition of fishing boats, equipment and working capital. **Office**—Dexter Horton Bldg., Seattle. **Underwriter**—Robert L. Ferman & Co., Inc., New York (managing).

**Panoramic Electronics, Inc.**

Aug. 17, 1961 filed 120,000 common shares, of which 90,000 shares are to be offered by the company and 30,000 shares by stockholders. **Price**—By amendment. **Business**—The manufacture of electronic test measurement and monitoring instruments. **Proceeds**—For acquisition of property and construction of a new plant, laboratory, equipment and working capital. **Office**—520 S. Fulton Ave., Mount Vernon, New York. **Underwriter**—Hayden, Stone & Co., New York (managing).

**Fargas, Inc.**

Aug. 3, 1961 filed 150,000 common shares, of which 75,000 will be sold by the company and 75,000 by a stockholder. **Price**—By amendment. **Business**—The sale of liquefied petroleum gas and equipment. **Proceeds**—For general corporate purposes. **Office**—Waldorf, Md. **Underwriter**—Kidder, Peabody & Co., Inc., New York (managing).

**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.

**Patent Resources, Inc. (9/5-8)**

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.

**Pavelle Corp.**

Aug. 22, 1961 filed 200,000 common shares. **Price**—By amendment. **Business**—Research and development in the field of color photography and the manufacture of com-

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mercial color photographic processing equipment. **Proceeds**—For expansion, research and repayment of loans. **Office**—Time & Life Bldg., Rockefeller Center, New York. **Underwriter**—Bear, Stearns & Co., New York.

**Pellegrino Aggregate Technico, Inc.**  
Aug. 10, 1961 filed 130,000 class A common shares. **Price**—\$5. **Business**—The manufacture of building materials. **Proceeds**—For payment of income taxes and loans and for working capital. **Office**—Woodbridge-Carteret Road, Port Reading, N. J. **Underwriter**—Mortimer B. Burnside & Co., Inc., New York.

**Photo-Animation, Inc. (9/13)**  
July 26, 1961 filed 150,000 common shares. **Price**—\$1.25. **Business**—The manufacture of machines, equipment and devices used in the creation of animated motion pictures. **Proceeds**—For development of new products, repayment of loans and working capital. **Office**—34 S. West St., Mount Vernon, N. Y. **Underwriter**—First Philadelphia Corp., New York.

**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 International, Inc.**  
July 27, 1961 filed 100,000 common shares. **Price**—\$3. **Business**—The distribution of phonograph records. **Proceeds**—For advertising and promotion, merchandising, repayment of loans, additional personnel, working capital and other corporate purposes. **Office**—8-16 43rd Ave., Long Island City, N. Y. **Underwriter**—William, David & Motti, Inc., New York.

**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.

**Pioneer Astro Industries, Inc.**  
July 27, 1961 filed 150,000 common shares. **Price**—By amendment. **Business**—The manufacture of precision machined components and assemblies for missile guidance systems. **Proceeds**—For a new plant, additional equipment and working capital. **Office**—7401 W. Lawrence Ave., Chicago. **Underwriter**—Francis I. du Pont & Co., New York (managing).

**Plasticon Corp. (9/7)**  
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.

**Playskool Manufacturing Co.**  
Aug. 11, 1961 filed 135,000 common shares, of which 60,000 shares are to be offered by the company and 75,000 shares by stockholders. **Price**—By amendment. **Business**—The manufacture of toys. **Proceeds**—For repayment of loans. **Office**—3720 North Kedzie Avenue, Chicago. **Underwriter**—Lehman Brothers, New York.

**Polytronic Research, Inc. (9/18)**  
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 Circuits, Inc.**  
July 20, 1961 ("Reg. A") 260,000 common shares (par 10 cents). **Price**—\$1.15. **Proceeds**—For a new building, equipment and working capital. **Office**—2532-25th Ave., S., Minneapolis. **Underwriter**—Naftalin & Co., Inc., Minneapolis.

**Precision Microwave Corp.**  
Aug. 21, 1961 filed 165,000 common shares, of which 115,000 shares are to be offered by the company and 50,000 shares by stockholders. **Price**—\$10. **Business**—The manufacture of specialized microwave components for radar, missiles and communication systems. **Proceeds**—For working capital, inventories and equipment. **Office**—Main Street, Millis, Mass. **Underwriter**—Peter Morgan & Co., New York.

**Premier Albums, Inc.**  
July 31, 1961 filed 120,000 common shares. **Price**—\$5. **Business**—The manufacture of long-playing stereophonic and monaural phonograph records. **Proceeds**—For acquisition of facilities, marketing of new stereophonic records and working capital. **Office**—356 W. 40th St., New York. **Underwriter**—Gianis & Co., New York.

**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.

**Prevor-Mayrsohn International, Inc.**  
July 31, 1961 ("Reg. A") 80,000 common shares (par 10 cents). **Price**—\$3.75. **Business**—Export, import, brokerage and wholesale marketing of fruits, vegetables and poultry. **Proceeds**—For expansion, sales promotion, advances to growers, working capital and general corporate purposes. **Office**—99 Hudson Street, New York. **Underwriter**—J. J. Krieger & Co., Inc., New York.

**Producing Properties, Inc.**  
July 17, 1961 filed 600,000 common shares. **Price**—By amendment. **Business**—The acquisition and operation of oil properties. **Proceeds**—For working capital. **Office**—35th floor Southland Center, Dallas. **Underwriter**—Hemphill, Noyes & Co., New York (managing).

**Product Research of Rhode Island, Inc.**  
July 28, 1961 filed 330,000 common shares. **Price**—\$2.05. **Business**—The manufacture of vinyl plastic products used in the automotive, marine and household fields. **Proceeds**—For repayment of debt, new equipment and working capital. **Office**—184 Woonasquatucket Avenue, North Providence, R. I. **Underwriter**—Continental Bond & Share Corp., Maplewood, N. J.

**Progress Industries, Inc.**  
June 26, 1961 filed 75,000 common shares (with warrants) of which 55,000 shares will be sold by the company and 20,000 by stockholders. **Price**—\$10. **Proceeds**—For the payment of debt, the establishment of a new subsidiary, plant improvements and working capital. **Office**—400 E. Progress St., Arthur, Ill. **Underwriter**—Tabor & Co., Decatur, Ill. (managing).

**Progressitron Corp.**  
June 9, 1961 ("Reg. A") 100,000 common shares (par 10 cents). **Price**—\$3. **Business**—Manufacturers of electronic, electro mechanical and mechanical devices. **Proceeds**—For general corporate purposes. **Office**—14-25 128th St., College Point, N. Y. **Underwriter**—Netherlands Securities Co., New York.

**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.

**Rabin-Winters Corp. (9/4)**  
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.

**Raymond Engineering Laboratory, Inc.**  
Aug. 15, 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**—By amendment. **Business**—The manufacture of timing devices, accelerometers and related equipment for missiles, satellites and space vehicles. **Proceeds**—For repayment of loans, equipment, and working capital. **Office**—Smith Street, Middletown, Conn. **Underwriter**—Lee Higginson Corp., New York (managing).

**Real Properties Corp. of America**  
July 25, 1961 filed 365,000 class A shares. **Price**—\$10. **Business**—A real estate investment company. **Office**—1451 Broadway, New York. **Underwriter**—Stanley Heller & Co., New York City (managing).

**Realtone Electronics Corp.**  
Aug. 16, 1961 filed 100,000 common shares. **Price**—\$4. **Business**—The marketing of transistorized radios and related equipment. **Proceeds**—Repayment of loans and general corporate purposes. **Office**—71 Fifth Ave., New York. **Underwriter**—Lieberbaum & Co., New York (managing).

**Red Wing Fiberglass Products, Inc.**  
July 28, 1961 ("Reg. A") 260,000 common shares (par 25 cents). **Price**—\$1.15. **Proceeds**—For repayment of debt, building improvements, equipment, research and development, and working capital. **Office**—Industrial Park, Red Wing, Minn. **Underwriter**—York & Mavroulis, Minneapolis.

**Redman Manufacturing & Engineering Co.**  
Aug. 9, 1961 filed 70,000 common shares, of which 35,000 shares are to be offered by the company and 35,000 shares by stockholders. **Price**—By amendment. **Business**—The manufacture of moulds used by the plastic and container and packaging industry. **Proceeds**—For repayment of loans, equipment, working capital and a new plant. **Office**—1630 Oakland, Kansas City, Mo. **Underwriter**—Stern Brothers & Co., Kansas City, Mo. (managing).

**Reeves Broadcasting & Development Corp. (9/1)**

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).

**Regal Homes, Inc.**  
Aug. 15, 1961 filed 51,000 capital shares. **Price**—\$12. **Business**—For construction and sale of "shell" homes and mortgage financing. **Proceeds**—For working capital. **Address**—Hopkinsville, Ky. **Underwriter**—J. J. B. Hilliard & Sons, Louisville.

**Reher Simmons Research Inc. (9/25)**  
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).

**Rexach Construction Co., Inc.**  
July 28, 1961 filed \$1,500,000 of 6½% sinking fund debentures (with warrants) due 1976 and 105,000 outstanding common shares. **Price**—By amendment. **Business**—The construction of highways, buildings and homes. **Proceeds**—For repayment of a loan, purchase of stock in Puerto Rico Aggregates Co., and working capital. **Address**—San Juan, Puerto Rico. **Underwriters**—P. W. Brooks & Co., Inc., New York and CIA Financiera de Inversiones, Inc., San Juan (managing).

**Rillito Race Track, Inc.**  
Aug. 14, 1961 ("Reg. A") 150,000 common shares (no par). **Price**—\$2. **Proceeds**—For repayment of debt and working capital. **Address**—Route 4, Box 29, Tucson, Ariz. **Underwriter**—None.

**Riverview ASC, Inc. (9/5)**  
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.

**Ro Ko, Inc.**  
Aug. 7, 1961 filed 120,000 class A common shares. **Price**—\$5. **Business**—The manufacture of stuffed toys. **Proceeds**—For down payments on the purchase of buildings, equipment and expansion. **Office**—3115 E. 12th St., Kansas City, Mo. **Underwriters**—Midland Securities Co., Inc., and George K. Baum & Co., Kansas City, Mo. (managing).

**Rcanwell Corp. (9/5)**  
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. (9/5)**  
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, Lestrangle & Co., Pittsburgh, Pa. (managing).

**Robins Industries Corp.**  
July 27, 1961 filed 100,000 common shares. **Price**—\$2.50. **Business**—The manufacture of products in the electronic sound and recording field. **Proceeds**—For repayment of a loan, moving expenses, research and development, tooling, advertising and working capital. **Office**—36-27 Prince St., Flushing, N. Y. **Underwriter**—Carroll Co., New York.

**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).

**Roddy Recreation Products, Inc.**  
July 31, 1961 ("Reg. A") 100,000 common shares (par \$1). **Price**—\$3. **Proceeds**—For repayment of debt. **Office**—1526 W. 166th St., Gardena, Calif. **Underwriter**—Harrison & Henderson, Los Angeles.

**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).

**Roph Associates, Inc.**  
Aug. 10, 1961 ("Reg. A") 75,000 common shares (par five cents). **Price**—\$4. **Business**—The sale of freezers and food plans. **Proceeds**—For inventory, a food dept, adver-

tising and promotion and general corporate purposes. Office—300 Northern Boulevard, Great Neck, N. Y. Underwriter—David Barnes & Co., Inc., New York.

#### 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 Land & Development Corp.

Aug. 2, 1961 filed 2,000,000 class A common shares. Price—\$1. Business—General real estate and construction. Proceeds—For construction and general corporate purposes. Office—400 Stanley Ave., Brooklyn, N. Y. Underwriter—Lieberbaum & Co., New York (managing).

#### Royal School Laboratories, Inc. (9/5)

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. (9/15)

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. (9/5)

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.

#### Sairo Manufacturing Corp.

Aug. 2, 1961 ("Reg. A") 72,000 common shares (par 10 cents). Price—\$3.50. Business—Manufacture of metal purses and handbag frames. Proceeds—For purchase of machinery and equipment, working capital and general corporate purposes. Office—413 Thatford Ave., Brooklyn, N. Y. Underwriter—I. R. E. Investors Corp., Levittown, New York.

#### Sav-Mor Oil Morp. (10/2-6)

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. (9/13)

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.

#### Seeburg Corp.

Aug. 18, 1961 filed 303,312 common shares to be offered for subscription by stockholders on the basis of one new share for each five shares held. Price—By amendment. Business—The manufacture of coin-operated phonographs and other vending equipment. Proceeds—For repayment of loans and the financing of receivables and inventories. Office—1500 N. Dayton St., Chicago. Underwriter—White, Weld & Co., New York (managing).

#### Semicon, Inc. (9/25)

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.

#### Shasta Minerals & Chemical Co. (10/2)

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.

#### Shaw-Barton, Inc.

Aug. 15, 1961 filed 100,000 outstanding common shares. Price—By amendment. Business—The manufacture of calendars and specialty advertising. Proceeds—For the selling stockholders. Address—Coshocton, Ohio. Underwriter—Cruttenden, Podesta & Co., Chicago (managing).

#### Shepard Airtronics, Inc.

April 26, 1961 (letter of notification) 75,000 shares of common stock (par one cent). Price—\$4 per share. Business—The manufacture of high altitude breathing and ventilation equipment. Proceeds—For repayment of loans; new equipment, research and development, plant improvement, purchase of inventory, advertising and working capital. Office—787 Bruckner Boulevard, Bronx, N. Y. Underwriters—L. C. Weward & Co., 28 West State St., Trenton, N. J. (managing); L. J. Termo & Co., Inc., New York and Copley & Co., Colorado Springs, Colo.

#### Skulton, 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).

#### Siegel (Henry I.) Co., Inc.

July 27, 1961 filed 270,000 class A shares (par \$1), of which 135,000 shares are to be offered by the company and 135,000 shares by stockholders. Price—By amendment. Business—The manufacture of men's and boys' sportswear. Proceeds—For repayment of loans, equipment, working capital and other corporate purposes. Office—230 Fifth Ave., New York. Underwriter—Shearson, Hammill & Co., New York (managing).

#### Small Business Investment Co. of New York, Inc.

Aug. 22, 1961 filed 875,000 common shares. Price—By amendment. Business—A small business investment company. Proceeds—For investment in and loans to small business. Office—40 Beaver St., Albany, N. Y. Underwriter—Dillon, Read & Co., Inc., New York.

#### Smyth Worldwide Movers, Inc.

Aug. 10, 1961 ("Reg. A") 85,106 common shares (par \$1). Price—\$2.35. Proceeds—For working capital. Office—11616 Aurora Avenue, Seattle. Underwriter—Blanchett, Hinton, Jones & Granat, Inc., Seattle.

#### Southern Belle Electrical Industries, Inc.

July 25, 1961 ("Reg. A") 50,000 common shares (par 10 cents). Price—\$4. Proceeds—For repayment of loans, purchase of machinery and inventory, building construction and working capital. Office—4793 E. 10th Court, Hialeah, Fla. Underwriters—Aetna Securities Corp., New York; Roman & Johnson, Fort Lauderdale, Fla. and Guardian Securities Corp., Miami, Fla.

#### Southern Diversified Industries, Inc.

Aug. 8, 1961 filed 250,000 common shares. Price—\$5.50. Business—The purchase, inventorying and wholesale distribution of roofing materials, sheet metal products and heating and air conditioning accessories. Proceeds—For repayment of debt, purchase of merchandise and operating expenses. Office—3690 Northwest 62nd St., Miami, Fla. Underwriter—Netherlands Securities Co., Inc., New York.

#### Southern Growth Industries, Inc. (9/11)

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).

#### Spectron, Inc. (9/5)

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).

#### Spencer Laboratories, Inc.

May 1, 1961 (letter of notification) 1,624 shares of class A common stock (no par) to be offered for subscription by stockholders on the basis of four shares for each five shares held, with the unsubscribed shares to be sold to the public. Price—To stockholders, \$100 per share; to the public, \$110 per share. Business—Manufacturers of Pharmaceuticals. Proceeds—For testing new products, inventories; marketing and general corporate purposes. Office—10 Pine St., Morristown, N. J. Underwriter—E. T. Andrews & Co., Hartford, Conn.

#### 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).

#### Sterling Seal Co.

Aug. 2, 1961 filed 112,300 common shares of which 20,000 shares are to be offered by the company and 92,300 shares by the stockholders. Price—By amendment. Business—The design, lithographing and stamping of metal caps or closures for containers. Proceeds—For working capital. Office—316 W. 16th St., Erie, Pa. Underwriters—Fulton, Reid & Co., Inc., Cleveland and Walston & Co., Inc., New York (managing).

#### Stratton Corp. (9/25)

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. (9/5)

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.

#### Supronics Corp. (9/5-8)

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.

#### Swingline Inc. (10/16)

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. (9/11)

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. (8/28-9/1)

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. (9/7)

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.

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—Lomasnev, Loving & Co., New York City (managing). Note—This statement is being withdrawn.

#### 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). Note—This registration is being withdrawn.

#### Tassette, Inc.

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. Offering—Imminent.

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**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 Fund, Series 2**

Feb. 23, 1961 filed \$10,000,000 (100,000 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 (8/28)**

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.

**Technifoam Corp.**

Aug. 14, 1961 filed 110,000 common shares. **Price**—\$8. **Business**—The manufacture of machinery for producing polyurethane foam. **Proceeds**—For repayment of loans, equipment, foreign investments and working capital. **Office**—717 Fifth Avenue, New York. **Underwriter**—Sterns & Co., New York (managing).

**Techno-Vending Corp. (9/11)**

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).

**Telephones, Inc. (9/11-15)**

July 26, 1961 filed 250,000 common shares, of which 200,000 shares are to be offered by the company and 50,000 shares by stockholders. **Price**—By amendment. **Business**—A holding company with eight telephone subsidiaries. **Office**—135 So. La Salle St., Chicago. **Underwriters**—Hayden, Stone & Co., New York and McCormick & Co., Chicago.

**TelePrompTer Corp. (9/5)**

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).

**Televiso Corp.**

Aug. 8, 1961 filed 97,400 common shares, of which 60,000 shares are to be offered by the company and 37,400 shares by stockholders. **Price**—By amendment. **Business**—The manufacture of electronic and electro-mechanical apparatus used as ground to air aids to aircraft navigation. **Proceeds**—For repayment of loans, purchase of a plant and working capital. **Office**—Wheeling & Exchange Roads, Wheeling, Ill. **Underwriter**—Kalman & Co., St. Paul (managing).

**Templet Industries Inc.**

June 2, 1961 ("Reg. A") 100,000 common shares (par 25 cents). **Price**—\$3. **Business**—Licenses patents to die-makers and metal parts manufacturers. **Proceeds**—For working capital and general corporate purposes. **Office**—701 Atkins Ave., Brooklyn 8, N. Y. **Underwriter**—Levien, Greenwald & Co., New York.

**Templeton Damroth Corp. (9/1)**

March 30, 1961 filed \$445,000 of 5½% convertible debentures, due 1969. **Price**—100% of the principal amount. **Business**—The management and distribution of shares of four investment companies, and also private investment counselling. **Proceeds**—To increase the sales efforts of subsidiaries, to establish a new finance company, and for general corporate purposes. **Office**—630 Third Avenue, New York City. **Underwriter**—Hecker & Co., Philadelphia, Pa.

**Tennessee Investors, Inc.**

May 16, 1961 filed 500,000 shares of common stock to be publicly offered, and 4,206 common shares to be offered to holders of the outstanding common on the basis of one new share for each nine shares held. **Prices**—\$12.50 per share for the public offering and \$11.40 per share for the rights offering. **Business**—A small business investment company. **Proceeds**—To finance the company's activities of providing equity capital and long term loans to small business concerns. **Office**—Life and Casualty Tower, Nashville, Tenn. **Underwriter**—Paine, Webber, Jackson & Curtis, New York City (managing).

**Terry Industries, Inc. (8/28)**

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. (9/5-8)**

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.

**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).

**Thermionix Industries Corp.**

July 27, 1961 ("Reg. A") 150,000 common shares (par 10 cents). **Price**—\$2. **Business**—The manufacture of a flexible heating tape. **Proceeds**—For construction of a machine, research and development, sales engineering and working capital. **Office**—500 Edgewood Avenue, Trenton, N. J. **Underwriter**—D. L. Capas Co., New York.

**Thermo-Chem Corp. (9/11)**

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.

**Thomas Jefferson Insurance Co.**

July 27, 1961 ("Reg. A") 63,750 common shares (par \$1). **Price**—\$4.70. **Proceeds**—To increase capital and surplus. **Office**—457 Starks Bldg., Louisville. **Underwriter**—Stein Bros. & Boyce, Louisville.

**Thoroughbred Enterprises, Inc. (9/1)**

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).

**Thurrow Electronics, Inc.**

July 20, 1961 ("Reg. A") 41,500 class A common shares (par \$2.50) and 83,000 class B common shares (par \$1) to be offered in units consisting of one class A and two class B common shares. **Price**—By amendment. **Proceeds**—For repayment of loans and inventory. **Office**—121 S. Water St., Tampa. **Underwriter**—Miller Securities Corp., Atlanta, Ga.

**Tinsley Laboratories, Inc. (8/28)**

June 29, 1961 ("Reg. A") 100,000 capital shares (par 16½ 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.

**Tor Education, Inc.**

July 28, 1961 filed 100,000 capital shares. **Price**—By amendment. **Business**—The production of self instructional courses and devices. **Proceeds**—For purchase of equipment, new products and other corporate purposes. **Office**—65 Prospect St., Stamford, Conn. **Underwriter**—F. L. Rossman & Co., New York (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. (8/28)**

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. (9/5-8)**

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.

**Tresco, Inc. (8/28)**

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).

**Tri-Chem, Inc.**

Aug. 16, 1961 filed \$350,000 of sinking fund debentures, 6½% series due 1976 and 140,000 common shares to be offered in units consisting of \$100 of debentures and 40 common shares. **Price**—By amendment. **Business**—The manufacture of paints for hobbyists. **Proceeds**—For repayment of bank loans and working capital. **Office**—82 Main St., West Orange, N. J. **Underwriter**—P. W. Brooks & Co., Inc., New York (managing).

**Tri Metal Works, Inc. (9/5)**

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 River, N. J. **Underwriters**—R. L. Scheinman & Co., New York and Blaha & Co., Inc., Long Island City, N. Y.

**Tri-State Displays, Inc.**

July 24, 1961 ("Reg. A") 260,000 common shares (par five cents). **Price**—\$1.15. **Proceeds**—For working capital. **Office**—1221 Glenwood Ave., Minneapolis. **Underwriter**—Naftalin & Co., Minneapolis.

**Triangle Instrument Co. (9/11-15)**

March 30, 1961 (letter of notification) 100,000 shares of common stock (par one cent). **Price**—\$3 per share. **Business**—The manufacture of precision instruments and components. **Proceeds**—For equipment, inventory, the repayment of debt, and working capital. **Office**—Oak Drive and Cedar Place, Syosset, L. I., N. Y. **Underwriter**—Armstrong & Co., Inc., New York City.

**Trinity Funding Corp. (9/1)**

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.

**True Taste Corp.**

Aug. 18, 1961 filed 200,000 common shares. **Price**—\$5. **Business**—The installation and operation of plant to process frozen concentrated juices in bulk. **Proceeds**—For installation of equipment and working capital. **Office**—1206 Tower Petroleum Bldg., Dallas. **Underwriter**—Dallas Rupe & Son, Inc., Dallas (managing).

**Turbodyne Corp.**

May 10, 1961 filed 200,000 shares of common stock. **Price**—\$2 per share. **Business**—The research, development, manufacturing and marketing of space and rocket engines, and related activities. **Proceeds**—For research and development, and working capital. **Office**—1346 Connecticut Ave., N. W., Washington, D. C. **Underwriter**—T. J. McDonald & Co., Washington, D. C.

**Union 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 Improvement & Investing Corp.**

Aug. 18, 1961 filed \$2,500,000 of 6% convertible subordinated debentures due 1976 to be offered for subscription by holders of common stock and series A warrants on the basis of \$100 of debentures for each 70 shares held. **Price**—By amendment. **Business**—General real estate. **Proceeds**—For general corporate purposes. **Office**—25 W. 43rd St., New York. **Underwriter**—Sutro Bros. & Co., New York (managing).

**United Investors Corp. (9/18)**

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.

**United Scientific Laboratories, Inc.**

Aug. 18, 1961 filed 360,000 common shares. **Price**—\$2. **Business**—The manufacture of high fidelity stereo tuners and amplifiers and amateur radio transceivers. **Proceeds**—For repayment of debt, increase in sales personnel, tooling and production and working capital. **Office**—35-15 37th Ave., Long Island City, N. Y. **Underwriter**—Continental Bond & Share Corp., Maplewood, N. J.

**U. S. Dielectric Inc.**

July 24, 1961 ("Reg. A") 99,990 common shares (par 10 cents). **Price**—\$3. **Business**—The manufacture and distribution of epoxy resins for potting uses. **Proceeds**—For repayment of loans, research and development, moving expenses and working capital. **Office**—140 Adams St., Leominster, Mass. **Underwriter**—Richard Bruce & Co., Inc., New York.

● **U. S. Fiberglass Products Co. (8/25)**

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. (8/25)**

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. Markets, Inc.**

July 31, 1961 filed 200,000 common shares, of which 160,000 shares are to be offered by the company and 40,000 shares by a stockholder. Price—\$5. Business—The operation of a chain of supermarkets and other retail food stores in the San Francisco area. Proceeds—For repayment of loans, working capital and general corporate purposes. Office—60 Fallon Street, Oakland, Calif. Underwriter—Stanley Heller & Co., New York.

● **U. S. Plastic & Chemical Corp. (9/11-15)**

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 early November.

● **Universal Electronics, Inc.**

July 27, 1961 ("Reg. A") 213,000 common shares (par 10 cents). Price—\$1.15. Office—402 Minnesota Bldg., St. Paul. Underwriter—Brandtjen & Bayliss, St. Paul.

● **Universal Health, Inc. (9/11)**

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. (9/12)**

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.

● **Universal Surgical Supply Inc.**

Aug. 1, 1961 filed 200,000 common shares, of which 100,000 will be offered for public sale and 100,000 to stockholders of Houston Fearless Corp., parent company, on the basis of one share for each 30 shares held of record Sept. 1. Business—The sale of medicine, surgical and laboratory equipment manufactured by others. Proceeds—For the repayment of debt. Office—9107 Wilshire Blvd., Beverly Hills, Calif. Underwriter—Dempsey-Tegeler & Co., Inc., St. Louis.

● **Vacu-Dry Co. (9/6)**

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. (9/25)**

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.

● **Valve Corp. of America**

July 26, 1961 filed 160,000 common shares, of which 75,000 shares are to be offered by the company and 70,000 shares by stockholders. Price—\$7. Business—The manufacture of valves and accessories for aerosol containers. Proceeds—For repayment of debt and working capital. Office—1720 Fairfield Ave., Bridgeport, Conn. Underwriter—Lomasney, Loving & Co., New York (managing).

● **Varitron Corp.**

July 25, 1961 filed 100,000 shares of common stock. Price—\$2. Business—The manufacture of electronic items, principally TV and radio parts. Proceeds—For equipment, financing of merchandise, imports and accounts receivable and working capital. Office—397 Seventh Ave., Brooklyn, N. Y. Underwriter—Kenneth Kass, New York.

● **Vending International, Inc.**

July 27, 1961 ("Reg. A") 70,588 common shares (par 10 cents). Price—\$4.24. Proceeds—For repayment of debt, expansion and a new building. Office—c/o Brownfield, Rosen & Malone, 1026-16th St., N. W., Washington, D. C. Underwriter—H. P. Black & Co., Inc., Washington, D. C.

● **Vic Tanny Enterprises, Inc. (9/5)**

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. (8/25)**

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).

● **Vol-Air, Inc.**

July 27, 1961 ("Reg. A") 96,000 common shares (par one cent). Price—\$2.50. Business—The manufacture of a patented heat and mass transfer system. Proceeds—For equipment, filing of patents, inventory, advertising and promotion. Address—347 Madison Avenue, New York. Underwriter—Glass & Ross, Inc., 60 E. 42nd Street, New York 17, N. Y.

● **Voron Electronics Corp.**

July 28, 1961 filed 100,000 class A shares. Price—\$3. Business—The manufacture of electronic test equipment, the sale, installation and servicing of industrial and commercial communications equipment and the furnishing of background music. Proceeds—For tooling, production, engineering, inventory and sales promotion of its products and for working capital. Office—1230 E. Mermaid Lane, Wyndmoor, Pa. Underwriters—John Joshua & Co., Inc., and Reuben Rose & Co., New York.

● **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. (9/18)**

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.

● **Wald Research, Inc.**

July 26, 1961 filed 65,000 common shares. Price—\$5. Business—The manufacture of ground support equipment for the aircraft, missile and related industries. Proceeds—For repayment of loans, purchase of equipment and inventory, working capital and general corporate purposes. Office—79 Franklin Turnpike, Mahwah, N. J. Underwriters—Martinelli & Co., New York and E. R. Davenport & Co., Providence, R. I.

● **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). Offering—Expected in late September.

● **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. (9/1)**

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).

● **Watson Electronics & Engineering Co., Inc.**

July 25, 1961 ("Reg. A") 75,000 common shares (par 10 cents). Price—\$4. Proceeds—For manufacturing, laboratory and office facilities, equipment and working capital. Office—2603 S. Oxford St., Arlington, Va. Underwriter—Hodgdon & Co., Inc., Washington, D. C.

● **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 mis-

tile 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, 6 Salt Lake Stock Exchange Bldg., Salt Lake City. Offering—Expected in late October.

● **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, with rights to expire Sept. 25. 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. (9/11)**

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.**

July 17, 1961 filed 15,000 cumulative preferred shares (par \$100) which are being offered to employees and preferred stockholders of record Aug. 10, 1961, with rights to expire Aug. 30, 1961. Price—\$100 plus accrued dividends. 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. (10/23)**

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.

● **Wood Manufacturing Co., Inc.**

July 24, 1961 ("Reg. A") 250,000 common shares (par \$1). Price—\$1.15. Proceeds—For working capital, repayment of loans, purchase of equipment, advertising and building construction. Office—1035 Chestnut St., Conway, Ark. Underwriter—J. P. Penn & Co., Minneapolis.

● **World Scope Publishers, Inc.**

July 31, 1961 filed 300,000 common shares. Price—By amendment. Business—The publishing of encyclopedias and other reference books. Proceeds—For repayment of debt, working capital and general corporate purposes. Office—290 Broadway, Lynbrook, N. Y. Underwriter—Standard Securities Corp., New York.

● **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.

● **XTRA, Inc. (9/5)**

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. (9/5)**

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).

● **Zep Aero**

July 28, 1961 filed 50,000 common shares, of which 30,000 shares are to be offered by the company and 20,000 shares by a stockholder. Price—By amendment. Business—

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—The manufacture of oxygen systems and accessories for aircraft. **Proceeds** — For inventory, plant improvement, equipment and working capital. **Office**—113 Sheldon St., El Segundo, Calif. **Underwriter**—Francis J. Mitchell & Co., Inc., Newport Beach, Calif.

**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).

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**Prospective Offerings****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).

**Aluma-Rail, Inc.**

Aug. 9, 1961 it was reported that a ("Reg. A") will be filed shortly covering 100,000 common shares. **Price**—\$3. **Business**—The manufacture of new color anodized aluminum chain link fencing. **Proceeds**—For inventory and plant expansion. **Office**—44 Passaic Avenue, Kearny, N. J. **Underwriters**—Omega Securities Corp., New York.

**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).

**Bay State Electronics Corp.**

Aug. 2, 1961 it was reported that this company plans to file a registration shortly covering about 270,000 common shares to raise some \$2,500,000. **Business**—Research, development and production of items in the fields of medical electronics, etc. **Proceeds**—For expansion and working capital. **Office**—43 Leon St., Boston, Mass. **Underwriter**—S. D. Fuller & Co., New York (managing).

**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, 1961 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.

**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. **Offering**—Expected in Dec.

**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).

**★ Equitable Savings & Loan Association**

Aug. 22, 1961 it was reported that about 255,000 shares of this firm's stock will be offered publicly in early September. Of the total, approximately 255,000 will be sold for the account of the company and 180,000 for certain stockholders. **Price**—To be determined. **Business**—A Savings and Loan Association with 13 offices in Oregon and Washington. **Office**—Portland, Ore. **Underwriter**—R. W. Pressprich & Co., New York City (managing). **Note**—The proposed offering is exempt from registration under terms of the Securities and Exchange Act of 1933.

**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**

Aug. 15, 1961 it was reported that this subsidiary of General Telephone & Electronics Corp., expects to offer about \$15,000,000 of bonds in January 1962. **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. **Offering**—Expected in October.

**● Georgia Power Co. (10/18)**

Aug. 15, 1961 it was reported that this company plans to issue \$10,000,000 of first mortgage bonds in October. **Office**—Electric Bldg., Atlanta. **Underwriters**—(Competitive). Probable bidders: 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). **Bids**—Expected Oct. 18 at 12 noon at offices of Southern Services, Inc., 250 Park Ave., New York.

**● Georgia Power Co. (10/18)**

Aug. 15, 1961 it was reported that this company plans to sell \$7,000,000 of preferred stock in October. **Office**—Electric Bldg., Atlanta. **Underwriters**—(Competitive). Probable bidders: First Boston Corp.; Lehman Brothers; Morgan Stanley & Co.; Eastman Dillon, Union Securities & Co.; Equitable Securities Corp. **Bids**—Expected Oct. 18 at 11 a.m. (EDST) at offices of Southern Services, Inc., 250 Park Ave., New York.

**Glenmore Distilleries Co.**

Aug. 9, 1961, Joseph A. Engelhard, President, stated that the company plans to issue bonds later this year because it thinks that its \$12,000,000 in outstanding bank loans are "too heavy for our volume." **Business**—The production and sale of domestic whiskeys. **Office**—660 South 4th Street, Louisville, Ky. **Underwriter**—To be named. The company has never issued bonds, but its last sale of debentures on Sept. 12, 1952 was underwritten by Glore, Forgan & Co., New York City and associates.

**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. **Information Meeting**—Sept. 28 (11a.m. EDST) at 70 Broadway (18th floor) 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. **Offering**—Expected in mid-September.

**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.

**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.**

July 27, 1961 it was reported that this company plans to file a registration statement 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. **Offering**—Expected in early 1962.

**Kansas Power & Light Co. (10/10)**

Aug. 15, 1961 it was reported that this company plans to sell about \$13,000,000 of debentures in October. **Office**—800 Kansas Ave., Topeka. **Underwriters**—(Competitive). Probable bidders: First Boston Corp.; Halsey, Stuart & Co. Inc.; Blyth & Co. Inc. **Bids**—Expected Oct. 10, 1961.

**Macro Industries**

May 2, 1961 it was reported that this company, formerly named Macro 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.

**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 September. **Office**—2800 Pottsville Pike, Muhlenberg Township, Berks County, Pa. **Underwriters**—(Competitive). 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 150,000 common shares. **Price**—\$4 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).

**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.

**Miss Pat, Inc.**

Aug. 9, 1961 it was reported that a registration statement covering about \$1,000,000 of this company's outstanding common stock will be filed in September. **Business**—The manufacture of teen-age apparel. **Proceeds**—For the selling stockholders. **Office**—860 Los Angeles Street, Los Angeles, Calif. **Underwriter**—Mithum, Jones & Templeton, Los Angeles.

**★ Mutual Photocolor Laboratories, Inc.**

Aug. 22, 1961 it was reported that this company plans to sell about \$750,000 of common stock. **Business**—The development of pictures and the sale of photographic equipment and supplies. **Proceeds**—For expansion. **Office**—29-14 Northern Blvd., Long Island City, N. Y. **Underwriter**—Rodetsky, Kleinzahler, Walker & Co., Inc., Jersey City, N. J.

**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 their respective busiest seasons. The CAB later disapproved this plan and ordered the airlines to divest themselves of the stock. **Price**—About \$20 per share. **Proceeds**—To repay a \$4,500,000 demand loan, and other corporate purposes. **Office**—Miami International

Airport, Miami 59, Fla. **Underwriter**—Merrill Lynch, Pierce, Fenner & Smith Inc., New York City (managing).

#### 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.

#### ★ New World Laboratories, Inc.

Aug. 22, 1961 it was reported that a "Reg. A" will be filed shortly covering 100,000 common shares. **Price**—\$3. **Business**—The manufacture of cosmetics. **Proceeds**—For purchase of equipment and inventory and general corporate purposes. **Office**—Washington, D. C. **Underwriter**—East Coast Investments Co., Washington, D. C.

#### 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).

#### 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. 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**—Merrill Lynch, Pierce, Fenner & Smith, Inc. (managing).

#### 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).

#### ★ Penn Amusement Corp.

Aug. 22, 1961 it was reported that this company plans to file a "Reg. A" shortly covering 100,000 common shares. **Price**—\$3. **Business**—The company furnishes mobile (truck) amusement rides for children. **Proceeds**—To operate a new type truck and set up national distributorships. **Underwriter**—J. Laurence & Co., New York City.

#### 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.

#### ● Pittsburgh Steel Co.

Aug. 15, 1961 it was reported that this company plans to raise about \$10,000,000 by sale of about 750,000 common shares to stockholders through subscription rights. **Proceeds**—For a capital improvement program. **Office**—1600

Grant Bldg., Pittsburgh 30, Pa. **Underwriter**—Kuhn, Loeb & Co., New York (managing).

#### ● Public Service Co. of Colorado

Aug. 22, 1961 it was reported that the previously announced plan to sell about \$20,000,000 of common stock to stockholders through subscription rights had been postponed until about June 1962. **Office**—900 15th St., Denver, Colo. **Underwriter**—To be named. The last equity financing was handled on a negotiated basis by First Boston Corp.

#### ● Public Service Co. of Colorado (10/2)

Aug. 22, 1961 it was reported that this company plans to sell \$30,000,000 of first mortgage bonds due 1991. **Office**—900 15th St., Denver, Colo. **Underwriters**—(Competitive). Probable bidders: Halsey, Stuart & Co. Inc.; Harriman Ripley & Co., Inc., Eastman Dillon, Union Securities & Co., Merrill Lynch, Pierce, Fenner & Smith Inc., and Dean Witter & Co. (jointly); Kidder, Peabody & Co. and White, Weld & Co. (jointly); Blyth & Co., Inc., and Smith, Barney & Co. (jointly); Lehman Brothers and First Boston Corp. (jointly). **Bids**—Oct. 2, 1961, 11:30 a.m. (EDST) at the office of Morgan Guaranty Trust Co., 54 Liberty St. (6th floor), New York. **Information Meeting**—Sept. 28, 10 a.m. (EDST) at above office of Morgan Guaranty Trust Co. (Mezzanine B).

#### Public Service Electric & Gas Co. (10/17)

Aug. 15, 1961 it was reported that this company plans to sell \$50,000,000 of debentures due Oct. 1, 1981 in October. **Office**—80 Park Place, Newark 1, N. J. **Underwriters**—(Competitive). Probable bidders: First Boston Corp.; Halsey, Stuart & Co. Inc.; White, Weld & Co., Blyth & Co. Inc., Goldman, Sachs & Co., and Harriman Ripley & Co., Inc. (jointly). **Bids**—Expected on or about Oct. 17 at 11 a.m. (EDST).

#### ★ Radar Design Corp.

Aug. 22, 1961 it was reported that this company plans to sell about 15,000 common shares in the fiscal year ending June 30, 1962. **Business**—The company's products are used both as test instruments and as components in production of microwave systems. **Proceeds**—For working capital. **Office**—Pickard Drive, Syracuse, N. Y. **Underwriter**—The last public offering of stock in Dec. 31, 1960 was not underwritten.

#### Rochester Gas & Electric Corp. (11/14)

Aug. 15, 1961 the company stated it plans to issue about \$15,000,000 of 30-year bonds in November. **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 Brothers & Hutzler, Eastman Dillon, Union Securities & Co., and Equitable Securities Corp. (jointly); Blyth & Co., Inc., The First Boston Corp. **Bids**—Expected Nov. 14 at 11 a.m. (DST).

#### 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.

#### Servonuclear Corp.

Aug. 9, 1961 it was reported that a ("Reg. A") will be filed shortly covering 100,000 common shares. **Price**—\$2. **Business**—The manufacture of medical electronic equipment. **Proceeds**—For expansion. **Office**—28-21 Astoria Boulevard, Long Island City, N. Y. **Underwriter**—Omega Securities Corp., New York.

#### ★ Shank Industries, Inc.

Aug. 22, 1961 it was reported that this company plans to sell about \$750,000 of common stock. **Business**—The re-manufacture and distribution of automobile parts. **Proceeds**—For the repayment of loans and expansion. **Office**—Columbus, O. **Underwriter**—Rodetsky, Kleinzahler, Walker & Co., Inc., Jersey City, N. J.

#### 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.

#### ★ Subway Bowling & Recreation Enterprises, Inc.

Aug. 22, 1961 it was reported that this company plans to sell about \$1,200,000 of common stock. **Business**—The company has an exclusive franchise from the City of New York to build bowling and recreation centers in the subways. **Proceeds**—To build the first three centers. **Office**—New York City. **Underwriter**—Rodetsky, Kleinzahler, Walker & Co., Inc., Jersey City.

#### Tampa Electric Co.

May 10, 1961 it was reported that this company plans to spend over \$80,000,000 on new construction in the next three years. No financing is planned this year but in 1962 the company may issue bonds or common stock. **Office**—111 No. Dale Mabry Hwy., Tampa, Fla. **Underwriters**—To be named. The last sale of bonds on June 29, 1960 was handled by Halsey, Stuart & Co. Inc., New York City. Other competitive bidders were Merrill Lynch, Pierce, Fenner & Smith Inc.; Goldman, Sachs & Co.; Stone & Webster Securities Corp. The last sale of common stock on Feb. 13, 1960 was made through Stone & Webster Securities Corp.

#### Teeco Automated Systems, Inc.

Aug. 9, 1961 it was reported that a ("Reg. A") will be filed shortly covering 100,000 common shares. **Price**—\$3. **Business**—The custom, design, manufacture and installation of automated material handling systems for large wholesale and retail establishments and industry.

## Dividend Advertising Notices Appear on Page 16.

**Proceeds**—For expansion. **Office**—42-14 Greenpoint Avenue, Long Island City, N. Y. **Underwriter**—Omega Securities Corp., New York.

#### 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. Hunterberg, Towbin & Co., New York (managing).

#### 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 preferred stock in September. **Office**—120 Broadway, New York City. **Underwriters**—Merrill Lynch, Pierce, Fenner & Smith Inc. and Kidder, Peabody & Co., both of New York City (managing).

#### Universal Oil Products Co.

Jan. 17, 1961 it was reported that this company many require financing either through bank borrowings or the sale of debentures in order to further expansion in a major field which the company would not identify. No decision has been made on whether the product, named "Compound X," will be produced. **Business**—The company is a major petroleum and chemical research and process development concern. **Office**—30 Algonquin Road, Des Plaines, Ill. **Underwriter**—To be named. The company has never sold debentures before. However, the last sale of common stock on Feb. 5, 1959 was handled by Lehman Brothers; Smith, Barney & Co., and Merrill Lynch, Pierce, Fenner & Smith Inc., all of New York City.

#### ★ Valley Forge Industries, Inc.

Aug. 22, 1961 it was reported that this company plans to sell about \$750,000 of common stock. **Business**—The manufacture of specialty automobile parts and high speed machinery. **Proceeds**—For expansion. **Office**—Brooklyn, N. Y. **Underwriter**—Rodetsky, Kleinzahler, Walker & Co., Jersey City, N. J.

#### Vector Engineering Inc.

Aug. 9, 1961 it was reported that a full registration will be filed shortly covering 100,000 common shares. **Price**—\$6. **Business**—Engineering and design services, the development of electromechanical and electronic devices for industry and the Federal Government, and the preparation of technical publications. **Proceeds**—For expansion. **Office**—155 Washington Street, Newark, N. J. **Underwriter**—Omega Securities Corp., New York.

#### 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.

#### 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).

# WASHINGTON AND YOU

BEHIND-THE-SCENES INTERPRETATIONS  
FROM THE NATION'S CAPITAL



WASHINGTON, D. C.—The Bureau of the Census has taken a census of a hundred and one things ranging from population, housing and agriculture to a census of expenditures and revenues to debts.

Thirteen years ago Congress authorized for the first time a census of transportation. However, no census has ever been conducted for the simple reason Congress never got around to appropriating any funds to conduct the census.

As nearly everyone knows billions of dollars are being spent each year on highways and streets, airports, and on rivers and waterways in general. There is no question that ours is the most mobile country in all the world.

The Bureau of the Census, if Congress approves, plans to conduct a census of transportation in 1963, based on three specific things: a survey of passenger travel; a survey of trucks and bus transportation; and a survey of shipment of manufactured products.

A subcommittee of the House Post Office and Civil Service Committee, headed by Representative John Lesinski, Democrat of Michigan, conducted some hearings that brought out some pertinent information. The hearings elicited some "pro" and "con" statements.

The transportation systems represent a \$100 billion business or approximately 20% of the Gross National Product. Studies on national transportation have pointed up the magnitude of the transportation industry.

While the railroad industry is a sick industry for some of the carriers, there is strong hope and belief that they are going to make a comeback. The growth in the United States has always followed the development of our transportation.

Millions of commuters around the large metropolitan areas of the country are ready to testify that the urban transportation problem is a critical one, and getting worse.

There was testimony presented at the hearings that said flatly that no useful purpose would be served by a census of transportation. Some of the larger industries question the wisdom on the ground that it would be still another government interference in the affairs of private business. It was generally agreed that few shippers are in the transportation business by choice in the first place.

## Much to Gain

Frank L. Barton, deputy under secretary for transportation, Department of Commerce, believes that many benefits would accrue to industry and government from knowledge gained by conducting a census of transportation including an improved basis for forecasting traffic volumes, and requirements for private and public transportation capacity. In the event of a shooting war, of course, there would be a mobilization of the nation's transportation capacity immediately.

Frederick N. Saas, manager, economic analysis, for the Pennsylvania Railroad, appeared before the House committee in behalf of the Federal Statistics Users' Conference, urging the census. Mr. Saas declares that the organized transportation industry in the United States today is starving slowly, in a financial sense, because the increasing potential business goes to the un-

regulated carriers like trucks and barges.

## Railroads Still Declining

"The railroad industry in 1961," said Mr. Saas, "will have suffered its sixth straight year of declining income. Its rate of return on investment, after depreciation, will be under 2%. And these numbers conceal the fact that the eastern roads as a group, will undoubtedly end the year with a deficit and that the earnings of other roads come, in large part, from other transportation activities. The plight of the railroad industry is the most serious of any of the industry segments."

"But let us look at the motor carrier group. Their net income has been rising generally, with some interruptions, at least over the last eight years. Yet, in 1960, their net fell by over 61% from the 1959 level. This can hardly be attributed to the effects of the recession in general business activity that set in in 1960."

The witness told Congress that the domestic air carrier net income in 1960 dropped almost 97% from the 1959 level. All segments of transportation in 1960, except pipelines, were having their financial problems.

## Census Not Wanted

While the railroads generally want a census of transportation, a large segment of the trucking industry is skeptical of the census and the consequences it might bring in the way of legislation in the future. The American Trucking Associations, Inc., as an example, has some strong reservations about a census.

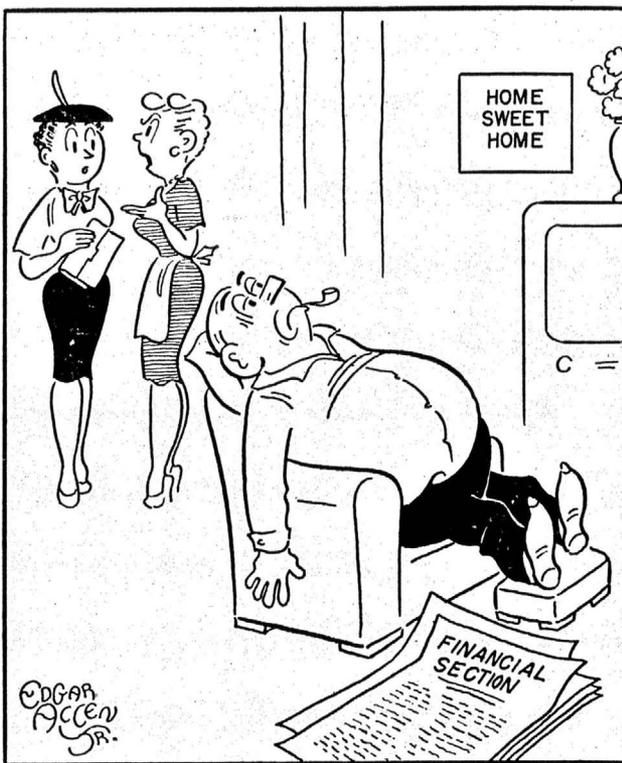
The New York Central System declares that the government's urgent need for a census of transportation, has been well documented. At the same time, J. M. Ostrow, director of market research for the N. Y. C., contends that the regulated transportation industry, particularly the railroads, have a most pressing need for a census. Factual data on the freight transportation market in this country is totally inadequate for sound planning by rail carrier, he said. There are no useful data covering the unregulated two-thirds portion of the freight moved by highway as well as a substantial amount moved on the inland waterways.

"Under these conditions," said Mr. Ostrow, "the railroads suffer a grave disadvantage. Our motor and water competitors enjoy an unfair advantage in having access to detail rail traffic data while we have nothing comparable covering their traffic."

Travel is big business in every state, if not every city. The executive director of the National Association of Travel Organizations, James L. Bossemeyer, asserts that travel is one of the primary means of distributing the wealth produced in the United States. It is estimated that the people of this big country currently spend nearly \$30 billion a year for travel at home and abroad. Of this amount \$26.3 billion is spent in the United States.

Ernest W. Williams, professor of transportation at Columbia University's Graduate School of Business, advised the Post Office and Civil Service Subcommittee, that the absence of transportation information is a handicap. Clifford D. Clark, associate professor of economics, at New York University, maintains that such a census is long overdue.

One business paper editor, C. B. Rawson of the "Commercial Car Journal," backing the proposal,



"And he has the nerve to call his STOCK dull and sluggish!"

made this observation, among others to Congress: "... no doubt you are familiar with the fact that the trucking industry is second only to agriculture as an employer of people. It represents a huge segment of our economy, yet it is still very much 'the industry nobody knows.'"

The Air Transport Association of America said there are more than 70,000 aircraft owned and operated by private citizens and business firms. Details are lacking as to the number of aircraft actually flying, the number of passengers, and the amount of goods moved in these planes.

Meantime, there appears to be a chance that for the first time in 1963 the Bureau of the Census will launch a significant and useful transportation census.

[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.]

## COMING EVENTS

### IN INVESTMENT FIELD

Sept. 7-8, 1961 (Chicago, Ill.) Municipal Bond Club of Chicago 25th Annual Field Day (Chicago Waterways Cruise, Sept. 7; Field Day Sept. 8th at Elmhurst Country Club).

Sept. 8, 1961 (Cleveland, Ohio) Northern Ohio Group of Invest-

ment Bankers Association meeting.

Sept. 13, 1961 (Denver, Colo.) Rocky Mountain Group Investment Bankers Association meeting.

Sept. 13, 1961 (New York City) George E. Rieber Testimonial Dinner in the main ballroom of the Waldorf-Astoria.

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. 21-22 (Atlanta, Ga.) Georgia Security Dealers Association annual summer outing.

Sept. 27, 1961 (New York City) Association of Customers Brokers annual dinner at the Waldorf Astoria.

Sept. 29, 1961 (Philadelphia, Pa.) Bond Club of Philadelphia 36th annual field day at the Philmont Country Club, Philmont, Pa.

Oct. 3, 1961 (Detroit, Mich.) Bond Club of Detroit Annual Fall Outing at Lochmoor Country, Grosse Pointe Woods, Mich.

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.

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