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Editorial AS WE SEE IT

There is, of course, very general agreement that the year 1962 began its course amid substantial recovery from the rather mild recession that had been our lot. There is almost a general agreement among economists and business leaders that the course of the recovery will continue, and that this year of our Lord will be among at least the better years in our history—barring, of course, such unforeseen and largely unforeseeable events as major war or, possibly, a serious and prolonged steel strike, neither of which is now regarded as very likely.

Naturally, the further one tries to gaze into the future the less clear cut the lines become, and the less unanimous the consensus is, but by and large, confidence concerning the remainder of this year is very general and strong, so far as may be determined by statements in the press and otherwise even if there are some differences about how the latter months of the year may compare with the earlier ones.

Problems, of course, remain, some of them more or less unique in our history, and the manner in which they are dealt with in this period of prosperity may well shape the course of our economic affairs for some years to come. It is unusual for us, to say the least, to be obliged to consider what others may think of what we are doing in our own country. Such, however, is the fact, and it is essential that it not be lost to sight. The truth is that our financial position among the nations of the world is vastly different from what it has been for a long time past, indeed quite possibly different than it has ever been in periods of substantial prosperity at home, at least in modern times.

Must Look Abroad, Too

It is no longer a question merely of our immediate concern here at home as to whether the so-called cost-push inflation and the other types of inflation which could easily emanate from faulty public policies in current prosperous times become a burden to the consumer. Developments of this sort in exist- *(Continued on page 107)*

Business and Finance Speaks After the Turn of the Year

As is our usual custom, THE CHRONICLE features in today's ANNUAL REVIEW AND OUTLOOK ISSUE the individual opinions of the country's leading industrialists, bankers and financiers, also government officials, as to the probable trend of business in the current year. These forecasts, written especially for THE CHRONICLE, provide the reader with up-to-the-minute official views as to the indicated course of business in all industries. The statements begin herewith—

HON. HARRY FLOOD BYRD

U. S. Senator From Virginia
Chairman, Committee on Finance

The fiscal position of the Federal Government of the United States—in all of its aspects, domestic and international — demands utmost caution throughout the foreseeable future. This is clearly shown in official records for the first half of the current fiscal year (July-December, 1961).

Hon. Harry F. Byrd

The government is in a precarious position with respect to Federal debt, domestic budget, inflation, balance of international payments, and gold supply. The inter-related pressures of these elements have produced a serious combination. The hard facts of the situation should not be hidden or confused.

The Federal debt has reached its all-time peak. It is virtually at its statutory limit, and within the shadow of $300 billion. It is $35 billion higher than at the end of World War II, $30 billion higher than at the end of the Korean War, $6 billion higher than a year ago, and $5 billion higher than Treasury estimates of last June. The Administration's Midyear Budget Review, published Oct. 29, 1961, estimated the Federal deficit in the current fiscal year (1962, ending next June 30) at $6.9 billion. The Treasury's monthly statement for the five months ending Nov. 30 (latest official figures) showed the deficit as of that date to be $8.1 billion.

In the first five months of the current fiscal year (July-November 1961) total Federal expenditures increased $2.7 billion, or 7.9%, as compared with the same period last year. Actual expenditures by Dec. 1 this year had totaled $36.1 billion, as compared with a total of $33.5 billion at the same date a year ago.

As usual there were heavy increases in spending for domestic-civilian programs. In the first five months of this year Federal expenditures increased $1.4 billion in these programs, or 10.5%, as compared with the same period last year. Domestic-civilian expenditures by Dec. 1 this year had totaled $15 billion as compared with $13.6 billion at the same date a year ago.

Expenditures for military functions in the first five months this year increased $0.9 billion, or 5.3%, as compared with the same period last year. Expenditures for U. S. military functions by Dec. 1 this year had totaled $18.2 billion as compared with $17.3 billion at the same date a year ago. Military assistance expenditures were down from $0.5 billion last year to $0.3 billion this year.

As compared with last year, notable domestic-civilian expenditure increases were to be found in programs for public health and public assistance, "defense" education, unemployment compensation, urban renewal, reclamation, Commodity Credit and removal of surplus agricultural commodities, small business and Tennessee Valley Authority, etc.

Honorable Douglas Dillon, incumbent Secretary of the Treasury, is among an imposing list of authorities, including Mr. Bernard M. Baruch; Honorable William McChesney Martin, Chairman of the Federal Reserve Board; former Secretaries of the Treasury Robert B. Anderson and George M. Humphrey, etc., who *(Continued on page 20)*

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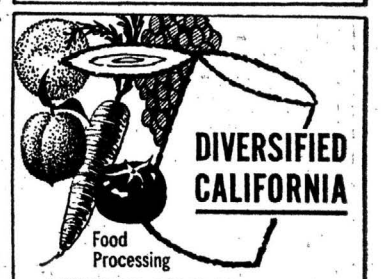

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This Week's Forum Participants and Their Selections

The Bon Ami Co. — Verner H. Kraft, Vice-President, Wheeler & Cruttenden, Inc., Los Angeles, Calif. (Page 2)

Bendix Corporation—Winfried H. Oppenheimer, partner, Oppenheimer, New & Co., New York City (Page 2)

VERNER H. KRAFT
Vice-President, Wheeler & Cruttenden, Inc., Los Angeles, Calif.

The Bon Ami Company

The title, "The Hidden Asset of Past Mismanagement," can best describe The Bon Ami Company as "The Security I Like Best."

Verner H. Kraft

The Bon Ami Company already has national prominence in its field of household specialty products and a 77-year history of acceptance with consumers. For many years, the company dominated the cleanser market and, unfortunately, due to a series of static Management errors and financial entanglements, found its share of national market dwindling up to 1958.

Since new management, led by R. Paul Weesner, Chairman of the Board, and Ralph A. Schwaikert, President, took over the helm in the summer of 1958, Bon Ami has moved vigorously forward and broadened its product line of Cleansers, Cake, and Jet-Spray Bon Ami; and has now placed on the market Dust'N Wax, a furniture polish, and Bon Dent, a denture cleaner. On Dec. 1, 1961, The Bon Ami Company acquired, for cash, the One-Wipe line of Dust Cloths and Dust Mop Covers, which is the first acquisition by Bon Ami since its founding 77 years ago. The new product acquisition is expected to increase sales an additional 15% and profits 40% in 1962.

As a result of these activities, Bon Ami is no longer identified narrowly as a cleanser company, rather, it is moving in the direction of expansion and vertical diversification through the development and acquisition of new specialty products in the household cleaning field. Dramatizing the results of the company's new philosophy in sales management, is the fact that in htree years Bon Ami sales of Jet-Spray have expanded to the point where they new exceed the sales of the original cleanser and cake soap.

With new management firmly in hand in the summer of 1958, Bon Ami began a turn-around and after two years of definite "financial housecleaning," the company returned to a profitable earnings picture, reporting 41 cents per share in 1960 and 73 cents per share for the first nine months of 1961.

Bon Ami sales have increased 11% to 12% each year since new management took over and the forecast for 1962 is extremely promising. The company reported net sales of $5,300,000 in 1960 and estimates sales in 1961 will approximate $6,000,000, while conservative estimates for 1962, without additional acquisitions, are placed at $7,500,000.

R. Paul Weesner, Chairman of the Board of The Bon Ami Company, has surrounded himself with a young, aggressive group headed by 34 year old President, Ralph A. Schwaikert. Mr. Schwaikert holds degrees in Chemistry and Industrial Management, and has come up to his present position through the ranks in manufacturing, production and administration. The balance of the operating team is a hard-hitting, young, aggressive group, recruited from firms solidly entrenched in the food and allied marketing fields and who are actively returning the company to a place of natioanl prominence.

The company has now reduced its overhead, manufacturing, plant and facilities, to the point where additional sales volume will increase profits by an even further amount than shown on the present sales base. Bon Ami products are now in a less competitive position than heretofore and management has confined their activities and marketing efforts to larger profit potentials with less competitive pressures. I prefer the food and non-food manufacturing distribution firms because the potential is limited only by the growth and economy of the country. Bon Ami is presently sharing in the wide trends to further one-stop super-market shopping, and their markets can be increased substantially as management continues its forward and aggressive policies.

The company is in the best financial condition in five years and recently obtained a line of bank credit which is available for further growth and diversification. Similarly, a recent report by Dun & Bradstreet shows remarkable change in its organization and financial stability, to the point where additional companies are seriously interested in joining the Bon Ami family of products.

With internal financial difficulties now in the past, with cash and financial resources at a five year high, and with a young, aggressive management team, Bon Ami is proving that it can not only restore vigor but can forge ahead to much greater sales and profit potentials than ever before.

Therefore, it appears to me that the investor who is looking for a growth situation previously ignored because of difficulties, may find a rewarding increase in equity in the near future. The stock is traded in the Over-the-Counter Market.

WINFRIED H. OPPENHEIMER
Partner, Oppenheimer, Neu & Co., New York City
Members New York Stock Exchange

Bendix Corp.

Is there an electronics, space, missile company which, at the same time, has solid and profitable civilian business with conservative capitalization and balance sheet, selling at a reasonable price-earnings ratio, affording a good yield, and offering excellent 1962 prospects? Yes, such company exists: Bendix Corp.

W. H. Oppenheimer

With 5,389,620 shares outstanding, the corporation is valued by the market for about $355 million, which is only about 40% of its sales volume ($752.8 million) in the fiscal year ended Sept. 30, 1961. Currently, the shares are selling only 15 times estimated 1962 earnings, offering a yield of about 3.7%.

Nineteen sixty-two is the year when the U.S.A. wants to make big space and missile news and the automobile industry looks for a vast sales improvement. Bendix is active in both these directions and thus, its shares offer excellent prospects for this year.

Seventy-two percent of Bendix's sales in the fiscal year ended Sept. 30, 1961 were military against 69% in the previous year. In view of our increased defense budget and a 10-year $50 billion program to land a man on the moon plus the dramatic boost in civilian space outlays, I believe that missile and space sales, which in fiscal 1961 advanced from $182.4 million or 23% of total sales to $197.2 million or 26%, will show excellent further growth. As late as 1958, the figure was only $78.8 million. The Navy selected Bendix as prime contractor for the new long range Typhon Missile, designed to provide the fleet with improved capability to intercept enemy missiles, planes and vessels. The company is also the prime contractor for the Navy's older Talos surface-to-air weapon, and contractor for the Army's heaviest weapon, the Pershing ground-to-ground missile. The company is manning and maintaining major tracking and instrumentation systems, such as Minitrack, which is connected with the Project Mercury, the manned space flight program. For this project, Bendix has been responsible for developing earth-to-space communications, etc. The company has developed another tracking system called Spasur, designed for tracking dark satellites which emit no radio signals. Bendix was selected for an important role in the development of the guidance systems for the Saturn Missile, the nation's largest space vehicle planned for exploration of the moon by 1970. On the important program, Advent, which will endeavor to place a satellite in precise orbit so that it will remain stationary in the sky, Bendix is a prime contractor for communication equipment, ground and shipboard terminals. The company is proud of its new space system laboratory which will be in full operation in the very near future.

Nearly half of Bendix's sales are connected with aviation, both military and commercial. In the last fiscal year, orders for over 500 Bendix Doppler radar systems were received, a new air-borne system for pinpoint navigation without any ground reference. The company's control system is used by 45 of the world's airlines as well as by military aircraft. The prospect of sharply increased use of smaller jets for airline and private purposes constitutes a strong growth factor for the company's aircraft, instrumentation, and radar sales. In addition, the company built a nose landing gear widely used in military and other craft.

The company also developed an underwater communication system which transmits the human voice as well as code, and obtained contracts for automatic maneuvering and control systems for Polaris and nuclear attack submarines. In addition, Bendix has prime contracts in the Atomic Energy Commission's weapons program and produces the only radiation detection instrument approved by the Office of Civil and Defense Mobilization.

Fiscal 1961 was a bad automo-

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Business of Title Insuring

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

A short commentary on the expansion of title insurance operations and profitability and prospects of certain companies in this field.

When you buy a piece of real estate, you want to make sure that you really own it; that there is no cloud in the title, no undisclosed or unsatisfied lien, no unpaid back taxes, no error in survey or boundary demarkations. Almost invariably a title search is made in connection with the transfer of real estate, but increasingly, especially by mortgage lending institutions, insurance of title by a responsible company is required.

A title insurance policy is a written document protecting the owner against loss, if the condition of title to the property is found, at any later time, to be otherwise than as stated in the policy. Premiums are based on fair valuations of the property, and paid at the time of transfer. Very often, on high priced real estate, several companies will coinsure the title to spread the risk on any possible claim.

Because the recording of titles and deeds is usually done in the vicinity of the property location (at a town, city or county office), hundreds of small title companies have been formed to handle business in their immediate localities. The trend now, however, is for these sectional or regional companies to merge into larger corporations where costs can be better controlled, examinations and searches conducted more efficiently, and capital resources created to permit the issuance of larger policies (with correspondingly higher premium income). Further, because of the boom in real estate and construction, throughout the country, and the resulting velocity and volume of property transfers, formation of new companies, and mergers and new branch offices for older ones. are a frequent occurrence.

The business has been attracting capital not only because it is a growing one, but because it is a highly profitable one. A well managed company in a good year can show pre-tax profits equal to 30% or more of premium income. Further, overhead in a title company (salaries represent about 75% of this) is stable and a large increase in business can be handled without corresponding increase in costs. The basic operation is the examination of titles, the reading of abstacts, and the preparation of formal opinions of title. Substantial capital resources are required to back up the guaranty of titles, and individual states may require that a certain percentage of premium income be set up as a reserve, similar to the reserves required of life insurance companies.

Security Title Insurance Company

California is second only to New York in population, at the moment, and expects to pass New York this year. As a consequence of the influx of some 5 million people in the past decade, California has been enjoying a roaring realty boom, enthusiastic expansion of its savings and loan companies and, equally prosperous times in the title business.

The second largest title enterprise in California is Security Title Insurance Company. Its present magnitude results not only from the rapid growth of the industry, but from a long series of mergers over the past 40 years capped by acquisition, in 1959, of Land Title Insurance Company, third largest in California at the time. Security now issues title policies in 30 counties in California and in Washington and Utah.

For 1960, Security Title grossed $15,671,000 which it converted into a net income of $1,457,000 or 66 cents on each of the 2,213,375 shares outstanding. For this year, per share earnings of around 85 cents have been predicted.

Stockholders (they number over 5,000 today) have fared very well in this company over the years. The stock sold at the equivalent (allowing for stock splits) of $1 in 1950, and is presently quoted over-the-counter at 22. Present dividend rate is 50 cents, but the rapid rise in net earnings suggests the possibility of an increase in the not too distant future.

Inter-County Title Guaranty and Mortgage Company

Moving to New York State, again we find booming real estate, and title companies expanding their offices and their earning power. Inter-County Title has its main office in New York City. While it conducts an extensive title business in New York State, it also provides title insurance in Connecticut, Delaware, District of Columbia, Florida, Indiana, Kentucky, Maryland, Massachusetts, New Jersey, Ohio, Pennsylvania, Virginia, West Virginia and the Bahamas.

Total assets of Inter-County Title at the 1960 year end were $6,347,511. Corporate growth is documented by the fact that the company had four offices in 1944, and 20 at the end of 1960. In the same period, annual gross income rose from $185,790 in 1944 to $4,817,412 in 1960. For 1960, net income after taxes and reserves was $202,692 applying against 140,280 shares of capital stock outstanding. The stock trades OTC at around 18½. A substantial gain in net income is expected for 1961.

Security Title and Guaranty Company

A smaller company, but one showing excellent growth, is Security Title and Guaranty Company serving Metropolitan New York and its burgeoning surburban areas in Westchester and on Long Island. The company is licensed not only in New York, but in New Jersey, Connecticut and Florida as well.

Gross income has expanded at an attractive rate, from $1,304,612 in 1957 to $2,411,127 in 1960. Profits before taxes improved

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BUSINESS AND FINANCE SPEAKS AFTER THE TURN OF THE YEAR

Starting on the cover page of today's ANNUAL REVIEW AND OUTLOOK ISSUE, we present the opinions of leaders in Government, Industry and Finance regarding the outlook for business in 1962.

* * *

In the SECOND SECTION of today's issue will be found our usual tabular record of the high and low prices, by months, of every stock and bond issue in which dealings occurred on the New York Stock Exchange during 1961.

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OBSERVATIONS...

BY A. WILFRED MAY

WHAT EXCHANGE LEGISLATION AHEAD?
—The Race to Reform

The self-purification now so vigorously engaged in by the American Stock Exchange (justifying its name change from that old-time "Curb") entails some very broad implications in the area of coming legislation and long-term regulation.

The enactment of drastic securities reform legislation has always been difficult to achieve in this country; the necessary interest of the public being habitually dependent on concurrent speculative "busts" and dramatic revelations of abuse. Even after the post-1929 cataclysm a long series of prominent individuals "on trial" at the "Pecora" hearings, including the staging of Mr. Morgan with a midget in the witness box, was found necessary for paving the way to the New Deal regulation, with the Public Utilities Holding Company Act squeaking through the Senate with a one-vote margin.

Beating the Government to the Punch

The opportunity to use this drama technique in forging major stock exchange legislation will have become impaired by the American's beating-the-gun — in contrast to Wall Street's stubborn attitude post-1929. This has been manifest in the intra-mural Levy Committee's decisive activities, the early resignations of the Exchange's President and General Counsel, the ordered severance of James Gilligan from the specialist firm of Gilligan, Will & Co. and prospective withdrawals of the "inner coterie."

Additionally have our extensive War, post-War, and Cold War statuses contributed to the public's lack of interest in this area. Truly, the Frear Bill, for extending the regulations applicable to listed companies to the over-the-counter sector, was killed by Korea. Again, on all exchanges excepting New York's Big Board, more than a quarter of a century has passed without closing the loophole of Exchange location which the Securities Exchange Act in 1934 continued for issues which had been enjoying unlisted trading privileges. This continuation of Exchange location was to be temporary pending further study by the Commission. However, now in the 1960's, over 200 such issues still remain on the American Exchange without complying with sections 13, 14 or 16—"corporate" provisions of the Securities Exchange Act.* Cognizance, or at least fear, of political pressures and Congressional opposition, importantly contributed to keeping this substantial nonconformance from being properly ended by 1936.

Past Lethargy

Also sharing the responsibility for this anomalous situation is the SEC itself, which in 1936 advocated continuing a highly flexible *status quo* for these unlisted issues on the plea, surely ironic now, of the irreparable harm that would be caused to their shareholders by depriving them of that great privilege of the "liquid" Curb Exchange market.

Another problem similarly stalled has been the combination of the duel broker-dealer relationship; the prime source of the floor Specialist system concerning which the American is now embattled by the SEC's Report. Deemed too-hot-to-handle by the framers of the legislation and the Congress in 1934, and committed to short-term study and report, definitive action on the separation of broker and dealer functions has been neglected by the Congress all this time.

Off the Drama Circuit

Now, as any political neophyte will attest to, our Congressmen's live interest is in the Congo, Berlin, and atom-testing—but not in "dull and technical" securities legislation.

Another likely result, highly constructive, of the "Curb's" prompt self-cleansing job will be future avoidance of the "government sanctification" danger. This, as we have previously maintained, involves the tendency of the public investor to infer a "government guarantee" of safety for his speculative proclivities, through the policing functions of a federal agency. This fallacy would have been accentuated were the SEC and the Congress required to do the whole job on the Exchanges.

* * *

A NICE PORTRAIT

Interesting information on that again timely, but inadequately discussed, question of margin trading and stock market credit extension is to be found in the New York Stock Exchange's latest (eleventh) Public Transaction Study, or "Portrait of the Stock Market."

On Sept. 13 last, the day of the study, margin transactions through member firms as a percentage of the total, showed a decline to the second lowest point recorded in the 10-year series. At 16.3% it was the lowest for any date since the first study in September, 1952, when it was 13.8%.

Interesting and calling for exploration is the contrast between such declines in the reported proportion of margin transactions to total volume, and the accompanying course of the total of customers' debit balances with member firms, as shown in our table below.

	Margin Trans. % of Total Transactions	Customer Debit Bals. Millions
Sept. 1961	16.3%	$3,991
Sept. 1960	17.3	3,137
Sept. 1958	21.8	3,109
Oct. 1957	18.4	2,558
June 1955	23.9	2,712
Dec. 1954	27.0	2,388
Mar. 1954	18.2	1,677
Mar. 1953	21.9	1,485

Some rise in the volume of borrowings accompanying a decline in the *proportion* of margin transactions is not too surprising; a secular rise in the former would be partly occasioned by long-term increase in the volume of stock ownership, and a rising price level. But the extent of such divergence, as in the 1960-1961 figures, shown above, has wide implications.

It demonstrates that the period-to-period proportions of margin transactions through member firms, while perhaps giving interesting evidence on "speculative-investment" intentions, do not furnish the information as to the volume of the economy's total amount of credit devoted to security speculation.

Of major importance "outside" is the addendum to the stock market credit bank loans to others than brokers and dealers for purchasing and carrying securities. As reported, such credit aggregates $1,319 million (it aggregated $1,094 million at the end of 1957).

The Off-Beat Traffic

The two foregoing categories do not, however, tell the full securities credit story. First, the reported stock market credit through banks to non-members is short by the undoubtedly substantial amount of the misrepresentation by individuals when stating the purpose of loans really devoted to securities.

Also outside the "margin trading" as considered by the Stock Exchange, and calling for action, are the extensive recently discovered boot-legging media, as factoring concerns, used to evade the credit regulations. Always has there been "leakage" in the data through misrepresentation by borrowers from banks in their signing of statements alleging non-security use of the credit.

How Much Issue-Heating?

To what extent are security loans used for financing the origination and distribution of new issues; and can the count of such credit be segregated from the figures for the "margin" credit used for stock exchange trading. And the new issues must be segregated according to those providing the vaunted capital for industry, and those merely bailing-out already existing shareholders.

The Stock Exchange's Study again confirms the fact that changes in the margin requirements have little effect on the volume of margin transactions. While 70% margins were in effect, the proportion of such transactions ranged from 16.3% to 23.8%; while under 50% margins, such transactions ranged between 18.2% and 27%.

*Excepting if they register a new issue under the 1933 Act, when they must undertake to furnish such corporate information annually.

Beekman Downtown Hospital Drive

Wall Street's favorite "fish" will be served up this week to thousands of downtown businessmen.

A spoof on a "red herring," the financial community's term for one of its most inviolable documents — the staid, preliminary prospectus which describes a company's new stock, bond or other security offering and must be registered with the Securities and Exchange Commission and circulated to the public before any offering may be made—it is being published not by a company, but by the Beekman-Downtown Hospital as it embarks on its annual drive to raise funds from the public for its operations in 1962.

Walter Maynard

Walter Maynard, Shearson, Hammill & Co., is Campaign Committee Chairman.

Now Individual

M. Monroe Fass is now conducting his investment business as an individual dealer from offices at 604 Fifth Avenue, New York City.

Form Granite Securities

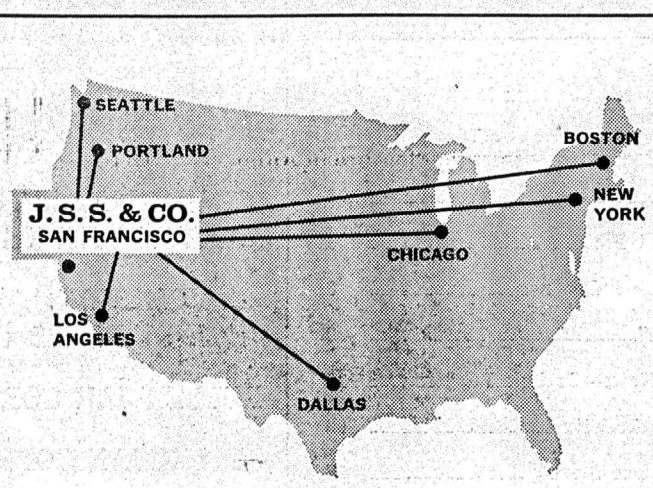
Granite Securities, Inc. is engaging in a securities business from offices at 550 Fifth Avenue, New York City.

Now Hua Hsing Securities

Hua Hsing Securities, Inc. has been formed to continue the securities business of Hau Hsing Investors, 218 Canal Street, New York City.

Elect R. A. Miller

LOS ANGELES, Calif.—Election of Richard Allen Miller to membership in the Los Angeles Sales and Marketing Executives Assn. has been announced by President J. E. (Woody) Ginn. Mr. Miller is general partner with Hornblower and Weeks.



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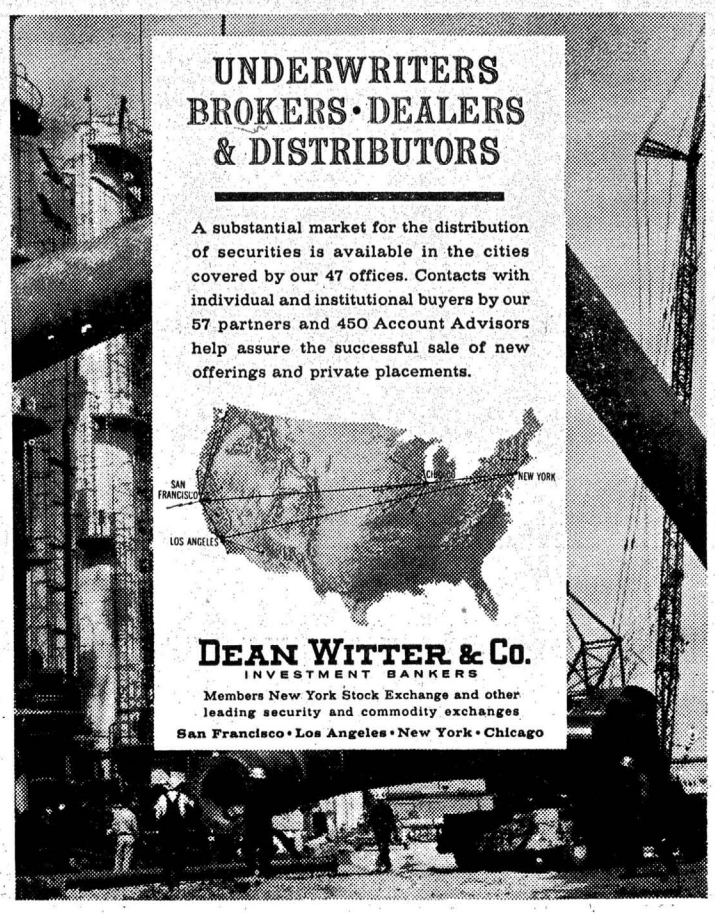

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Life Insurance Outlook

By Michael H. Levy, *President, Standard Security Life Insurance Company of New York*

The life insurance industry can look forward to an acceleration of the upward climb in volume, which has proceedsd steadily in recent years.

Michael H. Levy

From all indications, many categories of coverage may well exceed the 10% increase expected for the Gross National Product.

I present this as a "probability," rather than a "certainty," because the degree to which this potential is realized on an industry - average will depend largely on the industry itself, and on its ability to capitalize on a number of important trends.

Apart from the favorable economy, these factors add up to an unprecedented opportunity for the life insurance industry and particularly for the alert, service-minded company.

Today, the public is more "security" conscious than ever before in history. It is setting higher and more realistic standards for the protection it requires to cope with the personal emergencies of life.

The upsurge in term life insurance can be attributed, primarily, to recognition by the average family that what it really needs is not "life" insurance but "death" protection that is adequate to replace the earnings of the breadwinner and to meet new costs occasioned by the loss of a family member. In the experience of our own company, Standard Security Life-term contracts comprise 85% of the policies sold.

There is a growing desire on the part of so-called "impaired risks," diabetics and cardiacs included, to obtain life insurance *and* a readiness to pay the increased premium rates required. We have found that the same is true of many persons in the more advanced age groups.

More and more, corporations are relying on life insurance, almost inevitably term, to overcome the hazards of losing key personnel. Business is contributing a new emphasis on the life insurance industry with its new awareness of the needs for proper coverages.

There is the increased emphasis on various forms of health protection which has become not only a matter of individual, but legislative concern. Rather than viewing governmentally-inspired or sponsored medical old-age insurance with alarm, the industry would do well to consider that, whatever the form, such a program can provide but minimal assistance. Already, new awareness of the value of this protection has been created; it can develop only into a market for selling additional protection that individual initiative and private enterprise can best arrange.

Planned Sec. Consultants

Planned Security Consultants, Inc. has been formed with offices at 4499 Henry Hudson Parkway, New York City, to engage in a securities business.

Irving Shapiro Co.

Irving Shapiro Company is now conducting its securities business from offices at 79 Wall Street, New York City. The firm was formerly located in Brooklyn.

TGM Associates

Morris S. Gruber and Gussie Bruber have formed TGM Associates with offices at 150 Nassau Street, New York City, to engage in a securities business.

W. R. Reisch & Co., Inc.
74 Trinity Pl.
New York 6, N. Y.
BOwling Green 9-6162

We take pleasure in announcing the formation of the above corporation for the transaction of a general investment, brokerage and securities business.

Leonard Reisch
Gloria Pearson
Murray Gold

January 15, 1962

We are pleased to announce that

THOMAS L. MARSHALL

has joined us as manager
of our trading department

MEADE & CO.
27 William Street, New York

We Take Pleasure in Announcing that

R. WALLACE BOWMAN

has become associated with us as

Investment Vice President
Delaware Management Co., Inc.
Investment Adviser and National Distributor for
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1932 - Our Thirtieth Anniversary - 1962

PROGRESS REPORT

for the 30 years ending January 18, 1962

In 1932, when our firm was founded, Southern California was floundering in the depths of the nation's worst depression. Pulling itself out and up, the area not only survived but flourished through hot and cold wars, booms and recessions. Now, thirty years later, Southern California's growth has outreached the dreams of even the most visionary.

We of Crowell, Weedon & Co. are proud to have participated in that growth by helping in the underwriting and financing of many of its successful businesses, industries and municipalities. We are honored that the number of individuals and institutions whom we have aided in their investment programs has increased notably through the years. And we are gratified that our own growth has paralleled that of the area. During the eventful three decades we have expanded manyfold our office locations, our staff and our services to customers.

Our sincerest thanks go to those who have made this Report possible.

Crowell, Weedon & Co.
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TAX-EXEMPT BOND MARKET

BY DONALD D. MACKEY

As we proceed knee deep in January, it begins to appear that new issue financing may not reach a volume during the first quarter of 1962 that could assuredly be projected to a record breaking year for state and municipal financing during the whole of 1962. During 1961 a record volume of state, municipal and authority financing was accomplished in the favorable atmosphere of a stable and generally receptive market.

From appearances, a generally receptive bond market is the expectancy for 1962, and from our limited purview, the average bond rate structure will not vary seriously from that which has prevailed during 1961, although we concede that those who predicted higher rates during 1961 than actually obtained, have some better hope for their realization during 1962 merely on the so-called law of averages.

Local Municipal Units Victim of Federal Profligacy

However, the volume of new state and municipal issues may fall off considerably from last year's volume in a relative, if not actual amount. The public began to show some substantial resistance to certain state and municipal bond issues at the polls last year. It became apparent that the excessive hodgepodge of Federal, state and municipal taxation was meeting with some organized objection on the part of voters through their most effective means of expression.

The years of easy spending have obviously accumulated an assortment and a volume of taxation that is gradually becoming a deterrent to all sorts of public spending whether it be worthy or extravagant. This situation may be unfortunate but it is a natural consequence to profligacy.

Politically, the tendency to spending continues but its inertia seems likely to diminish as expression becomes articulate. In this sense, 1962 may see a lesser proportion of financing for the real growth and welfare of the state and nation than ought normally to obtain. A disregard for proper financial relationship is almost inevitable under the circumstances.

Municipal Market Less Buoyant

The state and municipal bond market has been listless for most of the past week if retail performance is to be interrelated with the whole market operation. While new issues have been attracting many bidders at a new high price level, the reports on sales have indicated some specific interest as well as general retail indifference. Even the avid bank interest that prevailed through most of December seemed to abruptly diminish as we turned into 1962.

However, part of the reason for the present investor disdain is traceable to the thus far unappetizing calendar during early January. There have been no large general obligation serial issues of the type that usually attract the big commercial bank investors. The largest such issue, $33,068,000 State of New York bonds, was set up in such long-term serial form (1963-2012) as to preclude an immediately general bank demand. The $30,000,000 East Bay Utility District, Calif. issue (1963-1997) has gone quite well but the distribution appears more local (West Coast) than general. The same might be said of the $20,000,000 San Jose, Calif. issue (1963-1982) which met with good reception. All of these issues were purchased by groups headed by important dealer commercial banks.

Eyes on Next Week's California Sale

With the inventory situation as favorable as it is, the market must await a greater concentration of new issue volume before being convincingly confirmed at or near the current general level. The reception to be given $100,000,000 State of California (1964-1988) bonds next week (Jan. 24) will go a long way toward establishing the subsequent tax-exempt bond market trend.

Although the California offering is the only so-called king-sized issue on the current calendar, new issues will not be scarce in terms of numbers over the next several weeks. The calendar of sealed bid sales now totals about $625,000,000 covering most of the sales through February. California's $100,000,000 issue is the largest scheduled, with $79,550,000 Public Housing Authority's bonds, the runner-up flotation.

At this time of year it is normal that many issues of substantial volume be scheduled for sale. The spacing of volume offerings throughout the next six weeks is even and little if any underwriting problem seems foreseeable under present market conditions. On the record the market might do well at least for the next term.

Yield Index Stronger

The state and municipal bond market showed some slight improvement during the past week according to our yield Index. The *Commercial and Financial Chronicle's* tax-exempt bond yield Index, which is derived from averaging selected high grade offerings due in about 20 years, averages out at 3.226% as of Jan. 17. Last week the Index averaged out at 3.238%. The indicated market improvement is about one-eighth of a point.

According to the *Blue List* total of state and municipal offerings, $303,897,314 on Jan. 17, the Street's inventory situation continues to be more favorable than it has been for months. As recently as mid-December the offerings shown in the "Blue" totaled $450,000,000 or more.

It is our belief that inventories as shown will move back toward the norm of about $500,000,000 as the new issue calendar enlarges and as bidding for these issues progressively eliminates investor interest. This represents but normal investor attrition under the market's generally favorable auspices.

Recent Awards

The volume of new issues has not been large since last reporting but as is usual there were a number of notable issues. On Thursday, Jan. 11, the Colonie, New York Central School District No. 5 awarded $2,749,000 3.40% bonds due 1962-1988 to the group managed by Lehman Brothers. Reoffered to yield from 1.75% to 3.55%, all but $300,000 of the bonds have been reported sold.

Also last Thursday, Princeton Township, N. J. sold $1,048,000 School District 3¼% bonds due 1963-1992 to the syndicate which included Lehman Brothers, Glore, Forgan & Co. and Dominick & Dominick. Scaled to yield from 1.60% to 3.40%, all but about $400,000 of the bonds have been sold.

Friday, Jan. 12, saw the sale of $6,000,000 Clark County, Nev. (Las Vegas) School District (1964-1982) bonds to the syndicate managed jointly by Eastman Dillon, Union Securities & Co. and John Nuveen & Co. Other major members of this group include Equitable Securities Corp., A. C. Allyn & Co., Salomon Brothers & Hutzler, B. J. Van Ingen & Co. and Ira Haupt & Co. Reoffered to yield from 2.40% to 4.00%, this issue met with good demand, with yesterday's balance being $2,150,000.

Monday is usually a quiet day as underwriters prepare for issues which are to sell later in the week but this past Monday (Jan. 15) was unusual in that there were two important sales on the calendar.

The Ascension-St. James Bridge & Ferry Authority, La. awarded $30,750,000 term bridge revenue bonds to the group headed jointly

Continued on page 7

MARKET ON REPRESENTATIVE SERIAL ISSUES

	Rate	Maturity	Bid	Asked
California (State)	3½%	1978–1980	3.45%	3.30%
Connecticut (State)	3¾%	1980–1982	3.30%	3.15%
New Jersey Highway Auth., Gtd.	3%	1978–1980	3.30%	3.15%
New York (State)	3%	1978–1979	3.20%	3.05%
Pennsylvania (State)	3⅜%	1974–1975	3.10%	3.00%
Vermont (State)	3⅛%	1978–1979	3.20%	3.05%
New Housing Auth. (N. Y., N. Y.)	3½%	1977–1980	3.35%	3.20%
Los Angeles, Calif.	3¾%	1978–1980	3.50%	3.35%
Baltimore, Md.	3¼%	1980	3.35%	3.20%
Cincinnati, Ohio	3½%	1980	3.35%	3.20%
New Orleans, La.	3¼%	1979	3.55%	3.40%
Chicago, Ill.	3¼%	1977	3.55%	3.40%
New York City, N. Y.	3%	1980	3.55%	3.50%

Jan. 17, 1962 Index=3.226%

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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.

Jan. 18 (Thursday)			
Kinnelon Sch. District, N. J.	2,140,000	1962-1982	8:00 p.m.
Western Kentucky State Coll., Ky.	2,800,000	1963-1992	2:00 p.m.
Yarmouth, Mass.	1,025,000	1963-1982	11:00 a.m.
Jan. 22 (Monday)			
Boston Metropolitan Dist., Mass.	4,592,000	1963-1992	11:00 a.m.
Caldwell Parish, La.	1,975,000	1963-1982	9:00 a.m.
Ector County, Texas	1,500,000	1963-1974	3:00 p.m.
Naperville, Ill.	1,100,000	1963-2001	8:00 p.m.
Orange Co., Fla.	1,750,000	1963-1982	11:00 a.m.
Jan. 23 (Tuesday)			
Babylon, East Farmingdale Water District, New York	1,450,000	1963-1992	11:00 a.m.
Cape Girardeau Sch. Dist., Mo.	1,650,000	1963-1982	1:30 p.m.
Charlotte, N. C.	1,800,000	1963-1986	11:00 a.m.
Georgia Rural Roads Auth., Ga.	15,600,000	1963-1987	11:00 a.m.
Modesto School Districts, Calif.	2,250,000	1963-1987	10:30 a.m.
Ridgewood Twp. Sch. Dist., N. J.	2,935,000	1964-1983	8:00 p.m.
San Angelo, Texas	1,452,000	1963-1987	10:00 a.m.
Torrance Unif. Sch. Dist., Calif.	1,000,000	1963-1982	9:00 a.m.
Jan. 24 (Wednesday)			
California (State of)	100,000,000	1964-1988	10:00 a.m.
Churchill County, Nev.	1,000,000	1963-1984	8:00 p.m.
Hempstead, New York	2,605,000	1962-1976	1:30 p.m.
Kansas City, Mo.	18,500,000	1962-1992	10:00 a.m.
Kingston S. D., N. Y.	3,445,000	1962-1981	2:00 p.m.
Missoula, Mont.	1,700,000	--------	8:00 p.m.
Stepenson County, Freeport School District 145, Ore.	1,650,000	1963-1981	8:00 p.m.
Jan. 25 (Thursday)			
Austin, Texas	2,000,000	1963-1987	--------
Bossier City, La.	3,775,000	1963-1992	10:00 a.m.
Clay, Cicero, Salina & De Witt County School District, N. Y.	2,600,000	1963-1982	11:00 a.m.
Danvers, Mass.	1,105,000	--------	--------
Jefferson Parish Cons. Drainage District, La.	1,000,000	1963-1982	2:00 p.m.
Pontiac S. D., Mich.	1,000,000	1962-1987	8:00 p.m.
Rocky River City Sch. Dist., Ohio	2,250,000	1963-1983	Noon
Jan. 29 (Monday)			
Pomona, Calif.	1,300,000	1963-1992	8:00 p.m.
Jan. 30 (Tuesday)			
Boulder & Weld Cos., St. Vrain Valley Sch. Dist. RE1J, Colo.	4,050,000	--------	--------
Grand Island C. S. D. No. 1, N. Y.	4,376,000	1962-1991	3:00 p.m.
Newton S. D., Iowa	1,500,000	--------	--------
Orange, Calif.	2,445,000	1963-1987	10:00 a.m.
Pequannock Twp. S. D., N. J.	1,145,000	1962-1981	8:00 p.m.
Reed City S. D., Mich.	1,425,000	1963-1991	8:00 p.m.
Two Rivers, Wis.	1,750,000	1963-1980	1:00 p.m.
Waco, Texas	2,505,000	--------	3:00 p.m.
Wake Co., N. C.	2,100,000	1962-1981	11:00 a.m.
Jan. 31 (Wednesday)			
Canyon County Class A School District No. 139, Idaho	1,100,000	--------	8:00 p.m.
Dawson County High S. D., Mont.	1,324,000	1962-1982	8:00 p.m.
Delaware (State of)	18,220,000	1963-1982	11:00 a.m.
Hempstead UFSD No. 11, N. Y.	3,410,000	--------	--------
Jefferson City, S. D., Mo.	1,500,000	--------	--------
Los Angeles, Calif.	14,000,000	1964-1986	10:00 a.m.
Feb. 1 (Thursday)			
Acadia Parish Sch. Dist., La.	2,900,000	1963-1992	10:00 a.m.
Eastern New Mexico University	2,175,000	1963-2001	10:00 a.m.
Madison, Wis.	1,000,000	--------	--------
Tonawanda U. F. S. D. No. 1, N. Y.	5,455,000	1962-1981	2:00 p.m.
Feb. 2 (Friday)			
Milwaukee Co., Wis.	9,912,000	1963-1982	11:00 a.m.
Feb. 5 (Monday)			
Tri-Cities Mun. Water Dist., Calif.	1,750,000	1965-1990	7:30 p.m.
Feb. 6 (Tuesday)			
Anne Arundel County, Md.	7,350,000	--------	--------
Anne Arundel County Sanitary Commission, Md.	2,500,000	--------	--------
Boulder, Colo.	4,000,000	1963-1992	2:00 p.m.
Cerritos Jr. College Dist., Cal.	1,200,000	--------	--------
Columbus City Sch. Dist., Ohio	7,000,000	1963-1985	Noon
De Kalb County, Ga.	8,910,000	--------	--------
Hayward Union S. D., Calif.	2,038,000	1963-1987	1:00 p.m.
Michigan (State of)	25,000,000	--------	--------
New Jersey (State of)	42,000,000	--------	11:00 a.m.
Rogers S. D. No. 1, Mich.	1,540,000	1963-1988	8:00 p.m.
Ruston, La.	2,500,000	1964-1991	10:00 a.m.
Santa Clara, Calif.	1,500,000	--------	--------

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Tax-Exempt Bond Market

Continued from page 6

by Blyth & Co., Inc. and John Nuveen & Co. at a net interest cost of 4.518%. The next bid, by the Smith, Barney & Co. group, designated a net interest cost of 4.667%.

Other major members of the winning group include Merrill Lynch, Pierce, Fenner & Smith Inc., White, Weld & Co., Drexel & Co., Wertheim & Co., Dean Witter & Co., F. S. Smithers & Co. and Carl M. Loeb, Rhoades & Co.

The bonds bear a 4.45% coupon and are offered at a 4.50% yield. Twenty per cent of the issue has been reserved for group sales and the remaining 80% allotted to members of the group. Early reports indicate that the issue is off to a slow start with investors. However, a good bond returning this generous yield may catch hold at any time.

The State of Washington sold two issues of bonds totaling $22,556,000 to two seperate groups on Monday. The larger issue, $15,223,000 Public Building and School Plant Facilities revenue bonds due 1962-1981, were awarded to the Kuhn, Loeb & Co.-Eastman Dillon, Union Securities & Co. group. They were scaled to yield from 1.70% to 3.40%. Tne $7,323,000 Public Building bonds due 1967-1981 were awarded to Barr Bros. & Co., bidding alone. No public offering of this issue was made. It's said that one of the large New York City commercial banks purchased the entire issue.

Very Close Bidding Featured Montgomery County Award

On Tuesday, Jan. 16, the sale of $13,150,000 Montgomery County, Md. public improvement (1963-1987) bonds went to the syndicate headed by Harriman Ripley & Co. and Lehman Brothers. The bidding for this issue was very close with the high bid designating a net interest cost of 3.2535%. Three other bids ranged in cost from 3.2539% to 3.2589%. The bonds were offered to yield from 1.75% to 3.45% and, upon offering, all but $4,018,000 were sold.

Also on Tuesday an issue of $5,948,000 Binghamton, N. Y. various purpose (1962-1973) bonds was awarded to the Halsey, Stuart & Co.-Kuhn, Loeb & Co. group as 2¾s. Scaled to yield from 1.40% to 2.95%, this high grade issue thus far has not attracted general investor interest; the present balance is $5,000,000.

Toll Revenues Favorable

The long-term dollar quoted revenue issues continue to be steady if not very active. Despite the rigors of the mid-western winters the toll road reports indicate continuing favorable traffic density. The markets for toll road bonds are mostly unchanged since last reporting. *Smith, Barney Co.'s* Turnpike Bond Index was unchanged at a 3.83% yield when sampled on Jan. 11. A spectacular gain by Massachusetts Turnpike 3.30s has been made since this Index was averaged. On that date this bond was quoted 89-89½; currently Massachusetts Turnpike 3.30s due May 1, 1994 are quoted 93-95. It is apparent that some traders believe that refunding is in the wind.

Proposed Federal Guarantee of Local Transport Bonds

Metropolitan transportation commissions have been studying and reporting on urban transport problems for years. Generally little progress has resulted from most of these recommendations. Some of the commissions are very much active. As a means of helping in this broad and difficult sphere, Senator Engle of California has proposed legislation which would provide a Federal guarantee for revenue bonds issued for certain urban transportation purposes. Interest would be limited to 3¾% and bond tenure to 50 years.

Since most of our large cities are faced with serious so-called mass transportation problems, it seems desirable that this bill be seriously considered and passed in a desirable form before a proper perspective to certain of these problems is lost through abrupt local action. Mass transportation is directly related to the important problems of national defense. In the New York metropolitan area, for example, plans are becoming definitive on the basis of a single commuter's railway tube between New Jersey and New York (Hudson tubes). From several viewpoints this is undesirable. In the simple interest of mobility, this circumstance should be intolerable from a strategic defense viewpoint. We believe that Senator Engle's bill should be passed in some practical form as soon as possible.

Lawrence Hyams Opens

Lawrence Hyams is conducting a securities business from offices at 80 John Street, New York City.

Hallgarten Co., Admits Four

Hallgarten & Co., 44 Wall Street, New York City, 111-year old investment banking firm, has admitted Alvin Ruml, Robert A. Russell, F. Bradford Simpson, Jr., and Arthur S. Zankel as General Partners as of Jan. 1, 1962.

Alvin Ruml — Robert A. Russell — F. B. Simpson, Jr. — Arthur Zankel

Mr. Ruml entered the securities business in 1946, and came with Hallgarten & Co. in 1957. His principal activity with the firm has been as New York Sales Manager.

Mr. Simpson has been identified with the municipal bond business since 1928. He joined Hallgarten in January of 1957 as Manager of the Municipal Bond Department, having previously been a Vice-President of Aubrey G. Lanston & Co.

Mr. Russell and Mr. Zankel, who joined the firm in 1953 and 1955, respectively, have been associated with the New Business Department.

Richter Names Rosen

Harry Rosen has become associated with Richter & Co., 350 Madison Avenue, New York City, members of the New York Stock Exchange, as manager.

New Byllesby Branch

WAUKEGAN, Ill.—H. M. Byllesby and Co., Inc., has opened a branch office at 10 South County Street, under the direction of Benjamin Weiner.

H. S. Davis Opens

LITTLE ROCK, Ark.—Homer S. Davis is conducting a securities business from offices in the Wallace Building.

Wagner & Co. Formed

WASHINGTON, D. C. — George W. Wagner, Jr. has formed Wagner & Co., with offices at 1101 Vermont Ave., N. W., to engage in a securities business.

Ralph H. Miller Opens

UPLAND, Calif.—Ralph H. Miller is conducting a securities business from offices at 456 East Foothill Boulevard.

NEW ISSUE

$13,150,000

Montgomery County, Maryland

Various Purpose Bonds

Dated February 1, 1962 — Due February 1, 1963-87 Inclusive

Principal and semi-annual interest (February 1 and August 1) payable in lawful money of the United States of America at The Chase Manhattan Bank, New York City, or at the Farmers' Banking and Trust Company of Montgomery County, Rockville, Maryland, or at the Union Trust Company of Maryland, Baltimore, Maryland. Coupon bonds in denomination of $1,000, registrable as to principal only.

Interest exempt, under present laws, from all Federal income taxes.

In opinion of counsel, these bonds, to be issued for various purposes, will constitute upon issuance, valid and legally binding general obligations of Montgomery County, Maryland, payable as to both principal and interest from an unlimited ad valorem tax which may be levied on all real, tangible personal and certain intangible property subject to taxation at full rates for local purposes in Maryland, and on certain other intangible property within rates prescribed by law.

AMOUNTS, MATURITIES, COUPON RATES AND YIELDS OR PRICES

Amount	Due	Rate	Yield	Amount	Due	Rate	Yield or Price	Amount	Due	Rate	Price or Yield
$500,000	1963	5%	1.75%	$500,000	1971	4.10%	2.85%	$550,000	1980	3.30%	100
500,000	1964	5	2.00	500,000	1972	3	2.90	550,000	1981	3.40	3.35%
500,000	1965	5	2.20	500,000	1973	3	2.95	550,000	1982	3.40	3.35
500,000	1966	5	2.35	500,000	1974	3¼	3.05	550,000	1983	3.40	100
500,000	1967	5	2.45	550,000	1975	3¼	3.10	550,000	1984	3.40	100
500,000	1968	5	2.55	550,000	1976	3¼	3.15	550,000	1985	3.40	3.45
500,000	1969	5	2.65	550,000	1977	3¼	3.20	550,000	1986	3.40	3.45
500,000	1970	5	2.75	550,000	1978	3¼	100	550,000	1987	1/10	4.50
				550,000	1979	3.30	100				

(Accrued interest to be added)

Legal opinion of Messrs. Smith, Somerville & Case, Baltimore, Maryland and Alfred H. Carter, Esq., County Attorney for Montgomery County.

Harriman Ripley & Co. Incorporated — Lehman Brothers — Smith, Barney & Co. — Alex. Brown & Sons — Blyth & Co., Inc.

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Stein Bros. & Boyce — Wm. E. Pollock & Co., Inc. — Stern Brothers & Co. — G. H. Walker & Co.

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The Weil, Roth & Irving Company — Townsend, Dabney & Tyson — Nongard, Showers & Murray, Inc.

Herbert J. Sims & Co., Inc. — W. H. Newbold's Son & Co. — Burns, Corbett & Pickard, Inc.

January 17, 1962.

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DEALER-BROKER INVESTMENT LITERATURE AND RECOMMENDATIONS

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

Air Lines—Review of prospects—H. Hentz & Co., 72 Wall Street, New York 5, N. Y. Also available are analyses of **Avco Corp.** and **Waste King Corp.**

Auto Market—Review in current issue of "Investor's Reader"—Merrill Lynch, Pierce, Fenner & Smith Incorporated, 70 Pine St., New York 5, N. Y. Also in the same issue are data on **Outboard Marine, City Investing Co., Hercules Powder Co., Johnson Service Co., Security Columbian Banknote Co., Champlin Oil & Refining Co., E. J. Korvette, Upjohn Co.,** and **Martin Marietta.**

Bache Selected List—Booklet covering 600 stocks in 47 industries—Bache & Co., 36 Wall St., New York 5, N. Y. Also available is an analysis of **Stephan Chemical.**

Diebold Files — Data on "Elevator" files, "Power Shelf" files and data processing equipment—Diebold Incorporated, Dept. OE-36, Canton 2, Ohio.

Empire Upstate Area — Information on Upper New York State Area—Director of Area Development, Niagara Mohawk Power Corp., Dept. DF-1, 300 Erie Boulevard West, Syracuse 2, N. Y.

Exciting Universe of Union Carbide — Booklet F-21 describing products of Union Carbide and its work in atomic energy — Union Carbide Corp., 270 Park Avenue, New York 17, N. Y.

Favorite Fifty for first quarter of 1962 — Bulletin — Van Alstyne, Noel & Co., 40 Wall St., New York 5, N. Y.

Graphic Stocks—1962 issue containing over 1001 charts with monthly highs, lows, earnings, dividends, capitalizations on virtually every active stock listed on the New York and American Stock Exchanges for 12 years, with complete dividend records for 1961—single copy $12.00; yearly, $60 (sample page of charts on request)—F. W. Stephens, 87-C Nassau St., New York 38, N. Y.

Insurance Stocks—Bulletin—Robert H. Huff & Co., 210 West Seventh St., Los Angeles 14, Calif.

Investment Opportunities for 1962—Circular discussing prospects for the economy and the stock market—Circular F—G. H. Walker & Co., 45 Wall St., New York 5, N. Y.

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

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

Japanese Steel Industry—Review Yamaichi Securities Co., of New York, Inc., 111 Broadway, New York 6, N. Y. Also available is a report on **Mitsubishi Shoji Kaisha, 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 Outlook for 1962—Discussion of prospects and a list of over 100 common stocks with returns yielding up to 6% or more—Hornblower & Weeks, 1 Chase Manhattan Plaza, New York 5, N. Y.

Municipal Bond Review and Outlook—Annual survey—Goodbody & Co., Dept. CF-18, 2 Broadway, New York 4, N. Y. Also available is a bulletin on the **Transportation Industry.**

New York City Bank Earnings—Annual comparison — Laird, Bissell & Meeds, 120 Broadway, New York 5, N. Y.

Oklahoma—Information on industrial opportunities of area served—Oklahoma Gas and Electric Co., Don H. Anderson, Mgr. Industrial Development Dept., P. O. Box 1498, Oklahoma City, Okla.

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.

Southeast Coastal Industrial Area—Details—R. P. Jobb, Assistant Vice-President, Dept. B-132, Atlantic Coast Line Railroad, Jacksonville, Fla.

Stock Transfer Taxes — Booklet giving current Federal and State Stock Original Issue and Transfer Tax Rates—Registrar and Transfer Co., 50 Church St., New York 7, N. Y.

Time Certificates — Discussion—New York Hanseatic Corp., 120 Broadway, New York 5, N. Y.

* * *

Admiral Plastics — Analysis—Ira Haupt & Co., 111 Broadway, New York 6, N Y.

Alco Oil and Gas Corp.—Analysis—A. C. Allyn & Co., 122 South La Salle St., Chicago 3, Ill. Also available are memoranda on **Consumers National Life Insurance** and **Frantz Manufacturing.**

Bauer Aluminum — Analysis—Parker, Ford and Company, Inc., Vaughn Building, Dallas 1, Texas.

California Corp. for Biochemical Research — Report—Sutro & Co., Van Nuys Bldg., Los Angeles 14, Calif.

California Water Service—Analysis—Dean Witter & Co., 45 Montgomery St., San Francisco 6, Calif. Also available is a memorandum on **Stauffer Chemical.**

Combined Insurance Company of America—Analysis—John C. Legg & Co., 22 Light St., Baltimore 3, Md.

Electrada Corp.—Analysis—William R. Staats & Co., 640 South Spring St., Los Angeles 14, Calif. Also available are analyses of **Midland Guardian Company, Hi-Shear Corp.,** and **Vacu-Dry Co.**

Falcon Seaboard Drilling Co.—Analysis—T. L. Watson & Co., 25 Broad Street, New York 4, N. Y.

Ferro Corporation — Analysis—Eisele & King, Libaire, Stout & Co., 50 Broadway, New York 4, N. Y.

Ford Motor Company—Analysis—The Illinois Co., Inc., 231 South La Salle Street, Chicago 4, Ill.

General Dynamics—Data—Winslow, Cohu & Stetson, Inc., 26 Broadway, New York 4, N. Y. Also available are data on **American Viscose.**

W. R. Grace & Co. — Booklet on facts and figures on Grace's Chemical sales—Public Relations Department, W. R. Grace & Co., 3 Hanover Square, New York 4, N. Y.

Harbison-Walker Refractories Co.—Report—Carl M. Loeb, Rhoades & Co., 42 Wall St., New York 5, N. Y. Also available are reports on **Brunswick Corp., Coca Cola Bottling Co. of New York, Delaware Power & Light Co.** and a memorandum on **Armour.**

Investors Funding Corporation of New York — Analysis — Eisele & King, Libaire, Stout & Co., 50 Broadway, New York 4, N. Y.

Island Creek Coal — Survey—Shields & Co., 44 Wall St., New York 5, N. Y. Also available are surveys of **Metal & Thermit, Mid West Abrasive, Muskegon Piston Ring** and **U. S. Rubber** and a memorandum on **Pan American World Airways.**

Lazard Fund — Annual report — The Lazard Fund, Inc., 44 Wall St., New York 5, N. Y.

Lear, Inc.—Report—Purcell & Co., 50 Broadway, New York 4, N. Y.

Mansfield Industries, Inc.—Analysis—A. G. Edawrds & Sons, 209 North Eighth St., St. Louis 1, Mo. Also available are studies of **Shulton Inc., McDonnell Aircraft Corp.** and **International Flavors & Fragrances.**

Marks & Spencer—Memorandum—E. M. Warburg & Co., 52 William Street, New York 5, N. Y. Also available is a memorandum on **Teseo Stores.**

Mergenthaler Linotype Co.—Analysis — Schweickart & Co., 29 Broadway, New York 4, N. Y.

National Starch & Chemical—Review — Fahnestock & Co., 65 Broadway, New York 6, N. Y. Also available is a review of **San Diego Gas & Electric.**

Outboard Marine — Bulletin—Purcell & Co., 50 Broadway, New York 4, N. Y.

Pacific Intermountain Express—Memorandum — C. C. Collings & Co., Inc., Fidelity Philadelphia Trust Bldg., Philadelphia 9, Pa.

M. F. Patterson Dental Supply Co.—Analysis—Cruttenden, Podesta & Co., 209 South La Salle Street, Chicago 4, Ill. Also available is an analysis of **Nationwide Homes, Inc.,** and a memorandum on **CTS Corp.**

Placer Development — Memorandum—J. H. Crang & Co., 40 Adelaide St., West, Toronto 1, Ont., Canada.

L. F. Popell—1961 annual report—Strathmore Securities, Inc., Park Bldg., Pittsburgh 22, Pa.

Rapid American-McCrory—Memorandum—Garvin, Bantel & Co., 120 Broadway, New York 5, N. Y.

Redman Manufacturing and Engineering Co. — Analysis—Stern Brothers & Co., 1009-15 Baltimore Ave., Kansas City 5, Mo.

Research Inc.—Memorandum—C. D. Mahoney & Co., Baker Building, Minneapolis 2, Minn.

Roberts Lumber—Memorandum—Arthurs, Lestrange & Co., 2 Gateway, Center, Pittsburgh 22, Pa.

St. Croix Paper Co.—Analysis—G. A. Saxton & Co., Inc., 52 Wall St., New York 5, N. Y.

Howard W. Sams & Co., Inc.—Study — Indianapolis Bond & Share Corp., 120 East Market St., Indianapolis 4, Ind.

Sheller Manufacturing — Memorandum—Richard J. Buck & Co., 4 Albany Street, New York 4, N. Y.

A. O. Smith — Memorandum—Bruns, Nordeman & Co., 115 Broadway, New York 6, N. Y.

Southern Pacific Co.—Bulletin—John H. Lewis & Co., 63 Wall Street, New York 5, N. Y.

Southern Railway — Analysis—Vilas & Hickey, 26 Broadway, New York 4, N. Y.

Sperry Rand Corp. — Analysis—John H. Lewis & Co., 63 Wall St., New York 5, N. Y.

Sterling Steel — Memorandum—Evans & Co. Incorporated, 300 Park Ave., New York 22, N. Y.

T. I. M. E. Freight—Memorandum—First Southwest Co., Mercantile Bank Bldg., Dallas 1, Tex.

Taylor Instrument Co. — Memorandum—R. W. Pressprich & Co., 80 Pine Street, New York 5, N. Y.

Tri-Continental Corporation — 32nd annual report — Tri-Continental Corporation, 65 Broadway, New York 6, N. Y.

Union Bag Camp Paper Corp.—Analysis—Laird, Bissell & Meeds, 120 Broadway, New York 5, N. Y. Also available is a memorandum on **Horne's Enterprises.**

United Fruit Company—Analysis—J. C. Wheat & Co., 1001 East Main St., Richmond 19, Va.

U. S. Plastic and Chemical Corp.—Analysis — Adams & Peck, 120 Broadway, New York 5, N. Y.

Vulcan Materials — Report—Reynolds & Co., 120 Broadway, New York 5, N. Y. Also available is a report on **Massey Ferguson.**

Wagner Electric — Data — Rubin, Rennert & Co., Inc., 56 Beaver St., New York 4, N. Y. Also available are data on **Outboard Marine.**

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The New IMF Facilities

By Paul Einzig

Appraisal of ten-nation agreement to supplement the IMF's lending/borrowing capacity (1) agrees it will tend to discourage exaggerated speculation currency attacks but (2) sees escape clause allowing participating members to avoid lending request(s). Dr. Einzig remindfully makes clear this arrangement will neither solve chronic adverse balance of payments problems nor obviate the need for sound domestic monetary economic policies. The writer prefers that the reason a country's loan request is turned down could be stated under the arrangement, and advises member countries to act if they had no supporting prop—temporary as it may be—except when there may be unwarranted speculative attacks.

The arrangement under which the potential limit of support to be granted by the International Monetary Fund is to be increased by $6 billion has been finalized in terms of the original agreement signed in Paris on Dec. 6 last. The figure is impressive, but it must be borne in mind that for any of the participating countries the amount of their own participation in their own respective currencies must be deducted from it. Thus, since the American contribution is $2 billion the maximum of additional facilities available for supporting the dollar is $4 billion, for it would be useless for the United States to borrow dollars from the IMF. In the case of Britain the participation is $1 billion, so that the maximum available for supporting sterling is $5 billion.

Admittedly even these net figures are impressive enough. There is, however, an escape clause which enables any participating Government to contract out of the supporting transaction on the ground that in its opinion, based on its "present *and prospective* balance of payments position and its reserve position," calls should not be made on it. The inclusion of the term "prospective" has created a gap in the arrangement wide enough to drive a coach and horses through it. For even if the Treasury or Central Bank of a country should be bursting with unwanted gold and exchanges, it could always avoid participating in the support by stating that "in its opinion" the prospects are not sufficiently favorable to warrant the use of its resources for supporting another country's currency. For instance, a Government can always claim that the excessive size of its reserves is due to the influx of hot money that is liable to be withdrawn at any moment.

Prefers Giving the Real Reason

The formula that was under consideration in Paris was to the effect that the Governments which were to be called upon to provide support to the exchange of another country should be in a position to judge whether the currency concerned deserved their support and whether that support would not be misused for bolstering up an unsound position and for avoiding to take unpopular but necessary action in order to strengthen it. It is unfortunate that this more exacting wording was discarded in favor of the one adopted.

Admittedly, the new wording will save the face of Governments needing support if their request is rejected, for its rejection would not now imply criticism of their monetary policies by a foreign Government. The latter simply pleads inability to participate instead of indicting the policies of the would-be borrower. It may be well asked, however, whether such criticism and indictment from an outside authority would not serve a constructive purpose. Apart from anything else, it might strengthen the hands of the Government concerned if it wants to adopt unpopular measures to improve its currency. As things are, the Governments which are asked to contribute to the support are forced to resort to hypocritical excuses for their refusal even in instances when they would be perfectly justified in refusing to participate because of the unsound policies of the applicant.

The adoption of the formula that emerged at the Washington discussion has done nothing towards making the arrangement appear more watertight. On the contrary, it has made contracting out much easier, since the Government that does not wish to participate does not have to base its refusal on criticism of another Government, criticism which would be regarded as an unfriendly act. It is ever so much easier to plead inability to participate.

Sees Helpful Effects in Arrangement

Having said all that, we must admit that nothwithstanding the escape clause, the arrangement will tend to discourage exaggerated speculative attacks on the currency. Speculators in the broadest sense of the terms—which includes those who hedge against foreign assets and those importers and exporters who practice "leads and lags"—will have to bear in mind the possibility of massive retaliation by the Government concerned with the aid of additional IMF facilities running into billions of dollars. They cannot safely rely on the assumption that one or several of the participating Governments would refuse to participate.

On the other hand, even on the assumption that none of the participants would avail themselves of the escape clause, it would be a mistake to look upon the arrangement as the answer to the danger of speculative attacks. Admittedly in the case of the United States and Britain the maximum available is impressive enough as a defense against unwarranted speculative attacks. It is, however, a mere drop in the ocean if, owing to a perennial adverse balance of payments, their own reserves should decline considerably and if as a result there should be in addition a wholesale outflow of funds for want of confidence in the dollar or in sterling.

It would be a great mistake for the two Governments primarily concerned to imagine that the new arrangement would obviate the necessity for pursuing sound monetary and economic policies in order to maintain the strength of their respective currencies. In the case of the United States in particular, owing to the complete freedom for American residents to transfer their money abroad, the sky is the limit to the potential pressure on the dollar. In the case of Britain the export of capital by British residents is still subject to control, but owing to the progressively liberalization of sterling that control is now much less effective than it was before. Sooner or later both Governments may be taught by bitter experience the much-needed lesson that in existing world conditions a complete unrestricted freedom of international movements of funds is a luxury which they can ill afford.

Both Governments would be wise if they behaved as if the $6 billion addition did not exist at all. They should pursue policies that enables them to maintain the dollar and sterling without having to fall back upon the new arrangement. If in spite of pursuing sound policies their exchanges should be attacked then, and only then, the new facilities would serve a useful purpose by enabling them to repulse the attack.

G. H. Welch With W. Scranton Co.

NEW HAVEN, Conn.—Chas. W. Scranton & Co., 209 Church Street, members of the New York Stock Exchange, announced that G. Harold Welch, Jr. is now associated with the firm in charge of the Institutional Department.

G. Harold Welch, Jr.

Mr. Welch was previously an Assistant Vice-President with the First New Haven National Bank. He started with the bank as a runner in 1941 and became a full-time employee in 1950 following his graduation from Yale University.

R.W.Bowman With Delaware Mgmt.

PHILADELPHIA, Pa.—R. Wallace Bowman has become associated with Delaware Management Co., Inc., 3 Penn Center Plaza, as investment Vice-President.

W. R. Reisch Co. Opens in N. Y. C.

W. R. Reisch & Co., Inc. has been formed with offices at 74 Trinity Place, New York City, to transact a general investment, brokerage and securities business. Principals of the firm are Leonard Reisch, Gloria Pearson and Murray Gold.

Crowell, Weedon 30th Anniversary

LOS ANGELES, Calif.—Crowell, Weedon & Co., investment securities, are marking their 30th anniversary this month. The firm was founded on Jan. 18, 1932, by the

Warren H. Crowell George Weedon

two original partners, Warren H. Crowell and George W. Weedon.

During their three decades in Southern California Crowell, Weedon & Co. have helped in the underwriting and financing of many of the area's successful businesses, industries and muncipalities.

Members of the Pacific Coast Stock Exchange, their headquarters office is at 629 South Spring St., Los Angeles. Branch offices are in Corona del Mar, Covina, Laguna Beach, Long Beach, Pasadena and Van Nuys.

E. K. Burgess Opens

WASHINGTON, D. C.—Everell K. Burgess is engaging in a securities business from offices at 1411 K Street, N. W. under the firm name of E. K. Burgess & Co.

C. A. Taggart Inc. Formed

TOWSON, Md.—C. A. Taggart, Inc. has been formed with offices at 11 West Pennsylvania Avenue to engage in a securities business. Officers are Charles A. Taggart, President and Treasurer, and Ruth Patterson, Secretary.

The firm has no connection with Charles A. Taggart & Co., Inc. of Philadelphia.

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Our Reporter on GOVERNMENTS

BY JOHN T. CHIPPENDALE, JR.

The Treasury this week successfully raised $1,000,000,000 of new money through the reopening of the 4% due Oct. 1, 1969. This was a small issue, with only $1,400,000,000 outstanding prior to the new money raising offer by the government. The price of 99¾ gave a yield of 4.04% which was attractive to both individuals and institutional investors. The Treasury in this operation was able to obtain needed funds without having to go into the short-term sector of the market. Through this offering of a short-bond the Treasury has been able to extend very modestly the overall maturity of the debt.

The financial district was taken by surprise when the Treasury reopened the 4s of October 1969 for new money purposes since a shorter maturity had been expected. Also, it had been pretty much assumed that issues such as the aforementioned 4s would be reserved mainly for refunding operations. However, the February maturities should give the government an opportunity to make greater use of already outstanding issues.

Monthly Borrowings Through September

The new money raising and refunding operations of the Treasury in 1962 probably means that the government will be in the market every month at least until September. This would seem to indicate that the Treasury is going to set the pattern for borrowings in the open market. That is the rate which will have to be paid on the issues which will be used for new money raising or refunding purposes. The additions which will be made to the total debt of the Federal Government will most likely be fairly small, if any at all or, there might even be a modest decline during the year in the over-all figure if some of the estimates by the government come true.

Higher Short-Term Interest Rates Indicated

Nevertheless, it appears as though there is going to be a continued hardening in short-term interest rates, with the Treasury itself showing the way in this one. It is evident that the most liquid government issues will not be in short supply and this would seem to forecast the continued upward movement in the cost of getting these funds. In addition, advancing near-term interest rates will give the dollar at least some protective cover since funds which are here for the income which they will earn should continue to stay here as long as it is worth while to keep them in this country. This is one of the main reasons given for the beliefs that the government in its new money raising and refunding operations this year will not be opposed to having short-term rates move up since this will be helpful in the defense of the dollar.

Accordingly, the trend of short-term rates is being watched very closely since the extent of the rise should give the answer as to when to expect the discount rate and the prime rate to be moved up also. It is again evident that, for the international protection of our currency unit, it is necessary to keep money rates on the firm side at least until the basic causes of the unfavorable balance of payments have been remedied or eliminated entirely.

Firming of Intermediate Rates Strong Possibility

A rising trend in short-term rates will most likely have a sympathetic effect on intermediate-term rates so that the yields on securities in this classification of the government market would be expected to move up somewhat. There has been an advance already in the yields on these issues but since some new money, and most likely regular refunding obligations, will be floated in this classification or area there could be further increases in the return which they will give.

In addition, there could be junior refunding operations which would push out maturities into this range, and this should increase further the yields of the middle term securities.

Status of Long-Term Rates

The long - term government bonds are at about the lowest levels for quite some time because there are strong opinions around that yields on long-term issues will have to go up because of the very favorable returns which are available in other government issues—corporates, tax-exempts and savings deposits.

However, one thing appears to be rather definite, that is that the Treasury will not be offering long-term government bonds for either new money raising or refunding purposes unless there is a greater turnabout in money and capital market conditions. This is a favorable factor as far as long government bonds are concerned and, although it is not expected that the yield on these obligations will move down against the whole interest rate trend, it should be a stabilizing force. This could help the income minded investor in his dollar averaging operation in government bonds. Also, the yields here are much more attractive than the return which is available in common stocks.

Massie Dir. of Inv. Management

ELIZABETH, N. J. — Adrian M. Massie, prominent in banking and investment administration for many years, has been elected a director and chairman of the investment committee of Investors Management Co., it was announced by George E. Roosevelt, chairman of the board of directors.

Adrian M. Massie

Mr. Massie has been an officer of The New York Trust Co. since 1934 and was chairman of its board of directors and chief executive officer until its merger in 1959 into the Chemical Bank New York Trust Company.

Ceylon Hudson Incorporates

(Special to THE FINANCIAL CHRONICLE)

WOOSTER, Ohio—Ceylon E. Hudson, Inc. has been formed to continue the investment business of Ceylon E. Hudson, 215 North Market Street. Officers are Ceylon E. Hudson, President; Doyle W. McClaran, Executive Vice-President; Charles J. Nash, Vice-President; James N. Taylor, Secretary, and Virginia Premer, Treasurer.

FROM WASHINGTON ...Ahead of the News

BY CARLISLE BARGERON

The Organization of Economic Cooperation and Development, a 20 nation organization made up of Western countries and the United States and Canada, has reported that while the economic health of the United States is generally good, close attention must be paid to symptoms of weakness. It was specifically noted that the United States balance of payments had been in deficit every year since 1950, except 1957, and today this country's foreign indebtedness stands at $22 billion. However, the United States gold hoard is now down to $16.9 billion—or not enough to cover this indebtedness—and last year $875 million in gold was lost through conversion. The OECD has recommended that in order to preserve the integrity of our currency and our economy, we must balance the budget, curb inflation, and reverse our balance of payments deficit.

This has been underscored by William McChesney Martin, Jr., Chairman of the Federal Reserve Board, who recently stated:

". . . Does anyone think we'll be better off in our international accounts, or even as well off as now, if American products become more expensive abroad, and the American dollar becomes cheaper, either as a result of the wage-spiral or of currency inflation or both? In any event, it seems to me that we have no choice but to make the try or resign ourselves to eventual decay. Does anyone truly feel our country's reputation as a safe haven for long- and short-term investment funds can interminably stand the sort of deficits in our balance of payments we've had so persistently in recent years. Does anyone seriously believe we can indefinitely avert a damaging drain of capital and gold resources except by taking actions to eradicate the fundamental causes? Is it too much to expect for the richest society the world has ever known to get income and expenses into line—in one way or another—so it isn't perennially passing out IOU's in lieu of paying its bills?"

Certainly this is a timely warning. Congress will undoubtedly have this problem very much in mind particularly in light of proposed substantial increases in Federal expenditures. It is hoped that both labor and management also will keep this problem in mind when they consider raising prices or asking for wage increases.

President Kennedy in his message to Congress a year ago, stated: "If every child is to have the opportunity of a full day's education in an adequate classroom, a total of 600,000 classrooms must be constructed during the next 10 years." He then went on to indicate that this great need could only be met through Federal assistance.

The House Education and Labor Committee, after holding extensive hearings, concluded that the school construction needs were being met without Federal assistance. The Administration's general education bill which the President has announced he is going to press again this session would cost $2.5 billion. On the basis of figures which the committee received, 600,000 new buildings would be constructed during the next 10 years. This evaluation has now been confirmed by the U. S. Department of Health, Education and Labor—on Jan. 3 this year. It is noted that classroom construction between the fall of 1960 and the fall of 1961 hit a new high of 72,000 rooms, as against 69,000 the previous year. However, the report predicts a drop this year to maybe a total of about 62,700 rooms.

For the past five years it has been in excess of 69,000 a year, and there is every reason to believe that it will be maintained at this level, or even increased, as it was last year. If the Administration is concerned about a balanced budget it would accept these obvious facts and let the States go ahead with their own school construction, not take on any burdens that it doesn't absolutely have to.

Form Underwriters, Inc.

COLUMBUS, Ohio—Underwriters, Inc. has been formed with offices at 1155 East Broad Street, to engage in a securities business. Officers are Pasquale Denardo, Chairman of the Board; Harrell J. Moore, President; and Richard M. Eckley, Vice-President and Treasurer. All were formerly with Commonwealth Securities Corp.

This announcement is neither an offer to sell nor a solicitation of an offer to buy any of these Shares. The offer is made only by the Prospectus.

Not a New Issue — January 12, 1962

150,000 Shares

Interphoto Corporation

Common Stock Class A
($1 Par Value)

Price $7.75 per Share

Copies of the Prospectus may be obtained from such of the undersigned as are registered dealers in securities in this State.

C. E. Unterberg, Towbin Co. — **Arnhold and S. Bleichroeder, Inc.**

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 Prospectus.

January 12, 1962

90,000 Shares

Winchell Donut House, Inc.

Common Stock
(Without Par Value)

Price $14 Per Share

Copies of the Prospectus may be obtained from any of the undersigned only in States in which the undersigned are qualified to act as dealers in securities and in which the Prospectus may legally be distributed.

McDonnell & Co.
Incorporated

Hayden, Stone & Co. — E. F. Hutton & Co. Incorporated — F. S. Smithers & Co.

J. Barth & Co. — Boettcher and Company — Mitchum, Jones & Templeton

Bateman, Eichler & Co. — Crowell, Weedon & Co.

N. C. Roberts & Co., Inc. — Sellgren, Miller & Co., Inc. — Sutro & Co.

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PUBLIC UTILITY SECURITIES

BY OWEN ELY

Alabama Gas Corporation

Alabama Gas serves gas to 49 municipalities in central Alabama with a total population of some 1,000,000. The Birmingham area accounts for about half of the population served, while other large cities include Montgomery, Gadsden, Tuscaloosa, Selma and Anniston. Principal industries in the area include chemical, cement, ceramics, textile, steel, iron and steel products; cotton and livestock are important farm products. Revenues are about 63% residential (including an important space-heating load), 14% commercial, 21% industrial and 2% miscellaneous.

The company produces only a negligible amount of gas, and practically all its requirements are obtained from Southern Natural Gas under a 20-year contract, on a 90% take-or-pay basis. The company also has propane gas plants which are maintained for standby and peak-shaving purposes. In fiscal 1961 the company purchased about 624,000 therms of gas. Sale prices per therm averaged 11.8c residential, 7.1c commercial and 3.2c for industrial gas with an overall average of 7c. Purchased costs averaged 3.9c. The company hopes to increase its gas storage facilities and thus reduce costs.

Since it operates in an area where competition from coal and oil is not important, the company now has a house-heating saturation of about 90%. However, in air-conditioning the market potential for gas is still largely undeveloped, although Arkla-Servel and other manufacturers are developing new units which may become successful in competition with electric air-conditioning appliances, including the heat pump which provides both heating and cooling.

The company's business has shown good growth in the past decade as indicated by the following comparisons:

	1961	1952	Incr.
Revs.—Residntl (mill.)	$27.1	$10.8	151%
—Commercial	6.1	2.6	135
—Industrial	9.0	4.5	100
Total	42.9	18.5	132
No. of Meters (thous.)	248	163	52
Net Util. Plant (mill.)	49	27	81

However, part of the revenue gains were of course due to higher rates: the increase in the average rate for residential customers was 48%, for commercial 18% and residential 52%.

The company expended $3.5 million in the fiscal year 1961 to extend and reinforce its gas mains and to acquire additional operating equipment. The amount was about $500,000 less than that budgeted and $600,000 less than the total amount expended for similar purposes in 1960, the drop being due mainly to a decline in residential and other construction. However, before the end of the year the number of housing starts turned upward and has continued to expand. It is anticipated that $4,000,000 or more will be expended in fiscal 1962 to take care of expanding demands for gas service.

The company's earnings record has been as follows in the past decade:

Fiscal Year End. Sep. 30	Earns. Per Shr.	Divid. Rate Yr.-end	Degree Days % of Normal
1961	$2.36	$1.60*	102
1960	2.45	1.60	111
1959	1.96	1.60	102
1958	2.89	1.60	116
1957	2.12	1.60	79
1956	2.50	1.50	103
1955	2.03	1.28	96
†1954	1.79	1.28	98
†1953	1.36	.80	89
†1952	1.41	.80	97

*Years ended Dec. 31.
†Present rate $1.70.

It is obvious that the weather as measured by the number of degree days in relation to normal has an important effect on house-heating, and hence on earnings per share. Another important factor of course is the matter of rates for residential and commercial service. The field cost of gas has been rising steadily and since Alabama Gas does not enjoy an automatic adjustment clause in its residential rate schedule, it has to make applications to the Alabama Public Service Commission to obtain increases in rates to compensate for the higher rates imposed by its supplier, Southern Natural Gas.

As a result of earlier applications to the Federal Power Commission, Southern put into effect (subject to refund) two rate increases in June and August, 1960. FPC hearings were completed last July, and a decision may be expected some time this spring. Alabama Gas obtained from the State Commission an offsetting rate increase in December, 1960; but while the higher gas costs were in effect throughout the fiscal year 1961, the company benefited from its own higher rates for only part of the year.

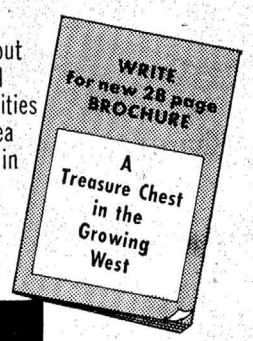
The company does not propose to do any public financing during fiscal 1962, but may borrow additional amounts from the banks under the terms of a revolving credit arrangement made last August.

The stock has been selling recently on the New York Stock Exchange around 38½, the 1961-2 range approximating 41¾-32½. Based on the recently increased dividend rate of $1.70, the yield is 4.4%. The price-earnings ratio approximates 16.3.

Sparks Opens Branch

UPPER DARBY, Pa.—J. W. Sparks & Co. has opened a branch office at 6934 Market Street under the direction of Harry H. Silsby.

Facts about industrial opportunities in the area we serve in
Utah
Idaho
Colorado
Wyoming



UTAH POWER & LIGHT CO.

Write for FREE COPY
Box 899, Dept. K
Salt Lake City 10, Utah
Inquiries held in strict confidence.

A Growing Company in a Growing West

CONTINENTAL
ILLINOIS NATIONAL
BANK
AND TRUST COMPANY OF CHICAGO

Lock Box H, Chicago 90, Illinois

New York Correspondents • 71 Broadway • Edward J. McGrath • Leslie A. Anderson
Stuart C. MacIntire • James Stenson • Christopher P. Sweeny

Statement of Condition

DECEMBER 31, 1961

RESOURCES

Cash and Due from Banks	$1,089,021,062.45
United States Government Obligations	494,877,844.90
State and Municipal Securities	418,142,130.49
Other Bonds and Securities	69,533,868.16
Loans and Discounts	1,591,199,157.41
Stock in Federal Reserve Bank	9,060,000.00
Customers' Liability on Acceptances	73,503,678.80
Income Accrued but Not Collected	15,248,498.49
Bank Premises and Equipment	12,001,640.34
Other Resources	4,879,103.90
Total Resources	$3,777,466,984.94

LIABILITIES

Demand Deposits	$2,701,537,510.23
Time Deposits	611,203,229.10
Total Deposits	$3,312,740,739.33
Acceptances	73,503,678.80
Reserves for Taxes, Interest and Expenses	22,690,342.55
Federal Reserve Funds Purchased	34,500,000.00
Income Collected but Not Earned	2,827,275.20
Other Liabilities	135,273.07
Total Liabilities	$3,446,397,308.95

CAPITAL ACCOUNTS

Capital Stock (3,472,500 shares. Par Value $33⅓)	$ 115,750,000.00
Surplus	186,250,000.00
Undivided Profits	29,069,675.99
Total Capital Accounts	$ 331,069,675.99
Total Liabilities and Capital Accounts	$3,777,466,984.94

Securities carried at $366,545,062.60 are pledged to secure public and trust deposits and for other purposes as required or permitted by law.

Member Federal Deposit Insurance Corporation

BOARD OF DIRECTORS

DAVID M. KENNEDY, *Chairman*

RICHARD A. AISHTON, *Banker*
ROBERT C. BECHERER, *President*, Link-Belt Company
PHILIP D. BLOCK, JR., *Vice Chairman*, Inland Steel Company
CHAMP CARRY, *Chairman of the Board*, Pullman Incorporated
ALFRED COWLES, Cowles Properties
TILDEN CUMMINGS, *President*
CALVIN FENTRESS, JR., *Chairman of the Board*, Allstate Insurance Company
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FRANK W. JENKS, *President*, International Harvester Company
CHARLES H. KELLSTADT, *Chairman of the Board*, Sears, Roebuck and Co.
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WILLIAM H. MILLER, *Senior Vice President*
ROBERT L. MILLIGAN, *President*, The Pure Oil Company
WILLIAM H. MITCHELL, *Chairman of the Board*, Mitchell, Hutchins & Co., Incorporated
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PHILIP W. PILLSBURY, *Chairman of the Board of Directors*, The Pillsbury Company
CLARENCE H. SHAVER, *Chairman of the Board*, United States Gypsum Co.
RAWLEIGH WARNER, *Chairman of the Board*, The Pure Oil Company

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SECURITY SALESMAN'S CORNER

BY JOHN DUTTON

Some Prospecting Suggestions

If you want to increase your volume of sales in any business you must do business with large accounts. In the investment business some of the most important clients are accessible to any salesman who has the patience and the ability to prospect among the leaders in his community, and to plan a method within the scope of his own particular talents that will place him in contact with these men at a time and place that will be favorable to him.

Every man has some special skill that he can use to meet the top investment prospects in his community. Here are a few examples:

Salesman A had no particular skill outside of his ability as an investment man and a salesman. But he knew he should meet the men in his city who controlled large business interests. He offered his services in a community fund raising drive, and he arranged with one of his friends to make an introduction to a leading citizen who was heading up the drive. He did a sales job on this man, he offered his services as an assistant, and an organizer, and he became the chairman of the commercial and industrial group in the fund raising campaign.

In six weeks' time, he met hundreds of the city's leading business men, he attended luncheons, he planned their campaigns, he made speeches and he obtained about a dozen valuable and admiring new friends. Out of this group, during the following year, he opened several of the largest accounts in his community, and from them his radiation has expanded his clientele to an extent that never would have been possible without this extra-curricular effort on his part.

Salesman B is one of the best bridge players in his community. All his life he has played tournament bridge. His winning personality and his ability to help and teach other men how to play winning bridge brought him into contact with some of the outstanding business and financial leaders in his area, and also in other parts of the country. This man is so good at bridge, he is in demand every night in the week and even on week-ends, but his business has now become so large that he confines his bridge playing to a small group of very large traders and investor clients. He gives no advice on securities — his customers give him their orders and they tell him when to buy, what to buy and what to sell. He shows them how to play winning bridge.

Salesman C could not play bridge, golf, or make speeches but he had a great interest in his church. He joined one of the most wealthy congregations in his city. He became active in fund raising, in teaching Sunday School, in arranging for men's club meetings and his wife joined him in these activities. After a few years, this couple became so well liked that their friends began doing some business with the husband. He did a good job managing a few investment accounts and gradually the word spread to others. Today he has a fine business composed of wealthy investment clients who are primarily interested in tax exempt securities, mutual funds and high grade common stock. He handles no trading accounts—he doesn't encourage speculation — and since he moves in an ultra conservative, religious circle he is extremely careful of the types of business whose securities he advocates.

Recently, this salesman arranged the public financing for one of his fellow church members who had owned a business for over forty years, and he headed up the committee to finance an addition to his church. This man became a member of a congregation of his choice because he was a truly religious person—but he picked a church where he could also meet people who could use his services and abilities.

Salesman D was not a church goer, a bridge-player, a golfer, or a fund raiser. He liked to go home at night, paint his fence on week-ends, go fishing with a few pals, eat cheese sandwiches and drink a glass of beer once in a while. He was strictly not the cocktail, country club, spend it and charge it type. But he worked at his job all day and every day.

Finally he came to the conclusion that he should obtain a few more large accounts so he did it the hard way. He made a list of the important firms in his city, then he listed their presidents and directors. He selected the more important law firms, and some of the banks, and he also made a list of the more promising prospects who could buy securities from him. Then he put them on a mailing list for four months. Every two weeks he sent these men a personal letter telling them something about the services of his firm. These letters were brief, they were not overdone, and they usually carried an enclosure that presented just one idea. An attractive stock would be mentioned, a list of tax-exempt bonds, an opportunity to discuss estate planning, the advantages of common stocks as inflation hedges, common stocks with partially tax exempt dividends, and such ideas as these followed in regular bi-monthly mailings.

At the end of this period, he started contacting this list of about two hundred people by telephone. In a week's time he arranged for appointments with twelve important prospects who agreed to have him call at their office and talk with them about some subject that he had developed during his mailings and in the course of his pre-approach telephone request for an appointment.

Eventually, two of these men became important clients, and one of them liked him and his firm's service so well that he ultimately opened up over forty more accounts within the period of six months. You see, one of these men was a director in a company that went public for the first time and this salesman became the specialist in buying and selling that stock for the friends of this one client who made the introductions for him.

The salesman who spends too much of his time servicing small, unimportant accounts, keeping records, reading non-essential material, and as a result neglects his prospecting is missing the main purpose of this business—selling securities to people who need them and who can buy them IN SUBSTANTIAL AMOUNTS.

Business of Title Insuring

Continued from page 3

notably in 1961. For the 11 months ended Nov. 30, 1960, they were $124,030; and for the same period in 1961, $163,087. Per share net for 1960 was 72 cents; it should be higher for 1961.

Title companies in New York are required to deposit with the State Banking Department certain reinsurance reserve funds. These funds are released and returned to the company (if not used), 15 years after date of deposit. They represent, in effect, hidden and deferred earning power, available to stockholders in future years. At the end of 1960, Security Title and Guaranty Company had $516,503 deposited in such reserve funds, equivalent to $5.38 per share on the capital stock. The stock sells at 8 OTC and pays 20 cents.

Looking ahead, we would expect Security Title to continue its attractive growth rate, and to seek additional capital funds for expansion of its operations and increasing the size of the policies it can write.

Whenever raw acreage is subdivided into a housing development, the immediate and future demand for title insurance is multiplied by the number of new homesites created. And when there's a boom on, the rate of turnover of real property of every description, increases astonishingly. Thus, we many conclude that title companies, such as the representative ones we've just outlined, now appear to be in a most favorable position to progress and to prosper; and may well deserve current consideration by growth-minded investors.

Form Rebstock Associates

FULTON, N. Y. — C. Edward Rebstock Associates has been formed with offices at 117 Oneida Street, to engage in a securities business. Officers are Clayton E. Rebstock, President and Treasurer, and Edwin T. Presley, Vice-President and Secretary.

This announcement is neither an offer to sell nor a solicitation of an offer to buy any of these shares. The offering is made only by the Prospectus.

January 18, 1962

112,000 Shares*

RAINBOW PHOTO INDUSTRIES INC.

Common Stock
(Par Value $.25)

**The underwriters have reserved a maximum of 6,000 shares for offering, at the public offering price, to designees of the company

Price $6 per Share

Copies of the Prospectus may be obtained in any State in which this announcement is made, from only such of the underwriters as may legally offer these securities in such State.

RODETSKY, WALKER & CO., INC. RICHTER & CO.
WILLIAM, DAVID & MOTTI, INC.
BOENNING & CO. REUBEN ROSE & CO., INC.
GOODKIND, NEUFELD, JORDON CO., INC.
H. NEUWIRTH & CO., INC. PHILIPS, ROSEN & APPEL

This announcement is neither an offer to sell nor a solicitation of an offer to buy any of these Shares. The offer is made only by the Offering Circular.

New Issue January 15, 1962

100,000 Shares

Boro Electronics, Inc.

Common Stock
($.35 Par Value)

Price $3.00 per Share

Copies of the Offering Circular may be obtained from the undersigned.

McLaughlin, Kaufman & 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 January 12, 1962

175,000 SHARES

WM. GLUCKIN COMPANY LIMITED

(A Bermuda Corporation)

COMMON STOCK

(Par Value £1 (Bermuda) Per Share)

PRICE $10.00 PER SHARE

GLOBUS, INC.

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Chas. E. Quincey 75th Anniversary

Chas. E. Quincey & Co., 25 Broad Street, New York City, members of the New York Stock Exchange and the American Stock Exchange, and specialists dealing in securities of the U. S. Government and its instrumentalities, today (Jan. 18) celebrates the seventy-fifth anniversary of its founding.

Charles E. Quincey, who had previously served as secretary to Edward M. Stanton, Secretary of War under Presidents Lincoln and Johnson, became a member of the New York Stock Exchange in 1877, and ten years later, founded the company which has since borne his name. Mr. Quincey retired from the firm in 1919, when the late Maurice A. Gilmartin became senior partner. His son, Maurice A. Gilmartin, Jr., who joined the firm in 1931, is now the senior partner.

Other general partners are John A. Cashman, Robert J. Wallace, Philip V. Mohan, John H. Excoffier, Vincent E. Cashman and Everett Smith. Limited partners are Robert A. Love and Edmund J. Leonard.

It is interesting to note that the general partners' years of association with the firm range from Mr. Wallace's 51 years to a few months for Mr. Smith, who became a general partner on Dec. 1, 1961 upon his retirement as fiscal agent of the Federal Home Loan Bank System. Excluding the two partners admitted during 1961, the other five general partners represent 160 years of association and membership in the partnership of Chas. E. Quincey & Co.

The firm is one of the oldest associated with the market for obligations of the United States Government and its instrumentalities. The growth of the Government Securities market is illustrated by the fact that the national debt amounted to some $1.1 billion in 1887 when the firm was founded, $33.7 billion when the firm passed its 50th milestone in 1937, and today is approximately $297 billion, of which $196 billion is marketable.

The five instrumentalities of the Federal Government, generally referred to as Agencies, currently have issued and outstanding in the hands of the public more than $7 billion of securities. By comparison twenty-five years ago, of the existing Agencies, only the Federal Land Banks had securities outstanding, in the amount of $1¾ billion.

The Federal Land Bank is also the oldest of the Agencies, having been organized in 1916 under the Federal Farm Loan Act. The most recently established is the Federal National Mortgage Association. The other three, in order of their organization, are the Federal Intermediate Credit Banks, the Federal Home Loan Banks, and the Banks for Cooperatives. Chas. E. Quincey & Co. has participated in the marketing of all the Agencies' issues since the initial offerings were made to the public and is an active dealer in the secondary markets for such obligations.

Yates, Heitner Office

ST. LOUIS, Mo.—Yates, Heitner & Woods has opened a sales office at 10605 U. S. Highway 66 in charge of Charles H. Reasor, Registered Representative.

Bernstein to Admit

SCARSDALE, N. Y.—D. J. Bernstein & Co., members of the New York Stock Exchange, on Feb. 1 will admit Charles R. Dean to partnership.

Ira Haupt to Admit

Ira Haupt & Co., 111 Broadway, New York City, members of the New York Stock Exchange, on Jan. 21 will admit Sam Anderman to limited partnership.

THE SECURITY I LIKE BEST . . .

Continued from page 2

bile year generally and sales dropped to $103 million in this category, 14% of total sales. The company's contribution to this industry includes the famous Bendix starter, power steering and power brakes, as well as the so-called split system brake controlling each pair of wheels separately, which has been adopted by Cadillac and American Motors in their this year's models and will undoubtedly find general use in the 1963 model year. Bendix radios are standard equipment in most American automobiles as well as in Volkswagen cars sold in this country. Since the outlook for automobile sales is very promising, the company's business in this division should improve substantially.

The company is also engaged in the computer field. Bendix is pushing its growth abroad by having acquired the principal French supplier of hydraulic brake equipment and a one-third interest in a leading German manufacturer of pneumatic gauges for industry.

The company's Research and Engineering expenditures last year exceeded $140 million of which Bendix paid about 37%. In the past 10 years, expenditures for new plants and improvement of existing plants amounted to $143 million, approximately $26.53 per share. Working capital at the end of the last fiscal year amounted to $154.4 million, equal to $28.64 per share and book value per share to $47.18, to which should be added at least another $5 for additional equity in the net assets of the company's non-consolidated domestic and foreign subsidiaries. The company's funded debt is below $1 million. This extraordinary solid financial condition and the company's major efforts in research and development and plant improvement promises to pay off this year by increased net earnings. I estimate earnings for the quarter ended Dec. 31, 1961 to slightly exceed preceding year's 82¢ and the full fiscal year's earnings to rise perhaps as high as 4.75 per share against last year's $4.45 which included a 60¢ non-recurring profit.

The company is paying a dividend of $2.40. Thus, the shares at the current price of 65 yield 3.7% which I consider attractive for a stock of this type. With most encouraging 1962 prospects, I believe that the shares of Bendix Corp. (1961 high 72, low 58) offer excellent value. They are listed on the New York Stock Exchange.

Lyons, Hannahs & Lee Formed

Lyons, Hannahs & Lee, Inc. has been formed by a merger of Hannahs, Ballin & Lee, established in 1921, and Lyons & Shafto, Inc., established in 1932. Officers of the firm are Kevin T. Lyons, President; Peter Veit and Albert W. Baker, Vice-Presidents. Offices are maintained at 111 Broadway, New York City, 79 Milk St., Boston and in Hartford.

NATIONAL BANK OF DETROIT

Main Office, Woodward at Fort

Statement of Condition, December 31, 1961

RESOURCES

Cash and Due from Banks		$ 500,397,591.68
United States Government Securities		629,791,631.60
Other Securities		246,559,744.15
Loans:		
Loans and Discounts	$632,132,245.95	
Real Estate Mortgages	138,485,873.13	770,618,119.08
Federal Reserve Bank Stock		4,500,000.00
Bank Premises		17,690,536.18
Customers' Liability on Acceptances and Letters of Credit		2,383,497.07
Accrued Income and Other Resources		10,892,956.51
		$2,182,834,076.27

LIABILITIES AND CAPITAL

Commercial Deposits		$1,074,713,046.73
Savings and Time Deposits		536,988,104.20
Deposits of United States Government		114,545,556.48
Other Public Deposits		95,005,906.14
Deposits of Banks		162,473,123.21
Total Deposits		$1,983,725,736.76
Acceptances and Letters of Credit		2,383,497.07
Accrued Expenses and Other Liabilities		23,529,902.29
Capital Funds:		
Common Stock ($12.50 par value)	$ 45,000,000.00	
Surplus	105,000,000.00	
Undivided Profits	23,194,940.15	173,194,940.15
		$2,182,834,076.27

United States Government Securities carried at $235,616,037.94 in the foregoing statement are pledged to secure public deposits, including deposits of $21,202,406.51 of the Treasurer, State of Michigan, and for other purposes required by law.

Member Federal Deposit Insurance Corporation

Michigan's largest bank serving more than 800,000 customers

BOARD OF DIRECTORS

A. H. AYMOND, JR.
Chairman—Consumers Power Company

HOWARD C. BALDWIN
Partner—Baldwin, Boos & Baldwin

HENRY T. BODMAN *President*

PRENTISS M. BROWN
Chairman—Mackinac Bridge Authority

M. A. CUDLIP
President and Treasurer—McLouth Steel Corporation

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President—S. S. Kresge Company

HARLOW H. CURTICE
Director—General Motors Corporation

WILLIAM M. DAY
President—The Michigan Bell Telephone Company

LELAND I. DOAN
President—The Dow Chemical Company

RAY R. EPPERT
President—Burroughs Corporation

MALCOLM P. FERGUSON
President—Bendix Corporation

EDWARD F. FISHER
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Director—Fisher and Company, Inc.

JOHN B. FORD
Director—Wyandotte Chemicals Corporation

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RALPH T. McELVENNY
President—American Natural Gas Company

JOHN N. McLUCAS
Director—National Cement Company

THOMAS E. MILLSOP
Chairman—National Steel Corporation

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Why Accept a Low Return Instead of a Higher One?

By A. Rhett duPont, *Senior Partner, Francis I. duPont & Co., New York City*

In answer to this paradoxical question, Mr. duPont writes in the current issue of his firm's "Investornews" on why and when it may be infinitely preferable to ignore a higher yield at a given time. He takes the long-run point of view as to the desirability of maximizing a return and finds that stocks generally serve that purpose as well as a hedge against inflation.

A simple axiom of finance is that money goes where it can earn the most. But earning the most is not necessarily where the highest yield may be offered at any given moment. Money goes where it can earn the most in the long run. Sometimes its choice may seem strange.

Here's a case in point: Savers can go into the market today and buy over 4.5% return on the best-grade corporate bonds, or they are entitled to as much as 4% on the savings deposits, or they may earn very nearly 4% on long-term bonds of the United States Government.

Yet what do people do? They continue to favor investment in shares of American industry. Their dividend return on good-grade shares averages out to around 3%.

Grandfather would have said this was "agin' nature." He would have said that bonds are safer than common stocks, hence you should expect to earn a little less on a bond to pay for this added safety.

Looking Ahead

Yet it is quite obvious today that people are looking for something more than simply what their money will earn right now. Clearly most of those who prefer common stocks are (1) undertaking to hedge against inflation and (2) seeking to participate in the growth of the economy.

Apparently the fact that creeping inflation has been with us so long is influencing more and more investment decisions. Everyone realizes that a $1,000 bond which pays $45 a year now will pay $45 each year until it comes due (and that on the due date it will be paid off for $1,000). But they also are becoming increasingly convinced that those dollars will be getting smaller and smaller in terms of what they will buy. Thus the bond provides "safety" in dollars, not in purchasing power.

Corporations may not exactly benefit from inflation, but presumably they will get higher prices for their products and, in turn, realize higher earnings from which they may pay higher dividends. The hope for higher dividends in the future compensates the investor for accepting a relatively low return now. In addition, if earnings and dividends go up in the future, the prices of common shares presumably will go up, too. These prospects provide the incentive for trying to protect both income and principal against the erosion of inflation.

At the same time, it is a truism that growth of the American economy is an even more impelling factor.

When to Buy Bonds

Stock prices naturally are not immune to downturns in business activity. Sophisticated money managers may try to enjoy the best of both worlds. What these professional investors attempt to do is to switch part of their funds out of stocks into bonds while business is still booming, and then to reverse their position at some point in a recessionary period. This is predicated on the thesis: (1) that in a boom period money will be tight and interest rates relatively high, which means in turn that bonds prices will be declining, (2) that in a recessionary period the banking authorities sooner or later will make money plentiful to stimulate business, thus paving the way for an upturn in the economy and making a switch back from bonds into stocks advantageous.

This type of switching is primarily for professional investors who devote all of their time to studying market developments.

Most investors are content to choose good stocks for the long pull, ignoring the intermediate ups and downs.

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RESOURCES OVER $600 MILLION

Joins First Securities

(Special to The Financial Chronicle)

DURHAM, N. C.—Cecil E. Cooke has joined the staff of First Securities Corporation, 111 Corcoran St., members of the New York and Midwest Stock Exchanges.

Powell, Kistler Adds

(Special to The Financial Chronicle)

FAYETTEVILLE, N. C. — Charles S. Cooper has been added to the staff of Powell, Kistler & Co., 110 Old Street, members of the New York Stock Exchange.

With McDaniel Lewis

(Special to The Financial Chronicle)

GREENSBORO, N. C.—William F. Farmer, Jr. is now connected with McDaniel Lewis & Co., Jefferson Building, members of the Midwest Stock Exchange.

First Boston Names Officials

Edward Townsend and Robert J. Hovorka have been elected to the executive committee of The First Boston Corp., 15 Broad St., New York City. They are both in the corporation's New York office.

Edward Townsend Robert J. Hovorka

In addition, Arthur E. Kirtley of the Chicago office was elected a Vice-President.

Mr. Townsend, now a Vice-President and a Director, has been with First Boston since 1946. After graduating from Yale University in 1934, Mr. Townsend was associated with the Hanover Bank of New York prior to joining First Boston. He served with the U. S. Army, retiring with the rank of major. He is a director of Transoceanic—AOFC, Ltd.

Mr. Hovorka, with First Boston since 1925, served as manager of the corporation's Cleveland office, and later as manager of the Chicago office. He became a Vice-President of the corporation in 1945 and a director in 1955. He was transferred to the New York office on Jan. 1, 1960.

Joins B. J. Leonard

(Special to The Financial Chronicle)

AURORA, Colo. — Joseph H. Ullmer has become associated with B. J. Leonard & Co. He was formerly local manager for Amos C. Sudler & Company.

Reiner, Linburn Admits

Reiner, Linburn & Co., 80 Pine St., New York City, members of the New York Stock Exchange, has admitted Bernard Bregstein to limited partnership in the firm.

Now S. Kopmon Associates

JAMAICA, N. Y.—Solomon Kopmon Associates, Inc., 89-30 161st Street, has been formed to continue the investment business of The I and I Plan, Inc. of Flushing.

Thomas Marshall Now With Meade & Co.

Thomas L. Marshall has become associated with Meade & Co., 27 William St., New York City, as manager of the trading department. He was formerly with Frank C. Masterson & Co.

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NEW ISSUE

January 17, 1962

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Higher Retail Buying Patterns Developing

By Roger W. Babson

Earlier year-end prediction of retail records set in 1962 is defended by Mr. Babson. Supporting factors for the forecast discussed are rising real incomes, employment, and less consumer cautiousness towards buying.

In my 1962 annual forecast for readers I predicted that retail trade will set fresh records during the new year. Not all economists are of the same mind on this matter, so I would like to point out my reasons for expecting historic highs in retail buying in 1962. Retailers from the largest to the smallest, from the big cities to the tiny hamlets, could be affected by the developing trend.

Money in Buyers' Hands

First off, it should be emphasized that workers' earnings have been climbing steadily ever since the depression of the 1930's, with only an occasional temporary correction. The gains over the past 10 years have been continuously gratifying, bringing up the standard of living for the country as a whole. More and more people have had enough money to put aside in bank accounts, insurance, mutual funds, and other forms of investment.

Since the beginning of 1952, average weekly earnings as well as average hourly earnings have risen over 40%. Even after tax deductions, the basic condition and morale of the wage earner has been steadily on the rise. To demonstrate that the uptrend is still strong, it should be noted that over the past 12 months hourly earnings have gone up 4%, and weekly earnings 7%. The rate, as you can see, is still very healthy.

Earnings vs. Living Costs

The importance of the great boost in earnings is highlighted by the fact that, during the same period of time, the retail price of goods and services has edged upward at a far less rapid pace. The consumer price index of the Labor Department has, in fact, risen only a moderate 13% during the past 10 years. Over the past 12 months the gain has amounted to only 1%, a far cry from the 7% rise in weekly earnings mentioned above.

I am proud indeed of our manufacturers and merchants who have thus succeeded in holding prices down while wages have been soaring ever higher. This is not an easy thing for them to do at a time when the squeeze on profits is ever tighter, and when labor unions are persistently seeking new raises and more costly fringe benefits. But I am confident that astute tradesmen will be able to hold their heads above water successfully in 1962—at least partly because of the tremendous retail turnover that I anticipate.

Labor Force Expanding

The labor force has been growing steadily, and the families of that force are the nation's buyers. While the unemployment problem has been a serious headache for the Administration, it has not affected selling seriously, except in a few one-industry localities such as, for instance, coal mining centers. Detroit can be badly hurt during a recession or at model-changing time, but employees laid off over the longer term can gradually be absorbed by other industries spreading out into previously all-auto sections.

I look for a continuing expansion of the working force and of employment generally in 1962. Even the jobless rate, which has been hovering around 7% for about a year, has suddenly begun to move lower, and now stands, seasonally corrected, at 6.1%. Government economists are reflecting more optimism. One insider, in fact, recently estimated that the unemployment rate may be down to 4.5% or even less by year's end. At any rate, the current course of employment is now strongly upward, the trend for unemployment gradually lower.

The nervousness and doubt evident during the recession now seem to have given way, in considerable degree, to renewed courage and confidence with regard to domestic prospects. Buying psychology in 1962 will be far less cautious, and even luxuries will be a good deal easier to move.

Interphoto Corp. Class A Offered

Initial public sale of class A common stock of Interphoto Corp. is being made through the offering of 150,000 shares, at $7.75 per share, by an underwriting group headed by C. E. Unterberg, Towbin Co. and Arnhold and S. Bleichroeder, Inc., New York City.

None of the proceeds from the sale will accrue to the corporation as the shares are already outstanding and are being sold for certain selling shareholders.

Headquartered in Long Island City, N. Y., Interphoto is engaged in the wholesale distribution of a broad range of photographic equipment and supplies, and a limited variety of sound equipment. Most of the company's sales are made to retail outlets which cater primarily to amateur photographers, but which also resell for industrial and professional use. The company itself operates no retail outlets.

The corporation employs its own 50-man sales force covering the entire continental U. S. and Alaska as well as Puerto Rico and the Caribbean area. The firm maintains sales offices and warehouses in Boston, New York, Washington, D. C., Atlanta and Miami along the Eastern Seaboard; Chicago and Cleveland in the Middle West; Dallas in the Southwest; and Phoenix, Denver, Los Angeles, San Francisco and Seattle in the Far West.

D. J. Kintner Opens

(Special to THE FINANCIAL CHRONICLE)

LOS ANGELES, Calif.—Donald J. Kintner is engaging in a securities business from offices at 727 West Seventh Street.

Maddox Opens Office

LOUISVILLE, Ky. — Robert L. Maddox, Jr. has opened offices in the Francis Building, to engage in a securities business.

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REPORT OF PROGRESS
DECEMBER 31, 1961

ASSETS

Cash	$ 51,998,170.96
U. S. Government Obligations	55,168,734.07
State and Municipal Obligations	31,609,612.82
Other Bonds and Securities	887,163.63
Mortgage Loans — Insured or Guaranteed	58,000,064.67
Mortgage Loans — Conventional	24,982,405.65
Loans and Discounts	74,558,950.28
Banking Premises	4,434,782.28
Furniture and Equipment	1,110,044.28
Accrued Income Receivable	1,298,189.78
Other Assets	360,444.38
Total	$304,408,562.80

LIABILITIES

Deposits		$269,803,809.49
Federal Reserve Deferred Credit		3,959,875.69
Reserve for Taxes, Accrued Interest, Expenses, etc.		1,180,562.29
Reserve for Loans and Discounts		3,967,899.71
Discount Collected, Not Earned		4,998,582.44
Dividends Payable		221,941.20
Other Liabilities		211,686.73
Common Stock	$6,105,000.00	
Surplus	8,895,000.00	
Undivided Profits	5,064,205.25	
Total Capital Funds		20,064,205.25
Total		$304,408,562.80

Assets held in the Trust Department total $95,706,562.37

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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

This being the CHRONICLE'S Annual Review and Outlook Issue, we can, pardonably we're sure, think of no better way for the reader pondering the probable course of trade and industry in the year ahead to give careful consideration to the views and opinions expressed herein by the participants in our yearly symposium on the subject. As noted on the cover page, the roster of contributors includes, in addition to personages prominent in public life, an extraordinary cross-section of the nation's leading industrialists, bankers and financiers. Written for the most part, expressly for the CHRONICLE, the articles constitute an invaluable set of guideposts to the general economic outlook and, perhaps more importantly, to the expectations for the specific components of the nation's entire economy.

Bank Clearings for Jan. 13 5.2% Above Last Year's Week

Bank clearings last week showed an increase compared with a year ago. Preliminary figures compiled by the *Chronicle* based upon telegraphic advices from the chief cities of the country, indicate that for the week ended Saturday, Jan. 13, clearings for all cities of the United States for which it is possible to obtain weekly clearings will be 5.2% above those of the corresponding week last year. Our preliminary totals stand at $31,159,878,447 against $29,615,551,292 for the same week in 1961. At this center there is a gain for the week of 5.6%. Our comparative summary for some of the principal money centers follows:

Week End. Jan. 13—	(000s omitted) 1962	1961	%
New York	$17,232,302	$16,317,808	+ 5.6
Chicago	1,373,055	1,364,515	+ 0.6
Philadelphia	1,185,000	1,156,000	+ 2.5
Boston	848,328	814,796	+ 4.1

Steelmaking to Hit 1962 Peak In March

Steelmaking will hit its peak for the year in March when producers boost weekly output to 140% of the 1957-59 average, *Steel* magazine predicted this week.

Production hasn't been that high since March, 1960, when the industry was working at forced draft to meet the huge demand created by a 116-day strike in 1959. Output then was rated at 90% of capacity. This year, the peak rate will be less than 90% because capacity has been substantially increased.

Steel Tonnage Bookings Exceed Capacity

Steelmakers are booking more tonnage per day than they could produce at capacity. In some cases, mills have established quotas for each of their sales districts and have allocated tonnage to customers on the basis of past purchases.

Deliveries are lengthening — especially for flat rolled products. Eastern mills are quoting cold rolled sheets at four to six weeks (vs. two to five weeks a month ago). In the Midwest, many producers are running their sheet mills at capacity. Several are sold out for the first quarter.

Steelmakers also report gains for bars, plates, tin plate, and oil country goods.

Bar consumption is rising, and users are replenishing stocks. An Eastern barmaker estimates that about 40% of purchases are a hedge against a possible strike.

Plate buying is increasing, especially by boiler and tank fabricators and warehouses. One Eastern plate mill is operating at 85% of rolling capacity.

Tin plate releases from major can companies have increased sharply since Jan. 1, but it is unlikely that much of the tonnage will go into inventories.

Demand for oil country goods is spurting as major consumers increase inventories. Oil country tubemakers figure they will be producing at capacity by Feb. 1.

Weekly High New Peak Since April 1, 1960

Ingot output this week is expected to be slightly higher than the 2.3 million tons *Steel* estimates the industry poured last week (best output since the week ended April 9, 1960).

The suppliers of scrap, a steelmaking raw material, will fare better in this first half than they have in several years, *Steel* magazine predicts.

A rise of about 5% in domestic demand will offset a sag in exports. Second half business will hinge on the outsome of steel labor negotiations.

Domestic consumption of purchased scrap in 1962 is expected to hit around 26 million tons. Exporters will take about five million. Last year, domestic consumers bought about 22.8 million gross tons, and exporters purchased eight million tons (topping the previous high of 6.4 million in 1960).

At their annual meeting this week, scrapmen are discussing cost cutting in scrap collection, preparation, segregation, and merchandising—a must for processors hoping to compete with blast furnace hot metal as a raw material for steelmaking. Resistance to scrap prices develops when they go above $35 per gross ton. Hot metal costs are estimated at $34 to $38 a net ton, depending on the number of active stacks at a producing plant.

Steel magazine's steelmaking scrap composite price held last week at $38 a gross ton. The December average was $34.58; a year ago, the price was $31.83.

Administration's Proposed Role In Steel-Labor Negotiations Discussed

There has been no reaction by steel users to the Administration's implication that the steel labor contract will be wrapped up within 30 days, *The Iron Age* reports.

In contrast, the order rate, which had started to level out, picked up last week. This was after Administration sources leaked word that pressure would be put on the steel industry and the United Steelworkers of America to tie up the next contract within a month.

It should be noted here that the contract does not expire until June 30. This in itself makes it all but impossible for either side to imply the issues could be settled this far in advance of the deadline.

The Iron Age notes that in one of the biggest mills, orders came in at a rate that would sustain 125% of capacity, in the final three days of last week. This also was after the Administration's "word" got out.

Furthermore, the magazine observed a spreading of the orders both geographically and in terms of products. Specifically, the market strength is rippling outward from the Midwest, which has been the center of the most aggressive ordering. Also, though the emphasis has been on flat-rolled products, advance ordering has moved on to bars and, secondarily, to plates.

The Iron Age says steel users would like to follow the lead of the Administration and not pile up steel inventories. This would ease the pressure on the market, eliminate the cost of carrying heavy stocks, and help prevent a possible business decline in the second half of the year.

But, the magazine says, steel consumers cannot afford to gamble on the evidence to date. As companies, they cannot afford to be caught without steel in the midst of a rising demand. As individuals, the men in charge of buying steel are not recommending a "take it easy" policy now.

Some mills have noted a leveling off in orders. But this is because they are committed on all flat-rolled tonnage for the entire first half. Following this example, word of a "leveling" in order rate has to be weighed against the individual mill's books.

In another indication of the market strength, some prices of imported steel have been climbing in the past week. This is always an indication of a tight market—for months ahead. Foreign mills will move their price to the U. S. up or down as the market indicates. Raising their prices now, in the midst of an easing market in Europe, means only one thing: Assurance of a strong U. S. demand through June, and maybe further.

This Week's Auto Output Up 30% Over Last Year's Week

Auto output in the U. S. thus far in 1962 is running about 43% ahead of early 1961, according to *Ward's Automotive Reports*.

The statistical agency said that output in the week ended Jan. 13 — despite strikes, layoffs, and shutdowns due to severe winter weather—would climb about 19% from last week and run 30% ahead of the corresponding period last year.

Passenger car production for the session ending tomorrow will reach 144,990 units, *Ward's* said, allowing for substantial disruptions in assembly schedules of the "Big Three" auto makers. Production last week was 121,928, and in the same week a year ago the industry turned out 110,808 cars.

Of the estimated output for the week ended Jan. 13, General Motors will account for 54.7%; Ford Motor Co. 31.1%; Chrysler Corp. 7.6%; American Motors 6.6%.

Steel Production Data for the Week Ended Jan. 13, 1962

According to data compiled by the American Iron and Steel Institute, production for the week ended Jan. 13, 1962, was 2,300,000 tons (*123.5%), or 0.3% above the output of 2,294,000 (*123.1%) in the week ended Jan. 6. 1962.

Production this year through Jan. 13, amounted to 4,594,000 tons (*123.3%), or 61.6% above the period through Jan. 14, 1961.

The Institute concludes with index of Ingot Production by Districts for week ended Jan. 13, 1962, as follows:

	* Index of Ingot Production for Week Ended Jan. 13, 1962
North East Coast	125
Buffalo	131
Pittsburgh	117
Youngstown	114
Cleveland	145
Detroit	150
Chicago	120
Cincinnati	129
St. Louis	114
Southern	116
Western	125
Total	123.5

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

Lumber Shipments Were 0.2% Below Same Week in 1961

Lumber shipments in the United States in the week ended Jan. 6, totaled 142,708,000 board feet, compared with 147,548,000 board feet in the prior week, according to reports from regional associations. A year ago the figure was 142,774,000 board feet.

Compared with 1961 levels, output climbed 1.8% while shipments declined 0.2% and orders advanced by 7.0%.

Following are the figures in thousands of board feet for the weeks indicated:

	Jan. 6, 1962	Dec. 30, 1961	Jan. 7, 1961
Production	146,213	112,783	143,629
Shipments	142,708	147,548	142,774
Orders	150,296	154,399	140,440

Electric Output 12.8% Higher Than in 1961 Week

The amount of electric energy distributed by the electric light and power industry for the week ended Saturday, Jan. 13, was estimated at 16,957,000,000 kwh., according to the Edison Electric Institute. Output was 936,000,000 kwh. above that of the previous week's total of 16,021,000,000 kwh. and 1,927,000,000 kwh., or 12.8% above that of the comparable 1961 week.

Jan. 6 Week's Freight Carloadings Increase 6.9% Over Corresponding 1961 Week

Loading of revenue freight in the week ended Jan. 6, totaled 469,467 cars, according to the *Association of American Railroads*. This was an increase of 47,230 cars or 11.2% above the preceding week.

The loadings represented an increase of 30,274 cars or 6.9% above the corresponding week in 1961, and a decrease of 120,334

Continued on page 108

This announcement is neither an offer to sell nor a solicitation of an offer to buy any of these securities. The offer is made only by the Prospectus.

NEW ISSUE JANUARY 16, 1962

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THE MARKET . . . AND YOU

BY WALLACE STREETE

The faltering stock market of 1962 continued to pursue an uncertain path this week with the fledgling favorites of the new year bumping into profit-taking, and selling continuing to hobble those that had done well last year.

Neither the rails nor the utilities were able to show any independent strength, the continued whittling at the industrials keeping them restrained. The rail section still has the distinction of being the only major average clinging grimly to plus territory on the year.

The action of the market so far has been breeding a high order of skepticism in many quarters and there was much talk that the 1962 market was pulling a repeat performance of that of 1960 which, despite all manner of glowing advance predictions, instead turned out to be a dismal one.

Technical Indications Optimistic

To those who scan the stock list with more care, however, there were still no technical indications that a major top had been posted with trouble to follow. Instead it seemed to be more of a case of a definite realignment of investment portfolios, entailing shifting from the issues that had performed well and had reached at least a fully-valued status, to those that are still undervalued and have made a turn for the better in their profit performances.

None of the technicians was overly optimistic over the near-term, or expecting any dramatic turnabout by the industrial section, particularly without at least a consolidating period. Many look for a test of the lows to determine where the market can find a solid base. In any event, a persistent decline that can set the list back by a quarter of a hundred points in rapid order can do much to impair confidence which returns to the market more slowly than it evaporates.

The Market and Business

There was a divergence between the business and the market indices, but on the other hand the market recovery set in well ahead of the business recovery from the recent recession. There was little likelihood that the market's current reactionary pattern is similarly predicting an end to the business recovery since the business yardsticks are all pointing to continued recovery and if they suddenly top out it would make it the shortest recovery from a recession in modern days.

In many cases, the 1961 upsurges in specific issues were merely anticipating the business upswings that are only becoming apparent now. So the only question is whether the stock action completely discounted the good news, or whether this is merely a pause to see how much better business will get.

Down-Hill Issues

Ford, for one, stood out late last year in its continued surge to new peaks despite the fact that the auto section generally was drab more times than not. With the company starting off early this year by increasing the dividend moderately and voting the long-anticipated stock split, there was little more for Ford to hail and the issue was given to fluttering downhill as the profit-taking moved in. In the process, however, the shares that had run from 63 to 117 last year between the low and the high, had been clipped back by something like a dozen points, which is hardly drastic as stock corrections go.

More disappointing was U. S. Steel in the section that was supposed to be the one showing the greatest promise for the early part of this year as precautionary buying of the metal in the event of a mid-year strike was more or less a guarantee of high profits for the next couple of reports. But the selling caught up with this bellwether this week and it was a fixture on the new low list.

Interest in a Veteran Blue Chip

Woolworth was the subject of some rumors that so far are unfounded, which made it somewhat erratic but overall it was somewhat highly regarded as a blue chip that was still good value in an otherwise high market. The recurrent tales, promptly denied, that it would do something about its large ownership, 52%, of the British Woolworth, were mostly the ones that caused the stock to do better. On the basis of market valuation, the British investment comes to better than $720 million of the American company's market value, leaving only around $290 as the market estimate of Woolworth's worth.

This is a low valuation for the better than a billion of sales that the American company generates here, in Germany and in Puerto Rico. And it indicates little in the way of the high hopes that the company holds for its imminent invasion of the discount store field. The discount field at the moment has had its play and, like the electronics and savings and loan shares, there was no indication that any had any intention of coming to life again.

A Reviving Laggard

One laggard that had good sailing at times—and in a section that has been dragging for a long time—was Bendix Corp. This issue hasn't showed up too well in the profit section, mostly because in shifting to missile and space work it was acquiring know-how the expensive way. And on top of this its research and development expenditures were large.

The company ended its fiscal year the end of September and its earnings were far from startling. With a better climate in the auto industry, which is still an important customer for Bendix, and with improved efficiency in its military work, the 1961 result could well be the low point with a turnabout due. If, as expected, this year shows profit running more than double its $2.40 dividend rate, there could well be some improvement in the payout or, at least, promote another of the company's occasional stock dividends.

Air Reduction, an important factor in industrial gases, is another company that isn't expected to show anything startling for its 1961 work, some estimates putting results at around 20% below those of 1960.

To many there is little glamour in acetylene now that it no longer is used in lamps. The fact is, however, that it is now a major raw material for many of the synthetic products and plastics of the modern day. In fact, some 85% of Air Reduction's acetylene production is for chemical use and it is a large supplier to Du Pont. In addition, it stands to participate with the chemical companies in the expected business recovery they are slated to experience this year.

Interesting Neglected Item

Vulcan Materials is also a name that hasn't been prominent for a long time in market discussions although it is also in the chemical business despite the fact that its major activity is still construction materials. Its chemical business was bolstered some four years ago when it merged with a chemical company and started to liquidate its heavy construction division.

This division had been weighing on its profit picture and lost more than a million and a quarter in last year's first nine months. But now that the liquidation is nearly complete and there is a rising trend of construction for which it supplies materials, and it, too, stands to benefit from a pickup in chemical operations. Vulcan's dividend is in no obvious jeopardy and at better than 4% offers a definitely above-average return.

In addition Vulcan has been busy simplifying its financial structure, last year trimming its long-term debt by some $2 million and retiring $2.7 million of preferred stock. Early this year it will call a portion of its convertible preferred. All of this, in time, will contribute to a better profit performance on the common stock which of course is normally the ingredient that makes for higher stock prices.

[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.]

EMAC Data Processing Stock Sold

M. J. W. Janis Co., Inc., 19 Rector Street, N. Y., is offering 100,000 common shares of EMAC Data Processing Corp., at $2.50 per share. Net proceeds will be used by the company for the rental of additional data processing equipment, sales promotion, rent, furniture, fixtures, leasehold improvements, and working capital.

The company, of 46-36 53rd Ave., Maspeth, L. I., N. Y., is engaged in the data processing service business through the use of electro-mechanical data processing equipment. The services offered include sales, costs and inventory analyses, inventory control, preparation of payrolls, accounts receivable, billing and the performance of individual calculating operations.

Form R. Charell Co.

Ralph Charell & Co., Inc. has opened offices at 54 Wall Street, New York City, to engage in a securities business.

This advertisement is neither an offer to sell nor a solicitation of an offer to buy any of these securities. The offering is made only by means of the Prospectus.

NEW ISSUE January 10, 1962

148,200 Shares

AUTHENTICOLOR, INC.

COMMON STOCK
(Par Value $.05 Per Share)

Price $3.25 Per Share

Copies of the Prospectus may be obtained from the undersigned and from such other dealers as may legally offer these securities in this state.

GENERAL ECONOMICS CORPORATION

This advertisement is not an offer to sell or the solicitation of an offer to buy any of these securities. The offering is made only by the Prospectus.

NOT A NEW ISSUE January 12, 1962

144,000 Shares*

Dixie Dinettes, Incorporated

Common Stock
(par value one dollar per share)

*The underwriter has reserved a maximum of 20,000 shares for offering, at the public offering price, to designees of the company.

Price $5.00 Per Share

Copies of the Prospectus may be obtained from the undersigned only in States in which the undersigned is qualified to act as a dealer in securities and in which the Prospectus may legally be distributed.

Rubin, Rennert & Co.
INCORPORATED

Fifty-six Beaver Street
New York 4, New York

3318 West Cary Street
Richmond, Virginia

All of this stock having been sold, this announcement appears as a matter of record only.

NEW ISSUE (as to 52,000 shares) January 18, 1962

60,000 Shares

UNIVERSAL WATERPROOFING CORPORATION

Common Stock
(Par Value $.10 per share)

Price $3.00 per Share

Underwriters:

Professional and Executive Planning Corp.
124 East Park Avenue
Long Beach, New York
Telephone: GEneral 1-4141

E. J. Roberts & Co., Inc.
22 North Harrison Street
East Orange, New Jersey
Telephone: ORange 3-3757

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MUTUAL FUNDS

BY JOSEPH C. POTTER

The Money Scramble

As every seller of mutual funds knows, the competition for the thrifty people's dollar has been getting keener. Bankers, insurance men, realtors, dealers in loans to small business and many other enterprisers have been offering investment opportunities to the man of moderate means. While no statistics can be adduced, there is no question that any and all of these ventures, based as they are on managing commingled family nest eggs, subtract from the flow of dollars into mutual funds.

To be sure, the dollar flow into the funds has been mighty these many years. Nor is it likely to dry up as long as mutual-fund managers can continue, by and large, to make investment dollars grow impressively.

But now there is emerging a rival that could pose a serious problem — and not only to the funds, but to other managers of joint ventures which draw their nourishment from the thrifty folks' dollars. The rival here is not some one but rather some thing: the rising trend in money rates.

The individual who sells funds may not be an expert on money trends, but he can hardly fail to note the repetitive advertising that uses every major media to lure money into savings and commercial banks, and into savings and loan associations. For the first time, this generation is being offered 4% by the savings banks and better than 4½% by many S & Ls. Obviously, bankers offering more for thrifty people's savings and spending lavishly to call attention to liberalized dividends expect to halt the outflow of funds and, even more, to attract inestimable millions of dollars now at work elsewhere.

Most of us will have scant difficulty in recalling what happened a couple of years ago when the government offered the so-called Magic 5's. If the banks lost heavily in deposits on that occasion, they expect to gain considerably from this latest upturn in interest rates on thrift accounts.

One mutual fundman, sensitive to the rise in money rates, admits that there will be increased rivalry for the investment-minded people's dollar, although he insists it does not create a competitor. His explanation, which many sellers of funds might do well to remember:

"People put their money in a bank for safekeeping and a modest return, but they buy stocks, as a general thing, for a capital gain—and not for dividends."

Indeed, as the fundman notes, no reputable seller of funds would suggest to a prospect that he liquidate his savings to invest in stocks. The prudent man, owning stocks and maintaining a thrift account, will benefit from rising interest rates.

But the rivalry from rising interest rates and the competition from other investment media figure to be considerable in the year ahead. More and more, the folks who invest — whether in mutual funds, buying stocks on their own, real estate syndication and the rest—will be measuring the results obtained against other types of opportunities.

The task of the mutual funds, management and salespeople alike, is bound to be tougher in the new year as new factors vie for available dollars. Add to this the fact that stocks are not cheap. The chore of turning up a Polaroid or International Business Machines has become far more onerous.

But if the past is a guide to the future, the mutual funds should be able to live with their problems. And the record must impress people with money to invest. Moreover, if the results in the years ahead fail to match what has gone before, they could still be highly respectable.

As for the money scramble, it's going to be a universal problem. Not even the government will be exempt, although its ability to obtain funds must stir the envy of everyone else. Washington, for one thing, will not find it easy to sell the series E bonds, which yield 3.75% if held to maturity.

For the fund people, there is solace: in a period of rapidly changing conditions, affecting economic and money trends, they have a strong selling point in their professional management which has displayed remarkable ability to make money grow.

The Funds Report

Commonwealth International & General Fund reported net assets of $2,848,977 on Nov. 30, the end of its first fiscal year. Net asset value per share on that date was $11.29, compared with an initial net asset value per share of $11.44 when the fund began operations on May 2, 1961. It also reports it is following a policy of investing gradually and that at the close of the fiscal year had about 80% of its assets invested in common stocks.

* * *

Delaware Income Fund in its annual report put net assets on Nov. 30 at a record $12,819,537, against $8,234,628 a year earlier. Net asset value in the period climbed to $10.27 a share from $9.20.

During the year the company assumed new positions in Basic, Inc., Midland-Ross and Real Estate Investment Trust. Among holdings eliminated were American Agricultural Chemical, Buffalo Forge and Philip Morris.

* * *

Total net assets of **The Dominick Fund, Inc.** on Dec. 31, 1961, reached a new high of $44,877,315, after allowing for the cash value of distributions payable Feb. 15, 1962, A. Varick Stout, President, reported in the fund's annual report. This compares with total net assets at the end of 1960 of $38,152,745, similarly adjusted for distributions payable in February 1961.

Net asset value per share on Dec. 31, 1961, amounted to $25.61 on 1,752,085 shares outstanding compared with net assets per share of $22.32 on 1,709,067 shares outstanding at the end of 1960.

Common stock constituted 96.8% of the funds assets at the end of 1961 compared with 94.4% a year earlier, Mr. Stout said.

Changes in the fund's portfolio during 1961, Mr. Stout told the shareholders, included elimination of holdings in the amusement and container industries. Positions were reduced in the building industry from 5.1% of assets to 0.8%; in the chemical industry from 4% to 2.7%; in the drug and cosmetic industries from 2.3% to 1.2%; in electrical and electronic products from 12.6% to 10.4%; in metals—non-ferrous from 6.7% to 5.2%; and in steel and iron from 3.7% to 1.6%.

During 1961, Mr. Stout said, holdings of food products stocks rose from 2.9% to 6.3%; and insurance and finance companies from 6.2% to 7.6%. American Telephone and Telegraph Company represented 2.4% of net assets at the 1961 year-end compared with 1.4% a year earlier.

Oil and gas holdings rose from 10.3% to 12.7% with the purchase of additional shares of Amerada Petroleum Corporation, the addition to the portfolio of Calgary & Edmonton Corporation Limited, Home Oil Company Limited class A and Hudson's Bay Oil and Gas Company Limited, and an increase of $564,000 in the market value of holdings of Louisiana Land and Exporation Company.

In addition to the aircraft and defense stocks listed in the portfolio at Dec. 31, 1961, Mr. Stout told the shareholders, the fund added during the year holdings of Avco Corporation and of General Tire & Rubber Company in order to increase its participation in the aero-space industry.

The largest industry increase, Mr. Stout pointed out, occurred in the office equipment group with the addition to the portfolio of Moore Corporation Limited and Xerox Corporation and an increase in the market value of $1,670,000 in the fund's holding of

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32ND ANNUAL REPORT

for the year ended December 31, 1961
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International Business Machines Corporation, despite the sale of 900 shares of this stock in the early part of the year to diversify the portfolio.

"The advance in the prices of many common stocks during the past year reflects to an important degree the gains in business," Mr. Stout said. "Since the low point of the recession in February, the improvement in the economy has been quite consistent except for a brief interruption at the end of the summer. Although to date the recovery has not been as pronounced as those that followed most other recent recessions, it has gained momentum in recent months and further expansion is anticipated in 1962. As the level of stock prices has risen, selection of campanies has become increasingly important."

During 1961, the number of stockholders increased to a record of 6,102, Mr. Stout said.

* * *

Investors Planning Corporation of America annual sales climbed to a record $176,156,000 in 1961, a rise of 17% from 1960, according to Walter Benedick, President. He also anounced "substantial gains" in systematic investment plans in force. The total rose 23.3% during the year to 134,247, representing accumulated fund shares with a combined net asset value of $167,462,000.

* * *

The Lazard Fund, Inc. reports an increase in net asset value during the year to $18.34 per share on Dec. 31, 1961. At the end of the previous year the asset value was $15.93. Total net assets were $126,852,237 applicable to 6,918,349 shares at the end of 1961. The corresponding figures a year ago were $125,389,738 applicable to 7,870,789 shares then outstanding. Lazard is an open-end fund that does not currently issue new shares, but stands ready to redeem shares at any time on the day after the shares are received, less a redemption charge of 1%. At the close of 1961 the fund was 91% invested in equity securities, compared with 92.2% a year ago, with the remainder in cash or liquid obligations of relatively short maturity.

* * *

Quarterly Distribution Shares, Inc. reports that at the close of the fiscal year on Nov. 30 it had a record high total net asset figure of $8,099,658, compared with $6,292,161 a year earlier. A new high in net asset value per share of $8.06 was established at the end of the latest year. This compares with $6.79 a year earlier.

* * *

Research Investing Corp. reports it reached out to Japan for one of seven new common stock investments in the final six months of 1961. It bought 40,000 shares of Toyota Motors, Ltd., which marks its first Japanese investment. Other new purchases: Brandywine Raceway, Caldor, Gulf American Land, Marrud, Medico and Rockower Bros. The fund also reported increases over the period in its holdings of Federal Mart, Tropical Gas, United Airlines and Zenith Electric Supply. It reduced holdings of Hawaiian Pacific Industries and Vornado while eliminating James B. Beam Distilling, Gem International, Lily Tulip Cup, Robinson Co. and U. S. Plywood.

* * *

Wall Street Investing Corp. reports total net assets at Dec. 31 were $13,211,000, equal to $10.06 a share. This compares with $10,890,200 of assets, equal to $8.69 per share, at the close of 1960.

United Scientific Laboratories, Inc. Common Offered

Fred F. Sessler & Co., Inc., 505 Park Ave., New York City is offering publicly 360,000 common shares of United Scientific Laboratories, Inc., at $2 per share. Net proceeds will be used by the company for the repayment of debt, sales promotion, a new product line and working capital.

The company of 35-15 37th Ave., Long Island City, N. Y., manufactures and sells a complete line of Citizen Band and Amateur Band transceivers and high fidelity stereo tuners, amplifiers and multiplex adapters. Approximately 50% of its business is private label manufacturing and the balance of production is for its own "DeWald" line.

This announcement is neither an offer to sell nor a solicitation of an offer to buy any of these securities. The offering is made only by the Offering Circular.

NEW ISSUE

January 15, 1962

70,000 Shares

Consolidated Aerosol Corp.

Common Stock

(Par Value 10¢ Per Share)

Price $3 per Share

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

J. C. Bayard & Co., Inc.

80 Wall Street, New York 5, N. Y.

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NEW ISSUE

January 15, 1962

5,000 Units

S. O. S. Photo-Cine-Optics, Inc.

$50,000 Principal Amount of 6% Subordinated Debentures

due February 15, 1969

50,000 Shares of Common Stock

(1¢ par value)

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Annual Report

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NEW ISSUE

January 16, 1962

100,000 Shares

EMAC

Data Processing Corporation

Common Stock

($.01 par value)

Price: $2.50 Per Share

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M. W. Janis Company, Inc.

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Business and Finance Speaks After the Turn of the Year

Continued from page 1

have held that chronic deficits are inflationary. The Federal Government of the United States has been on a deficit spending basis in 25 of the past 31 years. Nine of these deficit years have been in periods without war or severe depression. In these years, without war or depression, deficits totaling $41.5 billion have been added to the Federal debt.

Since 1939 the purchasing power of the dollar has dropped 53.7 cents; 30.9 cents since the end of World War II; and 5.6 cents since the end of the Korean War. The dollar is now worth 46.3 cents on the 1939 index. Representatives of the present Administration have expressed deep concern over the possibility of further inflation.

Despite continual excess of exports over imports in foreign trade, there have been continual deficits for years in the U. S. balance of international payments. Foreign aid, expenditures for maintaining troops overseas, expansion of U. S. business investment abroad, and American tourist travel in foreign countries, etc., have been contributing factors.

The record follows:

U. S. Balance of Payments Position

1959	$—3,743 million
1960	—3,929 million
1961	—1,276 million*

*Annual average based on 3 quarters through September, 1961.

Under deficit conditions in the balance of international payments, foreign governments may draw down what we owe them in gold. They are most likely to do this when domestic fiscal conditions depress their confidence in the U. S. dollar. We have lost nearly $6 billion in gold in the past 4½ years.

Gold is a symbol of value which backs our currency. Gold held by the U. S. Treasury on December 26, 1961, totaled less than $17 billion. This was the lowest point reached in more than 20 years. The supply has been reduced by more than $660 million since July 1, and by more than $875 million since last Dec. 31.

The record for the past year follows:

Total Gold Held by the Treasury

Dec. 30, 1960	$17,766,797,708
June 30, 1961	17,550,069,960
Dec. 26, 1961	16,889,521,403

It is currently estimated that potential foreign claims on U. S. gold total approximately $20 billion. The law requires that our currency shall be backed by an amount of gold now fixed at about $11.4 billion. To meet more than $31 billion in actual and possible gold requirements, we have on hand in the Treasury less than $17 billion.

The problems represented by the hard fiscal facts just summarized are fundamental to our form of government, and our free enterprise system. They will grow worse than they are under the continuation of soft attitudes and compromising approach which have characterized our treatment of fiscal requirements for 30 years.

Fiscal restraint is seldom pleasant. To be worth the efforts it must be stern. But the strength inherent in fiscal discipline cannot be questioned. Fiscal discipline is the weakest spot in our arsenal at this time. Balancing the Federal budget annually is the first requirement.

HON. HAROLD D. COOLEY

Chairman, Committee on Agriculture
U. S. Congressman From North Carolina

Net farm income in the United States increased by about $1 billion in 1961 over the previous year and, by the best estimates available, this improved level of income for our farmers should continue in 1962. In 1961 the long downward trend in agricultural income was reversed. The nine-year build-up in grain stocks was stopped. We actually brought about a reduction in the surpluses that have been so costly to the Nation and which threatened to overwhelm farm economy.

Hon. H. D. Cooley

It was, on the whole, a successful year of heartening gains. These gains were achieved by farmers working with their government in sound and sensible production and price porgrams.

Farm net income — the money farmers can claim as their own for their year's work, after paying all bills on production costs—climbed to around $12.7 billion, as against $11.7 billion in 1960. This increased income went into channels of trade, reviving business on main streets of small towns across the nation and found its way into factories and payrolls of industries producing things the farmers need.

The outlook for 1962 is encouraging, under a continuation of the policies and programs developed or strengthened by the Congress and by the Secretary of Agriculture, Hon. Orville L. Freeman. Moreover, I am hopeful that the Congress and the Secretary, working together, will further improve our farm policies so that we may have an even brighter outlook in the years ahead.

The 1962 outlook is dominated by prospects for an expanding domestic market and record farm exports.

Larger cash receipts and increased government payments raised farm income in 1961. Expanding economic activity and record shipments abroad promise new outlets for farm products. Therefore, gross income to farmers should rise further in 1962.

These expectations assume a continuation in 1962 of existing price supports, average growing conditions, and general economic activity.

However, prices paid by farmers will continue high, and the rise in gross income probably wil lbe matched by a further climb in farm production expenses.

Therefore, according to economists who have studied the situation, realized net income of farm operators is not expected to change much in 1962 from the 1961 level. But this level was well above the average of recent years, although below farm incomes of the immediate post war period.

Larger marketings of livestock products seem likely in 1962, but crop marketings may be smaller. The wheat and feed grain programs will limit crop output so as to cut down on surplus stocks. But, with average growing conditions, the uptrend in crop yields per acre may continue in 1962.

With a continuation of present price supports for major crops and the increased support level for 1962-crop wheat, average crop prices may increase some. But livestock prices may ease slightly, as a result of larger production and marketing, particularly of hogs and cattle.

The strong domestic market for farm products in the coming year is expected to be supplemented by continued large exports of farm products. Agricultural exports in 1961 were estimated at $5.1 billion, about 6% above the previous year. For 1962 as a whole, agricultural exports are forecast to total about the same as in 1961. The developing European Common Market is not expected to depress out exports materially in 1962, although the Common Market casts a shadow over such shipments in the future.

High levels of economic activity in Western Europe and Japan, record gold and dollar holdings in many countries trading with the United States, plus the accelerated Food for Peace program are expected to sustain large exports of farm products in the coming year.

Relatively large supplies of grains, fats and oils and other major export crops will facilitate the volume of shipments abroad. Exports of wheat and flour in the 1961-62 marketing year are estimated at 675 million bushels, compared with a record 662-million in 1960-61.

Exports of all food fats, according to our Foreign Agricultural Service, probably will reach a new high. Cotton exports may fall short of the 7 million bales exported during 1960-61 by about one million bales. Larger exports are in prospect for fruits, vegetables and meat products.

The increasingly efficient American farmer will continue to produce food and fiber in abundance for domestic use and for world trade.

HON. EMANUEL CELLER

Chairman, Committee on the Judiciary,
U. S. Congressman From New York

It is my studied conviction that the outlook for business in the year ahead is very good, indeed. The striving of the Administration toward a balanced budget, together with the hope of a tax decrease for incentive purposes, should be comforting to trade and industry. Much, of course, will depend upon the release from tension in the Berlin situation. Should this condition be ameliorated, the country's attention can be turned to domestic progress and prosperity.

Hon. Emanuel Celler

The Administration has announced its willingness to enter into a program of retraining and relocating of workers who have been displaced by the increased use of automation. Such retraining will also follow for those who may be affected by a low tariff policy. This will, of course, dislodge the pockets of unemployment and increase the demand for both consumer and hard goods.

In short, I believe 1962 will be a boom year.

HON. J. EDWARD DAY

Postmaster General of the United States

The Post Office Department has long been a close student of economic trends. This may seem surprising at first blush, but it is very natural when you stop to think about it.

Postal work volume (mail handling and other transactions) reflects changes in the economic and social activity of the nation. Since more than 80% of all mail and postal transactions are business related, our planning must necessarily include the formulation of forecasts of economic conditions. In order to project our Department's requirements for man-years of employment and to prepare our budgets, we need accurate forecasts of what national business activity will be.

J. Edward Day

The Department has established a means of predicting the number of pieces of mail based on a variety of economic indicators. Real personal income and population weigh heavily in the formula. The forecast of personal income, in turn, is based on the outlook for general economic conditions as reflected in the Gross National Product and other components of the U. S. national income accounts.

The 1960-61 recession was brief and the recovery has so far been vigorous. A significant part of this recovery must be attributed to measures taken by the Federal Government since the beginning of the year.

Mail volume rose to establish new highs when the economy started to move strongly forward in the early spring of 1961. For the year as a whole, we handled about 66 billion pieces of mail—two-thirds of the *world's* total. With the broadly based business advance expected to continue all through 1962, a record year is anticipated by the Post Office Department; we expect our volume to approximate 68 billion pieces.

As a result of the expanded defense build-up initiated in August, together with the contra-cyclical programs initiated earlier, a deficit in the Federal Budget for fiscal 1962 of about $6.9 billion is expected. This deficit is entirely appropriate to our current economic situation and, indeed, has been a powerful force behind the present recovery.

Primarily as a result of the Administration moves, the economic advance that began nearly a year ago has already expanded to most markets. We are quite bullish with respect to 1962, as we expect the economic advance which began last year to continue.

Although the factors listed below will make 1962 a prosperous year for most Americans, the problem of excessive unemployment of both men and resources will not yield easily to the forces of recovery. Yet, the Administration is determined that the current recovery will not tail off short of levels which will absorb available manpower and idle capacity in productive employment.

During 1962, outlays by the defense establishments will continue to support the level of overall demand on private business. The new build-up will call for growing production of military durable goods.

There are now clear indications that the upswing in activity has engendered increasing confidence on the part of both consumers and businessmen, so growing demand for a wide variety of civilian durable goods will reinforce the upward trend in purchases of military hardware. Thus, sharply increased demand for durable goods is expected to spark economic growth in 1962.

Recent surveys of business plans for fixed investment in 1962 show that a sizable increase is anticipated. In viewing these survey results, it must be remembered that businessmen often underestimate actual further investment expenditures when surveys are taken in this phase of the cycle, and so actual outlays for plant and equipment could easily be considerably higher than those now forecast.

In the last several months, consumer demand for durables—autos, household furniture and appliances—has revived. With more money in the hands of consumers, and their debt relatively low, 1962 should be a banner year for these goods.

Growing optimism is also evident in most other major markets. Consumer demand for nondurable goods—food, clothing, shoes, etc.—perked-up in mid-1961 and has shown no signs of diminishing since. Service expenditures by persons have gone up steadily through recession and recovery and no change in this pattern is expected. Demand for new housing has at last shown some renewed strength, and more new homes should be started in 1962 than there were in 1961.

State and local purchases of goods and services, continuing their uptrend all during the recession, were one of the major supporting factors in the economy at that time. This upswing also shows no signs of diminishing.

Thus, we see the current year as one which will be marked by strong economic growth and a new record high in mail volume.

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Outlook for Investment By Business in Year Ahead

By Margaret K. Matulis,* *Economist, Economics Department, McGraw-Hill Publishing Co., Inc.*

Optimistic portent for the economy is uncovered in the McGraw-Hill Fall survey of American business investment plans. Expected plant and equipment outlay is put at $35.8 billion, extending almost across the board, which is 4% higher than this year and exceeds all years except 1957. Other areas of capital formation surveyed brings the estimated total up to $76.5 billion for next year compared to $69.5 billion total capital formation in 1961. Net additions to inventory is seen reaching $5.6 billion compared with $2.3 billion this year. Price inflation is dismissed as a possible problem, and internal sources are expected to provide 90% of the capital funds required. Miss Matulis explains why industry plans are being made to increase investment in spite of present below-capacity operations, and to shift slightly from modernization to expansion.

Our surveys of preliminary plans of capital spending, even though they are taken at the beginning of the budget season, have provided accurate indicators of the direction of capital expenditures and reasonably accurate estimates of the degree of change in capital expenditures for the year immediately ahead. Our current survey shows that American business now plans to invest 4% more in new plant and equipment in 1962 than it did last year. All major industries except electrical machinery and chemicals — and the declines here are relatively small—plan to increase their 1962 capital expenditures. Manufacturing as a whole, which accounts for approximately 40% of all capital investment, plans to increase spending for new facilities by 7% this year.

Margaret K. Matulis

If these plans are carried out, 1962 will be a year of relatively high activity in the capital goods industries. It would be the second highest year on record in dollar terms—surpassed only by 1957.

I should like to emphasize the word **plans** because we all know that plans can, and frequently do, change, depending on the course of the general economy, on profits and on government policy. As a matter of fact capital spending was cut early last year because of disappointing sales and profits.

Our experience with the fall surveys indicates that these preliminary plans may be revised upward when final budgets are completed. In the fall of 1954, when the economy was recovering from a recession, business reported plans to spend 5% less on new plans and equipment in 1955 than in 1954. I should point out that a planned 5% decline for the year 1955 actually suggested that the quarterly rate of investment was going to head up because the quarterly declines in the spending rate during 1954 had been very sharp. By the spring of 1955 business had revised its plans upward and expected to spend 5% more than in 1954. Actual expenditures exceed 1954 by 7%. In the fall of 1958 preliminary plans for 1959 called for an increase of only 0.5% over 1958. Actual expenditures turned out to be 7% higher.

Brighter Outlook

An increase of 4% in capital spending as now planned by business eliminates it seems to me one of the major concern in the business outlook. American business is increasing investment and, therefore, the outlook for general business appears to be a lot brighter than many would have thought a little earlier. A high level of activity in the capital goods area is probably the most important element in overall economic expansion.

And business as a whole already has preliminary plans to spend slightly more in 1963 than it spent this year. And manufacturing companies already have plans to raise the 1963 level of investment nearly 4% over 1961. This is a relatively high level of planning and suggests that investment in 1963 — still a long way off — may run ahead of 1961. At any rate my main concern here is with 1962 rather than 1963.

In manufacturing, the durables goods industries plan to increase investment slightly more than soft goods producers, and it's in the durables area where production has increased the most since the recession low this spring.

Steel producers, for example, plan to up investment 15% this year, despite considerable excess capacity which has existed for sometime. The sustained high level of investment by the steel industry points to continued concern with updating obsolete facilities and installing cost-cutting equipment.

The machinery manufacturers plan to spend 6% more on new facilities during 1962, with office machinery leading the group. The electrical machinery industry, on the other hand, plans to reduce investment 9%. But even with this reduction the 1962 investment level planned by electrical manufacturers would make it the second highest year on record.

Although the durable goods industries as a group plan greater increases in capital spending next year, the nondurable goods industries are not far behind.

The petroleum industry, for example, plans to step up investment 10% this year. This will bring the industry's investment over $3 billion—a level achieved only in 1956-57. The greatest increase will occur in refining and petrochemicals, but production and marketing facilities will also be expanded. The chemical industry, which has spent well over $1 billion every year since 1951, plans a slight decrease (2%) in investment next year. However, in many chemical lines, the operating rate is low, indicating some spare capacity exists.

Food and beverage companies indicate they plan to hit the $1 billion mark for the first time during 1962. This record level of investment would put the food industry in the same league with steel, chemicals and machinery. The textile industry plans to spend 10% more this year. Although a few textile companies reported their spending plans to us after the announcement that textile manufacturers would be allowed faster write-offs for machinery and equipment, it is unlikely that this increase reflects liberalized depreciation regulations. But once these take hold, textile capital spending may go higher. As a matter of fact, one textile company reporting so late that it was not included in our results, indicated that it was going to revise upward the plans it just reported. Both the food and textile industries are among those with the largest amounts of obsolete equipment. According to a survey we did in August 1958, in both industries over 75% of their equipment had been installed prior to 1950.

In the non-manufacturing industries, railroads plan to spend 1% more in 1962—reflecting an improved level of rail traffic and earnings since the recession. In other transportation, trucking and bus lines expect to spend more next year, while airlines, having made substantial purchases of jets in the past few years, expect to substantially reduce outlays next year.

The mining industry as a whole indicates no change in investment this year. Increases planned by iron ore and coal companies are offset by decreases by non-ferrous and nonmetallic miners.

Electric and gas utilities together are scheduled to spend 2% more this year with gas utilities up slightly more than the electric utilities.

Commercial business reports plans to increase spending 4%. This would bring investment in this area to a record $8.7 billion, reflecting continued expansion in new shopping centers, office buildings, warehouses and other service establishments as well as purchases of electronic computers and business autos and trucks.

Optimistic Factors

Operating rates substantiate this general picture. Every industry with one exception was operating at a higher level of capacity in September than in Dec. 1961, reflecting the improvement in industrial production since the recession low. The one exception the auto industry which was still undergoing model changeover and suffering from strikes. However, operating rates are still below preferred levels.

Manufacturers as a whole were operating 81% of their capacity. This upturn in capacity utilization may explain, in part, the planned increases in investment. For some companies, the higher operating rate may require the use of high cost facilities and companies are now planning to replace these old facilities.

Another optimistic factor revealed by our survey is that manufacturers expect new year's sales to be considerably higher than for 1961. On the average they expect sales to be up 7% in physical volume. And these optimistic sales estimates provide strong support for a higher level of capital expenditures this year.

The auto, truck and parts industry expects unit sales to increase 8% this year. Auto manufactures which may have lost some sales last year due to strikes expect to make up the loss in 1962.

The smallest sales increase (2%) is expected by the petroleum industry. The petroleum industry which expects to substantially increase investment this year, expects the smallest sales increase. Obviously, its capital spending program is geared to sales beyond 1962 and modernization. Most other industries are close to the 7% average.

Price Inflation

Because of the concern over the possibilities of inflation, we asked companies how much they thought the prices they would have to pay for plant and equipment would go up in the new year. The answer

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FIRST OF MICHIGAN CORPORATION

Underwriters and Distributors

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New York Stock Exchange — American Stock Exchange (Associate)
Midwest Stock Exchange — Detroit Stock Exchange

DETROIT NEW YORK CHICAGO

Columbus—Battle Creek—Bay City—Birmingham—Flint
Grand Rapids—Lansing—Saginaw—Grosse Pointe—Muskegon

Member Federal Reserve System

Member Federal Deposit Insurance Corporation

DETROIT, MICHIGAN

Statement of Condition December 29, 1961

RESOURCES

CASH AND DUE FROM BANKS	$ 49,752,715.84
U. S. GOVERNMENT OBLIGATIONS	126,464,960.83
STATE AND MUNICIPAL BONDS	26,242,578.40
OTHER BONDS AND SECURITIES	247,760.27
STOCK OF FEDERAL RESERVE BANK	540,000.00
LOANS AND DISCOUNTS	187,051,927.38
BANK PREMISES	3,713,032.91
FURNITURE AND FIXTURES	912,074.19
OTHER ASSETS	1,987,882.06
TOTAL RESOURCES	$396,912,931.88

LIABILITIES

DEPOSITS	$362,424,764.58
OTHER LIABILITIES	10,295,580.77
CAPITAL (COMMON STOCK)	9,000,000.00
SURPLUS	9,000,000.00
UNDIVIDED PROFITS	6,192,586.53
TOTAL LIABILITIES	$396,912,931.88

BANK *of the* COMMONWEALTH

MAIN OFFICE, GRISWOLD CORNER FORT, DETROIT 31, MICH.
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HON. ALLEN J. ELLENDER

U. S. Senator from Louisiana,
Chairman, Committee on Agriculture and Forestry

In 1961 gross farm income was up about $1.5 billion over the year before but, because of higher production costs net farm income showed an increase of only about one billion more than the $11.7 billion realized in 1960. However, this is still a substantial increase. As a matter of fact, a net income of this magnitude would be the highest since 1953. This improvement in farm income is traceable directly to the effective action of the present Administration.

Allen J. Ellender

Moreover, the agricultural situation in 1962 should not change materially from that experienced last year.

Farm income will likely remain about the same notwithstanding some changes, both in production and prices, of certain agricultural commodities.

Indications are that there will be slightly increased marketings of livestock products over 1961, but that marketings of crops will be somewhat smaller.

The feed grain and wheat programs in effect in 1962 should result in reduced output of these crops. In addition, the decrease in the acreage allotment for cotton of about 400 thousand acres should cause some reduction in cotton production. However, weather will be an important factor to consider in that respect.

Generally speaking farm prices overall are not likely to show any marked change from 1961. Crop prices will likely be slightly higher but these will be offset by somewhat lower livestock prices. Price supports for most crops have been increased for the 1961-1962 marketing year. For example, wheat has been increased from $1.79 per bushel to $2.00, corn from $1.06 to $1.20, and sorghum grain from $1.52 to $1.93. Most other crops which have price supports show a similar increase.

Livestock prices in 1962 will be somewhat lower than the year before due principally to expected declines in the prices of hogs and eggs. Prices for cattle and chickens will likely remain about the same while the price of turkeys may show a slight increase toward the end of the year.

In addition, total disappearance of some crops will be at record or near record levels. Notably among these are wheat and soybeans. In the case of wheat, latest estimates indicate that we will use about 590 million bushels domestically and will export a record 675 million bushels during the current marketing year. This is heartening news for a number of reasons but chiefly because we will see a reversal in the trend toward a yearly increase in the buildup of government stocks.

The feed grain program has resulted in a decrease of about 284 million bushels in the production of corn and a decrease in sorghum grain production of about 137 million bushels, with smaller decreases in the case of oats and barley. As a result, for the first time in a number of years, we anticipate that stocks of these commodities as well as wheat and others will decrease rather than increase.

While agriculture is not out of the woods, certainly the position of a number of crops, especially the problem crops, has improved.

I hope that the Administration will continue to emphasize the fact that government stocks of surplus agricultural commodities must be reduced. This is particularly true of wheat and the feed grains. Last fiscal year for example, storage, handling and transportation of these commodities cost the government $573.2 million. This accounted for 90.4% of the total cost of storing, handling and transporting all government owned stocks.

If additional progress can be made in this direction it will be good for the country as well as for agriculture.

HON. ORVILLE L. FREEMAN

Secretary of Agriculture

The year 1961 brought new and larger opportunity to U. S. agriculture. It was a year characterized by rising income, a reversal in the build-up of surplus stocks, and a more vigorous use of agricultural abundance for the good health and vigor of the American people and for economic growth and peace in the world. Agriculture enters 1962 with well-founded hopes that these gains will continue and be expanded in the months ahead.

Orville L. Freeman

We look for growing markets for farm products at home and record shipments to markets abroad.

Net farm income which rose about a billion dollars in 1961—to about 12¾ billion dollars, the highest since 1953—is expected to hold this gain in 1962.

The average price level of all farm products will probably stay close to the 1961 level, but a rise is anticipated in the prices of wheat and feed grains.

U. S. consumers—obtaining their diets at remarkably low real cost in terms of the hours of labor required to buy it—will find plenty of food available in 1962.

The average consumer will eat a little more meat, particularly more pork. Poultry will continue to be more than ample, and supplies of milk and dairy products will also be abundant.

Food fats and oils, fruit, vegetables, potatoes, and cereals will all be plentiful.

With consumer income climbing, the consumption of food per person, after having been stable for three years, will probably rise a little in 1962.

As has been the case for years in the United States, abundance is again the keynote of the food and agricultural situation.

But abundance brings with it problems as well as blessings; problems that are difficult, complicated, and serious.

Programs to adjust downward the 1962 production of corn, grain sorghum, barley, and wheat will lead to a reduction in government grain stocks and substantial savings in the long term costs of farm programs. We hope to have other programs in effect that will deal realistically with other distressed commodities, such as turkeys.

The Kennedy Administration will propose to the Congress a long-range program for agriculture in the 1963's. Its objectives will be to preserve in this nation the qualities that have made our agriculture the greatest in the world; to maintain the dignity and the independence of the American family farm; to offer the efficient farmer an opportunity to earn the income he merits; and to assure to all the people of this nation, now and in the future, a continued abundance of the food and fiber that are so essential to human life and development.

The achievement of these goals presents the most difficult challenge in the entire field of domestic problems in the United States today. But I am confident it can be done and that the year 1962 will see long strides toward a better, brighter future for American agriculture.

HON. LUTHER H. HODGES

Secretary of Commerce

America enters 1962 with the national economy expanding on a broad front. As a whole the new year should be one of sound economic progress.

The outlook is for further substantial improvement in sales, incomes, and job opportunities. And, if we can maintain relative stability of the general price level, these gains will spell greater prosperity and well-being for all Americans.

Luther Hodges

The advance underway at year-end should continue throughout the new year. Our Gross National Product, which dropped from its 1960 peak annual rate of $506 billion to a recession low of $501 billion, is now at $540 billion or better and should hit a rate between $565 and $570 billion in the second quarter of 1962.

This will be an increase of 13% or more in the total goods and services produced by our vast and varied economy in a period of only 15 months.

The rate of growth we can sustain beyond the middle of the year will, of course, depend upon the strength of demand for goods and services by consumers, business enterprises and government. The present indications are that these three major types of spending will continue to rise. The result should be much fuller employment of our economic resources.

Both our labor force and our physical plant will expand during 1962 but, with the expectation of consumer prosperity, there should be far fewer idle men and idle machines a year from now.

Fuller use of our productive capacity may tend to lower the current resistance of the economy to inflationary pressures. This is all the more reason to exercise restraint in wage demands, pricing policies and government spending throughout the new year.

If we are to achieve a dynamic growth which will extend well beyond 1962, we must also devote increasing attention in the new year to those measures that will make our whole economy more efficient and more vigorous.

More of our national product must be devoted to modernizing our industrial plant and equipment and to upgrading the skills of our labor force. Industry must increase its investment in research and the development of new and improved products. Our enterprises must show new vigor in their sales efforts, and more of our enterprises must expand their market horizons to include exports to other countries.

The deficit in our international balance of payments will continue to be a problem in the new year. We must be unremitting in our efforts to increase our trade surplus—the amount by which our exports exceed our imports — to offset the dollar outflows that result from our overseas military and foreign aid obligations and from private investment in other countries.

Nineteen sixty-two will challenge our capacity for hard work and wise decision. But it offers us opportunities to make great strides forward—to take up the remaining economic slack and to realize more fully the enormous potentialities of our free enterprise economic system.

HON. JACOB K. JAVITS

U. S. Senator from New York

The materials for a prosperous 1962 are here but the way in which the United States meets the international economic challenge will determine whether prosperity is realized by the end of 1962.

Hon. Jacob K. Javits

Conditions of sound business expansion depend on business' expectations of expanding markets and on its ability to serve these markets. The outcome of the trade policy debate which will take place in Congress during the next months, the nature of events in and surrounding the European Economic Community and the debate on productivity and taxes in the nation will have a major effect on both of these factors.

If Congress replaces the Reciprocal Trade Agreement Act which expires on June 30 of this year with wise legislation to assure the continued entry for United States products into the rapidly growing European markets, and to expand the opportunities for developing the less developed areas in South and Central America, Africa and the Middle and Far East, then a firm foundation for business growth will have been established. The needed Presidential authority must be subject, of course, to strict Congressional supervision and control and it must be buttressed further by an effective program of temporary assistance to workers and owners of business disadvantaged by the requirements of our national trade policy.

Individual income and savings, business spending and output, employment, and corporation income are now at or close to record rates. Most economists agree that the momentum of growth which has carried these business factors to their present heights over the past nine months is far from exhausted and is still accelerating. Those leading indicators which precede a slowing of business activity have not yet made an appearance.

The basis of economic expansion — which includes exports running at a rate of $20 billion a year—must be broadened to carry ever growing rates of business activity into the coming years. The European Economic Community, the present and potential members of which are now taking more than $6 billion of our products annually, and the increased economic cooperation expected through the new 18-nation Organization for Economic Cooperation and Development represents the most immediate source for the broadening of this basis in the near future. But, overseas markets in the developing nations which are now taking nearly another $6 billion of our products annually represent the great longer range potential for accelerated expansion in the coming decades, after they have been helped into self-generating economic growth through international development programs and private investment from the United States and Western Europe.

The challenge of productivity growth domestically is heavily tied to automation, business incentives and worker morale. Tax policies will contribute heavily to the result, as well as to the course of urgently needed new private capital investment at home and abroad. The Kennedy tax program will need much change to qualify. Also, labor statesmanship will need to be joined to new outlooks by management, as for example in worker profit sharing and stock ownership, in order to meet this challenge.

The basic elements of rising business expectations are increased domestic productivity, self-discipline in wage and price policies, strengthening of the United States balance of payments position, and free world economic integration. They can be created only in a context of competition and exchange in knowledge and ideas which are the hallmarks of the free world's economic system.

The prospects for peace and for the preservation of the free world, engendered by economic strength, form the essential atmosphere within which business expectations for sound expansion flourish. I believe that these expectations must stand high at the end of 1962 if the end of the year which we are now starting with such good promise is to find us on the upward economic road.

HON. KENNETH B. KEATING

U. S. Senator From New York

Price Stability in 1962

There are several key economic objectives which our government must pursue. Among the most important are:

(1) The acceleration of economic growth;
(2) Maintaining price stability;
(3) Maximum employment of men and resources;
(4) The pursuit of scientific and technological excellence; and
(5) The development of a solid defense force.

Hon. K. B. Keating

I believe it is imperative that we take a particularly hard look at goal number two, "maintaining price stability" in the early months of 1962. We are in the midst of a recovery from a recent, mild dip in our economy. This recovery, plus a mounting Federal deficit and increased defense spending because of international tensions, are familiar pressures on the price level. With all three developing simultaneously, the question as to

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NEWS ABOUT BANKS AND BANKERS

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

Chemical Bank New York Trust Company, New York, has elected Brooks McCormick to its Advisory Board on International Business. Chairman Harold H. Helm announced. Mr. McCormick is a member of the Board of Directors of **The First National Bank of Chicago, Ill.**

George S. Patterson and Gordon C. Walker were also elected to its Rockefeller Center Advisory Board.

* * *

Empire Trust Co., New York, stockholders voted to increase its capital to provide for a 4% stock dividend. The dividend is payable Feb. 9 to stockholders of record Jan. 19. This increases the bank's capital to $6,327,500 from $6,084,000 by the issuance of 4,870 additional $50 par shares.

* * *

William T. Owen has been elected a Director of the **Bank of Commerce, New York.**

* * *

Western Bancorporation International Bank, New York authorized to engage in all phases of international banking, commences operations, Monday, Jan. 15 at 61 Broadway. The initial capital of the bank is $2,500,000.

Henry A. Harrison, Vice-President of the new institution, will be in direct charge of operations.

The Board of Directors comprises Grelad F. Beal, President of J. Henry Schroder Banking Corporation; Mr. Douglas; Mr. King; Maurice H. Stans, President of **Western Bancorporation;** and Clifford Tweter, President of **United California Bank.**

* * *

Marshall L. H. Post and Andrew R. Timmerman have been named Vice-Presidents of the **Seamen's Bank for Savings, New York.**

* * *

THE CORPORATION TRUST COMPANY, NEW YORK

	Dec. 30, 1961	Sep. 27, 1961
Total resources	$5,146,776	$4,949,804
Deposits	636,924	617,801
Cash and due from banks	2,603,068	2,736,037
U. S. Government security holdings	600,273	600,337
Undivided profits	814,844	754,238

* * *

George J. Ficken, Executive Vice-President of the **Savings Banks Trust Company in New York,** died Jan 13. He was 61 years old.

Before joining the Savings Banks Trust Company in 1942, Mr. Ficken had been with the **Irving Trust Company, New York** for 23 years.

* * *

The election of Stuart F. Silloway as a Trustee has been announced by **The Lincoln Savings Bank, Brooklyn, N. Y.**

* * *

Meadow Brook National Bank, West Hempstead, L. I., N. Y. has elected Saul L. Epstein a Director.

* * *

Arthur N. Lange has been named a Vice-President of the **First National Bank in Yonkers, N. Y.**

* * *

Cameron Brown and Lewis E. Upham have been elected Vice-Presidents of **National Bank of Westchester, White Plains, N. Y.**

* * *

Harry A. Jacobs, Jr. has been elected a Trustee of **Greenburgh Savings Bank, Dobbs Ferry, N. Y.**

* * *

Allen P. Conron has been elected President of the **Citizens Savings Bank, Stamford, Conn.** He succeeds the late Myron W. Weed.

* * *

The election of Robert H. Wagner to the Board of Directors of **The First National Bank of Jersey City, N. J.,** was announced Jan. 12.

* * *

Scott M. Fell, 74, President of the **Broad Street Bank, Trenton, N. J.,** died Jan. 9.

* * *

Jervis Langdon, Jr., has been elected a Director of **Maryland National Bank, Baltimore, Md.**

* * *

Riggs National Bank, Washington, D. C., elected W. John Kenney, a Director, succeeding Lloyd B. Wilson, who remains as an honorary Director.

* * *

Delbert Davis, former President and Director of **County Trust Company of Maryland** and a Senior Vice-President of Maryland National Bank, was elected to the Board of Directors of **Maryland National Bank, Baltimore, Md.**

The stockholders approved an increase in the capital stock from 885,542 shares, of the par value of $10 per share, to 974,096 shares. They also approved the offering of the 88,554 new shares to present stockholders at the price of $75 per share, at the rate of one new share for each 10 shares now held.

* * *

The Bank of Virginia, Richmond, Va., elected John W. Riely, a member of the bank's Board of Directors.

* * *

The Petersburg Savings and American Trust Company, Petersburg, Va., and the **First and Merchants National Bank of Richmond, Richmond, Va.,** merged under the charter and title of First and Merchants National Bank of Richmond, effective Jan. 2.

* * *

The Elyria Savings & Trust Company, Elyria, Ohio, and **The First Wellington Bank, Wellington, Ohio,** consolidated under the charter and title of The Elyria Savings & Trust Company, effective Jan. 2.

* * *

Charles H. Buesching, Chairman of the **Lincoln National Bank and Trust Company, Fort Wayne, Ind.,** died Jan. 11.

* * *

Northern Trust Co., Chicago, Ill., have made Douglas R. Fuller, E. LeRoy Hall, David B. McDougal, Pat G. Morris, John C. Smith, Nathaniel M. Symonds and William S. Turner Senior Vice-Presidents. Hans W. Wanders, Rhys P. Brown and Willett N. Gorham have been made Vice-Presidents.

* * *

John J. Dee was elected Executive Vice-President, E. C. Kennell, Senior Vice-President, John C. Horvath and Adam R. Niedenthal, Vice-Presidents and Thomas J. Degiulio, Vice-President and Cashier of the **First National Bank of East Chicago, Inc., Chicago, Ill.**

* * *

The Lake Shore National Bank, Chicago, Ill., elected Richard K. Frey as Manager and Vice-President of business development and William C. Mitchell, Vice-President of the loan division.

* * *

Three Vice-Presidents of the trust department of **The First National Bank of Chicago, Ill.,** retired, they are:

Forrest N. Williams, Vice-President and Executive Officer of the trust department; Coll Gillies, Vice-President in corporate trusts and George F. Sisler, Vice-President of trust business development.

* * *

The common capital stock of **The Cosmopolitan National Bank of Chicago, Chicago, Illinois,** was increased from $1,815,000 to $2,000,000 by a stock dividend effective Dec. 18.

* * *

First National Bank of Lake Forest, Lake Forest, Ill. announced that Frank S. Read was elected President and Chief Executive Officer. He succeeds Philip L. Speidel, who was named Chairman. J. R. Shoulberg was elected Senior Vice President and Charles J. Nustra was named Vice President.

* * *

La Salle National Bank Chicago, Illinois elected John T. Pirie, Jr., and Carl J. Weitzel, Directors.

* * *

BANK OF THE COMMONWEALTH, DETROIT, MICHIGAN

	Dec. 29, 1961	Dec. 31, 1960
	$	$
Total resources	396,912,932	380,359,224
Deposits	362,424,765	348,171,940
Cash and due from banks	49,752,716	53,028,784
U. S. Govt. security holdings	126,464,961	131,048,342
Loans & discounts	187,051,927	169,000,672
Undivided profits	6,192,587	6,877,058

* * *

THE NATIONAL BANK OF DETROIT, MICHIGAN

	Dec. 31, 1961	Sept. 30, 1961
	$	$
Total resources	2,182,834,076	1,982,290,026
Deposits	1,983,725,737	1,782,462,944
Cash and due from banks	500,397,592	398,711,302
U. S. Govt. security hldngs.	623,791,632	565,772,803
Loans & discnts.	770,618,119	726,883,252
Undivided pfts.	23,194,940	26,259,791

* * *

Herbert H. Gardner, Senior Vice-President of **The Detroit Bank and Trust Company, Detroit, Mich.,** retired Jan. 1, after a prominent banking career of more than 55 years.

Mr. Gardner began his career as a bank messenger in 1906, and by 1933 was President of two banks and Executive Vice-President of two others. In 1942, he accepted the Presidency of the **Birmingham National Bank** and later became the President and Chairman of the Board of the **Ferndale National Bank** while continuing to serve as President of the Birmingham Bank.

In 1956, he joined the Detroit Bank and Trust as a Senior Vice-President when the Birmingham and Ferndale National Banks were merged with The Detroit Bank and Trust Company.

* * *

The Marine National Exchange Bank, Milwaukee, Wis., announced the promotions of Paul J. Burkholz, Jr. and David G. Herzer to Vice Presidents.

Charles D. O'Brien has also been elected to the Bank's Board of Directors.

* * *

The Hastings National Bank, Hastings, Minn., changed its title to **Northwestern National Bank of Hastings.**

* * *

First National Bank of Fond du Lac, Wisconsin, changed its title to **First Wisconsin National Bank of Fond du Lac.**

* * *

O. H. Undem and H. James Swanby have been elected Vice Presidents of the **Fidelity Bank & Trust Co., Minneapolis, Minn.**

* * *

By a stock dividend the common capital stock of **The Pella National Bank, Pella, Iowa,** was increased from $100,000 to $200,000 effective Dec. 18.

* * *

A charter was issued on Dec. 28 to **The First National Bank in Hoisington, Hoisington, Barton County, Kansas.** The bank has a capital of $150,000 and a surplus of $150,000. The president is Richard C. McGrath and the cashier is G. F. Crossley.

* * *

The Comptroller of the Currency has approved the application of **The First National Bank in Hoisington, Hoisington, Kansas** to purchase assets and assume deposit liabilities of **The First National Bank of Hoisington, Hoisington, Kansas** on Dec. 28.

* * *

A charter was issued on Dec. 27 to the **Community National Bank of Warr Acres, Warr Acres, Oklahoma County, Oklahoma.** The bank has a capital of $300,000 and a surplus of $200,000. The President is Carl H. Bender and the Cashier is Morris Permenter.

The FIFTH THIRD UNION TRUST CO.

CINCINNATI, OHIO

Statement as of December 31, 1961

Member Federal Deposit Insurance Corporation
Member Federal Reserve System

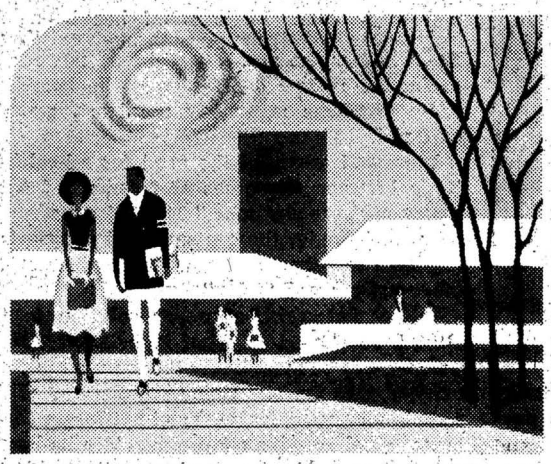
RESOURCES

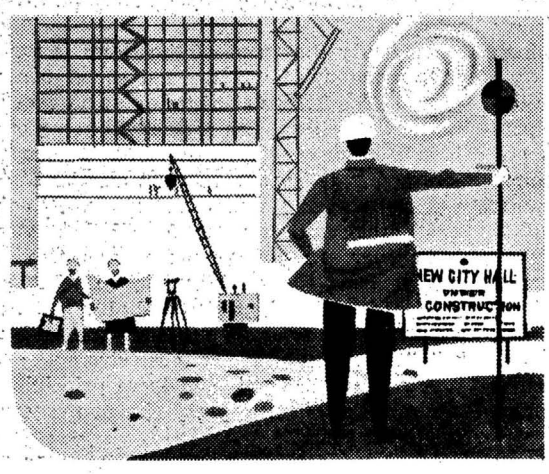
Cash and Due from Banks	$104,111,842.31
United States Bonds	89,915,212.83
State and Municipal Bonds	11,045,839.85
Other Bonds and Securities	2,201,254.93
Loans and Discounts	190,168,895.55
Buildings and Equipment	5,185,504.19
Customers' Liability Under Acceptances	184,637.97
Income Accrued Receivable and Prepaid Expense	1,617,404.85
Other Resources	1,150,025.09
TOTAL	$405,580,617.63

LIABILITIES

Capital Stock ($25.00 Par Value)	$15,000,000.00	
Surplus	15,000,000.00	
Undivided Profits	4,677,412.71	
Total Capital Funds		$ 34,677,412.71
Reserved for Dividends, Interest, Taxes, Etc.		5,678,907.70
Liability Under Acceptances		184,637.97
DEPOSITS:		
*Commercial, Bank and Savings		353,282,447.78
U. S. Government		11,574,489.36
Other Liabilities		202,722.11
TOTAL		$405,580,617.63

*Includes *8,303,110.14 of trust money on deposit in the Banking Department, which under the provisions of the Banking Law of the State of Ohio, Section 1107.12 is a preferred claim against the assets of the bank.





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Continued from page 22

whether or not we are going to have inflation in the months ahead is a very real and very serious one.

What can the government do?

The Budget

The deficit in our Federal budget is mounting steadily. The 1962 budget could be as much as $9 billion in the red, and is sure to be over $7 billion. The world crisis generated by Khrushchev's boisterous tactics in Berlin, Laos and Finland could result in even heavier defense spending. With this in mind, I feel strongly that the Administration *must* present a balanced Federal budget in fiscal 1963, which starts next July 1.

The impact of the budget in our economy is more than a matter of continued deficit spending bringing about an increased demand for a relatively smaller supply of goods and services. Federal deficits have a deep psychological effect. A deficit means a lot to bankers, to the mortgage market, the stock market and to businessmen planning to expand into new areas.

The accumulated Federal debt of some $290 billion is an inflationary force of hurricane proportions. Frankly, I think the structure of the debt is badly out of balance. In recent years, our debt has been increasingly financed by short-term securities. The report of the Commission on Money and Credit recognized this fact and stressed the need to finance more of the debt on a long-term basis. I agree with the Commission.

Taxes

I do not want to see taxes increased. They are high enough. The question remains; will the President's decision not to increase taxes at the present time mean more debt and more inflation? Similarly, would a tax increase sap the strength of the individual incentives so necessary to continued economic growth and scientific progress?

I fear that our government lacks what I like to call a "sense of priority." There are lots of demands on Old Uncle Sam; but you can't do everything at once and cut taxes too. Some things have to wait.

The Bureau of the Budget in the White House is the custodian of this "sense of priority." If such an agency did not exist, our budget would be hopelessly out of kilter. The Administration must be willing to use this agency and to give it the backing it requires.

I hope the President will take a strong stand on the need for a balanced budget in fiscal 1963—on a firm role for the Budget Bureau in maintaining a "sense of priority"—and finally on the improtance of holding the line on taxes. Such a stand will help us to keep prices in line. It will contribute to the strength of our free economy and thereby permit the maximum fulfillment of our several major economic goals.

HON. WARREN G. MAGNUSON

U. S. Senator From Washington
Chairman, Committee on Commerce

The economic upsurge which began a year ago will, in my opinion, continue throughout 1962, for a reason that our needs, as a nation and as a people, are expanding and not contracting.

Hon. W. G. Magnuson

Our needs for more and improved defense hardware, for example, will continue to increase as the Soviet threat persists. Science and industry, which includes labor, must, and I am convinced will, augment their energies throughout 1962 so that any and every challenge of U.S.S.R. military technology can be surpassed.

Multiple needs exist also in the fields of domestic welfare and economy. More hospitals must be built to meet the mounting demands of our citizens for the best possible medical care. More schools must be built as thousands of existing structures become more antiquated and inadequate to accommodate the onrush of the new generation. More laboratories must be built so that we do not lag in scientific research, and more tools must be designated and provided to utilize our scientific discoveries for man's benefit.

Among major needs in our normal domestic life today are better facilities for transportation, and this is particularly true in our crowded urban centers. People and goods must move and move rapidly and safely if we are to have a dynamic economy. This is a field of primary concern to the Senate Committee on Commerce, of which I am Chairman.

Highway construction has not kept pace with our exploding motor traffic, and for that reason I anticipate during 1962 an accelerated program to expand and improve our interstate highway networks and the principal roads which feed into them. Many of our railroads must be rehabilitated; many new airfields must be built to accommodate jet age transport.

An equally pressing need is to unclog traffic arteries in our congested metropolitan centers. Some cities have made an impressive start by widening thoroughfares, constructing freeways and bypasses, and giving close attention to traffic engineering. More and more cities will inaugurate programs of this nature in 1962 to maintain their industrial expansion.

All of these public works that I have mentioned are necessary to meet national or public needs. The fulfillment of needs, whether of the flesh or the spirit, makes jobs and expendable income, and this, in turn, creates markets, markets not only for necessities but for better homes, better automobiles, better clothing, more comfort and recreation and, perhaps most important, better education.

Our dynamic economy will be accelerated during 1962.

HON. JOSEPH W. MARTIN, JR.

U. S. Congressman From Massachusetts

Prospects for good business in 1962, I believe, are generally favorable. Heavy government spending will inevitably contribute to a robust economy. This will be reflected in a high rate of employment, with resulting free spending for goods and services. This in itself should mean a high level of prosperity.

Hon. J. W. Martin, Jr.

The economic picture may be somewhat clouded, however, by uncertainty over the effects of the new international trade and tariff policies proposed by the Administration, which is seeking broad new powers to reduce tariffs across the board. Until business knows more precisely the full implications of the drastic new proposals, there will be an attitude of hesitancy before undertaking expansion plans. It would be natural for a "wait and see" attitude to develop until government plans for the future are more clearly defined.

Experiments, unless carefully thought out, could cripple a large part of our economy.

It appears that the new proposals contemplate the severe damage or even the liquidation of some industries; just which ones are not yet clear. The Administration proposes to extend some form of relief to industries so damaged, but it is not yet clear how such industries would be aided or indemnified, nor what the cost would be. Past government subsidies have not worked out very satisfactorily. The Congress naturally will want the relief measures to be clearly outlined before the new legislation is passed.

The program envisages a substantial increase in American exports, but here again it is not clear just how this desirable and beneficial result can be accomplished. Other countries are just as keen for trade as we are. With much lower wage rates than we have, they are more likely to get business than we are.

Of course, we all know many of the larger enterprises, with their auxiliary plants abroad, can prosper in the enlarged markets. But there are thousands of "little fellows" who, unless protected, can be extinguished. Can we afford to liquidate these small concerns? I do not think so. They are the foundation of our growth.

These comments are being written against a publication deadline in advance of the President's State of the Union Message which will probably spell out more details of the program and provide answers to some of the vital questions which are not yet clear or precise. But I believe judgment must be delayed until more information is available.

It is easy to agree with critics of the present Reciprocal Trade program that serious defects have been encountered. The cumbersome "peril point" and "escape clause" procedures have been woefully time-consuming and inadequate. Little relief has been obtained for industries seriously damaged through existing procedures. But whether the granting of broad powers by Congress to further reduce tariffs across the board would solve these problems is, to say the least, questionable and doubtful.

I am well aware of the need for a healthy and active trade between the areas of freedom. I subscribe to a policy of "give and take." The $64 question, however, is how much, under the contemplated proposals, is America expected to "give" and how much of American products other nations will "take."

In my judgment, a proper solution to the problem should be geared to what is best for America. What policies will be most likely to assure a maximum number of good jobs for our rising population? While we want to help other peoples, we must not forget that the United States should have a chance to retain its long established industries, which give employment to millions of breadwinners.

Obviously the trend of the times is for government to provide more welfare and social benefits for our people. The lessons of history give no encouragement to those who believe such trends will be reversed. If there is to be an increasing number of beneficiaries of Federal largesse, it follows there must also be higher taxes, if we are to escape economic disaster. Private enterprise must provide the revenue for all these expenditures.

An ever expanding private enterprise economy has always been the solid foundation of America's great prosperity and its high standard of living. Policies which support and encourage our traditional system must prevail if our way of life is to survive.

A resolute dedication to these principles is our best assurance of business prosperity in the year 1962 or in any other year.

HON. REPRESENTATIVE WRIGHT PATMAN

U. S. Congressman from Texas

As we enter 1962 the economic outlook appears favorable on most fronts, although persistent unemployment, a touchy balance of payments situation, a substantial volume of business failures especially among small businesses[1] and lagging industrial raw materials prices remain problem areas. The Gross National Product has shown remarkable improvement from the recession low reached in the first quarter of 1961 and the current rise is reported to be more widely diffused throughout the economy.

Hon. Wright Patman

The persistent upward trend in industrial production is one of the most favorable signs of the general business picture. All major components, covering the output of factories, mines, and utilities, have pushed into new high ground. Moreover, the rise has been broadly based among the various industry groups. Both durable goods manufacturers—which suffered most during the recent recession—and soft goods are reaching into new high ground. New orders received by manufacturers are outpacing the increase in sales, suggesting further gains in industrial production.

Net farm income in 1961 increased about $1 billion (or 6%) to a total of about $12.9 billion. A major factor in this rise was a gain in receipts for hogs and dairy products which more than offset the lower level of receipts from poultry products. Lower cash receipts from sale of food and feed grains were more than recovered in gains in receipts from cotton, tobacco, soy beans, and fruits and nuts. Although net farm income has risen substantially from the postwar low of 1959, it remains below the average for the post-World War II years.

Despite the fact that the GNP may reach $550-$555 billion during the first quarter of 1962, roughly a 10% increase over a year earlier, the percentage of the labor force unemployed will remain between 5% and 6%, as compared with about 7% a year ago. Although the FRB index of industrial production may reach a new peak of 118 (1957=100) by March 1962, the rate of business failures may not be much lower than a year ago. It is difficult to predict the balance of payments picture very far ahead. The substantial improvement during the early part of 1961 was not sustained, as business recovery at home stimulated imports, and the curtailed rate of business expansion in some major countries abroad reduced our exports.

These mixed trends emphasize the necessity of continued growth—the best cure for unemployment and business failures; restraint on inflationary pressures; and major efforts to expand our merchandise exports with a view to easing strains on our balance of payments.

[1] Business failures during the first 11 months of 1961, according to Dun & Bradstreet, amounted to 15,797, as compared with 14,092 during the corresponding period in 1960. In both years, nearly 90% of the failures were of the smaller firms, with liabilities of less than $100,000. New business filings in the first 11 months of 1961 amounted to 166,800, or 0.8% below the number for the corresponding period in 1960.

HON. LEVERETT SALTONSTALL

U. S. Senator From Massachusetts

Predictions as to the business outlook for 1962 are properly the province of bankers and businessmen. But since so much business activity is dependent in modern times upon decisions to be made by Government, it may not be amiss for one engaged in public service to hazard a guess as to what the future holds for 1962.

Hon. L. Saltonstall

Government expenditures will continue in the next calendar year at least at the same level reached in the first half of the current fiscal year and perhaps higher. The extra billions voted for defense in July of 1962 are expected to show up again in the budget for the next fiscal year.

The greatest new impact from Government on our domestic economy will result from spending for space advancements. In my opinion, expenditures for space missions, equipment and research will constantly increase in the next few years. It looks as though most business indices will advance—nothing remarkable on the up side, and nothing very discouraging on the down side.

Urban renewal and the Federal highway program will have important impacts all over the country. The inner cores of many of our oldest cities will be transformed to the benefit of business in those communities. I have high hopes that this will produce great social as well as economic value.

The major legislation before Congress in 1962, affecting the domestic economy, will be the President's proposal to lower our tariff barriers to expand world trade and to compete with the European Common Market.

How to achieve this, so as to gain the benefits of freer trade with the European Common Market, without disastrous injury to some of our old-line enterprises, will be a trying task for the next Congress. The problem calls for the exercise of some rare political as well as economic consideration. But I believe that Congress and the President will be able to reach an historic agreement on this most difficult problem.

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HON. KARL E. MUNDT
U. S. Senator from South Dakota

Many proposals which will come before the second session of the 87th Congress involve large expenditures by the Federal Government. The impact of these proposed programs on the Federal budget and the national economy may be so great as to jeopardize our system of government. Therefore, Federal expenditures must be curtailed so that the private enterprise sector of our economy may grow and prosper to the benefit of all Americans.

Hon. Karl E. Mundt

On Oct. 26, President Kennedy reported a budget deficit of $3.9 billion for the 1961 fiscal year. Additionally, a deficit of $6.9 billion in the 1962 fiscal year is expected. Careful consideration should be given to our national solvency as budget policy and economic growth are mutually related.

The American people will support whatever measures that are necessary to assure the peace, and they expect leadership in foreign affairs and defense policies that will deter aggression against the United States and its allies.

However, despite its problems, the year ahead should be one of rising prosperity with increased utilization of productive capacity. If inflation is avoided through prudent budgetary balancing and vigorous competition, both in the domestic and foreign markets, 1962 should be a year of rapidly rising production and a higher standard of living for most Americans.

Estimates for Gross National Product indicate that the value of all goods and services produced in this country will reach a rate of between $565 and $570 billion by the second half of 1962. If these estimates are accurate, Federal budgetary receipts can be expected to increase substantially.

Broad-based tax reform and a more realistic approach to depreciation of productive facilities should contribute to a continued business recovery. Corporate profits after taxes, therefore, are expected to rise.

Unemployment should move progressively downward if the policies of the Federal Government encourage expansion in the private sector of the economy and if labor follows the President's recommendations to use restraint in its demands for wage increases.

The monetary, credit, and fiscal policies of the United States and the instruments and institutions through which they operate must be designed so as to insure an adequate rate of economic growth, sustained high levels of production and employment, and reasonable stability of prices in the decades ahead. The achievement of these goals will preserve and strengthen our country and its system of government.

Despite these favorable aspects, the prospects for expansion and sustained demand for goods and services by consumers, business enterprises and the Government will depend largely upon the Administration's recommendations and legislative enactments. This is most particularly true in that legislators will be called upon to consider both tax revision as well as the renewal of the Trade Agreements Program.

Needless to say these two proposals will play a vital part in the determination of this country's economic policy. Although it is unlikely that any major revision of the Revenue Code will be forthcoming during 1962, the Administration will have submitted its views and recommendations on this subject.

Moreover, the Trade Agreements Act expires on June 30, 1962, and the Administration is pressing for broader powers to negotiate for reductions of tariffs and other trade barriers. Policies must be developed to meet the needs of agriculture as well as those of industry.

A primary concern of government is to provide an appropriate climate and set of conditions to enable private enterprise to meet our economic needs through a competitive market system. The pressures of competition should insure that resources are used efficiently. However, it is the role of government to insure that competition is effective, operates justly, and extends adequate protection to the consumer.

Government regulation should not thwart the competition it is attempting to stimulate by excessive regulation and public intervention. Most of us will agree that there are many services which the government can provide more efficiently than private enterprise, such as national defense, foreign economic aid, highways, the postal service, and some others. But, we must look toward 1962 and the years to come with a view towards the expansion of the private sector of our economy and the proper and more effective role of the government. The more fully this joint responsibility is met, the greater will be the health and vigor of our economy.

HON. GEORGE A. SMATHERS
U. S. Senator From Florida

Generally speaking, business today with the exception of a few sore spots in our economy, is enjoying good times. This is reflected in the continual growth of our Gross National Product. However, it is my feeling that even though conditions are generally good, much more needs to be done, and must be done, to accomplish that which we are capable of achieving if we are to compete successfully in a free enterprise system.

Hon. G. A. Smathers

Perhaps one of the greatest drawbacks can be attributed to obsolete depreciation provisions under our existing tax structure. In my opinion it is imperative that swift action be taken to resolve this problem of long standing, not only in the interest of the business community but in our national interest as well. We have too much obsolete machinery and equipment in business today that must be replaced if we are to compete successfully, not only in the domestic market but in the international market as well. A more realistic depreciation method can accomplish a great deal toward this end. Some suggestions have been made, one of these being a tax credit approach to stimulate the purchase of new equipment in the business community. I, personally feel that this approach is not the answer because it carries with it all the earmarks of subsidizing business, and at the same time acts in no other capacity than that of a temporary "shot in the arm." In addition, it will not accomplish that which must be achieved, namely, the replacement of obsolete machinery and equipment. For these reasons I am inclined to believe that the approach of accelerating the time within which machinery and equipment can be written off is the sounder approach to this problem under our existing tax structure.

In addition to improving our existing depreciation methods, the forthcoming Congress will also give consideration towards taking some action with respect to the $50 exclusion and 4% dividend tax credit as well as imposing a withholding tax on dividends and interest. My frank view is that this action would place an additional burden on business, as well as many hardships on the individual recipients of dividends and interest. I believe that most taxpayers are honest, law-abiding citizens, and I am not convinced that the repeal of these provisions would in any way close what some believe to be loopholes in our existing tax structure. In my opinion, a case has not been made out to warrant any action along this line by the Congress, and for this reason I would predict that the proponents of this type of legislation will not succeed.

Of course there are many other problems that business faces, including further improvements in labor-management relations, mergers, foreign investments, the European Common Market, and many others. The answers to these problems, of course, cannot be arrived at overnight. They are not susceptible of simple solutions, but on the other hand they are not insurmountable.

With all of us putting our shoulders to the wheel, exercising prudence, common sense and good judgment, we can and will move forward. Our population is ever increasing. The world's population is ever increasing. New challenges and new markets lie ahead.

Though there are many problems, as one readily can see, I am confident that the outlook for business in the year ahead is extremely bright. We must continually strive to increase our Gross National Product at a maximum rate. It is in our own national interest that all of us work toward this goal.

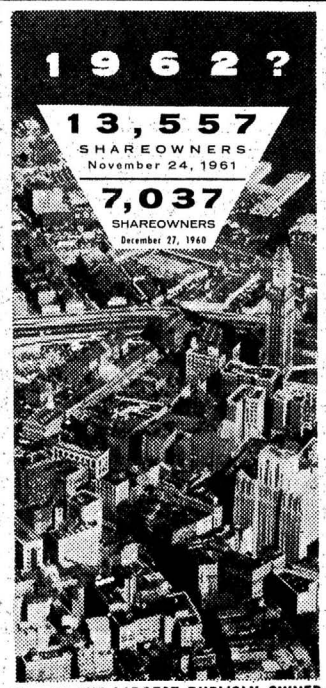
HON. JOHN SPARKMAN
U. S. Senator From Alabama
Chairman, Select Committee on Small Business

The American economy enters 1962 in the recovery phase of the business cycle, in contrast to a year earlier, when activity was falling and nearing the low point reached in February 1961. Gross National Product rose almost 8% between the first and fourth quarters of 1961, from $500.8 to about $540 billion (estimated), in current prices. Corrected for the small rise in prices, mostly in services, real national output rose about 7% during the year. Industrial production has increased almost 13% from the February low, while the corresponding rise in manufacturers sales were also about 13%, in retail sales about 8-9%, in disposable personal income almost 6%, in construction almost 8%, and in total employment a little over 1%. The seasonally adjusted rate of unemployment fell moderately toward the year end after remaining close to 7% for eleven months.

Hon. John Sparkman

The recovery is not yet a year old as this is written,

Continued on page 26



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RESOURCES

Cash and Due from Banks	$131,168,953
U.S. Government Securities	90,242,758
State, Municipal and Other Securities	48,615,976
Loans and Discounts	228,730,664
Accrued Income Receivable	1,596,084
Banking Houses	5,459,660
Other Assets	1,107,905
	$506,922,000

LIABILITIES

Deposits		$441,361,582
Deferred Credit due Federal Reserve Bank		15,987,713
Unearned Income		4,821,176
Accrued Federal and State Taxes on Income		2,870,382
Dividend Payable in January 1962		504,584
Other Liabilities		3,107,558
Reserve for Contingencies		500,000
Capital Funds:		
Capital Stock (Par Value $12.50)	$12,614,587	
Surplus	15,000,000	
Undivided Profits	10,154,418	
Total Capital Funds		37,769,005
		$506,922,000

STATEMENT OF CONDITION

DECEMBER 31, 1961

CREATING A BETTER TOMORROW

THE CONNECTICUT BANK AND TRUST COMPANY

MAIN OFFICE: HARTFORD 15, CONNECTICUT

LESTER E. SHIPPEE, *Chairman*
RAYMOND C. BALL, *Vice Chairman*
POMEROY DAY, *President*

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while its momentum and character point to further vigorous expansion in the first half of the new year. As usual, it is difficult to see clearly beyond mid-year but there is no present basis for expecting a renewed downturn before year end. Several factors indicate a continued rise in overall activity throughout the year though the rate of expansion may slow as the year unfolds—a slowing which is usual at that phase of a recovery.

(1) The economy will be feeling the stimulating effects of a continued rise in purchases of goods and services from the private economy by all levels of government—Federal, State and local. At annual rates, purchases by State and local governments are expected to continue to rise by about $3-4 billion per year, while Federal purchases are expected to show a rise of about $7½ billion per year between the first quarter of 1961 and the second quarter of 1962. The rise thereafter is likely to slow down substantially unless the international situation forces new rises in defense spending, the factor accounting for almost all of the rise in Federal purchases of goods and services so far and in prospect now during calendar 1962.

(2) Residential nonfarm construction has added to national output at an annual rate of about $3 billion per year so far in the recovery. The level of nonfarm housing starts, and therefore construction put-in-place, is expected to continue at about present rates through 1962.

(3) Business spending on new plant and equipment has begun to rise somewhat more promptly in the present recovery than in earlier postwar cycles. A sharp rise in profits, increases in internal funds from depreciation charges, and rising demand should result in further increases in business plans for spending on plant and equipment in 1962 so that the year may turn out 10% or more above 1961 investment spending, appreciably more than the 4% revealed by recent surveys. These surveys tend to understate the recovery since businessmen revise their plans upwards as expansion continues.

(4) Business buying for inventory has already contributed almost $10 billion per year to the rise in Gross National Product, switching from liquidation at $4 billion per year in the first quarter of 1961 to accumulation of $4.5 billion per year in the third quarter. A further rise in the rate seems indicated by business plans, but inventory buying may contribute little to the rising GNP after the first quarter of the new year.

(5) Consumer expenditures have been rising at a rate of about 6% a year, or more. Rising disposable personal incomes, reasonably stable prices, and rising employment should provide the basis for continued expansion in consumer purchases. Recent trends and past performance in recoveries would justify the expectation that consumer spending on all goods and services will rise as much as $20 billion per year at least between 1961 and 1962.

On the restraining side, we must recognize that the recovery will cause imports (mostly raw materials) to rise faster than exports so that the excess of exports over imports may continue to decline. The Federal budget, after running a cash deficit at an annual rate of about $9 billion per year early in 1961, is now shifting rapidly towards a cash surplus by this spring. A further rise in the cash surplus is in prospect if the recovery continues at the pace now generally expected. Consequently, the Federal fiscal policy will be acting as a restraining force on the economy as the year 1962 develops.

Taking all factors into account, real Gross National Product in 1962 should average about 7% above the 1961 total with the rate of increase slowing during the year. The two big economic problems of 1962, which this survey of the outlook implies, undoubtedly are the balance of payments and continued excessive unemployment. The deterioration in the balance of payments as imports of raw materials rise may handicap monetary authorities seeking to follow policies consistent with domestic requirements, while at the same time the expansion in output and employment, though vigorous, seems unlikely to be strong enough to reduce unemployment from recent levels of 6% or more to a tolerable rate of perhaps 4%—more in line with the full employment objectives set forth in the Employment Act of 1946.

HON. STEWART L. UDALL

Secretary of the Interior

America can look forward confidently to another year of economic growth and progress in 1962.

The momentum generated by the positive and aggressive national policies which reversed the business pendulum and halted the threatening recession of 1960 and early 1961 is certain to gather additional force this year. In looking forward to these bright prospects, a word of caution should be added. It is that our great natural resources are the base upon which our strength and and leadership in the Free World rests—the principal key to our national prosperity—and it is therefore essential that we continue to press forward toward the sound and intelligent resource conservation and development goals set forth by President Kennedy. "From the beginning of civilization," he declared in a special message to the Congress, "every nation's basic wealth and progress has stemmed in large measure from its natural resources. This Nation has been, and is now, especially fortunate in the blessings we have inherited. Our entire society rests upon—and is dependent upon—our land, our water, our forests, and our minerals. How we use these resources influences our health, security, economy, and well-being. Wise investment in a resource program today will return vast dividends tomorrow, and failures to act now may be opportunities lost forever."

Stewart L. Udall

The reason for this concern may be more clearly understood when we realize that our water use will double in the next 20 years; that we are harvesting our supply of high-grade timber more rapidly than the development of new growth; that too much of our fertile topsoil is being washed away; that our minerals are being exhausted at increasing rates; and that the Nation's remaining undeveloped areas of great natural beauty are being rapidly pre-empted for other uses.

In the year just concluded, vigorous new resource programs have been launched by the Federal Government, and new and greater emphasis will be placed on the conservation and development of our natural resources in the year ahead.

A major conservation achievement of 1961 came with approval by the Congress of legislation to promote water pollution control. This came at a time when pollution of our rivers and streams had—as a result of rapid population and industrial growth and change—reached alarming proportions.

At the same time, in an equally important action, the Congress authorized a $75 million program which enabled the Department of the Interior to greatly accelerate its work toward development of the best and most economical processes and methods for converting saline and brackish water into water suitable for beneficial consumptive purposes.

An example of the progress being made in this vital area may be seen in the fact that in June, 1961 President Kennedy pressed a button at his desk in the White House which set the machinery in motion—across the Nation at Freeport, Texas—of the first saline water demonstration plant constructed by the Federal Government in cooperation with private industry—a million-gallon-a-day plant that is already in the Freeport municipal water system.

Within months, dedication ceremonies were held marking completion of construction of a 250,000-gallon-a-day plant to demineralize the brackish well water at Webster, S. D., and construction was nearing completion on a second million-gallon-a-day sea water conversion plant at San Diego, Calif.

At the same time President Kennedy delivered to the Congress—where action is currently pending—a far-reaching Water Resources Planning Act which would provide for full development of the water potential of the Nation's great river basins.

In another area vital to America's industrial growth—that of electric power—it is estimated that total installed capacity must triple by 1980 if we are to meet projected needs.

To meet these needs, sustained heavy expansion by all power suppliers—public, cooperative, and private—is clearly needed. Additionally, action is essential to make the maximum use of existing power facilities throughout the Nation.

During 1961, the Federal Government took the initiative in moves designed to achieve these necessary goals. Typical of the results achieved was the signing of a coordination agreement by the Department of the Interior's Bonneville Power Administration, the U. S. Army Corps of Engineers, and nine private and public owners of hydroelectric generating facilities designed to obtain maximum efficiency in power production from existing power plants on Pacific Northwest rivers.

The agreement provides that these storage and generating facilities shall be operated in much the same manner as if all were under one ownership. It also provides for interchanges of energy and power among the signers in order to conserve water in reservoirs, and for coordination of the transmission facilities of the parties to the agreement.

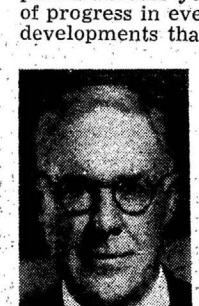
Informal coordination in varying degrees prior to the signing of the agreement had resulted in approximately one million additional kilowatts. A substantial number of firm kilowatts is expected to result from the agreement.

These are but a few examples of the many ways in which the Federal Government moved during 1961—and intends to move even more rapidly and effectively in 1962—to conserve and develop the natural resources which will insure our continued economic progress. Similar actions are under way or projected in regard to our minerals, our fuels, our forests, our land, and recreational resources.

ERNEST R. ACKER

Chairman Board of Directors and Chief Executive Officer, Central Hudson Gas & Electric Corporation, and President, Empire State Atomic Development Associates

The natural gas and electric utility industries have completed another year characterized by impressive records of progress in every aspect of their operations, including developments that will have a continuing and beneficial effect on their business in 1962 and the years to follow.



Ernest R. Acker

The confidence of the investor-owned utilities in the future growth of their business was dramatically demonstrated with the continuation in 1961 of a high level of construction of new facilities. Sales and revenues exceeded all previous records despite the effects of a nationwide recession early in the year, and 1961 was a year of significant progress in research and development.

In the electric industry, 1961 brought encouraging results from the now almost nationwide promotion of Total Electric Living, including electric househeating. This and other aggressive promotion efforts by the industry and by the individual companies will continue to have very favorable effects on sales and revenues in 1962 and future years. The industry's construction program, estimated in 1961 to have involved about 10% of the new construction expenditures of all nonagricultural business in the U. S., is keeping well ahead of the anticipated growth in sales and new customers. Furthermore, the progress being made by the industry in the development of nuclear electric power, of larger and more efficient conventional generating facilities, of extra high voltage transmission lines, of power pooling among companies and in the further applications of automation give promise that operating costs can be controlled effectively and that the investor-owned electric utility industry will maintain its ability to meet all the future electric power needs of the nation economically and efficiently.

An example of the importance the utilities place on their research and development programs may be seen in the activities of the seven major investor-owned electric utilities in New York State which, as members of Empire State Atomic Development Asociates, recently took another step toward their goal of demonstrating economically competitive nuclear electric power in a large generating plant in the State during this decade. In November, ESADA entered into a $1,400,000 contract with Atomics International or the development, by mid-1963, of techniques for processing and fabricating a new type of nuclear reactor fuel. During the year good progress was also made on two alternate reactor concepts being studied under separate contracts between ESADA and the General Electric Company and General Atomic Division of General Dynamics Corporation. At the same time the seven companies, individually, continued their participation in several other nuclear electric power development projects.

In 1961 the natural gas industry added one million new customers. In addition, the gas industry made significant progress in the application of natural gas to new industrial and commercial processes. It also further developed its opportunities to store natural gas during the summer for use during the high demand periods of winter, contributing significantly to achieving more economical operation of their systems. The future of the natural gas business is further brightened by the fact that in 1961, as in past years, natural gas discoveries have increased the margin of proved recoverable reserves over actual production, in spite of greatly increased sales. The past year also marked greatly strengthened relations and cooperation between the producer, pipeliner and distributor segments of the industry and it brought encouraging results in efforts to clear the regulatory air surrounding both the price and supply pictures.

Investor-owned companies of both the gas and electric utility industries continued to demonstrate in 1961 that the expansion of their production, transmission and distribution facilities, which is so important to the total national economic and military strength, can be successfully financed in the free market.

There will be continuing challenges to both industries. Among the most important of these will be their ability to recruit and to offer rewarding careers to skilled, creative employees who will dedicate their talents to public service and effectively shape and manage the future affairs of their companies. Another challenge will require both industries to demonstrate to the satisfaction of a nation and its lawmakers that the investor-owned, tax-paying companies are able and willing to provide for all the nation's growing requirements for gas and electric utility service. Finally, it will be essential that the nation's fiscal and tax policies provide an atmosphere that will encourage a healthy and orderly development of the economy and incentives for achieving the ambitious technical goals that we know are attainable.

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ORVAL W. ADAMS

Chairman of the Board, Zions First National Bank, Salt Lake City, Utah

We are now, as in years past, justly concerned with the ever-increasing Federal deficit. Not only the size of the Federal debt, but the trend of such deficit is a matter of great concern. With public spending increasing until even now virtually out of control, as one connected with the banking industry of America, I feel that upon the bankers of America rests primarily the duty of protecting the savings of the American people.

Orval W. Adams

It is an economic axiom that as the government debt and the government deficit increases, the purchasing power and value of savings decrease. How can a stop be put to the constant gnawing away by government, at the instance of and for the supposed benefit of various pressure groups at home, of the value of the savings of the only large unorganized group of our citizenry—the savings depositors and insurance policyholders? There can be but one answer. To the group must be brought a full realization of what is happening to them.

The banks of this country, as custodians of their depositors' money, are in duty bound to warn their depositors and the general public that a governmental policy of reckless borrowing and spending which tends to squander the patrimony of the state, can end only in wiping out the accumulated savings of those who have placed their money in the banks for their families support, safekeeping, and investment.

The centralization of government in this country, with government expenses skyrocketing, together with the rapid and unprecedented extension of government control and management over the industrial life of the nation, all point with deadly logic in the same direction. This is a tendency which, if not checked, will move strongly into the welfare state.

We cannot too often remind ourselves and our depositors that the only source of revenue a government has is taxes, and that taxes must come, directly or indirectly, from surpluses, and that as the expenditures of government increase, taxes must increase; that if current earnings from business and individuals are insufficient to meet the demands of government, the reserves, surpluses, and the purchasing power of the dollar will decrease further, after the tragic decrease of 50% during the last several years, the savings will be taken from the people. We must realize that what is taken in taxes is not available for private use, and that when the demands of government become too great, production is starved, and the strength of the nation is jeopardized.

God grant that we will be alerted to the termites threatening the destruction of our glorious freedom. These termites are economic illiteracy, labor monopoly, political expediency, back-door Federal spending and monetization of the Federal debt.

The schools and colleges are graduating every year thousands of economic illiterate students. This deplorable condition must be righted if the vision of the founding fathers is to be restored and perpetuated.

HOYT AMMIDON

Chairman of the Board, and Chief Executive Officer, United States Trust Company, New York, N. Y.

Four basic conditions will determine the prospects for trust banking and the management of investment funds in 1962: (1) the trend of the general economy, (2) the position of the dollar, (3) the movement of the security markets and (4) the returns available on invested and loanable funds.

Hoyt Ammidon

We expect substantial gains in economic activity during 1962. Consumer expenditures are showing better gains than a few months ago. Expected gains in construction and business capital spending appear more assured. The increases in Government expenditures continue to be a considerable factor. While a mid-year steel strike preceded by stockpiling could be a disruptive circumstance, we doubt whether it will play a decisive role in the outlook for the year as a whole. Gross National Product this year is likely to exceed 1961 by close to 8%. Because of the continuing rise in wages, we are estimating the overall inflation factor in the economy, including the prices of services and of construction as well as of goods, at 1½ to 2%. However, we are concerned that before the end of the year excessive wage demands, which are in direct conflict with our need for a strengthened international competitive position, may dampen business and investor psychology and hold back the expected gains.

We believe that 1962 will be a crucial year for the position of the dollar. Our favorable merchandise trade balance will probably decline somewhat from 1961. Our adverse balance of payments is expected to be somewhat higher. We believe that some small progress has been made toward improving the payments balance during the past two or three years and that we could undergo a further period of moderate adverse balances if there were long term confidence in the purchasing power of the dollar. However, if wage increases continue excessive and our cost position is not improved, the dollar is likely to be under serious pressure within the next two years. This pressure will probably not be acute until the present strong business cycle has weakened.

We are not inclined to predict substantial net changes in average stock prices or in average bond prices during 1962. We do expect that rather substantial fluctuations will take place in stock prices as buyers stress the good outlook for higher earnings and dividends and as sellers point to the rather full discounting of these higher returns that has already taken place. Selectivity will continue to be a key to successful equity investment. While we expect higher short term interest rates in reflection of the business recovery and the need to protect the dollar, we believe that any rise in longer term rates and corresponding decline in bond prices will be rather small in view of the continuing substantial flow of funds seeking investment.

We expect a good increase in income from securities held in investment accounts. Because of a marked improvement in earnings and substantial corporate cash flows, we anticipate a considerably better than normal increase in dividend payments. Continuing reinvestment opportunities in bonds should also bring an increase in interest collections. We expect that a trend to larger deposits and higher short term interest rates will be helpful to banking earnings. Overall, the corporate goal for 1962 in our business will be to translate through sound policies the expected increase in business volume into an equally good increase in earnings. To achieve this goal, we must strive for the greatest possible efficiency and careful control of costs, objectives which are becoming increasingly necessary for American industry as a whole.

Although we believe that we are entering a good year, we are seriously concerned about a number of weaknesses that have developed in the economic structure. The most important of these weaknesses are unemployment, continued gradual losses in the dollar's purchasing power, and our adverse balance of foreign exchange payments. The major cause of these weaknesses is the excessive rise in wages caused by the one-sided labor laws. Existing handicaps to productivity and to a sound dollar caused by the monopolistic powers of organized labor must be curbed if our country is to achieve its domestic and international objectives. It is also vitally important for a strong economy and a sound dollar that the Federal Reserve System continue to pursue well-balanced monetary policies and that to that end it be kept free of political domination.

Despite these longer range problems, we now expect a good year accompanied by the development of increasing opportunities for future growth in trust banking and investment management.

Continued on page 28

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THE FAIRFIELD COUNTY TRUST COMPANY

HAROLD E. RIDER, *President*

COMPARATIVE STATEMENT OF CONDITION AS OF DECEMBER 31

RESOURCES	1961	1960
Cash and Due from Banks	$ 24,542,477.90	$ 25,704,506.97
U. S. Government Securities	37,534,230.25	35,403,475.21
Other Bonds and Securities	17,996,753.67	17,188,556.38
Loans and Discounts	123,529,282.36	113,710,986.77
Banking House, Furniture and Equipment	3,807,961.74	3,713,964.10
Other Real Estate	31,656.36	66,647.19
Other Assets	369,839.88	276,183.06
TOTAL RESOURCES	$207,812,202.16	$196,064,319.68

LIABILITIES	1961	1960
Capital	$ 5,486,250.00	$ 5,486,250.00
Surplus	7,500,000.00	7,000,000.00
Undivided Profits	2,312,391.45	1,521,858.44
	$ 15,298,641.45	$ 14,008,108.44
Reserves	2,166,334.88	1,001,012.38
Other Liabilities	2,396,486.00	1,914,178.85
Unearned Discount	1,756,210.57	1,544,814.52
Deposits	186,194,529.26	177,596,205.49
TOTAL LIABILITIES	$207,812,202.16	$196,064,319.68

GREENWICH STAMFORD OLD GREENWICH BETHEL NEW CANAAN WILTON
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NORWALK SO. NORWALK SO. WILTON GEORGETOWN-REDDING NEWTOWN

MEMBER FEDERAL DEPOSIT INSURANCE CORPORATION

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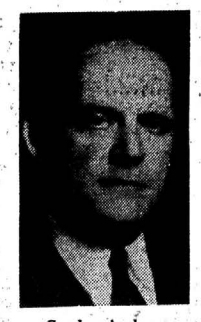
COWLES ANDRUS

Vice-Chairman of the Board of Directors, New Jersey Bank & Trust Company, Passaic, N. J.

In the northern New Jersey section of the New York metropolitan area there was improvement in business activity and employment throughout 1961, tapering off in December in the manufacturing lines only.



Cowles Andrus

Our estimate for this area for 1962 is that the 1961 trend augurs well for the new year. Individual income for the area ranks high among that of the 44 largest standard metropolitan areas. With October 1961 unemployment reaching a low for 11 months, and with a pronounced advance in commercial and consumer lending activity characterizing the year-end, we see no reason not to anticipate sustained business activity at the higher new level.

We think the forces working locally toward an improved economy are typical of those apparent in most metropolitan areas of the country. Notable among these are preparation to meet the impending increased construction demands for new educational and public facilities precipitated by the population explosion; growing awareness of the necessity to stem urban blight and downtown erosion through urban renewal and express highway projects of great scope; and the nation-wide impact of defense and space-conquest expenditures. All these require vast outlays resulting in sustained payrolls.

We believe a further corollary effect will be a firming of interest rates on loans, with a probable rise in the mortgage and prime commercial rates before the third quarter.

The factors favoring a good 1962 can be offset only by pricing ourselves out of the export field through serious labor stoppages or a continuing wage-price spiral resulting in a continuing outward flow of gold and an accompanying decline in confidence in the dollar.

War, or failing confidence, are our two dangers, and we do not look for either.

MARK ANTON

President, Suburban Propane Gas Corporation

With 20% of what was heralded to be the Fabulous Sixties behind us, and having seen nothing fabulous to date, I checked with Noah Webster to see whether I really understood the meaning of this adjective. Whoever coined the expression might be chagrined to know that Mr. Webster defines fabulous as "belonging to fable; fictitious; mythical." So now, to forecast what is ahead for even one-tenth of these supposedly Fabulous Sixties requires more than just a little courage.

Mark Anton

Nevertheless, with a third of a century of experience in the LP-Gas Industry behind me, I believe that I can say with confidence that 1962 will be another good year. This confidence has also been expressed in an industry-wide survey of LP-gas dealers which predicts an 11.8% increase in consumption as compared with a 10.6% increase predicted for 1961. Supply is no problem. The demand for natural gas, which has replaced manufactured gas in practically all urban areas, is very high. LP-gas is extracted from natural gas before transmission for this use. There is, therefore, more than an ample supply of product to meet this estimated growth.

The demand for LP-gas is constantly increasing because of new uses which have been and are being developed every day. Although the residential market still is a very important one, the LP-Gas Industry is dependent more and more upon the prosperity of industry and farming. In practically every phase of manufacturing there are new applications for LP-gas daily becoming standard practice, stemming to no small degree from its portability, controllability, uniformity, high heat content, and purity.

This product has gained wide acceptance as a motor fuel for industrial trucks, farm tractors, transcontinental trucks and, to some degree, other public vehicles. For this one use alone, our sales increased 25% during the first 11 months of 1961. As an illustration of what is happening, I might point to the fact that the Suburban Propane industrial department was established within the past 10 years with a staff of one. Today, this man is manager of a department that has industrial representatives throughout the 18 states in which we operate.

In agriculture, LP-gas fuel equipment for field drying of grain crops to a pre-determined moisture content is gaining popularity. Flame cultivation is already creating a highly desirable summer and early fall demand for this fuel. It is a process wherein weed control is conducted by flaming the earth between the crop rows, without any damage to the crop itself. The effectiveness and labor economy in this segment of farming is what is justifying its acceptance.

The residential user, however, is not to be overlooked. The industry as a whole serves about 9 million families, and Suburban Propane's figures show that since 1935 the average monthly consumption for home uses has increased from less than 9 gallons to close to 20 gallons. Increased use of LP-gas in the home points toward its growing acceptance as the ideal heating fuel. The public's acknowledgment of the superiority of natural gas for house heating over oil applies equally as well to LP-gas, and favorable heating rates are accelerating this acceptance. With gas heat gaining popularity every day, the home-heating demand alone could increase anywhere from 20% to 50% within the next year, in spite of the efforts of the electrical industry to get a foothold in this market.

With the aforementioned facts before me, plus the daily forecasts and predominantly optimistic outlook for industry and agriculture in 1962, I cannot help but also be optimistic about the LP-Gas Industry.

A. H. AYMOND, JR.

Chairman of the Board, Consumers Power Company

Consumers Power Company believes 1962 will be a good year.

We expect the current upward trend of business to continue through the first half of the year and possibly through the entire 12 months. This is on the basis of our own studies, what our customers tell us, and the observations of the economists. We do not foresee boom conditions but we do believe that business in 1962 will rise above the 1961 level.

A. H. Aymond, Jr.

The 64-county area in Outstate Michigan in which Consumers Power Company operates is somewhat representative of the whole United States. Its industrial economy is strongly reinforced by substantial agricultural production and by a tourist and resort business of large proportions. Industrially, automobiles and automotive products are dominant, but the area is a high-ranking producer of chemicals, farbicated metal products, machinery, packaged foods, paper, furniture, and stone, clay and glass products. Petroleum, limestone, cement and gravel also are produced in large quantities.

For all these lines and most of the many other included in the Outstate Michigan economy, the outlook seems at least reasonably good. For the No. 1 industry, automobiles and automotive products, it is even better. Industry leaders expect production and sales of automobiles in 1962 to exceed 1961 by a substantial margin. Preliminary figures indicate that 1961 production was about 5,400,000 cars and about 1,100,000 trucks and motor coaches. Some estimates of 1962 car production alone have run as high as 7,000,000. Of 1961 model cars produced in the United States, 32.4% were produced in Michigan, a good share of them in Flint, Pontiac, Lansing and other cities in the Consumers Power Company service area.

Sales of both electricity and natural gas by Consumers Power Company in 1961 ran ahead of 1960, and we expect our sales to continue upward in 1962. During 1961 the company connected approximately 45,000 additional gas space heating customers. The coming year will reflect for the first time the full annual use of such customers and in addition over 30,000 more gas space heating customers are expected to be added in 1962. Use of gas for industrial and commercial purposes also is increasing.

Electric sales represent about three-fifths of our company revenue. Average residential and commercial use of electricity continue to rise. Industrial use of electricity, although fluctuating with the business cycle, also is increasing and should show a good improvement in 1962.

In 1961 Consumers Power Company invested about $95,000,000 in expansion and improvement of electric and natural gas service facilities. For 1962, $83,000,000 has been budgeted. I believe these facts are a good indication of our optimism about the future of our Outstate Michigan service area.

C. J. BACKSTRAND

President, Armstrong Cork Company

Virtually all measures of business activity are rising steadily as the new year begins. Moreover, the weight of evidence points to further expansion of general business in the months ahead. Perhaps the single most encouraging portent of the economic outlook is the renewed vigor shown by retail trade during the past three months. Sparked by rising incomes and reflecting a record level of personal savings, consumer expenditures are likely to remain strong throughout 1962, with volume for the full year substantially above the 1961 total. We anticipate that the sharpest relative gains will be scored by such durable goods as automobiles, appliances, and home furnishings, as consumers who had postponed purchases of "big ticket" items during the recent recession come back into the market. Expanding construction activity is expected to constitute a further factor of business strength in 1962. The most pronounced gains are likely to occur in the residential repair and modernization market, where activity has been restrained for the past two years by unfavorable general economic conditions. Increased purchasing power and more liberal financing arrangements now available to home owners should work together to produce the largest year-to-year surge since 1959. The demand for new homes is also forecast to rise this year, although the supply of vacant dwelling units overhanging the market suggests that only a modest advance in housing starts over the 1961 level is in prospect. The strong tone of non-residential construction, which was apparent throughout last year, should persist in 1962, with the building of schools, hospitals, stores, motels and roads registering the most impressive gains.

C. J. Backstrand

With respect to the pattern of business this year, the rate of progress is likely to be considerably greater than during the first six months than in the last half. Of particular relevance here is the prospect of inventory accumulation induced by the expiration of the labor contracts in the steel industry.

As industrial activity accelerates in the months ahead, corporate profits are likely to move off the plateau on which they have rested for the past three years. A rising rate of capacity utilization and improving profits may well set in motion at least a moderate expansion of capital expenditures, thereby further stimulating the economy.

The outlook for the domestic economy, then, is bright. Industrial output, employment, incomes, retail trade and building activity should all reach record levels in 1962. The outlook for the international financial position of the United States is, however, quite another matter. There is every likelihood that, reflecting the impact of the ill-conceived spending programs of recent years, our balance of payments situation will continue to deteriorate in 1962 and that, as the United States dollar comes under renewed pressure, our dwindling gold supply will be drawn down still further. Whatever Administration action is taken to alleviate the strain is likely to affect the domestic economy adversely.

Accordingly, business managements will be well advised to remain more than ordinarily alert, not only to developments in their markets and in the domestic economy as a whole, but also to changes in the external financial status of the United States since such changes may influence the level and direction of general business.

CROWDUS BAKER

President, Sears, Roebuck & Co.

To appraise retail sales prospects for 1962, it is essential to put 1961 in perspective. In the first 10 months of last year, retail sales showed a decrease of 1½% from 1960 even though the public's income available for spending rose 3% in these same months. There were substantial differences in the performance of various types of distributors. From best to worst, these were: Food group, plus 3%; service stations, plus 2%; restaurants, plus 1% general merchandise, unchanged from 1960; building material and hardware dealers, minus 5%; and automobile dealers, minus 10%. A major reason for failure to record better sales levels in durable goods was the consumers' reluctance to expand the use of installment credit. Through Oct. 31, there was a liquidation of credit balances of nearly $600 million. Automotive was down $680 million; other consumer goods were off $410 million; repair and modernization were unchanged from Dec. 31, 1960; and only personal loans showed an increase, amounting to $523 million.

Crowdus Baker

There has been widespread discussion of consumers' hesitance in the purchase of durable goods and particularly their reluctance to increase debt. In retrospect, probably the international situation can be singled out as the greatest restraining cause. But in addition, we have a high level of saturation with shortages having long since disappeared; continuing high unemployment affecting certain areas; a shifting age pattern, with a mushrooming teen age group requiring more spending for food, clothing and services and less for home furnishings and automobiles.

But as we look ahead, the positive factors rise in importance. After two years of what might be termed "high level stagnation", retail trade appears to be facing a new wave of expansion in 1962. The degree of economic improvement that can be logically expected as a result of the recovery now under way, plus an expanding defense program, should produce an increase of about 5% to 6% in total consumer spendable income. An income gain of this size would be the largest in three years and would supply the basic requirement for substantial growth in retail demand.

Consumer buying psychology undoubtedly will show some improvement. The signifcant drop in unemployment in November was associated with a new high in retail sales paced by a strong upward surge in automobiles.

Consumers who are more willing and able to buy automobiles on credit will be more willing to buy other things on credit. The 1961 level of homebuilding volume should stimulate a better than average increase in sales of household durables in 1962. Sales of food and clothing have expanded in most years, including those of recession, and non-durable goods sales are expected to increase by another 5% in 1962. Spending for services will rise in line with the expected gain in income.

In short, retailers in 1962 should have a good year. Increases should range between 5% and 10%, with durable goods distributors at the high end of the scale . . . and competition will be keener than ever.

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G. T. BAKER

Chairman of the Board, National Airlines, Inc.

The entire southern tier of States, from Florida to Southern California, is facing the dawn of a new boom —a long-term industrial upsurge generated by the space race in 1962. Moon-shot preparations at Cape Canaveral, the government's new Nova rocket-manufacturing plant at the Michoud project near New Orleans, the National Aeronautics and Space Administration laboratory at Houston, and missile manufacturing in California are among the major activities in this area which will continue to be potent economic stimuli to the areas in which they are situated.

G. T. Baker

National Airlines' new southern transcontinental route, from Florida to California via New Orleans and Houston, has become known as "the missile route," and NAL officials have become particularly aware of the tremendous new potential of space-age industries. The proposed merger of National Airlines and Continental Air Lines, which we believe will be consummated in 1962, would link more missile, atomic and electronic installations more closely—installations in Colorado, Nevada, Kansas, Missouri, Arizona and New Mexico. Missile manufacturing throughout all these States is generating not only more passengers and cargo for airlines, but new prosperity for the areas involved.

Consider Florida. This State, National Airlines' home, experienced a vast growth in the early half of the 1950's by selling sunshine. Tourism was the chief industry, with a by-product of building that resulted when so many visitors decided to move to Florida to live.

Since 1957, tourism has levelled off. A variety of experts have come up with a variety of reasons to explain this. But airline salesmen who sell Florida are well aware of one of the major reasons—a sharp drop in recent years in expenditures for promoting travel to Florida.

Primary sources of promotional funds which sustained travel to the Sunshine State with such success in the tourist boom years until 1957, were the two airlines serving the New York-Florida route, National and Eastern. National Airlines alone spent as much as $175,000 in one month for advertising to attract people to Florida. The City of Miami Beach itself, for contrast, is spending only $53,000 for a full year of paid advertising of the resort attractions of Miami Beach.

A reduction of promotional funds was forced on National and Eastern, beginning in 1957, when a third carrier was added to the route in the face of evidence that this would have detrimental effects. The unsound addition of this third carrier crippled all three companies financially, and as a result they have been forced to reduce substantially the large sums expended in the first half of the last decade to advertise, promote and help develop Florida, particularly the lower east and west coasts.

It is, therefore, extremely fortunate that in the face of sagging tourism, the space age came along with its industrial stimulus and contributions to a better-balanced economy. With stepped-up activities at Cape Canaveral, there has been a parade of new industries to Florida, particularly to the central part of the state, from Canaveral through Orlando to Tampa. The Florida Development Commission, a hard-hitting State promotional agency, has been very active in promoting industry as well as in tourist advertising.

Dade County, where Miami is situated, is finally getting in stride with this industrial development and is doing now what cities such as Jacksonville and Tampa started years ago—courting industry that is compatible with tourism through the formation of a local Industrial Development Council. As a result, Aerojet General has under option 75,000 acres of land in South Dade, for the purpose of locating there an impressive rocket-propellant plant which will employ about 10,000 people.

The Florida situation is, to a varying degree, found all along NAL's "missile route," and the future is bright for this southern tier of States—not only for 1962, but for years to come.

There is one danger, to which citizens and their elected officials must be alert. States, counties or cities which have recently changed from an economy based on agriculture, or tourism, or the courting of new residents of retirement age, to a more balanced economy based on strong industry, do not always change tax philosophies rapidly enough. Industries will go where they receive tax advantages. The distribution of the new industrial potential is going to be determined by awareness of this basic fact of business life.

CHARLES M. BEEGHLY

President, Jones & Laughlin Steel Corp.

Barring a lengthy work stoppage, steel production in 1962 will exceed 1961 by 10% to 15%.

Forecasters range in their estimates from 105 million tons as a low of 115 million ingot tons for the most optimistic. We, at J & L, expect 1962 steel production will be on the high side of this range.

Charles M. Beeghly

The increase in 1962 steel production is based on larger demand from the steel-consuming markets as their plans for production and inventory move upward. In addition, the steel buyer remembers the 116-day strike in 1959 and, knowing that there has been no steel price increase since 1958, will regard some additional inventory investment as insurance against future developments.

The steel industry is well equipped to handle this larger demand for all steel products in 1962. At J & L, we are in especially good shape to meet increased requirements. In our major steel plants, we have made large investments in all areas from raw material processing through to finishing facilities. Large sums of money have been spent for upgrading iron ore charged to the blast furnaces; for coal handling facilities and new coke ovens; for new and improved steelmaking furnaces; for new finishing facilities; new rolling mills to produce sheets, tin plate, tubular products and stainless steel; new lines to coat steel with zinc and tin; and for improvements and additions in many other areas in our steel-producing, finishing and distributing plants. We have spent an average of $62 million annually in the last 10 years for cost reducing equipment and plant improvements. We will exceed this rate of spending in the next three years. These new facilities, those completed, those now under construction and those planned for the next three years will improve our competitive position in terms of cost, product quality and market participation.

At J & L, we face the future confidently, acknowledging many problems ahead, recognizing the progress made and anticipating continued competitive progress in the years to come.

Continued on page 30

With Kahn & Peck

Jack L. Solomon has become associated with Kahn & Peck, Cohn & Co., 74 Trinity Place, New York City, members of the New York Stock Exchange, as registered representative.

Nilson-Newey Opens

SALT LAKE CITY, Utah—Nilson-Newey & Co. has been formed with offices at 5075 West Moor Road to engage in a securities busines. Joseph M. Newey is a principal of the firm.

With George K. Baum

(Special to THE FINANCIAL CHRONICLE)

DENVER, Colo.—Eugene S. Hufford is with George K. Baum & Co., 818 Seventeenth St. He was formerly with J. A. Hogle & Co. and Garrett-Bromfield & Co.

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INVESTMENT OPPORTUNITIES FOR 1962

Our special circular discusses what may be expected for the economy and the stock market in the year ahead. It also suggests a number of common stocks through which an investor can take advantage of the particular opportunities which 1962 will offer.

* * *

These stocks, which range widely in price and yield, are selected to meet a variety of investment needs. The operations of the companies are diverse in terms of products, services, and markets. All of the companies, however, should find the business environment of 1962 favorable for their activities.

Ask for Circular F; there is no cost or obligation.

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Statement of Accounts
31st December, 1961

LIABILITIES	£
Current, Deposit and other Accounts	1,816,721,656
Acceptances, Guarantees, Indemnities, etc., for account of customers	58,428,898
Paid-up Capital	45,868,551
Reserve Fund (including Share Premium Account £7,508,584)	38,008,584
ASSETS	
Cash in hand and with the Bank of England	154,263,863
Balances with other British Banks and Cheques in course of collection	85,419,194
Money at Call and Short Notice	240,546,750
Bills Discounted and Refinanceable Credits	271,023,006
Special Deposit with the Bank of England	51,800,000
Investments	260,595,936
Advances to customers and other Accounts	782,963,519
Investments in Subsidiaries:—	
The British Linen Bank	3,728,558
Barclays Bank D.C.O.	11,796,829
Other Subsidiaries	2,227,312
Other Trade Investments	14,859,976
Bank Premises and adjoining Properties	21,373,848
Customers' liability for Acceptances, Guarantees, Indemnities, etc.	58,428,898

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S. CLARK BEISE

President, Bank of America N.T. & S.A.
San Francisco, Calif.

We can look forward to 1962 as an excellent year for business throughout the nation.

The economy of the United States is moving into the new year not only at the highest level of production it has ever achieved, but also with a strong upward momentum.

S. Clark Beise

During the coming year business activity will be very brisk, with production of goods and services advancing approximately 9% beyond marks achieved in 1961.

Sharp gains in business investment were the largest element in the economic upturn this year, and this factor is expected to be a most decisive one in determining how strong the prosperity will be toward the end of 1962.

We must be alert during the coming period to every opportunity for constructive investment, competitive operations and aggressive merchandising, in order that the business community may make its maximum contribution to a full prosperity without inflation.

For such a positive impact to be achieved by American business, however, the government must also do its part in restraining potentially inflationary forces.

In particular, it is important that government policies clearly indicate to the rest of the world that public affairs in the United States are being run with a mature sense of fiscal responsibility. Nothing could be more effective in demonstrating such a sense of responsibility than the execution of the government's initial proposal to balance the Federal Budget over the course of the business cycle. This does not call for a balanced budget in every year—nor necessarily in any year—but for a program which off-sets the deficits of recession years with surpluses in others. There is no better time to garner those balancing net receipts than in just such a prosperous period as we see ahead. We have had our deficits in 1961; the year for a Federal Budget surplus is 1962.

A Federal Budget surplus this year would contribute to stability of the dollar in international markets. As a matter of fact, one major area of concern during 1962 is our balance of payments position. The acceleration of our economy may tend to decrease our favorable trade balance, and this could result in some further loss of gold. It is not likely, however, that we will suffer such major short-term capital outflows as were recently experienced, since interest rate differentials are likely to be kept within reasonable bounds; nor should be anticipate that the gold position of the United States will deteriorate to any really serious degree.

Nevertheless, the need to correct our fundamental balance of payments is still with us and this is emphasized by the steady economic growth being experienced overseas.

Since the end of World War II many countries of the Free World have developed increasing economic potential. These countries are entering a period of high level economic activity. Their business leaders are unceasing in their efforts to develop products and services for world market competition.

Thus, it is becoming more and more obvious that the economic stature of the United States and the energy of its business system will be gauged as much by our ability to market goods competitively overseas, as by meeting competition at home.

The next few years offer an opportunity for all Americans to demonstrate the effectiveness of free enterprise and to earn higher returns for employees and shareholders by improving the quality of products and attaining an effective competitive position on a world-wide front.

ROBERT S. BELL

President, Packard Bell Electronics

Spearheaded by increasing requirements of the space program and the steady expansion of the industrial electronics market, factory sales by the electronics industry will reach a record high in 1962 for the twelfth consecutive year.

Robert S. Bell

The Electronics Industries Association estimates that electronic sales will rise from $10.1 billion in 1961 to $10.8 billion in 1962, an increase of 7%. An additional $.5 billion, not included in the EIA estimate, will be spent by the National Aeronautics and Space Administration.

Purchases by the Department of Defense, exclusive of NASA space electronics purchases, will rise moderately, from $5.3 billion in 1961 to $5.6 billion in 1962, reflecting the changing nature of this segment of the industry. Because of increased competition and shorter production runs, the manufacture of existing equipment has become increasingly lower priced and less profitable. More and more electronics firms are concentrating on feasibility studies of advanced concepts, many of which are financed jointly by government and industry. While such research projects point to long range potentials, they represent lower short term volume.

Industrial electronics sales reached $1.9 billion in 1961 as predicted, and will rise to $2.1 billion in 1962. This increase of 11%, greater than that of any other segment of the industry except space electronics, will result from the rapidly expanding computer, instrumentation and data systems markets.

An increase of 5% in consumer products, from $2 billion in 1961 to $2.1 billion in 1962, marks the beginning of what could be at least a five year expansion of the television and stereo hi-fi markets. This will result from the development of Stereo FM and an increasing demand for color television.

There is a ready market for an instrument that will provide stereophonic music via radio since more than half the homes in the United States are not equipped with record players of any kind. There are some 100 Stereo FM stations presently or soon to be in operation throughout the country and stereo broadcasting should expand rapidly. Interest in color television has heigtened with the increase in color programming, particularly during hours when dealers can demonstrate the high quality of color to customers.

Total television sales should reach 6.2 million units in 1962, as compared with 5.8 million units in 1961. Stereo-television-radio combination sales will increase from 650,000 to 750,000 this year, and total stereo console sales will rise to 1.8 million units. Radio sales, exclusive of car radios, will remain around the 10 million unit level. As noted above, dollar volume for all consumer products will show an increase of one hundred million dollars.

SWAN E. BERGSTROM

President, The Cincinnati Milling Machine Co.

During the past four years the United States capital goods economy has been largely stagnant by comparison with other industrial countries and with its own long-time rate of growth. It has been an especially trying time for machine tool companies.

S. E. Bergstrom

The impact of these four years tested the sinew and resourcefulness of U. S. machine tool builders more severely than at any time since the depression of the thirties. With the industry generally reporting new orders of approximately one-half of normal volume, there were large layoffs and short working hours in many machine tool plants.

At Cincinnati Milling we have been more fortunate. We have been able to hold shipment volume per year above $100 million, rising to the $125 million level. We have maintained dividends in full. Throughout this period we have maintained employment at not less than 40 hours a week. We added 600,000 square feet of plant space. We made capital expenditures and investments of $17 million. We stepped up research, development, engineering and sales efforts for the improved economy which certainly lies ahead.

Since 1957 metalworking equipment in this country has become more and more obsolete until now the industrial advantage long held by the United States is being challenged by other countries. This factor alone makes it essential that industry modernize in order to compete in world markets. Cost-cutting equipment such as new machine tools must be installed in order to produce manufactured goods at prices that will afford a reasonable profit and still compete with world competition.

To help achieve these goals, we must have a realistic depreciation policy in our tax laws. If our government will enact tax reform in this area to provide realistic write-off on machine tools and on investment allowance, as recently proposed by the Administration, it would provide a real incentive to achieving these goals. Modernization of machinery and equipment is a must if we are to stay ahead in world markets and provide for national security. Our very economic existence depends on it.

Uncertainties and apprehensions aroused over the Federal Administration's request for sweeping powers to negotiate across-the-board agreements and reductions in the U. S. tariffs have a dampening effect on the atmosphere for capital expenditures. In spite of this, in recent months there seems to be some quickening of the economic pace, although for the year 1961 new orders for cutting machine tools will have increased only about 10% over 1960.

With a continued step-up in the economy in 1962, the principal new business potential for machine tools is the replacement market. Machine tool orders will also come from expansion of facilities for new products, from tooling for new weapons of defense, for production of missiles and other exotic defense materials.

LEE S. BICKMORE

President, National Biscuit Company

The outlook for the food industry in 1962 is very promising. If the general economy does as well as the economists are predicting it will, then our industry may well experience the best year it has ever enjoyed.

Lee S. Bickmore

Forecasters are quite optimistic in their views of overall production, employment and personal incomes for the next year. Some aspects of the economy, which did not live up to expectations in 1961, are believed to be strengthening and should show marked improvement this year. This is the type of climate which prompts business generally to think in terms of growth and expansion and is a good barometer for 1962.

The food business has no reason to expect any serious interruption of the steady rate of growth it has enjoyed for domestic food sales should exceed $80 billion this year, a startling figure when compared with the $16 million spent in 1939. We will again see an aggressively competitive food market in 1962 and the results of this keen competition at the processor-manufacturer and distribution levels will be the finest, safest, most nutritious food supply this or any other country has ever known.

A number of trends which have developed with increasing intensity in the food industry in recent years will continue to grow in importance during 1962. The incessant attacks of higher costs on the industry's profit margins are certainly not going to lessen. These attacks provoke heavy pressures to investigate further areas for mechanical development and improvement, increased efforts to reduce distribution and other costs, and heighten the attractiveness of mergers and acquisitions and their cost-saving potential. The food industry will be very active in these areas in 1962.

The intense competition which we have come to recognize as inherent in our industry will continue to spur several other growing trends in the food business. We will see further and increased activity in our research work with a considerable portion of the research dollar spent in the important area of new product development. No food processor or manufacturer can afford to relax his efforts to improve his product line and to speed the development of new and better products which his customers expect and demand.

As research expenditures continue to increase, so will the costs of advertising, merchandising and promotion. For unless the manufacturer can inform his customers about new and better products—and is able to create successful markets for them, his research expense has been wasted.

Almost every aspect of food industry operations is directed at a single, unchanging objective: that of providing consumers with the greatest possible value for their food dollars. With the abundance of food products on display in our modern grocery stores, today's consumer is extremely value conscious. Our competitive markets have given her a wide selection to choose from and the food shopper makes the most of it. The food industry knows this and each section of the industry will place a great deal of emphasis upon increasing the value, convenience and service features of his product in 1962.

ROGER M. BLOUGH

Chairman, U. S. Steel Corporation

The steel industry enters 1962 on the strongest order and production note in two years. Partially due to the business recovery, this increase in steel production also reflects some inventory accumulation in contrast with the inventory liquidation that occurred in the first half of 1961.

Roger M. Blough

Following a low first quarter in 1961, steel production rose in the second quarter as inventory cutting slowed to a near halt, seasonal requirements mounted and the automotive industry rebounded from low levels of production.

Steel demand in the third quarter was maintained encouragingly despite normal seasonal effects of vacations and automotive changeovers.

In the fourth quarter of 1961 production shipments and actual steel consumption reached the highest levels of the year. For the year as a whole, production was more than 97 million tons or two per cent less than in 1960.

The impact of steel imports continues to be felt. For the third year in a row, steel imports exceeded exports. For 1961 imports will approximate more than three million tons while exports will be about two million.

During the first six months of 1962 some increase in the use of steel by steel consumers may be anticipated. The reaction to the new automobilies among potential buyers is good, suggesting a better production year in that industry. Appliances, machinery and construction should also be using more steel in the coming months.

In addition to the greater use of steel, some inventory building by steel consumers can be anticipated. Their stocks of steel are lower in relation to the volume of steel use than during any non-strike period in the past five years. As much as four or five million tons of in-

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Burgert Named To IBA Committee

CHICAGO, Ill.—Woodward Burgert, Vice President in the investment department at Harris Trust and Savings Bank, Chicago, has been appointed to a one-year term on the municipal securities committee of the Central States Group of the Investment Bankers Association of America.

Woodward Burgert

Mr. Burgert is also a lecturer for the Investment Bankers Association school at Northwestern University as well as lecturer at the School of Banking of the South at Louisiana State University. In addition he is chairman of the literature and arts committee of the University Club of Chicago, president of the club's foundation, and a member of the Bond Club of Chicago and the Municipal Bond Club of Chicago.

Piper, Jaffray To Admit Partners

MINNEAPOLIS, Minn. — On Feb. 1, George J. Lyon, Laurence D. McCann, and Roger W. Swanson, will be admitted to partnership in Piper, Jaffray & Hopwood, 115 South Seventh St., members of the New York and Midwest Stock Exchanges.

Granbery, Marache To Admit Partner

Granbery, Marache & Co., 67 Wall St., New York City, members of the New York Stock Exchange, on Feb. 1 will admit Albert H. Langridge to partnership.

Alex. Brown Branch

LEESBURG, Va.—Alex. Brown & Sons has opened a branch office at 24 North King Street, under the management of Charles H. C. Wight.

Halle & Stieglitz Branch

MAPLEWOOD, N. J.—Halle & Stieglitz has opened a branch office at 1808 Springfield Avenue, under the management of Alfred Benjamin, Jr.

Kulien & Clem Formed

(Special to THE FINANCIAL CHRONICLE)

SAN LUIS OBISPO, Calif.—Kulien & Clem, Inc. has been formed to engage in a securities business from offices at 1415 Morro Street. Officers are Oscar M. Kulien, President; Doris W. Clem, Vice-President; and Robert G. Clem, Treasurer.

Forms C & D Investors

BROOKLYN, N. Y.—Dave Klapper is conducting a securities business from offices at 1869 Hendrickson Street under the firm name of C. & D. Investors. Mr. Klapper was formerly President of D. Klapper Associates, Inc. of New York.

Franklin Kemp Opens

CEDAR RAPIDS, Iowa—Henry Franklin Kemp, Jr. is engaging in a securities business from offices at 361 30th Street Drive, Southeast, under the firm name of Franklin Kemp Securities Company. Mr. Kemp was formerly with Cruttenden, Podesta & Co.

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ventory accumulation seems a reasonable expectation although impending labor negotiations in the industry may distort normal relationships.

Based on foreseeable factors, an estimate of 58 to 60 million tons—give or take a couple of million—appears to be a feasible production for the first six months of 1962. This would represent about a 30% improvement over the same months of 1961.

J. B. BONNY

President, Morrison Knudsen Company Inc.

The outlook for heavy engineering construction in the United States for 1962 appears to be excellent. In the field of military construction, the missile program will continue at a high level throughout the year, apparently with the principal emphasis being on the Minuteman installations rather than the Titan 1 and 2 and Atlas installations which were preponderant during '59 and '60 and '61. Other military installations such as airfields, etc. will probably continue to slack off in volume but the overall volume of this type of work should be comparable to 1961.

J. B. Bonny

In the public heavy engineering construction, a very large volume of work may be expected to be put under contract, particularly hydroelectric projects and dam and lock construction for river control and irrigation. This type of work will be fairly active in all parts of the United States with a very strong upsurge in the Far West where the California water program will get underway with very large awards beginning in April. This type of Federal and State expenditure should, in my opinion, be up at least 25% over 1961.

In the heavy construction field of private industry, power companies have very considerable plans in the Northwest, Pacific Coast, Southern and far eastern areas for hydroelectric development, conventional thermal and atomic energy power production. This phase of private heavy construction should be expected to be slightly above 1961.

In the field of industrial construction, manufacturing plants, installations of steel and rolling mills and various types of large industrial construction as well as chemical and food plants and pulp and paper, there are signs of a turn upward. The number of installations planned or near the contract stage appears to be at least 10% over similar installations in the planning stage a year ago.

Railroad construction work would appear to be all but inactive except in the South and West where some fairly major projects are planned.

The outlook for gas and oil product lines appears to be up some with considerable activity in the southern states, less new activity in the Middle West and Far West, but considerable pickup in Alaska, both Federal and private.

In general, the highway program, state and Federal, would appear to have approximately the same number of offerings as a year ago with prices still extremely competitive.

In Canada, the outlook is considerably improved over a year ago with particular emphasis on the beginning of major hydroelectric developments in Saskatchewan, Alberta and British Columbia. The industrial construction prospects, particularly in Ontario and Quebec, would appear to be slightly improved but no startling increase in business seems to be apparent at this moment.

In Mexico, the prospects for construction insofar as American participation is concerned are the poorest in many years. The present Administration in Mexico is highly pro-Mexican and it is almost impossible for an American construction firm to secure any business in Mexico in heavy construction. To a lesser degree, the disfavor in which foreigners are currently held has spread to industrial plants and power installations as well as river and harbor work.

In Central America, there has been a recent upsurge of hydroelectric and harbor construction which traditionally favors the American contractor. The same is also true of highway work of which there has been considerable volume offered recently with the appearance of considerable continuation through 1962.

In South America, the prospects of construction work have been rather dismal for the past 18 months. There is, at this time, some indication of improvement in certain selected areas. Argentina, particularly, is a bright spot with major highway, hydroelectric and industrial contracts in prospect. Other areas, however, are not so promising and with the deterioration of the political and economic situations, particularly in Brazil and Venezuela, the overall picture in South America cannot be said to be too bright with the apparent upsurge of construction activity in all fields in Argentina perhaps offsetting the continued stagnation this industry is in most of the other South American countries.

In Europe, the opportunities for the American contractor appear to be the brightest in many years. Due to the apparent economic upsurge in the Common Market countries and the indications of England preparing to join the Common Market, there is a marked tendency for American manufacturers to establish plants in these areas. The opportunities for American contractors, generally speaking, will probably be limited to those having established organizations and experience in those areas but will certainly be at least a 50% increase over the construction opportunities available to American contractors in Europe in the past.

In North Africa and the Middle East, with the exception of Iran and Turkey, the prospects are not bright. In most Middle East countries, the situation borders on the explosive and certainly great caution must be taken in that area.

In Central and South Africa, some developments are still under consideration but the highly disturbed political situation is certainly not conducive to optimism on the part of the American contractors in any field of construction.

In the Far East, the prospects in Pakistan are excellent due to the inauguration this year of major developments financed by member countries of the World Bank in the water and power fields and considerable indications appear of resulting developments of industrial installations. This would appear to be the brightest spot in the Far East with some indication of an industrial upsurge in plant construction in India.

In Australia and New Zealand, the prospects are good in the fields of railroad work and hydroelectric projects. In Australia, prospects continue to be excellent with American contractors in good position to compete. New Zealand, while limited, has a number of prospective developments both in the hydroelectric field on the South Island and in industrial plant development. I believe, in general, the picture in this part of the world offers opportunities equal to or perhaps slightly above 1961.

In summary, I would say in the United States the picture is excellent for all types of construction activity, perhaps averaging 15% above 1961 with the world picture on construction being perhaps down slightly with the brightest prospects being in the Common Market countries of Europe for industrial construction and Pakistan for heavy engineering contract awards.

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ROBERT L. BRADDOCK

President, General Reinsurance Corporation

The predictions made in these columns a year ago on the prospects for 1961 for American Reinsurance companies will be pretty well borne out by final results of the companies when they are published.

Robert L. Braddock

The year has generally been more satisfactory than 1960. At this writing it is expected that the four major American professional reinsurers will be in a profit position. Two serious events occurred during the year which could not be predicted but are typical of the hazards inherent in the business. First, the very severe hurricane Carla which hit the gulf coast of Texas and, secondly, the damaging Los Angeles fire. Any prediction of results in the fire field must of necessity be qualified by the absence or occurrence of hurricanes. Hurricane Carla was particularly vicious although it spent itself quickly after leaving the coastal area. This section of Texas is, however, so well developed that the property loss was staggering. During the year 1961 there had been an unusual number of severe tornadoes in the middle west and these have had a serious effect on results. Tornadoes, however, are inclined to be rather localized and therefore do not affect all companies with anything like the uniform reaction that can be the result of a hurricane. There were two severe hurricanes in 1954. Since that time and until Donna struck in 1960 the Continental United States had been free of a major blow. We have now had two years where a hurricance of major proportions has hit the coast.

The Los Angeles fires represent an occurrence that in recent years has become unique. In fact, it has not been unusual to hear insurance men say that a major conflagration was a thing of the past and in many quarters the evidence that it could happen again has been somewhat of a shock. Again, the effects of this catastrophe were somewhat selective as far as primary companies were concerned, although it is my opinion all professional reinsurers are affected by the event in some degree.

In the contract surety field unsatisfactory experience continued as expected during 1961 although there is sufficient improvement to give hope that the industry might be taking its first faltering steps out of the staggering underwriting losses of the current cycle. Predictions in this field—even for as short a time as remains in the year as this article is written—are dangerous. It appears now that while the reinsurance industry as a whole will show a loss in the contract surety field it will not be as much as the loss shown in 1960. There has been some improvement at the reinsurance level in the automobile liability field. However, problems are far from solved at the primary level and the professional reinsurance companies must be adversely affected by that fact.

At the present time there do not appear to be any factors inherent in the prospects for the reinsurance companies in 1962 which are greatly different one way or the other from conditions prevailing in 1961. The contract surety field should show continued improvement. Total results for the year will probably hinge on whether or not we are forced to again absorb one or more hurricanes and their intensity. Irrespective of just where or how they will fall, it can be safely predicted that the year will produce a certain number of catastrophic events which will have a material effect on the results of the reinsurance companies. However, that is the nature of the business and the reason for its existence.

LYMAN B. BRAINERD

President, The Hartford Steam Boiler Inspection and Insurance Company

Indications are that the boiler and machinery insurance industry will find in 1962 a continuation of the steady increase in the demand for its services that has been in evidence for the past several years. Manufacturing activity directly or indirectly related to military preparedness and a strong market for consumer goods should keep the country's industrial pace at a high level throughout the year.

Lyman B. Brainerd

With most industries faced with the problem of making profits in spite of the squeeze of higher costs, few can afford to carry without insurance protection the risk of heavy property losses and long, costly shutdowns that result from accidents to power equipment and pressure vessels. Under these conditions plant managements find the inspecting and engineering services of the insurance companies of prime importance not only in lessening the likelihood of their having accidents but in getting plants back in production quickly when accidents do occur.

Rapid changes occurring in industry have brought many new problems for the insurance engineers who are charged with the responsibility for accident prevention. Not only are entirely new products coming into being, but the manufacturing processes for producing them often require expensive equipment with design features differing greatly from those on which inspection experience has been obtained. There was a time when one pressure vessel differed little from another, except in size, but this is no longer so. Many are now of special design for a specific and sometimes almost unique use and are often important component parts of newly conceived industrial processes.

To render effective accident-preventive service on such installations of equipment there is now a need on the insurance company's technical staff of engineers with an intimate knowledge of the complicated processes involved, of the interrelation of one piece of equipment with another in the manufacturing series, and of the special hazards they represent.

With large values at risk, the boiler and machinery insurance companies are exposed to individual losses running into the millions of dollars. This, of course, is an ever-present threat to underwriting profits, and regardless of the high order of the engineering services which the insurance companies apply to the business of preventing accidents, it must be recognized that some accidents are bound to occur.

For the boiler and machinery insurance industry as a whole premium volume should be up in 1962. Whether or not this volume will be attended by a favorable underwriting experience will depend on the extent to which the companies are able to hold down their operating expenses and avoid losses of "Jumbo" size.

HERBERT P. BUETOW

President, Minnesota Mining & Manufacturing Co.

The business outlook for 1962 appears to be brighter than the situation which we faced entering 1961, although considerable uncertainty appears in the foreign area. Domestically, we foresee a continuation of the recent upward trend in total consumer income during 1962.

Herbert P. Buetow

Based on the best information available, moderate increases may be expected in consumer expenditures for durable goods, such as autos, housing, house furnishings and related items.

Plant and equipment expenditures by commerce and industry as reflected by the Department of Commerce and other surveys are expected to continue to advance; however, the emphasis will be primarily on facilities for new products and cost reduction projects. Many are of the opinion that the nation's industrial plant today is operating somewhat below capacity in most industries.

Commercial and public building construction will continue at recent high levels according to Department of Commerce estimates.

Government expenditures for goods and services will undoubtedly increase very substantially as indicated by the President's budget.

Exports of domestic goods can be expected to continue at the recent high levels; however, the net export surplus of the nation will undoubtedly narrow as imports of foreign goods increase due to the upturn in the U. S. markets.

Sales of coated abrasives products in the past have been a fairly reliable leading indicator of the trend in industrial activity. These figures currently indicate a continuation of a high level of industrial activity for some months to come, reflecting stronger trends in many industries including textiles, chemicals, autos, automotive equipment, machinery, electrical equipment and office equipment.

For 1962 as a whole, it can be expected that the greatest gains will be made in the first half of the year with this trend moderating somewhat during the last half of 1962 as the current business cycle nears the end of its uptrend.

J. M. BUDD

President, Great Northern Railway Company

Expectations that 1961 would produce an improvement in railway traffic failed of development, and Great Northern shared another disappointing year with rail carriers generally. The past year was one of contrasts for Great Northern, with traffic volume and earnings in the first half at levels substantially below predictions. The effect of rigid cost control measures became apparent in the third quarter of 1961, and moderate increases in revenues in the final phases of the year stimulated encouragement. While results of 1961 operations will not be known until late January, net income will be under that of 1960.

John M. Budd

Movement of grain, lumber and iron ore, of which Great Northern is a principal rail carrier, declined in 1961. The total movement of iron ore for the year exceeded earlier estimates because of the increase in tonnage during the latter part of the season.

Drought in 1961 seriously affected grain production along Great Northern's lines in North Dakota and Montana, but the damage fortunately was not quite as severe as pre-harvest predictions. The excessively dry weather did result in a substantial reduction in the total crop, and grain in storage at the end of the year was less than the record high level at the close of 1960. Early Winter moisture has greatly benefited the grain-growing areas affected by drought, and an encouraging start has been made in replacing subsoil moisture which had been depleted by an extended period of inadequate rainfall.

While it obviously is not possible to accurately predict the volume of business for 1962, we now estimate that there will be a moderate improvement in Great Northern traffic for at least the first six months.

The railway begins 1962 operations with its equipment and physical plant in excellent condition. Track improvements in 1961 included a 107-mile extension of Great Northern's centralized traffic control mileage on its main line in North Dakota and Montana. GN also installed approximately 33 miles of new, heavy rail last year, and placed more than 300,000 cubic yards of new ballast. In addition, the company made a start on a major line change in the Cascade mountains in Washington.

The railway added 650 cars to its freight-carrying fleet last year. This new equipment included 550 boxcars with wide doors, 40 "airslide" cars for transport of sugar, flour and similar bulk commodities and 60 tri- and bi-level automobile-carrying cars. GN also continued its program of improvements to older boxcars and specialized freight equipment.

The first two of a series of public hearings before an Interstate Commerce Commission examiner on the proposed merger of Great Northern, Northern Pacific, Chicago, Burlington & Quincy and the Spokane, Portland & Seattle railways were held in St. Paul and Minneapolis in October and December. The ICC has designated 12 other cities in which further hearings on the merger are to be held, and it is possible that a decision on the proposal will be made by the commission before the end of 1962.

WILLIAM H. BURGESS

President, Electronic Specialty Co.

As citizens of the United States become more acutely aware of the objectives of international communism, public pressure will reult in further increases in defense expenditures. These will be evidenced in 1962.

William H. Burgess

This will increase the challenge to companies whose efforts are responsible for developing the weapon systems which can be available to insure the preservation of the free enterprise system. These expenditures will also be translated into a greater volume of sales for those companies able to develop the new components and systems required.

It is anticipated that aircraft will again be produced in production quantities as the need for weapons which can return to a home base (as contrasted with one-way missiles) becomes apparent. Also, during the next 10 years, space exploration programs will grow beyond all present expectation as more and more commercial applications evidence the possibility for a return of the tremendous capital expenditures initially required. Coupled with the defense program, accelerated space programs will provide a virtually unlimited opportunity for corporate expansion in this area. No other industry has the same possibilities for expansion.

As projected a year ago, within the framework of the electronic, defense and space industries, Electronic Specialty Co. continued its growth, averaging 50% annually, and continued to show a return on invested capital which has averaged 33% annually during the past 12 years. A comparable growth is projected for 1962.

JAMES O. BURKE

President, Standard Kollsman Industries, Inc.

Continued technological progress and national preparedness pushed the American aerospace industry to record highs in 1961. Sales of aerospace products reached an estimated $14.8 billion, with a backlog of $14.1 billion, and there are many indications that 1962 will show another increase in the industry's continued expansion.

James O. Burke

Although total commercial aircraft production, including helicopters, was estimated at 7,050 units last year, down 1,131 units from 1960, government contracts, responsible for about 85% of the industry's dollar volume, more than offset this decline. Expenditures for missiles alone were estimated at $4.6 billion for fiscal 1961—about one third of the entire industry's sales.

As a company intimately connected with the aircraft industry since 1928, when our Kollsman Instrument unit produced the first electrical tachometer for biplanes, we have continued to maintain our position of leadership. Of the many outstanding contributions we have made in recent years, we are most proud of our new family of automatic celestial guidance and navigation systems. Generally acknowledged as a major technological breakthrough, the development of these proprietary systems has led to multi-million-dollar orders for tracking, aiming and navigating aircraft, missiles and space vehicles.

These systems are now in use aboard the Air Force's B-52 and B-58 jet bombers. Another version is being used to aim GAM-77 "Hound Dog" missiles, and we are now building special systems for the nation's first Orbiting Astronomical Observatory satellites.

Other outstanding Kollsman products include air data

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computers for B-52 and B-66 bombers, for F-105 and F-106 jet fighters, photoelectric sextants for Navy submarines, and integrated flight instrument systems for Boeing 707, Douglas DC-8 and Convair 880 and 990 commercial jetliners.

Standard Kollsman Industries also has a big stake in the television industry. We are the largest domestic manufacturer of television tuners—the most expensive subassembly in a TV set—and sell to the best known makers in America. Total industry sales for 1961 were somewhat ahead of 1960, and we expect significant gains in 1962, especially with the growth of color television for which we have a specially-developed tuner of unrivalled quality.

The electrical houseware market, another facet of Standard Kollsman's diversified interests, also gained in 1961. Two areas of special importance to our Casco Products Corporation subsidiary are electric blankets, fastest growing segment of the market, which achieved $90 million in sales, and kitchen mixers and blenders, which closely approached $100 million. There is also an upward trend in single power units to operate a variety of kitchen appliance attachments, such as Casco's "Chef Mate" sets, which have a very strong position in this field. We intend to use Casco's name and know-how as a base for several new products and distribution techniques.

In the year ahead, we expect to improve our balance of military, commercial and consumer electronic and electrical home products.

WILLIAM BYNUM

President, Carrier Corporation

There are a number of reasons which cause us to believe that the sales volume of the air conditioning industry will be larger in 1962 than during the year recently ended.

Orders for air conditioning equipment are quite sensitive to changes in the general economic planet particularly in such areas as the level of national income and expenditures for residential, commercial, institutional and industrial buildings. Regarding the former, total personal income has been rising rather steadily since the turn of last year and is now reported to be nearly 6% above the rate prevailing 12 months ago. This is helping to strengthen the air conditioning market and further support is anticipated.

William Bynum

Office buildings continue to be the largest single market for the air conditioning industry but there are five other areas which are expanding quite sharply. The most important of these is probably the air conditioning of private homes by means of central systems. At the time the 1960 census was taken, only one in 30 owner-occupied dwellings had central air conditioning. The ratio is expected to be one in ten by 1966 and the five-year trend should be steadily upward. Furthermore, it is significant to note that nearly two-thirds of all new apartments are being air conditioned.

Other markets of importance for 1962 and beyond are hospitals and buildings for educational purposes. These show great immediate, as well as long-term, promise.

The fifth air conditioning market presently on the march is to be found in the industrial plants of the nation. This field probably will not expand as rapidly as the others, although its size is bound to be important.

Because of the wide public interest in room air conditioners, it seems appropriate to comment specifically on this portion of the industry. The peak in sales of these units was reached in 1956 when more than 1,825,000 were sold. During the past five years the volume ranged from 1,500,000 to 1,770,000. In 1961 room air conditioners sales were adversely affected by abnormally low temperatures in the spring and early summer. Assuming more favorable weather conditions in 1962, this segment of the industry should do better than last year.

We believe that the demand for air conditioning will be substantial during 1962. However, the over capacity of the industry will not be used up. And it is probable that even the anticipated sales growth will not permit increases in selling prices to the extent justified by rising labor and material costs.

Summarizing further, it appears that the air conditioning industry may well establish new sales records in 1962 but with a corresponding gain in earnings nowhere near as likely.

GEORGE R. CAIN

President, Abbott Laboratories

Steady but probably not spectacular growth can be expected of the prescription drug industry in 1962. A sales rise of perhaps 5% would be reasonable. It could go higher if there is a heavy incidence of flu or other virus-type infections. A rising level of prosperity could also improve this 5%, since people tend to use medical services and some medical products more often in good times than in bad.

George R. Cain

With an industry as research-oriented as ours, we can expect a flow of new products to contribute to larger volume. About 9% of drug industry sales dollars go into research, which is three times the rate of industry as a whole. However, since so much research is going into such major cripplers and killers as cancer and cardiovascular disorders, we should not expect sudden, major advances. We are more likely to see step by step progress. At the same time, as long as research continues intensively, optimistic forecasts of rising sales volume cannot be discounted.

Abiding long-range factors—more people living longer, more intensive use of medical care, rising standards of living, and exploding populations—are bound to bring about more business volume in 1962, as they will in succeeding years.

The major cloud on the horizon now is legislative in origin, and it is hardly possible to predict if, or how, it will be dispersed. Reasonable legislation, even if it tightens and extends existing law, is not opposed by responsible drug firms. However, such a radical measure as Senate Bill S. 1552 (H. R. 6245) which has highly punitive and restrictive provisions, could sharply alter the nature of the industry.

I refer particularly to the patent provisions which would virtually abolish patent protection for the drug industry alone. The result would be to destroy the incentive to research, close the lanes of communication among scientists, and discourage investment in the drug industry. This threat could turn the leading drug companies into second-class, run-of-the-mill operators. It is not too much to say that under such conditions the new drugs that might someday save the lives and health of people now living might arrive too late—or not at all. This is the dark shadow cast by Senator Kefauver's bill, and the fact that it can be seriously considered should serve as a warning to all industry.

W. J. CAPEHART

Chairman of the Board,
The First National Bank at Orlando, Orlando, Fla.

Central Florida, with Orlando as its hub, looks to 1962 with tremendous confidence and enthusiasm in the continued population and economic progress of this area. The big news of 1961 was the announcement by the government of the Nova Project at Cape Canaveral. This focused worldwide interest on Central Florida—truly the "Gateway to the Moon."

W. J. Capehart

This year the influx of new construction workers will begin, reaching a total of 10,000 in the not too distant future. A total of 5,000 employees will be necessary for proper servicing of the Project. With 15,000 new residents moving into the area during 1962, it is estimated $60 million will be dumped into our economy from this source alone.

This means the erection of more homes, schools, streets, roads, additional power and light and cultural facilities. In addition, big and little industries will move here to supply the scientific and technical needs of Nova and we are expecting a decided increase in the number of manufacturing and industrial plants during 1962.

It is difficult to envisage the full impact of the Nova development on our economy. But this is only o nefacet of our growth. All indications point to the biggest winter tourist season in our history. Hotel bookings have increased in most resort sections. In the lake area of Central Florida we expect more people to come here for a longer visit than in the past and generally these people will have more money to spend.

The center of the great Citrus Industry is located in Central Florida. One-seventh of the State Citrus Crop is grown in three area counties and the largest citrus processing plants operate here. Prices for oranges and grapefruit are excellent and another profitable season is in the making—adding many millions to our economy from agricultural sources.

We look for increased employment in both agricultural and non-agricultural fields. This should result from a considerable rise in home construction, which was a weak spot in our economy in 1961; development of several large shopping centers; an increase in retail sales and a considerable boost in per capita income due primarily to the influx of electronic scientists.

Bank deposits, both commercial and savings, will increase and loan demands remain about constant, with ample funds available for most credit needs. Notwith-

Continued on page 34

Second National Bank

Ashland, Kentucky

STATEMENT OF CONDITION AS OF DECEMBER 29, 1961

ASSETS

Cash on Hand and Due from Banks	$ 6,119,380.74	
United States Government Securities	10,141,921.95	$16,261,302.69
Federal Agency Securities	1,099,216.16	
Municipal Securities	1,915,299.96	3,014,516.12
Total Cash and Securities		19,275,818.81
Stock in Federal Reserve Bank		63,000.00
Loans and Discounts		12,841,711.36
Bank Building	$ 504,554.13	
Furniture, Fixtures and Equipment	1.00	
Total Fixed Assets		504,555.13
Other Assets		83,139.41
Overdrafts		3,145.48
TOTAL ASSETS		$32,771,370.19

LIABILITIES

Deposits		$29,498,536.94
Reserved for Taxes, Interest, Etc.		134,415.26
Other Liabilities		24,247.64
Capital Stock	$ 700,000.00	
Surplus	1,400,000.00	
Undivided Profits	351,429.37	
Capital Funds	$ 2,451,429.37	
Loan Valuation Reserve	662,740.98	
Total Capital Funds and Reserves		3,114,170.35
TOTAL LIABILITIES		$32,771,370.19

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E. PAUL WILLIAMS, Executive Vice-President and Senior Trust Officer
BOONE LOGAN, Vice-President — E. W. SEATON, Vice-President
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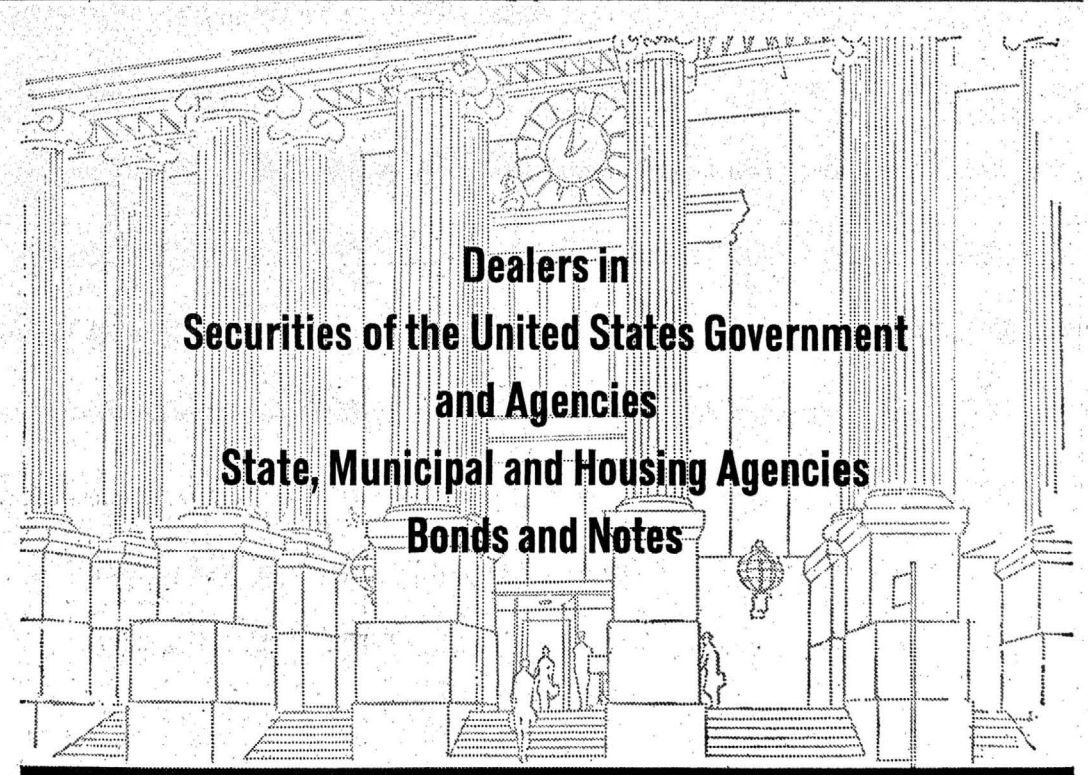

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Continued from page 33

standing the tremendous competition for the consumers' dollars we are expecting a slight increase in consumer loans during the coming year and do not contemplate any significant change in the interest rate charged on either commercial or consumer credits.

Central Florida is fortunate. We have citrus groves, missile industries, hundreds of beautiful lakes, truck crops, cattle, tourism, a growing highway network, and exploding population, and last, but by no means least, "a climate unsurpassed."

Is it any wonder that we are optimistic about 1962?

O. C. CARMICHAEL, JR.

Chairman of the Board, Associates Investment Company

Late 1961 brought an end to a sluggish recovery from a recession period, and as the last quarter of the year drew to a close the economy was moving ahead at a faster tempo. The last five months of the year showed a marked improvement in credits, collections and volume of new business over the first half of 1961 for The Associates. New car registrations in October of 1961 exceeded the corresponding 1960 month — the first 1961 month to exceed a corresponding 1960 month. And in November, new car sales reached an all-time November record of 584,960. Financing of rising new car purchases and direct borrowing combined with increased business in other lines created improved volume in the second half of 1961 for Associates. Lower money costs and a substantial improvement in the collection experience on outstanding accounts helped offset the effects of the recession period. During the past year special emphasis was placed upon further diversification of our business. Currently one-third of our total finance receivables are other than automotive retail and wholesale, up from 25% at the beginning of the year. We plan to expand many of our newly established financing programs covering income-producing equipment and other products. Through our newly created corporate planning and development division we will give full attention to our research and development program so as to futher enlarge and diversify our business. Our aim is to offer an increasingly wider assortment of financial and insurance services to the public.

O. C. Carmichael, Jr.

The year 1961 was one of distinct progress and continued expansion for our company. Examples of progress during the year included the realignment of management responsibilities to provide for expanded operations; the undertaking of a complete electronic data processing system to be completed in late 1962; the opening of 46 new loan and 16 new discount offices across the nation; the extension of commercial financing services to the West Coast through the opening of a commercial office in San Mateo, Calif.; and, signed late in December, an agreement to merge Securities Acceptance Corp. of Omaha, Neb. into The Associates, adding some 97 offices in 16 western states and nearly $100 million in outstandings to become effective Jan. 2, 1962.

Most economists point to a rise in practically all types of business in 1962, although there is some disagreement as to the extent of the increase. It is predicted that people will spend about 6% more in 1962 than in 1961, with automobile and other durable goods spending scheduled to rise about 9% and non-durable goods up about 5%. Much of the business improvement will probably come during the first half of the year, with the second half showing a continued rise but at a slower pace. It is believed that widespread prosperity will prevail—but no real boom.

A large part of our business is tied closely to the automobile market making this industry extremely important to The Associates. Automobile sales estimates vary to some extent, but all prognosticators agree that a rise in auto sales is imminent. Automobile sales in the United States should reach between 6.4 and 6.8 million in 1962, a substantial increase over the 5.8 million year of 1961. Foreign car sales will run about 400,000, and the relative newcomer on the automobile scene, the compacts, should absorb about 35% to 40% of domestic car sales. Many factors in addition to year-end sales point to improving conditions, including rising dealer profits, well-balanced dealer inventories, declining business mortality among dealers and the fact that repayments on automobile paper are exceeding extensions—always a good sign.

The new year should bring more over-all consumer buying on the installment plan than 1961. Estimates for outstanding installment credit at year-end 1962 are $46 billion compared to $42.7 billion at the end of October, 1961.

We look for a good year at The Associates. We plan to open more loan and discount offices throughout the United States and Canada and anticipate about the same rate of growth as experienced in 1961.

O. W. CASPERSEN

Chairman of the Board and President, Beneficial Finance Co.

In a forecast I made late in 1960 for 1961 I said, "Indications are that the adverse tendencies will drag on for some months into 1961, but the downward movement should be relatively mild and should resolve itself somewhat about midyear. After midyear, I expect the indices to start up again."

O. W. Caspersen

By the third quarter of 1961 Gross National Product had risen dramatically to a new record rate of $526 billion, a gain of over 4% from the year-end and Industrial Production had more than regained its recession losses as official figures confirmed that the recession not only was the mildest since the war but that the recovery had been the fastest.

Now, as the end of the year figures are in sight, it appears that the 1961 results will exceed the 1960 figures about as follows:

GNP up $30 billion.
Personal Disposable Income up $25 billion.
Personal Expenditures for Durables about the same.
Personal Expenditures for Services up $12 billion.
Personal Saving up $5 billion.
Farm Income up $1.5 billion.
Personal Expenditures for Non-Durables up $6 billion.
New Construction (including Residential Housing) up $3 billion.
Expenditures for Plant and Equipment up $2 billion from first quarter low.
Civilian Employment up 2 million.
Civilian Unemployment about the same.
Average Hourly and Weekly Earnings up 4% and 6% respectively.

This record seems to justify the optimism engendered by those economists who are looking forward to 1962 as a banner year for the economy.

Those factors around which pessimism centered at this time last year have also improved:

Net Corporate Profits, which were down $1 billion should be up $1 billion at year end.
Average Weekly Hours worked, down one hour last year, are up one-half hour.
Residential New Construction, down $1 billion last year is up $1 billion this year.
Department Stores Sales have been running ahead of last year and Housing Starts are up 200,000 over last year.

The Index of Production, whose downward trend caused concern last year and which finally reached a low of 102.1 in February, reversed direction and now should reach a high of 115 by the year-end.

All of this augurs well for the 1962 economic outlook and the current forward surge should carry on through most of the year, with GNP at year end showing an increase of almost 5%.

The more conservative predictions are cautious in analyzing consumer spending in 1962. Although the increase in Housing starts with its consequent demand for durable goods plus the continuing population explosion and the resulting formation of more families plus the current boom in new car buying, all point to a record high economy for 1962, sluggishness on the part of the consumer or over cautiousness would tend to paint a less favorable picture.

Unemployment continues at about 5% and will tend to be on the high side when increases in wages outrun productivity, thus placing the pressure on the employer to make greater use of machines and decrease use of labor.

In the field of Consumer Credit there has been a drop of about $400 million in outstanding charge accounts and other forms of non-instalment credit and the amount of Instalment Credit has remained about the same. Instalment Personal Loans are up by $500 million but the rate of increase is below that of last year. More credit is now being used for services and this trend should increase in the future as incomes continue to rise and more consumers, having purchased durable goods sufficient for their needs begin to use credit for vacation and travel and other services.

With the advent of the 1962 economic picture, the increased consumer spending for "big ticket" items, delayed by the recent slight recession, will make increasing use of consumer credit and the year end should show a greatly improved economy with consumer credit showing a substantial rise.

MARVIN CHANDLER

President, Northern Illinois Gas Co.

Fuel energy has been used increasingly in the last two decades to improve productivity in the U. S. Total energy used increased 88% between 1940 and 1960, while on a per capita basis it advanced 38%. During this same period natural gas use was up 367%, equivalent to a gain of 194% per capita. Two decades ago natural gas accounted for only 11% of the nation's energy usage; this proportion currently exceeds 28%.

Marvin Chandler

Our industry is proud of its contribution to the industrial might of our country, and to the unequaled standards of living which our citizens enjoy. We expect to provide even greater proportions of the nation's fuel requirements in the future. The gas industry as a whole will sell 6% more units of energy in 1962 than in 1961, and the industry's aggregate revenue will advance 8%, to more than $6½ billion. To meet the nation's growing demands for gaseous energy, a record-breaking $1.9 billion will be spent for construction of new facilities.

The long-term outlook for the industry remains favorable. For most applications and in most parts of the nation (including northern Illinois) gas prices are attractive and fully competitive. The unique qualities of natural gas, including cleanliness, reliability, safety, ease of control and absence of storage requirements, will also aid its future growth.

Proved reserves of natural gas continue to increase steadily. Regulatory procedures have been a handicap. However, recent developments offer more hope of financial rewards to producers adequate to encourage

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DETROIT NEWARK
SAN FRANCISCO
LOS ANGELES

Rayl Heads Dept. For A. C. Allyn

CHICAGO, Ill.—A. C. Allyn & Co., 122 South LaSalle St., members of the New York Stock Exchange, has announced that Richard B. Rayl is now head of the firm's institutional department. Mr. Rayl has been with A. C. Allyn & Co. for some years.

Sutro Bros. Co. To Admit Two

Sutro Bros. & Co., 80 Pine St., New York City, members of the New York Stock Exchange, on Feb. 1 will admit Frank L. Hall and Herbert Burger to partnership. Mr. Hall is in charge of the firm's railroad, public and arbitrage department; Mr. Burger is manager of the research department.

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necessary future exploration and still maintain competitive pricing levels at the burner tip. A recent publication of the U. S. Geological Survey estimated that remaining ultimate natural gas reserves in the U. S. alone amount to 1,842 trillion cubic feet, equivalent to about 140 years' supply at current production levels. To the extent that some portion of this potential supply may not be economical, current research programs are expected to develop methods of producing natural gas from low grade coal and oil shale deposits at prices which will be competitive at the time such processes are needed.

Turning from the industry to our own company, Northern Illinois Gas Company in terms of annual revenue is the nation's sixth largest enterprise engaged predominantly in the distribution of natural gas energy. Our growth rate, since establishment as a separate organization in 1954, has exceeded that of the industry as a whole.

Among the factors contributing to our rapid growth is the substantial and diversified industrialization of our service area, which covers 10,000 square miles in northern Illinois including virtually all of the Chicago suburbs. Between 1950 and 1960, according to the U. S. Bureau of the Census, this suburban Chicago area had a population growth rate of almost 72%, exceeding the rates of such fast-growing states as California and Texas.

Since 1954, NI-Gas customers have increased at an average annual rate of 6.7%, sales 7.3% and revenues 13.4%. During these seven years we have increased our residential heating customers from 169 thousand to 475 thousand. The problem of inadequate gas supply, which during most of those seven years restrained our growth and led to the need for limitation orders, has now been completely solved. We can currently accept any type of new gas load. We expect that within five years we will be heating nearly 80% of the total residences located within our service area.

Assisted by the current economic recovery, which is applicable to northern Illinois just as it is to the nation, and which we confidently expect to continue uninterruptedly through 1962, we will establish new high levels of operations this year. By the end of 1962, we now forecast that our customers will have increased 40 thousand, or 5%, from current levels. Our revenues for the year should continue to gain at about twice the customer rate, as they did in the 1954-61 period.

WALKER L. CISLER

President, The Detroit Edison Company

In any appraisal of our nation's electric power industry, one particularly significant fact must be taken into account. It is this: That the investor-owned electric power companies of America are basic and indispensible stabilizers of our nation's economy.

Walker L. Cisler

As public utilities, these companies fulfill the tremendous responsibility of furnishing electric energy for homes, farms, shops and factories throughout the United States.

As corporate citizens of up to 80 years' standing, they are committed to the service and continuing betterment of our national community of 180 million men, women and children.

These commitments are in the very practical interest of—first, all users of electricity, that is to say the entire public; second, the shareowners, the millions of people who have invested their savings in these businesses; and finally, the several hundred thousand men and women whose jobs are in the electric power industry.

Each of the tax-paying, investor-owned power companies of the United States forms a strong-point in its own area. Each is local, stable, permanent; together, they act upon the philosophy that contributing to a healthy, balanced and vigorous economy is a prerequisite to success in business operation.

Here are some figures, taken from the nationwide industry's operational records for the past year, which underline the economic significance of our electric power companies.

Their 1961 construction expenditures of $3.48 billion accounted for 10% of the new construction expenditures of all American business (excluding agriculture).

They paid more taxes than any other industry in the country, footing a tax-bill of about $2.45 billion to support local, state and Federal government.

In 1961, they were employing some 335,000 men and women, to whom they paid close to $1.68 billion in wages.

During the year they were the principal contributors to a new high in our nation's power-producing capability which reached close to 188 million kilowatts, again increasing our more than 100% lead over the Soviet Union.

We all recognize, I am sure, that our Government's principal efforts must be directed to maintaining our country's world leadership, and toward keeping us militarily strong to discourage potential aggressors.

These objectives require vast expenditures of money, and thus demand a strong economy at home. As we have seen, one absolute essential to our country's economic vigor is our progressive and financially strong investor-owned electric power industry.

Our electric power companies have demonstrated their ability and constant readiness to furnish all the electricity needed—at all times and in all places. Certainly this emphasizes the folly of spending money on Federal power projects that is needed for truly vital purposes of strengthening our nation's world position.

J. H. CLAWSON

President, Puget Sound Power & Light Company

I believe that 1962 will be a record year of accomplishments in the electric utility industry.

Over the past 80 years, the investor-owned companies have spearheaded the progress of this industry, which ranks second to none in the world. Today, these companies are strongly united in their objectives of the future, dedicated to the preservation of a free economy which will assure greater productivity and constantly increasing efficiency to serve the American people.

J. H. Clawson

Here in the Puget Sound-Cascade region, where Puget Power serves 830,000 people in 270 communities in the State of Washington, there are several indications of a strong upward trend in business during 1962.

The Seattle World's Fair will be a prime stimulator for economic progress already evidenced by the investment of nearly $100 million. Between 7 and 10 million people are expected to visit the international exposition opening April 21, 1962. It is estimated that a $120 million boost to consumer spending will result. Long-range benefits will include a projected population increase substantially greater than the 50,000 people who moved to Washington in the past year.

An expanding consumer market in the Pacific Northwest has already attracted several new industries, with good indications that industrial growth will show greater gains in the New Year. General Electric Company and Abbott Laboratories will locate at Andover Industrial Park, a 325-acre development near Seattle, which is owned principally by Puget Power.

Boeing Company—a mainstay of the Puget Sound economy—will expand its aircraft and missile production in 1962. Boeing employment climbed to 64,100 in September, an increase of 5,500 from the first of 1961 and 7,200 above the low point of 1960. At midyear 1961, the Company had a backlog of $2.2 billion in contracts, equivalent to 16 months' production.

Several factors favor the continued growth of the electric utility industry in this region. The abundance of low-cost hydroelectric power has resulted in a steady increase in the use of electricity. The average residential customer in the Puget Sound region uses nearly 2½ times the amount of electricity consumed by other average Americans at rates which are less than half the national average.

Total-electric living and the Medallion Home Program have won wide acceptance in the Company's service area. Puget now has more than 20,000 customers who heat their homes electrically, and this number is growing at the rate of 8.3 new electric heating customers each day.

Two major proposals affecting Pacific Northwest Power—the treaty with Canada affecting Columbia River storage, and the California intertie—remain undecided at this moment. If the treaty is ratified, a market will have to be found for the additional power generated. It has been stated that U. S. payments for storage benefits resulting from the treaty would help to finance Canada's new hydro projects.

The Pacific Northwest would benefit from the Canadian treaty, but there is considerable opposition to the California intertie proposal. Northwest utilities — both public and private—fear that an intertie might be used for purposes other than the sale of surplus interruptible power. It has been suggested that an area preference clause might be enacted to give Pacific Northwest consumers priority to purchase power generated in this region, but the greater Congressional representation of the California market area has raised considerable doubt that such safeguards would stand the test of time. The Bonneville Power Administration has voiced an interest in selling surplus power to California as a measure to offset increasing operating costs of the federally owned system, which is currently showing a deficit of approximately $15 million a year. Booneville has substantial quantities of interruptible power which are not marketable in the Northwest. The immediate sale of this power would reportedly allow the federal government to operate its Columbia River projects in the black within the next few years without a corresonding rate increase in the low-cost power now available to Pacific Northwest consumers. It appears that the answers to these two major decisions will come sometime within 1962.

The outlook for the Puget Sound-Cascade region in particular, and the State of Washington in general, is encouraging if not optimistic and the investor-owned electric companies will play a vital role in the progress that lies ahead.

RALPH J. COMSTOCK

President, First Security Bank of Idaho, N. A.

The business recovery which began last summer is expected to continue with some acceleration through most of 1962. Greatest increases are expected in the first half of the year. Increases in the economy in the second half may be somewhat slower, but will be continuing.

Ralph J. Comstock

Substantial increases are expected in Gross National Product and in Personal Income. Overshadowing the economic advance are threats of additional labor problems and labor-price spirals at mid-year. We do not expect settlement of these problems on the same basis as used in 1959. We cannot afford continued upsurge in wages over and above increases in productivity if we are to maintain our position in world trade.

Indexes of production should be higher in most segments of the economy. Retail sales are also expected to increase substantially, especially for hard goods including cars.

Patterns in segments of the economy are expected somewhat as follows:

(1) In the first half of 1962 industrial production should establish new records somewhat higher than those two years ago and some 8% above the low period in the

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early months of 1961. Significant factors include increases in consumer spending, increases in government spending and some increase in private spending for new plants and equipment. Inventory building, especially of steel products, will also be significant in the first half partly in anticipation of possible labor difficulties and/or increased prices. The outlook for metals is mixed. Zinc demand will increase as will that of copper, steel and aluminum. The same applies generally to gold and silver because of new industrial demand including use in missiles of these two metals.

(2) Total agricultural and cash farm income will be approximately the same as in 1961. However, crop surpluses continue to hang over the market. Included are potatoes. Some improvement is expected in both cattle and sheep prices.

(3) Housing construction will improve only slightly over that of 1961. There is no backlog in demand. Some increases in interest rates, especially for mortgages may be a deterent factor. Government construction on all levels will increase, as will that of public utilities. Some expansion is expected in industrial plants.

(4) Increases in savings will probably be at a slower rate than was true in 1960 despite higher rewards for savers through interest payments on savings accounts. Fear associated with the recession in early 1960 and with the Berlin crisis in mid-summer were significant factors in acceleration of savings in 1961, and, likewise, decreases in consumer spending. The reverse is probably true in 1962—more spending, less savings.

(5) Interest rates are expected to increase due in part to greater demand for bank credit. Federal Reserve "easy money policies" are not expected to continue indefinitely. The threat of inflation, however, is not a significant factor in the early months of the year.

(6) Retail trade should be well above levels of 1961. Actually, this is a continuation of the trend established in the late months of last year. Durables will command a bigger share of this trade.

(7) Employment will increase subtantially, unemployment by late spring should be below 4% of the labor force.

J. E. CORETTE

President, The Montana Power Company

Before commenting on the prospects for 1962, I would like to give some brief facts showing the place of the electric utility industry in the American economy.

(1) The net capital investment of the investor-owned electric utility industry in plant is approximately $46 billion and represents 12% of the total investment in plant and equipment of all American industry.

J. E. Corette

(2) $3.2 billion is the average annual investment of the investor-owned electric utility industry in new plant and equipment. This represents from 10% to 12% of the total investment of all American business in plant and equipment each year.

(3) Taxes of over $2 billion annually paid by the electric utility industry represent the largest tax bill in America of any industry.

(4) The growth of the electric utility industry since World War II has been 2½ times the growth of the whole economy as measured by the Gross National Product.

(5) The investor-owned electric utility industry at all times has been able to supply the total electric requirements of America and has maintained an adequate reserve margin as well.

The communications industry is the second largest industry in America in terms of annual investment. If you add together the investor-owned electric utility industry and the communications industry annual investment in plant and equipment you have 20% of the total investment of all American business. If you add together the total taxes paid by the communications and electric utility industry you account for over $4 billion of the total taxes paid in America.

1962 business in Montana and that part of the United States should be good. We anticipate a substantial improvement over 1961.

Using Montana Power Company as a good example, we estimate for 1962 as follows:

(1) Revenues from residential, commercial and industrial electric and gas business will increase approximately 6%.

(2) Investment in new plant and equipment will be about $17 million compared to an average investment in past years of $12 million per year.

In our industry our problems are the same as other American business, namely,

(1) Maintaining an adequate profit to pay the cost of our constantly growing business and to support our annual new investment.

(2) Constantly working to increase our efficiency and our productivity so that we can supply our customers at the lowest possible rates.

(3) Encouraging our employees and the general public to take a constantly increasing interest in government, thereby improving efficiency and economy in government and maintaining an atmosphere in which new business can be created and can prosper for the benefit of the wage earner, the public and the investor.

JOHN J. COTT

President, Cott Beverage Co.

A two billion dollar industry that shows a sales gain of one percent in a year's time—and that is what has happened last year in the soft drink business—is obviously in a position to make a vastly larger contribution to the American economy, whether one measures the contribution by construction, employment, taxation or other yardsticks.

John J. Cott

Such contributions are not enough, however, for the investment community. Watching bottler profits decline slightly, it asks and has every right to ask what the future holds for one of our most extensive strongholds of private enterprise on a small scale.

At Cott, we find ourselves in the unique position of viewing matters from the points of view of concentrate producer, bottler, and franchiser, and from all these points of view we are optimistic. The expanding market, both in terms of per capita sales and in terms of a growing population, insures our continued growth, especially since the age groups growing fastest in numbers are those who are the best consumers of our products. Overseas, too, we are seeing a great increase in demand for American soft drinks. At Cott we have noted particular increases in our international sales in Africa, the Middle East and Europe, primarily through locally owned and operated bottling plants to which we export extracts.

But the growth of our market implies changes in distributional patterns, changes in container preferences, changes even in the constituents of the beverages we sell. One-way bottles, low calorie soft drinks, and the change from small stores to supermarkets, from corner stands to vending machines, all these put a premium on foresight and planning.

It has become obvious to us at Cott that new patterns of advertising and merchandising are required to compete in the new, bigger market. Like the auto makers, we have experienced an expansive demand for varity, and learning to cope with such demands for many sizes, flavors, package types and outlets has strained traditional facilities and has put heavy demands upon our personnel.

We look upon 1960-61 as traditional years, years when in many markets the weather imposed severe penalties upon our operations. But we look forward to 1962 when many of the adjustments we have made will bear their inevitable fruit in higher sales and higher earnings.

A single example makes my point. It has been predicted that vending machine sales in 1965 will exceed $5 billion. It is plain that bottled soft drinks are in a superb position to participate in the phenomenal sales growth shown in that area. The services which the United States demands now must run day and night, an dthe vending machine provides an essential answer to the problem of feeding and refreshing workers and drivers around the clock. Our company is actively participating in both present activities along these lines and in projecting future activities. This is surely the road to prosperous growth.

One final word. The soft drink industry has not traditionally been one to adopt new products readily. Yet our recent new product introductions—notably of cherry-flavored cola beverages and combined lemon-grapefruit flavors, have met with considerable success, to such an extent that we are devcting an appreciable amount of time to new product development and expect important additions to sales and profits from this area in '62.

GEORGE S. CRAFT

President, Trust Company of Georgia, Atlanta, Ga.

The year 1961 has gone down in history as the highest ever in many measures of economic activity, but it has been a year of great paradoxes. By spring the previous downtrend had been reversed and by summer the recovery was running faster than most had expected. Then came the lull in September and early October that set many to wondering if this would be the most short-lived recovery on record. Happily, consumers threw off their lethargy and began buying new autos and other goods with a real zest and the year ended on a strong note.

George S. Craft

The recent favorable economic climate is not without its cloudy aspects, however. (1) The tense international political situation, (2) the persistence of the balance of international payments problem, (3) the continuing high rate of unemployment and (4) the long-term downtrend in the relationship between corporate profits and the economy's total output—these are disturbing factors that we cannot set aside lightly.

We start 1962 with a legacy of both the favorable and uncertain factors carried over from 1961. If we can assume no worsening in the international political picture and no sudden flare-up regarding the stability of the dollar, then 1962 should turn out as another record high year in our economic history. Rising consumer incomes, aided by the recent upturn in consumer credit, point to satisfactory further gains in output of automobiles, household goods, apparel and other consumer goods and services. No real boom is in near-term prospect for capital goods, but the importance of keeping our productive machinery competitive suggests continuing gains in output of business equipment. Construction activity will be aided by a moderate gain in housing demand and enlarged public works projects for highways and schools. And greater expenditures for national defense will add to the strong demand factors in the private economy. Fortunately, inventories even with their recent rise continue low relative to current consumption levels and no sharp change in commodity prices appears likely in the immediate future.

Commercial banking trends will be strongly influenced by trends in the general economy. Greater spending by

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Howard, Weil to Admit Partners

NEW ORLEANS, La. — Howard, Weil, Labouisse, Friedrichs & Co., 211 Carondelet St., members of the New York Stock Exchange, on Feb. 1 will admit Frank T. Brame, Jr. and Malcolm D. Raworth, Jr., to partnership. Mr. Brame is manager of the firm's Alexandria office, 808 Third St. Mr. Raworth is manager of the Natchez office, 325 Main St.

E. F. Hutton Co. To Admit Two

On Feb. 1, E. F. Hutton & Co., 1 Chase Manhattan Plaza, New York City, members of the New York Stock Exchange, will admit Lucian F. Marino and Thomas P. Lynch to partnership.

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both business and consumers will probably cause bank deposits to rise less in the next 12 months than they have in the past year, although the recent liberalization of Regulation Q will give banks the opportunity of holding on to time deposits that otherwise might have been lost. Bank loans will likely rise more percentagewise in 1962 than in 1961 with increased demands by business and consumers and for financing real estate transactions. Before many months have passed these increased demands will be exerting renewed upward pressure on interest rates.

PAUL J. CUPP

President, American Stores Co.

It is traditional, as we approach the New Year, to pause a moment in retrospection and then attempt to see into the future, possibly for a year, or with finer perception, for a few months. It has also become traditional to observe that food is in abundance, no shortages are visible and for the food retailer, there will be quantity and quality to satisfy his inventories and make possible the offering that will maintain his sales volume. The reports from the Bureau of Labor Statistics indicate that our people can continue to eat well without increasing their outlay of cash. As compared to the total cost of living, the cost of food has been markably stable, all editorial comment to the contrary not withstanding. In August, 1952, these indices stood at 114.3 for cost of living and 116.6 for food; the report for October, 1961, the latest figures now available, cost of living was 128.4 or up 12.34% while food at home was 117.6 or up .86%.

Paul J. Cupp

Personal income prospects are favorable and with employment on the increase the total business outlook is good. Concern is developing over the ability of business to absorb increasing costs through greater production, avoiding increasing prices.

In the retail industry much interest has developed in the growth of the "discount house." This is a natural evolution in the combining of non-food items with food products for greater convenience and improved service to the consumer. How far this will go, is a guess, but customer reaction and preference will be the controlling factor in the nature of the retail store of the future. It might be said that the Supermarket was a discount house in its early growth and future developments in discounting will be watched with interest by all retailers.

In the program of Acme Markets, we plan to continue our growth pattern, looking for locations with attractive possibilities. While we will be happy to consider shopping centers, we will not exclude sole markets as possible new ventures. Suburban sites will be studied, but the possibility of urban locations will also receive careful attention. Future prospects would seem to be broadening rather than becoming narrow and confined. We face the future with optimism and a determination to serve the public as we are able to interpret the manner in which the public chooses to be served.

MARK W. CRESAP, JR.

President, Westinghouse Electric Corporation

A potential for substantial improvement in sales of appliances and other consumer products, larger outlays by business for capital equipment, and greater expenditures for defense promise better business in 1962 for the electrical manufacturing industry.

If these favorable business conditions materialize, Westinghouse should realize an increase in orders in 1962 ranging from 8% to 12%, and a significant increase in billings. However, billings will increase to a lesser degree than new orders because of the long lead time required for the manufacture of such capital equipment as heavy apparatus for the electric utility industry and large electrical machinery for other industries.

Mark W. Cresap, Jr.

Contributing to the rise in sales will be such products for the home as major appliances and television, air conditioning equipment for commercial and industrial markets, and a variety of equipment for defense.

The primary challenge to management in 1962 will continue to be the squeeze on earnings exerted by rising costs and unusually low prices. Some relief will be provided by increased sales volume, and there is some evidence of firming prices, particularly in appliances and other consumer products.

Westinghouse effort to ease the profit squeeze will continue to concentrate on aggressive cost reduction measures and accelerated research activity aimed at developing and marketing new products.

A representative example of this emphasis on research and rapid development was the fulfillment by Westinghouse research scientists of one of the most sought-for goals of modern science, the development of a superconducting magnet of super-strength. It portends radical changes in the next decade in almost every aspect of man's use of electricity including its generation and distribution.

The magnetic field created by this one-pound magnet last September was twice as intense as that of a conventional iron-core electromagnet weighing 20 tons. By year-end, Westinghouse scientists had succeeded in further increasing its strength by nearly 50%, and production and sale of the superconducting wire, the heart of the tiny magnet, was underway.

Early in 1962, the magnets and the cryogenic systems in which they operate will have been manufactured and shipped to customers.

Only two years ago, a superconducting magnet of such strength was considered impossible to construct. Its successful development is representative of the accelerated pace of science which promises unique oportunities for the electrical manufacturing industry in the '60's.

For example, Westinghouse will be working on such important projects as:

A nuclear rocket engine for the exploration of outer space;

Computer systems which can more effectively direct complex industrial processes;

New ways to convert heat directly into electricity;

Large scale conversion of salty water into fresh drinking water at lower cost;

A sun-powered thermoelectric pump which holds great promise for the millions of people in underdeveloped areas of the world who still use primitive methods of irrigation;

Further applications of atomic power for naval propulsion and the generation of electric power;

Reseach at a special test facility to determine the economic and technical feasibility of transmitting power at 775,000 volts—a level more than twice the highest operating voltages of commercial systems in this country.

To realize fully the potential of new technical achievements and new markets, keys to long-range increases in sales and earnings, capital expenditures will continue at a high level. A good part of these expenditures will be used for cost reduction programs ranging from modernization of old plants to fuller use of automatic data processing systems in manufacturing and product distribution. But research and engineering development expenditures, too, will continue at a high level to assure future growth. Much of this effort will come from a just-completed centralized research and development center located on a 100-acre site near Pittsburgh. The new facility, unique in American industry, offers the means to coordinate the work of 1,750 scientists, engineers and supporting personnel by combining in one facility the company's research, materials, new products, manufacturing planning and controls laboratories and patent department. The purpose of the center is to hasten new products to the market by reducing the time span between scientific discovery and product design, development and manufacture. The superconducting magnet is an example.

Also completed late last year was a new power transformer plant at Muncie, Ind., which represents the largest single capital expenditure Westinghouse has made in a new plant project. The world's most powerful transformer will be shipped from the new plant in mid-1962.

The huge new plant will facilitate production and testing of the super-size transformers required in the next decade. Transformers with ratings up to 1,000,000 kilovolt-amperes are envisioned in the near future to serve the extra high voltage transmission lines and interconnected systems of the nation's electric utilities.

In line with this trend, Westinghouse will begin testing circuit breakers at a new high power laboratory which is expected to be completed at the East Pittsburgh plant in the third quarter of 1962. The laboratory will have a capacity of 2,500 megavolt-amperes and will be the most advanced facility of its type in the nation.

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JOHN M. CURLEY

President, Eastern Stainless Steel Corp.

We look for a fairly sharp rise in production scheduling during the first half of the new year, due largely to hedge buying in anticipation of a possible strike.

In the overall view, there are some encouraging signs which point to a slightly greater volume of sales in 1962. Barring price relief, the profit margin, however, will again be inadequate for a normal steel operation. In line with current industry practice, we shall vigorously continue our own special program to step up productivity and operating economies in the face of mounting labor and material costs.

John M. Curley

Meanwhile, Eastern has strengthened its distributing organization from coast to coast, and is in an excellent position to take full advantage of any upsurge in business which develops in 1962. Several basic improvements have been made in production facilities, and an expanded research and development project is under way.

The company has also extended its activities in the field of the newer metals such as columbium, tantalum, and molybdenum. Conversion work on these metals and other super alloys is expected to show a considerable increase in 1962.

R. C. DALY

President, George A. Fuller Co.

The general pattern in the construction industry for the past few years has been a gradual increase year after year in the total volume of work executed. When one segment of the industry lags behind, another segment seems to take its place so that the overall volume has remained good.

R. C. Daly

The year 1962 should be no exception. The amount of work contracted for in the last months of 1961 and the amount of work on the architectural and engineering boards for early contracting in 1962 is the barometer from which the construction activities predictions have to be made. Government contracts, Federal, State and Municipal, have been a big factor in the overall volume of construction for the past two years and should remain a big factor during 1962. There is an indication that construction for industry will pick up in 1962 taking care of any recession in volume which might occur in either housing or office building activity. Activity in construction changes somewhat in location from year to year, but it is my prediction that the year 1962 will be a good one for our industry, and barring long strikes, should exceed 1961 in total volume of work executed.

L. M. CURTISS

President, American Investment Company of Illinois

The consumer finance industry should have a good year in 1962, and with no major disturbances in the economy, could have a near-record year from the standpoint of earnings as well as volume of business.

Several presently existing conditions indicate that a near-record year is more than a mere optimistic estimate. First, economic conditions during the last six months of 1961 gave strong indication that business had recovered from the earlier recession and was gathering strength with each succeeding month. Traditionally, the consumer finance industry (the making of cash installment loans to consumers) lags about six months behind the cyclical turns of the economy. The performance of the consumer finance industry during the last six months of 1961 gave support to this traditional performance. It was not until the last quarter of 1961 that real evidence was presented, indicating that the consumer finance industry was participating strongly in the upsurge of the economy. Second, the present upturn is broadly based, with most segments of the economy participating. Historically, such breadth of recovery has meant a strength in the economy which could be sustained over a prolonged period.

L. M. Curtiss

Both of these factors would seem to indicate that the consumer finance industry is now entering a period of full recovery from the recent recession and that this period of recovery should last through 1962. Assuming that a prolonged steel strike does not occur in midyear and that the international situation does not become intensified to the point that it again undermines the consumer's confidence in his job stability and future income, it is possible that the prospects for the consumer finance industry will continue strong through at least the first half of 1963.

It was evident during the recession of 1960-61 that the consumer attitude toward borrowing and buying was more adversely affected than it was at any time since the end of World War II. Increased savings, lagging retail sales, and a failure of consumer credit to expand—all gave evidence of a major decline in consumer confidence. The expansion of consumer credit, which began in October of 1961 and was well sustained in November and December, seems to show a strength which should continue throughout 1962.

Increases in personal income for 1962 should act as a further support of consumer confidence during the year. It is a well-known fact that consumers will not obligate their future incomes for the repayment of credit obligations unless they are confident of the stability of their present employment as well as the continuity of their incomes. Some anticipated reduction in unemployment during 1962 will be an additional plus for consumer confidence.

It should be pointed out that increases in international tensions have had opposite effects on consumer buying and borrowing habits. The deterioration in the international situation prior to the Korean outbreak in 1950 resulted in "scare buying" of a magnitude not experienced since then. An opposite effect was apparent during the 1960-61 recession when a worsening of the international picture produced a tremendous surge of savings and a reduction in the amount of buying and borrowing. It is probably reasonable to assume that an international crisis in 1962 would not produce the "scare buying" of 1950 but would more likely touch of a reoccurrence of the consumer economy wave of 1960-61. It should be noted, however, that the consumer's performance under these conditions can and has varied.

In summary, we would concur with the majority of economists who predict a continuation of "good times" through most of 1962. We would expect the consumer finance industry of which American Investment Co. is a part, to perform well throughout 1962, and hopefully, throughout the first half of 1963. We would anticipate near-record earnings and volume for the consumer finance industry in 1962.

JOHN H. DANIELS

President, Archer-Daniels-Midland Company

In the chemical and agricultural businesses in which Archer Daniels Midland Company is engaged, we expect increasing improvement in 1962.

The expected high sales of automobiles and hard goods and accelerated rate of construction should be reflected in improved sales and earnings for ADM's Chemical Group. This Group serves these industries with resins and oils for protective coatings and plastics, industrial chemicals and foundry supplies.

John H. Daniels

We see definite indications also of increased profits from grain merchandising, food products such as flour and protein supplements, and fibers—the fields in which ADM's Agricultural Group operates.

ADM also anticipates increased returns from foreign operations in Europe, Latin America, Australia, and Asia, as well as from export of products manufactured in this country. We are stepping up our licensing of patents and technical know-how to foreign producers as well as continuing to upgrade investments in certain joint ventures.

Capital spending by industry for new plant and equipment is generally expected to provide a strong impetus for business improvement in 1962. This reflcts to a large extent industry's confidence in the future. ADM, for example, currently is carrying on a $26 million capital expansion program. In the year ahead we will complete a new chemical center, research laboratory, soybean processing plant and grain export terminal as well as expansion and improvement of several existing plants. We also are in the process of studying one or two acquisition possibilities and joint ventures.

The aggressive, hard-hitting, well managed companies should continue to enjoy profitable long-range growth in this dynamic free enterprise economy of ours.

JULIAN R. DAVIS

President, Bank of Hawaii, Honolulu, Hawaii

1961 was a year of transition in Hawaii—from the pronounced boom of 1959-60 to more normal growth rates. 1962 will probably record a continuation of this trend.

The primary factor in this deceleration of the growth rate has been the leveling off in residential housing—with indications of some further leveling off in 1962.

Julian R. Davis

Another negative factor has been the difficult position of Hawaii's bedrock sugar and pineapple industries—because of rising costs and increasing competition.

Sugar also suffered from drought conditions during the summer and fall (particularly on the Island of Hawaii). This, prospectively, will reduce output during 1962.

Four factors of strength have tended to offset these negatives: (1) the recovery and advance in tourism; (2) record peacetime levels of defense activity in Hawaii; (3) a substantial rise in the dollar volume of manufactured and processed goods as a result of an all-time high in investment in new plant and equipment during 1960; and (4) the improvement in Mainland business conditions, which has had a mildly stimulating effect in Hawaii.

Most of the basic indicators for 1961 show a definite, but very mild, advance over 1960. It appears probable that this trend toward moderation will continue throughout 1962.

Since banking and finance tend to reflect the over-all growth of the economy, the advance in these fields during 1962 will probably be more modest than it was during the rapid growth of 1955-60.

Looking beyond 1962, however, developing growth factors assure renewed, substantial advances. These include (1) the marked year-to-year growth in the number of visitor arrivals; (2) a small, but gradually growing trend toward retirement-in-Hawaii; and (3) new technical developments (particularly in the use of by-products of Hawaiian industries to create subsidiary industries).

From a long-range point of view, a powerful growth factor in Hawaii's future is indicated in the dynamic developments now taking place throughout the Pacific Hemisphere. Though Pacific area countries differ markedly in character and in levels of technical advancement,

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Columbus, Ohio	Los Angeles	San Antonio
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Grand Rapids	Philadelphia	Washington, D. C.

For banks, brokers and financial institutions

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all of them are, in varying degree, (1) increasing and diversifying agricultural production; (2) undertaking programs for industrial development; (3) increasingly participating in world trade; and (4) experiencing exceptionally rapid growth in the levels of travel and tourism. As the only Central Pacific economy—Hawaii seems certain to benefit from this growth.

The present moderation in the growth rate in Hawaii thus appears to be only a breathing spell for consolidating gains and developing plans for further advances.

MICHAEL DAROFF

President, Botany Industries, Inc.

The year 1961 was a very significant year for our company. Sales for the reporting year ending June, 1962, are expected to exceed $100 million and for the first time since 1949, the company in the year past paid a dividend.

Michael Daroff

From its textile losses in the early 1950's, Botany Industries today has grown to a diversified group of ten companies manufacturing a variety of products, and 10 licensees which, under the Botany label, market clothing for the entire family. The program of diversification and acquisitions resulted in the increased sales and strengthening of management in the past year.

Speaking as one of the leading men's clothing manufacturers of the country in unit and dollar volume, I look for a splendid selling year ahead for quality merchandise in all fields, and particularly in men's clothing. Our optimism is based on what we term the consumer's increased concern for the quality of merchandise rather than the figure on the price tag. Our two clothing companies, H. Daroff & Sons, Inc. and The House of Worsted-Tex Inc., both produce branded, quality products and, because of this, they were able to maintain their sales volume the past year while the industry, overall, showed a decrease.

Further indication of the growing strength of brands, is the retail experience in the past year. Stores that stocked them in depth, promoted them and provided the services a consumer expects, did well.

In all, we expect 1962 to be a tremendous clothing manufacturing year with the pent-up demand for men's clothing being felt at the retail level early in the year and continuing strongly through both seasons.

HARRY A. DeBUTTS

President, Southern Railway System

Optimists about the future of the South had their faith justified in classic fashion in 1961. After a slow start, less than $50 million was committed for new projects in the first six months of 1961, industrial growth along Southern Railway lines began to show renewed vigor and added weight to the forecasts that there was to be an upturn in the economy generally.

Harry A. DeButts

By the end of November businessmen in and out of the South had given our region another annual vote of confidence by beginning or announcing plans for investments of more than $350 million in 306 enterprises. These included new plants, major additions to existing plants, and new large distribution center warehouses, and they held the promise of more than 13,000 new job opportunities in Southern Railway territory. Principal gains were in power plant expansion and in such basic industries as chemicals, textiles and metalworking. But there was growth in other manufacturing and service industries and the prospect was for total investment exceeding $400 million by the end of the year.

Each of the categories in which Southern records the industrial progress of the territory we serve reveals in its own way the underlying strength of the South's economy.

In the 117 totally new industries recorded in the first 11 months of 1961 there is evidence that the South's advantages—as great now as in the past two decades of rapid development—still have a strong attraction for industrial planners.

Expansions of 123 existing industries show that when industry does choose the South it frequently is only a start—the first chapter, as it were, in a continuing success story.

Location of 66 large warehouse distribution centers in our territory correctly pictures the South as an expanding market for all kinds of products and services.

The job opportunities that industrial development creates serve to remind our able young people that there are individual as well as industrial dreams to be realized in the South of today and tomorrow.

Southern recognizes in the industrial growth of the South a threefold challenge:

To strengthen and diversify its services with the latest equipment and techniques of operation.

To translate these improvements into flexible transportation that will suit a shipper's plant operation—and his pocketbook.

To work for the removal of regulatory barriers that keep all railroads from offering services shippers and the public can use to advantage and from passing on transportation cost savings that modern railroading can provide.

Southern Railway has met its challenges on all fronts in 1961. It will continue to meet them that it may better serve a growing South, and a country that needs strong railroads.

FRANK R. DENTON

Vice Chairman, Mellon National Bank & Trust Co., Pittsburgh, Pennsylvania

During the course of 1962, the principal developments that will influence the prevailing climate for commercial banks include (1) the extent of further upward movement in general business activity; (2) the resulting expansion in total demand for credit and capital; (3) the outcome of efforts to keep wage increases within non-inflationary limits; (4) the progress made in reducing unemployment; (5) the degree to which the adverse trend in our balance of international payments generates renewed pressure against the dollar; and (6) the extent and timing of changes away from the present policy of monetary ease, as a reaction to all of the above developments.

Frank R. Denton

Barring major strikes, the economy is clearly headed for new highs in 1962—a good year, but no boom. In assessing the key factors in the business outlook, we anticipate that consumer spending on durable goods will gain in strength, that the pace of business capital expenditures will gradually accelerate, that accumulation of business inventories will continue, and that defense spending will be up. In addition, we anticipate continued upward trends in types of expenditures which show little cyclical fluctuation—namely, consumer spending on soft goods and services, and the outlays of state and municipal governments. On the other hand, residential construction will probably show only a minor gain, and our surplus of exports over imports is likely to diminish.

Generally, the prospective improvement in business conditions will tend to generate more job opportunities and produce a further reduction in the unemployment rate. To a large extent, however, continued insistence on wage increases in excess of gains in productivity could prevent the achievement of sufficient growth in employment to absorb our expanding labor force. Moreover, any further inflation of our costs and prices will diminish our ability to compete in world markets.

With the U. S. balance of payments again showing a serious adverse trend, we cannot afford the risks of inflation that are inherent in excessive wage increases and chronic deficit financing by the government. We need to improve, not diminish, our ability to export. Our rising payments deficit has already made us vulnerable to another run against the dollar.

The rise in business activity expected during 1962 will generate widespread increases in private credit demands, which will be augmented by government need for funds. As business inventories and capital expenditures mount, an increased demand for business loans is most likely to occur. In addition, a revival in demand for consumer credit may be expected to accompany the present uptrend in purchases of autos and household equipment. A larger demand for mortgage credit will accompany any further gain in housing starts. State and local governments will be marketing a large volume of bonds next year. Finally, the Federal Government will need to raise funds to the extent of continuing budget deficits.

As consumers spend a larger proportion of their income, it seems probable that total credit demands will begin to outstrip the supply of savings. In the absence of a substantial increase in the money supply next year, rising credit demands would then produce a stiffening in interest rates. The Federal Reserve System has already followed a policy of ease much longer after the beginning of a business upswing than heretofore. Particularly because of the balance of payments problem, the authorities may be forced to adopt a less aggressive policy of bank credit expansion in 1962.

Specifically, at some time during 1962 the banking system will probably find itself in the position of having to liquidate security holdings in order to meet loan demands. The prospect of some rise in the level of interest rates, however, will help bank earnings.

S. GREY DAYTON, JR.

President, Philadelphia-Baltimore Stock Exchange

In 1961 the Philadelphia-Baltimore Stock Exchange consolidated the gains accruing from its expansion throughout the Eastern United States in the 1950's, and also crossed national boundaries to conclude an agreement for the interchange of associate memberships with the Montreal Stock Exchange. The oldest Stock Exchange in North America, dating back to 1790, thereby joined forces with the Dominion of Canada's oldest Exchange, incorporated in 1874.

S. Grey Dayton, Jr.

This development will prove of particular value to the Exchange, because of the further broadening of its markets. Our 200 regular member firms and associate member firms are located in every state in the Eastern United States from Maine to Florida. From 1949 the number of active member firms has increased from 104 to 143, and associate memberships created in 1955 in connection with our agreement with the Pittsburgh Stock Exchange now number 101, including 30 member firms of the Montreal Stock Exchange.

During the year 156,000,000 additional shares of 45 corporations were admitted to dealings on the Philadelphia-Baltimore Stock Exchange. Trading volume increased 35% over 1960, totaling 15,600,000 shares. Since 1949, when we were the first regional exchange to cross state boundaries to merge with the Baltimore Stock Exchange, volume has increased 280%.

Seventeen memberships were transferred during the year, and a sale on Dec. 20 at $10,000 was the highest price since March, 1931.

The growth of P-BSE business carries with it the opportunity as well as the responsibility of supplying the most modern service. The use of the Stock Clearing Corporation for the central clearance of transactions both on the Exchange and over-the-counter is now well

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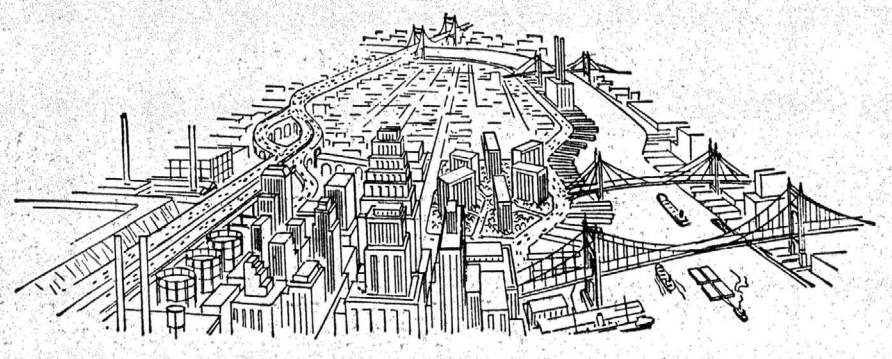

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established. We are studying ways and means of broadening this service, announced Jan. 1, 1961, as well as other services that may be improved with the help of mechanization.

JOHN C. DENTON

President, Spencer Chemical Company

A year ago, many analysts gazed into hazy crystal balls and concluded that profitability was out of the nation's fourth largest industry . . . chemicals. These pessimists surmised that overcapacity resulting in price softness and declining margins might put many chemical companies on the skids. If the early 1961 trend had continued, their projection might have been an accurate one.

John C. Denton

In actuality, the chemical industry as a whole recovered nicely after a poor start in 1961. It is now estimated that the industry will, for 1961, chalk up a 4% sales gain over 1960, which represents a pretty good rebound. Even though the 1960 $2-billion industry profit, representing 7.5% net return, will be approximately the same in 1961, the chemical industry is generally optimistic about improved sales, earnings and increased growth in 1962.

We in the industry are the first to confess that overcapacity in some basic and hardline chemicals (in Spencer's particular case, nitrogen and polyethylene) will continue to be a complex problem. Many firms during the past year made significant marketing and manufacturing adjustments to firm up and even improve the profit position in trouble areas. In our own case at Spencer a combination of instituting new budgeting and expense controls, injecting new flexible marketing concepts and opening new distribution channels helped to deal with declining margins.

Through extensive research and development, Spencer has been able to launch several promising specialized new products in fields related to our present lines. These appear to offer improved profit and growth potential. For example, we have recently introduced high analysis mixed fertilizers, polymer emulsions for the floor wax, paper and textile industries and new polyethylene resins for paper coating. After three years of field testing, an exceptional product called "Carbyne," a patented herbicide to control wild oats, enjoys a unique marketing position for use in the Northwest from Minnesota to Washington and in the prairie provinces of Canada. Like most active chemical companies, we continue to develop new products which promise increased sales and income each year. In our Industrial Chemicals Division, ingredients for blasting materials continue to increase in sales volume, and in Plastics, we expect polypropylene to move ahead in 1962. In our areas of most recent diversification, adhesives and flexible packaging, we feel confident of gains.

In the Midwest and Southwest, the coal industry has reawakened to growth and apparent long-term profitability. With the rising cost of natural gas compared to the rather steady price of coal, the increased use of coal for fueling public and industrial electrical generating plants has been significant. Our wholly-owned and expanding subsidiary, The Pittsburgh & Midway Coal Mining Co., with substantial long-term contracts, will play a prominent part in this coal resurgence.

In 1962, we plan to orient our new position expanded by acquisition during the past year. We are estimating that sales from products and facilities now active in the company will reach approximately $108 million, as compared to $79 million sales in the year ended June, 1961. However, because of expenses incident to expansion and new plant start-ups, our earnings per share probably will not greatly exceed last year's figures of $2.31.

Sparked by high government, industry and consumer spending, with predicted gains of 8% in Gross National Product and near 12% in industrial production, chemicals should have a sound year in 1962. Chemical production is on the move — and will continue to swing higher, coupled with a strong business removery. Over recent years the chemical industry has outperformed the industrial average and we hope that this trend will continue in 1962. Last year spending on new chemical plants and equipment was our highest since 1957. This fact indicates where the industry expects to go—UP IN 1962!

RUSSELL DeYOUNG

President, The Goodyear Tire & Rubber Company

In keeping with the optimistic view of most economists regarding the general economy, we believe that 1962 will be much better than 1961. All indications are that it will be a record-breaking tire sales year, with proportionate increases in other areas of our diversified activities.

Russell De Young

Generally, sales and earnings for most of the industry were lower in 1961, compared with the previous year, reflecting the reduced rates of automobile production especially during the first half.

However, the upswing now appears to be in full stride, and Goodyear forecasts a substantially higher level of business activity during most, if not all, of 1962. We also are optimistic about the long-range outlook.

Forecasts indicate that 1962 will be a much better year for automobile production than 1961. This would add up to an additional five million original equipment tires next year.

Our industry also expects to sell two million more replacement tires than in the year just closing. Altogether, this would mean 73.5 million replacement tire units—an all-time record year.

Long-range, the outlook is for continuing growth in automotive transportation for many years to come; in turn, this means additional growth opportunities for the tire and rubber industry. All of our planning is aimed at fulfilling the needs of the automotive industry, and our other customers, more fully and efficiently than ever before.

New materials, such as the stereo and other types of synthetic rubber, improved fabrics and other basic materials, economies of production through technological improvements, and new marketing and distribution techniques will help us to do this job.

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MATTHEW L. DEVINE

President, Amphenol-Borg Electronics Corp.

The crows that perch imperiously on the thousands of miles of telephone lines strung across the face of America are going to have to find other roosts. A large percentage of long distance communications will eventually be taken over by the magic of microwave which doesn't need wires.

Matthew L. Devine

Microwaves are short radio waves that vibrate with a frequency as high as an incredible hundred billion times a second. Because they are much shorter than ordinary radio waves and take up much less space on the communications highway, they permit thousands of new channels. They can also be focused very precisely, thereby eliminating ordinary communications problems of interference and interception.

Thus, microwaves are the answer to the ever-increasing national need for more communications channels. This holds tremendous potential for many companies. Amphenol-Borg Electronics Corp., for example has been dealing with communications since 1934 and makes microwave equipment for missiles, aircraft and computers as well as some 30,000 different connecting devices and related components for defense, industrial control and the telephone and telegraph industries.

Microwaves will be as well known in the future as radio is today. The entire microwave industry is less than 20 years old, yet it has already reached an annual sales level of $2 billion. As factories and businesses turn more and more to automatic controls and devices, reliance on microwaves will increase. Microwaves will grow hand-in-hand with communications, automation, computers and the central processing of data.

Communication and control are the two keys of science and business in the modern world, and microwaves are an important factor in both, whether in reporting a hotbox on a railroad car or signaling to a satellite.

Microwaves were first used in the great wartime development of radar. Today they turn valves, push buttons and throw switches across a thousand miles, despite rain, fog or snow. They carry radio and television programs from one coast to the other over mountain and desert. They act as the nation's eyes and ears along the defense outposts. They launch, direct and, when necessary, destroy missiles and space probes. They provide an esoteric measuring stick in thermonuclear research, and, at the other end of the scale, carry family chit-chat by long distance telephone.

Microwaves also can create intense heat and are used for high-speed cooking in commercial ovens. Home kitchen microwave ranges are available though not yet in wide use.

Advanced medical research employs microwaves, and recent studies indicate they can cause molecular changes in blood chemistry, possibly stimulating the body's defenses. At the Argonne Cancer Research Hospital of the University of Chicago a $450,000 microwave linear accelerator is used to treat cancer in humans. The 25-ton device has precise controls to regulate a pencil-thin micro-wave beam which destroys cancer cells. Microwaves also provide deep-heating and increased circulation in microwave diathermy within special frequency bands set aside by the Federal Communications Commission.

Another field, the transmission of huge amounts of power in the form of microwave energy, is on the "threshold of development," according to the Institute of Radio Engineers. This would permit power being sent from the ground to a satellite in space to operate electronic equipment, and thereby eliminate the need for batteries.

Echo 1, the aluminum balloon still spinning across the sky, is reflecting microwave messages, coast-to-coast. Even longer microwave transmission may be in prospect, using methods that once could have been called fantastic; a reflector belt of fine wires such as was fired not long ago in an attempt to encircle the earth, or a string of sky satellites acting as relay stations for instant global communication.

Already 30% of long distance telephone calls echo from microwave repeaters spaced just in sight of each other across the countryside, and this figure should double in the next five years. Railroads, pipelines, utilities, missile makers, turnpike authorities, truck lines, orange growers and paper producers are among a growing host of industries which shoot their instructions into the air from improbably-shaped pieces of pipe the microwave men casually call "plumbing."

The Federal Communications Commission recently allocated many new microwave frequency channels to private users, a move expected to vastly increase the number of microwave stations.

The Illinois Tollway and many other state expressways have microwave communications systems to keep track of traffic conditions, get assistance for disabled cars and keep patrolling police in touch with headquarters. Data

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on Illinois toll receipts is fed daily from each toll plaza over the microwave network to a computer at headquarters.

Public utilities were early users of microwaves, attracted by their economy and extreme reliability in all weather. Columbia Gas System, Inc., for example, uses microwave communications to order dispatchers throughout its big complex pipeline network to increase or decrease gas flow in accordance with varying user demand. It says 20 microwave circuits cost about one-third to one-half that of 20 leased telephone lines. Transcontinental Gas Pipeline Corp., which has a microwave system astride its 1,800-mile Houston-New York pipeline, calculates it saves money using microwave instead of telephone on anything over three channels.

Western Union is constructing a multi-million dollar coast-to-coast microwave system designed to carry a million words a minute simultaneously in both directions, as well as facsimile reproductions, television programs and computer data.

The Southern Railway is building a $4 million, 637-mile microwave system, expected to be the largest, privately-owned in the United States, to transmit the management data and day-to-day orders of running a railroad.

The government is currently the biggest microwave customer, buying roughly 80% of the $2 billion equipment sold annually. Private industry is, however, expected to take a large share of future microwave production.

An example of the rapid growth of companies in the microwave industry is found in Amphenol-Borg's FXR Division. FXR began in the early wartime days as a small machine shop and quickly built an enviable reputation for precision components. Today, its products range from huge, space-probing transmitters to miniature gold-plated units for thermonuclear research.

The microwave field should lead the whole electronics group, and double its market in the next five years. Sales of point to point communication equipment alone may multiply four or five times.

P. M. DINKINS

President, General Aniline & Film Corporation

The year 1962 promises to be the best business year in this country's history, not only for the chemical industry, but for overall business as well. The rebound from the recent recession was one of the speediest on record. Although the rate of advance has slowed up in recent months, business expansion should continue throughout 1962 with all sectors of the economy participating.

P. M. Dinkins

Estimated increases in defense spending, inventory accumulation, and plant and equipment spending, together with increased consumer spending, especially on automobiles and other consumer durable goods, should provide a sound basis for a healthy economy in 1962. Gross National Product should advance by 8% in 1962 to a figure of about $560 billion, while the Federal Reserve Board Index of Industrial Production should average 120, a 10% increase.

The chemical industry which has been growing at a rate approximately double that of the United States industrial average over the past two decades, will continue to prosper in 1962. One of the basic reasons for this past performance has been the outstanding research job done by the industry. There are numerous examples of chemical products being sold today that did not even exist five to 10 years ago, such as many of the newer plastics.

Chemical sales for 1961 are estimated at $29 billion, about 5% higher than the 1960 sales of $27.7 billion. Earnings of the chemical companies in 1961, however, probably did not record a similar performance as the gains in sales did not offset the pressure of competitive pricing coupled with increased costs and higher research and marketing expenses.

With more than adequate facilities and aggressive marketing efforts, the chemical industry is in an excellent position to extend recent gains through 1962. For the year 1962, chemical sales are expected to reach a level of around $31 billion, for approximately a 7% gain. Output should increase even more, by about 8-10%, as inventory accumulation takes place, as in the rest of the economy.

Chemical prices should be level to slightly higher because of increased demand. Capital expenditures should remain at a high level in this industry at around $1.6 billion. Research and development costs also will remain fairly high as companies seek to maintain their position in the industry. Although these facts may make for excess capacity, such excess plant is a characteristic of this industry, which builds facilities in anticipation of rising demand.

GEORGE S. DIVELY

Chairman, Harris-Intertype Corporation
General Business

As we enter the new year a favorable general business atmosphere prevails with new highs expected in production, employment and profits during the first half of 1962. Increased defense expenditures should provide a continuing positive influence extending into the second half of the year but it seems most likely that further increases in capital expenditures will be required to maintain this high level of business over a prolonged period. The incentive to increase capital equipment expenditures could be materially strengthened by passage of the highly desirable proposed legislation allowing a special tax credit on new plant and equipment investments, and by provisions for more realistic depreciation allowances. Also contributing to increased capital expenditures is the continuous pressure for earlier economic replacement of production equipment to help combat the relentless foreign competition arising from lower wage rates abroad.

George S. Dively

Printing, Publishing and Electronics

The $12 billion advertising industry appears to have resumed its steady long term growth trend after leveling off for almost a year. This trend, which has been about

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V.-Ps. of Wheeler Cruttenden & Co.

LOS ANGELES, Calif.—Rex Reno and J. P. (Rick) Guerin, Jr., have joined Wheeler & Cruttenden, Inc., 618 South Spring St., as members of the Pacific Coast Stock Exchange and the Midwest Stock Exchange. The announcement was made by Walter Cruttenden, Jr., President.

Mr. Reno was formerly with Mitchum, Jones & Templeton; Mr. Guerin was with Dempsey-Tegeler & Co., Inc. They will serve as Vice-Presidents in charge of retail operations in an expansion move of the company in underwriting, mergers, acquisitions and private placements.

Before founding Wheeler & Cruttenden in 1960, Mr. Cruttenden was a partner in Cruttenden, Podesta & Co. in Chicago.

Hardy & Co. in New Quarters

Hardy & Co., members of the New York Stock Exchange, on Jan. 15 announced the removal of their main offices to 25 Broad St., New York City. The firm was formerly located at 30 Broad St.

Heller & Meyer To Admit to Firm

EAST ORANGE, N. J.—Heller & Meyer, 520 Main St., members of the New York Stock Exchange, on Feb. 1 will admit Sidney E. Harris to partnership.

Reuben Rose to Elect V.-Ps.

Leonard C. Gross and Jay Saluc on Jan. 25 will become Vice-Presidents of Reuben Rose & Co., Inc., 115 Broadway, New York City, members of the New York Stock Exchange.

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twice the growth rate of the national economy since World War II, is a favorable factor in the growth of Harris-Intertype because a high proportion of the income of customers for printing, publishing and broadcasting equipment is derived from advertising.

The electronics industry, also about $12 billion in annual sales, is growing three or four times the rate of the national economy and this trend is expected to continue. The forces behind this growth are coming not only from enlarged defense expenditures, but in the commercial broadcasting and other communications equipment areas, stimulation is also coming from such factors as more rapid technological advances, expanded education, broader interest in world affairs, more leisure time and the highly competitive mass merchandising economy.

Harris-Intertype

The outlook for Harris-Intertype continues favorable. The strong growth trends in the company's two principal fields, printing equipment and electronic products, continue to provide expanding markets. Increasing emphasis on product development has resulted in a number of new and improved products. Included are such items as improved sheet-fed offset presses, a new high speed automatic typesetter, a broader line of roll-fed offset printing presses, a new process "Wrap-Around" rotary letterpress, a new "Harris Electrostatic" method of printing, a new 50,000-watt short-wave transmitter, a variety of microwave test instruments and a mobile microwave laboratory for testing check-out and guidance systems at world-wide missile sites.

The company's seven decentralized operating divisions are now providing closer customer contact and more complete customer services. The company's heavy research and development program is expected to continue producing new and improved products and the aggressive acquisition program should provide additional diversification.

E. H. DIXON

President, Middle South Utilities, Inc.

The Middle South states of Arkansas, Louisiana, and Mississippi had 90 new plants announced in the first six months of 1961. In addition, plans were announced to expand 106 existing plants in the three-state area. New job opportunities available when the 90 new plants and 106 expanded plants are in production will approximate 11,190 with an annual payroll in excess of $42 million.

E. H. Dixon

While actual figures are not yet available, early reports indicate that this growth within the three-state area was accelerated in the last six months of 1961 and will continue into 1962.

The most significant industrial expansion announcement to come during the last six months was made by the National Aeronautics and Space Administration. In September this government agency selected the big Michoud Ordnance plant in New Orleans for the production and assembly of the multi-billion dollar Saturn moon-rocket. The plant, idle since 1954, is expected to provide employment for about 6,000 workers when it gets into production about a year.

In addition to the Michoud plant, the government is acquiring 142,000 acres in southern Mississippi as a testing site. This will provide employment for up to 1,000 additional workers, mostly skilled engineers and technicians.

The area's rapid development has, to a great extent, been brought about by the increasing utilization of the Middle South's abundant natural resources. The three states now rank first in the domestic production of bauxite; second in barite, bentonite, sulphur, natural gas, and petroleum; fourth in salt; and fifth in manganese ore.

Of course, one of the most important guides to an area's well-being is to be found in the growth of the utility systems serving the area. In the case of Arkansas, Louisiana, and Mississippi, the electrical requirements of four million people residing in an 80,000 square-mile area are provided by Middle South System companies. In 1961 these companies spent $68.4 million expanding and increasing service to commercial, industrial, and residential customers. In 1962 new construction is budgeted at $62.4 million.

Most significant additions to the Middle South System in 1961 were the Helena and Little Gypsy generating stations, with a combined capacity of 595,000 kilowatts. The Helena Station constructed by Arkansas Power & Light Company at a cost of about $45 million, has the world's largest single-shaft turbine generator. The $27 million Little Gypsy Station, which was constructed by Louisiana Power & Light Company, is the world's first station capable of completely automatic operation.

We believe these two new plants demonstrate our faith that the Middle South's dynamic growth of the past decade will continue in 1962 and for a number of years to come.

R. P. DOHERTY

Chairman of the Board and President, The National Bank of Commerce, Houston, Texas

Seldom in the past has the outlook for a new year been as satisfactory as it appears to be now. This is true for the nation as a whole and for the Houston-Gulf Coast area in particular. The recession which began in mid-1960 was moderate and short. General economic activity began to increase sharply in February from the recession low of last winter. During the third quarter, the peak levels of 18 months earlier were exceeded and the trend has continued to the present time. Based upon the duration of each business recovery following the three previous recessions of the postwar period, the rise which is being experienced now may be expected to continue well into the new year. This feeling is reinforced by the widespread participation of most important industry segments and the absence of excessive recovery in any one.

R. P. Doherty

Traditionally, the economy of the Houston metropolitan area has suffered less during periods of national recession and has benefited more during periods of recovery relative to the nation as a whole. This pattern may be expected to continue during the coming year.

It is particularly gratifying to witness the rapidly changing character of our local economy from one which was dominated by commodities having high volume low unit value to one which has become highly integrated and well balanced.

The selection of Houston as the location for the National Aeronautics and Space Administration Manned Space Flight Laboratory may represent the largest single stimulus to the local economy that has ever been experienced over a similar period of time. Additionally, and of even greater importance over the longer term is the fact that this development will bring with it one of the largest concentrations of scientific and technically trained talent in the world. A group such as this undoubtedly will make contributions to the cultural and business life of our community which will insure continued future progress in keeping the splendid gains achieved in the past and expected to continue during the coming year.

FREDERIC G. DONNER

Chairman, General Motors Corporation

The year 1962 gives every promise of being an excellent one for business.

The momentum of recovery and expansion of the past nine months should carry through 1962. Gross National Product, currently at an annual rate of $540 billion, may reach or exceed $560 billion in 1962. Personal income, now at a record annual rate of $425 billion, should achieve further highs.

Frederic G. Donner

Reports of business plans to modernize plant, expand production capacity and lower costs provide further evidence that the economy will continue to move forward actively in the year ahead. Government expenditures for both defense and non-defense purposes have increased. Unemployment, on a seasonally adjusted basis, is now declining, and total employment is at a record level. With demand for goods and services rising and inventories increasing, these trends should continue.

Renewed consumer confidence—of basic importance to the automobile industry—has already stimulated rising retail sales. An important contributing factor has been the record variety of finely styled new passenger models available.

While passenger car sales for the first nine months of 1961, including imports, were at an annual rate of 5.6 million units, they rose vigorously with the introduction of the new models in the fall. In the last two months deliveries have been at a seasonally adjusted annual rate in excess of 7.0 million units. Demand for trucks has also been at high levels and is currently at an annual rate in excess of 1.1 million units.

With favorable business conditions for 1962 demand for cars and trucks will exceed 8 million units, of which more than 7 million will be passenger cars and one million or more trucks. This would represent the industry's second best year, exceeded only by 1955. Nineteen sixty-two will also be a good year for appliance and other durable and semi-durable goods markets in which General Motors competes.

Demand for automobiles outside the United States continues strong, although advances have not been uniform among the major producing and consuming countries. It is evident that many countries overseas must continue to expand their facilities for the production of cars and trucks to meet the needs of their expanding economies. In 1962 it is probable that production outside the United States will equal that in this country.

For the Free World as a whole, 1961 sales of passenger cars and trucks reached a total of over 13.5 million units. With economic conditions favorable to continued growth, total Free World sales in 1962 are expected to exceed 16 million units—a new high in the history of the industry.

General Motors has the most comprehensive lines of high quality vehicles ever offered. With continued low prices characteristically reflecting the intensely competitive conditions of the automobile market, it has every reason to foresee further improvement in its sales in this country and new opportunities in its markets overseas.

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Form E. J. Samp Associates

MILWAUKEE, Wis. — Edward J. Samp & Associates, Inc. has been formed with offices at 3882 North Teutonia Avenue, to engage in a securities business. Officers are Edward J. Samp, President; David W. Goodman, Vice-President; and Peter F. Goldmann, Secretary-Treasurer. Mr Samp was formerly associated with the Wisconsin Department of Securities.

Form Richard Bruce Corp.

MIAMI BEACH, Fla.—The Richard Bruce Corporation has been formed to engage in a securities business from headquarters at 939 Arthur Godfrey Road.

Variable Programming

HEMPSTEAD, N. Y. — Variable Programming Corporation has been formed with offices at 250 Fulton Avenue, to engage in a securiies business. David Z. Rubin is a principal.

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Outlook for Capital Outlay In Year Ahead

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turned out to be under 3% for business as a whole. Of course, this is an average for all types of facilities, and the price for an individual item may vary considerably from the average. But it does indicate roughly how much of the increase in planned capital spending may be due to price increases.

A price increase of this magnitude does not suggest that business as a whole expects inflation. Historically, capital goods prices have risen at a faster rate than other prices during an inflationary period. Thus, if the capital goods price level is held down to less than 3% in 1962, it augurs well for the economy as a whole.

Reasons for Expansion Emphasis

Why with companies operating below their preferred levels of capacity and the lack of inflationary pressure over the short-run are companies planning to increase investment this year?

I think the most important reason is that we still have a huge backlog of over-aged and inefficient facilities. With intensive competition both here and abroad, investment in cost-cutting machinery will represent an important part of capital budgets.

For the past four years manufacturers have devoted over ⅔ of their capital outlays to modernization and replacement, less than ⅓ to expansion and new facilities. Last spring, companies told us that 70% of 1961's capital investment would be for modernization; only 30% for plant expansion. This means that new machinery, rather than new building, absorbed the major share of their budgets. And this has been the persistent pattern in recent years.

But with pressures on existing facilities expected to increase, the need for new plant construction will also increase. As a result, I expect that a greater portion of this year's capital spending will go for expansion than has been the case in recent years.

This need for additions to plant capacity will come on top of other forces requiring substantial plant construction outlays. The one I should like to emphasize is the flow of new products—the result of industry's vast research and development programs. Since 1955, R & D expenditures have plants have been built and will be built to manufacture products that only a short time ago were merely an idea.

New product development affects more than the volume of plant construction. Plant design is also showing the influence of new products. A growing proportion of manufactured products are electrical or electronic; their production is free from objectionable characteristics, such as noise and smoke, associated with manufacturing traditional products. As a result, aesthetic qualities are getting more attention in new industrial plant construction. Plants are now lighter, brighter and pleasanter places to work. Many are air-conditioned and have well landscaped surroundings. In many instances the net result of all these improvements is a greater dollar outlay per unit of plant construction. This influence too will boost plant construction outlays to a higher level.

90% of Capital From Internal Sources

Another important aspect of the outlook for new plant construction

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SHERMAN DRAWDY

President, Georgia Railroad Bank & Trust Company, Augusta, Georgia

The year 1961 saw increasing recognition in the marketplace of banking as a growth industry. This recognition was based primarily on two factors—the projected increase in population and the variety of new services becoming available through traditional commerical banking channels.

Sherman Drawdy

Commercial banks, to operate successfully, must continue to adapt to the changing needs of the population. For instance, a trend apparent recently has been the increased proportion of consumer income spent for services rather than goods. A major item among these services has been higher education, which is now being financed on an installment basis by leading commercial banks.

Near the end of the year the financial community was startled by the increase to 4% in the maximum permissible rate of interest payable by FDIC insured banks on time deposits. This was interpreted as being unfavorable to the savings and loan associations, and especially to the publicly held units on the West Coast. However, this step alone does nothing to remove the basic inequity in tax structure whereby these and other quasi-banking institutions are accorded privileges dating back to the early experimental days of the New Deal.

The Administration has shown a thoroughgoing willingness to rethink our monetary policy, as evidenced by the recent reestablishment of a free silver market. At the same time, it has not fallen into the error of previous Democratic administrations in attempting to make the Federal Reserve subservient to the needs of the Treasury. It is hoped that a misguided zeal for lower interest rates will not prompt a move in this direction.

The most constructive step that could be taken at this time would be a thorough revamping of the Federal tax structure, not only as related to commercial banks and their competitors but also as related to stimulation of capital reinvestment and to removal of double taxation of corporate profits.

The year 1962 and those that follow might see some rather rapid changes in the economy, as regards both consumer habits and montary policies. The following are suggested areas in which banking might well assume leadership during this period: Close attention to consumer spending and saving trends with the resultant offering of appropriate banking services, more effective competition for excess corporate funds and individual investment accounts as contrasted to "rainy day" time deposits, aggressive retailing of personal trust services, and increasing reentry into the home financing field so long ago abandoned to other institutions.

Barring some type of crisis due to continued imbalance of payments and outflow of gold reserves, 1962 should witness an increase in all phases of economic activity. The Southeastern region, which we serve, has not experienced a great deal of the dislocation seen in distressed areas in other parts of the country. Despite occasional evidence of hostility on the part of the Administration, industry continues to move south to take advantage of generally favorable conditions, including a stable and industrious population and the absence of the potentially paralyzing power of mass unionism. We expect this region to lead the way in the broadening prosperity that will become increasingly evident in other parts of the country throughout 1962.

GUILFORD DUDLEY, JR.

President, Life & Casualty Insurance Co.

During the last decade the insurance industry forged ahead to record sales despite various recessions and readjustments and certainly should have one of its best years in 1962 now that the business upturn is gathering momentum. Certainly this is true of Life & Casualty, which more than doubled its size in the last seven and a half years, increasing its insurance in force from $1 billion in 1953 to $2 billion during 1961.

Guilford Dudley, Jr.

Some economic observers are still restrained in their optimism for the year ahead in view of continuing pressures on profit margins, sharp competition, and the dampening effect of unused plant capacity on capital spending. But the reduction in unemployment, the somewhat more favorable outlook for the automobile industry, and the flow of new orders to steel mills all point to an expanding economy that should stimulate insurance sales and encourage the retention of policies now in force.

In the year ahead we can expect continuation of the long-term trends that have benefited the insurance industry over the past decade. The average family will increase its insurance protection both in terms of dollar amounts and in number of months of guaranteed income. More Americans in actual numbers and as a percentage of the total population will come to own life insurance protection. More women will become insured as their economic importance in the home and at work is recognized. The average size of Ordinary Life policies, as well as Weekly Premium, should continue to increase, thereby reducing acquisition costs.

The rapid growth of Group insurance should continue, with upward revisions in existing master contracts as well as extensions to additional groups, particularly those of smaller size. One unmeasurable but significant effect of this increase in group coverage is its indoctrination of many people with the importance of insurance protection. Men and women have become prospects for additional life coverage who, if they had not been introduced to insurance protection through a group policy, would have been reluctant to insure themselves at all.

Looking farther ahead, many of the youngsters born after the war are now approaching the age when they will enter the labor market and commence families of their own. About half again as many young people will be reaching working age in mid-decade as reached that age at the beginning of the 60's. Assuming the economy is healthy enough to provide them with jobs, they will be a significant factor in the insurance outlook.

It is impossible to predict the exact time of any break-through in medical research on our major remaining health problems, heart and circulatory disease, and cancer. But significant progress in both areas or either area, with major consequence for our mortality experience, exists as a possibility for any time during the decade.

As for future trends in our industry, although I still have some reservations about it, in my opinion the market demands may further the present trend toward multiple line and package selling, including mutual funds or variable annuities. This could come about, of course, through the holding-company route. There are still some very strong arguments in favor of specialized selling as opposed to multiple line and at the present our company is steering a middle-of-the-road course offering Ordinary, MDO, Weekly Premium, Group and Reinsurance but no Fire and Casualty, variable annuities or mutual funds at this time.

As for operating costs, computer technology has already been a major factor in improving service and holding

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costs in line. Further advances will undoubtedly be made as computer techniques are extended to new areas of policyholders' service in the field as well as in the home office and applied to the broad area of management decisions.

For our company, which has hit new highs in increase in life insurance in force, premium income, investment income and operating gain while passing the $2 billion life insurance in force milestone during 1961, the prospects for even greater increases and higher operating income in 1962 seem pretty well assured.

EDWARD J. DWYER

President, The Electric Storage Battery Company

The Electric Storage Battery Company's 1961 results reflect the uncertain and conflicting trends in the economy as a whole. Consumer markets have been relatively stable and have improved slightly in some areas. Industrial markets, on the other hand, are only now showing signs of response to the gradual betterment in new orders and production. More intense competition has been experienced in virtually every area of business.

Edward J. Dwyer

As we enter the new year, there are indications of material improvement in some segments of industry. Some of this improvement may be due to forward buying. Nevertheless, it would appear that the general outlook is for moderate increases in sales and earnings.

For The Electric Storage Battery Company's own operations in 1962, we are optimistic. With disposable personal income climbing to new highs, and with more leisure time available to more people, demand for replacement automotive batteries, dry cell batteries, flashlights and other consumer products should continue at a favorable rate and perhaps increase. Orders for industrial batteries for such applications as motive power, switchgear, communications, diesel starting, and car lighting and air conditioning should expand as the general economy moves higher.

During 1962 we will be making deliveries on a substantial order for submarine batteries, under a contract received from the Navy a few months ago.

The present level of the foreign manufacturing operations, which we conduct in eleven countries outside the United States, suggests that 1962 will be satisfactory for these activties.

Our plant improvement and cost control programs will continue vigorously, but we do not now foresee any major capital outlays. Also, marketing programs will be accelerated in all divisions.

For nearly three-quarters of a century, The Electric Storage Battery Company has been a pioneer in the packaged power industry. During 1962 and beyond, we will continue our efforts to improve existing products and develop new products which could further diversify our operations in the packaged power and related fields.

J. A. ENGELHARD

President, Glenmore Distilleries Co.

Nineteen sixty-two holds out great promise for the distilled spirits industry. Continuing population growth, increasing employment, rising Gross National Product, further rise in disposable income, and further broadening of leisure time for the American worker — all offer opportunities to expand consumption as America continues its pursuit of a better life for everyone. The market is ours for the developing but there are disturbing, persistent conditions within our own industry that can very well cause this potential market to pass us by.

J. A. Englehard

First, I don't believe we have yet realized that to keep up with this expanding market we must also keep pace with other businesses in competition for the consumer's dollar. We must learn that we cannot produce just to unload at give-away prices. We must establish more uniformity in our pricing structure so that we maintain the confidence of the consumer instead of his wrath.

Some conditions that arise in the immediate preholiday market are utterly ridiculous. Extra cost of Christmas packaging, extra expenditure for advertising, the time of the year offering the greatest opportunity to move premium quality goods on a product, yet the attitude at the distributor sales level is "get the sale at any cost—even at a loss."

The result is the abnormal flow of merchandise, abnormal retailer inventories, wholesaler and retail price cutting, ill-will on the part of the retailer in blaming the distributor salesman for over-loading him and the consequent soft first quarter of the new calendar year.

Another growing and disturbing condition is the increasing share of the total market being taken by private labels and the apathy on the part of the retailer to support nationally advertised brands that can help him enjoy more profit per sale. This private label problem is nurtured by the problem we were talking about earlier—the desire to make a sale at any cost. Many retailers have not been educated to realize the steady, profitable, predictable business they can enjoy in pushing nationaly advertised labels.

The distributors have their fortunes invested in the present and future health of the nationally advertised brands they represent. This is the portion of their business that allows an opportunity for solid growth—that represents business they can depend on to grow with the expanding economy. But this portion of the distributor's business cannot and will not grow unless they work at it. If there was one thing I would recommend to distributors in 1962, it would be that they establish a concerted drive to get their salesmen to educate more retailers to the advantages of selling nationally advertised brands. Teach them to take advantage of the millions of dollars of promotion placed behind nationally advertised labels. Show them how they can develop a solid growing business and not one that is dependent on one price promotion to the next.

In 1962 I predict the continued growth of the straight category and a growing importance of age in premium bourbons. I believe also that we will witness a growth of interest in quality and that, as wages and business improve, the quality premium straight category will enjoy a greater share of both package store and on-premise business.

I would also urge for 1962 that the Federal and State Governments increase their efforts to curtail the disturbing growth of the marketing of illegitimate distillation. The loss in tax revenues to Federal and State Governments increases daily. Efforts in this direction and toward freeing up the enterprising atmosphere of legitimate marketing would, in my estimate, go a long way toward making for a healthier climate for all concerned.

I want to take this opportunity to thank all our distributors, and retailers both on and off-premise for their interest in Glenmore and its products during this past year and wish them every success in this year ahead.

RUSSELL F. ERICKSON

President, Rayonier, Inc.

Russell F. Erickson

Briefly, I expect that the volume level of the market pulp industry in 1962 will be good—better than 1961 and possibly a new high in demand. However, surplus capacity in North America as well as in the Scandinavian countries will maintain competitive pressures to the extent that selling prices may remain abnormally low, thus adversely affecting earnings potentials of the industry.

RAY R. EPPERT

President, Burroughs Corporation

Except for the big "if" provided by the international political situation, all of the economic trends now indicate an excellent 1962 for our industry.

Ray R. Eppert

The market for data processing and computation equipment and systems has been growing steadily for a number of years, even through the recent recession. Economists agree that this market will continue to grow several times as fast as the economy as a whole during the foreseeable future. A prosperous 1962 for all business and industry in the United States and throughout the free world is bound to have a bullish effect on this rate of growth.

Principal reason for the growth of our industry is that business in general continues to have problems which grow in scope and seriousness regardless of the state of our economy.

Many experts now watching the basic indices say that we are approaching a period rarely seen in recent years —prosperity with little inflation. They also note that competition will become even more intense, both from within and without the United States. They see that government spending will continue at a very high rate which translates into little hope for tax relief. The rate of government spending probably will determine the degree of inflation we will experience.

These factors will tend to perpetuate through 1962 and beyond the same problems which have prevailed for some time. In general, the battle against narrowing profit margins will continue. Business and industry will need better controls in manufacturing and marketing. These costs have skyrocketed in recent years. There will be a need for more reliable reporting on conditions and

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Elected Director

Eugene H. Catron has been elected a director of Waldbaum, Inc., operator of 34 supermarkets in the New York metropolitan area. Mr. Catron is a partner in Shields & Company, New York Stock Exchange member firm. Also elected to the Waldbaum board was Benjamin Bartel, a partner in the law firm of Lewis, Durante & Bartel.

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Outlook for Capital Outlay In Year Ahead

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is the availability of funds to finance such investment. Current circumstances suggest that this year's capital expenditures will be carried out relatively free from pressures of a tight money market. According to one of our previous surveys fully 90% of the money needed to carry out planned capital spending programs came from internal sources—retained earnings and depreciation allowances. Both these sources of internal funds will be growing in 1962.

Retained earnings, particularly, have shown sharp improvement since the beginning of 1961, and will continue to improve in the months ahead. As output increases, and operating rates rise, corporate profits and retained earnings are likely to rise at a rapid clip. Chances are thus excellent that business firms in 1962 will be free from worries about financing investment programs.

All these factors point to 1962 as a year of relatively high level of activity in the capital goods industries.

Other Capital Formation Areas

As I understand my assignment, I must also cover the other areas of capital formation—residential construction, inventories and the "all other" segment of capital formation. I must confess that I do not follow these areas as closely as I do capital investment, but other members of my department do, so I have borrowed liberally from their findings. Last year's residential construction record was disappointing. The home-building business has moped along despite Washington's vigorous efforts to use homes construction as a means of reversing the recession earlier this year.

But we predict moderately better days ahead for residential building contractors. The volume of new housing starts will show a nice rise for the year 1962, and so will the volume of home construction expenditures.

Private residential construction outlays will rise 7% to $22.5 billion in 1962. The number of starts of private non-farm dwelling units will increase from 1.25 million last year to about 1.35 million during 1962. However, it is important to note that six years' totals are not very much higher than recent rates of residential construction activity as measured by starts or dollar volume.

There is a genuine need for additional home construction in many areas of the country. Many of today's homes are of substandard quality—especially those occupied by lower income groups. Undoubtedly this year's housing act will stimulate home construction volume in 1962. Liberalized requirements for FHA-insured loans will bring additional prospective homeowners into the market. And the Act's provisions for encouraging home improvements and modernization undoubtedly will lead many homeowners to spruce up their living quarters.

In survey after survey consumers have strongly expressed their desire to own a new home. I suspect that many Americans will be able to satisfy this desire next year—far more than did this year or last.

Inventories

Inventories will clearly be a plus factor this year, after a substantial drop in the first quarter of this year resulting in an abso-

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trends. This calls for rapid gathering, assimilation and processing of facts and figures, plus improved communications to enable executives to make keener and faster decisions. There will be a greater need to cut costs and improve efficiency.

It is my view that 1962 will be a good year for those companies which are equipped to manufacture, market and service reliable equipment and systems for all kinds of business and industry, from the smallest to the largest, throughout the free world.

ROBERT C. ERB

President, Melville Shoe Corp.

It is entirely possible that 1962 will be a record-breaking year for the sale of footwear at retail. Certainly there will be more feet to be shod than ever before. Thus, the basis for a new record will exist. This was also true in 1961, however, and sales failed to reach the levels so confidently predicted by many members of the industry last January. The basis for a better result in 1962 is the expectation of an increased rate of consumer spending for goods sold at retail, including shoes. The improved sales of the last few weeks lend support to this expectation.

Robert C. Erb

The failure of retail sales to rise as sharply as personal income during most of 1961 prior to December resulted from the fact that a lower percentage of the consumer's dollar went into retail sales. It was considerably lower than the percentage in 1958, a recession year. If in 1962 consumers spend their dollars at merely the 1958 rate—certainly not an unusual or extravagant rate—total footwear sales will set a new record.

If this happens, it may or may not be accompanied by new production records, but not necessarily of leather footwear. It would be possible for footwear sales at retail to increase 4% or 5%, while leather shoe production is rising only 2% or 3%—which would not quite equal the 1959 production record. One reason for this is the greatly increased importance of rubber footwear; another is the volume of imports of both leather and rubber footwear which, of course, are reflected in retail sales but not in domestic production.

Of fundamental importance for the footwear industry is the fact of continuing population growth. This fact justifies the designation of footwear as a growth industry. Actually, total footwear sold during the past five years (including millions of pairs of "sneakers" and other casual types) has exceeded the over-all rate of population growth in the country. Footwear sales (in pairs) have averaged an expansion of 3% per year for the past five years, while the population growth has been at the rate of somewhat less than 2% per year. Basic cause has been the fact that the greatest population increase is occurring in the younger customer groups which normally buy more pairs per person than does the population as a whole.

RAYMOND C. FIRESTONE

President, The Firestone Tire & Rubber Company

The year 1962, as we see it, will be the biggest year ever in tires, with total new tire shipments reaching a new peak of over 127 million units, an increase of about 6% over 1961. Let me emphasize, however, that in spite of a slow start, 1961 will still be the rubber industry's second greatest year.

R. C. Firestone

Not only do we expect the total tire shipments to increase, but we expect the increase to be reflected in every major division of tires — whether it be passenger, truck, tractor or retreads, and in every channel of distribution—original equipment, replacement and export.

We expect one of the largest growths in the first six months of 1962 to be in original equipment tires, in contrast to the rather slow first half of 1961. This 1962 increase could be as much as 25 to 30% over the corresponding 1961 period.

Trends which are particularly favorable at this time to both the automotive and rubber industries are (1) the increasing number of automobiles per family unit due to suburban living and the location of new plants in rural areas, (2) increased use of automobiles as people have, and use, additional leisure time, (3) improved roads and highways, new freeways and turnpikes, with corresponding transportation growth, and (4) the increased standard of living in many previously less-developed countries, requiring more vehicles for travel and transportation.

In the rubber industry we believe the three-year contract we negotiated last year with the United Rubber Workers will provide labor stability throughout 1962. The progress our industry has made over the past few years in modernization, mechanization and control of expenses will contribute favorably during the coming year.

When appraising the rubber industry, I think we must also consider the outstanding performance and the steady growth that has been experienced by many of the major rubber companies in the international field. The rubber industry continues to add plants and increased facilities abroad, to take care of the ever expanding worldwide transportation needs and this should be reflected in increased sales volume.

We are optimistic about the tire phase of our industry because we are optimistic concerning the automotive industry. We are also optimistic in regard to the other rubber products as well as the non-rubber fields such as chemicals, plastics, synthetic fibers, textiles and metals where we anticipate healthy growth in 1962

SAM M. FLEMING

President, Third National Bank, Nashville, Tenn.

The recovery movement which began in the early spring of 1961 was accompanied by a small increase in bank demand deposits and a rather substantial increase of $6 billion in time and savings deposits. This is a reflection of a continued build-up in the nation's savings and the vigorous efforts of the commercial banking system to obtain a larger portion of such savings. Due to the deposit increase and a reduction by the Federal Reserve Board during the year in required member reserves, banks have had ample funds with which to finance the recovery movement. On the other hand, demand has not been as vigorous as might have been expected and net free reserves of member banks averaged around $500 million during most of 1961. The less than expected demand for bank loans was due to consumers' reticence to increase their personal indebtedness and the cautious attitude of business towards inventory build-up and capital expenditures. At the same time, industry took advantage of favorable security markets to float large issues of long term bonds, thus having less need for short term bank credit.

Sam M. Fleming

Interest rates were remarkably stable during 1961, with the Treasury bill rate fluctuating most of the year in the range of 2¼ to 2½% and the bank prime rate remaining at 4½% all year. Yields on intermediate and long term bonds fluctuated very slightly and ample funds have been and still are available for long term mortgage credit at slightly reduced rates. The reason that interest rates have not followed upward the recovery movement is that they fell only slightly during the recession period and, therefore, started from a rather high base. Furthermore, the Federal Reserve felt justified in keeping credit easy and plentiful because of inflationary tendencies being tempered by unused plant capacity, high unemployment and vigorous competition in the market place.

It is expected as the recovery broadens there will be a mild upward pressure on interest rates because of some increase in consumer borrowing and enlarged demands from business. However, the principal upward

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influence on rates undoubtedly will come from the necessity to bring our rate structure more in line wth rates of other countries in order to stop the flow of dollars from this country. Such flow has contributed to our critical imbalance of international payments, which continues to be one of the greatest problems facing our country. The wise and flexible use of monetary and fiscal policy can accomplish much in our efforts to resolve this problem.

We can face the New Year in the knowledge that the economy is in an expansive phase and in a strong and healthy condition. This presents the best possible climate in which to work out a solution of our unresolved problems of an unbalanced domestic budget, a deficit in international balance of payments, structural unemployment and antiquated tax systems. It is important that we devote our best efforts to this end if we are to be able to meet the challenge of the future.

HENRY FORD II

Chairman of the Board, The Ford Motor Company

We expect 1962 to be a solid, prosperous year for the general economy and the automotive industry.

For the first half of 1962, we expect sales of passenger cars in the domestic market at an annual rate of nearly 7 million units. If this rate continues for the remainder of the year, sales would be about 16% higher than in 1961.

Henry Ford, II

We expect the Gross National Product in 1962 to be at an annual rate of $560 billion. This would reflect a strong business year.

The 1960-61 recession was relatively mild and the recovery is stronger and proceeding more rapidly than preliminary estimates indicated. Consumers have come out of the recession in a much stronger financial position than in previous recoveries. Incomes were generally well maintained, and consumers put a substantially larger proportion of their incomes into liquid savings than in previous recessions. During the recovery, paychecks have continued to increase. We expect disposable personal income in 1962 to average $387 billion, which is $23 billion—or 6½%—higher than the 1961 level.

New plant and equipment spending will increase in 1962 and could go as high as $38 billion—an increase of $4 billion over 1961 outlays.

Inventory accumulation already has been stepped up, and further acceleration is expected in the first half. The acceleration can be attributed primarily to steel stockpiling in anticipation of a possible steel strike.

With the economy continuing to recover, consumer buying attitudes are improving. An expected further reduction in the number of unemployed will put even more people with money into the marketplace.

There are, of course, some situations that could block continuing vigorous recovery—unsettled world political conditions, failure to prevent wage and other cost pressures from pushing domestic prices up sharply, or an abrupt cutback in Federal spending for defense.

An important national problem we face is our balance-of-payments deficit. In a world in which other nations are making rapid economic strides, we must maintain and even accelerate our progress in developing new products and marketing techniques. We must also maintain price stability. Failure in these efforts will jeopardise our internatiional economic position in the year ahead.

Assuming that we bypass the possible trouble spots in the general economy, the outlook for automobile sales is promising.

A very important factor in new car sales is credit availability. Normally, more than 60% of the persons who buy new cars use instalment credit. Prospective buyers who seek credit in 1962 should have little difficulty in obtaining it. The amount of outstanding credit declined in the last year. More buyers paid cash in 1961, and the average loan was smaller than in 1960. As consumer confidence rises, credit sales of automobiles are expected to increase.

The condition of the used-car market, which has an important effect on new-car sales, also is favorable. A year ago, the used-car market suffered from rising inventories and falling prices. Used-car stocks now are lower than normal and a rising demand has pushed prices up.

The used-car sales outlook in 1962 is good. Used-car sales by franchised dealers are expected to reach 8.8 million units—at least 500,000 more than the estimated total for 1961—and to exceed 9 million if new-car sales approach the 7 million mark.

MERVIN B. FRANCE

President, Society National Bank of Cleveland, Cleveland, Ohio

The economy has picked up increasing momentum and concluded the year 1961 with strong intensity. The expansion that commenced last February will progress with vigor throughout 1962. The sharpest gains will probably come in the first six months of the year. However, with the exception of some unforeseen economic difficulties of a serious nature such as another prolonged steel strike, the second half of 1962 should also realize good economic growth. Industrial production as evidenced by the Federal Reserve Board index, based on 1957 as equal to 100, will average 118 in 1962, a gain of 8% from 1961. Gross National Product will increase from $519 billion to a new record high of $560 billion. In summary, 1962 should be close to a boom year for business with a faster and longer-lasting recovery than we had after the last recession. It is expected that continued gains will be registered in the three basic factors that control the trend of business: (1) Consumer spending; (2) Business investment in new plant and equipment; (3) Government expenditures at all levels.

Retail sales already are reviving. They will show an increase of 7% to $234 billion in 1962, as personal income will rise from $416 billion in 1961 to $442 billion this year. Optimism regarding consumer spending only partially arises from the recent boost in retail sales. Installment debt is well liquidated with repayments exceeding new extensions for 1961, and at the same time a substantial increase took place in the holdings of liquid assets by consumers. These developments predict a good year for the automobile market and other big item durable goods, especially against the background of mediocre sales for these goods during most of 1961. Domestic automobile production schedules for the new year indicate that 6.5 million cars will be produced, which reflects not only the good tone of retail demand but also the relatively low level of dealer inventories. If buying of consumer durable goods becomes particularly heavy in 1962, it appears that consumer credit could exhibit an expansion of approximately $2.5 billion. This will bring total consumer debt up to $57.5 billion.

Business outlays for plant and equipment will rise at least 5%. Much of the gain will come in machinery and equipment, which means a healthy recovery will be experienced by many of the hardest hit lines in the past recession. As the mid-year approaches, inventory accumulation will rise, especially in industries that rely upon steel for production of their products. Otherwise it is difficult to appraise changes in business inventories.

Government expenditures will be one of the most buoyant forces in the economy this year. President Kennedy's budget calls for a considerable increase in Federal purchases of goods and services during the first half of the year, and the trend will still be moving upward although more slowly for the balance of the year. Expenditures by state and local governments will continue to go up at a steady pace. This will result in yet another stimulus to the economy as over $8 billion of bonds were sold to the public in 1961 by state and local governments, only a portion of which has already been spent.

The flow of capital into new facilities will be of a sufficient amount to see the total unemployment figure decrease from a 4,700,000 average to 4,100,000 in 1962 in spite of over 1,000,000 workers being added to the working force next year.

Dividend income will maintain its long-term trend by increasing 6% to $15.1 billion. Corporate earnings will be up from $45.6 billion before taxes in 1961 to $51.8 billion. No major change is anticipated in Federal taxes.

Construction will rise about 8% to $63.6 billion, and home buildings costs will increase approximately 2%.

The cost of living will proceed to another new high by rising 1.5%. Interest rates will move higher in 1962, but changes will not be sharp. Our troublesome balance of payments problem may help to cause increases in short-term rates. In fact, the only dark cloud over the bright prospects is the balance of payments deficit, which keeps pressure on the dollar and carries the threat of serious gold losses. If gold losses become exceedingly large, harshly restrictive measures may be imposed on the country by the Federal Government. Fortunately the new spirit of international monetary cooperation may work out a solution to this disturbing problem.

KERBY H. FISK

Chairman of the Board, Allied Chemical Corporation

Kerby H. Fisk

The chemical business is in one of the most competitive periods in its history and there is excess manufacturing capacity in almost every product line. However, the prospect for industrial expansion by our customers in the steel, auto, rubber, textile and other industries in 1962, and the gains from new products which will come to market through research, will enable the chemical industry to maintain its traditional growth rate of about 7% a year.

LOUIS J. GALEN

President, Trans-World Financial Co., Los Angeles, Calif.

During the year which has just passed, the savings and loan industry again set new growth records. Preliminary figures indicate that about 44% of all the new mortgage loans under $20,000 were made by savings and loan associations during 1961, up from 41% during 1960. Savings rose about 14.2% last year while mortgage loans outstanding increased 14.5%. Assets for the industry rose 14.4% in setting a new high at $81 billion.

Louis J. Galen

Although we in the industry assume a continuation of this growth trend during 1962, there are many outside observers who are beginning to have doubts about our ability to continue the spectacular growth pattern we have been setting. These people have two primary reasons for their fears, viz., the possibility of a change in our tax status during the current session of Congress and the problems which they expect will arise due to the increase in the rate paid for savings deposits by commercial banks.

While I do not share these fears and think that they are groundless, I will deal briefly with each of them and attempt to give reasons for my position.

There is good reasan to believe that the tax issue will

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Outlook for Capital Outlay In Year Ahead

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lute cut in the rate of business inventories. Since then, the rate has turned around, and we expect business to continue to add to inventories throughout new year. We expect the net additions to inventory to be about $5.6 billion compared with $2.3 billion last year. Because steel contracts will be coming up again next summer, we expect the rate of inventory accumulation to be a bit higher in the first half of the year.

But because there appears to be a trend toward tighter control over inventories we do not expect the rate to be as high as the first half of 1959.

With regard to all other domestic investment category we expect a significant increase this year. There are several reasons. First, farm incomes are up considerably, and this should result in greater purchases of farm equipment and vehicles and in more farm building. Experience shows that there is a time lag between increase in farmers' income and increases in capital goods investment by farmers.

Second, private institution building will undoubtedly continue to rise. There seems to be an insatiable need for more schools, hospitals, churches and recreational facilities. Both Engineering News Record and F. W. Dodge contract awards indicate a continued rise in this area.

Outlays by professional men and by business firms—mostly auto and oil companies—for certain durable items charged to current expenses, as a group, generally fluctuate widely, but with the expected improvement in business, and with auto and oil companies increasing their capital investment, this sector should also show considerable improvement next year.

Summary

In summary, the outlook for private business investment this year is bright. Adding up the various parts I have just covered, total capital formation will amount to $76.5 billion this year compared with $69.5 billion. Here is how these numbers break down:

	Billions of $ 1961	1962
Plant and Equipment	34.5	35.8
Residential Construct'n	21.0	22.5
Inventories	2.3	5.6
All Other	11.7	12.6
Total	69.5	76.5

***An address by Miss Matulis at the University of Michigan Conference on the Economic Outlook, Ann Arbor, Mich.**

Beil & Hough Name Officers

ST. PETERSBURG, Fla.—Beil & Hough, Inc., 350 First Ave. North, members of Midwest Stock Exchange, at a recent stockholders' meeting, elected the following officers: Frederic C. Beil, Jr., President; William R. Hough, Executive Vice-President and Treasurer; Soren D. Nielsen, Vice-President, trading; C. O. Ritch, Jr., Vice-President, sales; William E. Johnson, Vice-President, municipals; Ralph E. Stevens, Jr., Secretary.

Joins Stephens Securities

(Special to THE FINANCIAL CHRONICLE)

DENVER, Colo.—Earl C. Boward has joined the staff of Stephen Securities Corporation, American National Bank Building. He was formerly with Wode & Co.

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again be raised in Congress this year and hearings will most likely be held by the House Ways and Means Committee. Nevertheless, the arguments that the industry has presented in the past have been sufficient to convince Congress that no action should be taken to change our current tax status.

In essence, our position is that the savings and loan industry is the bulwark of the nation's home mortgage lending program, and that increased taxation of the associations will hinder them in accumulating sufficient funds to provide the loans needed to keep the housing industry flourishing. Family formations will be hitting new peaks during the middle of this decade as the "war babies" come of age. Our industry must be in a position to provide funds for the housing these families will need. Secondly, since predominantly all of our loans are on one to four family houses, we need to keep a large reserve position in case a severe recession or depression hits our economy and brings with it excessive unemployment and land deflation. In such a case, we must have sufficient reserves to withstand the many foreclosures which might occur.

The hearings in Congress have, to a great extent, centered around just how large a reserve position we need. The answer to this question cannot be given in advance. It is only after a depression strikes that we will know just how many foreclosures and losses we will have and then it will be too late to start a program of building reserves. We must, therefore, continue to build our reserves as high as possible beforehand so that we can withstand a depression of any conceivable magnitude. I think that Congress has realized this and I am, therefore, confident that even if the Administration's efforts to change our tax status are successful, the amount of our earnings which will be subject to taxation under a new law will be minimal.

The second issue deals with the recent announcement that commercial banks will be allowed to raise the rate they pay to savers from 3% to 3½%, with an extra bonus of ½% paid on savings kept on deposit for at least one year. The question has arisen as to whether the savings and loan industry will be able to continue to attract savings at the same 15% compounded annual rate it has shown since the war. This issue can easily be answered by merely looking at the record; when the commercial bank dividend rate on savings was raised from a maximum of 2½% to 3% in 1957, savings growth in our industry fell only to 13% that year, a drop of 2% from the 15% it had reported the previous year. Then, in 1958, savings growth returned to almost 15% again. The amount of the drop was almost inconsequential during the first year after the commercial banks changed their rate and returned to normal the following year. A similar pattern has been exhibited following other rate increases in the past. We have been able to continue to prosper following rate increases in the past and the current increase should prove to be no different.

I firmly believe that there is nothing in the foreseeable future which will serve to hinder our growth and our excellent record in providing homes for our growing population.

EARL A. GARBER

Chairman and Chief Executive, Harbison-Walker Refractories Co.

In the present period of rising business activity the refractories industry is no exception. Harbison-Walker Refractories Company, the leading factor in this fundamental industry, has benefitted from this steady pickup in demand during the past year. With the advent of the new year and the continued increase in operating rates of industrial furnaces, the growing demand for refractories in 1962 is assured.

Earl A. Garber

The refractories industry, along with its customer industries, is going through a period involving rapid change. The technology of steelmaking and of other metallurgical processes is evolving rapidly. In turn, this has produced fundamental changes in the demands on refractories. There is a general move to higher temperature and higher quality products. Replacing many of the old line products are newly developed and superior brands. Silica brick continues to be replaced by basic brick. Fireclay brick likewise is displaced by fireclay monolithic materials. Such a period of rapid change puts a premium on the ability to plan for and make available both improved and new products.

In keeping with this business pattern, Harbison-Walker maintains the largest technical research function in the refractories industry. From these laboratories have come many improved forms of basic brick. These are the refractories so vital to the rapidly increasing use of oxygen in the open hearth steelmaking process. Constant research work also has produced an ever improving tar bonded basic product. This is the type that provides the high temperature lining for the basic oxygen vessel. In this rapidly growing method of steelmaking a unit has recently produced a new operating record. This, in turn, was attained with the use of a new type of Harbison-Walker lining and represents a major product breakthrough.

In the marketing function Harbison-Walker also is adapting to new customer needs. New types of products often require special knowledge and care during their installation. To meet this need the company provides a

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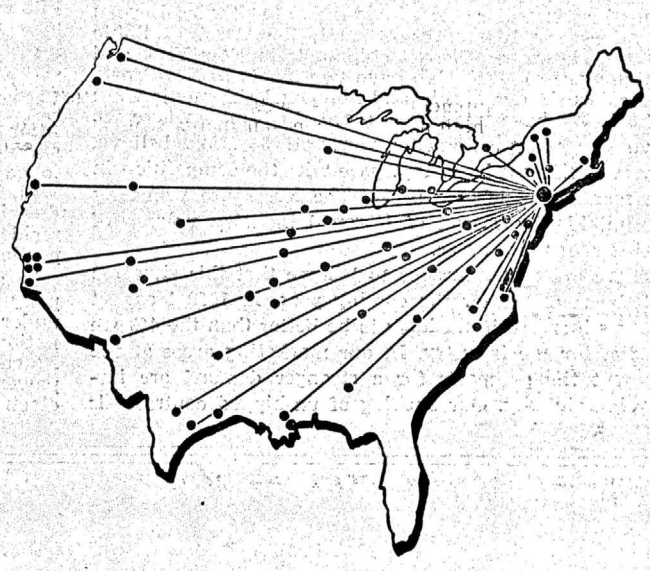

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growing number of service men who supervise proper installation in the customer's plant. It is becoming more important to have refractories inventories available at the local level. The growth of the warehousing function confirms this. In recognition of this trend Harbison-Walker in the past year added units to its existing multi-location warehouse system. On the subject of geographic diversification, Harbison continues to add to its growing commitments in foreign operations and world markets. Several new current projects represent the part of the leading refractory company in the United States growing involvement in the world picture.

Returning to the domestic business outlook: with the general expectation of a high operating rate in steel in the first half of 1962 and also in general business activity, it is foreseen that a correspondingly high level of shipments for refractories and also of Harbison-Walker sales will be attained.

ROBERT S. GERSTELL

President, Alpha Portland Cement Company

Predictions can be made for cement shipments in 1962 with considerably more confidence than in the past two years. It should be a better year volumewise not only for the Alpha Company but for the industry as well. Over-production, higher wages coupled with extremely savage competition may hold earnings to approximately the same as this year.

First, a word about the industry's performance. By the end of 1961 it should ship approximately 322,000,000 barrels—the second best year in history. This represents a 3% increase over 1960. Our own long range planning department believe that for the coming year the industry will sell 335,000,000 barrels, roughly a 4% improvement over the prior year.

For 1961 Alpha's shipments will be approximately 7% less than in 1960. In using industry performance as a criterion for evaluating a company's performance, we must always bear in mind the industry picture **in the area where the company markets its product.** Comparing the performance to the national picture can be misleading. Unfortunately many Alpha plants are located in areas where industry's shipments were less than for 1960. For example, the United States Bureau of Mines for 10 months of 1961, the latest available figures, show that District shipments in New York and Maine were off 13%. We have two plants in New York. In Eastern Pennsylvania and Maryland shipments were off 3%. We have two plants there. In Illinois where we have one plant shipments were off 3%. We believe, however, that we have kept pace with the competition in the markets which we serve. The losses are primarily accountable by reason of lessened industry volume of business in those areas.

There are many reasons to believe that this situation will be reversed for the coming year. In 1962 I expect Alpha's increase in business to be better than the 4% we predict for the industry. In our marketing areas at the moment the prospects for a stronger demand are improving steadily. Our backlog of unshipped contracts is encouraging, in fact, better than for the similar period of last year.

We recently made an offer to acquire the Texas Portland Cement Company located near Orange, Texas. The company is now in receivership. It has an annual capacity of approximately 680,000 barrels. An exhaustive study is being currently made by an outside firm of consultants of the Texas and Louisiana markets which it serves. If it confirms our own estimates, we plan to enlarge the plant's capacity. Due to certain legal measures, it will probably be mid-summer before acquisition can be had. This is the first step in Alpha's long range plan for growth. For the immediate future our efforts will probably be confined to improving certain of our existing facilities, enlarging same where our market studies show it is advisable.

The inordinate demands of labor continue to plague us. In fact, Alpha has granted increases to its hourly workers for sixteen consecutive years, and the end is still not in sight. Would that future wage agreements would call for increased pay only when earned by increased production.

While at the moment there are some dark clouds on the horizon, I firmly believe in view of the explosive population, the many new uses found for our product, and the expected greater per capita consumption that the outlook over the next decade is bright.

R. A. GIBSON

President, The Hartford Electric Light Company

The outlook for a continuation of the upward trend of business in our service area looks favorable for 1962. As the estimates seem to indicate no slowing down in the rate of growth, most of the area we serve in Connecticut shows great vitality in a growing economy. Residential and commercial building are both active, and several new or expanding industries are adding to employment.

R. A. Gibson

Both electric and gas sales for the year 1961 reached record levels as kilowatt-hour sales of electricity rose by 6% over 1960, and gas send out increased 12%. Commercial sales of electricity registered the largest percentage increase (8%), residential sales were up 6% and industrial kilowatt-hour sales were 4% higher. Our commercial gas business enjoyed the heaviest relative gains, with MCF sales up 18%, while industrial MCF sales rose 14% and residential 9%. Revenues from these sources were proportionately higher.

In order to meet growing power demands, the Company continued to expand its electric facilities. Now under construction at our South Meadow Station is the nation's first jet engine-powered electric generator. Rated at 10,000 kilowatts, it will be able to reach full power on a few moment's notice, supplying additional electricity to the system during peak load hours. Plans were also announced for the construction of a 220,000 kilowatt addition to Middletown Station for 1964, more than doubling the station's present capacity. Cost of the new unit will be about $25 million.

In other construction, a separate accounting building adjacent to the Company's general office building in Wethersfield is nearing completion. All accounting functions will be handled in the new addition where a GE 225 high speed computer will be located.

Ground is being cleared in the Glenbrook area of Stamford for construction of a new electric and gas service center designed to handle operations in Stamford and Darien. Completion is expected late in 1962.

Construction expenditures for the new addition to Middletown Station and for normal expansion of the electric system are expected to require about $45 to $50 million in new financing in the period 1962 to 1965.

The outlook for The Hartford Electric Light Company and the utility industry as a whole in the 1960s is favorable. It will continue to be a growth industry and once again will set new records in customers, output and revenues.

A. C. GILBERT, JR.

President, A. C. Gilbert Company

While the New Year is traditionally a time for restatement of purpose in a spirit of optimism, we at the A. C. Gilbert Company truly look toward 1962 as the beginning of a growth era.

A. C. Gilbert, Jr.

There has been evident in 1961 a steady, solid upward trend in the national economy. Some areas of the nation are not yet rid of the effects of the 1960 recession period, but a realistic assessment of their abilities and potential have been made by many industries and labor groups, and by all Americans in general.

Such a "coming of age" will undoubtedly serve to better equip us for larger and more profitable, and responsible roles, both in the field of economics, and in our personal lives.

This increased awareness is already demonstrable in more discriminating consumer demands. There is a growing market for better made products. This, we feel, must bring about dynamic and far-reaching changes in marketing techniques.

The toy industry particularly seems faced with many changes. In the past decade, it has grown faster than any other segment of comparable age. Yet, it is obviously on the threshold of even further progress.

I firmly believe that we at the A. C. Gilbert Company are well equipped and ready to attain a better than average share of this industry expansion, through more aggressive marketing of new and exciting toys, as well as those of proven value. The introduction and enthusiastic reception of two new product lines within the past year has already lent credence to this theory.

Recently formed business associations will also be a major factor in achieving the goals we have set. They

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Rubin, Rennert & Co., Inc., 56 Beaver St., New York City, is offering publicly 144,000 common shares of Dixie Dinettes, Inc., at $5 per share. The shares are being sold for the account of certain stockholders and no proceeds thereof will accrue to the company.

Dixie Dinettes of Dabney Rd., Richmond, Va., produces a variety of tables and chairs for use in kitchens and dinettes, and a small quantity of commercial restaurant furniture. Sales for the year ended June 30, 1961, totaled $4,179,758 and net earnings $337,008 against $3,784,719 and $121,945 in 1960.

Kessler, Stanley Formed

WASHINGTON, D. C. — Kessler, Stanley, Whitledge & Co. Inc. has been formed with offices in the Evans Building to engage in a securities business. Officers are Isadore Kessler, President; Brunell Whitledge, Treasurer; and Stanley Berger, Vice President and Secretary. All were formerly with R. Baruch & Co.

Lustgarten, Mautner Opens

NEWARK, N. J. — Lustgarten, Mautner & Company is engaging in a securities business from offices at 1186 Raymond Boulevard. Officers are Robert Lustgarten, President; and Paul J. Mautner, Secretary and Treasurer.

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will enable us to call upon hitherto unavailable talent and experience in allied recreation-industry fields for the creation of powerful, well-rounded merchandising policies in keeping with the consumer needs now taking shape.

At the same time we intend to pursue a vigorous course of product expansion and acquisition, providing for those items which will complement our existing line.

With this view, we believe that 1962 holds every promise for the beginning of a whole new era for the A. C. Gilbert Company. We also believe, that in planning for the coming New Year, others will see in it as much as we do, and share in the constructive efforts to bring all our aims to fruition.

SIDNEY GONDELMAN

President, Central Foundry Company

The outlook for the cast iron soil pipe industry for 1962 is possibly the best in its history. With the country moving into a peak construction period, the cast iron pipe industry will benefit not only from the higher level of residential, commercial and industrial construction which have been forecast, but from the general desire of families to modernize and expand their living quarters.

Sidney Gondelman

Basically, there are five reasons for expecting a higher level of business for the industry in 1962.

First, the increase in apartment house construction, which got underway last Autumn, gives every indication of continuing at an accelerated pace, thereby swelling the demand for cast iron soil pipe. The reason for the increased rate of apartment house construction is to meet the demand for more housing for the nation's low and middle income families at a moderate cost. Since apartment buildings, with their extensive plumbing systems, constitute one of the biggest single markets for cast iron soil pipe this upswing should have a decided impact on the entire industry.

Complementing the increase in apartment building activity, is a growing trend among home owners to modernize and enlarge their homes. With the continuing increase in the average size of families, more and more families are adding a second and third bathroom to their homes, thereby increasing the demand for pipe.

A third factor is the increasing number of one-family homes which are being converted to two-family occupancy. This also means more bathrooms, kitchens and plumbing fixtures.

Fourth, industry is continuing to build additional plant and research facilities and to expand those presently in existence. Companies are aware that research provides the key to cost reduction and improving a competitive position. Research laboratories usually have extensive plumbing and sanitary disposal facilities, both because of the large number of research personnel housed in the quarters and because of the number and nature of the research projects undertaken.

Finally, office building construction in 1962 should continue at a fast pace, thereby stimulating the demand for cast iron soil pipe.

All of these factors mean that the cast iron soil pipe industry can look forward to one of its best years in 1962.

PETER GRACE

President, W. R. Grace & Co.

The vigor with which the economy has recovered from the 1960-61 recession is encouraging for the business outlook in 1962. Business and the economy generally are in an excellent position to attain increasing levels of output throughout 1962. Of particular importance, I believe that this expansion can be realized in conjunction with maintenance of reasonable price stability.

Peter Grace

Currently the factors favoring expansion, at least through the first half of 1962, are compelling. Consumer spending, after some earlier hesitation, has now picked up and is reinforcing the business upturn. In the manufacturing sector, favorable prospects are reflected in the increasing level of unfilled orders, with new orders in recent months running approximately 3% ahead of shipments. This, of course, implies an increasing rate of output. In addition, inventories can be regarded as in a generally healthy state. Inventories in relation to sales are at the lowest level in almost two years and compare favorably with trends in previous postwar recoveries.

In the first half of 1962, the level of activity in the economy will likewise be favorably affected by higher levels of government expenditures as the defense program hits its full stride.

I noted above that increasing levels of output could be attained in 1962 without much price inflation. Looking at the capabilities of the economy, it appears reasonable to expect that increased consumer spending and demands from the public sectors, can be absorbed in the first half without undue strain on industrial capacity. Manufacturing industries are now operating at an estimated 82% of plant capacity which is not high at this phase of a business cycle. It compares with 92% capacity use in 1955 when the economy was similarly in a strong upward phase. By mid-1962, the economy should be operating at somewhat in excess of 85% of capacity.

No business expansion proceeds far without expansion in the capital goods sectors. Looking ahead to mid-1962, I believe we have the fortunate circumstance of a coming need for expanding capacity and that capital spending at that time will provide the stimulation to carry the overall rate of activity higher. The last major boom in plant and equipment expenditures, which occurred in 1956-57, was from a base of 92% capacity use in 1955 and 86% in 1956.

As compared with earlier business cycles, however, there is a greater need now for insuring that we will, in fact, fulfill the requirements for continued rapid growth. The level of unemployment is still over 6% seasonally adjusted which is near the post-war high. This rate will undoubtedly decline during the first half of 1962 but to bring it down to reasonable levels will require the stimulation of capital expenditures.

Thus, the key to a healthy level of growth is a higher rate of plant and equipment expenditures, not in a vacuum of depressed demand but in consonance with continuing expansion of consumption. These requirements can be met, I am confident, by legislation which will remove some of the dis-incentives to capital expenditures. We are living in an age of rapid technological change characterized by higher rates of plant and equipment obsolescence. There is need for recognition of this in tax policy, particularly relating to depreciation

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Pierce, Carrison Appoints Officers

JACKSONVILLE, Fla. — Paul T. Nielsen, Edward R. Wulbern and Charles M. Thompson, formerly Assistant Vice-Presidents, have been elected Vice-Presidents of Pierce, Carrison, Wulbern Corp., 222 West Adams St., members of the New York Stock Exchange.

David R. Murphy, III has also been elected a Vice-President. John J. Burris became an Assistant Vice-President, and R. Erdman Wilson, Jr., Assistant Treasurer.

Kean, Taylor Admits Two

Kean, Taylor & Co., 70 Pine St., New York City, members of the New York Stock Exchange, have admitted Edward A. M. Cobden and William T. Burnett to partnership in the firm. Mr. Cobden is manager of the firms municipal bond department; Mr. Burnett is municipal bond trader.

Form J. W. Toomey Co.

As of Jan. 1 J. W. Toomey & Co., members of the New York Stock Exchange was formed with offices at 120 Broadway, New York City. Partners will be John W. Toomey, general partner, and Mary H. Toomey, limited partner. Mr. Toomey was formerly a partner in Vaughan & Co.

Schweickart Co. Admits

Schweickart & Co., 29 Broadway, New York City, members of the New York Stock Exchange on Jan. 4 will admit Arthur Smoler and Benjamin Smoler to limited partnership.

Lee Higginson Names

HARTFORD, Conn.—Lee Higginson Corporation has announced the appointment of Raymond E. Humiston, Jr. as manager of the Hartford office, 36 Pearl Street.

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charges. If business is permitted to charge off capital expenditure for tax purposes in a realistic manner, expansion can continue at a rapid pace well into 1963.

We have, in the last two or three years particularly, been faced with the fact that economic development in this country cannot be considered apart from what is happening in the world generally. The problem of the U. S. balance of payments is now a familiar one and must be considered in any appraisal of the 1962 outlook. With prosperity in this country, demand for imports is likely to increase. At the same time with a possible lower rate of economic growth in Europe, we may be faced with greater difficulty in expanding our exports. As a consequence, we may be hard pressed to maintain the kind of favorable balance in our trade which is essential if we are to meet our responsibilities for foreign military and economic aid. We are faced with a pressing challenge. It is one which is shared by business and labor alike. Demands for wage increases in excess of the rise in productivity that would lead to a renewal of inflationary pressure, could defeat our goals of economic growth and affect the ability of this country to provide free world leadership. Thus, at the same time that we are expanding our output internally, we must improve our competitive position abroad—this is perhaps the greatest economic challenge of 1962.

In sectors of the economy of special interest to our company, we anticipate that the chemical industry will continue to outpace the rest of the economy and that with the kind of growth anticipated in the economy generally, we will see a substantial rise in the use of our chemical plant capacities and thus anticipate favorable profit trends. In the fertilizer business, we would expect demand to approximate the favorable level of 1961. Farm income is estimated by the Department of Agriculture in 1962 at the same high level attained in 1961.

In our Latin American businesses, with the leadership and increased assistance provided by the Alliance for Progress program, it can be expected that more favorable conditions for investment and profitable operations will develop in the southern half of our hemisphere. Likewise, in Europe, conditions should be reasonably favorable although the rate of growth may be somewhat less rapid as that continent is now, in the main, experiencing labor shortages and may have to consolidate its gains somewhat.

CRAWFORD H. GREENEWALT

President, E. I. du Pont de Nemours & Company

Short of some major international upset, I see no reason to believe that the confidence which has carried the American economy to successively greater heights over the past few years should fail or diminish substantially in the immediate future. We have demonstrated, I think, not only a capacity for continuous enlargement of our economic horizons but a persistent defense against downward trends. The year 1961 began, for example, with a recession, which happily proved to be one of the mildest in our entire history. By the end of the year, business activity was by every index at record levels. It was a heartening performance, emphasizing once again the basic vitality of the national economic anatomy.

C. H. Greenewalt

Competition in all sections of industry remains brisk and aggressive and will undoubtedly continue to increase, with commensurate benefit to the consumer. Not only is there intense rivalry between producers but the scope of competition has been greatly extended both in the number of competitive products and in the enlargement of competitive activities. We have, for example, exceedingly vigorous competition from foreign manufacturers, and in most phases of industry, both foreign and domestic, research has been given much new emphasis, with the result that the lead time once enjoyed by innovators has been sharply reduced. It would appear that competition will be with us to an increasing extent and should provide a continuing goad to effort in every field.

Most predictions indicate that 1962 will show a continuing rise, perhaps to the highest levels of all time. Our own experience in recent months would seem to substantiate an optimistic view of the year ahead. Sales in the chemical industry often serve to reflect the state of the general economic welfare, usually some months in advance. On the basis of such activity noted in the closing quarter of 1961, spread rather broadly across product lines, the outlook for a high-level year in 1962 is bright.

In the business area, however, the most important factor is prospective economic behavior over a period of years or decades, rather than that recorded over the short term represented by months or quarters. On this basis, it is clear that progress has been excellent and, if we can avoid war or unwarranted actions undermining business confidence, should continue to be satisfactory. This applies to both the private and public sectors of the economy, neither of which would seem to be neglected in the apportionment of national attention.

JOSEPH GRIESEDIECK

President, Falstaff Brewing Corporation

America's brewers have closed out another banner year, and expect to sell even more brew in '62. Early estimates for 1961 show that national consumption totaled about 88,000,000 barrels, compared with 1960's barrelage of 87,469,000. We estimate that another million barrels will be added to the national total in the coming year and, if the trend continues, Americans should be quaffing about 92,000,000 barrels annually by 1965.

Joseph Griesedieck

These estimates are based purely on industry trends, and do not even consider the bumper crop of young people coming of voting . . . and beer-drinking age each year.

Bright as the brewing picture is, it is not without problems. Like some other industries, the brewing industry is faced with an overcapacity situation which makes for a continuing and highly competitive selling job.

For Falstaff, consumption has been rising somewhat faster in our 28-state sales area than that of the total national average during recent years. We see this trend continuing next year, too, and are getting set to handle an overall expected sales increase as well as the demands of the markets we have entered in the past year. Already our brand new markets in Detroit and Toledo . . . on Florida's east coast, and in the Carolinas are calling for our product in increasing quantities.

This demand has made necessary a major . . . and costly . . . expansion program which is adding to our production facilities at a number of plants. In Galveston, for example, a soon-to-be-completed expansion program will double the capacity of our plant there. Other expansion projects are on the drawing boards. We're in the malting business now, too. Just this past summer we purchased the Albert Schwill & Co. malting plant and its inventory in South Chicago to assure a constant and premium quality source of brewing's prime ingredient, malted barley. While our financial position is strong, this accelerated expansion and acquisition program has made some inroads into our working capital. As a result, we have bolstered our cash and working capital position through an extension of a loan with Mutual of New York from $5.9 million to $10.9 million.

There's optimism at Falstaff. We're enlarging our research and development program, and our plans are complete for an aggressive marketing program for the coming year. We are shooting for the kind of future increases in sales and service which will carry us to our ultimate goal . . . national distribution and the nation's number one spot in sales.

G. FINDLEY GRIFFITHS

President, Acme Steel Company

The steel industry, together with many other segments of American business, is finding itself in a cost-price squeeze that is having a serious effect on its profits. This is a matter that should be of vital concern to every individual, and particularly to our government, if our country is to retain its leadership of the Western World.

G. Findley Griffiths

Steel mill employment costs have risen from $.905 per hour in 1940 to $3.82 per hour in 1960—an increase of 322%. During the same period, the Bureau of Labor Statistics' wholesale price index of steel mill products increased from 67.6 to 187.9—an increase of 178%. Steel company profits during this same period have fluctuated between a low of 2.7% of sales in 1944 and a high of 8.1% in 1950. In 1960, the figure was 5.7%. As a group, according to the First National City Bank of New York, the iron and steel industry ranked 32nd among the 41 manufacturing industries in 1960 returns on net assets.

Insofar as the steel industry is concerned, the increase in employment costs has outstripped the gains in productivity by a substantial margin. The excess has not only contributed to our domestic inflation but has adversely influenced the ability of the industry to compete in foreign markets. It has also been a factor in disrupting the economic balance between competing products and has opened the way to a steadily increasing importation of foreign steel products.

Prices of steel mill products have not been increased since 1958. However, wage and fringe benefit increases resulting from the settlement of the 1959 strike, during 1960 and 1961 have totalled approximately 39¢ per hour exclusive of cost of living. These increased costs have been absorbed together with the increased costs which have occurred in the prices of goods and services purchased from others.

These facts, together with the request of the President of the United States addressed to the twelve largest steel producers to refrain from increasing prices, has accentuated the profit squeeze and injects a new phenomenon into the economic picture of our country.

The present labor contract expires June 30th, 1962. In anticipation large and small users of steel mill products are in the process of building up sufficient inventories to outlast the possibility of another prolonged strike. In many instances customers expect to have sufficient raw material on hand to last one, two and even three months or more. If allowed to run its course this situation will assure a boom during the first six months of the year, and a bust in the last six months when customers are reducing inventories to normal levels. The economic effects on the industry, its employees and stockholders, and the country as a whole, will be serious whether a strike is averted at the last minute or not.

In my humble opinion, if American industry is going to retain its competitive position at home and abroad, if it is going to provide jobs for our expanding work force, and if it is going to provide the taxes the government requires to maintain its budget, it is imperative that industry have a prolonged period of stable costs, free from any additional cost increases, in which to digest those which have already occurred. A continuation af annual cost increases, be it in the form of hourly wages, fringe benefits or any other type of increased cost, will

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Now Grunberg, Bellomo

EAST ORANGE, N. J.—The firm name of Grunberg & Co. has been changed to Grunberg, Bellomo, Kaufer, Raff & Co. and offices are now located at 19 North Harrison Street.

Form Retirement Inv.

SAN FRANCISCO, Cal.—Retirement Investment Company has been formed with offices at 111 Sutter Street to engage in a securities business. Thomas Cordry, Jr. is a principal of the firm.

Form Sponsor Secs.

NEWARK, N. J.—Sponsor Securities Corporation is conducting a securities business from offices at 11 Commerce Street. Alan A. Segal is a principal of the firm.

Bassior Branch

RIVERDALE, N. Y.—Bassior Company has opened a branch office at 217 West 231st St.

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only serve to weaken the ability of American industry to compete abroad and at home. The ultimate result will be a further weakening of industry in general, greater unemployment, and lower government income.

ALLEN J. GREENOUGH

President, Pennsylvania Railroad

Rail carloadings for the first half of 1962 should be modestly better than for the corresponding period of 1961. Three forces are expected to contribute to this welcome but limited improvement. One is the continuing recovery from the nationwide recession of 1958, which hit the Eastern railroads especially hard. Another is the expected continuing growth of piggyback, which has been bringing considerable business back to the rails. The third is a probable build-up in steel inventories, anticipatory of the labor negotiations in the steel industry, where the present contract expires on June 30.

Allen J. Greenough

Beyond the first half of the year, the business outlook for the railroad industry is extremely difficult to forecast. The dramatic expansion of the national economy predicted for the 1960's has yet to materialize, and there appears to be enough productive capacity in most industries to meet foreseeable consumer needs without any substantial increase in capital spending for new construction. However, the year as a whole should show some improvement over 1961.

Meanwhile, it must be recognized that even a considerable pickup in business cannot by itself restore the industry to full financial vigor. That can be accomplished only by a combination of improved business, a complete reform of the present discriminatory tax and regulation picture, and a businesslike reshaping of the industry, by means of mergers, into a small number of efficient rail systems that can genuinely compete for business with highway, water and air transport.

The big hope of the industry for 1962 is that it will bring tangible progress toward mergers and reform in Government treatment. The year 1961 saw a great deal of activity by the railroads themselves along these lines, especially in the East, but little in the way of results.

In the matter of treatment by Government, the railroads have outlined clearly what needs to be done. Last October, for instance, the governors of Eastern states invited and sponsored a presentation by the Eastern Railroad Presidents Conference on the serious rail situation in the East and its causes. This put clearly into the record, with complete supporting data, the economics of the situation, the effect of subsidized competition and the need for adequate user charges, the unfair and discriminatory state and local taxation of railroads, the effect of private carriage and the agricultural and bulk commodity exemptions, and the problems of suburban service. The session was widely reported in the nation's press; we are hopeful it will bear results both on the national and local levels.

Meanwhile, it is only accurate to note that the industry is still being studied to death and reported to death; what is needed is action. One hopeful sign that such action is near was the growing recognition during 1961 of the need for public support for money-losing commuter and suburban passenger services that communities want continued. Solution of this problem alone would save the Pennsylvania the very substantial amounts which it is now forced to spend yearly subsidizing such public services in the New York, Philadelphia and Pittsburgh areas.

Tangible progress is also hoped for in 1962 on the problem of "featherbedding" — outmoded work rules which cost the Pennsylvania alone nearly $50 million a year. A commission appointed by the President of the United States investigated the problem during much of 1961 and is to report early in 1962. Composed as it is of distinguished representatives of the public and of railroad labor and management, it is logical to expect that the Commission's findings will lay the groundwork for a solution of this long-standing and complex problem.

As to mergers, the industry itself moved forward in 1961. Hearings before the Interstate Commerce Commission were concluded on three major transactions, one each in the East, the South and the West. At year-end, hearings are in progress on two others, one in the East and the other in the West, and directors of the Pennsylvania and New York Central are studying the possibility of merging the two companies. Here again the Government should take a more affirmative and practical attitude in these efforts by the railroads to help themselves.

To sum up: somewhat better business in the first six months of the year should make 1962 a better year than 1961 for the industry generally. But any permanent and significant gain can come only from tangible improvement in regulatory climate, from relief in the matter of featherbedding, and from progress toward constructive, efficiency-producing mergers. Only after these have been accomplished can the rails resume their rightful place in the nation's economy.

GEORGE GUND

President, The Cleveland Trust Company, Cleveland, Ohio

The year 1961 has witnessed a vigorous recovery from the recession in 1960. Business activity, as measured by industrial production, turned up last March and is now around 12% above the low point. Recovery has been widespread and is apparent in construction, employment, retail sales, and other barometers. One recent evidence of improvement was the marked drop in November in the ratio of unemployment to the total labor force. This provided a cheering note, since the ratio has remained virtually unchanged throughout the earlier months.

George Gund

The new year should set an all-time record for business as a whole. Gross National Product for 1962 will exceed $550 billion and may pass the $560 billion mark, as compared with about $520 billion in 1961. The rise will be shared by all three of the major components of GNP—consumer spending, business investment, and governmental outlays.

The outlook is favorable for sizable advances in con-

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Named Directors

BRIDGEPORT, Conn.: — H. R. Shepherd, president of Aerosol Techniques, Inc., manufacturer and formulator of aerosol products, has announced that Duncan Miller and Richard F. Schneller have been named directors of the company.

Duncan Miller

Mr. Miller, who is vice-president in charge of the underwriting and syndicate departments of Laird & Co., is also a director of the Oklahoma Cement Co. and Electronic Communications.

Mr. Schneller is president of the Verplex Co. of Essex, Connecticut. He is also a trustee of the University of Connecticut.

New Boenning Office

NEWTON, Pa.—Boenning & Co. has opened a branch office at 27 South State Street under the management of Carl A. F. Corts, Jr.

Boenning Opens Branch

YARDLEY, Pa.—Boenning & Co. has opened a branch office at 21 South Main Street under the direction of John H. Wintersteen.

Grant, Jones Branch

PALOS VERDES ESTATES, Cal. —Grant, Jones & Company, Inc. has opened a branch office at 56509 Mazur Drive under the management of Donald J. Seed.

American Liberty Planning

JACKSON, Miss.—American Liberty Planning Corporation is engaging in a securities business from offices at 308 Northwest St. Officers are Dorsey Barefield, president; Arnold Hammond, executive vice-president; Carroll W. Haralson, secretary; and George D. Harrison, treasurer.

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sumer incomes and spending. Employment will increase and the average number of hours worked per week in factories is likely to rise. The same is true of average hourly and weekly wage earnings in manufacturing. Consumer spending for services and nondurable goods should continue to advance at a steady pace. Purchases of durable goods will show a bigger percentage gain, chiefly due to larger automobile sales. In fact the automobile industry is anticipating its best year since the record performance of 1955. New passenger car production in 1962 will probably run between 6½ and 7 million as against 5½ million in 1961.

Residential construction will show a moderate gain, amounting to around 6% in terms of the number of new housing units started. Business expenditures for new plant and equipment will rise by at least 5%. The increase here could be considerably larger if a real liberalization of depreciation allowances becomes effective. There will be further accumulation of inventories by business firms, notably during the first half of 1962 when steel users will be adding to their stockpiles as a hedge against a possible steel strike at mid-year. Purchases of goods and services by the Federal Government are certain to rise. State and local governments are also expected to increase their outlays.

Demand for bank credit will be stronger in 1962, as normally happens during business upswings. The general level of interest rates is likely to move up moderately. This too is normal in periods of rising business. Also, at some point the monetary authorities might tighten their credit policy which so far has been one of ease. Higher rates in the money market will probably be most noticeable at the short-end, due to the desirability of discouraging short-term capital outflows seeking more attractive rates abroad.

RAYMOND C. HAGEL

President, The Crowell-Collier Publishing Company

The statistics of growth in school and college enrollment stagger the imagination. Between 1960 and 1970 the percentage increase in population is expected to be 17% in the elementary age group, 43% in the high school age group and 57% in the college age group.

Raymond C. Hagel

These projections have particular significance for The Crowell-Collier Publishing Company whose primary interests lie in the field of education. The company's reference books, textbooks and home study courses meet a broad range of educational needs, starting at the pre-school level, extending into elementary and high schools, colleges and graduate schools, and reaching into the fields of industrial training and adult education.

The importance of reference books as an instructional tool continues to grow. The 1962 edition of Collier's Encyclopedia, one of our principal publications, has been expanded from 20 to 24 volumes and contains many new features. We are hopeful that sales of this exciting new set will exceed the total for the 1961 edition.

One of the company's subsidiaries, The Macmillan Company, has for many years been a leading textbook publisher. Sales of Macmillan textbooks, both at the school and college levels, showed substantial increases in 1961 and we expect this upward trend to continue in 1962. Another subsidiary, Free Press of Glencoe, Inc., acquired last year, publishes graduate school textbooks and books of special interest to scholars and researchers. In these fields, too, we are experiencing an increased demand.

During 1961 Crowell-Collier began participating in another important phase of education—home study. Since June 30, 1961 we have acquired about 92% of the stock of LaSalle Extension University, one of the country's leading correspondence schools. Prospects for our growth in the home study field are highly encouraging. LaSalle courses in law, accounting, business and other related subjects are well respected. Through the Wayne School division it acquired in 1960, LaSalle is now also offering courses at the high school level, a growing factor in the home study market. These courses are of particular value to the hundreds of thousands of youngsters who drop out of school each year as well as to students who have inadequate opportunities for study in their home town.

Crowell-Collier has entered the field of programmed instruction, potentially an important teaching tool. We hope to play a substantial role in its development.

Americans are reading more than ever before. Book sales have been going up steadily and we expect they will continue to rise, possibly at an accelerated rate. We have an increasingly well-educated citizenry. People have more leisure time than ever before. These factors should benefit sales of fiction and non-fiction published as standard cloth-bound books by Macmillan and in paperback form by Collier Books, our new paperback unit.

Collier Books, which issued its first books last fall, has marketed nearly 200 titles covering a wide range of subjects. Response has been good and we have already found it necessary to reprint about a dozen titles. We are enthusiastic about the long-term prospects for our paperbacks.

We are looking for opportunities to diversify our operations further, principally in the education market, and are confident that Crowell-Collier will continue to grow. We view 1962 and the years beyond with considerable optimism.

H. FREDERICK HAGEMANN, JR.

President, State Street Bank and Trust Co., Boston, Mass.

Business in 1962 gives every promise of reaching record levels.

Decisions largely inspired by an inflationary background of deficit financing and a substantial increase in the money supply have been made which already are causing a business upswing throughout the country. Once again, as a nation, we are not planning to face the economic realities of life, but will continue to live beyond our means and finance the deficit through an outflow of gold and a probable additional increase in Federal Reserve Bank credit. These decisions should give business in 1962 an inflationary upsurge.

H. F. Hagemann, Jr.

Overhanging the prospect that 1962 will be a year of record activity for the United States economy, is the continuing concern about the American dollar and the related question of the United States gold supply. Since World War II, the purchasing power of the dollar at home has shrunk some 40% as a result of the persistent and creeping inflation. As long as the currencies of other countries were also deteriorating, there were no serious international consequences. Today, however, the situation has changed dramatically. Other major trading nations have put their financial houses in order. The mark, the lira and the French franc are now hard currency and in demand. The dollar is less in demand and there exists in the minds of our allies and creditors some doubt as to its future value.

Deficit financing and the enormous expansion in the money supply have made the United States the world's highest cost producer. With the exception of 1957, the United States has had an adverse balance of payments in each year since 1951. As a result, we have lost some 7½ billion dollars of gold since the high point of our holdings in 1949, and about one billion in the last year which serves as a warning that we are out of step with the world economics.

To secure worldwide confidence in the dollar and stem the outflow of gold, fiscal sanity, including credit restraint, higher interest rates, and less "welfare" spending is essential. The wage-price spiral must ultimately be broken if the dollar is to be stabilized. Today, wages in the United States are roughly three times higher than they are in Europe, a fact that makes highly inconsistent the present proposal for overall sweeping reduction in tariffs. Some cutting of expenses and curtailment of subsidies and gifts, both foreign and domestic, are also absolutely essential.

The basic problem of inflation remains unsolved. Throughout history, a substantial and prolonged outflow of gold indicates a distrust of the country's currency. This problem cannot be separated into an external problem and an internal problem as they are one and the same. Until we as a nation are willing to **do** as well as to say what is necessary to correct this situation, until we actually live within our income and begin to retire some of our obligations instead of just talking sound money, we will continue to have the dollar problem and the gold problem.

Foreign distrust of the dollar and the absolute necessity of higher interest rates to prevent a more rapid outflow of gold are working against the long range and basically sound improvement in business. In the meantime, until wages and prices catch up with the money supply, strong business activity should prevail.

EDWARD J. HANLEY

President, Allegheny Ludlum Steel Corporation

We get glimpses of what we **could** accomplish almost every time we get a little volume and begin to flex our muscles.

Not long ago we reported that earnings of Allegheny Ludlum for the thrid quarter of 1961 were more than three times the level of third quarter 1960. For the first nine months of 1961, Allegheny Ludlum's earnings were up approximately 10% over the like period of 1960—although sales were off about 7%. Increases in employment costs and in prices of raw materials, coupled with lower selling prices for some of our products, made the task an especially difficult one. But effective cost-reduction programs and new capital equipment helped us accomplish our goals.

Edward J. Hanley

I told the New York Security Analysts in August:

"We are looking to second-half operations this year that will be higher than those of the first half. Some prophets even suggest that steel production between July 1, 1961 and July 1, 1962 will equal the total tonnage produced in 1955, the best year —tonnage wise—the steel industry has ever had."

We certainly look forward to continually improving operations at Allegheny Ludlum over the next six-month period. Further, we expect to continue to have the growing benefit of the substantial cost-control programs which we have instituted.

The forthcoming negotiations in the steel industry undoubtedly will cast a cloud over prospective operations for the third quarter and possibly the fourth quarter of 1962.

In the long-run, however, Allegheny Ludlum has expectations of growth in all of its major product fields. We were first with the new Bright Anneal stainless strip product for the automotive industry. Our MF1 muffler stock promises to become an important factor in automotive exhaust systems. Our high alloy and other specialty steels will grow as the markets for these materials—space, missiles, nuclear applications, etc.—continue to grow.

We envision great marketing opportunities before us at Allegheny Ludlum and we have geared up our marketing organization and sales effort to enhance our growth.

WILLIAM J. HALLIGAN

Chairman of the Board,
The Hallicrafters Company

The outlook, both for the electronics industry and for Hallicrafters, appears to be one of continuing growth. In fact, I believe it will take a major, and unforeseen, economic setback to prevent 1962 from being the best year in history for the industry.

William J. Halligan

The expected strong economic climate and population increase comprise enough evidence to predict a peak year for consumer electronic products, particularly in the communications and leisure-time fields. Color television, short wave listening, and industrial two-way communications products should show even greater gains than those in the last six months of 1961.

Since the bulk of the electronics industry market is supplied by governmental agencies and since record funds have been appropriated for this purpose, further growth seems inevitable. The demand for improved

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airborne and ground support electronic equipment, both for military and peacetime uses, will certainly rise.

For Hallicrafters, we are predicting increases of 20% in sales and 25% in earnings from our record year in 1961. Our sales should exceed $66,000,000 in 1962. The following factors will, we believe, make this possible:

(1) With proven performance and capability in electronic warfare equipment for aircraft, Hallicrafters should assume even greater responsibilities as military spending increases;

(2) Electronic warfare equipment now being used on military aircraft will inevitably be adapted for use on missiles;

(3) The company confidently expects to benefit from new developments in the growing field of space communications;

(4) With an aggressive research and development program, tied in with our university consulting program, we are studying new products in the electro-medical and general communications fields, as well as those mentioned above;

(5) New markets are being uncovered in business and industry for Citizens Band two-way radio — products which Hallicrafters have introduced in the past few months and which give every indication of being a successful, new product line;

(6) Since communications equipment is a critical requirement in the Civil Defense program, it is reasonable to assume that the company may share in this market;

(7) The international situation has already stimulated wide consumer interest in short wave listening. We expect this interest to increase;

(8) With the expansion of the leisure-time activity market, the electronic organ industry is anticipating a substantial rate of growth for many years to come.

HENRY HARNISCHFEGER

President, Harnischfeger Corp.

Although the 1961 recovery was not quite as rapid as expected in some quarters, it was fairly steady, and this may be an advantage in 1962. The absence of an "easy" market forced many companies to continue pressure for greater efficiency in order to maintain a competitive position. Had there been a real boom, there might have been a tendency to slack off on fat-trimming programs. As things stand now, there is a good deal more muscle in the production and marketing operations of American industry. This will serve us well, both at home and abroad, in coming years.

Henry Harnischfeger

In general, the strength of American industry's competitive position overseas depends, to a large extent, on the understanding and support of the Federal Government. There is no lack of foreign markets for American enterprise; the main problem is pricing, and even more important, ability to finance. Three measures to ease overseas finance problems are:

(1) Shift a larger portion of our foreign aid funds to the Export-Import Bank and expanding its operation.

(2) Let qualified U. S. banks administer and invest some of the available foreign aid funds to assist American industry overseas.

(3) A straight 38% Federal corporate tax rate on foreign income. To apply the domestic rate of 52% not only can critically handicap American industry overseas; it can also add to the already intolerable burdens placed on American management and labor at home. Both are between the millstones of competition of cheap foreign labor, on the one hand, and the requirements of our high standard of living, on the other. The 52% tax only serves to increase the pressure. This is a prospect both labor and management can well hope to avoid in 1962.

A revised depreciaton tax schedule is a must in 1962. If passed, this will provide an important measure of aid to those companies which are in need of modernizing or expanding capital equipment. This makes sense! It would stimulate employment, make the U. S. more competitive abroad, put us in better shape to meet national emergencies and increase productivity. We can't compete against foreign labor with 20-year-old machine tools.

On the whole, I think American industry is now in better fighting trim to enter a new phase of dynamic expansion. This ought to give Mr. Khrushchev something of a headache, now that he is committed on the record to overtaking ou reconomy in the '70s.

Heavy Equipment Industry

Some of the effects of a general economic expansion period may be offset in the heavy equipment industry by the following:

(1) Increased quality is built into today's machines, and contractors are taking better care of old machines. This is similar to the effect of medical advances which tend to prolong life. We have a much higher percentage of productive "senior citizen" machines. This, of course, tends to hold down purchase of new equipment. Nevertheless, it appears that domestic buying of heavy machinery will pick up somewhat in 1962.

(2) Increased competition in the foreign markets, lower foreign labor costs, competitive pricing and the new European common market arrangements make it difficult to predict the extent to which our anticipated domestic expansion will affect the foreign market. A large part of the answer lies, of course, in our ability to hold the labor-price line while we continue to improve the quality of our machinery. We have made great strides along this line at Harnischfeger during 1961 with our employee "Customer Appreciation Program." Our people have taken a new interest in reducing waste and improving craftsmanship. If this program continues as it has started, I think we are going to be in an excellent position to compete in anybody's market. This program, initiated in our production op-

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Named Director

SAN JUAN, Puerto Rico. — The election of Everett G. Judson as a director of Commonwealth Oil Refining Company, Inc., was announced here by Sam H. Casey, President.

Everett G. Judson

Mr. Judson's election increases Commonwealth's board to 13.

Mr. Judson is a Vice-President of The First Boston Corporation. Prior to joining First Boston in mid-1961, he was Vice-President in charge of The New York Life Insurance Company.

Mr. Judson is also a director of the Louisiana Land and Exploration Company and a trustee and Treasurer of the Children's Aid Society of New York City.

Commonwealth operates a major oil refinery at Guayanilla Bay, near Ponce, Puerto Rico.

Now Bellmark Co.

WAYNE, N. J.—The firm name of Financial Planning Associates, 100 Overlook Ave., has been changed to Bellmark & Company.

Now Robt. Sheridan Co.

SYRACUSE, N. Y. — The firm name of Financial Planning Company, State Tower Building, has been changed to Robert P. Sheridan Company, Inc.

Form Alpha Planning

Alpha Planning Corporation has been formed with offices at 100 William Street, New York City, to engage in a securities business. Officers are Herbert N. Zack, president; Max Rakofsky, treasurer and Julian Banner, secretary.

Kolb-Lawrence Branch

LAS VEGAS, Nev. — Kolb and Lawrence Inc. has opened a branch office at 130 Las Vegas Boulevard South under the management of Maurice Litchenberg.

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erations, is now being carried forward into our marketing, distribution and service areas.

Harnischfeger

For the fourth year out of the past five, Harnischfeger Corporation achieved sales in excess of $80 million. This consistent record of shipments has been accomplished in what has been a period of adverse business conditions in the industries that we serve. It is firm proof that the company has successfully broadened its base of operations and is serving an expanded group of customers.

Other milestones of progress in the fiscal year ended Oct. 31, 1961, included:

(1) A continuing research and development program of the pioneering type that has kept Harnischfeger a growing enterprise throughout its 77 year history.

(2) Acquisition of long-term funds that both increased our working capital and enabled the retirement of short-term debt.

(3) Development of a shoulder-to-shoulder forward attitude among the employees of the company, as exemplified by two successive million-man-hour, no lost-time safety records established at our West Milwaukee plant.

Net shipments amounted to $80,253,330, compared with $85,691,652 in 1960. The reduced shipments can largely be attributed to completion of a large military contract in the previous year.

In the face of this decline in sales, Harnischfeger's net income amounted to $1,701,348, an increase of 41% compared with the $1,206,259 earned in 1960—added evidence that we have been successful in our "fat-trimming" program.

Summary

There is no "sure thing" for any company in a competitive industry. However, we have recognized the intense nature of the competition we are up against, both in the free world and against the communists. From our production workers to our people in the field at home and abroad, we feel we are pretty close to fighting weight. With famine sapping the communist economies, it would appear that it is now America's turn to take the "great leap forward." American enterprise is going to be the heavyweight champion for many years to come.

ALBERT G. HANDSCHUMACHER

President, Lear, Incorporated

During the coming months, the electronics industry will witness increasing competitive pressure from the new techniques of microminiaturization.

In 1962, most of these developments were in the laboratory stage. During the coming year, they will be applied on the production line.

Albert G. Handschumacher

Our company, for example, has begun taking orders for multi-component thin film microcircuits, quoting a delivery time of six weeks. At present, a thin film unit which can replace a traditional 50 component circuit costs anywhere from $1,500 to $2,000 a dozen. This is comparable or lower than the price of similar traditional circuits. By the middle of 1962, our company expects that its newly developed automated production system should be able to reduce costs anywhere from 50% to 75%.

What is the extent of the market for microcircuits? Our marketing forecast indicates that the field of microminiaturization will be doing in excess of $400,000,000 a year by 1965. It is our opinion that the field offers the prospect of the same kind of sales growth that accompanied the birth of the transistor business eight or ten years ago.

Thin film microminiaturization utilizes various electronic materials with specific electronic characteristics. These materials are evaporated in minute quantities on thin insulating materials called substrates. On one substrate the size of a thumbnail, five or six separate components of a circuit can be deposited and often a second layer is built on this and then a third and possibly a fourth. In this way, a complicated circuit such as an amplifier, which in transistorized form would be the size of a king-sized package of cigarettes, can be produced no bigger and hardly as thick as a thumbnail.

Microcircuits offer many advantages over circuits currently being used in these applications. Microcircuits are much smaller, with the accompanying reduction in weight. In addition, they offer increased reliability and require a much lower power input.

In addition to selling thin film circuits to other companies, Lear has been using these products in its own proprietary products. For example, we have been using thin film signal amplifiers in our new line of automatic pilots for the aircraft industry. We expect that there will be growing applications for microcircuits in major missile and spacecraft projects.

While the aerospace field undoubtedly will utilize the lion's share of the initial production of microcircuits there is every reason to believe that the time is not too far off when commercial and even consumer products will benefit from microcircuits. Undoubtedly sometime within the next decade or so, it will be possible to use microcircuits to reduce the size of radios to that of a silver dollar, produced so inexpensively that it will be cheaper to throw one away rather than repair it.

Television, hearing aids, household appliance and consumer vehicles, and many, many more product areas are sure to benefit from the current production breakthroughs in microcircuitry.

ERNEST HENDERSON

President, Sheraton Corporation of America

My forecast, as has been the case for several decades, is based on two assumptions:

(1) That inflation, (as the term is generally accepted) creates temporarily—at least until prices catch up—added purchasing power which in turn stimulates business activity.

Ernest Henderson

(2) That rising security prices during the past year have created an equivalent of "inflation" by providing added potential purchasing power. This added potential purchasing power derives from the fact that common stocks, are readily interchangeable for cash, and are therefore a factor in the total of our liquid purchasing power.

Since the general trend of the stock market has been inflationary over the past year, and with business indices as a result rising, and apparently heading for higher levels, it would seem safe to predict an excellent business year for 1962. Basing this forecast on the trend of the stock market is of course contrary to the generally accepted theory that the stock market predicts rather than causes changes in the trend of business indices.

The greatest hazard facing the economy in the coming year, it seems to me, lies in the fact that price levels have now risen to a point where the excess cash generated by the unbalanced budgets of World War II have been "caught up" with. Fifteen years of price-wage spirals have used up this war-generated excess liquidity. From here on, a price and profits squeeze seems likely to develop unless: (a) the price wage spiral can be controlled, or (b) further compensating unbalanced budgets are permitted in order to provide the monetary framework for accommodating an economy at an even higher price level.

The latter alternative unfortunately involves among other dilemmas, the threat of an international devaluation of the dollar.

Realizing that it is politically difficult to control the wage-spiral, and therefore assuming that promises of future balanced budgets are uttered with "tongue in cheek", I see no immediate danger in predicting rising prosperity during the next year or two.

Turning more specifically to the hotel business, there has been in recent years a tendency for the rate of growth of hotel chains to slacken. This tendency will probably continue during early 1962 as the larger hotel systems adjust to the changing demand of travellers arriving in automobiles who are demanding free convenience parking.

To the extent that these and other problems of the industry are being dealt with, optimism in the industry is becoming visible.

On the favorable side, Sheraton's backlog of forward group bookings of $111,000,000 exceeds that of a year ago by 10%. This Sheraton all-time backlog record suggests that the hotel industry will share with other segments of the economy the expected upturn in business.

J. DIAZ HERNANDEZ

Executive Director, Economic Development Administration, Continental Operations Branch

Puerto Rico's dynamic economy spearheaded by the "Operation Bootstrap" program, which President Kennedy hopes can successfully be adapted for use in the U. S. "Alliance for Progress" Program for Latin America, expanded by 9.5% in 1961.

J. Diaz Hernandez

At the same time the Caribbean Commonwealth's Gross National Product rose to a record $2 billion, from $1.8 billion in 1960 and net profits in private business, which exceeded $500 million for the first time in 1960, climbed to $550 million.

More U. S. "blue chip" corporations than ever before established affiliates in Puerto Rico. The island, which up to now, suffered from a paucity in natural resources, got an excellent start on a diversified petrochemical industry by attracting $48 million in new investments. The island's electronics industry continued to expand rapidly.

Agricultural production also attained new highs and the value of completed and started construction projects reached $100 million, as opposed to $83 million in 1960.

Puerto Rico's tourism income, estimated at $54 million in 1961, is expected to set new records during the next two years. Local and outside investments, amounting to more than $58 million, will expand hotel accomodations by 2 000 rooms in 1962.

Trade figures reflected the overall growth pattern that has made the 3,400-square-mile island Commonwealth the largest overseas buyer of U. S. goods, on a per capita basis. Purchases from the United States reached $800 million, as against, $763 million in 1960, while sales to the States rose from $674 million to over $700 million. The Commonwealth's more than 700 "Operation Bootstrap" plants increased their shipments to the mainland by 20%, to a record $450 million.

Specifically, several important trends were set during 1961.

The Economic Development Administration, Puerto Rico's "Bootstrap" agency, promoted 160 new U. S. and Puerto Rican manufacturing plants. Included among the U. S. firms starting operations in Puerto Rico were: Kayser Roth; Johnson and Johnson; Kelvinator; Brunswick Balke Collender; Shell Oil; B. F. Goodrich; Daystrom; Reichhold Chemicals; and Stepan Chemicals. Most of the newly promoted plants should be in operation by mid-1962, joining companies such as American Can; General Electric; Hickock Manufacturing; International

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Form Fidelity Securities

COLUMBIA, S. C.—Fidelity Securities Inc. is conducting a securities business from offices in the Barringer Building. Officers are Eugene F. Janquart, president; Joseph B. Cantey, vice-president, secretary and treasurer. Both were formerly with Fundamental Securities Inc.

Form Einiger Investors

Einiger Investors, Inc. has been formed with offices at 80 Wall Street, New York City, to engage in a securities business. Officers are Irwin Einiger, President; Jack Einiger, Vice-President; Sondra Einiger, Secretary and Barbara Einiger, Treasurer.

With L. F. Rothschild

Morton H. Bohrer is now associated with L. F. Rothschild & Co., 120 Broadway, New York City, members of the New York Stock Exchange, as a registered representative, it has been announced.

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Puerto Rico's already thriving $107 million petrochemicals industry added $48 million in new capital investments, producing one of the year's most important trends. For many years Puerto Rico's lack of abundant natural resources has acted as a drag on the attraction of new industries. "Bootstrap" has had to depend upon other assets—such as tax exemption and the availability of highly productive workers—to attract industry. There is no telling what might have been accomplished if Puerto Rico were endowed with mineral wealth. The growth of the island's petrochemical industry, however, will, in effect, provide Puerto Rico with the material resources it has lacked and, by attracting companies in the chemical and allied fields, should contribute substantially to the "Bootstrap" goals of 2,500 plants and the elimination of mass unemployment by 1975.

Forming the nucleus of this burgeoning petrochemicals complex, situated on Puerto Rico's southwest coast near the port city of Ponce, are Commonwealth Oil and Union Carbide. Commonwealth's $77 million refinery provides raw materials to Union Carbide's $30 million ethylene glycol plant. In 1962 Union Carbide will break ground or a $30 million polyethylene plant with the world's largest initial polyethylene production capacity. Stepan Chemicals will also start construction on a $7 million pthalic anhydride plant, which will use part of Commonwealth's naphthalene output. Pthalic anhydride is used to produce polyester and vinly plastics, paints, and coatings.

Incidentally, Union Carbide has filed an official request that its new polyethylene plant be granted permission to operate as part of the Mayaguez Foreign Trade Zone. This zone, the first U. S. Foreign Trade Zone ever set up outside the continental limits, is unique in several respects. It is the first Foreign Trade Zone to emphasize manufacturing. In addition, companies establishing plants in the zone are eligible for all the tax exemptions, financial aids, and services that are part of Puerto Rico's incentives for manufacturers. And, under the terms of the grant signed by the U. S. Secretary of Commerce, companies need not be physically located within the zone's limits. In applying for sub-zone status, Union Carbide is looking ahead to the day when the huge new plant in Puerto Rico will be the heart of its world-wide distribution of polyethylene.

Elsewhere on the island, Reichhold Chemicals has contracted for the establishment of a plant to produce compounds for plasticizers, alkyd resins, urea and polyvinyl acetate and Morton Chemicals has started work on a $4 million chlorine and caustic soda plant. Both these operations are jointly financed ventures, utilizing both stateside and local capital, and therefore are part of another of the major trends established in Puerto Rico during 1961.

Fourteen joint ventures were set up last year and, as Puerto Rico's economy continues to grow, it is expected that joint ventures will become an important feature in island's industrial progress.

Puerto Rico's electronics industry—which for the past two years has grown faster than any other industry on the island—also contributed an important chapter to the story for 1961. In securing the island's first major military contract, the industry entered the multi-billion dollar U. S. defense production market and set a precedent that may stimulate still further growth in this all important manual-precision field that last year accounted for $62 million in shipments to the mainland.

Puerto Rico's progress during 1961 was both satisfying and encouraging. The $50 rise in the island's per capita income, to a new high of $550, reflects, in part, the effects of that progress on the people. Another sign was Puerto Rico's new role in the politics of the Americas. During the past year President Kennedy declared his intention of using Puerto Rico as "our showcase in Latin America." A Peace Corps training camp was set up on the island and Dr. Arturo Morales Carrion, formerly the Commonwealth's Secretary of State, was named Deputy Assistant Under-Secretary of State for Inter American Affairs and Teodoro Moscoso, the architect and first Administrator of Puerto Rico's "Operation Bootstrap", was recalled from his ambassadorial post in Venezuela to head the $20 billion Alliance for Progress program. Yes, 1961 was a good year, but those of us who work for "Boetstrap" and the Commonwealth look upon what has been accomplished as only a promise of what can be done in 1962.

DR. BISHOP C. HUNT

Vice-President and Economist, John Hancock Mutual Life Insurance Company

As 1961 drew to a close, the national economy was thrusting upward broadly and strongly. At the beginning of the year, in contrast, general business activity hau been declining for some months. But the decline had not been large and it was suggested here that the point of maximum momentum might already have been passed. Various excesses had been adjusted and there was "evidence of organic forces at work to stem further decline and return the economy to a reasonable line of growth."

Dr. Bishop C. Hunt

As measured both in terms of industrial production (FRB) and of total output of goods and services (GNP), the recession bottomed in the first quarter. Before the end of the third quarter, full recovery had been made from what was by any criterion a small recession, the economy having re-attained its historical line of growth. Towards the end of the year, it was generally recognized that the economy had in fact passed from recovery to expansion. Economic indicators evidence broad strength and it seems reasonable to assume that expansion of general business activity will continue without serious interruption in 1962, in the absence of extended labor disputes and major international crisis, political or financial.

American life insurance continued to establish new records in 1961. Total new sales of $80 billion were 7% higher than the year before. The total in force is estimated to have reached $635 billion, an increase of nearly $50 billion or more than 8% during the year, an increase moreover, which exceeds the **total** coverage in force in the United States 40 years ago. The volume of life company accident and health insurance continued to grow apace also. Total payments to policy owners and their beneficiaries, as guaranteed by contract, exceeded $11 billion for the first time, again a new record by a substantial margin.

It might be said that as the economy goes, so goes

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Distributors Group Names Smith

SHAKER HEIGHTS, Ohio—Robert E. Smith has been promoted to Vice-President—North Central States for Distributors Group, Inc. Mr. Smith has been with Distributors Group since 1956, and was previously Resident Vice-President — Ohio Valley. In his new position he will direct sales and dealer service in Indiana, Michigan, Ohio, Western Pennsylvania, Wheeling, W. Va., Illinois, Iowa, Minnesota, Nebraska, North Dakota, South Dakota, Colorado and Wyoming.

Hardy & Co. Adds

Edmund Dietz has joined the staff of Hardy & Co., 30 Broad Street, New York City, members of the New York Stock Exchange.

DeVore Elected by FIF Management

DENVER, Col.—Don C. DeVore, senior investment research analyst of FIF Management Corporation, 950 Broadway, has been named assistant vice-president of the firm, it was announced.

The election of Mr. DeVore, who is also president of the Denver Society of Security Analysts, to the assistant Vice-President's post at FIF Management, took place at a recent meeting of FIF's board of directors, according to J. William Tempest, the Denver-based fund firm's president.

New Beckman Branch

CHICO, Calif.—Beckman & Co., Inc. has opened a branch office at 215 West 5th Street under the management of George M. Venard.

Now First Alabama

MONTGOMERY, Ala.—The firm name of Odess, Martin, Sellers, Doe & Bonham, Inc., Southern Guaranty Building, has been changed to First Albama Securities, Inc. The firm maintains branches in Birmingham and Mobile.

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life insurance. In periods of economic expansion, the growth of life insurance naturally accelerates. But it is also a fact that in periods of lesesr buoyancy or even severe depression its growth nevertheless continues, although at a slower rate. Life insurance in the United States is truly an outstanding growth phenomenon. Since the beginning of the century, at least, it has experienced only one interruption and that was both minor and brief.

The prospect of higher levels of general business activity and employment in the year ahead promises higher levels of individual and corporate incomes. We may therefore confidently expect that the provision made through life companies for the financial and economic security of the nation's families will again advance significantly in 1962—more people will come to have more protection than ever before, not only against the hazards of untimely death or dependent old age, but also against the costs of hospital and medical care, and against the loss of income because of disability.

Life companies administer by far the largest single component of the nation's institutional pool of savings. Their assets—which represent, broadly speaking, accumulated savings of policy owners held to guarantee future contractual payments—rose in 1961 to more than $126 billion, an increase of nearly $7 billion and an increase on ratio greater than the year before. A comparable increase should be realized in the year ahead.

Last year, rates of interest on new long term investment remained on average near the highest levels in a quarter century—their decline during the recession of 1960-61 was comparatively small. The maintenance and quite possibly some increase in such rates is implicit in the likely course of business activity over the coming year. It may be expected, therefore, that the average rate of return (before taxes) earned on life company assets will continue to rise as increments of new funds are invested and the proceeds of maturing investments are reinvested. The average earned rate increased substantially in 1961—from 4.11% to an estimated 4.25%.

H. LESLIE HOFFMAN

President, Hoffman Electronics Corporation

The electronic industry will experience a good year in 1962, with factory sales somewhere near the $10.8 billion mark foreseen by the Electronic Industries Association, but it will not be an easy year. The rewards will go to those companies that are well managed, know their costs, know their markets and cultivate them assiduously, apply imagination in developing new products and new applications of existing products and plan soundly for the future.

H. Leslie Hoffman

Companies that are not capable of doing these things, or simply fail to do them, will find the going more difficult this year than ever before. There will be heavier penalties for sloppy planning, loose administration, lackadaisical marketing, lack of imagination and unwillingness to try new ideas.

There will be no deceleration in the astonishing rate of technological change that has been the outstanding characteristic of the electronic industry since its birth. In fact, there is every indication that such changes will come at an increasing rate as we move on into the Space Age. This means that the managements of electronic companies must continue to earmark enough of the profit dollar for research and development to keep in step with or ahead of their competitors. Also, with the prospect that profits will continue to be held down, the research dollar will have to be wisely and selectively spent to yield maximum results.

In this matter of restricted profits, this should be the year for the electronic industry—and all other industries that are in large measure responsible for our nation's technological future—to impress upon government the fact that research and development progress is dependent upon profit, just as profit depends upon new products and new ideas coming out of research.

Electronics will continue to play the leading role in the expanding space programs. Electronic systems and components constitute the major portion of missiles and space vehicles and this content will continue to rise as such products perform more functions and become more sophisticated. Even if there were to be no more developments than are now foreseen, space electronics would be a vast and growing area in 1962 and the years beyond. Recent past experience indicates, however, that there will be many significant breakthroughs that will expand this field rapidly as the year progresses.

It appears that the space program is to be controlled by a small number of large companies. This pattern is already evident and will become more so in 1962. In some instances, non-electronic companies will direct the projects but they will have to work very closely with other companies in the electronic industry; in other cases, electronic companies will head the effort, in collaboration with other industries.

Foreign competition will be a greater factor in 1962 than ever before for all business. This will present the electronic industry with both opportunities and challenges. In industrial electronics, there is a growing market for the use of electronics as a tool to cut costs and automate processes and operations so that American companies can better compete with foreign industries enjoying lower labor rates and other advantages. However, the electronic industry itself will encounter similar foreign competition in the consumer and industrial fields and will have to work hard to counter it, both at home and abroad. Any across-the-board reduction of tariff structures, or granting of life-and-death power in this respect to the executive branch of the Federal Government, would produce chaos and disaster in American industry.

Any move to eliminate tariffs must recognize the difference between American wages and salaries and those paid abroad. If we are to change the tariff structure appreciably, wages and salaries paid in the United States must be tied to productivity, as they are in Western Europe.

The attitude of the electronic industry on the matter of tariff reduction is well-expressed in a recent resolution passed by the directors of the Electronic Industry Association, saying: "All international trade agreements resulting in reduction or removal of U. S. tariffs should be truly reciprocal in all respects so that American exporters will have opportunities to sell in foreign markets equal to those provided foreign producers in U. S. markets."

Electronics, which has already provided such wonders as television, computers, space communications and radio-astronomy, will continue to explode technologically, showering many new inventions and breakthroughs down upon the industry. However, hard work and intelligent management will be needed to a greater degree than ever before to exploit and market these ideas to the maximum. Proper utilization of these new scientific discoveries for new products that will increase profits of individual companies and the industry will be a key requirement upon top management in 1962.

ARTHUR B. HOMER

Chairman and Chief Executive Officer, Bethlehem Steel Corporation

During 1962, I would expect a continuation of the moderate recovery which began several months ago unless steel labor negotiations in the first half of the year create a retardant for the latter half.

Arthur B. Homer

There will be strong competition, both domestic and foreign, and the challenge will be met with improved production methods, with new and better steel products through research and with the best possible service to customers. Also, more favorable depreciation or tax allowances, now under consideration by our government may, if enacted, assist in improving facilities and in competing against foreign steelmakers who have had the benefit of more liberal depreciation policies in building their modern plants.

Sales in our business in 1962 should improve and bring better earnings, provided the gains are not offset by unreasonable and costly demands as the price of peace with the labor union.

JAMES S. HUNT

President and Chairman of the Board, Coral Ridge Properties, Inc., Fort Lauderdale, Fla.

Florida is setting the pace among her sister States at the beginning of the Atomic Age! According to the U. S. Bureau of the Census Report of 1960, Florida is the most rapidly growing of all 50 States, and is second only to California in absolute growth. During the period 1950-1960, the population of the United States increased 50%, while Florida increased 2½ times. During the same period, the population of Ft. Lauderdale, county seat of Broward County, increased over 40 times! Broward County during the same time increased 297.9%; making it the fastest growing county in the entire country, excluding two whose growth is solely dependent upon military installations and expenditures.

James S. Hunt

This factual picture of growth since World War II helps answer two questions put to me: **"Is the Florida 'boom' slowing down," and "Where do these people come from and what do they do?"**

The answer to the second question is easy. They come from all over the country and from all walks of life. They are the solid upper middle class whose children have grown up, and who now find it easier to retire a good 10 years before they thought they could and move to Florida; they are the children of those retired couples who are young family people wanting to be near their parents, and whose sense in Florida the great opportunities on every hand with the added pleasure of living and working in the only sub-tropical climate in the country; they are the widows, widowers, divercees and bachelors of means who have found the way to live in Florida in a prestige location among others they enjoy being with, and yet without the responsibility or upkeep of a large establishment—where they can lock the door and "jet" off without a care!

For these, and for the additional millions who take their place every day of every year, Florida will never lose its lustre, because the same things which have attracted people here in the first dawn of tourism are still here—the sun, sand and water, easily accessible, with resorts for any type of recreation from the most lavish

They live in big cities, in towns and villages, on farms. Quite a few are customers of ours.

Personal contact with these investors—through our eighteen sales offices and our newly constructed main office — helps build distribution.

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Beckman Opens Branch

GRASS VALLEY, Calif.—Beckman & Co., Inc. has opened a branch office at 129 Mill Street under the direction of Carlton G. Thomas.

New Branch for Beckman

MANTECA, Calif.—A branch office at 237 West Yosemite Street has been opened by Beckman & Co., Inc. Alden R. Houbein is Manager.

Howell Opens Office

ROCKVILLE CENTRE, N. Y.—J P. Howell & Co., Inc. has opened a branch office at 180 Sunrise Highway under the management of Charles Hofman.

Paul Nichols Branch

FAIRBANKS, Alaska—Paul Nichols Securities Company has opened a branch office in the Northward Building under the management of Donald D. Thomas.

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to the modest. People come to Florida first as tourists, then return as permanent residents—here in Broward County at the rate of 800 **families** per month, net. With this population growth, a whole range of services must be provided — from shopping centers to homes, from lawn services to banks, from jet airports to schools. These new residents provide new capital for investment and construction, strengthen community action, and add new blood to the cultural, social and economic lifestream of the State. These are not—to borrow a term—displaced persons who settle down on a community with no ties nor interests, instead they become staunch members of the community, with social and economic ties.

This last statement helps answer the first question—"Is the Florida 'boom' slowing down?" The answer is, we have not yet begun to grow! But the word "boom" is wrong. Florida's growth, unlike the unfortunate days of the '20s, is based on solid ground—not paper profits, although a few companies have yet to learn and benefit from the bitter lessons of the '20s.

People who have put solid equities into their homes, businesses and investments form the foundation of the new growth of this area. In one of the Coral Ridge subdivisions, for example, and it is not the exception but the rule, with homes in the $17,000 to $35,000 being built at the rate of 3 per day, some **60% are all cash transactions,** with the balance conventionally financed. This follows our Coral Ridge Properties, Inc. terms of sale, which have been unchanged for 20 years—all land sales are either for all cash, or half cash, with the balance in two equal annual instalments at 6% interest. We do not consider sales of land under any other terms as being bona fide sales.

Under these sound financial principles, the Florida economy can go only one way—up. The best investment on earth is still earth itself, and with the increasing flow of new residents to Florida, building homes and new businesses, with the increasing move of new industries into the State, land utilization is coming into its own. In Broward County, we have planned for, and are geared to this continuing growth and development, on a far-reaching but prudent basis.

Our own company of Coral Ridge Properties, Inc.—not the largest, but the oldest in years and experience—has tried within our capabilities to meet the challenge of the future, and start the ball rolling in our own ballwick. In a national economic atmosphere early in 1960 tinged with caution and a "wait and see" attitude, Coral Ridge announced the $9,000,000 Coral Ridge Towers co-operative apartment building—largest in Florida; the $8,000,000 Coral Ridge Shopping Plaza jointly with the J. A. Cantor Company, shopping center building specialists; the sale of 277 acres of land for $4.8 million, and the immediate start of a $40 million home construction program of waterfront homes in the $40,000 and up category; the purchase of 4,000 acres of land in the direct line of development in Broward County; the payment of our fifth consecutive semi-annual dividend; the construction of a new 115-room Coral Ridge Hotel on the Galt Ocean Mile in Fort Lauderdale; the formation of two wholly-owned subsidiaries—Coral Ridge of California, Inc. to handle land acquisitions in that State; and the First Financial Corp., chartered under the SBIC, to further diversify our business and provide additional recurring income in addition to our other two hotels, the Galt Ocean Mile Hotel and Ocean Manor, our shopping centers, apartments and business properties.

The end of the year proved our point: 90% of the 330 apartments in Coral Ridge Towers were sold out within seven months, and application was made for a second unit of 337 apartments; Coral Ridge Shopping Plaza now has all its 442,000 sq. ft. under construction with several stores already open; home construction topped $28 million here this year, with 80% being in Coral Ridge areas.

We feel that these moves stimulated confidence and faith in the future growth and development of Southeast Florida. With these and additional projects by other companies now underway and on the boards, our local companies have been forging ahead full-steam to make 1962 a banner year.

Those companies who keep their powder dry, their noses the grindstone, who do not burden themselves with excessive interest payments, heavy carrying charges, and large inventories of land not readily marketable but heavily taxed will find that the profits at the end of 1962 will be gratifying.

AUGUST IHLEFELD

President, Savings Banks Trust Company, New York, N. Y.

Competition in 1962 for deposit-type savings will be much keener as the result of the higher interest rate ceilings permitted commercial and mutual savings banks in New York State. However, mutual savings banks expect to meet this challenge by intensifying their efforts to serve the savings public.

August Ihlefeld

Deposits in all mutual savings banks in the United States increased by about $2 billion in 1961, a substantial improvement over the $1.3 billion gain in 1960 but considerably less than the record $2.4 billion in 1958.

Total personal savings will register an increase in 1962 because of the rising trend of personal disposable income. The higher rates of interest to be paid by deposit-type savings institutions may also attract funds from investment in securities. However, the possible adoption of withholding taxes on interest will hurt depositary institutions. In any event, competition for savings will become more intense as a result of interest rate warfare.

To maintain their ability to pay a competitive rate of return on savings, mutual savings banks will press their efforts to increase earnings. The most effective way to do this has been to increase the ratio of mortgages to deposits. This ratio rose above 75% in 1961 as the net increase in mortgages exceeded the gain in deposits for the year. The mortgage ratio can be expected to rise further in 1962.

Mutual savings banks will also continue their efforts to step up the average yield obtained on bond holdings by switches from low coupon municipal and U. S. Government securities into corporate bonds. The upward trend of the economy and the larger demand for funds that will result, should provide opportunities to secure higher yields on both the bond and the mortgage investments to be made this year.

At the same time, savings banks will seek relief from

Continued on page 58

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L. C. Whitaker Branch

DANIA, Fla.—L. C. Whitaker Securities Corporation has opened a branch office at 225 East Dania Beach Boulevard under the management of Vince A. Bruce.

R. J. Baker Co. Opens

(Special to THE FINANCIAL CHRONICLE)

MENLO PARK, Calif.—R. J. Baker & Co. is engaging in a securities business from offices at 1108 Crane Street. Partners are John R. Baker and Roland J. Baker.

S. S. Mintz Opens

(Special to THE FINANCIAL CHRONICLE)

NORTH LAS VEGAS, Nev.—Samson S. Mintz is engaging in a securities business from offices at 1647 North Main.

Most Opens Office

BROOKLYN, N. Y.—Bernard Most is engaging in a securities business from offices at 1661 East 28th Street.

E. Patnod Co. Formed

RUTLAND, Vt.—Evelyn F. Patnod is conducting a securities business from offices at 158 River Street under the firm name of Evelyn Patnod & Co. Mr. Patnod was formerly with A. M. Kidder & Co., Inc. and Reynolds & Co.

Jack Riggs Forms Inv. Co.

(Special to THE FINANCIAL CHRONICLE)

SALINAS, Calif.—Jack Riggs Investment Company has been formed with offices at 1101 North Main Street to continue the investment business of Jack Riggs Agency. Officers are Jack R. Riggs, President; M. C. Riggs, Secretary; and H. Buttner, Treasurer.

Sigesmund Opens Office

PITTSBURGH, Pa.—Raymond H. Sigesmund is conducting a securities business from offices at 601 Grant Street. He was formerly with Francis I. du Pont & Co.

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Continued from page 57

restrictions that have hampered their ability to serve the savings public, and that have become both inequitable and obsolete in this increasingly competitive area. In New York State, the raising of the $10,000 deposit limit, equalization of branch privileges with those of competing institutions and authority to provide a personal loan service to depositors are changes that are likely to be sought actively.

Through their efforts to increase earnings and to obtain relief from obsolete restrictions to which other thrift institutions are not subject, the mutual savings banks are confident that they will meet successfully the challenge of intensified competition.

FRANK W. JENKS

President, International Harvester Company

As we begin the 1962 fiscal year, we hope to attain improvement in all categories of sales.

Most economic forecasts seem to agree that there will be a general upturn in business in the United States, particularly in the first six months of the 1962 calendar year. If these forecasts are correct, they should be reflected particularly in our motor truck sales, which are especially sensitive to the level of general business.

Frank W. Jenks

Motor truck sales will also be helped by a substantial order for military 6-wheel-drive tactical trucks which are now being produced for the Government and on which production will be substantially accelerated early in 1962.

We believe the light-duty truck market will be sustained and hope for an increase in heavy-duty truck sales, which would favorably affect both sales and earnings.

Our farm equipment business around the world, we believe, should be somewhat improved during 1962, and this improvement should include the United States market. Here we anticipate increased sales of tractors and equipment for industrial use and an increase in sales to farmers, partly as a result of new and improved products to be introduced, partly as a result of rebuilding dealer inventories of machines, and partly as a result of an expected increase in gross farm income.

Construction equipment sales abroad should continue to be good, and we believe there will be an improvement in sales in the United States. Again, new and improved products should be a favorable factor. In addition, we look for some increase in highway construction.

We believe that several years ago, at the start of the huge Federal highway program, more construction equipment was bought than could be utilized, in the expectation that the program would develop even more rapidly than it has. We think that inventory of equipment in the hands of contractors is now beginning to be worked off, which should improve sales prospects.

Our Wisconsin Steel Division has been experiencing a steady increase in orders, and this improvement is expected to continue at least through the first half of 1962.

Subsidiary companies, including those abroad, are generally somewhat optimistic and we believe our total foreign business will equal or exceed that of 1961.

In summary, it seems likely that 1962 will show an improvement over 1961, perhaps somewhere between 5 and 10 percent, so far as sales are concerned.

PETER F. HURST

President, Aeroquip Corporation

After weighing all the evidence, as it relates to the economy in general and to Aeroquip Corp. specifically, I cast my vote with the large majority of economists who are anticipating a continued business recovery in 1962.

The primary indicators used to forecast trends are almost unanimously optimistic. Production, employment, construction, capital expenditures, personal income — to name only a few—are pointing to increases in 1962.

Peter F. Hurst

This total view is borne out by Aeroquip's current experience, which is from the vantage point of a company serving capital goods industries. The rate of inquiries from customers and prospects has gone up impressively and our sales engineers and representatives tell us that the mood out in the field is one of enthusiasm and high hopes. This is more than just wishful thinking. It has been tangibly substantiated in the profile of our incoming orders chart which has been quite handsome for some time now.

I would venture the opinion that some of the current optimism is a justifiably favorable reaction to the way the economy behaved during the recent recession. The ability of our economic system to recover the way it did was quite significant, being indicative of an inherent strength and durability.

It is not realistic to expect any force, especially that of economic prosperity, to sustain a constant upward movement without an occasional pause or adjustment or even diminution. Fearful of this, there have been "prophets of gloom" warning us that when America's economy shifted into reverse, the downward slide would be disastrous. Events have exposed the falseness of this theory. While there can never be a bright side to any degree of depression, we should nevertheless give cognizance to the proven fact that our economic system has the ability to remedy and recoup in times of setback. To be enduring and successful an economy needs defensive as well as offensive capabilities. The free enterprise system has amply demonstrated these qualities.

Reports reaching my desk also reflect a cross-section of business opinion outside of the United States. Our subsidiary in Canada is doing better now than a year ago. It appears that the recovery taking place in this country has concurrently had a healthy affect north of the border.

The progress being made by our new plants in Baden-Baden and Hann. Muenden, Germany adds still further confirmation to the already well-established prosperity evident throughout free Europe. The outlook there is one of confidence.

In fact, things seem to be going well in every industrial area of the world where Aeroquip's licensees are located. From Great Britain to France to Italy to Japan to Australia, broad gains are in prospect.

The American economy is advancing along a wide front. The momentum of accelerated business activity should carry through for some time to come. A good first half appears certain. At Aeroquip, for example, we are looking for record results in our 1962 fiscal year which will end next September 30.

One point should be made very clear. There is absolutely no complacency in our outlook because every day, all day long, we are reminded that competition has never been tougher. But there is a challenging motivation that mobilizes our resources and energies: an increasing volume of available business. What greater incentive does free enterprise require?

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SAN FRANCISCO, Calif.—Anna J. Smith is conducting a securities business from offices at 1050 North Point Street under the firm name of A. J. Smith Company.

Vidaver Co. Formed

LAKEWOOD, N. J.—Sidney J. Vidaver has formed Vidaver & Company Inc. with offices at 1 Freeman Road to engage in a securities business. Mr. Vidaver was formerly with Renyx, Field & Co.

Benj. Werner Forms Co.

BROOKLYN, N. Y.—Benjamin Werner is engaging in a securities business from offices at 96 Bulwer Place under the firm name of Benjamin Werner & Co.

Weil & Doyle to Admit

Weil & Doyle, 30 Broad Street, New York City, members of the New York Stock Exchange, on Feb. 1, will admit Susan V. R. Klauber, James H. Van Raalte and Thomas Z. Van Raalte to limited partnership.

New Walker Branch

NEW CITY, N. Y. — Joseph Walker & Sons has opened a branch office at 76 North Main Street, under the management of Robert G. Shaw.

With Cruttenden, Podesta

(Special to THE FINANCIAL CHRONICLE)

DENVER, Colo.—John D. Manes and Ransford C. Shelley have become connected with Cruttenden, Podesta & Co., 524 17th Street. Both have recently been with Currier & Carlsen, Inc.

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ROBERT S. INGERSOLL

Chairman, Borg-Warner Corporation

Durable goods spending should continue to increase in the months ahead, hit a record high in the first half of 1962 and qualify as the major reason for 1962 being a better business year than 1961.

Robert S. Ingersoll

After lagging behind soft goods, service and government spending during 1960 and into 1961, durable goods business turned up last March and has made a steady comeback. October orders (the latest figures available as this forecast is made) were the highest since a wave of orders in June, 1959, prior to the steel strike.

Pointing to continuing strength in durable goods are predicted 1962 increases in new plants and equipment, new homes, and steel, automobile and appliance production.

Borg-Warner, broadly diversified in the durable goods field, estimates that its own performance in 1962 will generate substantially increased sales. Earnings will be up considerably but continue to be subject to a severe squeeze because of cost pressures and availability of adequate capacity nationally to meet most of the foreseeable product needs.

In the automotive field, accounting for about one-third of sales, Borg-Warner expects sales to be substantially higher than 1961 and to surpass 1955, the previous high year. Detroit forecasts of some 6.7 million U. S. made cars are encouraging and so are estimates from overseas, where Borg-Warner has automotive parts plants in England, Australia and Brazil.

Borg-Warner also sees increasing volume for its Norge, York and other home equipment divisions, which account for approximately another third of annual sales. Both Norge and York are forecasting 5% improvements in appliance sales for 1962.

In addition to increasing its sales of home equipment, Norge is expanding in the commerical equipment market through its introduction of Norge Laundry and Cleaning Village stores. Norge equipment is used in 75% of the 2,000 laundry and dry cleaning installations now in operation and is expected to be used in another 3,000 in 1962.

York forecasts increases both in home air conditioner sales (with more and more new homes including central systems) and in the sale of air conditioning systems for commercial establishments, such as offices, hotels, apartment buildings and manufacturing plants.

The plastics industry looks for an overall growth of 10% in 1962. Borg-Warner's Marbon Chemical Division, specializing in the faster-growing ABS (acrylonitrile-butadiene-styrene) polymers, is forecasting a slightly better increase in volume. Supporting Marbon's long-range confidence in current and new products are 1962 construction plans for new plants at Baytown, Texas and near Edinburgh, Scotland.

Borg-Warner divisions serving the farm and industrial equipment industries expect to share in predicted 5% increases in business. Similarly, the three steel divisions look for improvements in line with that industry's forecasts of 10% higher production levels.

Overseas business continues to grow in volume and profitability, with the strongest markets in automobile parts and air conditioning.

Borg-Warner enters 1962 with a record $40 million expansion program completed and several new or expanded plants in operation. These new facilities include the 1,100,000 sq. ft. Norge refrigerator and freezer plant at Fort Smith, Ark. and expanded automotive transmission plants by Warner Gear at Muncie, Ind. and Borg-Warner Limited at Letchworth, England.

Start-up of these new facilities and normal capital spending of about $20 million in 1962 will help improve Borg-Warner earnings in the coming year.

GEORGE C. JOHNSON

President and Chairman of the Board, The Dime Savings Bank of Brooklyn

Most of the economic indicators point to a healthy and active year ahead for the mutual savings banks of New York. This, in turn, means a healthy and active year for the home building industry. The mutual savings banks will continue to finance more homes in New York State than all other types of mortgage lenders combined.

George C. Johnson

After a slow start, the year of 1961 finished on a strong note of optimism for all lines of business, and it appears this optimism will continue, and perhaps grow, during the year ahead unless the international situation deteriorates further.

The domestic economy is at its highest peak in history, with the Gross National Product now near an annual rate of $540 billion and expected to reach a rate of $565 billion by the middle of 1962. A substantial portion of this amount paid for goods and services will find its way into new home construction.

New home production in the four Long Island counties, together with Richmond, Rockland and Westchester Counties where The Dime Savings Bank of Brooklyn concentrates its mortgage lending activity, showed a modest gain in volume during the year just ended. A rising production curve is expected in 1962.

For example, The Dime of Brooklyn closed some $95 million in new mortgages during 1961. Of this, over $88 million covered 4,889 mortgages to home owners in the State of New York.

At present, the bank has outstanding $130 million in

Continued on page 60

Parker Corp. Branch

PITTSBURGH, Pa.—The Parker Corporation has opened a branch office at 408 Clair Drive under the management of Alan D. Pless.

Frank-Street Branch

Frank-Street & Co. has opened a branch office at 99 Wall Street, New York City, under the management of Charles J. DeFede.

American Mgmt. Funds

ROCHESTER, N. Y.—American Management Funds is conducting a securities business from offices at 2030 Elmwood Avenue. Amiel J. Mokhiber is a Principal of the firm.

D. A. Watson Opens

LA JOLLA, Calif.—Deneen A. Watson is conducting a securities business from offices at 7946 Ivanhoe Avenue.

Frost, Read Office

SUMTER, S. C. — Frost, Read & Simons, Inc. has opened a branch office at Law Range, under the management of Harold Moise, II.

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Lone Star Secs. Opens

DALLAS, Tex.—Julian A. Lern is engaging in a securities business from offices in the Life Building under the firm name of Lone Star Securities.

Mutual Fund Associates

SAN ANTONIO, Texas.—Mutual Fund Associates has been formed with offices at 5108 Broadway, to engage in a securities business. Paul H. Blinkinsop is a Principal.

United Financial Planning

PROVIDENCE, R. I.—United Financial Planning Corporation is engaging in a securities business from offices at 146 Westminster Street. Martin Miller is President and Treasurer. He was formerly with Westheimer & Co., H. Hentz & Co. and United Guaranty Corp.

Robt. Baird Branch

RACINE, Wis.—Robert W. Baird & Co. has opened a branch office at 524 Main Street under the direction of Charles E. Lancaster, Jr.

Dreyfus Branch

WELLESLEY, Mass.—The Dreyfus Corporation has opened a branch office at 10 Wildon Road under the direction of Felix Ehren.

Form Karlad Inv.

(Special to THE FINANCIAL CHRONICLE)

LAKEWOOD, Colo.—Karlad Investment Company is conducting a securities business from offices at 1485 Holland Street. Officers are Dean L. Morrison, President; John J. Glynn, Vice-President; and Arthur Flannelly, Jr., Secretary-Treasurer.

Two With Dean Witter

(Special to THE FINANCIAL CHRONICLE)

PORTLAND, Ore.—George E. Davidson and Donald F. Kunesh have joined the staff of Dean Witter & Co., Equitable Building.

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Continued from page 59

advance commitments to builders and other mortgage applicants. Of this amount, $113,509,000 is for 6.600 home mortgages.

In other words, the home mortgage business in the New York area has shown gratifying recovery from the recession and uncertainties in 1960 caused by tight money policies of the Federal government and the Presidential election.

All present indications point to an adequate supply of funds for mortgage investment during 1962. An important factor in increasing the supply is the recent permission given savings banks to pay higher dividends to their depositors. The ability to pay 4%, or more, undoubtedly will attract funds that might otherwise go into the stock market or other investments.

Increasing numbers of mortgages will be written during 1962 on a conventional basis with a 6% interest rate. This is a trend which began in 1958, following enactment of a New York law permitting state-chartered savings banks to make long-term 90% mortgage loans without government backing. The Dime Savings Bank of Brooklyn took the lead in using this new and liberal financing tool.

As has been the case every year since 1947, the bulk of the mortgage lending activity of The Dime of Brooklyn during 1961 was in Nassau and Suffolk Counties.

As 1962 began, the face amount of the mortgages in those two eastern Long Island counties held by The Dime totaled $555,271,930, or 62.84% of the dollar amount of the bank's total mortgage portfolio. These mortgages covered 52,483 properties or 69.01% of the 76,052 mortgages held by the bank at year-end.

In addition to its home loans in Nassau and Suffolk, The Dime of Brooklyn has financed several million dollars of commercial, industrial and institutional construction in the two counties.

Like all mutual savings banks, The Dime of Brooklyn is primarily a mortgage lending institution. An aggregate of $883,000,000, of our $1,275,000,000 total assets is invested in 76,052 real estate mortgages. Virtually all of these are residential properties in nine counties of New York State in the metropolitan area.

Mortgage investment for development of the local area from which comes the bulk of our deposits has been the primary policy of the bank for 103 years.

WAYNE A. JOHNSTON

President, Illinois Central Railroad

Present indications are that Illinois Central net income for 1961 will be $12,631,000, or $4.04 per share. This compares with net income for 1960 of $11,093,000, or $3.56 a share. Operating revenues for 1961 are estimated at $251 million, compared with $260 million in 1960. Operating expenses for the year will be $197 million, as compared with $211 million in 1960.

Wayne A. Johnston

It is estimated that our revenues in 1962 will be $259 million, and expenses for the year $201 million. On this basis we expect to have a net income in 1962 of about $13 million. An increase in carloadings of 3% is predicted for 1962. Carloadings in 1961 will total about 1,645,000 cars. Carloadings in 1962 are estimated at 1,693,000 cars. Working capital at the close of 1961 is now estimated to be $46½ million, a working capital ratio of 2.07%. Capital expenditures for 1961 will amount to about $20 million. For 1962 such planned expenditures will amount to approximately $23 million, of which nearly $6 million, will be for roadway improvements and $17 million for equipment. Capital improvements since World War II, including expenditures made in 1961 and planned for 1962 add up to more than $415 million.

The 1962 equipment program provides for the purchase or construction of 2,414 freight cars of various types. Two new diesel locomotives will be acquired for use in passenger service.

There were 97 new or expanded industries located on the Illinois Central during 1961. These industries are estimated to produce $5½ million annually in additional revenues for the railroad. Value of construction of these plants is $104 million.

We optioned six blocks of air rights over our tracks at Chicago north of Randolph Street between Stetson Avenue and Lake Shore Drive to the Illinois Center Corporation. This organization plans a $500 million hotel-apartment-office building complex on the property. When the option is fully exercised the Illinois Central will receive approximately $35 million for these air rights.

One-half block of air rights north of Randolph Street and east of Lake Shore Drive was sold to Interstate Investment, Inc. When the transaction is completed the railroad will receive $2,751,000. This company also has entered into option or other arrangements with us for the eventual acquisition of the remaining 3½ blocks in this immediate area. It is proposed to develop the area with hotels and high rise apartments.

These two air-right developments when completed leave a total of five blocks between Randolph Street and the Chicago River to be developed.

P. M. JARVIS

President, Swift & Company

In the meat industry, 1962 promises to be a year of good supply of raw materials. Meat production should set a new high. This will permit the expanding American population with higher disposable income, to continue emphasis on quality, protein diets.

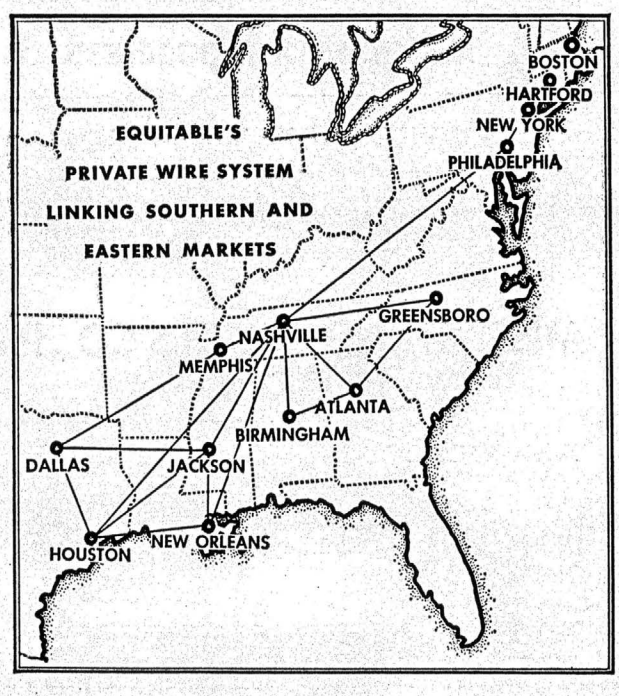
P. M. Jarvis

Government figures forecast total meat production for 1962 will be about 29.3 billion pounds, compared to the record 28.6 billion pounds for 1961.

Beef production in 1962 may be up about 3%; likewise, a small gain of 3-4% in pork production is forecast; veal production will remain about steady and a slightly lower level of lamb and mutton processing is anticipated.

Production of broilers undoubtedly will continue at very high levels, although some reduction is likely from the all-time peak of 1961—approximately 2 billion head.

The turkey outlook is clouded by marketing orders which are under consideration. However, indications point to a modest reduction compared to the 1961 crop of 107 million turkeys. During the next two years, the Agricultural Chemical Division of the business will be associated in new projects totaling $30,000,000. It is expected that use of plant food by farmers will increase during 1962 as farm income is expected to rise slightly. The trend towards greater use of pesticides on farms is



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Federal Reserve Board Appoints

The Board of Governors of the Federal Reserve System has redesignated Philip D. Reed, former Chairman of the Board, General Electric Co., New York City, as Chairman of the Board of Directors of the Federal Reserve Bank of New York and Federal Reserve Agent for the year 1962. The Board of Governors has reappointed James DeCamp Wise, former Chairman of the Board, Bigelow-Sanford, Inc., New York City, as a class C director of the Federal Reserve Bank of New York for the three-year term beginning Jan. 1, 1962, and has reappointed Mr. Wise as Deputy Chairman of the Reserve Bank's Board for the year 1962.

Philip D. Reed

The Board of Governors has also reappointed Whitworth Ferguson, President of the Ferguson Electric Construction Co., Inc., Buffalo, New York, a director of the Buffalo Branch of the Federal Reserve Bank of New York for the three-year term beginning Jan. 1, 1962. The board of directors of the Federal Reserve Bank of New York has designated Raymond E. Olson, President of Taylor Instrument Companies, Rochester, N. Y., as Chairman of the Board of Directors of the Buffalo Branch for the year 1962. The Reserve Bank's Board of Directors has also appointed as directors of its Buffalo Branch, Anson F. Sherman, President of The Citizens Central Bank, Arcade, New York, and Elmer B. Milliman, President of the Central Trust Co., Rochester, N. Y. Both will serve a three-year term beginning Jan. 1, 1962.

Lane, Lourie & Wolff

BOSTON, Mass.—Lane, Lourie, Wolff & Co. has been formed with offices at 55 Kilby Street to engage in a securities business. Partners are James F. Lane, David C. Lourie, and Richard C. Wolff. All were formerly with Brown & Co.

Equitable Names Desmond

HARTFORD, Conn. — Thomas E. Desmond has become associated with Equitable Securities Corporation as Assistant Vice-President and manager of the Hartford office, 75 Pearl Street.

Sickel Joins Bache

(Special to THE FINANCIAL CHRONICLE)

BEVERLY HILLS, Calif. — John H. Sickel has become associated with Bache & Co., 445 North Roxbury Drive. Mr. Sickel was formerly with Dempsey-Tegeler & Co. and J. A. Hogle & Co.

Hames With Walston

(Special to THE FINANCIAL CHRONICLE)

LOS ANGELES, Calif. — Bertram L. Hames has become associated with Walston & Co., Inc., 731 Wilshire Blvd. Mr. Hames who has been in the investment business on the coast for many years was formerly with Lester, Ryons & Co. In the past he conducted his own investment business in Los Angeles.

Joins Kidder, Peabody

(Special to THE FINANCIAL CHRONICLE)

SAN FRANCISCO, Calif.—Robert H. Gorham has joined the staff of Kidder, Peabody & Co., 140 Montgomery Street. He was formerly with McDonnell & Co. Inc.

G. C. Avery Opens

(Special to THE FINANCIAL CHRONICLE)

MARION, Mass.—Gordon C. Avery is engaging in a securities business from offices on County Road under the firm name of Gordon C. Avery & Co.

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expected to continue. Likewise, improved overall business conditions are expected to have a favorable effect on sales of plant foods for home gardens and lawns.

We anticipate substantial progress during 1962 toward the long-term goal of developing and selling of a wider variety of industrial chemicals. Swift is moving ahead in the manufacture of resin plasticizers and epoxidized oil derivatives, (both used in making various films and plastics), synthetic waxes, and emulsifiers which are used in mixing insecticide preparations for agriculture. All of these have been added to the basic list of fatty-based chemicals.

In the field of edible fats and oils, such as margarines, shortenings and cooking oils, record supplies and more stable raw material costs are forecast.

Soybean and cottonseed oil mills may well face another definite squeeze on margins. The 1961 soybean crop was at an all-time high, and with a 45-cent-a-bushel increase in support prices, farmers probably will put more beans under government loans than ever before. The outlook for cottonseed depends largely on the government program for purchase and export of oil.

In the leather business, future appears favorable. The A. C. Lawrence Leather Company, a division of Swift, has been operating at near capacity, and likely will benefit from the record shoe manufacture which is forecast for 1962.

Also affilated with Swift are three insurance companies—Globe Life Insurance Company, Globe Security Insurance Company, and Security Mutual Casualty Company. Prospects for their continued growth are encouraging.

In the overall national outlook, American economic supremacy in the world is being constantly challenged.

Given the freedom to operate and the encouragement to direct our full attention to growth, expansion and innovation, we welcome the challenge.

However, there are numerous and unwarranted Government suits and investigations that divert man hours into unproductive effort. These cannot be overlooked in forecasting the long-time and short-time growth of our nation.

LOGAN T. JOHNSTON

President, Armco Steel Corporation

The generally improved business conditions we are seeing now will continue into 1962.

Supporting this quicker pace will be increased consumer confidence and buying, especially of automobiles and appliances, and greater activity in the construction and machinery industries.

Logan T. Johnston

Steel production will be well above the 1961 figure of about 97.5 million tons. We expect 1962 output to approach 110 million tons.

Our customers are beginning to build up their steel stocks as a hedge against a possible strike next summer. This abnormal stimulation of an already vigorous steel demand is spurring production, and we can expect steel orders to continue at a high rate throughout the next six months.

Steel users will undoubtedly cut their stocks during the second half of 1962 and steel shipments during that period will be somewhat lower. Even with increased spending by consumers, industry, and government in the second half, it is not expected that there will be enough demand to offset inventory cuts.

Exports of steel mill products are expected to rise only slightly in 1962, while imports will go higher than the 3.3 million ton level which they currently enjoy. Any year in which a steel strike is threatened sees imports go up. While they may not reach the 1959 record of 4.3 million tons, this year will still be the fourth straight year that more steel has come into the country than has gone out. Steadily rising wages and benefits, which are so much above those of foreign competition, are the principal contributing factors.

We hope that in 1962 the Government will establish more realistic depreciation allowances which will permit faster modernization and improvement and allow American industry to compete on more even terms with foreign producers.

During 1962 the steel industry will continue to stress better marketing methods, increased research and development of new products and processes, and greater economy of operation. Specialty steels, tailored to rigid requirements, will continue their rise to prominence in the industry.

Armco Steel will continue its plant improvement program in 1962, with a number of high-performance facilities coming into operation. We expect to spend in the vicinity of $100 million for new facilities to increase efficiency and broaden our product line. The year will also mark the completion of the 100% expansion of our research center.

We are already beginning to benefit from new facilities completed last year, and by the end of 1962 we will be in an even stronger position to meet competition from other materials and from other steel producers both here and abroad.

DWIGHT P. JOYCE

Chairman and President, The Glidden Company

As this is being written the Glidden Company's earnings for the first quarter of our 1962 fiscal year are being reported to shareholders and it is gratifying that sales are up 13% for the period and profits are up 15%.

Dwight P. Joyce

We anticipate a continuation of this upward trend during the balance of the year and the outlook for our four major groups — Coatings and Resins, Durkee Famous Foods, Chemicals and International—is encouraging. Total sales of our Coatings and Resins Group reached an all-time high in fiscal 1961, and our Durkee Famous Foods Group made substantial gains, both in sales and profits.

During the coming year we intend to deepen penetration of our present markets and diversify further into areas allied to those in which we are now active. We have been laying the groundwork to achieve the former by stepping up our research efforts, expanding and modernizing our plant facilities, and enlarging our distribution system.

An example of our diversification aims is the recent

Continued on page 62

Form Leebell Securities

Leebell Securities Corporation is engaging in a securities business from offices at 38 Park Row, New York City. Officers are Paul Liebell, President; Mary C. Liebell, Vice-President, and Edward Liebell, Secretary and Treasurer.

New Thompson & McKinnon Branch

TORONTO, Canada.—Thomson & McKinnon has opened a second office in Toronto at 99 Avenue Road, under the management of Albert Waxer.

Sholley Ch. Bd. of Keystone Funds

BOSTON, Mass. — Sidney L. Sholley, President of Keystone Custodian Funds, Inc., 50 Congress St., since 1932 when he founded the mutual fund organization, has been named Chairman of the Board of Directors. Wilfred Godfrey, Vice-President and Treasurer, succeeds him as President, and Glenn N. Lempereur has been promoted from Vice-President to Executive Vice-President. Edgar M. Brister, Vice-President and Comptroller, has been named Treasurer and Arvid M. Monsen takes over as Comptroller. New Vice-Presidents are Leon A. Lavallee and Will Cloney.

S. L. Sholley

W. R. Reisch Co. Formed

W. R. Reisch & Co., Inc. is engaging in a securities business from offices at 74 Trinity Place, New York City. Leonard Reisch is President of the firm; Murray Goldman is Vice-President. Mr. Reisch was formerly in the investment business in Flushing, N. Y. Mr. Gold was with I. R. E. Investors Inc.

Form H. T. Boasberg Ltd.

BUFFALO, N. Y.—H. T. Boasberg Co., Ltd. has been formed with offices in the M & T Building. Officers are Raymond S. Bernhardt, President; Clement H. Darby, Vice-President; Ruth L. Bernhardt, Secretary; and Mildred C. Faulhaber, Assistant Secretary. Mr. Bernhardt and Mr. Darby were formerly officers of R. S. Bernhardt Co., Inc. Miss. Faulhaber was formerly Cashier for H. T. Boasberg Company.

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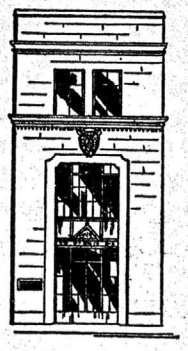

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merger into Glidden of Pemco Corporation, a leading producer of porcelain enamel frits, ceramic frits and inorganic colors. This merger not only enables Glidden to offer a full line of coating materials to meet varying customer needs but combines the talents of two research organizations to investigate the fields of high-temperature coatings, ceramic-metal combinations and the application of ceramics in electronics.

Other examples are the acquisition of a firm which produces ferrous and other metal powders and purchase of a manufacturer of fiber glass reinforced paneling, which gives us our first entry into the building products field.

In our Coatings and Resins Group we have intensified research efforts and marketing on coatings of various kinds—acrylic, water-reducible, steel coil, paper and others—and have stepped up production of polyester resins and polyurethane foam.

Early this year we will open a new coatings plant near Dallas to supply the expanding markets in the Southwest. We have also inaugurated major improvement programs at our Chicago, Atlanta and Toronto plants.

Our Durkee Famous Foods Group has expanded laboratory facilities at all five plant locations and is placing increased emphasis on research to develop new and improved food products.

In our Chemicals Group, sales of titanium dioxide and other pigments improved during fiscal 1961 and we expect a considerable increase in the coming year. Several improved pigments introduced during the past year are already gaining excellent customer acceptance.

Glidden's International Group, founded in fiscal 1961, is responsible for all activities outside the United States and Canada. This group is developing long range plans for expansion throughout the Free World, and we are examining each opportunity carefully as we want to move only into countries which offer political stability, and which we can enter on terms favorable to our company. We already have made our first direct entry into the European Common Market with the purchase of a one-third interest in one of the leading paint companies in West Germany. We expect to establish ourselves more firmly in the common market area during the coming year.

M. L. KAPP

President, Interstate Power Company

Business volume of our American business system will increase during 1962 and net profits will be greater due, primarily, to added investment in our American business system. Payrolls will be increased due mostly to increased rates of pay. The outlook for the electric utility industry is good even though there will be some problems. There will be a continued increase in the use of electric energy.

M. L. Kapp

Utilities will continue to spend millions for improved power plant equipment. Atomic power plants and more interconnection of transmission lines will further strengthen the investor-owned transmission grid system which covers the nation.

More efficient operations and modern equipment will help to hold the line against increased expenses. However, there will be some minimum rate increases. Utility managements are making better plans for the future, and have improved their program of personnel training to meet future needs.

The Federal Government's and Rural Electric Cooperatives' great expansion drive will slow down as citizens better understand that such costs need not be charged against the taxpayers—the investor-owned utilities are meeting all requirements and are planning well for the future.

Citizens, and government officials, are beginning to realize that the electric utilities are owned by millions of average citizens who have invested their savings in the securities of the utilities, or indirectly through their insurance companies or mutual funds which are large investors in utilities.

Managements of utilities have great challenge and a most serious responsibility to protect the investments of shareholders who have their savings in utility securities. They must provide a well trained employee organization with fair wages—reasonable electric rates for their customers—and a fair return to those who furnish the capital needs of the electric utilities.

There is a great need for more utility support for the organizations that are working for the industry.

Top utility executives need to devote more of their time to making plans and to leadership of customer and public relations, including a better information program for Congress and government officials.

Electric utility executives and their employee organizations are working for a better understanding by the general public, which will bring about greater action and support by the investors in utility securities and demands from taxpayers that all unnecessary expenditures must be stopped.

Our American business system must have complete cooperation of management, labor, and government if the United States is to continue to be a world leader.

RUFUS CROSBY KEMPER

Chairman of the Board, City National Bank & Trust Co., Kansas City, Mo.

Nineteen Hundred Sixty-Two should be a good year for business. Spurred by increased consumer expenditures, business activity seems to be gaining new momentum in recent months. Christmas sales have been better than last year. Taking into consideration the elements favoring increased business activity such as large government spending, increased employment, a build-up of inventories and excellent crop and livestock prices, we should look for prosperity in the New Year.

Rufus C. Kemper

With increased labor cost, prices should be higher over-all and even though many companies will experience higher sales, it is doubtful if profits can be maintained in the face of higher costs and greatly increased competition.

Steel inventories are at low point which is somewhat alarming since the three-year steelworkers contract expires June 30. Since the automobile manufacturers have settled their three-year wage contract with the United Auto Workers which will cost the manufacturers approximately forty cents an hour over a three-year period, it is doubtful if steelworkers will settle for less without a disastrous strike. This should mean increased prices on automobiles which should have an excellent year and increased building costs in the construction industry which should have a modest increase in volume for the year. Perhaps too, these increases could lead to increased foreign competition. Profit squeezes should be very evident in most lines during 1962.

Faced with increasing competition on all sides, business spending will probably be channeled largely into cost-cutting and labor saving devices if competition is to be met and profit margins held. More money will also be spent in research to develop new products and improve and make more salable present ones. This will be particularly true if special tax allowances for depreciation at an accelerated rate on capital improvements are given favorable consideration.

Banks are finishing a good year in 1961 with profits generally equal or above 1960. However, 1962 should find banks faced with rising costs in salaries, supplies and interest paid on savings as many will go to the new authorized rate of 4%. Perhaps increased business activity and the higher rate on savings will produce larger deposits and a higher prime rate to borrowers which will help defray the increased expense and overhead.

It is hard to see how the Treasury Department can hold present rates on short term governments and Treasury Bills with banks paying 4% on one-year certificates and savings accounts, also government guaranteed. This, of course, will undoubtedly add to the government's debt burden. The past year has probably set a record by corporations in the sale of securities. State and local government spending has been increasingly large which necessitates more borrowing by these units which will undoubtedly carry over to the New Year. With an unbalanced budget and huge governmental spending, Federal borrowing must be larger so nearly everything points to an upward trend in interest rates.

With stocks selling on a very high level relative to 1962 earnings and dividend expectations, more money will probably be channeled into fixed income securities in 1962. This is particularly true because of the unusual spread between bond and stock yields.

1962 promises good results for most lines of business and barring war, which few anticipate, we should see all business on a rising trend with increased spending power building a higher general economy.

DONALD S. KENNEDY

President, Oklahoma Gas and Electric Company

The level of business in our service area continues at a satisfactory rate. The growth trend is considerably above the national average. Manufacturing output in Oklahoma has doubled within the past decade. Sales of electricity have kept pace with this growth.

Donald S. Kennedy

Several new industries have moved to Oklahoma or Western Arkansas within the past year. A large number of established industries are also expanding their facilities. Some of these plants are as follows:

Thiokol Chemical Corporation of Bristol, Pennsylvania has established a branch plant in Shawnee, Okla. At present the Shawnee plant is manufacturing ground - handling equipment and accessories for guided missiles. They have a large backlog of orders and are employing a technical staff as fast as these people are available. At present they have 200 employees.

Lear Inc. of Santa Monica, California has established a branch at Ardmore, Okla., for overhauling jet and piston engines under a contract with the Air Force. Employment potential is from 300 to 500.

Rogers Industries of Detroit, Michigan has established an aluminum fabricating plant at Ardmore, Okla., for the manufacture of aluminum doors and windows for the housetrailer industry in the Southwest.

United Welders of Bay City, Michigan has established

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Joins Richard Buck

Jack W. Patton is now associated with Richard J. Buck & Co., Four Albany Street, New York City, members of the New York Stock Exchange, as a registered representative, it has been announced.

With Shearson, Hammill

(Special to THE FINANCIAL CHRONICLE)

PALM SPRINGS, Calif. — Albert J. Quist has become a registered representative for Shearson, Hammill & Co., 120 North Indian Ave.

Shearson, Hammill Adds

SAN FRANCISCO, Calif. — Richard H. McCart has been added to the staff of Shearson, Hammill & Co., 340 Sutter Street. He was previously with Brush, Slocumb & Co., Inc.

N. W. Francis Forms Andover Inv. Services

ANDOVER, Mass.—Norman W. Francis, Jr. is conducting a securities business from offices at 93 Main Street under the firm name of Andover Investment Services. Mr. Francis was formerly an officer of Chapman & Co., Inc.

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Invest. Courses Given at Hunter

Two courses will be offered in the Adult Education division of the Hunter College School of General Studies, Park Avenue, on Tuesday evenings starting on Feb. 13. Open to all interested men and women, the courses will consist of a total of fifteen sessions.

Louis H. Whitehead

Louis H. Whitehead, who will teach the courses, has been engaged in investment counselling in New York since 1936. He has taught at the New York Institute of Finance, Syracuse University, and has lectured for the American Institute of Banking. He is a partner of Nye and Whitehead, investment advisers and members of the New York and American Stock Exchanges.

"Fundamentals of Successful Investing," e19.327 (5:45-7:25 p.m.), is a basic course intended to meet the needs of inexperienced persons who expect to become investors. It will outline principles of investing, describe the types and appeals of various securities and mutual fund programs, and indicate important sources of investment information.

"What Investors Should Do Today", e19.328 (7:30-9:10 p.m.), is a more advanced course for persons generally familiar with the investment field. It will help persons who already own securities and are interested in knowing how prudent individuals are meeting current problems. It will provide guidance in contemporary investment problems and hold open discussion of current developments in the business and financial world.

Applicants for either course may register by mail or in person at Hunter. For further information see the Adult Education Bulletin —telephone BU 8-7210.

First Investors Twin City Office

MINNEAPOLIS, Minn.—First Incestors Corporation will open a Twin City office in the Baker Building, its 27th branch, on Jan. 15, it was announced by John D. Case, President.

The office will be managed by Herbert D. Freedland.

A veteran sales executive from the company's Times Square office in New York, Mr. Freedland joined First Investors in 1953. He was appointed a Sales Supervisor in 1956, and promoted to Group Manager in 1960.

Third Generation Joins Counselling Firm

Edward S. Trainer has joined Trainer, Wortham & Company, New York investment counselling firm. it was announced by Howard F. Wortham, Chairman of the Board. Mr. Trainer, who recently completed active duty in the U. S. Army Reserve, is the third generation of his family to be associated with the firm. His grandfather, John N. Trainer, formed the organization in 1924 and his father, John N. Trainer, Jr., is now president.

Julius Gold Opens

(Special to THE FINANCIAL CHRONICLE)

DALY CITY, Calif.—Julius J. Gold is engaging in a securities business from offices at 68 Eastgate Drive. In the past he was with First Continental Securities and Lamontagne & Pierce.

a new plant in Fort Smith, Ark., to manufacture welding machines. Present employment about 100.

Farley Machine Works of Wichita, Kansas has a new plant in Fort Smith, Ark., to manufacture and service machinery and tools for the oil and gas industry.

Locke-Joint Pipe Company of East Orange, New Jersey has a new plant at Ada, Okla. Now employing about 170 people.

HLH Parade Canning Company, Van Buren, Arkansas is a new plant for canning fruit and vegetables grown in the Arkansas Valley. Present employment about 150.

Southern Steel and Wire Company has a new plant in Fort Smith, Ark., for electro plating and porcelain enameling and manufacturing wire containers for refrigerators. About 100 employees at present.

Western Electric Company, which completed a $35,000,000 plant in Oklahoma City in May, 1960, containing 1,300,000 square feet for the manufacture of telephone equipment, has announced a $3,000,000 expansion for 300 additional employees. Present employment exceeds 3,000.

Norge Division, Borg-Warner Corporation, has completed its new plant of 1,100,000 square feet in Fort Smith, Ark. for the manufacture of household appliances.

Ohio Rubber Company is in operation in its new plant in Fort Smith, Ark. containing 230,000 square feet for the manufacture of molded rubber products.

Corning Glass Works has doubled the size of its plant in Muskogee, Okla. for the manufacture of laboratory equipment and coffeemakers.

Federal Aviation Agency, Oklahoma City, is constructing three new buildings at a cost of approximately $8,000,000. The new buildings will house the Federal Aero-Medical Research Group and additional school facilities for training pilots and control tower operators. The records section is also being moved to Oklahoma City. Present employment exceeds 3,000 with a plant value in excess of $30,000,000.

Dorsett Electronics, Norman, Okla., is expanding its facilities and has contracts with the U. S. Space Agency. Employment about 350 at present.

Continental Oil Company is building a million dollar plant at Medford, Okla. This is a natural gasoline plant using the absorption process.

Figures released by the Bureau of Business Research, University of Oklahoma, show that wholesale trade in Oklahoma last year was running about 5% above 1960 and 14% above 1959. Retail sales were up about 5% in both periods. Total construction expenditures in Oklahoma for 1961 are about 25% above the previous year and residential building is up over 30%.

Our company's three-year construction program, 1962-64, will amount to approximately $60,000,000. This compares with construction expenditures of $47,000,000 for the previous three-year period. The program includes the completion of the 235,000 kilowatt addition to the Horseshoe Lake Generating Station near Oklahoma City, which is scheduled for completion in May, 1963. The completion of this addition in 1963 will bring the company's total plant capability to 1,373,000 kilowatts. This compares with 438,000 kilowatts in 1953, 10 years earlier.

The company estimates its 1962 revenues will amount to approximately $71,400,000, an increase of approximately 9% over the previous year.

WILLIAM G. KARNES

President, Beatrice Foods Co.

There will be no appreciable increase in the cost of food to the consumer in 1962. To the general public, that is the most significant of the major trends in the food industry which will carry through from the past decade through the year ahead. Other trends that can be expected to extend through the year ahead are:

William G. Karnes

—Continued abundance of all commodities.
—Increase in the nutritional values of foods.
—Introduction of more new products, particularly the convenience foods.
—More foods in package form, as for example, dehydro-frozen products.
—More and larger multiple packs.
—Improvements in packaging for both more attractive display and longer shelf or refrigerated case life.
—Greater expenditures throughout the industry for research and development, new plants, processing and equipment.
—Decrease in the percentage of disposal income spent by the average consumer. Dollarwise, consumers will spend more for food as their income increases. However, the record of the last decade shows that retail prices do not increase as fast as disposable income per person. Last year, for example, consumers spent about 20% of disposable income for foods compared to 26% in the 1947-1949 period.

Diet foods will continue to boom.

Looking ahead to 1962, there seemingly is little prospect of change in the trends in the food industry. Feed grain supplies—the raw materials of livestock, dairy, poultry and egg production—appear to be sufficient to assure continuation of the abundance of food in all categories, clear back to the farm, that characterized 1961.

This, of course, precludes probabilities of price increases since ample supplies obviously foster more stringent competition rather than serving as price-increase stepping stones.

Yet labor, production, distribution and other marketing costs will continue to increase. Thus, pressed on one hand by continually rising costs and on the other by intensified competition, the food industry universally will have to accelerate its search for more efficient methods and processes.

Mr. and Mrs. Shopper will be wooed ardently with more and improved convenience foods, better and more attractive packages and barrages of new promotional ideas.

Barring unpredictable developments in industry and government or changes in the international situation, Beatrice Foods anticipates no radical changes in the trend patterns of the food industry.

S. M. KENNEDY

President, Consolidated Foods Corporation

Generally speaking, current business barometers indicate that our national economy can look forward to another good year in 1962, with over-all expansion taking place at a moderate pace. Based on this favorable forecast for general economic conditions, it does not appear unduly optimistic to state that the food industry should continue to forge ahead to brighter horizons in 1962. Not that the new year won't bring problems. It always does. Like many other industries, members of the food field must continually seek better methods of obtaining an improved sales-profit ratio. Attaining this goal entails a constant search for devices to increase sales, coupled with equally conscientious efforts to control costs and achieve higher productivity and operating efficiency. In the retailing segment of the industry, the successful implementation of these programs has taken on greater urgency for some operators due to the added competition of discount houses.

S. M. Kennedy

Holding the line on food prices will prove another

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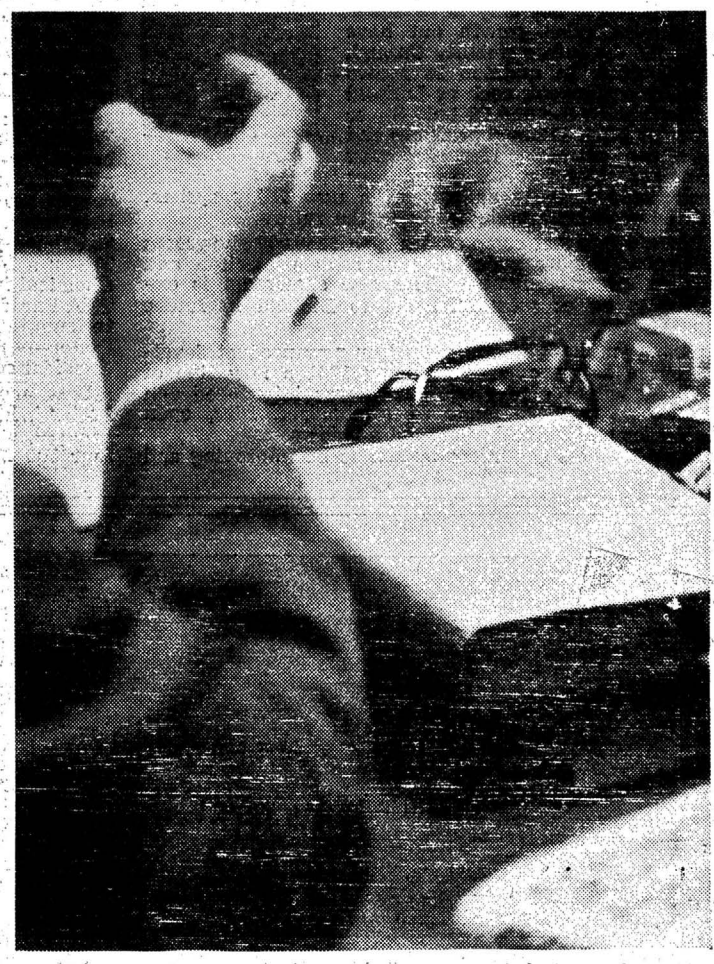

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Continued from page 63

industry problem in the year ahead, as there is an apparent possibility that prices may creep upward. Contributing to this situation are such factors as expected cost increases in some packaging materials and labor. Further price disturbances may be caused by the government's program of crop supports and by its need for more food for various governmental projects.

The new year should produce further acceleration of several broad trends in the food industry. Chief among these will be stepped up sales of fancy, frozen, and convenience foods, plus numerous non-food products. In addition, competition will be more acute than ever and we can expect a continuation of the flood of new items introduced on the market.

Another development which may expand in 1962 is government investigations of the food industry. While some good can come from these hearings, it is time for the industry to conduct a more vigorous countercampaign against the distortions which arise from many of these investigations.

To summarize the foregoing comments, the new year offers all segments of the food field many exciting challenges and opportunities for increased growth. Alert, aggressive operators will thrive in this environment and will move ahead to record accomplishment during 1962.

RAYMOND KOONTZ

President, Diebold, Inc.

Nineteen-sixty-one was a very successful year for our company, a leading manufacturer of cash protection equipment, fire resistive equipment and office systems equipment. Diebold's expanding line of mechanical files and electronic data processing accessory equipment is attracting wide attention and contributing to the growth of sales. Adaptation of Diebold office systems, notably the Diebold Alpha - Numeric System (DANS), by national, state and local governments, as well as big corporations handling large quantities of paperwork, not only have added to current sales growth but have provided for future stability through repeat sales. In addition to record housing equipment, such as Diebold Power Shelf Files and Diebold Super Elevator Files, Diebold produces and sells the actual guides, indexing cards and other forms. Most of these forms, sold initially as part of a new filing system, will be reordered periodically in the future.

Raymond Koontz

Diebold has just completed a new $250,000 showroom in Canton for its wide lines of bank protection and office systems equipment. The new showroom is expected to be of substantial aid to Diebold in future sales efforts.

Strong emphasis is still placed on new product development and improvement. During 1961 a new line of modular teller counter equipment was introduced and improvements were made in mechanized files, open shelf files and drive-in banking windows.

Basic business conditions appear to be improving and Diebold looks forward to 1962 with considerable optimism.

JOHN E. KENNEY

President, Foster Wheeler Corporation

U. S. engineering know-how contributed greatly during 1961 in helping to bring about more equality in the standards of living of peoples at home and abroad.

The growing reliance on technology, which is important in the development of much-needed fuels, chemicals, and many other products, aids both to improve the economies of countries and to benefit mankind the world over.

John E. Kenney

We engineering firms represent part of the "bulge" in exports over imports—the foundation of which is technology that sells U. S. products in the form of engineering contracts and the licensing of processes we develop.

From the offices and drafting rooms of Foster Wheeler's worldwide network, millions of detailed mechanical drawings have moved from drafting tables to site locations in 45 countries—in North America, South America, Europe, Asia, Africa and Australia. Thousands of material and equipment specifications have been calculated and purchase orders placed at selected sources all over the world. Construction crews at many different sites, have converted steel, stone and cement into processing structures of many shapes and sizes.

Thousands of pieces of equipment of many classifications have been positioned, arranged and connected, according to plan until there emerges the finished unit—more than 800 of them—of every type known to the petroleum, refining, chemical and petrochemical industries and for utility and marine installations.

During 1961 the billings of the parent corporation and its foreign subsidiaries are expected to show an increase of around 20% over 1960. Foster Wheeler's backlog, the barometer for the coming year, is expected to be almost 20% higher at the start of 1962 compared to the same period in 1961.

While 1961 was better than average during the past ten-year period, we are constantly developing refinements in our industry which will prove profitable for us and our customers.

Some of the current projects that illustrate Foster Wheeler's activity around the world include: a 90,000 barrel-per-day oil refinery in Rio de Janeiro; a $23-million plant in the Philippines to turn out high-quality copper from low-grade ore without a melting step in between; a butyl rubber complex for Esso in England; a 60,000-ton-per-year ammonia plant for W. R. Grace in Texas; a 16,000-ton-per-year polystyrene plant for Dow Chemical in Italy; the world's largest condenser for the TVA Paradise, Kentucky plant; a refinery for British Petroleum in Australia; a nuclear power plant for England's Dounreay Submarine and other craft; and a huge petrochemical complex in Turkey.

Last month, Foster Wheeler's English subsidiary, Foster Wheeler Limited and John Brown Land Boilers Limited, were jointly awarded a $54-million contract for four 500 megawatt steam generators and other equipment, by the Central Electricity Generating Board. The Central Electricity Generating Board owns and operates power stations in England and Wales.

The coming year, like 1961, will be one of stiff competition with selective buying based on payoff analysis. Among the industries where competition would be very keen, are chemical and petrochemical. Many important costs, such as wages, will increasingly determine management's decision on areas of expansion.

The U. S. utility business is due for considerable expansion to keep pace with this country's growing population, but it will take at least a decade to determine if nuclear power can compete successfully with fossil-fuels.

The advancement in metallurgy will require continued development of new engineering techniques to find applications of metals that meet the requirements of existing and new industries. We at Foster Wheeler maintain a constant surveillance for better and new products in the general field of our activity.

The entire free-world is depending more and more on U. S. engineering know-how and it's up to us to meet this demand.

ALLEN S. KING

President, Northern States Power Company

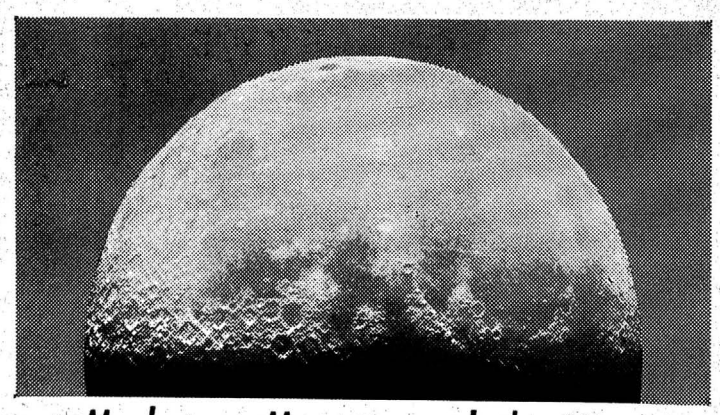
Total revenues of Northern States Power Company moved upward in 1961 as they have for 28 consecutive years to a total of $196,500,000, which represented an increase of 7.1% over 1960. Electric revenue reaching a total of $163,000,000, up 6.8% over 1960, continued in the main its long-term upward trend. Gas revenue, representing 16% of total revenues, increased 8.6% over 1960. All gas properties operated on natural gas throughout the year 1961.

Allen S. King

The year 1961 saw the completion of a number of projects which had been undergoing planning, study, research, and negotiation for a number of years.

In accounting, monthly billings of some 735,000 accounts are now being prepared at one centralized computer center. Following several years of programming and preparation, customer billing, formerly done at 13 divisional locations using three different types of billing machines, was transferred to the computer over a 19-month period from July, 1959 to January, 1961. But even as this change in billing was being made, the company was preparing for the latest developments in computers. The vacuum-tube computer was replaced in November, 1961 with the newest transistorized computer, and the original high-speed printers have been replaced by newer machines. The new equipment not only performs better but has a lower over-all rental that the initial equipment. To keep abreast of developments in machine accounting systems, continuous study is being made of many types of systems, computers, and related equipment. In this way NSP will be ready to take advantage of improved machines and techniques as they become available and economically feasible.

In operations, 1961 saw the formation of the Upper Mississippi Valley Power Pool by NSP and four other suppliers of electric energy to coordinate their planning



Markets... Money... and the Moon

First among the ten big states in percentage population increase and second only to California in total population gains, Florida continues growing at a phenomenal pace. Now, with the proposed moonshot from Cape Canaveral, Florida stands on the threshold of a future destined to create new markets and expanded income. Industry will find abundant markets, industrial sites, skilled manpower, superb transportation facilities, and political and business climates as favorable as Florida's famed natural climate. And, it will find ample power—now and in the future. FP&L expansion projects now under construction will add 1,875,000 kilowatts by 1966, virtually doubling present capacity.

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Zilka, Smither Adds

(Special to THE FINANCIAL CHRONICLE)

PORTLAND, Ore.—Robert A. Bogardus and Floyd Maxwell have become connected with Zilka, Smither & Co., Inc., 813 Southwest Alder Street, members of the Pacific Coast Stock Exchange.

New Riecke Branch

HAZLETON, Pa.—H. A. Riecke & Co. Incorporated has opened a branch office in the Hotel Altamont Building under the management of Norman A. Shupeck.

New Reuben Rose Branch

ATLANTA, Ga.—Reuben Rose & Co., Inc. has opened a branch office at 34 Peachtree Street under the management of Charles J. Shainker.

Schmidt, Sharp Office

CHEYENNE, Wyo.—Schmidt, Sharp, McCabe & Co., Inc. has opened a branch office at 115 West 18th Street under the management of Gerald R. Chambers.

Allan Feldman Co. Formed

Allan S. Feldman & Co. has been formed with offices at 342 Madison Avenue, New York City, to engage in a securities business. Partners are Allan S. Feldman and Gilbert Gertner.

Named Branch Mgr.

HACKENSACK, N. J.—First Investors Corporation, one of the nation's largest distributors of contractual plans and mutual funds has announced the promotion of Vincent A. Hannon to Branch Manager in its local office, 10 Banta Place.

Mr. Hannon joined First Investors Corporation in April, 1955, as a Registered Representative in its Newark office. He was appointed Sales Supervisor in 1956 and Group Manager in 1958.

Pasternack Partners

Pasternack & Co., 29 Broadway, New York City, members of the American Stock Exchange, have admitted Jacob Gerstein and Louis Selden to limited partnership.

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and operations in an area extending from northern Minnesota south into eastern Iowa and western Wisconsin. The pool will make possible reductions in generating capability requirements and in "spinning reserves" for the five power suppliers as well as permit transfer of surplus capacity among the systems, reduce present generating costs through exchange of economy energy, and enable each member of the pool to install larger and more efficient generating units which will help reduce capital costs and operating expenses in the future. Under the pool agreement, NSP will be purchasing capacity in 1963 to permit it to install in 1964 a 200,000 kilowatt unit, which is larger than any unit now on its lines.

Also as part of this pooling operation, a 147 mile, 230 KV transmission line will be built in 1962 to interconnect Minnesota Power and Light Company at Duluth with NSP at Minneapolis. A computer was used in designing this line, which permitted exploring many more combinations of pole heights, span lengths, and pole locations than would have been possible under usual engineering design methods. It was estimated that the more economical choices worked out by the computer will save about $100,000 in the line construction costs.

Late in 1961 after several years of experimentation, NSP adopted a new low rate schedule designed to encourage the use of electricity for water heating and house heating. The new schedule works out to a rate that goes down to one cent per kilowatt-hour for water heating and 1.5 cents per kilowatt-hour for electric house heating. NSP now has more than 400 electric house heating customers, and it is anticipated that this new rate will encourage further development of the all-electric home.

These 1961 developments are representative of the results of the continuous study and research that the company is carrying on continuously in many areas of operation to provide better service, stimulate sales, control costs, and improve earnings. They provide NSP with a sound basis for confidence in its future. With the economy of its service area on a sound basis, NSP looks forward to another year of growth and achievement.

MAXWELL C. KING

President, Pacific Finance Corporation

There are many indications that the general economy is entering into an upswing and 1962 should bring an increased use of consumer credit.

Perhaps the most encouraging sign is the apparent step up in the pace of consumer spending. We in the consumer-credit business consider this a most important barometer. The willingness of consumers to spend and make term-payment commitments usually foreshadows a material rise in the level of the economic wellbeing of the country.

Maxwell C. King

From our viewpoint, another important factor in the improved outlook is the encouraging consumer acceptance of the 1962 model automobiles. Detroit estimates point toward sales of around 6½ million passenger cars, which could make 1962 the second best year in automobile history.

With the anticipated growth in the use of consumer credit during 1962, we expect keener competition among credit grantors but with improved and more varied service being offered to the industry's customers.

ROGER D. KNIGHT, JR.

President, Denver United States National Bank, Denver, Colo.

Major economic indices point to a good year ahead for practically all segments of Colorado's economy. More particularly is the outlook bright in the Denver metropolitan area.

Roger D. Knight, Jr.

Paced by the influx of research and engineering groups which have settled in Colorado, and bolstered by continued well-being in the field of agriculture, per capita personal income has forged steadily ahead in the State in recent years and shows signs of abatement.

Colorado ranks tenth among states in the rate of increase in per capita income during the past decade, a recent survey of 1950-1960 census figures discloses. This study further discloses that Colorado is the only state in the first ten with per capita personal income above the national average. Colorado also ranks sixth in its gain in total personal income in the 1950-1960 period.

One of the most dynamic aspects of this upsurge in per capita personal income is the fact that it is growing faster than the population. Population growth in the Denver metropolitan area and in Colorado in the past ten years is rated as "phenomenal" by a U. S. Department of Commerce official.

Agriculture remains a keystone of Colorado's economy. Recently the state was tied in fifth position among states in the percentage of its farms rated Class I (any farm which sold more than $40,000 worth of products).

A significant factor in the sustained high level of the state's economy is the low level of unemployment, which

Continued on page 66

Form Royal Syndications

Royal Syndications, Inc. has been formed with offices at 384 East 149th Street, New York City, to engage in a securities business. Officers are Morris Kaplan, President and Treasurer, and Philip Moss, Vice-President and Secretary.

I. R. E. Investors Name De Simone Exec. V.-P.

LEVITTOWN, L. I., N. Y.—Gerald De Simone has been appointed Executive Vice-President of I.R.E. Investors Corp., 3000 Hempstead Turnpike, it has been announced by Peter J. Comerford, President.

Mr. De Simone became affiliated with I.R.E. in 1958 as a salesman. In 1960 he was appointed Vice-President. In his new position, he will remain a member of the Executive Committee, policy making body of I.R.E.

Wood, Struthers Co. Names Branch Manager

BOSTON, Mass.—Wood, Struthers & Co. announced the removal of their Boston office to the United Shoe Machinery Building at 140 Federal Street. Thomas L. Regan, Jr., has been appointed resident manager of the new office.

Announcement has also been made of the appointment of David W. Donahue as a registered representative.

Manley, Bennett Appoints

DETROIT, Mich. — Manley, Bennett & Co., members of the New York Stock Exchange, have announced that Bernard R. Cohen of the Bloomfield Hills office and Ronald L. Spence of the Buhl Building office are now registered representatives. Mr. Cohen taught at the City and Country School of Bloomfield Hills before joining Manley, Bennett's Research Department last spring.

Mr. Spence who has had five years experience in various phases of the business is with the firm's Trading Department.

With Shearson, Hammill

(Special to THE FINANCIAL CHRONICLE)

LOS ANGELES, Calif. — Fred S. Durow and Carl A. Moran have become associated with Shearson, Hammill & Co., 3324 Wilshire Blvd. Mr. Durow was formerly with Paine, Webber, Jackson & Curtis; Mr. Moran was with Dempsey-Tegeler & Co.

Halden Co. Admits

Halden & Co., 123 Greenwich St., New York City, members of the American Stock Exchange, have admitted Anthony J. La Rocca to partnership.

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at the close of October, 1961 was some 3.1% of the Colorado labor force, compared to the national average of 6%.

Despite its generally affluent condition, agriculture is no longer the largest employer in Colorado; both manufacturing and retail trade today employ more people.

Employment in manufacturing in Colorado has risen sharply in recent years with the ordnance industry, including the Martin Company, accounting for a third of the increase. More than half of the increase of employment in manufacturing has occurred within the past three years. Continued industrialization of the state seems indicated.

Retail trade is growing in importance in the state's economy. Employment in retail trade has kept pace with the expanding population. Growth in retail trade undoubtedly will be spurred by the increasing number of tourists visiting Colorado.

Mixed trends are currently observed in the mining field, with the production of gold and coal slowing perceptibly. Molybdenum production is accelerating with the upturn in the economy. Production of petroleum appears to be holding steady, with the production of natural gas on the increase.

The strong gains in Denver business activity in 1961 as compared with 1960 are highlighted by bank clearings which for the first eleven months of 1961 for Denver Clearing House Banks were more than $1 billion or 10.5% ahead of a year ago.

In common with the experience of industrial and commercial enterprise across the country, local business concerns report difficulty in maintaining or increasing operating profit margins.

As 1961 closes, brisk activity is being found in other industries in Colorado including construction, finance, insurance and real estate.

No slackening of pace for the general economy in Colorado is envisioned over the opening months of 1962. It is expected that continued general well-being of the area economy will be reflected at all levels of banking activity.

MICHEL KOUNDADZE

President, Citroen Cars Corporation

European car manufacturers should maintain the distinct styling coupled with the engineering advancements their cars are known for, if they are to continue to maintain their share of the U. S. market.

Michel Koundadze

Since I'm also export manager of the parent company, S. A. Andre Citroen, I can optimistically say that recent developments which I have witnessed in the European Common Market and the increased international car potential will benefit both U. S. and foreign car manufacturers.

The U. S. economy, which has thrived on competition at home and abroad, certainly will continue to be an important market for imported cars. Citroen, which is the second leading manufacturer in France, has a clearly-drawn market in this country as is evidenced by the fact that our sales this year reversed the trend of most leading car imports and continue to increase.

The market will expand for the importers of the "different kind of car". Citroen cars, which have long been recognized as pace setters in engineering and design, meet this requirement. It will be some time before other manufacturers can overcome cost factors that will enable them to incorporate many of Citroen's features which have come to be accepted as standard equipment on its cars.

Citroen's line competes successfully in several U. S. best-selling markets: (1) in the family car field, with the DS 19 and ID sedans and station wagons; (2) the sports sedan with the DS 19 Super 83; and (3) the convertible and the chauffer-driven Prestige, designed to attract the buyer for the different, the exclusive, the personal car.

This coming spring, Citroen will introduce in the U. S. its completely new, low-priced economy car, the AMI-6. The AMI-6, which is in the $1600 class, embodies many of the Citroen's unique features. Its 600 cc air-cooled engine and front-wheel drive gives the maximum performance and low gas consumption. Like all Citroen cars, the AMI-6 is designed and engineered to provide the maximum of comfort and economy.

The 1962 production of Citroen plants in France is expected to reach over 400,000 vehicles. This will include the production at the new factory in Rennes, Britany. The factory, the largest and most modern in Europe, began limited production in October, 1961, and is currently employing 3,000 workers. It will eventually employ over 10,000 workers and will help make more cars available for export.

Citroen has expanded its facilities in many other areas including Mexico, where it is now assembling the ID and has an established dealer service network; in Argentina, where its production of the 2 CV will reach 10,000 units in 1962 and is expected to hit 30,000 by 1965; in Switzerland, where an international network has been formed; and in the U. S. where Citroen Cars Corp. will step up its overall sales programs and double its dealer network before the end of 1962.

MURRAY KYGER

President, First National Bank of Fort Worth, Fort Worth, Texas

The strong statistical performances of Gross National Product and the Federal Reserve's Index of Industrial Production are impressive as we enter 1962. In the total economic picture, however, there are some areas of concern to the business community. Some of these disturbing spots are the lagging volume of bank loans, the persistently high level of unemployment, and the overall performance of corporate profits. The latter factor is particularly disturbing to business and it is significant that profits, as a percentage of Gross National Product, have declined from 5.8% in 1955 to 4.5% in 1960. Continuing higher employment costs and increasing competition from abroad make it extremely difficult to reverse the trend of the declining profit margin.

Murray Kyger

Business in the Southwest continues to grow with our population growth. A wider degree of diversification of industry in the Southwest has occurred in the past 10 years, and, as a result, our economic area is now much more effected by the cyclical swings that occur in the national economy. However, the trend of growth in industry has been highly beneficial and should provide an excellent base for continued expansion in the Southwest.

Banking in the Eleventh Federal Reserve District has progressed in 1961 with a growth in deposits and loans of about 11% and 8% respectively. This relationship of loan growth to deposit growth is further indicative of the underlying strength of business activity in this area. We should expect an increasing loan demand in 1962 as the economic upswing continues and a return to moderately tighter monetary conditions is a prospect.

The Fort Worth area is expected to participate in the growth of the economy in 1962 as new industry moves into our metropolitan community. The value of building permits in Fort Worth was up approximately 15% in 1961 and continued growth in construction activities in 1952 is indicated. The growth of the labor force continues and it is interesting that 22% of the civilian labor force in Fort Worth is engaged in manufacturing while the national figure is 23%. This further indicates the degree of importance of manufacturing in Fort Worth. Bank debits, considered a good measure of economic activity, were 11% higher and bank deposits were approximately 14% higher in 1961. The latter two factors should continue to help the growth of the economy in Fort Worth.

For all of 1962, bank loans to business should be moderately higher, unemployment should drop appreciably, and interest rates should fluctuate on a higher level with probably less stability than in 1961. The year 1962 should be the year in which almost all of our economic indicators continue toward new highs, and we are looking forward to participating in this growth.

JOSEPH B. LANTERMAN

President, American Steel Foundries

For our own company and for the capital goods field in general, we expect 1962 sales and earnings will improve from 1961 levels.

In the closing months of 1961, some sectors of the nation's economy were already showing signs of a pickup. ASF's varied product lines, the result of an extensive diversification program, place the company in an excellent position to take advantage of this improving business climate.

Joseph B. Lanterman

However, it should be noted that the effects of a major mid-year strike in the basic steel industry could undermine the nation's economic recovery.

In ASF's 1961 fiscal year ended September 30, 1961, the company had net income of $5,909,342, equal to $2.07 a share, compared with $7,793,363, or $2.66 a share in fiscal 1960. Sales decreased to $106,712,952 from $120,141,812. The business recession and lagging demand for some company railroad products were the major factors causing the decline. However, the volume of non-railroad business and effective cost controls minimized the impact of the overall sales decline upon profits.

Despite the recession, 1961 was a year of continuing progress for ASF.

Dividends of $1.60 a share were paid in fiscal 1961 compared with $1.50 a share in 1960.

Expenditures for new plant and equipment amounted to $9.6 million in 1961, up 12% from a year earlier. The largest outlays were for a new pipe coating and wrapping plant in Youngstown, Ohio, and a steel railroad wheel plant in Bensenville, Illinois. The Bensenville plant is the sixth steel wheel plant built by the company's Griffin Wheel Co. subsidiary in the past nine years.

In fiscal 1962, capital expenditures for existing product lines and for acquisitions are expected to be about $10 million. Working capital and cash flow will provide the funds for these expenditures.

Under a license agreement signed in September, 1959, United States Steel Corp. continued to explore the application of ASF's Controlled Pressure Pouring process to production of semi-finished steel mill products.

Direct casting of such semi-finished mill products as slabs, blooms, billets and tube rounds would eliminate ingot casting, soaking pits, initial rolling mill operations, and certain surface conditioning. These steps are now a vital part of basic steelmaking.

In 1961, four more steel companies signed license agreements for rights to use Controlled Pressure Pouring. They are Washington Steel Corp., Michigan Seamless Tube Co., McLouth Steel Corp., and Carpenter Steel Co. Washington Steel recently announced plans to build a steel plant near Washington, Pennsylvania, where the company will produce stain less steel slabs with pressure pouring.

Another major company milestone in 1961 was the decision to recommend a change in the corporate name. The new name selected is AMSTED Industries Incorporated. It will be submitted for consideration and vote at the annual meeting of stockholders, January 23, 1962.

The company's diversification program has made the American Steel Foundries name inappropriate when applied to the entire range of product lines. Acquisitions and new product development during the past 11 years have taken the company into production of roller chains and sprockets, small precision machine tools, cast iron pressure pipe for water mains, and the application of protective coatings to steel pipe for the oil and gas industries.

To preserve the substantial commercial value of the American Steel Foundries name, established over a period of 60 years, the Transportation Equipment Division and the Hammond Division will be operated as American Steel Foundries Incorporated. The company's other entities—Diamond Chain Co., Inc., Pipe Line Service Corp., South Bend Lathe, Inc., Griffin Wheel Co., and Griffin Steel Foundries, Ltd., Canada, will continue to operate as subsidiaries.

The company's prospects for the long-term are encouraging. Continued diversification and product development is being pursued vigorously. Recent capital additions should also add to the company's earning power.

HARRY LEIDERMAN

President, Ideal Precision Meter Company, Inc.

Meter manufacturing, a $160-million industry will expand its market by $20 million or more by the end of 1963. This prediction is prompted by increased demands for meters, primarily in the automotive, chemical, military and aviation fields.

Harry Leiderman

Any expansion will require some adjustment of production facilities by the 12 firms that make up the meter industry, but the existing firms were well-equipped to handle the added business without losing product quality. In fact, in most cases the need for new, higher quality meters, with closer tolerances than previously possible, is paramount.

In an age of increasing instrumentation, the demand for meters of every description is steadily rising. They are used in roughly 90% of all industrial equipment; both the tools of production and the test equipment to maintain them as well as in consumer products. Today, meters to check amperes, volts, ohms, decibels, radiation, temperature and other data are a basis for most all industrial operations.

In the automotive field, meters and other indicators are being used on automobile dashboards to give drivers better knowledge of their auto's performance. On the maintenance level, a wide-variety of meter-equipped test units are employed in checking everything from sparkplugs to wheel balance.

The necessity of meters in the chemical and petrochemical industry, where strict tolerances must be adhered to, has multiplied in the last few years. Complete process plants which turn out chemicals, lubricating oils and plastics as well as other products, are being operated from "push button" control centers, where numerous types of meters are an integral part of the control panels.

Complicated test apparatus is in great demand by the military services to check radar, missile and rocket components. Highly sensitive meters are required in all phases of research and development programs being carried out by and for the government as well as private industry.

The aviation industry is an increasingly important field where new meter equipment is constantly being developed to provide safer flights and improved ground maintenance.

On the consumer level, meters have found new applications in the do-it-yourself field. Kits for making stereo sets, radios, multimeters and other units, make up a growing $50 million industry, and represent a sizable outlet for the meter manufacturer. Tube testers are no longer a piece of equipment found only in the hands of the local television repairman. Today, almost anyone can remove the tubes from the family TV or radio and personally check them out in the corner drug store. These meters, though not demanding the sensitivity or accuracy of industrial applications, represent another large market for the meter manufacturer.

Where a customer used to order one specific type of meter, he now may order forty or more different types —many of which must be designed to meet special requirements. This is the market that meter manufacturers will spend more on research and development in meeting increased demands of all industries.

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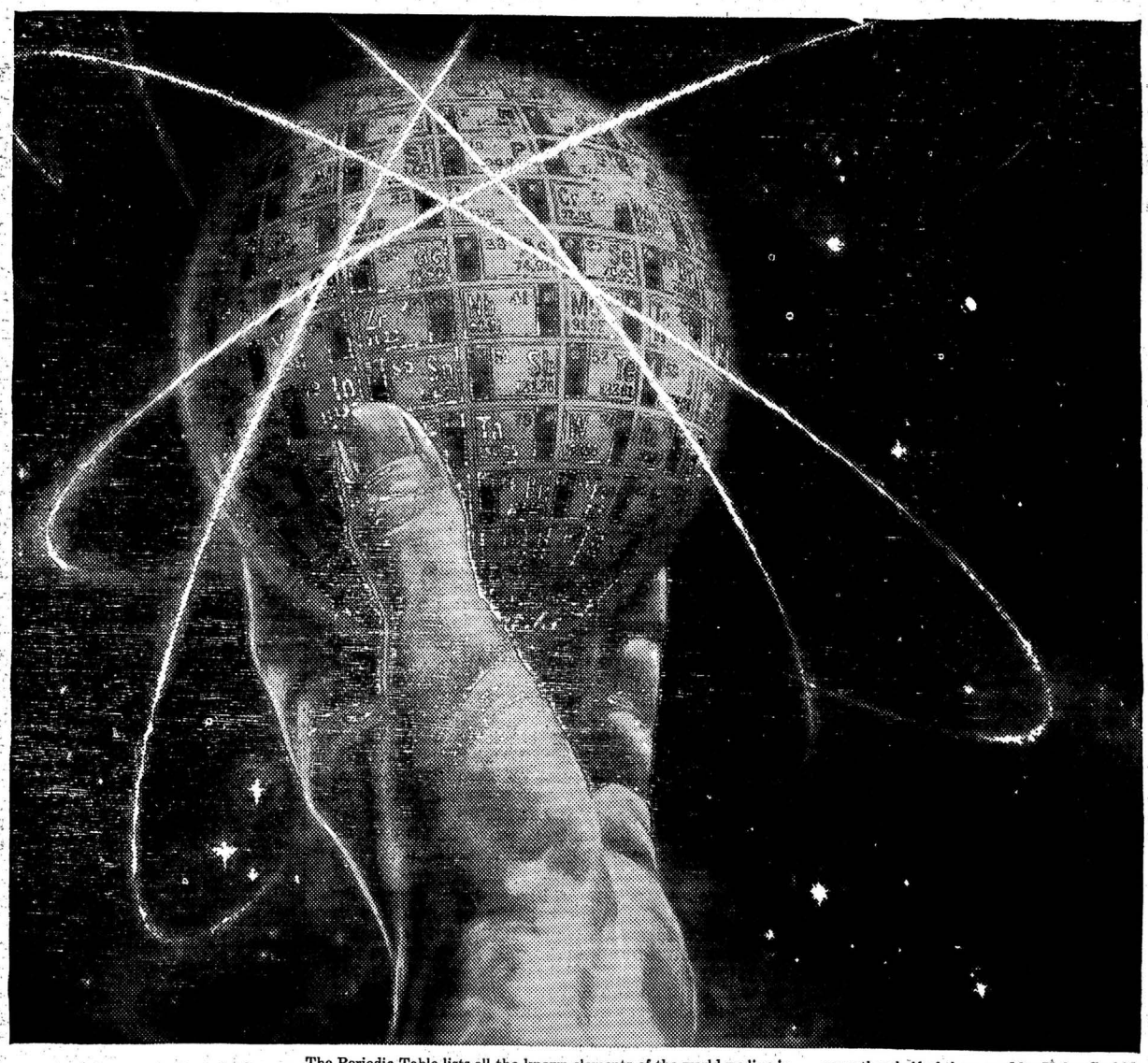

The Periodic Table lists all the known elements of the world we live in . . . more than half of them used by Union Carbide

This is the world of Union Carbide

. . . bringing you a steady stream of better products from the basic elements of nature

You're probably one of the millions who have used such Union Carbide products as PRESTONE anti-freeze, EVEREADY flashlights and batteries, or PYROFAX bottled gas. But the major part of Union Carbide's output is in basic materials, employed by more than 50,000 industrial customers to fill your life with useful things.

The 70,000 people of Union Carbide operate more than 400 plants, mines, mills, laboratories, warehouses, and offices in the United States, Canada, and Puerto Rico. With these vast resources and skills, and the help of 35,000 suppliers, they create a variety of products in the fields of metals, carbons, gases, plastics, and chemicals.

It is men and women working together to provide new and better materials that gives full meaning to Union Carbide. And the people of Union Carbide, backed by 128,000 stockholders, will go on bringing you the necessities and conveniences that will help keep our standard of living the highest in the world.

Periodic Chart ©Welch—Chicago

The terms "Eveready," "Prestone," "Pyrofax," and "Union Carbide" are trade marks of Union Carbide Corporation.

Learn more about the products of Union Carbide and its work in atomic energy. Visit the science exhibit at 270 Park Avenue, New York, or write for booklet F-21, "The Exciting Universe of Union Carbide." Union Carbide Corporation, 270 Park Avenue, New York 17, N. Y. In Canada, Union Carbide Canada Limited, Toronto.

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JAMES J. LING

Chairman of the Executive Committee, Ling-Temco-Vought, Inc.

The electronics-aerospace industry is once again destined to make substantial gains in 1962. There will be a compounded effect of greater government requirements, particularly in the defense areas and space exploration programs. This growth will be aided by another significant increase of the rapidly expanding electronics industry.

James J. Ling

The electronics industry is generally separated from the aerospace industry, but the two are so inextricably associated that it is difficult at best to separate certain statistics.

First, in analyzing the substantial growth in the electronics industry in the past decade full credit must be given to susbtantial sums spent in research and development programs. An estimated $1 billion was spent for research and development in 1960, compared with factory sales of approximately $10 billion. This compares with American industries as a whole expending only 2½% on research and development compared to total sales. The military requirement for electronics was approximately $500 million in 1950. It has since expanded to $5.6 billion in 1960 and is expected to increase to more than $9 billion by 1970.

The year just concluded was a good one generally for the firms principally identified with the aerospace industry, as profits rose from $184 million to $240 million while sales increased by $500 million to $13.5 billion. It is extremely difficult to project the expenditures required five to 10 years hence in the aircraft, missile and space exploration programs. Reliable sources have estimated that it may cost up to $20 billion to place a man on the moon. The challenging prospects of probing even deeper into space could represent hundreds of billions of dollars in the next 10 to 25 years.

Our ability to develop these capabilities is directly proportional to our breakthroughs in technology. The solutions to the multitude of technological problems are being sought every day. A constant challenge is the harnessing of thermonuclear energy for peaceful purposes, such as the theoretical development of converting one cubic mile of ocean water to provide sufficient energy to supply all of the power needed by our planet for 10,000 years. The mandatory business as well as technical marriage of electronics-aerospace and the nuclear energy companies is becoming more apparent.

The outlook for 1962 as well as the years beyond is limited only to the creativeness and imagination of the management of American industries, as electronics and aerospace offer the sound base and technological challenge that should stimulate continued growth.

A major blur on the horizon is that the resolvement of the world political situation is nowhere in sight. The major ideological differences between the cultures of the East and West require a "technological" discovery, and it is my sincere hope that this breakthrough is not beyond the state of the art of the future.

DONALD C. LUCE

President, Public Service Electric & Gas Company

The year 1962 promises to be another year of growth and progress for Public Service Electric and Gas Company, with demands upon the company's services continuing to mount. During 1961 expenditures for new plant and equipment averaged more than $2⅓ million a week, and the present construction program calls for the continuation of expenditures at approximately the same level throughout 1962. The continuing need for such expansion of electric and gas facilities reflects the generally healthy condition of the economy in the area of New Jersey served by the company. During 1961, 195 concerns, employing approximately 11,300 persons located in this area.

Donald C. Luce

The past year saw new records established for demand and output of both electricity and gas. The unusually hot weather of late summer resulted in a record electric peak load on Sept. 5 of 3,128,000 kilowatts, 12% higher than the 1960 peak load, and a record day's output of 54,844,200 kilowatt-hours of electricity on Sept. 13 was 11% above the prior year's record. On Feb. 2, a send-out of 6,552,968 therms of gas set a new 24-hour record, 8% above that of 1960.

In 1961, sales of electricity totaled more than 13 billion kilowatt-hours, 8½% greater than in 1960. Notwithstanding the adverse effect upon sales of gas for heating purposes of the milder weather during the Fall of 1961, gas sales rose to 920 million therms, more than 10% over the 1960 sales. In the past five years, kilowatt-hour sales of electricity grew at a compound rate of more than 7% per year and therm sales of gas at a compound rate of about 9% per year and it is expected that about the same compound rates of growth will prevail over the next few years.

Expansion of the company's generating facilities continued during 1961. In June, the second 320,000-kilowatt turbine-generator was placed in service at the new Mercer generating station, located on the Delaware River near Trenton. At the Sewaren generating station, near Perth Amboy, installation of a new 342,000-kilowatt turbine-generator unit is nearing completion. This unit, scheduled for service in the summer of 1962, will raise that station's capacity to 822,000 kilowatts, largest in the company's system. Construction of the new Hudson generating station has begun on property adjacent to the existing Marion generating station in Jersey City. This plant is planned for operation in 1965 and will have, initially, one 400,000 kilowatt generator which will then be the system's largest single generator. Upon completion of these new installations, the total installed capacity of the Public Service steam generating stations will be 4,487,500 kilowatts, 29% more than the capacity at the beginning of 1961.

In addition to its present network of high-tension transmission facilities, the company has in the planning stage or under construction major additions to and reinforcement of its high-voltage lines—those "Turnpikes of Power" which make possible the most effective use of the increased generating capacity of the company's eight steam generating stations. Already in operation are more than 135 miles of 230,000 volt transmission circuits, some entirely internal to the Public Service system and others to link the Public Service system with neighboring large electric systems to the south and west. Together, these systems form the vast power pool known as the Pennsylvania-New Jersey-Maryland Interconnection which has a total generating capacity of more than 15 million kilowatts. Such pooling of power increases economy of operation and dependability of service.

Recently placed in service were new switching stations in Cranford, and in Hopewell and Lawrence Townships and other new switching stations are either planned or in process of construction in Bayonne, Belleville, and Bridgewater.

Expansion plans for 1962 also include the installation of 2,000 miles of overhead and underground wires, 6,000 additional distribution transformers, 6,000 new street lights, more than 11,000 poles, and 22,000 electric meters. About 50,000 additional meters will be used to replace customers' present meters with meters of larger capacity to provide for increasing demands.

In the southern portion of Hudson County, the gas appliances of approximately 120,000 customers will be converted from mixed gas operation to the use of straight natural gas during 1962 as natural gas is introduced in new areas. By the end of 1962, well over 800,000 or about 70% of all gas customers will be served with straight natural gas. An additional natural gas regulating station and enlarged capacity at existing regulating stations will serve the customers in the newly converted areas. To provide customers in the natural gas areas with adequate gas service during times of peak demand, the company has converted some of its production facilities to make a high-BTU oil-gas to augment the supply of natural gas and additional oil-gas facilities are now being construed.

The public's preference for gas heating was shown by an increase of about 28,000 gas heating installations in the company's service area during 1961, and it is expected that about the same number will be added to the company's system in 1962. The increasing demands for gas service will require the installation during 1962 of approximately 24,000 services, 26,000 meters, and 300 miles of mains.

The territory served by Public Service Electric and Gas Company is uniquely located between New York City and Philadelphia. Here are located a high concentration of research centers, widely diversified industries, extensive transportation facilities—air, sea, highway and rail—and many fine residential communities. Because of these and other advantages, we are confident of the continued growth of the company. Public Service Electric and Gas Company is planning far into the future to provide the facilities which will be required to meet the future demands for electric and gas services in this rapidly growing area.

H. E. MacDONALD

President, Household Finance Corporation

At the beginning of 1961, it was apparent that the rate of growth in demand for services of HFC would be determined largely by the course of general business activity. It was recognized that general business activity was then declining, and that the level of unemployment would probably also increase; that a reversal of the direction of movement in general business would occur before the middle of the year; and that unemployment would decline within three to six months thereafter.

H. E. MacDonald

The improvement in general business conditions came earlier than was generally anticipated. However, an increase in borrowing activity by consumers normally lags after the beginning of an upturn in general business activity. This is the result of the fact that unemployment does not immediately decline, when business conditions improve. The attitude of consumers is profoundly affected by the level of unemployment among those with whom they come in daily contact, their neighbors, friends and fellow workmen. Thus, consumers are reluctant to borrow and to commit themselves to make future payments until they are sure of their ability to repay debts.

As a result of the continued high level of unemployment, growth in demand for our services proceeded haltingly, and at a disappointing rate during the first three quarters. In the last quarter, all signs indicated a significant improvement in unemployment, which was reflected in increased consumer spending, and in improved consumer attitudes generally. This was also reflected in a sharp increase in the volume of loans on the books, in November and December. At the end of the year loans receivable were close to $740 million, as compared with $693 million at the beginning of the year. The number of families being served—over 1,700,000—attained a new high mark. Loan balances averaged $425 each.

We look forward to continued growth in general business activity throughout 1962, with the increase in output amounting to 7-8%. Household's rate of growth should be at an equal or greater rate. To contribute to that growth 45 new offices were opened during 1961, including new branches in 31 cities not previously served. Today, 1,182 HFC offices effectively serve families in 923 cities in 46 states and in all ten provinces of Canada.

During 1962, we expect the benefits of the diversification program of recent years to become apparent. The acquisition during the fourth quarter of Coast-to-Coast-Stores, Inc., as a wholly owned, non-consolidated subsidiary, has provided HFC with a soundly managed, profitable organization supplying merchandise to 938 franchised stores in 20 midwestern and far western states. It will contribute to Household's growth through the opening of additional Coast-to-Coast-Stores in other states.

Household Acceptance Corporation was formed to take over receivables arising from the sale of products and services of nationally know companies. Education Funds Inc., established early in 1960, is showing growth in making longer term, low cost loans for educational purposes. This is expected to be one of the most rapidly growing areas of consumer credit.

We believe that HFC's program of diversification provides great potential for future growth and higher earnings.

ROBERT S. MACFARLANE

President, Northern Pacific Railway Co.

In the general economic recovery, which appears to be under way, the railroads will carry more freight. Higher capital expenditures by heavy industry, increased consumer spending and stepped-up defense outlays should generate an increase in traffic in the months ahead.

Robert S. Macfarlane

Over the longer term, the railroad industry should share in the continuing prosperity of the nation—barring all-out war. The rapidly growing population will create a demand for more production and and more transportation to supply the goods and services the people will need. If, as anticipated, Congress implements a national transportation policy guaranteeing equal treatment for all forms of transportation, the railroads will be able to bring their competitive capabilities into full play. Given this opportunity, I am confident the industry will thrive and prosper.

FREDERICK MACHLIN

President, The Armstrong Rubber Company

While demand for tires in the original equipment market dipped somewhat last year as a result of the recession's effect on the automobile industry, the market for automotive replacement tires — from which Armstrong derives 94% of its total sales —experienced its seventh year of consecutive growth.

Frederick Machlin

Again reflecting the steady upward trend in motor vehicle registrations, replacement passenger and truck tire sales rose to a new peak of more than 80 million units during 1961, or about two-thrids of total tire shipments. This represents a gain of 2.2 million units over the record 77.8 million sold in 1960, and a 79% advance over unit sales of 44.6 million only a decade ago, in 1951.

From all indications, the year 1962 is going to be an excellent sales year for the tire industry as a whole, perhaps even its best. With the automotive industry looking forward to a year as good or better than 1960, when it produced 6.7 million passenger cars and 1.2 million trucks, deliveries by original equipment tire makers are expected to improve sharply to about 39.2 million units, up from 34 million in 1961. In the replacement segment, business appears to be headed for another new high, with unit sales estimated at 83 million.

One of the important factors favoring these forecasts is the steady improvement in the general economy. Economists are predicting new high levels during the current year in gross national product, industrial production, personal spending by consumers and other economic indices. Within the tire industry itself, there is a possibility that prices will firm somewhat, although competitive conditions almost certainly will continue to be severe.

Through aggressive selling and strong promotion programs, The Armstrong Rubber Company participated in good measure in the replacement industry's 1961 growth. During the fiscal year ended Sept. 30, sales of Armstrong and its subsidiaries climbed to a new high of

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Just what is the "right size" car for you and your family?

You are hearing a lot of noise in the industry today about the "right size."

How ridiculous can you get?

When you stop to think of it there is no such thing as the right size car for everybody any more than there is the right size shoe for everybody.

Chrysler Corporation offers six different makes of cars and a total of 84 body styles.

None is the right size, the right price, the right car for *everybody*.

Each is the right size, the right price, the right car for *somebody*.

Except for the sports jobs with bucket seats, *all* give you traditional six-passenger comfort.

All have what our engineers call "*fat-free performance*," which means a lot more action on a lot less gas.

All have the easy handling and riding qualities which get rave notices from the automotive writers.

All, in every price class, have something extra built into them which is the only way we can expect to compete with General Motors and Ford.

The right *size* is one thing. That depends naturally on the size of your family —and on whether this is to be your "main car" or a second car.

Other things you will naturally be interested in are these:

Are they easy to park?

Since Chrysler Corporation holds that you shouldn't have to struggle every time you park the car, the 1962 line includes 51 models of 202 inches of overall length, or less. And while these cars are more *parkable*, they still offer full six-passenger comfort.

Who drives the car?

Do you drive it long distances in business or for long vacation trips? Or is it to be used mainly by your wife for normal family errands, involving a lot of parking? This may determine whether or not you want power steering.

In either case Chrysler Corporation offers you in every price class a superlative road machine which rides and handles beautifully.

If it's to be used mainly for long trips you'll be interested in legroom. Did you know that the 1962 Plymouth, for example, gives front seat passengers *more legroom than the most expensive American cars*, excepting only our own luxury Imperial?

If you're feeling bewitched, bothered, and bewildered by all the 288 different models of cars available this year (not counting the foreign makes), maybe we can help you out.

To provide you with a quick and easy guide to selecting the "right car" for your family, your garage, and your pocketbook, we offer the following "Right Car Chart" to better transportation.

Just see your dealer and tell him we sent you for a "try-it-for-size" drive, without obligation, of course.

Right-Car Chart	NO. OF BODY STYLES	WHEEL BASE (INCHES)	OVERALL LENGTH (INCHES)	HEIGHT (INCHES)	WIDTH (INCHES)	STANDARD ENGINE	HORSEPOWER	COMPRESSION RATIO	TYPE OF FUEL	FUEL TANK CAPACITY (GAL.)	AUTOMATIC TRANSMISSION	POWER STEERING & BRAKES	SEDANS	HARDTOPS	CONVERTIBLES	WAGONS	BUCKET SEATS	PRICES START AT
VALIANT	7	106.5	184.2	52.7-53.4	70.4	6	101-145	8.2-1	REG.	14	OPT.	OPT.	●	●		●	●	$1930*
PLYMOUTH	25	116	202-210	53.7-54.5	75.6	6 or V8	145-305	8.2-1 9-1	REG. OR PREM.	20-21.5	OPT.	OPT.	●	●	●	●	●	$2206*
LANCER	7	106.5	188.8	52.7-53.4	72.3	6	101-145	8.2-1	REG.	14	OPT.	OPT.	●	●		●	●	$1951*
DODGE DART	26	116	202-209.9	53.7-54.5	76.5	6 or V8	145-305	8.2-1 9-1	REG. OR PREM.	20-21.5	OPT.	OPT.	●	●	●	●	●	$2241*
CHRYSLER	13	122-126	214.9 220.4	55.2-56.1	79.4-80	V8	265-380	9-1 10.1-1	REG. OR PREM.	21-23	OPT.	STD. AND OPT.	●	●	●	●	●	$2964*
IMPERIAL	6	129	227.1	56.8-58	81.7	V8	340	10.1-1	PREM.	23	STD.	STD.		●	●			$4920*

**Manufacturer's Suggested Retail list price, exclusive of destination charges.*

The people at

Chrysler Corporation

Where Engineering puts something extra into every car

PLYMOUTH • VALIANT • DODGE DART • LANCER • CHRYSLER • IMPERIAL • DODGE TRUCKS

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$119,388,888, up 2.2% over $116,784,382 in 1960. Operating profits were also up; however, higher non-operating charges resulted in a small decrease in net income from $4,960,987 in fiscal 1960 to $4,849,829 last year.

To take full advantage of the substantial future growth foreseen for the replacement industry, Armstrong has undertaken a major expansion program at each of its various plant facilities. The major item is a new tire manufacturing plant in Hanford, Calif., scheduled for completion this coming March.

With a potential capacity of 10,000 tires daily, the Hanford plant not only will expand Armstrong's total capacity to 50,000 tires per day, but will enable us to meet more efficiently the rapidly increasing needs of our Pacific Coast and Rocky Mountain area customers. Its operations will be a supplement to the Armstrong plants in the East, South and Midwest.

Although the new West Coast facility will have no important effect on fiscal 1962 sales, we expect it to figure largely in the overall results of the company in the years beyond.

Other expansion steps in our program include a one-third increase in production capacity at the Natches, Miss., plant of Armstrong Tire & Rubber Company, while our 28.6% owned affiliate, Copolymer Rubber & Chemical Corporation, is now expanding its facilities by 40%. During 1961, we also put into operation a new multi-million dollar warehouse at corporate headquarters in West Haven, Conn., and established new and larger quarters for our test fleet in Pecos, Texas.

We believe that these steps, together with the high efficiency of production and material handling operations at all our plants, place Armstrong in a very advantageous market position for the current year and thereafter.

EARLE J. MACHOLD

President, Niagara Mohawk Corporation

Niagara Mohawk will go forward in 1962 with a five-point program that we are confident will benefit our customers and the communities we serve.

The first step is completion of the extensive high-voltage circuits now under construction across our System. This huge power grid will feed greater amounts of electricity into the Niagara Mohawk area networks. It will also provide much larger connections for economical interchange of power with neighboring utility systems. These added facilities assure every area we serve of ample resources for future growth.

Earle J. Machold

In 1962, Niagara Mohawk will take further steps to save time and money through the use of new methods and equipment. We will complete the conversion of all billing operations to an electronic data processing system, and expand the use of computer equipment in many aspects of the business. In the latter connection, we now can determine faster than ever before, and from hour to hour, available sources of the lowest cost power. New types of compact service trucks, especially designed for our use, are being put into service. Niagara Mohawk engineers are working vigorously on new techniques to reduce interruptions from any cause.

Thirdly, we are launching a new sales promotion program designed to provide greater support and assistance to retail appliance dealers and distributors throughout our service area. This will include expanded advertising programs, and greater assistance to the electric and gas trades by company personnel.

Niagara Mohawk will also go ahead vigorously with its area development program, designed to attract new business and industry to the communities we serve. As in the past, this will consist of extensive work with local civic organizations to provide them every possible assistance, and a national advertising program directed to business leaders. There is every indication that this cooperative effort is bringing results. Last year, there was an increase in the number of industries expanding or locating in Upstate, N. Y., including three large operations which had been eagerly sought by other areas of the country.

Atomic power can best benefit the areas we serve when it becomes available at costs comparable with present methods. That is the goal of the nuclear research and development program undertaken by Niagara Mohawk and the other investor-owned utilities of this State. It is one of the most extensive nuclear power programs in the nation. Niagara Mohawk is participating not only financially, but has also organized a nuclear engineering department and assigned selected engineers to research centers for special experience in this field. In 1962, we expect to advance this nuclear power program closer toward our goal.

On top of all the other advantages that Upstate, N. Y. possesses, it now has a system of super highways, a great international seaway, and electric power and natural gas to meet all the growing needs of homes and factories. Few other regions anywhere can match these advantages. They certainly assure the future growth and progress of New York State.

ERNEST S. MARSH

President, The Atchison, Topeka and Santa Fe Railway System

Revenues of the Santa Fe Railway System are showing improvement from the recent upturn in general business activity, and this trend is expected to continue into 1962 when modestly higher levels of gross receipts are anticipated. The System's net income for 1961 will be up moderately over 1960 but still somewhat below the average of the last 10 years.

Ernest S. Marsh

For modernization and improvement during 1962, the Santa Fe has programmed gross capital expenditures of $65-million to include 43 heavy duty diesel locomotives, approximately 1200 new freight cars of various types, 25 new baggage cars, 238 miles of new continuously welded rail for main track replacement, completion of a 39 mile realignment of track on the Phoenix line in Arizona, further traffic control signaling, microwave communication installations, and many other improved facilities.

This program looks forward to a more modern high-capacity plant capable of efficient service and more economical operations to help keep abreast of constantly rising costs. It is also aimed at meeting transportation demands generated by continuing growth of population and industry in the West, and keeping the Santa Fe on a competitive basis among railroads and other modes of transportation.

The ever present inflationary pressures remain a most constant threat to the railroads and their employes. These pressures in combination with long existing inequities in the areas of regulation and taxation work an undeserved hardship on an industry that is recognized as most vital to the Nation's production and distribution system. Congress should not delay legislative action to afford the railroads more nearly equal competitive opportunity in the field of rate making and to remedy grossly unrealistic tax laws with respect to depreciation of railroad equipment and other facilities. Fair and reasonable treatment in these important areas would contribute much to the health and vigor of the industry.

DON MARSHALL

President, Bogue Electric Manufacturing Co.

The nation's defense establishment, particularly in the missiles and space programs, depends upon engineering companies in this field for the solution of new problems arising every day. These companies have accomplished much during the past year.

But the tense international situation and our country's urgent need for further scientific developments in the missile and space fields presents a challenge which must be accepted by the entire industry in 1962.

Don Marshall

For their own economic health, companies also must seek to develop, wherever possible, industrial and commercial applications of their defense products.

As an example, commercial models have been developed of the precise ultrasonic indicators produced for measuring liquid fuel loads in missiles. Industrial applications, originally instituted in the oil and chemical industries, are now being expanded into the brewery, distillery, food processing and other industries.

On the other hand, during the past year, important defense items have been developed from devices first produced for industrial use. One of these developments was the miniature clear water demineralizer that can be carried as part of the equipment of large military jet planes and contributes tremendously to their safe and efficient operation.

Continuous power supply systems, produced primarily to bridge failures of conventional power plants, have been adapted for nuclear power plant use. As an item for the military establishment, one of these systems was supplied for the South Polar nuclear power plant now being installed by the Navy.

The need for tremendous amounts of treated water in varying degrees of purity has become a world-wide problem. United States know-how for modern purification of water through ion exchange systems developed here has created opportunities on an international scale.

Present day industrial and commercial, as well as military uses, frequently requires ultra-pure water that cannot be obtained through old fashioned distillation methods, and the demand for the new systems is universal.

In this respect, for example, we have recently licensed the huge, world-spanning Head Wrightson, Ltd., of England, to use our water treatment techniques and methods.

We foresee a great and continuing growth in engineering, design and installation of water treatment systems in the coming year and for many years thereafter.

THOMAS F. McCARTHY

President, Austin, Nichols & Co., Inc.

Any effort to interpret the outlook of the Wines and Spirits industry for 1962 must, as always, take into account the fact that this industry ignores to a large extent two of the bench marks so important to economists.

Thomas F. McCarthy

In the first place, we do not accurately follow population growth, as such.

It is only during the past few years that our volume has roughly paralleled the adult population increases and this has brought us just to the 1946 level of consumption of liquor which actually means lower per capita consumption.

The general economic pattern of the American economy is ignored to an even greater extent. The sales of wines and spirits should never be used as an index of the relative minor swings in the prosperity of our country. They do not climb as high or as rapidly as our business booms. On the other hand, they do not follow accurately the downward pattern either.

The much anticipated prosperity of the nation in 1962 should benefit us overall but the exact extent is open to conjecture. There will be some more or less predictable trends within our industry, however, and they should generally follow fairly recognizable patterns.

One situation which we must all recognize whether as producers, distributors, at the retail level, or as citizens and taxpayers, is that bootlegging is not on the wane. It will not be, either, so long as the tax on whiskey is 1,000% more than the cost of distilled spirits.

As to the trends within the industry, straight whiskies will probably continue to gain slowly on the blends. These two categories account for a good 60% of all distilled spirits sold.

Although sales of vodka are still increasing, the rate of growth has slowed from former years, and it will be some time before vodka surpasses or even equals the volume of gin sales.

Bonded whiskey continues slowing down although this category forms a very important segment of the market in dollars if not so much in gallonage.

Scotch gives no indication of any lessening of its upward trend. The growth of Canadian whisky appears to have levelled off but it is expected to hold to its present high level.

One interesting development is the increased demand for imported spirits bottled in this country. It is reaching significant proportions and apparently has a future because the saving to the consumer is considerable and the quality quite acceptable to the American palate.

Cordials and brandy give every indication of continuing to lead the industry's growth percentage-wise, although not in number of cases.

The American consumer's interest in fine, imported wines is heartening and it is expected that 1962 will show a healthy increase in this division as well, although the sharp price rises in French wines may curtail this somewhat.

THOMAS B. McCABE

President, Scott Paper Company

The paper industry's performance in the second half of 1961 set the stage for optimistic results in 1962.

The industry's favorable trend in production, sales and earnings during most of the last six months of the year appears to have set a pattern for 1962. But competition will continue to be intense. This means that our industry must continue to expand research programs, intensity efforts to make better products more economically, and to market them by scientific methods.

Thomas B. McCabe

Since World War II, the paper industry has averaged a 3 to 4% annual increase in production. Paper and paperboard output in 1961 is expected to reach nearly 35.5 million tons, a total that slightly exceeds the prediction of industry leaders a year ago.

The outlook for 1962 is even better. Barring unusual developments, I believe that paper and paperboard production will reach 37 to 37.5 million tons this year, which is an increase somewhat better than the 3 to 4% annual average.

In most of 1961, the industry operated at about 90% of capacity, and while this is high compared with other industries, paper companies, because of high fixed costs and relatively low prices, must run at near capacity if they are to make a profit. In 1962, it is expected that the operating rate will exceed the 1961 figure, even though capacity will be increased by nearly one million tons.

Similarly, estimates for investment in plant and equipment in 1962 indicate an increase of some 5 to 6%, or a little more than $750,000,000 for that purpose.

Profit trends for the industry in the third quarter of 1961 were brighter than in the first half of the year, although the industrywide earnings were still lower for the first nine months of the year compared with 1960.

Scott Paper Company looks to the new year with confidence and enthusiasm. The company established a new high in 1960 when the net sales total reached more

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PROGRESS

Progress is more than a word. / Progress is schools for on-the-grow children . . . modern medical facilities for the entire community . . . civic centers and centers of worship. / Progress is buildings going up, aspirations going up, too. / Progress is the steel industry of the Nineteen Sixties, as different from the steel industry of the Twenties as the futuristic car in the automobile show is from the surrey with the fringe on top. The numerous family of steels has grown vastly in number, in composition, and in structure; and through the wonders of research the members of this remarkably useful family of materials have been almost completely revolutionized. / But, most of all, progress is people constantly on the go toward tomorrow and tomorrow and tomorrow. U.S. Steel, now in its 61st year, is proud of the part it is playing —and will continue to play—in this progress.

USS United States Steel

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than $313,000,000. For the first nine months of 1961 sales exceeded $246,800,000, an increase of 5.3% over the corresponding period in 1960, while earnings were up 4.6% over the same period.

Scott is particularly gratified by these figures, and 1961 has been a historic year for the company in several areas. In October the Board of directors authorized a three-for-one split of Scott's common shares and an increase in the quarterly dividend on the pre-split shares from 55 cents to 60 cents per share. Scott expects the stock split to attract additional investors.

In other developments, the Brunswick Pulp & Paper Company—owned jointly by Scott and The Mead Corporation — began an extensive expansion program to increase the firm's production of bleached sulphate pulp from 500 tons daily to 1,000 tons.

In March 1961, Scott started production on a new, high-precision paper machine at its Mobile, Alabama plant. The new machine produces a number of papers including grades such as those for lightweight printing by the offset press.

Still another expansion program of the company was completed in 1961—a new plant for the manufacture of Scott Apparel Foam and Scott Industrial Foam, both polyurethanes, and other allied products. Plastic cups are also produced at this new facility.

On the foreign scene, Scott was fortunate in 1961 to form new affiliates in partnership with outstanding paper companies in Japan and the Philippines, and to participate in still another in Denmark through its affiliate Bowater Scott Corporation, Ltd. Scott now has interests in paper manufacturing or converting operations, or both, in 10 foreign countries.

In September of this year the dedication of the company's new executive offices and research and engineering center marked yet another milestone in Scott history. Scott has grown rapidly in the past 20 years, and the construction of this new complex, located adjacent to Philadelphia International Airport, now makes it possible to house all of our staff personnel at one site.

The company is particularly pleased with its new research and engineering facilities which, I believe, are second to none in the pulp and paper industry. Research and development surely will play an increasingly important role in the future of Scott and the entire industry. Scott has consistently increased its investment in research, a trend that will be continued.

Never before has the demand been so great for new and better paper products and for paper items used in combination with other materials. Not only is the domestic market for these articles bright, but the potential of foreign markets is particularly inviting: as other nations lift their standards of living, the demand for paper there will increase proportionately.

R. McCLANAHAN

President, Middle West Service Company
Electric Utility Industry

Kilowatt-hour sales of the electric utility industry were up only 5% in 1961 as compared to the 7.3% average annual increase in the prior five years. Last year's cool summer which reduced air conditioning load and the less than average pick-up in industrial sales were the principal reasons for 1961's below average growth.

R. McClanahan

The year 1962 should resume at least its past five year growth trend assuming normal cooling weather and the expected higher industrial output. On this basis, sales of the electric utility industry should increase approximately 8% to 780 billion kilowatt-hours as compared to 720 billion in 1961.

Growth of residential sales per customer in 1961 fell below recent average trends, principally in the South and Southwest where the cool summer was especially adverse to air conditioning load. Residential use per customer for the total electric utility industry slightly exceeded 4,000 kilowatt-hours in 1961, or about 4½% higher than 1960. Over the 1955 to 1960 period, the annual increase averaged 6.8%. Assuming weather for good air conditioning load, residential use per customer in 1962 should average approximately 4,400 kilowatt-hours. Another cool summer would reduce average residential use to slightly more than 4,200 kilowatt-hours.

Winter and summer peak loads of the total electric utility industry were approximately the same in 1959 and 1960. The past cool summer, however, reduced the gain of the 1961 summer peak to only 6.1% over the 1960 summer peak. Above average rainfall in the Southwest was also a factor reducing the summer peak as irrigation pumping declined. The December, 1961 peak reached approximately 144.1 million kilowatts, or 3.3% above December, 1960. Winter and summer peaks for the total industry should again be approximately the same in 1962 under normal conditions and are expected to increase approximately 8% to 156 million KW. As air conditioning becomes more widespread, summer peaks are increasingly occurring in states outside the South.

Excess reserves of the electric utility industry in 1961 averaged about 30% of peak loads, but in many cases were greater than 30% in areas where summer peaks failed to achieve normal growth because of cool and wet weather. Excess reserves should decline slightly in 1962 despite the planned addition of approximately 11.5 million KW to industry generating capability. Of the added 11.5 million KW, approximately 8.0 million KW will be by investor-owned companies.

Earnings of electric utility companies over the past decade have rather consistently shown an average per share rate of increase of 5% annually. Earnings for 1961 on the average fell below this trend. Preliminary reported earnings for 85 investor-owned electric utilities showed 1961 earnings per share to be about 3½% over 1960. Barring an abnormal rise in operating costs and an unfavorable air conditioning load, per share earnings of electric utilities should again show an increase of 5% in the coming year.

Investor-owned utilities spent a record $3.5 billion for new construction in 1961, and the same amount is expected to be spent in 1962. Permanent new financing by electric utilities in 1961 totalled $1.65 billion, which was the lowest since 1956. Of the total $1.65 billion, 73% was debt, 9% was preferred and 18% was common stock. About the same breakdown is expected for the estimated $2.0 billion new financing in 1962. Higher debt money costs would result in a greater share being raised by equity issues.

The number of electric utility rate increases granted in 1961 (nine) and those pending at year-end 1961 (nine) were the lowest since 1956 and 1955 respectively. Rate increases in 1962 would appear to be dependent on whether the present general price level of all business is substantially maintained. Any important breakthrough on present price levels will force electric utility rate increases.

Gas Utility Industry — Distribution

Sales and revenues of the gas utility industry again reached new highs in 1961 and are expected to surpass those achievements in the coming year. Expansion of gas facilities continued at record rates as construction expenditures rose in 1961 and are expected to do so again in 1962.

Gas sales during the past year increased to approximately 95 billion therms from 93 billion in 1960, for a 2% gain which was below the 6.9% average annual increase over the 1956 to 1960 five year period. The greater proportion of the increase came from residential and commercial customers, while industrial sales were little changed. The American Gas Association projects a 5.9% average annual increase for the five years ended 1965. Specific year-to-year increases are dependent upon the extent of space-heating sales. New space-heating sales are mainly dependent on new house starts. Assuming average conditions for old and new space-heating, gas sales in 1962 should exceed 100 billion therms, half of which will be to industrial customers.

Revenues of the gas utility industry in 1961 fell below the 10% annual growth rate recorded since 1955. The American Gas Association estimates that over the five years ending 1965, revenues should increase at an annual rate of about 8%. On this basis, revenues of the gas utility industry should total approximately $6½ billion for 1962, of which about $3.7 billion, or 57% will be from residential customers.

Preliminary reported earnings per share of a representative group of gas utility holding and distribution companies showed only moderate increases in 1961, while average earnings for a group of pipeline companies showed earnings increases comparable to the 5% annual rate established over the five-year period ended 1960. Earnings of gas utility companies are adversely affected by increased cost of natural gas purchased in the field. Promptness of compensatory rate relief by Federal and State regulatory agencies will be a principal factor determining earnings trends of gas pipeline and distribution companies in the coming year.

Distribution companies will show a more consistent earnings growth in states where automatic adjustment clauses permit increased cost of pipeline gas to be reflected in retail rates. The industry generally in 1962 should continue its past performance of increased earnings per share of about 5%.

New househeating customers continue to provide higher sales and earnings to the gas utility industry. Approximately 1.2 million such customers were added in 1961. At the end of 1961, househeating customers were approximately 71% of all residential customers. The greatest rate of customer growth appears to be in the New England area where natural gas was introduced only 10 years ago. The East North Central States continue to provide the greatest absolute growth. Another 1.2 million househeating customers should be added during 1962, bringing househeating saturation to 73%.

The gas utility industry is expected to spend $2.1 billion for construction in 1962 as compared to $1.9 billion in 1961. Outside financing should exceed $1.0 billion versus $0.95 billion in 1961. Although outside financing is now planned to consist of new debt issues to the extent of 75% of the total, possible higher debt money costs in 1962 may prompt a greater share of new money to be raised by equity issues.

There are indications that the gas industry in total, that is producer, pipeline and distributor, may be reaching more stabilized periods. The effect of this stabilization on net income is not yet predictable.

L. F. McCOLLUM

President, Continental Oil Company

The financial well-being of virtually any industry is largely dependent on its ability to keep supply consistently in line with demand. Insofar as the petroleum industry is concerned, maintenance of sound operating rates in recent years has been made difficult by the existence of substantial excess producing capacity worldwide, excess refining capacity in the United States, and a slowdown in the rate of growth in demand for petroleum products in this country. In 1961, the low tempo of domestic business activity in the early part of the year held oil demand down, and although a gradual improvement has occurred since that time, for the entire year 1961 demand showed an increase of only about 1% over 1960. In contrast, marketed production of natural gas increased some 5%, and the growth in use of natural gas liquids was about 4.5%. Over the last five years domestic demand has increased at an average annual rate of 2.1% per annum, or about one-third the 6% annual growth rate which prevailed during the preceding decade. While some slowdown from the unusually large increments of the early postwar years was to be expected, this slackening also directly reflects some broad developments in our society such as improved efficiency in the generation of power, inroads of natural gas in markets formerly served by fuel oils and growing popularity of compact cars. Under this set of conditions, it behooves the industry to channel a greater proportion of its expenditures back into research to develop more new and improved products from petroleum. An increased rate of new product innovation is also an effective means of lessening the impact of the substantial overcapacity with which the industry has been faced for the last four years in a row.

L. F. McCollum

According to a study conducted by the National Petroleum Council, the domestic industry now has well over three million barrels daily of excess crude oil productive capacity. U. S. refinery capacity, as reported in a recent American Petroleum Institute study, now is some two million barrels daily above annual throughput requirements. Too high a utilization of this capacity in 1961, together with larger imports, brought about an increase in the new supply of petroleum of some 85 million barrels over 1960. This was nearly four times as great as the increase in demand of 22 million barrels. As a result of the industry's failure to gear supply to demand, inventories were built up to an all-time high, refined products' wholesale prices declined sharply and currently are below a year ago. This, in turn, reduced oil company earnings during the latter half of 1961 below the corresponding period in 1960.

It is estimated that domestic demand in 1962 will average slightly over 10 million barrels daily, or 2.5% to 3% higher than in 1961. As in the past, demand in some areas of the country will increase at a faster rate than the national average (such as on the West Coast last year) while in other areas it will grow more slowly. The extent to which individual refiners maintain their runs at realistic levels for the particular markets they serve will largely determine whether or not the entire industry's prices and earnings return to more reasonable levels in 1962.

During a period of overcapacity, such as is now being experienced in the oil business and a great many other industries, it is imperative that oil company managements face up to reality, further reduce costs and, in general, begin making more hard-headed economic decisions regarding the conduct of their day-to-day operations and future capital investment policies. Proper recognition of industry conditions as they exist, and not as we wish they might be, will go a long way towards ensuring maximum profits for stockholders over both the short and long term.

ROBERT P. McCULLOCH

President and Chairman, McCulloch Oil Corporation

From a historical standpoint, the principal income producing assets and present operating methods of McCulloch Oil Corporation have resulted from exploratory activities commenced in 1956. As of January 1, 1960, the formerly designated McCulloch Oil Corporation of California exchanged its stock for properties which were developed as a result of the 1956, 1957, 1958 and part of the 1959 Oil Exploration Programs (some 75 investor Participants exchanged their properties for stock). On November 23, 1960, the company merged into Cuban American Oil Co., whose name was then changed to McCulloch Oil Corporation of California (a Delaware corporation). The resultant corporation has approximately 7,000 stockholders, cash flow in excess of $1 million per year, reserves located in California, Texas, Louisiana, Oklahoma, New Mexico, Colorado, Arkansas and Canada (through its wholly owned subsidiary, McCulloch Oil Corporation of Canada). The business and executive offices of the oil company are located in Los Angeles and the company has district offices in Midland, Texas and Bakersfield, California, and geo-

R. P. McCulloch

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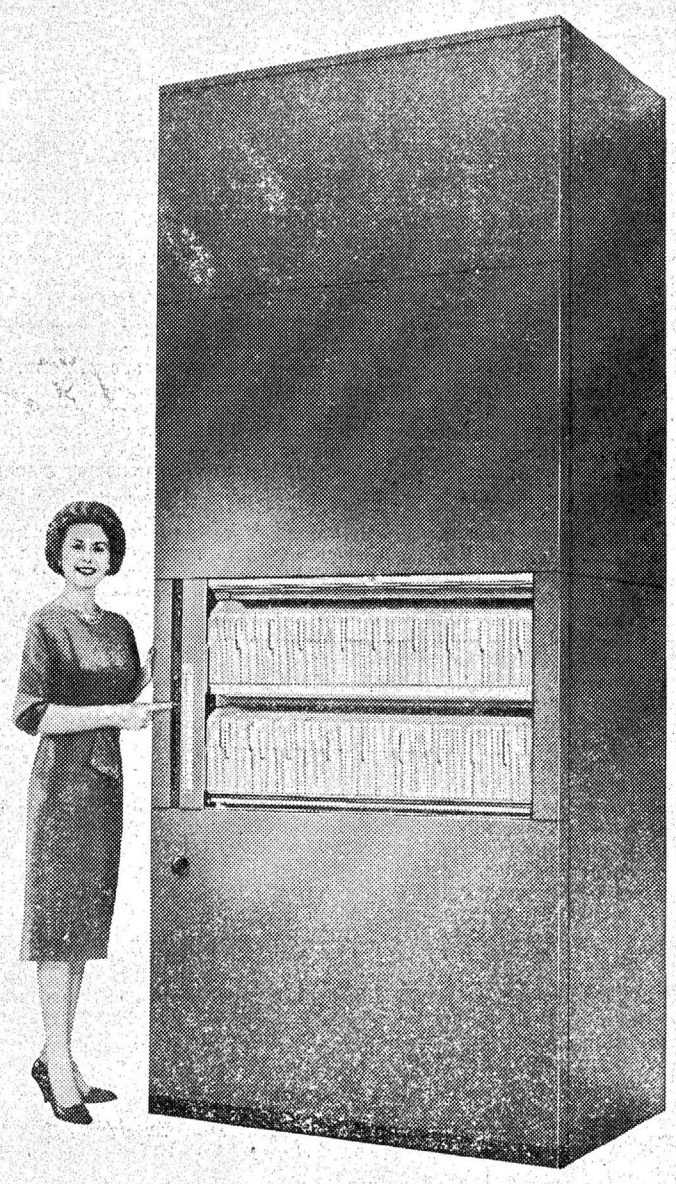

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logical offices in Casper, Wyoming, and Lafayette, Louisiana.

The company's exploration activities are facilitated by annual joint venture Programs through which McCulloch Oil Corporation earns a one-third carried interest in substantial leasehold interests in 15 to 20 Exploratory Wells each year at no cash outlay to the company.

Other members of the joint venture finance the entire cost of the exploratory drilling which permits McCulloch Oil to use its cash flow for less risky development drilling. During 1961, the joint venture Program has provided $1,700,000 for exploration and a similar amount is anticipated as a result of the planned 1962 Program. Thus, management believes the annual joint venture Programs provide the company with an exploration budget of sufficient proportion to provide the carefully balanced exposure needed to assure continued dynamic growth. Selection of the company's prospects range from smaller semi-proven plays to large blocks holding the potential for major discoveries. Thus, it can be noted that the significance of the annual Programs is the fact that the company does not endure exploratory risks but is able to conserve its entire cash flow for development drilling. The results to date of such a Program have been most successful for the company as well as to the other members of the joint venture arrangement.

The company has gained particular recent notoriety due to its completion of gas wells in California and New Mexico and its exploratory activities which have taken it into Mississippi, Colorado, Wyoming, and Utah. Earlier in the year, the company completed the Duarte No. 1 Well 35 miles east of San Francisco which is classified as possibly the largest gas well in California's history. After completion of its 30-day production test, this well had sold over $383,000 worth of gas to the Pacific Gas & Electric Company — a new record for the state. The Duarte No. 1 Well was completed last June and a similarly successful well, the Duarte No. 2 went on production during November. Collectively, these wells have already produced over $1,000.000 of gas in a period of less than six months. Presently, in the same area, McCulloch Oil is drilling its Ginochio No. 3 Well which will not only test those zones which have proved productive in the Duarte wells, but will also be drilled to 8,000 feet to test for deeper production possibilities.

During 1961 the company increased its reserves, sales (22%), cash flow (30%) and profit (115%). Projected figures for 1961 are: Sales $2,200,000; Cash Flow $1,300,000; and a Profit of approximately $300,000, even though all intangible drilling costs are written-off in the year incurred. We believe this growth pattern should prevail in 1962, through development of existing properties, continuation of the company's extensive drilling activities in the annual Exploration Programs, as well as through acquisitions of productive properties. As previously noted, according to the Preliminary Prospectus now available (through McCulloch Oil Management Company of Hartford Building of Dallas, Texas) on the 1962 McCulloch Oil Exploration Program, a fund similar to the $1,700,000 amount of the 1961 Program will be made available to the company during 1962 for oil and gas exploration throughout the United States. Also, the company is presently studying other possible acquisitions and mergers.

RALPH T. McELVENNY

President, American Natural Gas Company

Generally improved business conditions, particularly in the automobile industry, are expected to result in a continued record increase in sales of natural gas in our service area during 1962. The 1962 model passenger cars have received a very favorable reception. The United States Department of Commerce predicted recently that the nation's total passenger car production will increase to at least 6.5 million autos this year as compared with 5.5 million manufactured in 1961. Outstanding leaders in the industry have predicted substantially greater sales of automobiles in 1962. If these predictions are realized, it will make 1962 the second best year in the automobile industry's history.

Ralph T. McElvenny

In addition to the large motor vehicle industry and numerous other industrial activities such as chemical, pharmaceutical and tool and die manufacturing, there is extensive steel production in the area served by the American Natural system. Orders received by the steel companies have been picking up sharply and there is substantial indication that the first half of 1962 will see an accelerated steel output.

The opening and expansion of the St. Lawrence Seaway also offers great opportunity for increased trade and commerce.

All this augurs well for vigorous continuing growth of the economy in metropolitan Detroit and Milwaukee and other large industrial areas in Michigan and Wisconsin served by our system.

Our distribution companies expect their industrial and residential heating gas sales to rise substantially over the record levels experienced in 1961.

For example, our subsidiary Michigan Consolidated Gas Company in June, 1962, will complete the first year of a new contract calling for deliveries of up to 25 billion cubic feet of gas annually to the Great Lakes Steel Corporation. The steel firm is using expanded gas supplies for the operation of a new rolling mill and for an improved new production process in its blast furnaces.

Indicative of the spiraling demands for natural gas, the American Natural system listed a 12.4% increase in total gas sales for the 12 months ending Oct. 31, 1961. Sales volume for that period totaled 354.6 billion cubic feet of gas, compared with 315.5 billion for the previous 12 months.

For the same period, American Natural's total industrial sales climbed 21.7% and residential heating sales 4.4% over the 12 months ending Oct. 31, 1960.

During the coming year, the American Natural system anticipates its one-day gas deliveries will reach a peak of 2.6 billion cubic feet, compared with a peak day total in 1961 of 2.24 billion cubic feet.

To meet the soaring market requirements, American Natural has engaged for a decade in a record expansion program. This included construction and expansion of two large interstate pipelines, Michigan Wisconsin Pipe Line Company and American Louisiana Pipe Line Company.

As a result, our average daily natural gas supply since 1949 has increased from 127 million cubic feet per day to more than one billion cubic feet per day at present.

In west central Michigan, American Natural subsidiaries have developed vast underground storage facilities with a working capacity of approximately 120 billion cubic feet. In addition, we have depleted gas fields as yet undeveloped for storage with a capacity of 45 billion cubic feet, plus storage rights in vast oil producing reservoirs which are nearing depletion and are most promising for conversion to gas storage.

Pointing up a period of great growth, in the past 10 years American Natural Gas Company's plant account has increased from approximately $360 million to $950 million, while revenues have grown from approximately $100 million to $275 million.

Intensive research programs being conducted by the gas industry are expected to develop important new uses for gas fuel in the near future.

Through a continuing program of expansion, the American Natural system looks forward with confidence to the opportunities at hand and ahead to serve ever-increasing demands for natural gas.

W. B. McGUIRE

President, Duke Power Company

In the absence of unforseen changes, the sharp pickup in industrial power sales in the Piedmont Carolinas, beginning in August 1961 and accelerating through December, should continue during 1962. The past six months reflect a sustained industrial upturn throughout our 20,000-square-mile service area in the Piedmont section of North and South Carolina. The textile industry continues strong, and a combination of favorable market, good business climate, and excellent labor are attracting a widely diversified range of new industries—amounting to over $600 million in new plants and expansion in the Duke service area for the past three years.

William B. McGuire

In addition to aggressive industrial development activity, Duke Power is going all out in the promotion of all-electric homes, offices and commercial establishments. The company has a training program for home builders in the installation of electric space heaters and offers promotional allowances to builders and special all-electric rates to home owners.

Average annual use by residential customers is better than 40% above the national average, and the system has the highest saturation of electric water heaters of 30 gallons and above in the nation.

E. CLYDE McGRAW

President, Transcontinental Gas Pipe Line Corporation

All indications point to a continuation in 1962 of the influences which have contributed to the rapid expansion of the natural gas industry for more than a decade.

The gas utilities have added more than 12 million house-heating customers during the past ten years, an increase of 138%. Nearly 21 million, or 70%, of all residential gas utility customers use gas for heating.

E. Clyde McGraw

The forming of new families and the normal increase in population which create a continuing need for new homes are solid bases for growth. But even if population figures were to remain constant, natural gas would undoubtedly show substantial gains. The average customer today uses four-and-one-half times as much gas as he did thirty years ago. Considering the new developments in gas-using appliances and apparatus and the use of gas for new power sources, the gas distributing companies are well equipped with new devices to attract the consumer dollar. Use of gas for air conditioning is growing rapidly and thousands of office buildings, hotels, hospitals, restaurants and factories, as well as homes, are now air conditioned by gas equipment. Gas lights, once considered a thing of the past, are now manufactured by more than 40 companies and are in use in more than 300,000 homes. Gas broilers which cook steaks on both sides at once, plug-in appliances such as steak grills, gas coffee makers, and toasters are examples of the more than 26,000 ways that natural gas is being put to use in the home and in industry.

One of the more interesting of the experimental applications for natural gas is the fuel cell which uses gas and oxygen to make electricity. The fuel cell, using natural gas, as a chemical fuel, may provide the home of the future with all the electric power needed in the modern home.

Since natural gas is now available in practically all areas of the United States and the conversion from old manufactured gas service is largely accomplished, the era of mushrooming new natural gas pipeline systems is about over. Nevertheless, the requirement of additional service in existing gas service areas will continue, and I expect a constant and substantial growth of the natural gas industry, not only into 1962, but for many years beyond.

PHILIP M. McKENNA

President, Kennametal Inc.

Commercial uses of hard carbide metal compositions broadened in 1961 and should continue to spread into new areas during the coming year. Current needs for military items are also expected to increase with the expanding defense program.

Philip M. McKenna

The necessity for lower costs to meet competition by more efficient methods would seem to indicate 1962 as propitious for continued advancement of the hard carbide industry. Fortunately, there are plentiful supplies of raw tungsten mineral concentrates on world markets which are capable of supporting a larger industry. The improvement in diamond grinding wheels and prospective supplies of diamonds made by ultrahigh pressure techniques should lower costs of precision grinding, a major factor in the production of tungsten carbide articles.

The revival of industrial activity in Europe under the Common Market should continue to accelerate the adoption of better tools on both sides of the Atlantic with consequent improvement in products and standards of living. Advancement of better tool designs and broader usage of hard metal in one area will stimulate advancement of the hard carbide industry generally throughout the Western World.

During the past 30 years the acceptance of cemented hard carbides for metalcutting tools and dies for drawing, blanking, and extrusion of metals has been almost universal. Recently, tungsten carbide dies and rams have made it possible to cold work slugs of steel into articles of sufficient precision to eliminate the need for machining. This is called "chipless machining". By this technique the recovery of steel in the form of finished articles is practically 100% instead of a large percentage being lost in chips by conventional machining. Thus, whether articles are machined with carbide cutting tools or formed with dies and rams made of carbide, the fundamental fact remains that tungsten carbides provide the best material for work tools due to their high hardness, rigidity, and strength.

While tools for metalworking and mining continue to be major markets for tungsten carbides, these hard compositions are gaining wider usage each year as a material of construction for making machine components and wear parts. Many unique properties such as high hardness, strength, a rigidity three times that of the hardest steel, plus exceptional resistance to abrasion, erosion, corrosion, and high temperatures qualify these carbides for countless industrial, military, and Space Age applications.

At the 28th Exposition of Chemical Industries several weeks ago, components made of Kennametal tungsten carbides weighing from less than a gram to nearly 400 pounds indicated the expanding application of these metals as components in machines and processing equipment. Generally, such parts wear 10 to 100 times longer than the hardest steel when subjected to heavy pressures, localized abrasion, or combinations of corrosion, abrasion, and heat.

JOHN E. McKEEN

Chairman of the Board and President, Chas. Pfizer & Co., Inc.

Almost all the economic barometers forecast signs of good business weather for 1962. The sluggish and beclouded climate faced by business early in 1961 has given way to brisk activity in the closing months with production, buying and selling on the rise throughout the U. S. economy. Although 1962 may not go down as a "boom" year, it apparently will see a wholesome level of economic prosperity.

John E. McKeen

According to the U. S. Department of Commerce, Gross National Product at year's end was close to $540 billion, compared with about $500 billion for 1960. In the coming year, the Gross National Product is expected to run above $560 billion. Moreover predictions are for greater consumer income and spending, more government spending, and higher production and greater capital investment by industry.

For the chemical industry, intimately associated as it is with the nation's economy, this is the kind of activity which spells out a good year. As a matter of fact, the

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chemical and allied industries are usually a step or two ahead of the economy as a whole. As general industrial production increases, orders are mounting for industrial chemicals as well as for synthetic fibers, plastics and drugs.

Sales of chemical and allied products should climb some 10% to $33 billion, according to McGraw-Hill's annual survey, and production will be up at least 9%. Spending for research and for new plants and equipment will also be greater this year than last in the chemical industry.

In the pharmaceutical segment of the industry, prospects are for a moderate rise in sales volume. While industry research may well yield an effective measles vaccine as well as improved therapeutic agents this year, intensive competition is likely to affect the industry's overall dollar gains.

For most companies profit increases will not come easily. Any easing of the cost-price squeeze will be a temporary one at best. If cost reduction programs have had the effect of increasing profit margins in the past year, shaving of prices on many drugs and chemicals has had the opposite effect. At the same time, cost pressures continue and competition grows stronger.

If anything, cost reduction will be one of the principal factors in determining the place of U. S. chemical industry in world competition. Here at home, the chemical industry faces increased competition from foreign chemicals with estimated imports approaching $400 million in 1962, a rise of more than 10% over 1961. In international trade U. S. exporters face the growing economic power of the European Common Market and the possible entry of Great Britain into this gigantic economic alliance. American companies which have built plants abroad will be in a better competitive position than those which have depended solely on export. Nonetheless, all U. S. industry will be hard-pressed to meet the aggressive competition from well-equipped firms overseas operating with lower-cost labor. Thus, U. S. industry will have to make a continuing effort not only to develop economical production methods, but to pare down the cost of packaging, handling, warehousing and distribution.

There are signs that U. S. industry has awakened to this challenge and is doing something about it. McGraw-Hill reports that the emphasis on capital spending in 1962 will be on modernization of facilities, and that a number of chemical companies are investing in automatic devices to improve control of processing operations. This is a sign of the times.

In the year ahead, there is likely to be radically new emphasis on better processes, and an increasing investment in advanced equipment for lower operating costs as the price of survival in world competition.

DONALD H. McLAUGHLIN

Chairman of the Board, Homestake Mining Company

In spite of efforts to belittle its importance, gold is still the monetary commodity upon which the key currency of the world is based and with which all others are compared. This function gives gold a unique status among metals though to some extent it conceals the degree to which its own special qualities are in demand for a wide variety of uses in science and technology and in both the practical and fine arts. Indeed in recent years, gold has gained a place as an essential industrial element that is commensurate with its worth as money. Gold coins are far more than mere tokens. They have intrinsic value that has persisted through the ages and has survived the most profound changes in human social organizations. Under existing policies and laws, however, the welfare of a gold mining enterprise is very largely dependent on monetary way it has served for centuries. Indeed, there seems policies of governments that restrict the freedom of citizens to own gold and to use it in trade in the traditional way it has served for centuries. Indeed there seems almost an intent to discredit gold as money and to escape from the needed discipline it alone can exert upon fiscal behavior of governments.

D. H. McLaughlin

Consequently, in the appraisal of a gold mining operation the prevailing ideas of the current money managers must be taken into account as well as the usual factors that determine the value of a mine, such as ore reserves and prospects for ore, technical procedures and cost of plants and operations.

The geological and engineering hazards of gold mining are familiar to us, but it must be admitted that the vagaries of economists and politicians in the field of monetary theory and practice add speculative elements which create new risks and uncertainties but which in the end may unintentionally result in substantial rewards to those who can survive the current hardships.

If the present mistaken monetary policies are continued without significant change for a few years longer, gold mining in the United States will become practically extinct. Technical improvements have lessened the rate at which profits are disappearing but the end is all too clear as costs in depreciating paper dollars approach the fixed returns from sale of gold to the mint at the pre-war price of $35 per oz.

On the other hand, a change in the gold content of the dollar—or in other words, a higher price for gold—is almost certain to be forced if spending at home and abroad persists with continued deficits financed by monetization of debt, and if our adverse international

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balance of payments is not corrected and the resulting claims against our gold checked or reduced.

Corrective measures that would to some extent relieve this situation are recognized by high authorities — but until our leaders show more courage in implementing their recommendations and imposing a measure of discipline upon the country that is bound to be unpopular, it must be expected that the easier course of deficits and inflation will be followed with the inevitable deterioration of the international position of the dollar. If this is to be the pattern, a devaluation will certainly be forced. Let us hope that it will not be under humiliating circumstances.

Fortunately, the requirement that at least 25% of the notes and deposits of the Federal Reserve System must be held in gold certificates still stands. It will at least serve as a warning signal that danger is near, when our gold stocks approach this point in their decline. To ignore it by those in responsible positions would be as fatally negligent as a pilot who disregarded the red flashes in his cockpit that alert him to trouble before it is too late.

The time for adjustment of the depreciated currencies to gold is already over due. Under our present policy, we are attempting to make gold itself accompany the paper dollar in its decline. If this could be accomplished, the importance of gold as a stable monetary base might well be questioned. In such a contest, however, it is certain to be the value of gold that will be preserved, not the dollar.

A redefinition of the dollar and other major currencies of the free world in terms of gold, which will then permit reestablishment of the gold standard with unrestricted convertibility, is clearly called for as an indispensible step toward a stable international monetary system.

In spite of the technical difficulties of accomplishing such ends, ways and means can certainly be found and they will be by others if we do not provide the leadership.

In the meantime, those who have invested in gold mining enterprises must face the risk of loss, as their ore reserves are consumed with diminishing profits, as they will be as long as present monetary restrictions on the proper function of gold are maintained. When the present attempt to tie gold to a depreciated dollar breaks, however, as it eventually must, the patience of those who have faith in gold and who still have are in their mines will be rewarded. It should not be too long postponed, for the economy of the country and the free world would be most substantially improved if the gold standard were fully restored with the gold content of the national currencies fixed at levels that would safely permit full and unrestricted convertibility. No other step is likely to be as effective in giving the currencies of the world the stability they must have if trade is to prosper and equilibrium established between competing nations.

OTTO N. MILLER

President, Standard Oil Company of California

The strong recovery to date in general business activity from the 1960-61 recession is expected to be followed in 1962 by a further gain in the economy. We are forecasting that the gross national product will expand to $560 billion for the year—almost 8% higher than the $520 billion currently estimated for 1961.

O. N. Miller

Consistent with the gains in general production, employment and incomes, domestic demand for petroleum products in 1962 is expected to increase by 4%, a better performance than in any year since 1955. Consumption of motor gasoline and jet aircraft fuels will make major contributions to this over-all increase, but both diesel oil and residual fuel oil sales are also expected to show good gains. Petrochemical sales will continue their rapid growth. Although still quite small in volume relative to petroleum fuels, sales of petrochemicals are making a substantial and rising contribution to the income of the industry.

The large increase in demand foreseen for 1962 will permit modest increases in domestic crude oil production and refinery runs. Such increases, however, will make only small inroads on the large excess capacity of the industry to produce and process oil.

It is anticipated there will be some improvement in product prices in the domestic market. Indications are, however, that many companies will endeavor, as in 1961, to enlarge their markets by expanding into additional areas and by offering new products to their customers. Competition unquestionably will be aggressive and prices continue under pressure.

In foreign areas of the Free World the outlook is for another large gain in oil consumption. We are forecasting an increase of 9%. Limitations on availability of manpower and problems of foreign payments are tending to restrain economic expansion in some European countries and Japan. Consequently, we foresee a slightly smaller rate of gain in petroleum consumption than in the two preceding years of booming economic growth.

A. J. McMULLEN

President, Garlock, Inc.

We, like most companies, run our business based on a budget established at the end of one year for the year ahead, and this budget is watched monthly, reviewed quarterly and recast at mid-year. We have not yet found a reliable business indicator that "leads" our operating performance but we have been watching those that are available rather closely to gain experience and confidence in one or more that may be trustworthy at least in signaling a major change in the direction of our business and doing so about 9 months in advance.

A. J. McMullen

If our outlook were based solely on these indicators, we would expect a fairly steep acceleration in production and sales for at least the next 9 months.

The year 1959 was a banner year for Garlock. Ten of the twelve months in 1960 were behind the 1959 level in every month and even behind the 1960 level in 8 out of the 11 months through November. However, we now believe that we are finally experiencing some positive evidence of the long-heralded business upturn and we anticipate that this strength will continue through the first half of 1962 at least.

D. C. MINARD

President, The Trane Company

The Trane Company is anticipating a successful business year in 1962. Our quotations are already on the rise. Economic studies show present increases in construction market activity will probably continue through 1962.

D. C. Minard

Trane enters the year with well-equipped plants able to capitalize on these increasing construction activities. Our sales force is the largest in company history, and will continue to grow in 1962—largely supplied from two substantial student training classes which start training in February and July. We will also strengthen and expand our network of packaged equipment dealers.

New products will continue to provide impetus for success. Four new lines offering significant developments in residential and small commercial air conditioning products were announced early in December. We will also be announcing important new products and designs in large building equipment and in products for manufacturing processes. These new product lines will help lead Trane to a prosperous 1962.

CHARLES G. MORTIMER

Chairman, General Foods Corporation

America's biggest business—food—continued to demonstrate its recession resistance and showed steady growth during 1961. There is sound reason for the food industry to regard the coming year optimistically, particularly with the year-end easing of consumer buying sluggishness.

Charles G. Mortimer

While consumer food buying patterns do not change rapidly, total food consumption expenditures have moved consistently upward over the years. In 1961, for example, they amount to about $78 billion, almost five times the $16 billion Americans spent for food 20 years ago. And a 12% rise in the cost-of-living index in the last decade has not materially changed the prices which consumers are paying for high quality convenience food products. Today's prices are about level with 1952 averages. Americans, in fact, spend only 20% of after-tax income on food, although the food costs of people in most other free world nations run as high as 50% of disposable income.

Competition continues to see to it that the consumer gets the breaks when it comes to paying for food, the prime requisite in any standard of living. And it is competition for the homemaker's food dollar that spurs processors and distributors to find new and better ways to fill the wants and needs of our mutual "boss," the consumer.

At General Foods, development—finding new and better ways to offer improved products and services as well as new items—is a significant management concern. For example, in the last three fiscal years, our capital expenditures investments totaled $100 million. For our current year which ends March 31, 1962, our capital expenditures are running at a rate in excess of $50 million. These outlays signify our faith in the future growth that the industry and our own company will enjoy.

A major factor in gauging the national economic outlook for 1962 and beyond, however, will be the speed with which we adjust to the new "normalcy" of living under the continuing threat of war. Widespread acceptance of the years-ahead reality of the cold war will help stabilize the consumer's attitude toward all buying which, in turn, will greatly affect our national rate of growth and over-all economic strength.

Increasingly, economists are underscoring the impact of consumer spending on the economy. It has been computed that it would take a one-fifth increase in Federal spending or one-sixth rise in business spending to equal the acceleration of the economy that only a 3½% boost in consumer spending would produce.

American business, and more specifically the food industry, must maintain a leadership role in contributing to the expansion—and even acceleration—of our country's economic growth by continuing to provide ever-greater values for the consumer.

RUDY A. MORITZ

President, Drewrys Limited U. S. A. Inc.

Generally improved economic conditions, and a continued accelerating increase in the population entering the adult market beer-drinking age should have a favorable effect on per capita beer consumption in 1962.

Rudy A. Moritz

Also — because beer plays a traditional role in many forms of recreation, from active participation to watching television — the boom in recreational activity, which has been underway for several years, will provide an expanding market opportunity for the brewing industry.

To take fullest advantage of this opportunity for increased profitable sales will, as with any mass market product, require maximum production efficiency; meeting and anticipating current consumer preferences as to product and packaging; and aggressive promotional and marketing activity. Our company is confident it has developed sound planning and programming in all phases of its operation that will enable it to take fullest advantage of the potential uptrend in the brewing industry for 1962.

VICTOR MUCHER

President, Clarostat Mfg. Co., Inc.

Clarostat Mfg. Company, Inc., is a manufacturer of prime components used in every area of electronics—industrial, military and entertainment type equipment. Our balance between military and commercial business is very favorable, providing a broad, accurate read-out on procurements in the entire electronics industry. Our background in the industry dates back to the early '20s, providing an historical performance source on which to base our views and opinions of the state of the industry.

Victor Mucher

An educated statement, before the fact, on the pulsebeat of the electronics industry for 1962, should classify the activities expected into four specific categories representing the end markets for components and equipment. These markets are: the military; the industrial; the entertainment equipment; and the replacement market.

The military market should be up. Recent program releases should reach the hardware stage before the year is too far along, with ensuing purchases of components and equipment. The vast majority of electronics in military is represented by the control and guidance equipment for both manned and unmanned vehicles, communications and warning systems, and ground support equipment. These categories look strong for 1962 with some areas indicating production runs of hardware, others, extensive developmental requirements.

The industrial market includes all electronic equipment not used by the military or entertainment-type equipment markets. The expectations for this market are high for 1962. Capital spending has been guesstimated to be up 10 to 15% over 1961. In this electronic age, industrial capital spending includes a large degree of electronic computation and control. Additionally, new industrial equipment in the form of servicing tools for the automotive, appliance, aircraft, and other equipment maintenance areas will grow in variations and usage. One of the largest industrial markets will be communications with major growths in microwave and 2-way radio systems for business services. For the long pull, this market may well represent one of the strongest factors in the electronics industry.

The entertainment market includes radio, television, Hi-Fi, stereo, auto radio, intercoms, and the many other electronic devices that have had such an impact on our lives. Color television is accelerating in sales. The recent entry of several major set manufacturers in this field will add impetus to its growth for all companies. Stereo is rapidly replacing monaural playback devices. Multiplexed stereo FM may create an entirely new bonanza market for radio manufacturers. It is barely off the ground, but should show a rapid acceleration in growth. Auto radio remains a firm prop under the industries economy. Recent gains in auto sales point to a good 1962, with the ensuing increase in auto radio sales. The entertainment market should be better in 1962 than in 1961, though not attaining the magnitude of the boom years of '49 through '53 when television manufacturers could barely meet the buying demands. However, the present market represents a firm foundation for continued growth in this area.

The replacement market in electronics as we categorize it is limited to electronic components. As the major supplier of potentiometers to this market, we see a strong year in 1962. This is a natural phenomenon, based on the ever-increasing number of home radios,

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hi-fi outfits, television sets and auto radios—which do not last forever, and require replacement components.

Our views and opinions for 1962 are backed by the concrete actions and acquisitions of our company. We have embarked upon a number of research and development programs designed to create what we believe will be the components needed in the overall increasing market of 1962. We have acquired additional personnel to extend our sales and service facilities to meet the anticipated growth in volume. New equipment has been added to our plant production facilities to meet the growing demand for shorter delivery schedules.

We look forward to 1962 as a year of continued growth of the industry, and we have planned accordingly.

H. C. MURPHY

President, Chicago, Burlington & Quincy Railroad Co.

The Burlington expects to continue, in 1962, its extensive program of modernization and improvement of recent years even though 1961 was a difficult year for the railroads and required utmost ingenuity and resourcefulness by management to keep oprations profitable.

H. C. Murphy

It is likely that economic conditions will not change substantially during the first six months of 1962. The measure of the year's success may well be determined by the level of activity during the second half, which some economists currently predict will decline. Should these forecasts prove accurate, it is to be hoped the economy will prove sufficiently strong to weather such vicissitudes.

Since the end of World War II, the nation's railroads have spent billions of dollars on technological advancements and other plant improvements in order to offer the public the many transportation benefits possible if our modern railroads were permitted to operate within a framework of modern, public interest regulation. Fullest realization of these potential benefits will accrue only when national policies place the railroads on an equal basis with their competitors.

I am hopeful that 1962 will be the year in which railroads are freed of much of the handicap of overregulation that denies fullest use of the efficiency which has been attained at a cost of billions of dollars spent on capital improvement programs.

Americans deserve and require the best in transportation service. The railroads are in position to provide it—they ask only the opportunity. Not only should they be permitted to pass on to the public the benefits of their inherent adventages as modern mass carriers, but Government policy and regulations should encourage and promote their ability to do so.

CLARENCE J. MYERS

Chairman of the Board and President, New York Life Insurance Company

All the major business statistics in life insurance rose in 1961. Insurance in force is now estimated at $635 billion, an increase of nearly $49 billion or 8% over 1960. Insurance sales totaled nearly $80 billion, about 7% above the 1960 level, and assets rose by 5% to over $126 billion. The net investment return of the companies, before taxes, also increased again, averaging 4.25%, and this was an increase of 14 basis points over 1960. Benefit payments exceeded $11 billion, which was an increase of nearly 7%. Insurance in force has risen by 150% during the last decade; it will reach $1 trillion in about five years if the growth rate of the last two years persists. Naturally, the managements of the companies hope this growth will be maintained. For despite what has been achieved the life insurance coverage of the average American family is still far below what qualified insurance advisers consider a needed level of protection. Insurance in force is now equivalent to 21 months of after-tax income for the average family.

Clarence J. Myers

What are the prospects for continued growth of insurance in force over the next several years? It seems to me that the record speaks for itself—the prospects are excellent. It took more than 170 years to produce the first $100 billion of insurance coverage in the U. S. The second $100 billion required 19 years. It took less than two-and-a-half years to produce the last $100 billion.

Probably the most serious problem that has faced life insurance since the end of the war has been inflation, and for that reason I would like to take advantage of this opportunity to write a few words about it.

Because inflation has been with us for so many years we tend to forget that it originated to a considerable extent in the enormous military requirements of World War II and the wartime fiscal and monetary policies we pursued. We borrowed more than we taxed, but we limited consumption by rationing and stabilized prices with direct controls. The result was a build-up of deferred demands on the one hand and liquid resources on the other, and when the controls were lifted prices began to rise. The inflationary forces thus set in motion quickly developed into the wage-price spiral that has been with us since the end of the war.

The Korean War added some more fuel to the flames, but it seems to me now that the effects of these events have largely worn off and the worst of the postwar inflation is behind us. The general public seems to be increasingly aware of the fact that in the long run inflation is damaging not just to a few people, but to the whole economy. In this connection it is particularly important to realize that a far-reaching change has occurred in the world competitive situation. The high rate of economic growth in Western Europe and Japan has created foreign competition for the United States not only in world markets, but in our own domestic market. This has caused price stability to take an additional significance as something vital to employment and jobs in American industry.

With favorable business conditions in prospect I think insurance sales will be higher this year than in 1961, and I expect insurance in force to continue to rise. However, inflation never dies an easy death. For better or worse we are living in a world economy, and our prices cannot be maintained above the world level. The

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inflation we have been through can be ascribed in large measure to wartime military requirements and fiscal policy. There is no excuse for us to go through more of it now, and I do not believe we will.

M. NIELSEN

President, The Babcock & Wilcox Co.

We believe 1962 will be another good year for B & W. This reflects our overall appraisal of 1962 prospects in the broad market areas we serve, including the electric utility, petroleum, chemical, pulp and paper, primary metals, transportation and machinery industries.

M. Nielsen

Most of these industries are large users of heat energy, and of B & W products such as steam generators and their appurtenances; alloy, stainless, and carbon steel tubular products; extrusions; welding fittings and flanges; refractories; automatic process control systems; power plant information systems and performance monitors; nuclear power systems and components; pressure vessels and heat exchangers; and chemical recovery systems.

Our major market, the electric utility industry, seems likely to double its sales and production capacity every 10 years for at least the next two decades. Most of this capacity increase will be for conventional steam-electric equipment and so the prospect for steam generating equipment is bright. We hope to supply a substantial share of the industry's needs for the products listed above, although 1962 shipments of steam generating equipment may be slightly lower than in 1961.

Activity in the markets for our steel tubular products and refractories historically follows the pattern of the steel industry. Here, most predictions indicate a brightening outlook. Consequently, we see improved prospects for 1962 in these areas.

The most serious challenge in sight is the cost-price squeeze on profits. Our continuing efforts to offset this will include stepped-up research and development activity directed not only to the development of new products but also to the improvement of operating efficiency.

The growing impact of increased industry R & D efforts will be seen in 1962 B & W sales patterns. For example, one major B & W product made possible by research is the Universal Pressure Boiler system, which represents a major breakthrough in the art of steam generation. To develop it, our engineers and researchers had to conduct basic investigations in many fields such as metallurgy, fluid flow, heat transfer, water chemistry and control equipment. Eighteen UP boilers — some towering over 20 stories high—are now on order or installed and we expect it to receive increasing acceptance by the electric utility industry.

Another interesting example of successful results from research and development is our equipment for automated control of power plants and industrial processes, marketed by our B & W subsidiary, the Bailey Meter Company. This equipment includes electronic digital systems for data processing, performance computing, fault monitoring, and program control. Active marketing of this equipment began in 1960 and we expect sales volume to grow steadily in 1962 and beyond.

B & W will enter 1962 with a backlog of unfilled orders higher than we had at the beginning of 1961. It appears that 1962 will be a good one for overall industry. This supports an optimism that is tempered mainly by (1) the possible effect of labor negotiations and strikes in basic industries such as steel, and (2) the effect on our economy of developments in the international situation.

E. M. NAUGHTON

President and General Manager, Utah Power & Light Company

Since Thomas Edison ushered in the Age of Electricity some 80 years ago with his invention of the first practical incandescent lamp the electric power industry has been characterized by rapid growth and technological advances. The record of the investor-owned electric utility industry provides every assurance that great strides forward in growth and technology will continue during 1962.

E. M. Naughton

Indications are that we have really just barely entered the Age of Electricity. Although we have seen remarkable industrial development — made possible through the use of electricity—since Edison first lighted—and delighted—the world, there is more to come.

Today electricity is essential for continuing gains in our American standard of living, progress and growth in our national productivity, and our national security and survival. Virtually every industry in the nation is dependent upon electric power to some degree. Some vital industries would never have been developed without electrical equipment and abundant supplies of electric power. In manufacturing industries the average worker now has the use of electric power equivalent to the muscle power of about 400 men and that figure is growing year by year.

The use of electricity in the United States has at least doubled every 10 years since the turn of the century and, as production has increased, costs have declined. In 1929 the average American home used about 500 kilowatt-hours per year at a cost of 6.33 cents per kilowatt-hour. Since then this annual use has increased eight-fold and the cost has dropped to an average of about 2½ cents per kilowatt-hour.

In the 80 years since Edison's epoch-making invention, electricity has become available in abundance and at low cost for use in countless ways that contribute to our health, safety, national strength and standard of living. Today investor-owned electric utilities have almost $50 **billion** invested in electric plant and equipment to serve people in a tremendous variety of ways. Tomorrow—1962—we expect the electric power industry to reach new highs in output and generating capability. Some experts predict an increase in electric energy sales of almost 10% above those in 1961 and an average annual kilowatt-hour use per residential customer of over 4,300 kilowatt-hours.

For years the nation's electric power companies have interconnected and pooled their transmission and generating facilities to obtain maximum utilization and greatest efficiency. This has required construction of transmission lines to interconnect load centers and generating plants to serve them. Our electric companies have programmed future interconnections and power pools. Nineteen sixty-two will see the inaugural construction of scheduled portions of this long-range program—a construction program planned, by the way, on a sound practical basis taking into account the local economies of each area.

The energy requirements of our civilization necessitate a never-ending search for new resources to supply these needs. The nation's electric utility companies are actively engaged in a broad and diversified industry research program including a program for the development of economically competitive nuclear power. However, indications are that competitive nuclear power plants will not be achieved in 1962.

Growth and technical excellence of the electric industry foretell an even more remarkable future, barring, of course, world catastrophe. We stand on the threshold of exciting and exotic new power source developments. More than 60 important research projects are under way on the conversion of chemical energy directly into electricity by means of fuel cells. A breakthrough in direct conversion is possible in the near future. There is considerable evidence that newly developed magnetohydrodynamic generators have at least three advantages over the conventional turbogenerators—efficiency, versatility and simplicity. We will see, perhaps in 1962, some success in the practical conversion of heat energy from the decay of radioisotopes into electric energy.

Even an unexpected degree of success in exotic power source development will have no immediate effect upon electric power generation this year. About three-quarters of the total electric generation in the United States will come from generation in thermal electric plants burning coal, oil and gas. The electric utility industry foresees a record year in 1962 and a continuation of the efficient operation and management characteristic of the industry to date.

GEORGE A. NEWBURY

President, Manufacturers and Traders Trust Company, Buffalo, N. Y.

President, New York State Bankers Association

The decade of the 1960s has not yet lived up to the extravagant predictions made for it in the late 1950s. Perhaps it is just as well it has not. The more enthusiastic of those predictions certainly suggested a bit of the "boom and bust" psychology. A more orderly and less spectacular advance of the economy has much to recommend it.

George A. Newbury

Nevertheless, performance to date has been disappointing even to those with more conservative expectations. Reasons for it are not hard to find. Among them most students would name (1) a deep-rooted concern over international affairs that is almost universal in America and dampens the spirits of both the businessman and his customers; (2) steadily mounting costs (especially labor costs), high taxes, and the progressive squeeze on net earnings; (3) increasing competition from abroad; (4) concern over a continuous unbalanced Federal budget, the dwindling gold reserve and creeping inflation.

Looking to the future any broad scale improvement will be largely dependent on substantial correction of these difficulties. Unfortunately, it is hard to see such substantial correction in the immediate future.

General economic factors favor an improvement in overall business in the Nation in 1962 over that in 1961. I do not look for any startling advance. However, we are growing in population. Personal income continues at record levels. Our middle income group is expanding rapidly. Inventories are moderate in relation to sales. Outstanding credit seems well within capacity to pay. Barring some extraordinary developments that cannot now be foreseen, this favorable situation should permit the economy to push ahead to a higher level in 1962 than that prevailing in 1961.

Banking will share in this upward business trend. Loan demand should be substantially higher during most of 1962 than in 1961. This will assure a firm interest rate structure. In fact, interest rates should harden and very likely move up a bit by mid-year. Operating expenses will be higher despite the trend toward automation. Automation has not yet reached the point in the banking field where a reduction in operating costs can be expected. The end result should be a modest improvement in net earnings.

ALBERT L. NICKERSON

Chairman of the Board and Chief Executive Officer, Socony Mobil Oil Company, Inc.

A good year is in prospect for business in the United States and abroad.

Indications are that vigorous business recovery in the United States will continue through at least the first half of 1962. Heightened economic activity in this country will be reflected in larger sales of automobiles and in greater production and movement of manufactured goods generally.

Albert L. Nickerson

United States demand for oil products is expected to be about 3 percent higher than in 1961. Demand will probably rise significantly during the first half, then taper off somewhat during the remainder of the year. The anticipated 3-percent increase in oil demand is somewhat lower than the probable rate of growth for the U. S. economy as a whole. One factor in this lag will be the competition oil faces from natural gas and from other fuels. Another will be the increasing efficiency with which oil products are used.

Demand for automotive gasoline in the United States should be slightly less than 3 percent greater in 1962 than in 1961. Other increases include: Distillates, 2 percent, and residual fuels, 4 percent. Reflecting the commercial airline's continuing switch-over to jet engines, a drop of about 7 percent in demand for aviation gasoline will be accompanied by an increase of about 11 percent for jet fuels. Most of the gain will be in kerosine-type jet fuels; other uses of kerosine will decline by about 5 percent.

Oil demand in the foreign Free World in 1962 is estimated at about 9 percent more than in 1961. Economic activity in this area may show a growth somewhat slower than the spirited rate of 1961, but should remain brisk nevertheless.

Here and abroad, competition—both within the oil industry and from other sources of energy—will be at least as rigorous as it has even been. Excess producibility of crude oil and products is expected to persist and to continue to exert pressure on prices.

Overseas, this pressure on prices will probably be aggravated by the politically motivated competition of Soviet oil. The Soviet Union will almost unquestionably continue its multi-purpose courting of Free World markets, with disruptive effects on prices out of all proportion to the volumes involved. We expect the Russians will increase their volumes of oil exports. There is evidence, however, that both apprehension and resistance to Russian oil will multiply in 1962, as additional countries become familiar with the supply risks inherent in reliance on Soviet oil.

CECIL J. NORTH

President, Metropolitan Life Insurance Company

At the start of 1962, the economy is on its way to new highs, after recovery from the recent recession. However, there are still trouble spots and some are more pressing than others. Inflation is still a troublesome threat, but only mild price increases seem likely during 1962. Supplies of various commodities are plentiful, and extra plant capacity for additional output exists in some instances. Moreover, increased competition from foreign countries may also continue to dampen prices here in the United States.

Cecil J. North

Imports of goods and services from abroad are likely to increase significantly this year, while exports are expected to rise only a little. Consequently, our favorable balance of exports over imports may lessen. This is highly significant to the United States' balance of international payments, and the recent outflow of gold from this country.

Obviously the effects of the international situation upon our price and monetary structure are of prime importance to the life insurance business, which has long waged war against inflation and for a sound dollar. During 1961 alone, payments made to policyholders and beneficiaries in the United States reached $11½ billion, under life, annuity, and health policies. This year, these payments will rise even further.

Payments made in settlement of death claims on life insurance policies in 1961 ran about $3½ billion. However, "living" benefits more than double this at $8 billion. They include disbursements for matured endowments, disability and annuity payments, surrender values, policy dividends, and health insurance benefits.

By the end of 1961 fully 120 million people, or about two out of every three United States' residents, had life insurance in legal reserve companies. The amount of insurance in force rose to $635 billion, which provides protection equivalent to more than 18 months of the people's yearly income. Although this coverage has been growing, people are still far from adequately insured and there is unlimited opportunity for future growth in our business. By the end of this year inforce should be

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pressing the $700 billion mark, with more than $130 billion of assets to help meet future obligations to policyholders. Life insurance in force in the Metropolitan could reach the $100 billion mark in 1962.

Health insurance also has exhibited a most dramatic devleopment during recent years, not only in number of persons insured, but possibly of even greater importance, in the direction of broader coverage. It may be confidently anticipated that this marked trend will continue without let-up during 1962.

Playing no small part in this dramatic development has been the striking progress made in providing health insurance for out older population, those over age 65. The relative growth in recent years in numbers covered has been far more rapid for our Senior Citizens than for any other age group. To insure this very important segment of our population, many pioneering insuring approaches have been embarked upon. New techniques have been developed by the providers of this kind of insurance to make it possible for older people to obtain coverage for themselves, or for their sons and daughters to obtain it for them. Also, group health insurance plans in increasing numbers make provision for continuance of health insurance after retirement. Again, it may be anticipated that this challenge to provide health insurance for our Senior Citizens will have top priority in the Insurance Industry during 1962.

During 1961, the people paid about $18 billion in life and health insurance premiums and annuity considerations to commercial life insurance companies. That represents more than 4% of personal income, and the ratio is growing mainly because of the recent expansion in health insurance. However, one of the biggest opportunities facing our busines is to get peope to allocate a larger share of their income for protection against premature death and old age. For almost 20 years now, the ratio of life insurance premiums and annuity considerations to personal income has held relatively steady at 3% or a little more; and the net amount after return payments ranges about 1½%.

Competition is keen and gets keener as the variety of goods and services available to consumers increases. It is very dfificult to get people to save larger proportion of their earnings. Our greatest challenge for the future is to get a better share of the market for our products, which are so basic to the financial planning of each family regardless of its income status.

JAMES F. OATES, JR.

Chairman and President,

The Equitable Life Assurance Society of the United States

In last year's Review and Outlook Issue I was more optimistic than many others in forecasting the level of general economic expansion for 1961, and later events justified this optimism. For 1962, I am again optimistic, and look for the strong recovery to accelerate throughout the year. Equitable economists back up this confidence with a prediction of an annual Gross National Product of $570 billion compared to 1961's probable GNP of $521 billion. True, there are some powerful forces working against expansion: the continuing high level of unemployment, the cost-price squeeze facing many key industries, and the possibility of renewed gold outflows, for example. But they are outweighed by several favorable factors. The key ones are an expected $11.5 billion increase in government spending at all levels, a jump in capital spending which may total 7%, a probable build-up in inventory accumulation partly resulting from fear of a steel strike, and vigorous spending by the American consumer which could jump by $28 billion to $368 billion for the year.

James F. Oates, Jr.

The outlook for prices in 1962 also is hazy. There a number of factors, some productive of inflation, others influencing stability.

As for the former, the Administration has presented a long list of spending plans for consideration by the new Congress. There is no solution in sight to the costly agriculture support program, and a new plan for Federal aid for fallout shelter construction was announced recently. Even the Federal Reserve System held an inflationary position as the new year dawned, still maintaining its policy of easy money after 10 months of recovery.

Stability forces are led by our international commitments to defend the Free World, which make it imperative that we also defend the exchange value of the dollar. To do so we must balance our international accounts by expanding export sales, and this means remaining competitive with the vigorously expanding economies of our competitors, including Europe and Japan. For continued access to these markets it is vital that our protective tariffs be reduced, and this will restrain price increases at home. The rapid growth of the labor force, the effects of automation and a continuing shift from blue to white collar work, all should help to keep wage rises at anti-inflationary levels.

This leaves the future, as usual, speculative. Nevertheless, Ipredict that prices will continue to creep upward over the next decade at an average annual rate of 1½%. Since 1962 promises to be a good business year, the Consumer Price Index probably will show an increase of between 1½% to 2% in the next 12 months.

For the life insurance industry, 1961 was another good but not spectacular year of growth in the face of increased competition for protection and investment dollars. I think that 1962 will continue this trend.

Both individual and group life insurance purchases were at record levels in 1961, according to latest industry estimates, with individual issues up almost 2% to $61 billion in face amount, and group reaching $18½ billion, a 26% increase. There should be new records set in 1962.

The 1961 purchases brought aggregate life insurance ownership by the 120 million insured Americans to an estimated $635 billion, $410 billion of it in individual policies. That impressive sum loses some of its impact when broken down to average ownership of $13,700 per insured family, still only about two years' earnings for the average family. While this represents a substantial gain, it poses a clear challenge for our business to continue to try to raise the life insurance ownership sights of the nation's breadwinners.

Payments to life insurance policyholders and beneficiaries in 1961 rose 7% to nearly $9 billion, and a further increase is anticipated this year. Some 60% of these payments were "living benefits" to policyholders and annuitants, with the other 40% going to beneficiaries of deceased policyholders. In addition, $2.7 billion in benefits was paid by life companies under health insurance policies issued by them.

In 1962 our business will invest about $25 billion in the American economy, up $1.4 billion from 1961, continuing our vital significant role in the provision of growth capital through thrift. Total life company assets, $126.3 billion at year-end, should top $130 billion in 1962.

Among the problems faced by the insurance industry is the need to improve the life companies' competitive position in providing insured pension plans. Significant progress was made in 1961 in getting state insurance departments to consider and recommend "segregated fund" or "separate account" legislation in this field, and more progress is hoped for in 1962. Several states, including Massachusetts and Connecticut (strongholds

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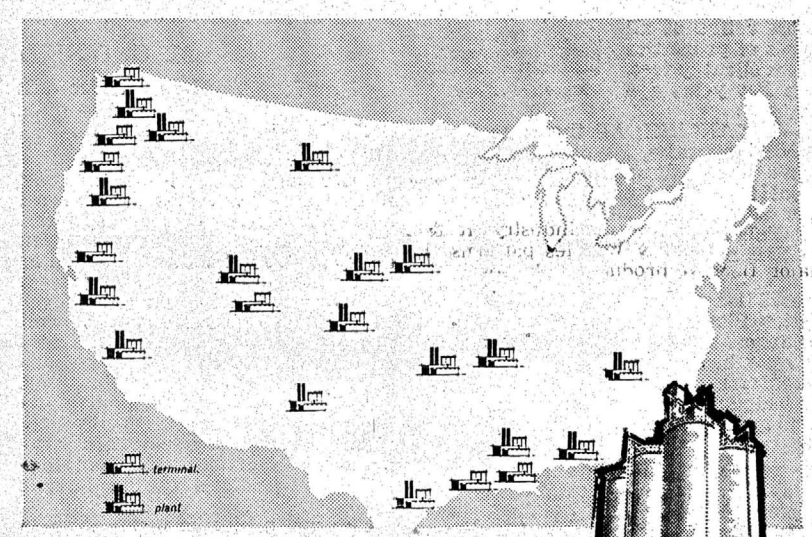
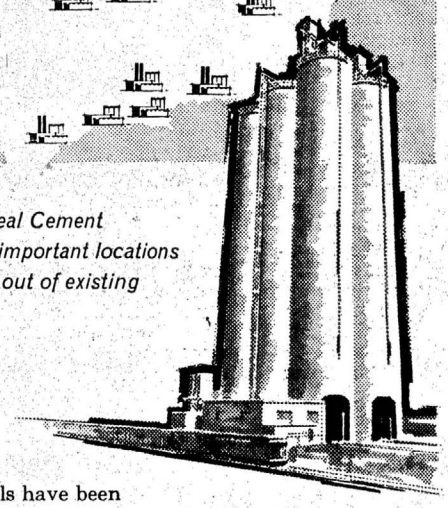
at Ideal

CEMENT TERMINALS HAVE MEANT IMPROVED SERVICE TO MORE CUSTOMERS



A number of years ago, Ideal Cement began establishing terminals at important locations to provide better service out of existing plants to more customers.



Some of these terminals have been on deep water and are served by barge and others are served by ground transportation. By building cement storage at market locations, Ideal has been able to maintain maximum cement production at all times so that customer needs can be satisfied in periods of peak cement usage. In addition, by making cement available closer to marketing locations, customer service has been greatly improved.

The Ideal cement terminal system is a Company guarantee that it will protect its customers as well as meet both foreign and other competition in the markets it serves.

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IDEAL CEMENT COMPANY

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of life insurance), have enacted remedial legislation. We feel life insurance companies generally should be allowed to keep pension funds in separate accounts with investment flexibility during the accumulation period before retirement, enabling us to take advantage of higher current returns and growth possibilities.

Life companies in all states certainly should be permitted to compete on equal terms, so far as investment powers during accumulation are concerned, with trustees, including banks, and with the insurance companies organized in states such as Massachusetts and Connecticut which have provided relief.

There is a need and a vast market potential for insured pensions, particularly in the medium and small-sized corporations which employ two-thirds of the work force, and it is important that life companies be allowed to compete fairly for this business.

CHARLES F. NOYES

President, Charles F. Noyes Company Inc.

A few thoughts regarding the New York City real estate market at the close of 1961 and the outlook for 1962:

(a) RENTAL: In all buildings Uptown as well as Downtown a very favorable situation exists and it is at least as good and possibly better than a year ago. All of the new buildings in course of construction have satisfactory advance rentals represented by signed leases for large areas. *Reason*—Economy and prosperity of the country; increased earnings of important tenants; enlargement of personnel; more "big business" concerns coming from the West and abroad to open branches or main offices in New York City, and increased business and profits.

Charles F. Noyes

(b) SELLING: Most active of all recent years. All types of properties in demand and at excellent prices. Values higher than a few years ago but income greater.

(c) MORTGAGES—FINANCING: All the large institutions—Life Insurance companies, Savings Banks, etc. actively in market for loans. Abundance of mortgage money for conventional loans at from 5½ to 6% rate. Not difficult to obtain large sums at slightly higher rates for special loans and deals involving the special features but known to the skillful negotiator.

Personally, I think 1962 will be a more active and prosperous year than 1961 and may be the top year of the last decade. Pension Plans and Foundations seem to be switching in certain cases to prime New York City mortgages where they can be obtained at 5½ to 6% rate, with a real 50-60% appraisal for 3 to 5 years. No better investment and good hedge against serious inflation if we have it in the future to greater extent than at the present time.

One dark spot to remember in making investment plans for the future is Unionism — most unions are powerful, well organized, have unusually able leadership and great resources, and in most instances a politically strong influence in nation, state and city. Let us all hope that their demands may be reasonable but when we think of such demands as a "twenty hour week" with increased wages and all the benefits included, I cannot help thinking that this may hurt "big business" investments much more than real estate investments. Unfortunately, however, the one who may be a great loser is LABOR itself as well as the public as prices, including commodities and the general cost of living, keep moving up with Mr. Inflation looking over each shoulder.

ROBERT S. OELMAN

President, The National Cash Register Company

For the business machine industry 1962 should be a year of exceptional opportunity and general growth.

One reason for this expectation is the highly dynamic nature of the market for modern business systems. In recent years this market has grown at a faster rate than the overall economy.

Robert S. Oelman

Also, the new year should bring the heaviest impact to date of the many new products resulting from accelerated research and development programs.

Against a backdrop of generally favorable business conditions, these two factors should result in record high volumes for most business machine manufacturers.

The rising flood of paperwork facing business, industry, and government, shows no signs of abatement as we enter 1962. In part, this is due to our mushrooming population which last month passed the 185 million mark. More people mean more records, of all types, and each of these records in turn affects other records.

The processing job created by these countless reams of data is indicated by the steady rise in clerical employment. The latest available figures, for example, report an increase of 140,000 clerical workers during the past year. At the same time, the number of office workers of all types increased by more than 400,000.

Modern data-handling systems offer the only practical solution to this problem.

But the sheer magnitude of the record-keeping job is only half of the picture. The other half involves the present profit squeeze—between rising costs on the one hand and stiffening competition on the other. By saving labor and tightening control, the modern business system can remove some of this pressure and actually pay for itself in a relatively short time.

To an increasing extent, however, costcutting is often a secondary factor in decisions to automate clerical functions. Alert business men today are aware that management by guesswork is rapidly becoming obsolete. They need and demand more operating information than ever before, and they want it faster than ever before. They know that tomorrow's successful enterprise will have to use every available management tool to provide this information while it is still fresh enough to be of value.

For a solution to this problem, too, they are turning with increasing frequency to advanced data-handling methods.

Fortunately, technology has made possible entirely new approaches to automation in the store and office. Electronic computers represented a relatively early breakthrough and of equal importance has been the development of various "common languages" which link one business machine to another.

The heavy research expenditures associated with these advances are now beginning to pay dividends in greatly broadened lines of equipment. NCR, for example, has invested $75 million during the past five years to bring to the market completely integrated systems for the fields of retailing, banking, industry, and government. Such systems handle automatically an entire data-processing operation, from the creation of the original record to the printing out of the final management reports.

With the need for its products at an all-time high, and with more and better products to offer, the business machine industry should be one of the strongest segments of the 1962 economy.

M. G. O'NEIL

President, The General Tire & Rubber Company

The forward and upward trend in business in the United States, launched midway in 1961, will advance substantially in 1962 as all basic industries—and particularly the Rubber Industry—step up their production pace to meet what now looms as a record demand for their goods and services.

M. G. O'Neil

Such basic industries as steel, automotive, food and construction as well as the defense industry project improvements in production over 1961. Their forecasts might well prove to be conservative if the current buoyant psychology of the consumer prevails throughout the year.

And an upward trend in these basic industries, which necessarily requires greater transportation services, will reflect strongly in the demand for products of the Rubber Industry.

Current projections point to a record total tire production of 131 million units, or approximately five million more than the 1961 total output.

Important to the Rubber Industry's outlook are the facts that there are today more than 75-million automobiles, trucks and busses in the nation's transportation service, and that the automotive industry expects to swell the vehicle population with the 1962 production of more than 6.5 million new passenger cars and more than a million new trucks.

With the nation's motorists setting new travel records, the demand for replacement tires in the passenger car sizes will hit a peak of 74 million units, an increase of two million units. The demand for original equipment tires for the 1962 new cars should total over 32.5 million units compared with slightly less than 30 million units in 1961.

Despite increased production of new trucks and trailers and increased tonnage hauled, the demand for new truck tires is expected to be only slightly better than in 1961.

Several factors affect the truck tire picture. The remarkable improvement in the tires is providing increasingly longer tire life. Important, too, is the greater mileage per tire being developed as a result of scientifically-controlled recapping methods being used.

In some areas, also, the efficiency of competing rail service has reduced the length of hauls in what formerly was almost exclusively trucking service. This has affected the truck tire demand.

The Rubber Industry's total rubber consumption, down to 1,505,000 long tons in 1961, will hit 1,610,000 long tons in 1962, the second highest in the industry's history. The record year was 1959.

Oddly enough, the rubber consumed for tires and tire products will represent only 62% of the total. The increasing number of non-tire products has become an important factor in the industry's overall growth picture.

Of the total new rubber consumed, 73% will be synthetic. The inroads of synthetic rubber will not only continue in the tire field, but the development of specialized synthetic rubbers suitable for use in non-tire products has increased the amount being utilized in that area, too. The expanding synthetic rubber production in Europe, also, is going to bring with it an even greater penetration for synthetic rubber to the total rubber consumption picture.

In reviewing the General Tire picture specifically, our 1961 performance marked the 11th consecutive year we established a new record high sales peak and attained earnings second only to 1959, our all-time high.

We have strengthened all our divisions—in rubber, especially in tire distribution; rocket propulsion, plastics, chemicals and entertainment—to meet the challenge of expanding business during 1962, and all indications are that the new year will bring improvements both in sales and earnings.

Greatly aided with its late 1961 surge, the soaring 60's will become a reality in 1962, marking the beginning of what now looms as the greatest long-range economic expansion in this nation's history.

Unlike some past business upswings, the current trend does not indicate the characteristics of a tremendous boom. But by this very fact, it promises a better stability in growth, which the violent boom precludes.

WILLIAM J. O'NEILL

President, Leaseway Transportation Corp.

The fast-growing leasing industry gave further proof in 1961 of its effectiveness and versatility in financing business. The year was particularly suited to the test since it witnessed both the low ebb of a recession and subsequent upturn in economic activity.

Wm. J. O'Neill

Under both less favorable and more favorable conditions, leasing proved equally adept at its function of providing industry with the use of equipment without capital outlay.

Companies squeezed for profits when business is declining find in leasing a quick way to replace outmoded equipment with modern, cost-cutting machines. By the same token, in a quickening economy, leasing permits companies to conserve working capital for still other uses to increase profits. At all times, leasing offers industry a headache-free way of obtaining needed capital goods of many kinds.

Despite the mixed complexion of the economy in 1961, leasing of motor vehicles and stationary equipment grew at a continuing rate of about 20% for the year. Only a decade ago, the annual volume of capital-goods leasing amounted to about $10 million. Currently, the yearly leasing volume is in excess of $500 million and at the present rate should reach $1 billion by no later than 1965.

The appeal of leasing to the equipment user in 1961 went well beyond the benefits of conserving capital and releasing cash for other income-producing purposes. Through leasing, more and more companies found they could avoid debt, thus saving on interest costs and leaving credit free for other uses.

Tax considerations have also been important to lessors. Lease payments are deductible from taxable income as a business expense. To be sure, a company purchasing similar equipment outright is entitled, by law, to recapture the net investment through depreciation deductions. Leases, however, can be tailored to the specific needs of the individual lessee as far as depreciation is concerned.

Still other advantages accrue to equipment lessees. For one thing, they benefit because leasing companies ordinarily buy equipment in volume, obtaining price discounts that are shared with the lessee and help offset lease fees. Similarly, leasing concerns normally are skilled at disposing of used equipment at best prices obtainable in re-sale markets, thus reducing the lessee's equipment costs financed by lease.

Additional benefits available to the lessee depend on the nature of his lease. There are two basic types of leases. One, known as the maintenance or full-service lease, usually is restricted to mobile equipment. Under such a lease, covering, say, the long-term use of trucks, the customer typically is furnished the vehicles, operating supplies, maintenance, and other essentials including licensing and insurance; only the drivers are not supplied. For all of this, the leasing company charges a flat monthly fee. The user knows in advance precisely what his truck operating costs will be and can budget his transportation costs accordingly.

The second type of lease, applying to fixed as well as vehicular equipment, is the so-called finance or "net" lease. Here, the leasing company provides the equipment for a monthly fee, but the user assumes responsibility for supplies, repairs, insurance and similar items. This arrangement is growing in popularity because for a reasonable fee it permits the lessee to benefit from the leasing company's purchasing power and re-sale skills while being assured prompt replacement of equipment with later models as they become available.

Leaseway Transportation Corp., in addition to registering advances in the two basic types of leasing, is finding a receptive market for still a third major service. This is the field of contract carriage. In this activity, we provide besides vehicles and all other aspects of operating trucks, the drivers, dispatchers and management supervision. This is the entire transportation package—one that lets the customer concentrate on his own business by relieving him of distribution problems, yet assuring him the highest degree of mobility.

The many and rapid strides taken by the leasing industry in recent years attest to the acceptance by business generally of the lease as a highly useful financing tool. Leasing has established itself on a firm foundation, as evidenced by its record in 1961. It has become a star in the financial firmament with a future as bright as that of the U. S. economy itself.

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1962 Loeb Awards Judges Announced

Judges for the fifth annual University of Connecticut Loeb Awards for distinguished business and financial journalism have been announced by Laurence J. Ackerman, Chairman of the Awards Advisory Board and Dean of the University's School of Business Administration.

The Loeb Awards were established in 1957 under a grant to the University of Connecticut from the Sidney S. Loeb Memorial Foundation. The honors are bestowed upon business and financial writers who contribute to a better public understanding and appreciation of the American free enterprise economy, and whose efforts serve the best interests of American business and the American people.

The judges, representing the fields of journalism, business and business education, are:

Newspaper Panel—Osborn Elliott, editor, *Newsweek*; Dr. Roger Murray, professor of Finance, Columbia University Graduate School of Business, and J. Harry Wood, President, Home Life Insurance Company.

Magazine Panel—Reese Harris, Executive Vice-President, Manufacturers Hanover Trust Company; Dr. Eugene Kelley, Associate Dean, New York Univerity Graduate School of Business Administration, and William F. Kerby, Vice-President and Editorial Director, *Wall Street Journal*.

Members of the Advisory Board, in addition to Dr. Ackerman, are:

Governor John N. Dempsey of Connecticut, Honorary Chairman; Vernon R. Alden, President, Ohio University; Frank H. Bartholomew, President, *United Press International*; Herbt E. Dougall, professor of Finance, Stanford University Graduate School of Business; Frank M. Folsom, Chairman, Executive Committee, Board of Directors, Radio Corporation of America; Gerald M. Loeb, partner, E. F. Hutton & Company, and Elmer M. Shankland, 1961 President, New York Financial Writers Association.

Winchell Donut House, Inc. Common Offered

McDonnell & Co., Inc., 120 Broadway, New York City, and associates are offering publicly 90,000 outstanding common shares of Winchell Donut House, Inc., at $14 per share. Net proceeds from the sale will go to Verne H. Winchell, President, and the company will receive no portion thereof.

The company of 1140 W. Main St., Alhambra, Calif., is engaged in the sale of donut mixes, paper products, soft drink mixes and other items to approximately 85 franchised operators of donut shops in California, Colorado and Arizona. Authorized stock consists of 500,000 no par common shares, of which 400,014 are outstanding.

Wm. Gluckin Co. Common Offered

Public offering of 175,000 common shares of Wm. Gluckin Co., Ltd., at $10 per share is being made by Globus, Inc., 660 Madison Ave., New York City, and associates. Net proceeds will be used by the company for the repayment of debt and general corporate purposes.

The company, whose address is Bank of Bermuda Bldg., Hamilton, Bermuda, has entered into a contract with Essex Universal Corp., to aequire all the issued and outstanding shares of eight other corporations which are engaged in the manufacture and sale of popularly priced brassieres and and girdles. Such products are sold to retail outlets, including national chain variety stores, throughout the U. S., and to a minor extent foreign countries.

With Eastman Dillon

(Special to THE FINANCIAL CHRONICLE)

SAN FRANCISCO, Calif.—Daniel S. Williams is now with Eastman Dillon, Union Securities & Co., 601 California St. He was formerly with First California Co.

Chicago Analysts 1962 Program

CHICAGO, Ill.—The Investment Analysts Society of Chicago will have W. Clement Stone, President of the Combined Insurance Co., as guest speaker at their luncheon meeting Jan. 4 at the Midland Hotel.

Other subjects scheduled for the Association's bi-weekly meetings are:

Jan. 11—Beckman Instruments, Inc.

Jan. 25 — International Telephone & Telegraph Corp.

Feb. 1—Shell Oil Co.

Feb. 15 — American Hospital Supply Corp.

March 1—Burroughs Corp.

March 8—Midwest Forum.

March 22—Clark Equipment Co.

April 12—Eli Lilly & Co.

April 26—American Metal Climax Inc.

May 3—First Charter Financial Corp.

May 10—Union Oil Co. of California.

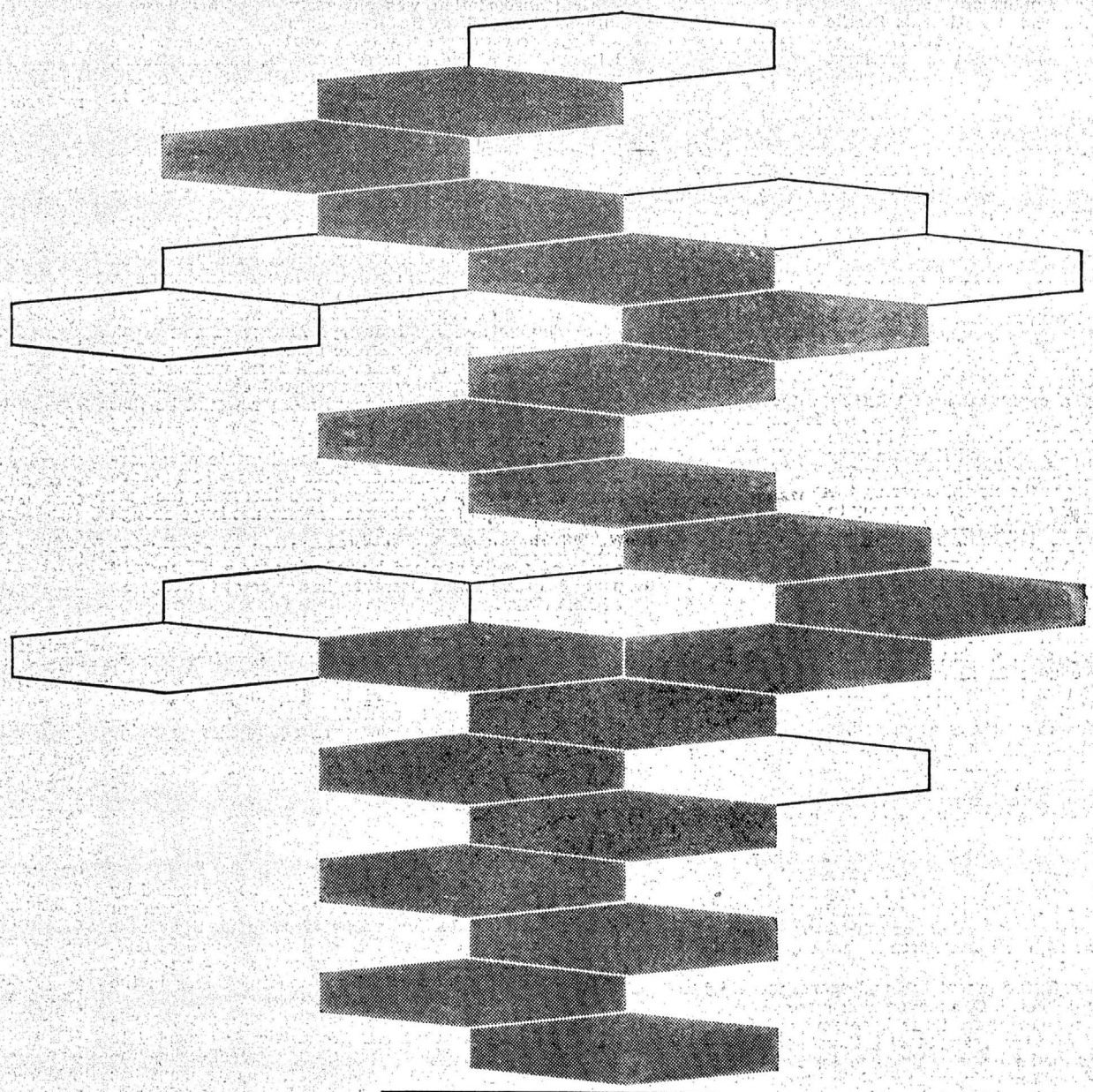
May 31 or June 7—Chicago Musical Instrument.

June 14 — Thompson Ramo Wooldridge Inc.

June 21—Golf Outing.

Stewart, Eubanks To Admit Partners

SAN FRANCISCO, Calif. — On Jan. 25, Willis B. Berblinger, Edward J. Burke and Larry K. Hatlett will be admitted to partnership in Stewart, Eubanks, Meyerson & Co., 216 Montgomery St., members of the New York and Pacific Coast Stock Exchanges. Mr. Hatlett will be located in the firm's Burlingame office.



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Grace chemistry is a world-wide enterprise. In the United States, Canada, Latin America, Europe, Australia and New Zealand, a total of 59 plants, seven laboratories, and 81 sales offices provide a broad base for optimism about continuing successes.

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ROBERT B. PAMPLIN

President, Georgia-Pacific Corporation

The year 1961 posed a number of problems for the forest products industry. Production in plywood, lumber, and pulp, paper and container-board, as well as other products, generally exceeded demand. The unsettled state of world affairs proved a dampening influence on consumer spending and slowed residential, commercial and industrial growth.

Robt. B. Pamplin

We believe that this is only a temporary situation and that conditions will definitely improve in 1962. The patterns for growth which have been predicted for the forest products industry have not changed. Use of forest products, whether in plywood, lumber, paper, or chemicals from wood fiber, will continue a steady rise according to even the most conservative of indicators.

The demand for Georgia-Pacific products continues to grow. Development of new forest management practices brings greater yield from each acre of forest land; further integration of manufacturing facilities improves yield from each tree harvested; advanced research develops better products; and expanded and improved distribution facilities bring these products to the right markets, at the right price, and at the right time.

For the forest products producers who have natural resources, modern and efficient plants, research and marketing know-how, 1962 and the years ahead should be excellent.

HOWARD P. PARSHALL

President, Bank of the Commonwealth, Detroit, Mich.

Detroit, in my opinion, most undeservedly has a reputation within the United States and in large foreign centers of being a depressed area with high unemployment. I have a deep, abiding faith and love for my native city, Detroit. On Nov. 26th, I flew in from London, England; and it was a very clear night, a Sunday evening. We flew in from the north, covering the whole City of Detroit, on our way to Metropolitan Airport—a truly magnificent and satisfying sight.

Howard P. Parshall

It is a vital, thriving metropolis, possessing a manufacturing potential, probably the greatest of any industrial city in the world. Greater Detroit is the home of approximately 3,500,000 people. We have undergone a great change in industry, decentralization and to a large extent, automation; and this transition is practically successfully concluded.

For next year, the Detroit Board of Commerce informs me that they are predicting a production of automobiles of 6,500,000, up almost 1,000,000 cars over 1961. Industrial employment presently is averaging 1,306,000, and we expect this average to be increased by about 50,000 in 1962. Presently, approximately 11% of the Detroit pool of labor is unemployed. We look for a substantial reduction in 1962 to around 8½%. Hourly wages in 1961 averaged $2.99. We expect this to be increased to approximately $3.15, truly a remarkable figure. Retail sales should increase about 3½%. So, all in all, the Detroit area should enjoy a prosperous 1962.

Our local government has undergone, you might say, a major upheaval. Our mayor with more than ten years in our city government has been replaced by a young man thirty-three years of age. Several of our experienced council members, three to be exact, have been replaced with new incumbents. What this new administration will do for the City of Detroit, of course, we do not know. One appointment made by the new mayor, our City Controller, is applauded on all sides. It appears to me that we should proceed cautiously in the future.

I will close with the paragraph entitled THE ROAD TO SOCIALISM. I am not speaking now in regard to Detroit, but of our whole country. It seems to me that this ROAD TO SOCIALISM is paved in sections. Many of these sections are already completed, and I will name some of them:

(1) Progressive income tax,
(2) Social Security,
(3) Farm subsidies,
(4) Slum housing,
(5) Federal aid to education,
(6) Legislation favoring minority groups at the expense of the majority,
(7) Unemployment benefits.

I am not here arguing the merits of Socialism, vs. our so-called Capitalism. I do know for a certainty how we arrived at our position of preeminence, and I think it is high time that we search our souls and see if we really want to continue on this so-called "soft road to socialism." I DO NOT THINK THAT THE STRONG SHOULD CARRY THE WEAK; BUT I DO FIRMLY BELIEVE THAT WE SHOULD CREATE SUCH AN ECONOMIC ATMOSPHERE THAT ALL WHO CHOOSE MAY BECOME STRONG.

WILLIAM A. PATTERSON

President, United Air Lines

Recently expressed willingness of the Civil Aeronautics Board to approve tariff filings for fare increases of 3% over a six-month period has improved the industry's prospects for 1962.

W. A. Patterson

Renewed momentum of the general economy also will give impetus to air travel. For our company, we forecast increases of aproximately 10% in revenue passenger miles, 11% in freight ton miles, 11% in mail ton miles, and 7% in express ton miles.

Benefits of the merger of Capital Airlines into United will enlarge in coming months. Outmoded equipment has been withdrawn from former Capital system and many improvements in service already have been accomplished. Over-all the merger has progressed as originally planned.

Air transportation was adversely influenced in 1961 by historic factors and the recession in the early part of the year. The latter led to considerable reduction of business travel, which normally produces more than two-thirds of our traffic volume. When recovery occurred, it lagged in reaching the air transport industry.

The flat spot in the airline growth curve would have had less pronounced effects, had not the carriers been squeezed by overcompetition resulfing from multiple route awards, particularly in 1955-'56. This is the basic cause of the industry's problems.

Merger talk is in the air and the Civil Aeronautics Board has indicated it regards mergers with a friendly eye. As of this date, however, no criteria have been established to guide the industry in merger programs. Such direction and leadership must be provided.

What kind of mergers would be in the best interest of the public and the industry? Merger of two weak companies would merely create greater weakness. Merger of two strong companies could force weaker competitors into bankruptcy, or else produce requests for subsidy. The preferable type of merger would be that which reduces excessive competition without creating financial problems for other carriers.

The notion that fare reductions will create new markets and attract such volume that profits will improve has been revived. We explored this theory in the past and the resultant traffic increases were not large enough to offset the fare reductions.

Coach traffic sometimes is considered as a good example of growth attained by reducing fares. The largest part of coach growth, however, has come at the expense of first-class travel. This trend has depressed revenues. In 1961 coach traffic accounted for 57% of the total passenger miles flown by trunk carriers.

We are opposed to any additional low-fare experiments at a time when the industry lacks an adequate profit cushion. Our position is based on the record, rather than theories which remain to be proved.

Operationally, the carriers are equipped to provide the best service in their history. The transition from piston-engine to jet aircraft has gone well and the anticipated passenger preference for jets has been overwhelmingly attested.

THOMAS F. PATTON

President, Republic Steel Corporation

The outlook for the steel industry in 1962 is clouded by some uncertainties but measurable factors now evident indicate that production will rise some eight or nine per cent above the 97 million ingot tons poured in 1961.

Thomas F. Patton

This would mean production of about 105 million ingot tons in the coming twelve months.

Business activity in most steel-consuming industries is expected to follow an upward trend during the entire year 1962. Improvement has already started and order intake at Republic currently is running at the best levels since early 1959.

The automotive industry estimates that more than 6½ million cars will be built in the coming year, an increase of more than a million cars over the 1961 total. With higher truck production also predicted, it is not hard to project an increase of two or three million tons in consumption for this industry alone. A gain of between 5 and 10 per cent in construction has been predicted for 1962. Capital expenditures are rising and the capital goods segment of the economy promises to be an excellent market in 1962. Add to these three areas increases in steel consumption for appliances, containers and the farm market and we begin to get an idea of 1962's level of steel operations.

A major question on the horizon is the inventory situation. This is an area that is difficult to forecast because of the impact on it of consumer psychology, which may be influenced both by rising production and the labor situation. We anticipate a policy of inventory accumulation by steel consumers in the first half of the year and a decrease in the second half.

The buildup may add as much as 10 million tons of finished steel to consumer inventories in the first half of 1962. This would put their total inventory holdings about 10 percent below the peak levels reached in the first half of 1959. Signs of this accumulation are now appearing but indications are that the largest part of it will fall in the second quarter.

In the last half year there may be considerable inventory liquidation. Should steel users decide in this period to maintain inventory levels higher than we now expect, the total steel output for 1962 will also be higher than we have predicted.

During the past year, Republic continued to push its modernization and improvement program vigorously. Capital expenditures in that period totaled approximately $85 million. By continuing our program without reduction during the past year, we were able to effect considerable economies in our construction costs.

The largest single new unit which came into production in the year was the very high-powered 56-inch strip mill at Warren, Ohio, formally dedicated in September. Many other facilities were modernized and improved to provide better quality, improved product and faster delivery as the company continued to give heavy emphasis to customer requirements for quality and service. Continued emphasis was placed on research in 1961 and expenditures will be increased further in 1962. A new sales district was opened in Atlanta, Ga., to care for expanding needs in the fast-growing South, and sales training programs were accelerated to provide additional manpower to meet today's competition.

In the coming year, capital expenditures are expected to run about $70 million as we continue our $375 million modernization and improvement program started in 1960.

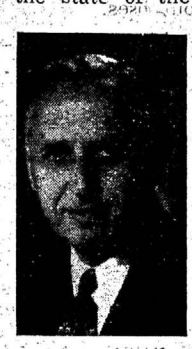
There was continued pressure on profits in the steel industry in 1961. For the third year in a row, the general level of steel prices remained unchanged as employment costs rose for the third time under the current agreement with the United Steelworkers.

In the coming year, vigorous efforts to improve productivity and reduce costs will continue to be made. Rising costs and increased competition—both foreign and domestic—do present problems which must be recognized and confronted not only by steel management but by government and labor as well. It is becoming increasingly apparent that more than cost control will be required to solve them.

ALFRED E. PERLMAN

President, New York Central System

The nature of the railroad industry is such that its activity is closely bound to the pace of industrial production and the beat of the national economy. Thus, in the northeastern section of the country, the state of the economy for most of 1961 resulted in serious lag in rail carloadings.



Alfred E. Perlman

The factors which caused this decline are temporary. For the past few months we have seen a gradual rise from the contracted business level. I expect this gradual economic rise to continue, making 1962 a good business year.

In fact, practically every industry will reach record output, with automobile production climbing close to 7 million. Steel output, rising by an expected 20%, will certainly stimulate the entire economy. Employment will increase through February and March, with a corresponding rise in personal income and consumer spending. The construction industry will likewise shake off its prolonged slump, but will not regain its position as a prime factor in the growth of Gross National Product until the latter stages of the decade.

Insofar as the New York Central is concerned, we are optimistic about 1962. As our key industries—steel and automobiles—accelerate, the Central should receive sufficient traffic to earn a reasonable profit for the year. Our outlook is for a five to ten per cent increase in carloadings over 1961, particularly in the transportation of bulk commodities—coal and ore—through the application of more modern equipment, heavier train loads and faster turnaround time.

Moreover, during the next year we should be in a stronger position to gain significantly from our comprehensive physical rebuilding, our continued heavy program of maintenance and our tight control over expenses.

Throughout 1961, many more miles of Centralized Traffic Control were added to Central lines; the $4.5 million modernization of the big freight yard at West 60th Street in New York City was completed; more economic use has been made of our real estate holdings and 277 new industries located plants on sites where they will receive our services.

Armed with these new facilities, we are now devoting ourselves towards developing new and better ways to meet changing conditions and improving our services so that we can continue to attract new customers and meet their needs in every way possible.

In this connection, we have expanded our high-speed Super-Van service to many large midwestern cities, such as Cincinnati, Dayton and Columbus. In addition, our Flexi-Van rail-highway container service as well as our multi-level auto rack carriers have been growing almost in geometric progression, and we expect these two services to continue to harvest new business for us and make a substantial contribution to net.

If we are given the necessary freedom from outmoded tax and regulatory policies which have for so long hampered our growth, I feel that with the upsurge of the national economy in 1962, combined wtih our own improvements, the future of the New York Central will be

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S.O.S. Photo-Cine-Optics Units Offered

William, David & Motti, Inc., New York City, is offering publicly 5,000 units of S.O.S. Photo-Cine-Optics, Inc., at $40 per unit. Each unit consists of one $10 principal amount 6% subordinated debenture due Feb. 15, 1969 and 10 shares of common stock. Net proceeds will be used by the company for the purchase of additional equipment, advertising and sales promotion, new product development, and working capital.

The company of 602 W. 52nd St., New York City, distributes motion picture and TV production equipment such as studio and newsreel cameras, lenses and view finders, lighting equipment, optical and magnetic sound recording equipment, editing and cutting room supplies, camera recorder motors, and generators.

Universal Waterproofing Stock All Sold

Professional & Executive Planning Corp., Long Beach, N. Y., and E. J. Roberts & Co., Inc., East Orange, N. J. report that their recent offering of 60,000 common shares of Universal Waterproofing Corp., at $3 per share has been all sold. Net proceeds will be used by the company for the repayment of debt, salaries, additional inventories, and other corporate purposes.

The company of 613 E. 12th St., New York City is primarily engaged in the business of applicating waterproofing materials to buildings and structures under contract. It also engages in restoration and remedial work to the exterior of buildings. Authorized stock consists of 350,000 10 cent par common shares, of which 137,000 are now outstanding.

Boro Electronics Common Offered

An offering of 100,000 common shares of Boro Electronics, Inc., at $3 per share is being made by McLaughlin, Kaufman & Co., 52 Wall St., New York City. Net proceeds will be used by the company for the purchase of additional equipment and inventory, advertising, sales promotion, working capital and the repayment of loans.

The company of 69-18 Roosevelt Ave., Woodside, N. Y., is engaged in the distribution of electronic products manufactured by others.

Now Durum Securities

The firm name of Manufacturers Securities Corporation, 511 Fifth Avenue, New York City, is being changed to Durum Securities Corporation.

With Beckman Co.

(Special to THE FINANCIAL CHRONICLE)

LODI, Calif.—Carlton G. Thomas has joined the staff of Beckman & Co., Inc., 11 South Church St. He was formerly with Walter C. Gorey Co. and prior thereto conducted his own investment business in Grass Valley.

Boettcher Adds

(Special to THE FINANCIAL CHRONICLE)

DENVER, Colo.—John C. DeJong has been added to the staff of Boettcher and Company, 828 Seventeenth St., members of the New York Stock Exchange. He was formerly with the Bank of America in San Francisco.

Joins Hayden, Stone

(Special to THE FINANCIAL CHRONICLE)

LOS ANGELES, Calif.—Robert T. Orman has become affiliated with Hayden, Stone & Co., 611 Wilshire Blvd. He was formerly with Adams-Fastnow Company.

Walston Adds to Staff

(Special to THE FINANCIAL CHRONICLE)

PORTLAND, Ore. — Richard L. Graham has been added to the staff of Walston & Co., Inc., 901 Southwest Washington Street.

Form Wolper Life Affiliates

Wolper Life Affiliates, Inc. is conducting a securities business from offices at 92 Fulton Street, New York City. Ben Wolper is President and Treasurer.

Marache Adds

(Special to THE FINANCIAL CHRONICLE)

LOS ANGELES, Calif.—John L. McGurk has been added to the staff of Marache & Co., 210 West Seventh Street, members of the Pacific Coast Stock Exchange. Mr. McGurk was formerly with Gregory-Massari, Inc.

Handley in Tulsa

TULSA, Okla. — Handley Investment Company has been formed with offices in the Jamestown Building to conduct a securities business. Officers are Ernest J. Handley, Chairman of the board; Keith R. Fitzgerald, President; and Jack B. Bailey, Secretary and Treasurer.

Martin-Warren Co. Opens

LONG BEACH, N. Y. — Martin-Warren Co., Ltd. is engaging in a securities business from offices at 264 Washington Boulevard. Officers are Beula B. Kass, President; Harvey Golub, Secretary and Treasurer; and Rosalind Rose, Vice-President.

Ezra Regen Opens

SARASOTA, Fla.—Ezra J. Regen is conducting a securities business from offices at 1900 Main Street.

New Blyth Branch

MILWAUKEE, Wis. — Blyth & Co., Inc. has opened a branch office at 208 East Wisconsin Ave., under the management of R. B. Walbert.

Blalack, Wells To be NYSE Firm

SAN MARINO, Calif. — Effective Jan. 26, John E. Sullivan, member of the New York Stock Exchange, will become a Vice-President in Blalack & Wells, Inc., 2477 Huntington Drive, and the firm, a member of the Pacific Coast Stock Exchange, will also become a member of the New York Exchange.

Other officers are Charles M. Blalack, President; Thomas H. Wells III, Executive Vice-President; William F. Stainton III, Vice-President; Thomas Hirsch, Treasurer; and Joseph G. Hattersley, Secretary.

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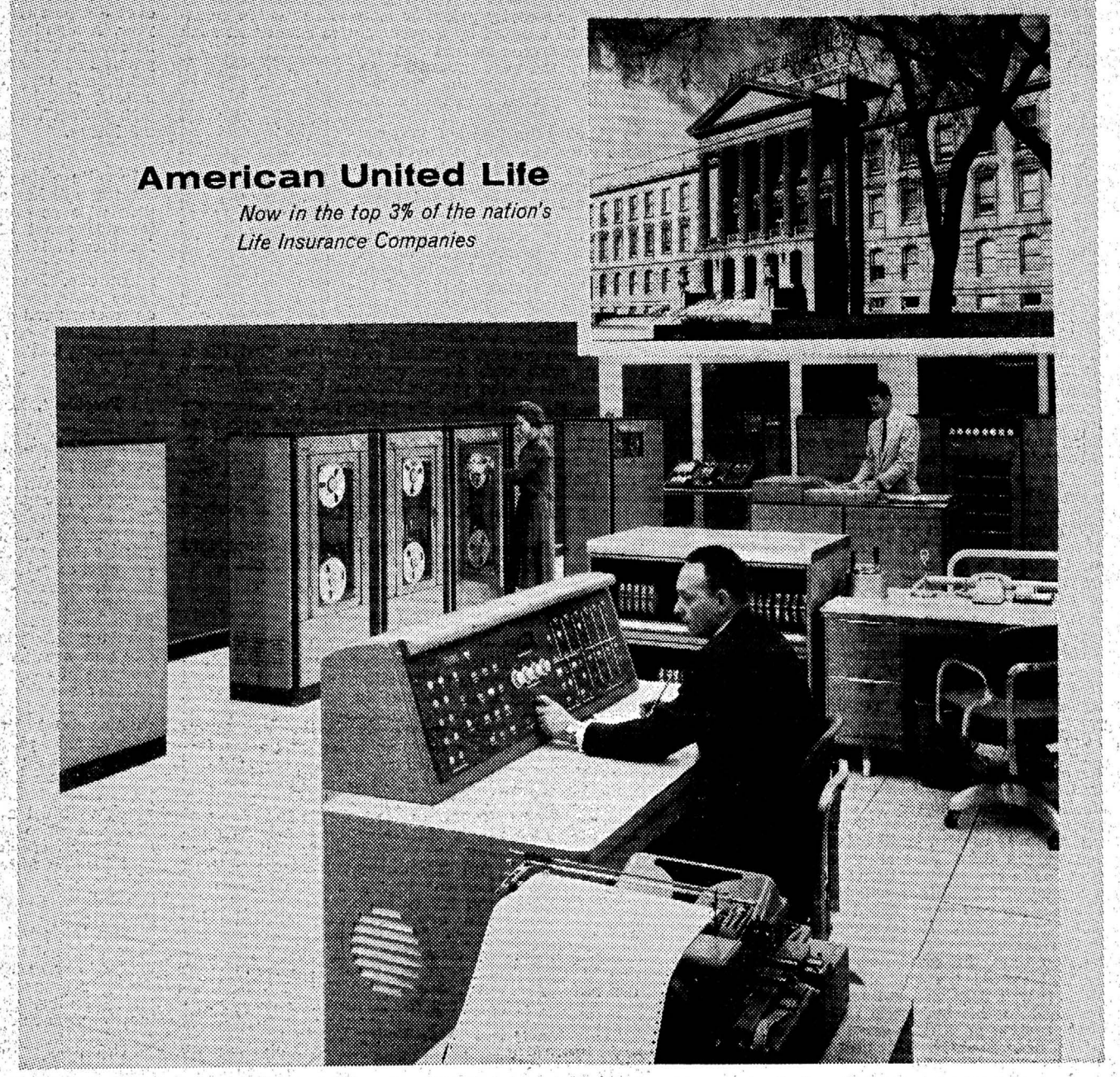

"Our NCR Computer is proving to be a highly-profitable investment!"

—AMERICAN UNITED LIFE INSURANCE COMPANY, *Indianapolis, Indiana*

"We believe our NCR Data Processing System is the answer to insurance record-keeping and processing needs. For all intents and purposes, it has taken the term 'delayed-processing' out of our vocabulary. We now process *today's* data *today*, and obtain *today's* reports *today*.

"Specifically our NCR Computer System has cut eight to ten days off reporting time. We are now able to better serve the respective reporting and record-keeping needs of the individual salesmen, as well as all levels of sales management. And, we can prepare customer premium notices in 1/25th of the time previously required.

"At this stage our NCR System is installed on about one-half of the jobs for which we intend to use it. However, we already have daily-working-experience to back up our conviction that we made a highly profitable investment when we chose to install an NCR Computer System."

Clarence A. Jackson
President & Chairman of the Board
American United Life Insurance Company

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The National Cash Register Company — 1039 Offices in 121 Countries — 78 Years of Helping Business Save Money

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considerably brighter next year and for the years to come.

While freedom from restrictive laws and policies is the basic answer for the many problems which confront not only the Central but the entire railroad industry, the railroads themselves must use every means at hand to better their ability to compete more effectively in the transportation field and assure maintenance of rail transportation as a private industry. Towards this end, we have resumed merger studies with the Pennsylvania Railroad. We are encouraged by the previous findings which indicate that savings of at least $100 million might be obtained through the affiliation of the two companies. I believe that better service to the public by the merged railroads will be one of the most beneficial results if a decision to proceed is reached and authority is given to affect a merger.

R. T. PERSON

President, Public Service Company of Colorado

The merger of Public Service Company of Colorado and Colorado Central Power Company, consummated on December 29, 1961, culminates a long anticipated unification of gas and electric utility services in the booming Denver metropolitan area. With a population growth of 34.2% in Colorado the past decade—as compared with 18.5% for the entire nation — the two utility companies have added in the same period some $292 million in property, plant and equipment to pace the dramatic economic expansion of Colorado and the Greater Denver area.

Robert T. Person

Colorado Central Power Company served over 42,000 electric customers in an area to the south, west and north of Denver. In the five county metropolitan area, Public Service Company, which also furnished all the electric generating requirements of Colorado Central Power, serves an additional 280,000 electric customers and 267,000 natural gas customers. Prior to the merger, Public Service Company and its subsidiaries served a total of 335,000 electric customers and 338,000 natural gas customers.

At the end of 1950, Public Service Company had an electric generating capability of 296,000 kilowatts. In five years, this capability was nearly doubled. Today, the company has a generating capability of 887,000 kilowatts, a threefold increase in 10 years.

Contributing to the demand has been the industrial development of the state. In PSCo's consolidated service area alone, industrial customers have increased from 7,593 to 8,721 during the last 10 years. At the same time, industrial use of electricity has increased from 445 million kilowatt-hours to more than 905 million kilowatt-hours per year. Every indication points to a continued expansion of the area's industrial development.

During the past five-year period, 1957 through 1961, the company has spent approximately $201 million for the construction of gas and electric facilities. In the five-year period ahead, 1962-1966, we anticipate the expenditure of some $236 million in order to pace the constantly increasing service requirements of our territory.

Under the 1962 construction program, expenditures for electric generation, transmission and distribution facilities will come to $33 million. Another $17 million will be required for natural gas transmission, distribution and storage facilities. Expenditures for office buildings and other common plant will require $3 million.

Approximately $3 million is allocated during 1962 for completion of the third generating unit at Cherokee Steam Electric Station, north of Denver. This unit, which will cost a total of $23 million, will be the first 150,000 kilowatt generating unit to be placed in operation in the Rocky Mountain region. It is scheduled to go into operation this spring.

For the first time, the company's electric generating capability will exceed the one million kilowatt mark when this new unit goes on the line.

Also included in this budget is $6.3 million for the start of construction on a fifth generating unit at Valmont Station, near Boulder. This unit, to be completed in 1964, will have a nameplate rating of 150,000 kilowatts.

On the Public Service Company's system are nine steam-electric generating stations and six hydro-electric plants.

Public Service Company's electric operations are only half the story, for the company also distributes natural gas over a large portion of the state.

The Company's requirements for natural gas are met from extensive fields in Kansas, Oklahoma, Texas, New Mexico and Colorado. Although Public Service Company is a distributor of natural gas, two of its subsidiaries, Western Slope Gas Company and Colorado-Wyoming Gas Company, are pipeline transmission companies, through which gas is delivered to many Public Service Company distribution points.

Western Slope Gas has just completed a new 240 mile transmission line from the Ignacio gas field on the southwest border of the state to eight communities in the San Luis Valley that will be served by Public Service. This transmission line has the distinction of being the highest natural gas line in the country, crossing the Divide at approximately 12,000 feet above sea level. It is planned to extend this line from Del Norte to Leadville in 1962. This extension will serve the towns of Salida, Buena Vista and Saguache.

Public Service Company's unique experiment in underground storage of natural gas in an abandoned coal mine has been highly successful. Development of this project will continued in 1962. The ultimate goal of the project is to store some three billion cubic feet of gas in the mine at 300 pounds pressure. More than one billion cubic feet have been injected thus far with satisfactory results. Much of 1961's gas storage is being used to reinforce the Denver area's gas supply this winter.

In addition to this unique underground gas storage project, the company is continuing its support to the research and development of nuclear power which also includes direct conversion of nuclear heat to electricity.

Also, the company has been actively pursuing research in the field of high altitude ultra-high voltage transmission of electricity at Leadville, Colorado.

Public Service Company is, indeed, a barometer of the industrial and economic growth of Colorado. The merger of Public Service Company and Colorado Central Power Company is another step in providing this area with an ever improving gas and electric service.

THOMAS P. PHELAN

President, Pacific Coast Stock Exchange

The year 1962 should be one in which it will be determined whether inflationary forces will dominate the economy with higher security prices or more conservative measures will be adopted by government to counteract such forces. An erratic market may well develop as the year progresses, tax measures versus spending programs shall play a vital role in the outcome.

Thomas P. Phelan

In viewing the Pacific Coast, continued interest and expansion is evident in every area. With the continued population explosion of the West Coast the eyes of the nation focused on this section of the country not only as a great consumer area but as a source of capital. Figures show that California is the origin of in excess of 12% of the securities business of the country.

Of the total of 130 member firms of Pacific Coast Stock Exchange, 42 of such firms are also members of the New York Stock Exchange with such firms opening more and more branch offices in the various cities of California.

The Pacific Coast Stock Exchange had a banner year in 1961 with shares and volume exceeding any year since 1928. The importance of the area has been recognized by many nationally known corporations not only listing their securities on the Pacific Coast Stock Exchange but in establishing transfer facilities on the West Coast as a service to their expanding number of western stockholders.

With an active securities market being predicted, 1962 appears exceedingly bright for the Pacific Coast.

GERALD L. PHILLIPPE

President, General Electric Co.

Business in electrical manufacturing will depend, to a large degree, on business conditions throughout the economy. Our best estimate of the situation is that over-all economic activity will continue to rise through 1962. Industrial production will be stimulated by the sharply increased levels of defense spending and some improvement in business expenditures for new plant and equipment. The big imponderable is the consumer. Consumers have plenty to spend, and their disposable income is increasing, but perhaps all the talk of war and fall-out shelters has made them hesitant to make commitments to the future in terms of new homes, new appliances, and other durable goods. If consumer confidence can be strengthened, then 1962 can be a year of great opportunity for everyone in the United States, including the business community.

G. L. Phillippe

Tariff and Trade Policy Position

One of the most important questions facing the citizens of the United States in the period ahead is the question of tariff and trade policy. The Administration has announced that it plans to press for a more liberal trade policy in the new Congress, granting the President broader powers to cut tariffs and encourage closer ties with the European Common Market, the British Commonwealth, and Japan.

As one of the largest employers in the United States, as well as an important factor in international trade, the General Electric Company is of course very directly concerned with this issue. Generally speaking, we have taken the position that it is wise to encourage international trade and closer ties with our allies. We do not think that protective tariffs are the best solution to the problems of international trade, but if the United States reduces its tariff protection, other nations must also reduce their trade barriers on the same commodities so that the Atlantic Community can in fact move toward the eventual development of a great common market. Then the government must make it possible for United States industry to compete more effectively with overseas producers by adopting policies that will not feed inflation, that will encourage higher productivity, and that will reduce the costs of making and selling United States products.

Of course, we do not yet know what specific proposals the government will make with respect to trade policy, but the point is that any proposal which would make it easier for foreign concerns to sell their goods in the United States must also be accompanied by government policies that will make it possible for industry here in the United States to meet that competition in this country and abroad.

Research and Development Continues

Scientific research continues to be a major activity in General Electric. According to a study recently released by the Senate Judiciary Committee, on the subject of Patent Practices of the Defense Department, it appears that our company in the past ten years has conducted the most extensive research and development activities of any company in the United States, and presumably in the world. In the years from 1950 through 1959, General Electric spent $1,370,000,000 of company funds for research and development activities, and in that same period it also performed $1,500,000,000 worth of research and development work for the government.

This large expenditure on the search for new knowledge is, of course, our way of assuring a continuous stream of new products, new features, and new businesses to serve our customers. Simple arithmetic will indicate that the company's research and development over the past ten years have *averaged* $287,000,000 per year. A high level has been maintained in 1961 and will be continued in 1962—as evidenced by our current programs in nuclear power, flight propulsion, vacuum interrupters, magnetohydrodynamics, fuel cells, optical masers, thin-film electronics, water desalting, extra-high-voltage transmission, and many others important to the future.

Capital Investment Continues

In spite of the increasing levels of business, General Electric still has ample capacity to produce more goods than it is now producing. Nevertheless, the company invested about $150 million in new and modernized facilities in 1961, compared with $137 million in 1960. Preliminary estimates for 1962 are of the same order of magnitude. Investments of this nature will continue to be made, together with a high level of expenditures on research and development activities, so that the company can stay out ahead of its competitors, produce better values, and serve new markets in the years ahead.

WALTER N. PLAUT

President, Lehn & Fink Products Corporation

To prepare Lehn & Fink Products Corp. for its anticipated growth and for the changing business conditions expected in the year ahead, we have made a series of organizational changes in our corporate structure.

These changes were created to realize our goal of increased sales and earnings and to give us even greater strength in serving our various markets with cosmetics, proprietary drugs and sanitation chemicals.

Walter N. Plaut

Through our new structure, we have been able to strengthen our planning concepts, marketing strategy and new product development. The use of these management techniques gives us a corporate structure that can effectively meet day-to-day problems and at the same time permits us to expand both our product and corporate base.

First of our corporate changes involved our administrative operations. We established a planning and finance division which has been since augmented to emphasize the planning function so crucial to corporate growth. This division contains the following principal staff functions—short and long-term planning, corporate secretarial and legal, accounting and control, data processing and customer service.

With this administrative organization, we believe we have allocated sufficient corporate manpower so we can execute our current workloads and, just as important, plan our future activities. It is in this last area—long-term planning—that we have given formal recognition to the future development of Lehn & Fink.

Second change at Lehn & Fink was the establishing of a marketing services department. It was set-up to provide services and counsel to our company's marketing divisions in such areas as marketing strategy, market research and product development. We have also allied and coordinated this new department with laboratory research, purchasing and packaging engineering in its product development function. Through this department, we can channel the various activities that are so necessary to a company such as ours, which is basically marketing-oriented.

Third phase was the development of a central manufacturing staff that was increased in size and reorganized to direct and coordinate production planning, purchasing, manufacturing, engineering, warehousing and inventory control.

With these three corporate developments, we have done more than reassign names on an executive organizational chart. In reality, we have recognized that modern management needs talented top level personnel who can devote time to planning and coordinating a complex company such as ours, with domestic and international manufacturing and marketing operations.

In addition, we feel that our approach (and we recognize that similar staff alignments exist in other com-

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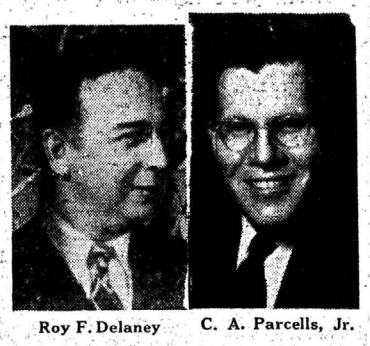
Detroit S. E. Names Officials

DETROIT, Mich. — The Detroit Stock Exchange as a result of its election on Jan. 9 announced the following officers for 1962:

President, Walter A. Bayer, F. S. Winckler Co.; Vice-President, Roy F. Delaney, Hudson White & Co.; Treasurer, Charles A. Parcells, Jr., Charles A. Parcells & Co.



Roy F. Delaney C. A. Parcells, Jr.

M. Edward Denny was reappointed Executive Secretary and Examiner.

Governors elected were (for a three-year term): Minton M. Clute, Straus, Blosser & McDowell; Peter M. Macpherson (re-elected); Roy W. Neil, Andrew C. Reid & Co.; (re-elected), and Mr. Parcells.

The other governors making up the 11-man board are: Mr. Bayer; William P. Brown, Baker, Simonds & Co., Inc; Mr. Delaney, Richard B. King, Merrill Lynch, Pierce, Fenner & Smith Inc.; Paul D. Richmond, Watling, Lerchen & Co.; Herbert Schollenberger, Campbell, McCarty & Co., Inc.; Henry VanderVoort, Nauman, McFawn & Co.

The following reappointments were made: William A. Walker of Dickinson, Wright, McKean & Cudlip as Counsel and Edwin H. Bower, C. P. A., of White, Bower & Prevo as auditor.

NYSE Members Approve Plan

Members of the New York Stock Exchange have voted to increase their dues and initiation fees as part of a financing plan for new Stock Exchange building facilities, Exchange President Keith Funston has announced.

The vote, on an amendment to the Exchange Constitution, was 843 for and 376 against, with 1,226 of the Exchange's 1,366 members voting. Seven ballots were defective.

The amendment (1) increases members' maximum annual dues, from $1,000 to $1,500; (2) raises initiation fees paid by persons becoming members from $4,000 to $7,500; and (3) authorizes crediting of the Membership (Seat) Retirement Account started in 1953 to the capital investment account of the Exchange at the end of the present membership retirement program on March 31, 1963. The last change in annual membership dues was a downward revision in 1942. Initiation fees have been unchanged since 1920.

Mr. Funston said that the vote enables the Exchange to begin raising the $29 million cash fund which will be accumulated from various sources over a five-year period for initial financing of new facilities. The financing plan was recommended by a special Exchange financing committee and endorsed in late November by the Board of Governors.

About $7.6 million of the $29 million cash fund—including $4,100,000 from the seat retirement fund which will become available in 1963—will be generated through the changes approved by the membership. The balance of the fund will come from an appropriation from Exchange surplus ($5,500,000); sale of present properties (approximately $10,000,000); appropriations from annual revenues (approximately $4,650,000); and additional charges to members for floor facilities and registration fees ($1,660,000).

The difference between the cash fund and the total cost of a new building project, estimated at between $50 million and $78 million, would be financed.

Mr. Funston noted that plans for the $29 million fund, along with further studies which will be made of possible sites and types of buildings, do not tie the Exchange to any one course of action. He said the Exchange will continue to study with interest proposals submitted to it, such as those calling for including possible Stock Exchange facilities in a projected World Trade Center in downtown Manhattan. However, Mr. Funston pointed out that the Exchange's space problems and anticipated future volume make it necessary to position itself for future expansion and that a substantial cash fund will likely be needed for whatever move the Exchange takes.

Schwabacher Office

REDDING, Calif. — Schwabacher & Co. has opened a sales office in the Crocker-Anglo National Bank Building, in charge of William O. Pauly, a registered representative of the firm.

Join Wood, Walker

(Special to The Financial Chronicle)

PITTSFIELD, Mass. — Benjamin R. Bookless, Edward J. Cristiano, Philip M. Daniels and Anthony R. Talarico have joined the staff of Wood, Walker & Co., 28 North St.

J. M. Dain Names Two Directors

MINNEAPOLIS, Minn. — Election of two new directors has been announced by J. M. Dain & Co., Inc., 110 South Sixth St.

Henry W. Norton, Jr., head of the firm's Research Department, was elected a director as was Thomas R. Felt, resident manager of the Dain office in Casper, Wyoming.

Mr. Norton has been with Dain Seven and one-half years and was elected a Vice-President last September. He is President of the Twin Cities Society of Security Analysts.

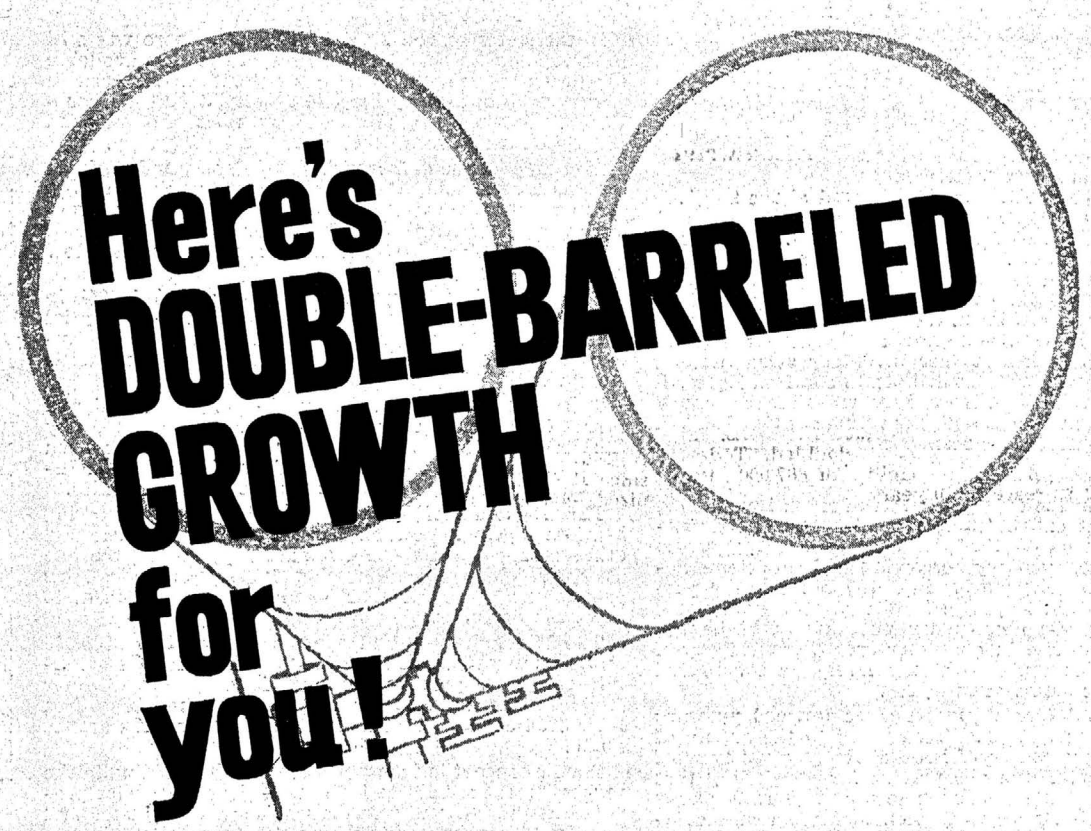
Mr. Felt started with Dain in 1955 and was a registered representative in Billings, Mont., for two years.

In August of 1956 he opened the J. M. Dain office in Casper, Wyo., and three years later Felt was named Vice-President.

AMA Trade Practice Course

The American Management Association has announced its new one-week course in Trade Practice Regulations will now be held in New York City, March 26-30, at the Hotel Astor instead of as originally announced—Feb. 12-16, AMA Academy, Saranac Lake, N. Y.

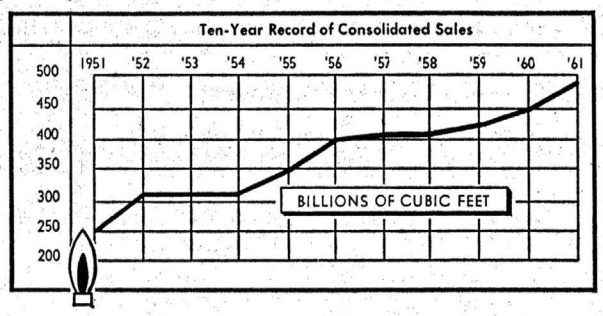
This course is designed for executives involved in decision-making in such areas as pricing, advertising, marketing, and purchasing.



Growth is a continuing and well known American success story. Just as real, but even more striking, is the growth of the industry that fuels industrial progress — natural gas. Real . . . because the natural gas industry has doubled its sales in just a few years. Striking . . . because this dynamic performance has been achieved even during periods of slackening business activity.

Panhandle Eastern is part and parcel of the growth record in natural gas. As you read this, Panhandle and its subsidiary, Trunkline Gas Company, are working rapidly to increase system capacity by 500,000 MCF per day. This $125,000,000 expansion will bring total daily capacity to over two billion cubic feet . . . more than double that of ten years ago.

The sales chart at the right shows the Panhandle—Trunkline System's growth over the past decade. All reliable indicators for the *next* ten years point to a population increase in our service area substantially *above* the national average. Small wonder Panhandle people are progressively busier, bringing industry in the nation's heartland the essential fuel to go on growing.



PANHANDLE EASTERN PIPE LINE COMPANY
120 Broadway, New York 5, N.Y.

Subsidiary:
TRUNKLINE GAS COMPANY
3000 Bissonnet, Houston 5, Texas

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panies, too) enables key executives to devote more time to long-range planning, rather than day-to-day operating problems. Without a doubt, it is the company that can plan product development, improved manufacturing methods, new marketing techniques and streamlined administrative approaches that will move ahead in 1962. We at Lehn & Fink Products Corp. maintain that forward thinking management, when furnished with modern corporate tools, will find success in the year to come.

FREDERIC A. POTTS

President, The Philadelphia National Bank, Philadelphia, Pa.

Although the economy was moving upward through most of 1961, the demand for credit in the private sector was not vigorous. Outstanding consumer installment debt leveled off, in large part reflecting the disappointing volume of automobile sales before the introduction of the 1962 models. From the beginning of the year to Dec. 20, total loans of Weekly Reporting Member banks rose by about 5%, and the majority of this increase was registered in December. The Federal Reserve adhered to a moderately easy monetary policy as evidenced by the maintenance of aggregate net free reserves of member banks in the neighborhood of $500 million. Under the influence of this environment the rise in interest rates was moderated. Long-term rates moved to somewhat higher levels in the second half of 1961, and after mid-November the rate on 91-day Treasury Bills edged above 2½%.

Frederic A. Potts

Credit prospects for 1962 should, of course, be assessed in light of the outlook for business activity. Current indications are that the upswing in business, which got underway early in 1961 and was proceeding briskly at year end, will continue this year. Spurred by the sustained rise in personal income, consumer spending should reach favorable levels. The growth of business sales may be expected to induce further inventory accumulation, and this, in turn, should contribute to continued growth in industrial production. Also, increased outlays for new plant and equipment and a higher volume of Government expenditures will further economic expansion in the year ahead.

In view of these prospects, a rising demand for credit appears to be in the offing. Growth of sales, inventories, and investment expenditures indicates enlarged financing requirements on the part of business enterprises. To some extent inventory borrowing will reflect the accumulation of steel by users in anticipation of the possibility of a work stoppage in the steel industry this summer. Stepped-up consumer purchases will be accompanied by a rise in consumer credit, particularly if automobile sales continue at the lively pace achieved in the closing months of last year.

Thus, demand forces suggest some upward pressure on interest rates in 1962. With respect to the supply of funds, the future course of Federal Reserve policy is of key importance. There are reasons for concluding that the Federal Reserve will seek to maintain rather easy conditions in the money market. Industrial and commodity prices have remained generally stable, excess plant capacity exists in various industries, and unemployment continues relatively high despite recent improvement. Furthermore, an adequate, sustained rate of economic growth is an annunciated objective of monetary policy.

In addition to domestic considerations, however, the United States is subject to what has aptly been called the "discipline" of its balance of payments. The deficits in our balance of payments and accompanying losses of monetary gold have been worsened at times by the outflow of short-term capital in pursuit of higher interest rates abroad. Therefore, Federal Reserve policy must be formulated with a view toward maintaining short-term interest rates here at levels which are competitive with foreign money centers. This is only one facet of the balance of payments problem. More broadly, it is urgent that fiscal and monetary policies be devoted to combatting inflation while stimulating economic growth.

WILLIAM J. QUINN

President, Chicago, Milwaukee, St. Paul and Pacific Railroad Co.

The railroad industry enters 1962 with prospects for a better year than in 1961. This outlook rests on expectations that the national economy will be stronger than last year.

After the economy's slow start in early 1961 the Gross National Product rose to an estimated annual rate of $540 billion in the final quarter of the year, resulting in a total of about $522 billion for the entire year.

This momentum is extending into the new year and most published forecasts of economists agree that a good business year is in store with prospects that the Gross National Product will be at a $565 billion to $570 billion level by the end of 1962.

The railroads will share in this business upswing. Although no explosive expansion or boom is anticipated for the railroads, the outlook is for a general and steady improvement in the industry during 1962.

William J. Quinn

This will be reflected in Milwaukee Road earnings which in 1962 should be as good or better than in 1961, a year of substantial improvement over 1960.

The railroads, which have spent $17 billion since World War II to improve their plant, are well equipped to meet the demands that will be put upon them by shippers and the public in an expanding economy such as is in store in 1962.

The Milwaukee Road, as an example of the progressiveness of the railroad industry in building for the future, is showing its confidence in the year ahead by budgeting $19¼ million for capital improvements during 1962. This total includes the expenditure of $8½ million for new freight cars. Among other advances planned are the use of television in yard operations and expansion of its radio communications network.

These are improvements adopted with the aim of getting and retaining more business in the area served by its 10,600-mile system stretching from the Midwest to the Pacific Northwest.

Grains and lumber are important commodities transported in the Milwaukee Road area.

The government has in storage in this country more than 2 billion bushels of corn, grain sorghums, barley, and oats. With prices advancing, surplus managers ship more grain into the market. Domestic sales have been increasing and this could have a favorable effect on grain carloadings of the Milwaukee Road.

In the states served by the Milwaukee there was still in storage on October 1 a large surplus of corn available for future movement. Seventy per cent of this corn in storage was owned by the Commodity Credit Corporation, indicating that future movement will depend largely on the government's policy in selling corn.

Domestic demand for soybeans is good and soybean exports are expected to increase sharply so there should be a good movement later although a much larger carryover is expected from the 1961 crop than in 1960. The amount of small grains in storage for movement is below that of a year ago.

Home building is expected to increase 4% to 8% in 1962 and a fairly good year is in store for non-residential construction. These gains should have a favorable influence on the transporting of lumber out of the Pacific Northwest.

The importance of the lumber industry's current and future use of Milwaukee Road facilities is pointed up by the fact that new warehouses are being or have been constructed in the Milwaukee's Franklin Park, Ill., Industrial District by several forest products companies.

The tri-level hauling of automobiles and piggybacking have been growing steadily on the Milwaukee Road and other railroads and these gains are expected to continue at an accelerated rate during 1962. Because of this growth the Milwaukee has obtained more equipment to meet the demands.

The Milwaukee in 1961 spent approximately $800,000 on a unique project of lowering 31 tunnels in five mountain ranges to provide clearance for higher and wider freight loads, an expenditure that will be more than recovered each year in the tri-level movement of autos alone.

A new concept in transportation which is adding to the railroad's traffic volume is the rail-highway service provided by the Milwaukee. This service was originated and broadened in response to the needs of the railroad's customers and presages a new era in railroad transportation.

This new concept was started by the Milwaukee Road about two years ago in the state of Washington at the site of the Wanapum Dam across the Columbia River and then put into service at the nearby Titan missile base. It has since met with great success at the Big Bend Dam above Chamberlain, S. D., on the Missouri River, as well as on the big Minuteman missile complex in Montana and on projects around Rapid City, S. D.

The system provides one-package rail-highway service in the transporting of materials such as steel and cement, and construction equipment, from the shipper to the contractor. The materials and supplies are unloaded at railheads and then carried across rough terrain by truck to the construction location.

The bright future for the railroads in piggybacking and tri-level hauling of automobiles could be adversely affected by legislation of the type which was introduced and failed in the last session of congress, but which is expected to be revived in the next session. This legislation, embodied in Senate Bill 1197 and backed by competing forms of transportation as well as by the Teamsters Union, jeopardizes the combined rate and service advantage in these highly efficent types of handling.

Merger proposals again will be important in the railroad picture in 1962. One of the most significant of these would consolidate the Great Northern, Northern Pacific, Burlington, and Pacific Coast railroads, as well as the Spokane, Portland and Seattle Railroad on a lease basis. This would have far-reaching effects on public transportation in the northern tier of states stretching from the Great Lakes to the Pacific Coast.

Because of the implications of such a merger, the Milwaukee Road has intervened in the hearings on the proposal, asking that certain conditions to insure free rail competition be laid down by the Interstate Commerce Commission in any approval of such a merger. The Milwaukee will oppose the merger if the conditions are not met.

HENRY H. RAND

President, International Shoe Co.

The shoe industry expects a good 1962. In many respects 1961 was a disappointment. So, the prospect of improved sales is particularly welcome. Retail shoe sales and production last year were almost identical with 1960 levels. The major difference is that the retailer went against record 1960 figures whereas shoe manufacturing reached its previous peak in 1959.

Henry H. Rand

Although the total economy has been advancing since last February most of 1961 retail activity was sluggish. In spite of record incomes the consumer did not get excited about his need for goods and services. Shoe retailers are particularly sensitive to the consumer's total buying mood, they are cautious even during periods when shoes and other soft goods are selling well. Only when the consumer starts to buy cars, homes and TV sets does the shoe retailer feel that the total economy is sound enough to rebuild inventories. For these reasons the consumer's sudden return to free spending last October marked the end of a slow shoe year.

Almost anyone sees a growing economy for 1962. For the first six months growth should be rapid with few hazards of over-expansion. The full year should be relatively free from the boom and bust aspects of other postwar expansions. Eventually problems will develop that we have to be met, however. At the moment it looks as though this will not occur before 1963.

In recent years almost all forecasts have carried a big "if." Everyone hedges with "if no war" and "if not long strikes." It is the nature of our world which makes us recognize that forces beyond our control can upset the most carefully laid plans and the most accurate forecasts.

M. J. RATHBONE

President, Standard Oil Company (New Jersey)

Worldwide volumes of product sales, production of crude oil and refinery crude runs for 1961 were the highest in Jersey Standard's history, and earnings improved for the third consecutive year. Indicative of our confidence and optimism in regard to the Jersey earnings outlook, the company plans capital expenditures in 1962 of nearly 1,200 million. This will establish a new company record, exceeding the previous peak high outlay of $1,131 million spent by Jersey in 1957.

M. J. Rathbone

Very substantial levels of capital investment are constantly needed to maintain the efficiency of operations and for modern facilities in support of expanding markets for products.

Moreover, by these expenditures, we will improve the quality and performance of our existing products, provide for the entry of Jersey affiliates into new markets, and expand the number and variety of products. In addition to these capital expenditures, a further $200 million will be spent and charged to income in 1962 in the search for oil and gas reserves, about half in the United States and half abroad. Plans for 1962 also contemplate research expenditures of some $80 million.

Jersey's earnings gain in 1961 resulted from a combination of operating efficiency improvements and an increase in sales volumes of products, especially abroad, and of natural gas in the United States.

Quite significant to the earnings gain for 1961 has been an increase of more than 8% for Jersey's worldwide crude production. In late 1961 the first crude from Jersey's wholly-owned Libyan producing affiliate began to flow to world markets.

Looking ahead to prospects for the oil industry, generally, we see continuing expansion of total demand for crude oil and products in the free world. Based on the expected development of transportation, heating, basic energy and other markets served by the industry, the growth rate in the United States is forecast to be at a rate of between 2 and 3% annually over the next few years.

Demand abroad is expected to improve at a rate averaging between 6 and 7%, while for the whole free world, the rate of increase in the next few years is anticipated to be between 4 and 5%—a growth in which Jersey expects to participate fully.

In functional terms, our program for capital expenditures is apportioned as follows: 43% for production of crude oil and gas; 25% for refining petroleum and petrochemical facilities; 20% for marketing; and 12% for transportation and other uses.

Our research efforts to develop new uses of oil materials continue to be productive. A technique developed by Jersey's scientific affiliate, Esso Research and Engineering Company, for the use of oil as fuel in iron-making blast furnaces is being widely adopted in Europe, Asia, North and South America. Research projects now under way could result in a further broadening of the uses of petroleum products.

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GENERAL E. W. RAWLINGS

President, General Mills, Inc.

The nation's economy is healthy, hearty and growing stronger. Economists agree that it will be more robust in 1962 than in 1961. When they disagree, they reflect only differing opinions on the amount of improvement.

Gen. E. W. Rawlings

Actually, the economy has been gaining strength since early 1961, when it reached its weakest point of the 1960-61 recession. Almost all economic indicators began turning upward in the spring, and they have maintained their course.

With such a running start, the economic health of the nation during 1962 should be **extremely** good. Business spending for both inventories and new plants and equipment will climb. Consumer spending is likely to continue its increase with accelerating speed. Government spending programs passed by Congress last year will push the economy forward well into 1962.

Unemployment lingers as a problem. It is normal, however, for a reduction in the number of jobless to lag behind during a recovery. We can therefore expect unemployment to recede as we move ahead in 1962.

Like most economic advances, the recovery of 1961 was not uniform in all areas. The food and feed industries offer excellent examples which were reflected in General Mills' operations. Though extremely competitive, the convenience package foods business during 1961 was good; armed with growing incomes, American families demanded more convenience, quality and variety in their foods, and they demonstrated their confidence in General Mills products. In contrast, the feed industry has been hard hit by severe overproduction of turkeys and broilers. Although consumers have benefited from favorable prices for poultry products, the profit squeeze has been so severe that turkey and broiler producers and those financing them have faced substantial losses. General Mills is no exception.

As the economy advances in 1962, the food industry and General Mills should share in that advance. Growing population gives us each year more mouths to feed. Busy homemakers, some working outside the home and all with more varied activities than ever before, continue to demand foods of endless variety with built-in convenience. High and growing incomes give consumers the ability to buy the products that meet their wants and needs.

Other phases of the company's operations should benefit from a generally expanding economy. In addition, the General Mills Electronics Group will be in a position to gain from government spending for defense.

Clearly, then, 1962 comes in as a vigorous infant. From visible indicators, given freedom from war, it will mature in health and vigor.

DR. FRANK H. REICHEL

Chairman of the Board and Chief Executive Officer, American Viscose Corporation

Sales of Avisco cellophane were slightly ahead of 1960, making 1961 another record-breaking year, despite heavy competition from other type films for packaging purposes.

Dr. Frank H. Reichel

Higher sales are attributed to American Viscose's continuing improvements in existing films and the development of new ones. Cellophane's advantages as a transparent packaging film are its superior ability to protect flavor and aroma of food items; its attractive sparkle, gloss and clarity; ease of printing; its durability and its trouble-free machine performance.

Further growth of self-service retail merchandising also accounts for a major part of cellophane's growth in the packaging field, as does the growing use of cellophane as a base material in combination with other type films.

Sale of RS Film Up

RS film, American Viscose's polymer resin coated cellophane, found increasing use by customers during 1961. Avisco RS film has machineability advantages over competing film of this type, a major cause of the jump in sales. Compared with standard lacquer coated cellophane types, this premium performance wrap offers superior moistureproofness, stronger heat seals, and excellent gasproofness and dimensional stability. RS film is finding growing uses for wrapping baked goods, candy, snack items and tobacco products.

"T" Films Gain Markets

Avisco "T" films, introduced commercially in 1960, continued to gain sales increases during the year and these increased markets are expected to grow during 1962.

"T" films are special combinations of two light gauge cellulose base sheets with a thin polymer resin inner ply and their constructions give them extra package durability, improved moistureproofness and gasproofness, and strong heat sealing characteristics. "T" films are being used in many food and non-food applications.

New High Yield Films Introduced

During 1961, the company announced the availability of new, high yield Avisco cellophanes which offer greater yield per pound at no increase in price. The new films are indicative of American Viscose's continual technical achievements in this field. Three film categories were involved in the yield increases—a new, polymer coated, and two nitrocellulose coated films. One of the nitrocellulose films is designed for packaging bread and baked foods, while the other is ideal for tobacco products. The polymer coated film because of its high grease resistance and anti-cockling properties is recommended for packaged baked goods, chips and snacks, and similar products.

Sales of REO Rapidly Growing

REO, the Avisco film especially coated for the supermarket wrapping of meats, increased sales considerably during the year. This outstanding, premium performance wrap is widely accepted by food retailers and it made a major contribution to the successful packaging of red meats.

The rapid sales gains of this superior product is due to its excellent bloom retention which enhances meat displays and its durability which eliminates costly rewrapping. Much of American Viscose's high celophane sales can be attributed to the success of this product.

New Use of Cellophane by the Coffee Market

During the year, the company has worked closely with package fabricators and coffee marketers to develop various uses of Avisco cellophane for the coffee industry. Cellophane is now being applied in three different ways to give packaged coffee added freshness and to lock in coffee flavor and aroma. Not only does this improve the product for consumer use, but it adds shelf life for the retailer.

Developments in this new market include a cellophane

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One reason New Jersey is such a great state is that it is continually growing. Its industry is growing. Its business is growing. Its population is growing. And to meet the demands of this growth trend Public Service must always be prepared for what the future might bring. That's why Public Service planning boards are always geared to the anticipated continued increase in demands for power.

With the responsibility of serving nearly 80% of New Jersey's population with electricity and gas, the past year saw Public Service invest more than $120 million to expand its facilities. Without trying to count the proverbial eggs, Public Service sees no reason why New Jersey's growth pattern should change in 1962.

PUBLIC SERVICE ELECTRIC AND GAS COMPANY
Newark, New Jersey

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inner-liner for coffee bags, a celophane outer-wall, and a special duplex (two-ply) bag construction which is made completely of cellophane.

These developments are highly exciting to coffee packagers and additional commercial application is expected for the coming year.

Egg Overwrap Pioneered by Avisco

Interest in the overwrapping of egg cartons among packers and retailers continued to add momentum to this new field for the use of Avisco cellophane. This new packing idea was introduced by American Viscose in 1960 and, in addition to egg packers who are already finding egg overwrapping nigaly encouraging to sales, several large egg marketers are market-testing its possibilities.

In 1962, the Avisco cellophane egg overwraps are expected to gain increased application. Overwrapping with cellophane keeps eggs fresh longer and is the basis for new, aggresive promotion efforts by egg packers.

New Films in Development Stage

Several new major cellulosic-type films are currently under development in American Viscose's film research program and after careful field evaluation, it is expected they will be intrduced to packaging men in early 1962. In addition, the coming year should see the development of other new film to meet specific market opportunities as they arise and the improvement of existing films.

American Viscose, the second largest producer of cellophane in the world, has an annual rated capacity of 150 million pounds. Its plant at Fredericksburg, Va., is the largest cellophane plant in the world. In addition to transparent packaging film, the company also manufactures cellulose bands, meat casings and amino plastic pressure molding compounds.

HENRY H. REICHHOLD

President, Reichhold Chemicals, Inc.

The chemical industry is rapidly shifting to the chemically purer products being produced by petroleum companies and this will result in better materials for the upgrading of consumer items including many plastics.

Henry H. Reichhold

This is a very healthy sign for the industry which for a long time had to rely on raw materials that are by-products of another process. This week, for example, RCI is using its last naphthalene produced as a by-product of coal tar. We at Reichhold hope that the petroleum companies will continue research in developing more basic chemicals for our industry.

This development will benefit not only the chemical and petroleum industries, but of equal importance, the consumer. As the chemical industry relies more on products made by petroleum companies, competition among these companies will certainly be keen. The end result, though, will be higher quality, reasonably priced new items.

Currently there is a surplus of several raw materials in the industry but chemical manufacturers will find new uses for this surplus as prices are lowered. The petroleum industry should not fear going into new fields even if the products they are to make are in over-supply.

The chemical industry is capable of finding many uses for all available basic materials to develop higher quality, new products that will find consumer acceptance.

Reichhold Chemicals, Inc. has contracted to purchase from several petroleum companies, the much-needed better basic chemicals, such as naphthalene and benzol, at lower prices. With the steady availability of new petroleum-based products, RCI expects to continue its growth pattern of larger sales and better profits.

CARL J. REITH

President, Colonial Stores Incorporated

Nineteen-Sixty-Two will undoubtedly be another year of intense competition in the food distribution industry, continuing the pattern that has persisted for more than a decade.

Carl J. Reith

According to recent studies, we can expect to see approximately 800 additional supermarkets competing for the American food dollar during the coming year. We can anticipate stronger, more aggressive merchandising as a result of the more than 30 mergers, involving 473 stores, that took place last year. And we must be prepared to deal with the continuing upward curve of operating costs and with such specific problems as discount house competition.

The coming twelve months will thus pose a real challenge to managements of supermarket chains, particularly the larger chains such as Colonial Stores. Productivity in all areas of operations, from warehousing to stenographic pools, will be exposed to new tests. Merchandising and promotional activities will be subject to new profit yardsticks. The efficiency of managerial, supervisory and staff personnel will have to exceed the highest levels of preceding years if operators are to achieve a reasonable return on sales, and on capital invested.

At Colonial Stores, we think we are in good shape to meet the competitive threats of 1962. During the past sixteen months, under what is virtually a completely new management team, we have streamlined operations drastically and reversed the profit decline of the preceding three years.

Our immediate objective is to build sales volume, which declined fractionally last year, and we propose to move soundly, rather than impulsively, in this direction. We are determined not to sacrifice profits unnecessarily merely to build sales volume.

In brief, 1962 should be a year in which Colonial Stores will establish itself as an increasingly successful competitor in its ten-state operating territory and build a solid base for continuing growth in the years ahead.

R. S. REYNOLDS, JR.

President, Reynolds Metals Company

A substantial increase in shipments to domestic customers, accompanied by a sharp decline in exports, netted the United States aluminum industry a modest recovery in 1961 from the generally lower business levels of 1960.

R. S. Reynolds, Jr.

Final figures should show shipments to U. S. customers up about 10% over 1960. Exports, which represented 13% of 1960's total shipments, will be about 50% lower. In the latter months of 1961, domestic shipments improved at a rate as much as 15 to 20% above comparable periods in 1960.

The decline in foreign shipments was mainly in ingot, while the domestic gain was largely fabricated and semi-fabricated products. Pressure on prices of a number of products tended to retard gains in dollar sales volume.

Total 1961 shipments, both domestic and export, will be about 2,400,000 tons, a 3% increase over the 2,332,000 tons shipped in 1960. Aluminum's record year was 1959 when 2,480,000 tons were shipped.

In 1962, if the general business recovery in the U. S. continues as many economists expect and international markets improve, the aluminum industry should move ahead vigorously. In the year the automotive industry returns again to producing 7,000,000 cars, new housing starts once more number about 1,500,000 and 30,000,000 or more major appliances are sold, the U. S. aluminum industry's overcapacity problem should be substantially corrected. Some now believe that 1962 can be such a year.

Imports from Europe and Japan, although comparatively small, have had some effect on domestic markets. In many cases, foreign producers have been able to deliver semi-fabricated metal to any part of the United States at prices below the domestic market. Low tariffs of 1.25c on ingot and 2.5c on semi-fabricated items have been no obstable to the cheaply produced or government subsidized metal from abroad.

The aluminum industry has gone abroad to manufacture products for the foreign markets, and we are doing what we can to stimulate markets overseas as we did here at home. Aggressive merchandising programs of the three older producers have created a great acceptance of aluminum in the United States. This can be done overseas as well.

During the past 15 years, aluminum has grown from very limited applications to uses in virtually every industry and phase of daily living in the United States. Today the metal's potential is just beginning to be realized in many foreign nations, while its use in high-volume applications is continuing to increase in the U. S.

JOHN R. RHAMSTINE

President, Corn Products Company

New Products are of critical importance to a business such as Corn Products. In any year, the successful introduction of one or two new items would be important company news. In this regard, then, 1961 ranked as an unusually big year for Corn Products. More than any other time in our history, it was clearly the Year of New Products: For the home, industry and agriculture, new, and we believe significant, products were put into national distribution.

John R. Rhamstine

The grocery industry is currently witnessing a mounting trend toward (1) more high quality products which are convenient to use, and toward (2) more products with built-in nutrition values. This past year saw Corn Products emphasis on both trends.

In the area of quality foods we took a major step ahead with the very successful national introduction of dehydrated Knorr soups. Though new to this country, Knorr, a Corn Products subsidiary, has been making quality soup for over a hundred years. Today they rank as Europe's best seller. Capitalizing on our European experience, we created seven flavors of Knorr for the American market. We believe they combine to best advantage the prized gourmet flavor of the homemade product with the easy-to-prepare characteristics demanded by the American homemaker. These soups, incidentally, are being produced at a new automated plant in Argo, Illinois. Full-time production got underway in July.

Heightened interest on nutritional values in food, due in part to the medical profession's investigations and its resulting concern over the amount and type of fats in the diet, led to the national introduction of two new margarine products. More emphasis is now being placed on increasing the intake of polyunsaturated over saturated fats. But several years ago we developed a revolutionary new process for manufacturing margarine. This process, which permits the incorporation of liquid corn oil into a firm table spread — thereby preserving the polyunsaturated benefits of the oil — was patented by Corn Products. And in 1961 the product, under the name of Mazola margarine, was introduced nationally.

The same patented process used in our premium Mazola margarine was also adopted in 1961 for an old favorite, popular priced Nucoa margarine. Over half the vegetable oil in new Nucoa is now in liquid form making it the only popular priced margarine with significant polyunsaturated benefits.

Two other household products introduced during the year were Shinola Scuff Armor, especially designed to cover and protect the cuts and scrapes of children's shoes . . . and Kasco Mom'n 'Pup dog food, a medicated ration made available to veterinarians for the prevention and treatment of roundworms, the greatest killer of puppies.

The Year of New Products certainly applies to our industrial business. Among the major innovations were Mor-Sweet corn syrup, a high maltose syrup with a variety of uses. It's particularly favored by the confectionery industry because its brilliance and clarity produces more attractive and taste appealing confections.

For agriculture, our newly established Feed Products Division introduced Prairie Gold meal, a high protein concentrate used as a major ingredient in poultry feeds. Prairie Gold is the first product born of a new program to broaden the market for the supplemental products derived from our grinding operations.

New products alone, of course, are not the sole reason for our optimism at Corn Products. We also have a most successful world-wide sales effort in behalf of our many established brands. New products, however, are an important yardstick by which to measure a company's vitality and growth prospects. On this score, we believe 1961 was a successful year.

LELAND E. ROSEMOND

President, Otarion Electronics, Inc.

A growing percentage of an estimated 10 million Americans who can benefit by wearing hearing aids will be turning to them for assistance in 1962 as the aids grow even smaller, less conspicuous and more comfortable. Great technological advances are being made in perfecting tiny, camouflaged electronic hearing aids, such as Otarion's dime-size, self-contained model that fits flush with the ear. These will help push the industry's volume to $70 million in 1962, compared with an estimated $60 million in 1961.

Leland E. Rosemond

The market for hearing aids is increasing steadily. In the last decade alone, for example, the country's over-50 population grew by 10 million persons. The older a person becomes the greater are the chances that he will suffer a hearing loss, so that more and more people in this older segment of the population will be seeking the hearing comfort an aid gives. Technological and engineering progress and education are two other major factors in the growth of the hearing aid industry. The last 30 years offer good examples:

Bone conduction hearing aids, which amplify sound and transmit it through the bone behind the ear to the middle ear, were introduced in 1933.

Six years later the industry received new impetus with the successful application of vacuum tubes to hearing aids.

This was followed by "all-in-one" aids that eliminated separate battery packs.

Then came the transistor, and it, too, was incorporated into hearing aids.

In 1955, Otarion introduced the eyeglass hearing aid, adding a new dimension to hearing aid design, and that was followed by behind-the-ear and ear level aids.

Accompanying this progress has been a growing realization of the value of hearing aids in many areas, such as in business and industry. It is a fact that the morale, efficiency and over-all business and industrial performance of the hard of hearing improve substantially after these persons are fitted with hearing aids. This is a market with great potential; it is just beginning to be tapped.

Education is receiving close attention from the industry in general and Otarion in particular. More and more of the hard of hearing are learning that hearing aids, a most intimate application of electronics, are designed to meet their specific needs and to contribute to their comfort and well-being without setting them apart in any way.

They are learning that the hearing aid industry has come a long way from the era of the ear trumpet and speaking tube. Before a person is fitted with an aid today, for example, an audiotician carefully tests for the amount of hearing loss involved, and its type. Some persons may hear very well at the middle frequencies and not at the higher ones, where "s" sounds are formed. Others may not hear low frequencies.

A scientifically-prepared phonetically-balanced list of words, comprising all sounds in English speech, is played from a recording, and the person undergoing the

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test repeats them. From this, the audiotician prepares a chart showing the exact hearing loss and the hearing aid is adjusted to amplify in the needed range.

Further advancement of the state-of-the-art, coupled with a corresponding broadening of the hearing aid market, augur continued prosperity for the industry.

MARY G. ROEBLING

Chairman and President,
Trenton Trust Company, Trenton, N. J.

In my opinion there will be no fabulous sixties, nor roaring seventies. This Nation is settling into a series of stabilizing eras with occasional adjustment plateaus and, perhaps, minor recessions. For the foreseeable future, business can look forward to a normal increase, and Gross National Product will keep pace with the population increase.

Mary G. Roebling

I am amazed at the diversity of opinion among prominent economists and even those who are representative figures in the banking world. All cannot be right and it appears that the layman's opinion may be as good as theirs. One thing is certain, the tax structure must be overhauled, and another item is the part played by the profit squeeze, which must be avoided and present tendencies corrected.

To this end Congress is mindful of tax burdens that are throttling the efforts of the economy to adjust itself into an orderly progressive unit of usefulness. The profit squeeze is serious. Business must trim its costs as price increases will not help, in as much as inflationary forces must be kept in the creeping category.

Research may well be the salvation of some businesses that can prosper upon the advent of labor-saving processes or discovery of new and profitable items that appeal to the consumer with additional income to spend on these things he or she wants or needs.

The year 1962 will be a year of moderate gains. Plant payrolls are indicative of more money for workers than in any previous year's beginning, but the deductions are many and the net contents of pay-envelopes may not make extreme spending possible. The American people are saving more directly and also placing increasing amounts in various media—the stock market, mutual funds, etc.—all of which, along with emphasis on current debt reduction, naturally removes vast sums from the free spending reservoir that would otherwise be used to purchase goods and services and thus make 1962 far more exciting in sales. I agree with Dr. Nadler, consulting economist to the Manufacturers Hanover Trust Company whose article recently headlined—"No Significant Upturn Expected; Excess Capacity Cited." This item of excess capacity is important, as in the case of many products wherein the demand is soon filled and the export market use is barred by competitive production abroad or tariffs.

HAROLD E. RIDER

President, The Fairfield County Trust Co.,
Stamford, Conn.

The vigor with which the economy rebounded from the last short recessionary movement ending in the first quarter of 1961 is particularly noteworthy. It is further evidence of the effectiveness of the self-correcting devices in our free enterprise, capitalistic society. Once the excesses which had resulted from the previous expansion phase had been corrected, the economy demonstrated the same resilience that we had seen in the previous postwar recoveries of '49, '54 and '58. In contrast to last year, virtually all major indices of economic activity are now in an upward trend, indicating that 1962 will see new records in the measure of this nation's economic output.

Harold E. Rider

In the field of banking, an increase in earning assets and deposits seems assured. In recent years bankers have capably handled the problems of increased costs for personnel and equipment. Now they are faced with the prospect of increased costs in the form of savings interest. We are confident that this will not restrict the prospects for a record year, but, to the contrary, will allow the banking fraternity to be competitive with other thrift institutions in obtaining savings deposits. As the rate of economic activity increases, we look for slightly higher interest rates on the earning assets, a factor which when combined with increased deposit levels indicates that this year's earnings will compare favorably with 1961.

As in the previous postwar recoveries, the consumer will provide the largest upward thrust through increased spending for goods and services, but businessmen will make an important contribution in the form of increased spending for plant and equipment as well as inventories. In addition to these positive factors the economy will be further stimulated by increased spending by the Federal, state and local governments.

In spite of all this, our economy is faced with some serious problems. A prolonged work stoppage in the steel industry could have serious implications and give rise to a painful slowdown for the economy as a whole. By the same token, too much activity resulting solely in anticipation of the strike could cause distortions which would result in a disappointing last half for this year. Also, we must not lose sight of the fact that in spite of record personal income and economic activity generally, we still have a large number of persons unemployed. On the international side, we are still plagued by an unfavorable balance of payments. Additionally foreign business will become increasingly competitive.

We feel that the forces of expansion are strong and well rooted in our economy as we enter 1962. Banks will again demonstrate their ability to supply the credit needed for sound economic growth. The flexibility of our free enterprise system and the inventiveness of the American businessman lead us to believe that the problems noted above will not interrupt the long-term up trend in the economy.

The outlook for Fairfield County's economy is bright, and two components of the economic profile — retail sales and value added in manufacturing—might well go over the billion dollar mark for the first time.

Retail sales hit a new record of $960-million in 1961, and the billion dollar mark for 1962 would result from expected higher total incomes and freer consumer spending.

Value added in manufacturing should rise about 4% in 1962. It stood at $975-million at year-end 1961.

Population by year-end will be close to 700,000, some 22,000 more than last year.

Households will increase about 1,300 and around 207,300 families will call the County home by the year-end.

Incomes of Fairfield County families should rise to the $1.902-$1.934-billion level, between 4% to 6% over the 1961 total.

Barring last year's frigid weather, the construction industry should add some 5,100 new dwelling units this year, up from 4,500 last year, bringing the total number of homes in Fairfield County to 222,880.

Total employment in the County rose to a new high in 1961 to 238,000 jobs at the close of the year. We look for our growing economy to add about 10,000 jobs during 1962. Unemployment last year hit its high at 7.5% of the work force in January and February when jobless totaled about 21,500. By November the jobless had been worked down to 5.1%. For the first half of 1962

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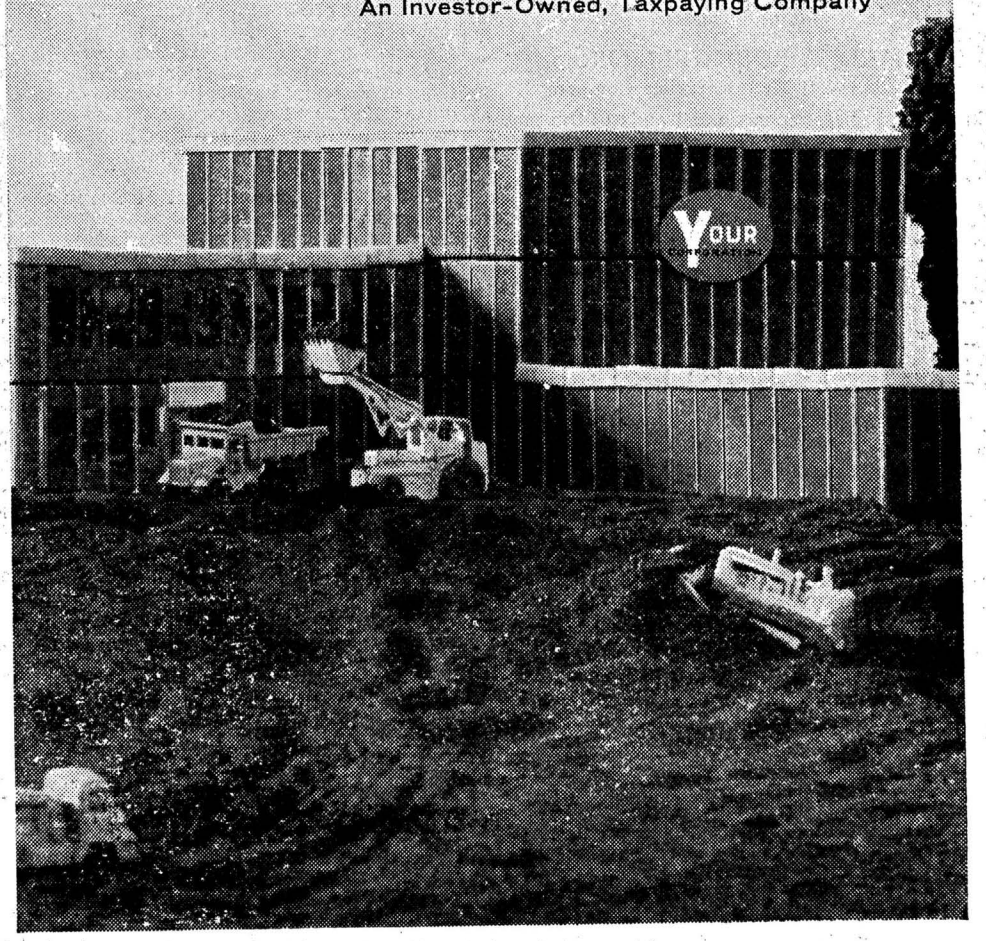

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all of the County, with the exception of Bridgeport, should average 5% or below. The last six months may see the jobless down around 4.5%. Bridgeport's unemployment will hover around 6% and keep total County unemployment close to the 5.5% level.

All aspects considered, Fairfield County's economy appears healthy and vigorous for 1962.

W. GORDON ROBERTSON

President, Bangor and Aroostook Railroad Company

The economy of Northern Maine, the area served by the Bangor and Aroostook railroad, is principally influenced by the prosperity of its potato industry and of the pulp and paper industry. While the position of the area's paper industry is sound, the condition of the Maine potato industry is less than good. Since potatoes account for 28 cents of the Bangor and Aroostook's income dollar, a depressed potato market is a considerable factor in the railroad's earnings.

W. Gordon Robertson

The difficulties that beset the potato industry are the result of national overproduction. The effect of new potato processing plants in the area has not been as beneficial as was expected this year because of 1961's overproduction. There is no immediate prospect of a price upsurge during the spring of 1962; stocks on hand of both processed and fresh potatoes are at high levels. The first quarter of 1962 has the appearance of a hold-fast period with no signs of recovery indicated until the new crop is planted in the spring.

The drop in revenues from shipment of potatoes has been somewhat offset by increased pulpwood production and manufacture of paper; but there is little chance for improvement in overall earnings as long as potato overproduction exists. Commodities other than potatoes show improvement but little growth potential. Revenue projections over a five-year period do not appear to indicate a large growth situation.

Realizing that large scale growth in railroad earnings is not likely, Bangor & Aroostook Corporation is stepping up its plans to diversify its interests. During the past year, the Corporation acquired Goal Credit Corp., an industrial finance company, which has been a successful first venture into non-railroad fields.

Further diversification efforts have been slowed somewhat during the exchange offer of Corporation stock for Railroad stock. But with the most recent exchange offer which expired Jan. 10, some 98% of Railroad stock has been exchanged for Corporation stock. The Corporation management has set itself a goal of at least two more acquisitions during 1962.

If we have read the signs and portents correctly, and we believe that we have, the Bangor & Aroostook Railroad will find it difficult to protect itself against the unregulated highway transportation of potatoes.

It will require increased public awareness, which must be reflected in Congress and in state legislatures, of the unfairness and economic unsoundness of present policies before we can expect growth in potato revenues. Meanwhile, until these changes can be made, we are determined to bolster our railroad earnings thorugh expansion into additional fields of business.

WILLARD F. ROCKWELL, JR.

President, Rockwell Manufacturing Company

On the basis of studies, reports and trends of the many industries which we serve, we believe the nation is headed for a very good year in 1962.

At Rockwell, we are budgeting record sales and earnings for the next twelve months. Our 1962 sales should be substantially higher than the $125 million record set last year and our earnings should exceed the 1969 peak of $9,734,000.

W. F. Rockwell, Jr.

To buttress our optimism, our backlog of orders is 65% bigger now than it was a year ago. In addition, we have introduced this past quarter and will announce during 1962 more new products and product refinements than ever before in our history.

To take a look at the business indicators, one by one:

Housing starts will be up from 1,300,000 in 1961 to 1,375,000 in 1962. This means an expanding market for our gas and water meters and for power tools which we produce for the construction industry.

There is every reason to expect that the chemical industry, a growing market for our valves, will continue to surge ahead.

Continued expansion of gas utilities and distribution will mean more demand for our gas measuring and regulating equipment.

And the market for our water meters should broaden in 1962 as more and more communities realize the value of metering in water conservation efforts.

Consumer buying should pick up, due to growing personal income and the facts that consumer credit is at a relatively low ebb. Thus there will be more potential buyers for our power tools for the home.

Affecting our industrial power tool sales favorably will be a predicted 10% rise in industrial production. With school construction up and growing emphasis on vocational training we also expect improved power tool sales in that area.

Since 1962 is an election year, it will be a good year for our Automatic Voting Machine division. And the growing interest in traffic safety and driver education should mean additional sales of our Drivotrainer training device and new Drivotron driver tester.

The trend of government spending seems to be inalterably up. However, because of additional plant capacity, there will be more competition for this business in all fields. Along this line, we have added a government services department thrcugh which we intend to solicit government business.

To sum up, as far as we at Rockwell are concerned, we look for expanding markets for all our products. We also expect the national economy generally to continue its swing upwards, more nearly approaching the levels originally forecast for the start of the so-called "Golden Sixties."

JAMES A. RYDER

President, Ryder System, Inc.

The year ahead should be a good one for the economy and the nation, with most key business indicators showing almost complete recovery from the lows established during the first half of 1961. A pronounced increase in consumer spending during the last few months of 1961 gives every indication of continuing well into the first half of 1962.

James A. Ryder

Because inventories were contracted sharply in 1961, it seems likely that the trucking industry will record a steady rise in intercity freight during the next four to six months.

Even with the usual seasonal downturn at midyear, industry revenues should easily rise above 1961 levels with resultant benefit to the financial position of the nation's motor carriers. As a result of economies instituted during the lean months of early 1961, the trucking industry is in a strong position to translate increased business into profits.

If business continues its present rate of improvement, 1962 could be one of the best years in the history of the motor carrier industry.

FORTUNE PETER RYAN

President, Royal McBee Corporation

The past year has seen the business machines industry facing a problem common to many other major industries in the U. S.: that of achieving satisfactory profit performance under current economic conditions.

The year ahead will be marked by efforts to restore reasonable profit margins without sacrifice in product quality or customer service. This goal, in fact, must be given high priority in long-range planning for the whole decade ahead.

Fortune Peter Ryan

At Royal McBee we have geared ourselves to meet this challenge through extensive modernization of our production facilities, installation of the most efficient new equipment, and realignment of our marketing force to maintain better control over our selling costs. These efforts began to show material results by the middle of 1961, and we expect this to continue during the year ahead.

We have continued our vigorous program of product research and development. Five major new products will be introduced by Royal McBee in the business machines field during 1962.

In the office typewriter market, we have continued to maintain a leading position despite intensive competition from other domestic manufacturers and inroads which continue from foreign machines.

In the first quarter of our 1962 fiscal year, which ended October 31, 1961, we experienced the largest single business quarter's sales of portable typewriters in our history. Also October portable sales were the largest for any single month in our record.

Industry statistics show that in recent months one out of every three portable typewriters sold in the U. S., including both foreign and domestic makes, was a Royal.

Through Royal Precision Corporation, a subsidiary jointly owned with General Precision Equipment Corporation, we believe we have established a sound growth potential in the electronic computation and data processing field and intend to continue to focus our efforts on equipment in the low-priced—under $300,000—range.

We are maintaining a satisfactory share in the industry's growth in our electronic computing and data processing business. Our Royal Precision LGP-30 computer continues to be the most widely used low-priced general purpose computer among business and scientific organizations and the government.

Our more sophisticated electronic data processor, the RPC-4000, which was introduced more recently, now accounts for approximately 30 installations and we have a substantial backlog of orders which should account for about 100 additional installations during the coming year.

The demand for such small-scale electronic equipment, we believe, will continue to grow at a disproportionately fast rate because of the universal value of compact electronic data processing machines, not only to large concerns using them in decentralized operations, but also to the thousands of smaller companies which must maintain competitive efficiency.

During 1961, sales of our other data processing products, punched cards and accounting forms and equipment, continued to show a steady rise. We expect these lines to continue their growth pattern during the coming year.

R. E. SALVATI

Chairman and Chief Executive Officer, Island Creek Coal Co.

Based upon present-day economic forecasts, sales of bituminous coal in 1962 are expected to reflect a 6% improvement over 1961, or an annual demand for all markets approximating 425 million tons. This accelerated demand is anticipated in the electric utility, metallurgical, export, and general industrial markets throughout the first half of 1962, with a leveling off in the second half to a rate just slightly in excess of the second half of 1961, which is an improvement over the same period of 1960.

R. E. Salvati

Over and beyond improved production and sales, 1962 will play an important part in coal's future. Research will be considerably expanded and the coal industry is prepared to launch a vigorous marketing program in an attempt to recoup portions of its markets previously lost to competing fuels. Much of the industry has completed its capital expenditure programs in the interest of increased efficiencies and productivity and is greatly improving its competitive opportunities.

While coal will continue to be confronted with complex problems at the close of 1962, in my opinion the industry will have made substantial progress during that year toward improving its markets and profitability.

DAVID SARNOFF

Chairman of the Board, Radio Corporation of America

The rebound of the American economy in the latter months of 1961 should, in my judgment, continue into 1962, promising for industry generally and for the Radio Corporation of America specifically a new year of increased volume and profitability.

David Sarnoff

RCA rode the economic currents of 1961 with conspicuous success in its established businesses.

Our consumer products had their most profitable year since 1955. Their sales were stimulated by substantial increases in one one of the nation's dynamic growth products — color television.

The National Broadcasting Company achieved in 1961 the highest profit in its thirty-five-year history.

The first two units of the nation's front line of defense against missile attack—the massive Arctic Radar installations at Thule, Greenland, and Clear, Alaska—were placed in full-scale operation on schedule in 1961 by the U. S. Air Force and RCA, the prime contractor.

Against the backdrop of these and other corporate accomplishments, the fact that RCA's profits for 1961 will not change appreciably from a year earlier, is due primarily to the costs of launching our newest important business—electronic data processing.

Since we entered the data processing field, RCA has incurred progressively heavier annual expenditures in this new and highly competitive, but rapidly growing business. However, we believe that the year 1961 has brought these costs to a peak. We expect that our 1962 losses in data processing will be approximately half of what they were in 1961. Each dollar gained will, in effect, be a dollar added to the new year's profits.

With this potential profit swing, plus the additional profit momentum now being generated by color TV, and by a number of our traditional businesses, we believe that the RCA earnings picture in 1962, and the years ahead, can improve markedly.

With data processing now established as a basic element of RCA's operations, it is our firm determination to assure for RCA an important position in this vital and expanding field.

Data processing is fundamentally electronic in character. It is a relatively new electronics business that will change greatly as it develops and matures. As the nation's foremost all-electronics company, RCA has the research, engineering, production and service experience, as well as other resources, to enable it to make important contributions to this evolutionary process, and to establish a profitable business in this field.

While I see no justification for extravagant "boom" claims for the year ahead, I believe new records will be achieved by American industry in the sale of goods and services, in consumer income and in consumer expenditures. Similarly, I expect electronics again to hold its position as the nation's fastest growing major industry.

As the leader in the electronics industry, RCA must be geared to meet increasing and formidable competition in every segment of its business, both at home and abroad. At the same time, it must also be in a position to meet the challenge of rising costs of doing business that faces American industry in general. The magnitude of this problem is enlarged for companies such as RCA which maintain their leadership and advance their future pros-

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pects by devoting a substantial portion of their earnings to pioneering in research, development and the introduction of new products.

In a technological age where changes in products and services occur with unprecedented speed, there is no security for any company that fails to advance with the march of science. But in RCA, as in many other large and diversified business organizations, there are opportunities for effecting economies in operations. Successful efforts in this direction should result in increased efficiency.

The management of RCA has undertaken a vigorous program for reducing the cost of operations all along the line, and we are firmly resolved to achieve the goals we have set for ourselves. This program, along with the substantial progress being made in data processing, in color TV and in our other businesses, gives us confidence that the years ahead will bring higher profits for RCA and a greater return for our shareholders.

H. F. SCHOON

President, Atlantic, Gulf & Pacific Co.

The outlook for the dredging industry for 1962 is problematical. While the appropriation for such work by the last Congress would be sufficient to keep the industry fairly active on federal work, it remains to be seen how much of the work will be performed by the Corps of Engineers with their own equipment and forces; also, on how much dredging will be offered by private industry — airport and highway fills, land reclamation, other miscellaneous work.

H. F. Schoon

There is deep concern in our industry, among barge operators, and industries that have located along the inland waterways owing to low cost water transportation, about the threat of tolls or user charges. Such charges would be a drastic reversal of public policy, established by the Northwest Ordinance in 1787 that—"The navigable waters . . . shall be common highways and forever free . . . without any tax, impost or duty therefor."

In a recent publication, The National Waterways Conference, Inc. said in part—

"Any waterway toll charge, imposed by the Federal Government on any part of our domestic waterways, breaks a precedent coming down from our earliest origins and introduces competitive dislocations between shallow-draft and deep-water transportation which would compel extension of the toll systems to the Great Lakes and ocean harbors."

The disruptive impact of user charges would fall most severely upon industries most basic to the nation's economy: steel, petroleum, minerals, electric power, aluminum, coal and others similarly vital. The public service values of much existing Federal investment in a vast natural resource would be largely destroyed. Further development and expansion of our Federal waterway system would slacken tremendously; the dredging industry would be seriously affected.

Certain tonnage is the business of trucks—other tonnage is the business of railways—and still other tonnage is the business of waterways. Through cooperation and working together, rather than hampering tactics, the various components of the nation's transportation system can benefit both themselves and the public through each handling the type of business for which it is best fitted.

Lowering bridge clearances, also a threat, would work against waterway improvements and the dredging industry.

It does not seem credible that after the expenditure of hundreds of millions of dollars to develop our harbors and inland waterways, now of vast benefit to the nation, that legislation will be voted which would largely nullify the value of these great national assets.

Down through the years harbors and channels have been vital contributors to the growth of America. Their usefulness and continuing development should not be curtailed through the influence of selfish interests and misguided legislation.

EARL B. SCHWULST

President, The Bowery Savings Bank, New York, N. Y.

The upward momentum of the economy—augmented so strongly by expanded retail purchases in the fourth quarter of the past year—seems certain to carry the economy to new high ground throughout the first half of 1962. Moreover, I see nothing in the history of business cycles since World War II—nor in any of the broad aggregates of spending—which suggests that the prosperity so confidently expected for the first half of 1962 should not continue at least through the end of that year. In such a setting, how will savings behave? In particular, what will happen to savings deposits in mutual savings banks? What will happen in the mortgage market? These are questions of prime interest to savings bankers as fledgling 1962 begins its fateful flight through maturity and old age in 12 short months ahead. When all reports are in and the books are closed, savings deposits in all mutual savings banks will be recorded as of year-end 1961 at slightly in excess of $38 billion—up $2 billion during the year. Except for 1958, this was the best annual dollar gain since the close of the Second World War. The year 1962 promises gains almost as large.

Earl B. Schwulst

Even a cursory view of savings bank deposit behavior in 1961 reveals that the bulk of the gains in new money occurred in the first half of the year, and that this was particularly true in New York City where almost one-half of the industry's deposits are domiciled. This fact should not be particularly surprising since characteristically in recent years when the economy has slowed down—and people became reluctant to spend, and rates of return elsewhere became relatively less attractive—mutual savings banks have been among the principal beneficiaries. After the forces of recovery began to assert themselves strongly as in the second quarter of 1961—and consumer spending and corporate profits began to rise, and interest rates generally began to stiffen—the inflow of deposits into savings banks began to tail off. How, then, with prospects for continued improvement in general business conditions, can savings banks look forward with optimism through the year ahead?

The answer lies not in an examination of short-term cyclical movements, but rather in longer term secular trends. A decade ago, equities were rather obviously underpriced, and the inflationary forces loosed by huge war-time government deficits had not yet spent their force. Moreover, savings banks were laden heavily with low yielding long-term investments acquired during the depression and war years when public policy required interest rates to be kept at very low levels. But today, the scene has changed rather dramatically. The past eight years have witnessed a remarkable degree of price stability which—barring adoption of an irresponsible Federal fiscal policy—should continue into the years ahead. Stock prices have risen so rapidly that the notion that yields on common stock in the years ahead will match those of the past decade is hardly credible. In addition, interest rates generally have been at more normal levels long enough to become substantially and increasingly reflected in dividend rates paid by savings banks—which, after all, with their very low operating costs are an extremely efficient financial intermediary. All of which means that the savings account has become and is becoming an even more attractive investment medium—a fact which the savings public, with the efforts of the savings banks, will become increasingly appreciative of in the years ahead including 1962.

Together with the general advance in anticipated rates payable on savings accounts in 1962 has come (1) the fear that some or many banks may sacrifice quality of assets for higher earnings, and (2) the expectation that while other rates stiffen, mortgage rates will fail to regain the ground lost during the recent recession due to a combination of heavy savings inflow into savings institutions and a residential construction sector still lacking in much vigor. It is my conviction that both of these notions are wrong. My confidence in the judgment and integrity of bank lending officers generally simply does not permit me to believe they could lend imprudently merely for the sake of increases in yield. This is obvious folly. Moreover, barring mass Federal subsidization, the shiftability of funds within the capital market is sufficiently great to preclude anything more than partial isolation of any segment of that market—including the urban mortgage market—from a general advance or decline in interest rates.

STUART T. SAUNDERS

President, Norfolk & Western Railway Company

There is no question that our economy is stronger today than it was a year ago at this time. The recession that lasted well into 1961 is now a thing of the past, and business has improved substantially, with the prospect that 1962 will be a very good year for the economy.

Stuart T. Saunders

The present improvement in business is welcome news for the nation's railroads, which suffered sharp declines in revenues and earnings during the recession. Moreover, there is increasing evidence that unlike in the past, when basic inequalities in the regulation of the railroads were forgotten as business improved, significant governmental action to alleviate the plight of the railroads may now be forthcoming. The bankruptcy of one Eastern railroad and the serious financial condition of a number of other railroads in this region have brought home the fact that the railroads must be relieved of some of the onerous burdens of excessive regulation, unfair taxation and subsidization of competitors. A number of proposals toward this end have been made, and we are hopeful that some action will be taken this year.

Despite the handicaps under which they labor, the railroads are continuing their efforts to increase their efficiency and adapt their services to the changing needs of shippers. Since the end of World War II, the Norfolk and Western has spent over $651 million on capital improvements, including $38 million last year. As a result of these expenditures, we now have a modern fleet of 561 diesel locomotives and some 80,000 freight cars, which is more freight cars per mile of line than any other major American railroad. Last year we acquired thirty new diesel locomotives and over 1600 freight cars, including, in addition to open-top hopper cars, many special-purpose cars, such as boxcars with DF equipment, flat cars for handling pulpwood and plasterboard, and gondola and covered hopper cars equipped for handling coiled steel, bulk flour, lime and other specialty shipments. During 1962, we expect to make capital expenditures of approximately $40 million, a substantial part of which will be devoted to the continuation of our program of constructing 85-ton roller-bearing hopper cars—the only such cars in use in the railroad industry.

It is now apparent that the most promising development in the railroad industry since dieselization is the merger movement which has swept the industry in the last three years. This trend began in 1959 when the Norfolk and Western merger with the Virginian Railway, whose lines paralleled the Norfolk and Western's between the Virginia and West Virginia coal fields and the Port of Norfolk. This merger has made possible substantial economies in operations and improvements in service, which have benefited coal and other shippers on the lines of the two railroads. As a result of our very favorable experience in the Virginia merger, we proposed a merger of the N&W and the Nickel Plate and

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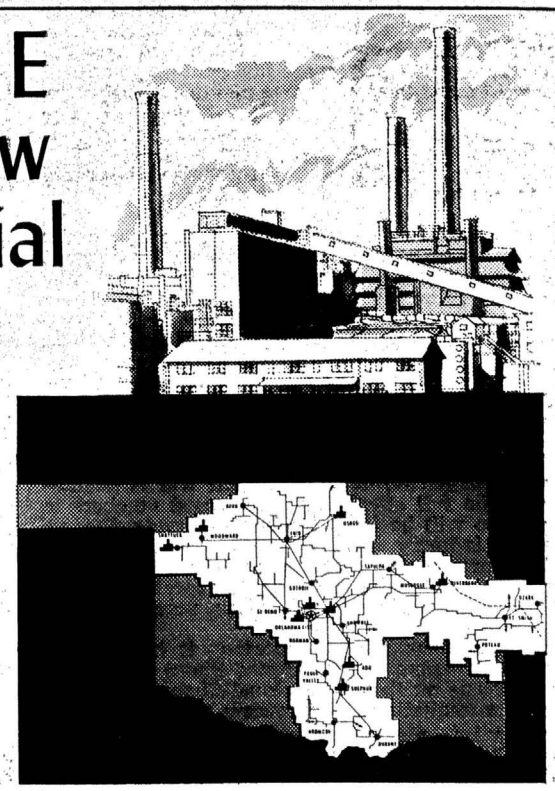
OG&E and the new industrial heartland



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OG&E's Industrial Development Department is telling this persuasive industrial story to business leaders like yourself through concentrated national advertising and personal visitation.

Part of this story includes OG&E's construction of a 235,000 kilowatt combined cycle steam-gas turbine which, when completed, will be the largest installation of its type in the world. During 1962 alone, OG&E will invest more than 19 million dollars in construction projects.

Get the full facts. Write in complete confidence to Don H. Anderson, Manager, Industrial Development Dept. • Oklahoma Gas and Electric Company • P. O. Box 1498 • Oklahoma City, Okla.

OKLAHOMA GAS AND ELECTRIC CO.

Donald S. Kennedy, President and Chairman of the Board

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the lease by the N&W of the Wabash and acquisition of the Sandusky Line of the Pennsylvania Railroad.

The N&W-Nickel Plate-Wabash unification, which would result in annual savings conservatively estimated at $27 million and afford single-line service between the Port of Norfolk and many important producing and marketing areas in the Middle West, was overwhelmingly approved by the stockholders of the roads involved, and is now being considered by the Interstate Commerce Commission. We are confident that Commission approval of this unification will be obtained, and we hope that the consummation of this and other unifications now before the Commission will give added impetus to a movement that should help the railroads to survive as private enterprise.

DUDLEY G. SEAY

President, Basic Products Corporation

Since Basic Products is an extremely diversified company, its performance must be related to many industries rather than any single industry. In general, however, we are confident that favorable trends which developed during the second half of 1961 will continue, resulting in increased activity for 1962.

Dudley G. Seay

The creation of larger, highly diversified companies will continue this year. The diversified company, composed of counter-cyclical units, is in a position to withstand extreme fluctuation in any given industry. It also possesses the elements required for continued growth and profitability. Our own company, as an example, was until a few years ago engaged solely in the production of malt for the brewing, distilling and food industries. Currently it realizes more than half its sales and profits from a range of products serving, among others, the electronic, electrical, metallurgical, utility, consumer and scientific markets. Thus we feel better equipped to maintain long term strength by calling upon capabilities in many fields to satisfy any specific market requirements.

Those of us participating in the electronics and electrical equipment industries will witness expanding markets for our products, although competition will become even more intense. Industry today is operating in an environment of declining profit margins. In order to grow and prosper, therefore, a company must demonstrate a marked innovative capability. Research and product development programs must be planned and implemented aggressively if the serious problems arising from product obsolescence are to be overcome. New products and major redesigns of existing products will comprise more than half of an electronics company's sales in any given year. Recognizing this, our company has more than doubled its research budget in the last two years and undoubtedly will make further increases in the future.

New product development is only one element, albeit an important one, of a company's innovative skills. Increased competition in 1962 will require stronger, more aggressive marketing organizations. Moreover, manufacturing and engineering departments will become more customer-oriented, constantly striving to provide better products at lower prices on shorter delivery schedules. We in the electronics and electrical equipment industries should recognize that we are functioning in a critical buyer's market, and that in order to maintain satisfactory sales, profits and return on investment, we shall have to react quickly to the changes in our business environment.

Many companies will fail to recognize the rapid changes taking place in this industry. As a result of this failure, or through poor financial management, we foresee an acceleration of the shake-out in the electronics and electrical industries in 1962. Moreover, the attempt to realize operating economies of scale will increase the number of mergers and acquisitions this year. These business combinations and failures will reduce substantially the number of companies participating in these industries.

The production of malt is a major activity of our company. Two factors make us optimistic about future beer consumption, to which malting is closely related. First, the number of persons in the 20 to 40-year age group, the highest beer consuming group, is beginning to increase as a delayed result of the World War II population boom. The full effect of the increased numbers in this age group will be felt later in this decade. Second, the brewing industry is pursuing a highly aggressive promotional program to attract more beer drinkers. The combined effect of these two factors is expected to bring about an increase in beer consumption, resulting in an increased demand for malt.

Finally, and perhaps most important, it is becoming more apparent that we in the United States must place greater emphasis on the international dimension of our business. The unqualified past success of the European Common Market—a group soon to be strengthened by the inclusion of Great Britain—establishes that union as a most powerful economic trading force. Other possible common markets, in Latin America and elsewhere, demand that we adopt a global concept of business. Vast opportunities exist for American firms to increase sales and profits through international activities, but they must be planned thoroughly and executed efficiently. Those same innovative capabilities, moreover, which are necessary for business success in the United States will be required for success in international markets.

In summary, we expect business to increase in 1962 in all phases of our company's operation. Competition will become more severe in the electronics industry, forcing companies to rely more heavily on their innovative skills. Business failures and combinations will accelerate, resulting in the formation of larger, more highly diversified companies. And American businessmen will give greater attention to international markets.

MONROE SELIGMAN

President, Tenney Engineering, Inc.

The industry that brings space down to earth to help insure the success of the nation's space program rose sharply in 1961 to a level we estimate at $225 million —an order of growth triple that predicted when the year began. The figure represents equipment built and orders placed or in process in 1961 and the activities of commercial environmental test laboratories. It does not include the volume of environmental testing at private, or captive, laboratories which, while very substantial, is impossible to estimate.

Monroe Seligman

At the end of 1960, environmental simulation for aerospace and industrial testing was estimated at $150 million, and growth of $25 million was projected for the following year or two. That was conservative, indeed, but dollar volume tells only part of the story. The year 1961 saw spiralling breakthroughs in the state of our art, bringing it to a point hardly envisioned in the "oven and ice-box" days of only a few years ago, when the entire industry was measured by only $10 million. It was the year in which we achieved, in a practical way, the low pressure equivalent of two million feet of altitude, or nearly 400 miles into space. That's less air than on the point of a pin.

It was the year of the "shroud," or "thermal heat sink," for true simulation of the absorbability of the utter cold blackness of space. It was the year of the first space simulators large enough to place a complete, six-foot payload under test. It was the year in which practical low temperatures for this type of application dived from minus 120 degrees Fahrenheit to minus 400 degrees.

Acoustic noise is an environment that will come into its own in 1962. This is simulating jet engine noise, under controlled conditions, of such intensity that it will tear metal to pieces. It is on the order of a billion times the power of the violin string that will break a glass.

In 1962 environmental engineers will also emphasize new, sophisticated combined environments, involving nuclear devices, plasma propulsion systems and radiation.

NORMAN SCHWARTZ

President, DWG Cigar Corporation

1961 was the 7th successive year in which cigar sales increased. True, this increase did not quite meet the ambitions of the Cigar Industry. However, traditionally, increases in cigar volume have always been of a relatively slow albeit steady nature. The vigorous promotion and advertising efforts of individual companies and the extensive public relations and advertising campaigns of our trade associations have had only a relatively short period of time in which to make their effects felt. These efforts are only now beginning to impress non-cigar smokers with the idea that cigars can and should be a part of their pattern of smoking enjoyment.

Norman Schwartz

The smoker is just beginning to realize that at some time in every day there comes a moment when the cigar, and only the cigar, can offer him the true relaxation and smoking enjoyment that is necessary to relieve the tensions of a hectic modern life. We expect, through continued industry wide efforts, to achieve a situation where every smoker will sense the need for this moment of relaxation and will have at hand the cigar of his choice.

This is not a large ambition and is one which can be realized. And, in the realization, will considerably broaden the base of those who use our product.

Of course, it will take time to educate this vast potential market to the fact that fine cigars are no longer expensive, that they are, in fact, the least expensive form of relaxation, and that they contribute a greater sense of individual well-being than any other smoking practice.

With the full range of sizes, shapes, and prices that the Cigar Industry now offers to the consumer, it should not be difficult for him to integrate this type of smoking into his general daily pattern. The small cigar, the Cigarillo and the Cigarito, are certainly encouraging this development. During the last year, the greatest numerical increase in demand focused on these sizes. This is a healthy indication that the trend toward cigar smoking is broadening, since our research indicates that the smaller cigars are the first to be approached by the neophyte to the practice of cigar smoking. Statistics also show that many men who are initiated into the pleasures of cigar smoking via the small cigar, graduate in time to the large cigar for the ultimate in smoking pleasure.

There has been a further healthy development in the Industry, in the development of new techniques in cigar manufacturing which have allowed us to maintain the reasonable retail cost of cigars while still retaining uniformly high product quality. The only real increases in cigar prices in recent years have been due to the imposition of emergency taxes on cigars in some states. Last year, the unfair emergency taxes on cigars in New York and Michigan expired without renewal. These taxes were repressive on sales in two very important markets. In 1962 the Industry will operate without these two burdens.

Our continued growth prospects are further improved by the favorable trend in our economy. Employment is increasing and discretionary income is growing. In longer range terms, it is significant that cigar smoking is also closely related to leisure time. Many authorities have stated that we stand today at the threshold of a substantial growth in leisure time and leisure time activities. As this occurs, we will have a further stimulant to cigar smoking over and above the normal growth factors of personal income and population increase. We do not know whether this influence will be significant as early as 1962, but we have every hope that it can be counted on to add additional vigor to the steady expansion of a growing industry.

BENJAMIN SHERMAN

Chairmana, ABC Vending Corporation

With the close of 1961, the automatic vending machine industry establishes another record year in its history. Despite the sharp expansion in the number of vending machines in use, from some 50,000 units in 1925 to more than 4 million today, the industry still has its greatest growth ahead of it.

Benjamin Sherman

Our optimism for 1962 is based upon the continuing progress in automatic feeding and refreshment service through coin-operated machines, as more and more retailers and concessionaires turn to the improved batteries of vending machines to provide hot meals in industrial plants, office buildings, shopping centers and places of amusement.

Vending machines serve the public through many conveniences, resulting in lower costs and saving time, not only during the lunch hours, but 24 hours a day, seven days a week, in strategic locations. These factors have given automatic merchandising a growth rate far in excess of that of the population and the American economy.

The automatic vending service industry has been expanding at an annual rate of 12% during the past 20 years to the present sales volume of $2.5 billion. An dicted an annual sales volume of $6 billion by 1968. IBM electronic data-processing machine recently pre-ABC Vending Corporation is well prepared to participate in this indicated growth.

JAMES H. SHOEMAKER

Vice-President, Director of Business Research, Bank of Hawaii, Honolulu, Hawaii

The 1961 transition from a boom to a gradually moderating rate of growth will be a continuing trend in Hawaii throughout 1962, because (1) the rate of construction of new housing is in a period of moderate over-all decline, and (2) the sugar and pineapple industries face an uphill year due to rising costs and increasing competition.

James H. Shoemaker

The contrast between the pronounced boom of 1959-60 and the slowly fluctuating growth in prospect this year is so marked that it appears to be engendering a feeling of uncertainty which is not justified in the light of the growth factors that lie ahead.

Last year tourism recorded decided moderation in growth—an increase of 2.9% in comparison with the average growth of 20.3% during the past decade. But with the clear indication of a 1962 advance in Mainland business to increasingly prosperous levels, visitor arrivals should move to new all-time highs during 1962.

Manufacturing in Hawaii achieved a record expansion in 1961 of 17% over 1960, and should show a significant (if less pronounced) advance to new highs this year.

Defense activity in Hawaii reached the record peacetime level of $408 million in 1961 with the prospect of a continuing high level in 1962 (and if the servicing of Polaris submarines comes to Hawaii, as is proposed, it may rise to considerably higher levels).

These factors of strength are good reasons for business confidence. They are not, however, the only reasons for optimism regarding Hawaii's future.

There is great opportunity to create new industries in Hawaii, based on the rapid advance of scientific discoveries and of new production techniques. In the fields of automation, industrial chemistry, pharmaceuticals, and atomic energy, there are prospective possibilities for Hawaii. A widening range of by-products of Hawaiian industries, together with the capacity to grow almost any type of tropical plant, will increase Hawaii's potentials, particularly in plastics, chemicals, and pharmaceuticals.

Another major growth factor is to be found in current developments throughout the Pacific hemisphere.

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Consolidated Aerosol Corp. Stock Offered

J. E. Bayard & Co., Inc., 80 Wall Street, New York City, is offering publicly, 70,000 common shares of Consolidated Aerosol Corp., at $3 per share. Net proceeds will be used by the company for the repayment of debt, purchase of additional equipment and inventory, and for working capital.

The company, of 107 Sylvester Street, Westbury, N. Y., is engaged in the compounding and packaging of cosmetic, household, pharmaceutical and industrial aerosol products for other concerns under their brand names. It also packages and sells products under its own name. Such products include paints, insecticides, furniture polishes, window cleaners, hair sprays, shaving creams, deodorants and silicone mold releases.

Powell, Kistler To Admit Partner

NORFOLK, Va.—Powell, Kistler & Co., members of the New York Stock Exchange, on Jan. 25 will admit George E. Powell, Jr. to partnership. Mr. Powell will make his headquarters in the firm's Norfolk office, 217 Main St.

Dempsey-Tegeler Names Officers

ST. LOUIS, Mo. — Dempsey-Tegeler & Co., Inc., 1000 Locust St., members of the New York Stock Exchange, has elected G. Donald Murdoch, Raymond E. Kubitschek, Robert Higgins and James H. Murphy Vice-Presidents.

J. Barth Co. To Admit Partner

SAN FRANCISCO, Calif. — On Feb. 1 J. Barth & Co., 404 Montgomery St., member of the New York and Pacific Coast Stock Exchanges, will admit Claude N. Rosenberg, Jr., to partnership.

Gartman, Rose to Admit L. Sapir

On Jan. 31, Louis Sapir will become a partner in Gartman, Rose & Feuer, 1 Wall St., New York City, members of the New York Stock Exchange. Mr. Sapir in the past was a partner in Cohen, Simonson & Co.

Glore, Forgan To Admit Giblin

Glore, Forgan & Co., 45 Wall St., New York City, members of the New York Stock Exchange, on Feb. 1 will admit Walter M. Giblin to partnership.

Three With Pac. Coast

(Special to THE FINANCIAL CHRONICLE)

SAN FRANCISCO, Cal.—Bernard Gedanken, Pauline R. G. Nielson and Edward H. Stephens have become associated with Pacific Coast Securities Company, 240 Montgomery Street. Mr. Gedanken and Miss Nielson were formerly with Waldron & Co., Inc. Mr. Stephens was with Frank Knowlton & Co.

New Scott Planning Office

NEW BRUNSWICK, N. J.—Scott Planning Company has opened a branch office at 103 Bayard Street under the direction of Donald T. Baltrus, Sr.

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Countries bordering the Pacific have four things in common: They are increasing and diversifying their agricultural output; they are planning and implementing programs for new industrial development; they are increasing their trade relationships throughout the Pacific; and they are planning for, and achieving, a remarkable rise in travel and tourism by expanding air services and building tourist facilities. Hawaii, as the only central Pacific economy, is already benefiting from this growth —particularly in the field of tourism.

A special aspect of this growth is Hawaii's increasing participation in research, trading, and technical aid programs. Island firms are already assisting in the development of sugar production in foreign countries. A Hawaiian firm is participating in dredging operations in the Philippines and in Japan. Another is engaged in the development of a large area for agrcultural production in Australia. The University of Hawaii has contracts for educational and technical aid with far eastern countries, and is currently establishing a new center for cultural and technical interchange with them.

In addition, Hawaii's relationships with the Mainland will continue to grow, and added to this growth will be a rise in travel, trade, contractual, technical, and financial relationships with other parts of the Pacific.

Within the Islands, the underlying factors that have contributed to growth and strength continue to be operative, including (1) a broadening of the base of the economy due to the diversification of agriculture, industry, and service enterprises; (2) continued modernization and urbanization; (3) expanding sea and air transport facilities; (4) high levels of investment in Hawaii; (5) increasing strength as the operating center for American defense throughout the Pacific; and (6) continued unification and integration within the Islands.

During 1962, however, business in Hawaii faces a continuation of the 1961 trend toward more competitive conditions in practically all fields—including retailing, construction, manufacturing, and service enterprises. In short, Hawaii faces a year of readjustment, which quite normally and inevitably follows a pronounced boom.

A temporary moderation in business activity is no basis for pessimsm. On the contrary, it provides a useful breathing spell—to consolidate gains, to reappraise the conditions resulting from the boom, and to bring any maladjustments that may have developed in supply relative to demand into balance.

Most important of all, it provides a period for planning for the next major advance—in order to take full advantage of the potentials that lie ahead and to make certain that future growth will be sound and permanent.

MERRILL E. SHOUP

President, Holly Sugar Corporation

The United States beet sugar industry looks forward hopefully to 1962 as the year in which new and reasonably long-term sugar legislation may be enacted, thus ending a period during which short-term extensions of the Sugar Act have made intelligent forward planning all but impossible.

Merrill E. Shoup

The Sugar Act is the regulatory national law under which sugar production and marketing in this country are conducted. For many months, the outlook for domestic sugar producers has been clouded by the absence of a clear-cut position on the part of both the Congress and the Administration regarding badly-needed new legislation. But there are mounting signs that the immediate future holds significant promise for the beet sugar industry, now the largest single supplier of sugar in the U.S. market, through anticipated revisions in the law. The Secretary of Agriculture has indicated he favors legislation to provide for expansion of domestic sugar production, and there is a considerable general support for this point of view.

An outstanding record in both production and marketing of sugar has been achieved by the beet producers during the period in which the sugar world has been in near turmoil, internationally, as a result of the Cuban government's marriage with communism. There is increasing reliance in the United States upon domestic sources of supply, and by far the greatest potential for production expansion is found in the beet sugar industry. While official figures on the results of the 1961 production year and 1961 marketings are not yet available, it is known that all past records are being smashed in both production of sugar beets and beet sugar and in the quantity of sugar marketed.

Demand among farmers in many states to be permitted to grow more sugar beets is at probably an all-time high. Bulk of the existing industry favors expansion, but counsels that it should be accomplished in a careful, reasonable progression in order to avoid the dangers inherent in too-rapid growth.

The industry is well prepared to assume a larger responsibility for supplying the home market and thus guaranteeing adequate sugar supplies, come what may internationally in these days of crises and tensions between nations. To replace the more than 3,000,000 tons of sugar formerly imported from Cuba prior to the cut-off of sugar trade with the Caribbean nation, the United States has reached half-way around the world for some of its supplies, to such remote producers as India, Formosa, Australia and others. The long supply lines between these nations and the U. S. could be disrupted at

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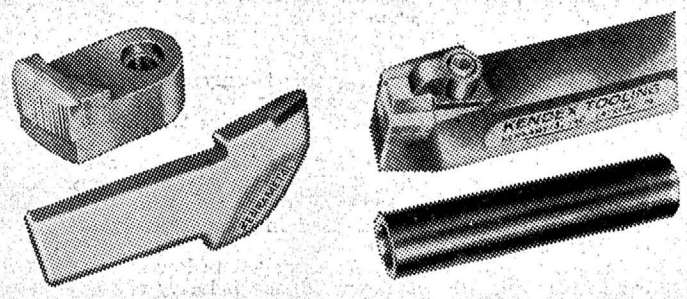
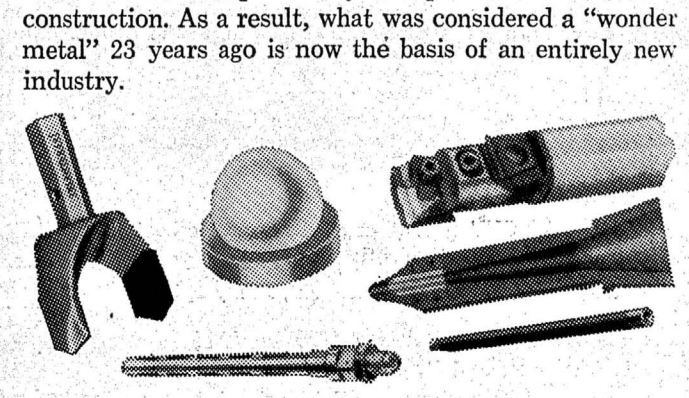
a new basic industry pioneered by KENNAMETAL* Carbides

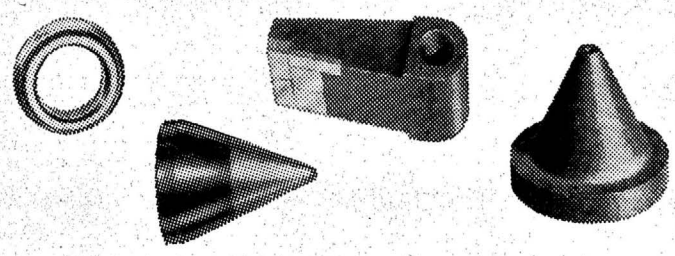
Since the invention of Kennametal in 1938 as the first cemented tungsten carbide to cut steel successfully, imaginative research has expanded the usefulness of these superhard carbides to virtually every industry. Originally produced as thumbnail-size wafers, weighing only a few grams, these hard carbides are now processed as machine components in an almost endless variety of shapes and sizes—some weighing several hundred pounds.



Today, Kennametal tungsten and titanium hard carbides are considered as practically indispensable materials of construction. As a result, what was considered a "wonder metal" 23 years ago is now the basis of an entirely new industry.



Through the early pioneering of Kennametal in the metalworking and mining industries, the ability of these hard carbides to outlast the hardest steel alloys was proven thousands of times. Consistent, forward-looking research and engineering have developed many new uses and markets for Kennametal. And its use as a material of construction for vital machine components and wear-spot applications has expanded into many facets of industry.



In the development and production of carbides, Kennametal has unified control over the entire process, which permits the maintenance of the most exacting standards . . . from ore to finished products. Some outstanding properties of Kennametal carbides are: **Wear resistance** up to 100 times longer than steel. **Rigidity** of 2 to 3 times that of hardened steel. **Heat resistance** to withstand 2200° F under continuous operation and up to 5000° F under specific conditions.

Our product development group, by working in close cooperation with research and design engineers and customers, keeps coming up with new products and new applications . . . engineered to help customers increase production, improve their products, and reduce costs.

If you would like to know how you might profitably use our company's expanding facilities, services, and products . . . please write KENNAMETAL INC., Latrobe, Pennsylvania.

*Trademark 41141

INDUSTRY AND KENNAMETAL ...Partners in Progress

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a moment's notice, were international problems to worsen, and most people realize this.

Hence, there seems no doubt that there should and will be an enlargement of domestic producers' quotas under provisions of a new Sugar Act expected to be written by the Congress during its forthcoming session in 1962.

The beet sugar industry is at an all-time peak of efficiency and productivity, ready to accept larger demands upon its abilities. During 1960, the last year for which complete figures are now available, the industry's outturn of sugar was 2,465,000 short tons, raw value, from 960,000 harvested acres. In 1933, the year before the first Sugar Act was written, production was 1,757,000 tons of sugar from 983,000 harvested acres.

Thus, in 1960 as compared to 1933, the industry produced better than 40% **more** sugar on about 2% **fewer** acres.

The individual sugar beet grower's efficiency in production of his crop has shown a 30% improvement in just the brief period since 1948, and the end is not in sight with new hybrid sugar beet varieties already producing yield gains of from 15 to 25% over older varieties. The agricultural scientists say this is only a beginning with these new hybrids. Mechanization on the farm is a major factor in the stellar efficiency gains which have been made.

Factory capacities of the U. S. beet sugar processors are on a steady upswing to higher levels of output. Through technological improvements, capacities have been very substantially increased in comparatively recent years.

Aside from the necessity for a long-term law spelling out the ground rules under which the industry can expect to operate in the future, the biggest need of the domestic beet sugar producers is strengthening of price for the product, and the facts indicate such an increase is needed and would be well deserved.

Sugar today is the biggest food bargain in the nation. Its price has increased since 1934 one-fourth less than the average prices of all foods and only one-third as much as per capita disposal income.

In terms of buying power, sugar is cheaper in the United States than in any other country in the world. Records show that the wholesale refined price of sugar in 1960 was less than one hundred years earlier in 1860, while production costs are many times higher.

The outlook for the future of the domestic beet sugar industry, assuming no revolutionary changes in the national sugar program, which has worked outstandingly well for some 27 years, is excellent, in my opinion.

HERBERT R. SILVERMAN

Chairman and President, James Talcott, Inc.

For the commercial finance and factoring industry, Nineteen Sixty Two should be a year of continuing growth and increased service to American business and industry. Our business, which is essentially that of providing interim financing to companies with growth potential, will naturally be affected by general economic trends. But our unique capacity to custom tailor finance plans, the flexibility of our financing arrangements and the mobility with which we can move to the support of the strongest sections of the economy all combine, as we see it, to give us certain special opportunities.

Herbert R. Silverman

There are specific reasons supporting this optimism.

The commercial finance and factoring industry has grown consistently and impressively since World War II, discounting periods of both boom and recession. Industry volume in 1940, for example, was $1.3 billion. Last year, we estimate, it was $15 billion, an increase of more than 10% over 1960. Our business itself is a growth business, by all standards of measurement.

Secondly, the industry today enjoys a greatly broadened degree of acceptance in the business and financial community. We are clearly recognized as a vital "third force" in financing—bridging the crucial gap between bank financing and long-term equity financing. Businessmen are becoming increasingly aware that we have the resources, the specialized manpower, the experience and the techniques to provide funds that can support sound growth and maximize profits in virtually any industry.

Thirdly, and perhaps the most significant development in recent years, has been the working relationship that companies like Talcott have established with commercial bankers. In the past three or four years there has been a sharp increase in the volume of our new business referrals that come directly from banks. The number of financing arrangements in which banks participate with us has also risen substantially.

We think that this is a healthy trend for all concerned. Commercial finance companies benefit, of course, by being able to put funds to work on a larger scale. The banks benefit because they can retain the goodwill of their customers—retaining him as a depositor—even when they may be unable to satisfy immediate financing needs. (In the case of bank-finance company participations, the benefits are, of course, even more direct.) And business managers benefit because they now are able to obtain the funds they need, in the amounts needed and at the times when they are most needed.

Few financial analysts are aware of a fourth important element supporting our expectations for continued growth of commercial financing and factoring. That is the substantial increase in the number of clients who do not require financing but who retain the credit guarantee facilities of major factoring companies like Talcott. This trend is significant because it dramatizes the unique role of companies like ours whose services to business extend far beyond merely advancing funds.

To summarize, we believe it is reasonable to project the recent growth patterns of our industry into the coming year. We foresee moderate growth in the general economy in the immediate future, and increasing opportunities to utilize the resources that our company can make available to American industry.

The "normal" demands of our own economy are so great, and the prospects of increasingly freer international trade are so promising, that we look to 1962 with confidence that it can be a productive one for our industry.

WALTER W. SLOCUM

President, International Resistance Company

As does our national economy, the electronics industry enters 1962 far more optimistically than it did in 1961. Whereas industrial activity was declining a year ago at this time, the economy is now continuing to gain ground after turning upward around mid-year; and we look for 1962 to show a continuing improvement in the business climate, barring any serious unforeseen foreign development.

Walter W. Slocum

Exceptionally keen competition among electronics producers was evident in 1961, and there was a considerable shakeout in the pricing structure of many products. The industry generally enters 1962 with more closely controlled inventories, with generally reduced overhead, and with a still higher degree of product reliability prevailing.

The electronics industry has experienced a growth of approximately 250% in the last decade. In that same time, total manufacturing capacity in the United States has increased just 80%, while our Gross National Product has increased only about 40%.

The industry represented a $10 billion market in 1960. Of this, military sales represented about 52%, consumer sales about 21%, industrial sales about 18%, and replacement parts sales about 9%. For 1961, total sales were in the neighborhood of $10.7 billion; and preliminary estimates indicate that this will rise to the neighborhood of $12 billion in 1962, then continuing to move upward by about $1 billion for each of the next several years at least.

It is anticipated that the market for industrial electronic products will have the most rapid growth of all in the current decade. After 1965, as a matter of fact, this growth rate should be further increased due in part to conversion to automatic manufacturing control equipment.

The electronics industry, however, faces a very serious problem: the regulation and control of foreign trade. This has become big business for the United States. In 1960, imports totaled nearly $15 billion. Exports, for the same period, totaled just under $20 billion.

This foreign trade is vital to the well-being of the United States electronics industry, too. In 1960, we exported nearly $500 million worth of electronic goods, compared with imports of about $150 million.

Yet, a part of this industry today faces a very real threat from low-wage countries. These imports were tiny, insignificant clouds on the horizon back in 1955; but today they have become ominous for many firms, and particularly for the small ones whose lack of diversified lines makes it difficult for them to ride out extended spells of rough weather.

In 1955, for instance, the value of Japanese radio imports into the United States totaled little more than $230,000. By the end of 1960, that little white cloud had billowed into a startling $70 million. The figure has continued to grow rapidly since then, until today more than 60% of transistor portable radios sold in the United States are Japanese.

This import problem is not unique to the electronics industry. Today there are some 65 other American industries sharing the common problem of import damage. They include steel, watches, textiles, sewing machines, sporting goods, and scores of others.

Just what is the problem here? In 1934, because of an economic emergency caused by the depression, the Trade Agreement Act was passed to lower tariffs on our goods entering foreign ports by promising reciprocal tariff reductions on merchandise entering our market. That Act has been extended 11 times, and will be up for renewal in Congress in the near future.

It is expected that the Administration will propose still lower tariffs, despite the fact that America is already among the low tariff countries in the world with the end not in sight. In a nation with a lagging growth rate and an unemployment level hovering at a disturbing level, such a course of action would seem to demand searching scrutiny.

Another major need today is for the leaders of our electronics industry to become far more aggressive in keeping abreast of world-wide developments. We can no longer afford to sit back complacently ignoring what goes on beyond our shore lines. Industrialization in foreign countries is developing rapidly and we can look forward to greatly increased competition from overseas as these countries do their best to close off foreign markets to us.

Generally speaking, however, the electronics industry looks forward to continued technological advances in 1962 and in the years ahead. It represents not only the country's fastest growing area, but one that is of primary importance to the welfare and the advancement of free men everywhere.

JOHN F. SMITH, JR.

President, Inland Steel Company

With spending in all major sectors of the economy—consumer, business, and government—now expanding at the same time, the current moderate upswing is likely to continue through 1962. On this basis, I think we can reasonably expect Gross National Product to rise steadily to a level of $575 billion by year end. This would mean a total national output of around $560 billion for the year or about an 8% increase over 1961.

John F. Smith, Jr.

Of course, this growth is not assured. Inventory building should continue as sales volumes expand, and government spending will probably increase. However, if the momentum of the business upswing is to be sustained, larger business outlays for new plant and equipment, and increased consumer spending must now come along to provide added stimulation.

We already have some evidence that a start has been made toward meeting these conditions. The latest government survey of capital spending plans indicates that a mild pickup is underway. It will take a stronger recovery in profits than has been experienced so far to produce a really decisive expansion of investment outlays in 1962, but the trend is clearly upward.

Since the consumer sector accounts for approximately two-thirds of total spending, a relatively small percentage increase in consumer outlays is equivalent to a much larger rise in other sectors. But even with this leverage, the contribution to the business recovery made by consumer spending so far has been disappointing.

The consumer can give the economy and the steel industry a substantial boost by increasing his purchases of hard goods, and I think there are good reasons to expect him to do so. The essential conditions for an increase in durables buying are present today—incomes and employment are rising, instalment debt is low, supplies of goods are adequate, price competition is keen, the consumer has attractive new models of automobiles and appliances to tempt him, and his confidence is returning despite lingering concern over unemployment and the cold war. Retail sales have finally moved up off their plateau, and I think the odds are high that consumer spending will play its usual role in the current recovery and rise further to support the upswing in 1962.

What does all this mean for the steel industry? I think it almost goes without saying that a broad-based upswing in the economy means increased activity in the construction, durable goods, and container markets, and this in turn means greater steel consumption. In addition, our customers are expected to be buying more steel to rebuild their relatively low inventories. Based on the improved outlook for steel demand and assuming no significant interference with operations, my current estimate is that steel ingot production in 1962 will fall within the 110 to 115 million ton range, as compared with last year's total of about 98 million tons. The steel industry's all-time high ingot output was 117 million tons, reached in 1955.

C. B. SMYTHE

President, The Thew Shovel Company

Prospects for manufacturers in the Power Crane and Shovel Industry seem to be for very moderate sales increases in 1962. There still remains some saturation due to the excessive buying during the post war years and, in the construction field, there is an over-supply of generously equipped contractors.

C. B. Smythe

The ratio of earnings to sales should improve but competitive conditions are and probably will continue to be severe for quite some time to come.

Export sales have been good, particularly in ratio to domestic shipments, but there may be some falling off in 1962 if the boom conditions which have been prevailing in Europe taper off to any degree. The establishment of the European Common Market will also have its effect. Canadian purchases of this industry's American made products are at a low point due to economic and agricultural conditions in the country as well as to tariff increases resulting from recent manufacture of like products in the Dominion. The latter situation of course will continue on in the future.

The U. S. highway program has been of assistance and will continue to help sustain crane and shovel output. However, highway construction is but 10% of all construction, both public and private. Even a generous rise in the highway bracket could not be accounted a major influence on the future of the crane and shovel industry which looks as much to mining, logging and industrial

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Louisiana Authority Bonds Publicly Offered

Blyth & Co., Inc. and John Nuveen & Co. are joint managers of the group that publicly offered on Jan. 15 an issue of $30,750,000 Ascension-St. James Bridge and Ferry Authority, La., 4.45% bridge revenue bonds, series 1961, due Nov. 1, 2001, to yield 4.50% to maturity. The group was awarded the issue at competitive sale on a bid of 97.28 for the 4.45% coupon.

The bonds are being issued for the purpose of financing the cost of construction and acquisition of a toll bridge across the Mississippi River near Donaldsonville, La., with an eastern terminus near Union in St. James Parish, and a western terminus just south of Donaldsonville in Ascension Parish. They will be payable as to both principal and interest from and secured by a lien on and a pledge of the net revenues derived from the operation of the Bridge and, to the extent necessary, from certain contributions to be paid by the Louisiana Department of Highways.

They are redeemable at the option of the Authority on or after Nov. 1, 1972, at redemption prices ranging from 104 to 100% on or after Nov. 1, 1996.

Kidder, Peabody Names V.-Ps.

Kidder, Peabody & Co., Inc., 20 Exchange Place, New York City, corporate affiliate of Kidder, Peabody & Co., members of the New York Stock Exchange, have elected Robert H. Austin, Jr., Robert Chaut, Richard F. Coons, E. Merrill Darling of Boston, Joseph C. Glasgow, of Altoona, and Norval H. King, Jr. of Baltimore, Vice-Presidents of the company.

Bache & Co. to Admit Partners

Bache & Co., 36 Wall St., New York City, members of the New York Stock Exchange, on Feb. 1 will admit Joseph R. Dorsey, Charles Mattey, Howard G. Lindquist, and Iver M. Brook to general partnership, and Wallace G. Franklin, Jr., Gertrude E. Conway, and Broderick Haskell to limited partnership.

Mr. Lindquist and Mr. Brook will make their headquarters in the firm's Chicago office, 140 South Dearborn St.

Dean Witter to Admit 2 Partners

Dean Witter & Co., members of the New York and Pacific Stock Exchanges, on Feb. 1 will admit Kevin J. Bradley and Robert W. Witter to partnership. Mr. Bradley will make his headquarters at the firm's New York office, 14 Wall St. Mr. Witter will make his headquarters in the firm's Sacramento office, 924 J St.

Metropolitan Secs. Branch

WICHITA, Kansas — Metropolitan Securities Corporation has opened a branch office in the Union Center Building, under the management of Howard Thach.

With Harris, Upham

(Special to THE FINANCIAL CHRONICLE)

SAN FRANCISCO, Calif.—Harry P. Ziegler, Jr. has become affiliated with Harris, Upham & Co., 540 California Street. He was formerly with York & Co.

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material handling as to the construction industry for its markets.

As capital outlay tends to pick up among the manufacturers and operators in all these markets, shovel and crane output will be benefited, but the rate of such increase in the immediate future may be somewhat deliberate. At the same time there do seem to be prospects for some betterment in the latter part of 1962.

I. MELVILLE STEIN

President, Leeds & Northrup Company

Several factors in the economy indicate that 1962 will be a favorable year for the process controls and instruments industry.

Modernization of plant facilities has received encouragement by the accelerated depreciation rates now being widely adopted, and further encouragement is provided by the Treasury Department's recently announced review of depreciation rates in six major industries.

I. Melville Stein

There also appears to be a growing recognition in Congress that the rapid pace of technological advances may make equipment obsolete long before present laws and regulations permit it to be completely charged off.

It is possible that Congress may provide another tax incentive to encourage capital investment in the form of graduated tax credits for higher-than-average equipment purchased during the coming year.

Another incentive for modernizing plant facilities is the strong, continuing competition from Western European manufacturers, many of whom have equipped their plants with modern, cost-cutting facilities.

One negative factor on plant expansion and modernization is the excess plant capacity that exists in some industries, but this is far outweighed by the continuing need for more precise and economical controls—a demand that grows as our space and defense technology increases.

Leeds & Northrup expects a new record of more than $40 million in shipments during 1962. Much of this will be in electronic recorders and controllers. New 1962 models will mark the start of L&N's second half-century in this field, which began with the world's first practical null-balance recorder in 1912 and was followed by the Company's introduction of the world's first electronic recorder in 1932. The improved 1962 models present the most advanced developments in the state of the art. They have broad applications for research laboratories, colleges and technical institutes, and such key industries as power utilities, steel and metalworking, glass and other ceramics, motor cars and aircraft, communications, chemicals and petroleum.

W. CORDES SNYDER, JR.

Chairman and President, Blaw-Knox Company

This year marks another step in the transition from post-war boom to a more normal economic environment, if normal conditions can ever be said to prevail in our economy. If I were asked to date the end of the post-war economy, which was characterized by boom and inflation, I would pick 1957. Until then defererd domestic demand and the buying power accumulated during the war years, coupled with wide open world markets, provided powerful impetus to broad sections of our economy.

W. Cordes Snyder, Jr.

Now, however, the U. S. is more than able to meet its own needs in practically all areas, while Europe and Japan are back on the world trade scene in full force. Nevertheless, in several areas conditions which prevailed and found their justification in the post-war boom are still operative, although now anomalous and impeding progress.

Among these is the continuing increase in the price of labor while other prices have leveled out in reflection of the new frame of reference within which our economy must operate. Renewed crisis in the steel industry is again in prospect with the basic issues at stake in 1962 of perhaps more vital importance than ever before. The pattern set by steel this year could point out the road to a satisfactory adjustment of labor's demands to contemporary economic realities, or could impose a further debilitating burden on the steel industry and on the economy as a whole.

As the pattern of ever rising wage rates seems inconsistent in a period of over capacity, labor surplus, and profit squeeze, so, too, is our tax structure out-dated and in need of reform. Many of the provisions of our present tax laws were enacted at a time when the United States held a position of unquestioned dominance in international trade and finance. In struggling to establish stronger positions for their own economies, many foreign governments have provided tax advantages and incentives intended to encourage capital formation. These have been successful and today the U. S. faces competition from European and Japanese producers enjoying not only lower wage rates but also equally efficient and equally modern plants and equipment.

Archaic depreciation methods which fail to take into account inflation and obsolenscene and excessively high rates of income tax which destroy incentives are seriously impeding the formation of new capital in the U. S. and, hence, slowing our efforts to keep abreast of the competition in terms of efficiency and low cost production. Unless this situation is reversed we can look forward to increasing difficulty in competing for world markets and to further deficits in our balance of payments.

The re-emergence of major competitors in world markets is being buttressed by the formation of vast new trading blocs, notably the European Economic Community but including important new trade groupings elsewhere. As enabling legislation for Reciprocal Trade comes before Congress again this year, the traditional debate between protectionists and free traders assumes a renewed importance as the formation of these vital new trade blocs threatens to isolate the United States.

These examples of major economic issues which will be in the spotlight in 1962 illustrate the profoundly altered environment in which our economy operates currently. The issues involved will be debated, fortunately, in a year of general prosperity. While I have no

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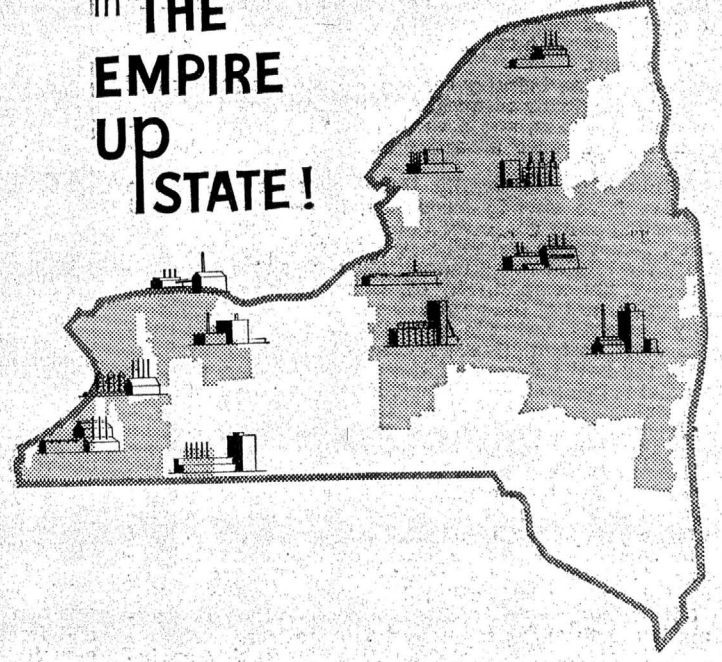
Business is great in THE EMPIRE UP STATE!



Our location is great...all 22,000 square miles of it. We're smack in the middle of America's economic heartland... less than a day's shipping away from the prime markets of the U. S. and Canada. Our transportation system is superb. We have a fabulous system of interstate highways, including the New York State Thruway and the Empire Stateway...linking every corner of the state. The new St. Lawrence Seaway provides industry an outlet to domestic and world markets. A vast modern network of air and rail facilities is second to none in the country. Our labor force is skilled and steady. Our water supply is plentiful, raw materials are abundant and varied, and of course there is plenty of low cost electric power and natural gas to meet both present and future needs.

And now, let's get down to cases. Almost 200 new plants or major plant expansions were completed in the Empire State during just the first six months of 1961. Much of this construction was in the area we serve and for good reasons, too. Part of our business is to answer questions about the area we serve.

Maybe we can help you. If you need information about the Empire Upstate area just write Richard F. Torrey, Director of Area Development, Niagara Mohawk Power Corporation, Dept. CF-1, 300 Erie Blvd., West, Syracuse 2, N. Y.

*Your **One Best Source** of information about the EMPIRE UPSTATE, ask*

NIAGARA MOHAWK

INVESTOR OWNED • TAXPAYING

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crystal ball which enables me to predict the statistics which will be added to economic history this year, 1962 is shaping up as a year of neither boom nor bust, but rather as one which will record another healthy advance by the economy as a whole and by the Blaw-Knox Company as well. But our primary concern at this point should be with those fundamental issues now at stake which will shape our destiny for many years to come.

A. M. SONNABEND

President, and

ADMIRAL JOHN J. BERGEN

Chairman of the Board, Hotel Corporation of America

There is a **potential** for improved income and earnings in the hotel industry in 1962, reversing the trend in recent years. But the prognosis is a mixed one.

On the one hand, in a buyers' market, many hotel operations have been running at frighteningly low occupancy rates. Too many rooms have been improperly placed. There is a real need for more careful market analysis and greater restraint on the part of hotel operators. In the rush to meet competition, many operators have been apparently more concerned with a desire to outdo others, rather than with a businesslike appraisal of what would realize a profit.

A. M. Sonnabend

Adm. John J. Bergen

On the other hand, however, there are several optimistic signs.

Some of the industry has faced up to the problem of a glut of virtually identical facilities at the major transportation centers, and a vacuum where there is a consumer demand for attractive and well-serviced hostelries.

Many hotels, especially those owned by the large chains, have already made significant strides toward attracting more guests for their rooms and dining facilities. Renovation and redecoration have been undertaken with the aim of being not merely newer and more impressive, but competitively so. Management has become sharply aware of the need to be distinctive, to realistically gauge its market in order to attract maximum traffic. Hotel restaurants are finally competing successfully with the best independent dining installations, and the market is being expanded beyond normal transient hotel clientele.

Another important area in the coming year will be a result of the need for greater efficiency and careful attention to costs in all hotel operations. The public seems not averse to paying for newer and better accommodations, but there is increasing insistence on top-quality service. There is a tendency on the part of some operators to offer special discounts as an inducement to increased occupancy. This is not proving to be an answer, nor is it a healthy sign. Careful planning, realistic placement of facilities and accurate market analysis are the keys to successful operations.

Regional and local sales meetings are taking an increasingly important role in the American business community and hotels and motels across the country are being offered an opportunity to cater to an important segment of the business community that heretofore conducted its business only in the largest metropolitan areas. The ability to satisfy this executive trade will mark the successful local hotel operation during the coming year, and in years to come.

Showmanship is being increasingly employed as a sales tool to attract travelers. Special holiday functions, distinctive and specialized services, an atmosphere of "custom innkeeping," all offer a healthier market for those hotel operations who can adapt to changing trends. These techniques should also attract many transients who have not used hotel facilities, and should mean additional business for the industry as a whole.

It is too soon to say what effect the Federal program to attract foreign tourists to America will have on the industry, but the signs are encouraging. U. S. Department of Commerce efforts abroad to encourage a "See America" tourist boom are praise-worthy, and those hotels that take advantage of the expected foreign tourism—and participate in encouraging it—should see significant results. Efforts by American hotels to meet the sophisticated demands of European travelers for fine food and service could have a salutory effect on upgrading our operations and will benefit the local tourist picture as well.

American-operated overseas hotels should also do well. American hotel interests have developed the ability to create truly international hotels, combining modern techniques, architecture and services with traditional innkeeping. These showcases abroad can also serve effectively as inducements to increased tourism to the United States.

By and large, 1962 looks like a better year for the industry as a whole, and especially for those operations that can and will take advantage of the opportunities offered.

CHARLES E. SPAHR

President, The Standard Oil Company (Ohio)

The petroleum industry is not escaping the narrowing of profit margins that has confronted industry generally. Ours has always been a highly competitive industry in all phases of its operations, but in the recent past there has been increasingly strenuous efforts by oil companies to obtain markets. Individual companies have been striving to increase their share of gasoline and fuel oil markets which, during the past five years, have grown at half the rate experienced during the previous five years.

Charles E. Spahr

This is principally the result of the world-wide oversupply of crude oil and refining capacity. The oversupply of crude oil puts pressure on refiners to convert the crude oil into petroleum products. This results in excessive supplies of petroleum products. In turn, this leads to price weaknesses and to sharply competitive marketing.

In addition, the oil industry's share of the total energy market is being challenged by competing energy sources. Natural gas continues to be a strong competitor for some of the markets of liquid petroleum. Also, we expect the consumption of coal to turn upward, even though we doubt that its share of the total energy market will be improved. In view of this, we anticipate that the future demand for liquid petroleum will probably grow at a rate somewhat slower than the domestic economy. The greater growth of service industries will tend to emphasize this disparity in growth rates between petroleum and the general economy.

The competitive situation has caused the oil industry to become more cost conscious. Narrowing margins have necessitated improvements in efficiency. Uneconomic operations are being weeded out. Refinery operations are being streamlined and automated. Some companies anticipated current conditions and have already accomplished a great deal. Companies that react too slowly or are managed ineffectively will suffer.

I look for no respite in the restrictions placed upon the industry by the government. Gas regulations will remain a problem. Import quotas will be continued. The Department of Justice will continue to put road blocks in the way of acquisitions and mergers despite the fact that they offer one of the industry's greatest opportunities for economic improvement.

This sounds gloomy. But the oil industry has rebounded from adversity many times in the past. The industry can look forward to demand for all petroleum products in 1962 about 2½% to 3% above the 1961 level. For the industry's principal product, gasoline, demand will be up nearly 3% in 1962 in the entire country and at least as much in Ohio. This is in contrast to 1961. Demand for gasoline in 1961 was only 1½% over 1960. and in Ohio, demand for gasoline was down about ½ of 1% from the 1960 level, although the last few months have showed improvement. Satisfying the petroleum demand in 1962 will require an increase in refinery operations but will continue to utilize only about 80% of the domestic industry's refining capacity.

Higher demand could result in higher profits. The big question is the price structure. Competition, internally and from other energy sources, and continuing excess capacity in all phases of the industry's operations will exert some downward pressures on product prices.

The level of product prices will determine 1962 profits of oil companies. Only a moderate strengthening of product prices is needed in order for 1962 profits to be at least as high as in 1961. There will, of course, be a number of organizations which will do better than average. The year will challenge the managements of individual companies to exercise initiative and imagination in order to be in the above-average group.

ROBERT C. SPRAGUE

Chairman of the Board and Treasurer, Sprague Electric Company

The electronics industry in 1961 turned in one of the better performances in the entire economy, with total factory shipments of end products reaching about $10.6 billion, compared to $10.1 billion in 1960. This good showing resulted largely from continued strong growth in the industrial market and a fairly high and steady level of military electronics procurement. As anticipated a year ago, there was a slight drop in the value of home entertainment products shipped by our industry, but even here the strong recovery in demand in the second half kept the drop from being as sharp as many had feared.

Robert C. Sprague

In the entertainment segment, 1961 was a year of satisfactory balance, with inventories under good control at all levels, thanks to careful planning of production in relation to sales. A total of approximately 5.9 million black and white TV sets were produced compared to 5.5 million the previous year.

In radio, 1961 was a generally good year, thanks to increased demand for home sets which nearly offset a 20% drop in the automobile radio market. Total dollar volume in home entertainment products came to approximately $1.8 billion against $1.9 billion in 1960. The year ahead should be a good one for the consumer segment of the industry. I look for an increase of TV set production of 6% to about 6¼ million sets, and a good gain in total radio volume reflecting a recovery in auto radio shipments to at least 6 million, as well as a modest further gain in home radios. I therefore, expect consumer electronics volume to recover to the $1.9-$2.0 billion level.

Procurement of electronics for military use increased again in 1961 to $5.8 billion from $5.4 billion in 1960, and there is every reason to look for a further gain in 1962. The government's anticipated military spending program has been revised upward no less than four times since the last budget was presented by the Eisenhower administration last January, and currently calls for expenditures by the Department of Defense of $46.8 billion in the fiscal year ending next June. This is an increase of $3.6 billion from the 1961 fiscal year, and represents a record peacetime military budget, being some $3 billion greater than the peak reached during the Korean War.

I expect a further gain in our industry's military shipments to $6.5 billion in 1962, resulting not only from the higher defense spending to which our government is committed, but also from the steadily increasing dependence of modern weaponry on electronics for intelligence and control.

The outlook for the $1.9 billion industrial electronics market in 1962 is generally favorable, but the level attained will depend largely upon the rate of increase in equipment spending, about which economists differ considerably. In computers, however, further growth is almost certain, to at least the $700 million level.

As a component maker, I am particularly happy to report that the total value of components shipped in 1961 was about $2.8 billion, up from $2.6 billion the year before; approximately $1 billion of this represented replacement parts for the ever-growing quantity of electronic equipment already in operation.

A great deal has been said in the past year of the coming age of "integrated circuitry and molecular electronics," and there is no doubt that much progress can be looked for in this field over the next few years. However, I believe the electronics industry as a whole must keep in mind some of the problems that remain to be solved before these techniques can be adopted. For example, drastic further reductions in the size of today's already minaturized circuits is largely incompatible with the achievement of the higher reliability needed in complex systems, while size and cost are also a trade-off proposition in many applications. Provided that these limitations are kept clearly in view, I believe our industry can move forward soundly in the perfection of integrated circuits and other improved techniques of assembling its products.

As we look forward to the new year, I believe there is reason to expect that the total value of electronic end products at the factory will increase about 8% to approximately $11.5 billion. I see no reason why this growth pattern should not continue well beyond 1962, and although there will doubtless be shifts in importance among our major markets from year to year, there should be ample business available for any company which is alert to new opportunities as they develop in the years ahead.

JULIEN STEELMAN

President, Koehring Company

Construction activity, one of the largest segments of our economy, represented about 11% of our Gross National Product in 1961. The Commerce Department has predicted that construction will rise about 5% to record high in 1962. The manufacture of machinery and equipment for the construction, mining, and quarrying industries currently constitutes about 60-65% of Koehring's business. However, we believe that (1) in 1961 construction machinery sales were below normal—even below replacement levels — and that (2) the rising level of construction activity in 1962 will generate increased demand for construction machinery. The Federal Highway Program is a huge component of total construction. The Federal Highway Act of 1961 authorized a program which will involve $11.5 billion in additional interstate highway funds to ensure the successful execution of the program. Already in 1961 highway contracts awarded are running 9% above the record year of 1960, and further increases are expected for 1962. Although highway construction constitutes only about 10% of total new construction, money spent on road building contains a greater ingredient of construction machinery expenditures than money spent for residential construction, and thus road building becomes relatively more important for construction machinery manufacturers than its position in the total construction picture would indicate.

Julien Steelman

We have been experiencing gratifying increases in our construction machinery orders in the closing months of 1961 over comparable year ago levels. This fact is our best direct evidence that 1962 should be a better year for the construction machinery industry.

Approximately 20 to 25% of our business consists of the manufacture of metal and plastics forming machinery. Spending for new machinery by industry usually lags behind a general upturn in the economy, and the trend in sales for this portion of our business has been downward during 1961. This trend is now reversing. The strength of the recovery of this portion of our business

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Phila. Secs. Ass'n Elects Officers

PHILADELPHIA, Pa.—Phillips B. Street of The First Boston Corp. was elected President of The Philadelphia Securities Association at the annual meeting and dinner of the association. Mr. Street succeeds Gordon L. Keen of R. W. Pressprich & Co., whose term expired.

Phillips B. Street

Other officers elected were: William A. Webb of DeHaven & Townsend, Crouter & Bodine, Vice President; Frederick T. J. Clement of Drexel & Co., Treasurer and John P. McCoy of Thayer, Baker & Co., Secretary.

Mr. Keen was elected to the Board of Governors to serve for one year and the following were elected Governors to serve for two years: Robert T. Arnold of White, Weld & Co.; Edwin J. Pearson of Smith, Barney & Co.; George J. Ourbacker of Yarnall, Biddle & Co. and Henry McK. Ingersoll of Smith, Barney & Co.

P. Strauss V.-P. Of One William Street Fund

Peter Strauss has been elected a Vice President of The One William Street Fund, Inc., 1 William Street, New York City, it was announced by Allan B. Hunter, President of the Fund.

Peter Strauss

Mr. Strauss is director of Security Analysis for the Investment Advisory Service of Lehman Brothers, investment advisor and national underwriter for The One William Street Fund, Inc.

R. J. Wish & Co. Formed on Coast

BURBANK, Calif.—R. J. Wish & Co. has been formed with offices at 919 North Hollywood Way to engage in a securities business. Officers are Robert J. Wish, President; Robert E. Foley and James R. Beardsley, Vice-Presidents; and Sheldon B. Haas, Secretary-Treasurer. Mr. Foley and Mr. Haas were formerly with Costello, Russotto & Co.

Seidel Firm Incorporates

(Special to THE FINANCIAL CHRONICLE)

LOS ANGELES, Calif.—Morton Seidel & Company, Incorporated has been formed to continue the investment business of Morton Seidel & Co., 458 South Spring Street. Officers are Morton Seidel, President; Arnold Seidel, Vice-President and Peter V. Meyer, Treasurer.

Form Metco Syndications

Metco Syndications, Inc is engaging in a securities business from offices in the Time and Life Building, New York City. Officers are Edward Gettinger, President; Arthur Berk, Vice-President; Louis Lacher, Secretary; Bernard Grill, Treasurer; Samuel Pam, Assistant Treasurer; and David Shapiro, Assistant Secretary.

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will depend on several factors and influences, one of the most important of which is the level to which general industrial production will rise in the current recovery. Other factors include the government's programs for encouraging modernization of plant and equipment by revision of "Bulletin F" lives for depreciation purposes of all industrial machinery (as was done recently in the case of textile machinery) and for providing a tax credit for investment in new equipment, which, if they go into effect, could serve to stimulate new machinery purchases in 1962.

About 8% of our business results from the manufacture and sale of oil field hardware. Although the petroleum industry is still apparently faced with an oversupply problem and vigorous price competition, sales of our products to this industry have held up reasonably well in 1961. In the closing months of 1961 we have experienced a slight increase in drilling activity. Sales of oil well hardware for 1962 should be comparable to 1961.

We expect other segments of our business to approximate 1961 levels.

Heavy machinery manufacturers during the past several years have been working out their individual responses to below average markets. For many, including our company, 1961 was a year of further decline in heavy machinery sales even though we began to "bottom out" in incoming orders by the third quarter. However, plant consolidations, close cost control and overhead reduction programs instituted during 1960 and 1961 helped effect sizable profit improvement.

Nineteen-sixty-two should produce substantially greater profits in response to firmer pricing, the continuing benefits of reduced expense levels, and a likely 5 to 10% increase in sales.

W. THOMAS RICE

President, Atlantic Coast Line Railroad Company

The economic outlook for Coast Line during the coming year is good. Increased industrial activity in the southeastern states, in addition to the contemplated expansion of the Government missile program in the Cape Canaveral area, will unquestionably cause a corresponding increase in transportation needs in this area.

W. Thomas Rice

The southeastern states are the more rapidly growing ones in the nation industrially, and Coast Line has invested many millions of dollars in valuable real estate adjacent to many of the larger cities we serve. This will enable us to offer desirable plant sites for any type of industry moving into the Southeast. Accordingly, we expect stepped-up industrial development during the next twelve months.

We believe that piggyback service is one of the greatest areas of railroad transportation, and we look forward to another year that will at least double our present volume. Piggyback traffic for 1961 was triple that for 1960.

However, from an overall standpoint, I foresee very little improvement for the railroad industry as a whole during the coming year unless the Administration and the Congress find ways to relieve some of the burdensome taxes and regulations on the industry.

Since President Kennedy asked the Secretary of Commerce for a report on transportation during the latter part of 1961, it is sincerely hoped that the Administration will recommend to the Congress that railroads be given many legislative relief measures that have been sought for several years. Prominent among these would be a realistic depreciation on equipment and plant, construction reserve, relief from discriminatory taxation, and either the removal or extension to the railroads of the agricultural exemption clause of the Interstate Commerce Act.

LOUIS STEIN

President, Food Fair Stores, Inc.

The retail food industry continued its consistent growth in 1961. It is estimated that total food store sales for the year will approximate $54.9 billion, as against the $53.8 billion achieved the previous year. This represents a gain of 2%. The greatest beneficiary of the retail food industry's progress last year, as in previous years, was the American consumer. While food purchases were up, food expenditures as a percentage of disposable income continued their uninterrupted decline. Since 1953, the share of the consumer dollar spent on food has dropped almost four cents to about 21 cents. This reflects the steadily improving efficiency of the retail food industry, particularly the supermarket, in approaching its goal of mass distribution of maximum value at least possible cost.

Louis Stein

It is especially noteworthy that Secretary of Agriculture Orville L. Freeman has undertaken a campaign to inform housewives that food is a bargain.

Food Fair's expansion program was stepped up during the year. By the end of the company's current fiscal year, next April, we anticipate adding approximately 45 new supermarkets, the largest number of new units constructed in a fiscal period.

At present, Food Fair operates 457 units in a 10-state chain from Rhode Island to Florida. Current sales are at an annual rate of approximately $950 million. On this basis, Food Fair now moves up to fifth largest retail food chain in the nation.

A significant step taken by Food Fair during the past year was its entry into the discount department store field with acquisition of the Enterprise - J. M. Fields chain. We believe that the highly efficient supermarket system of food distribution will find increasing application in the mass distribution of general merchandise.

Since acquiring the Fields chain, five new units have been opened, bringing the total to 38. Continued expansion for this discount department store operation is planned with a minimum of 15 and possibly 20 new units to be added in 1962.

In the expanding national economy predicted for the

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activate your marketing program for the Southeast Coastal 6 from Florida's Gateway City, Jacksonville

Put your new warehouse or manufacturing plant in Jacksonville's new Lane Avenue subdivision—the industrial park that's been carefully planned by Coast Line. This 290-acre site has been graded and subdivided into lots of varying sizes. Provision has been made for municipal water, electricity and natural gas. Industrial labor is available—an estimated 6,000 workers. And good, economical transportation is assured, with Coast Line on the spot.

Other advantages include:

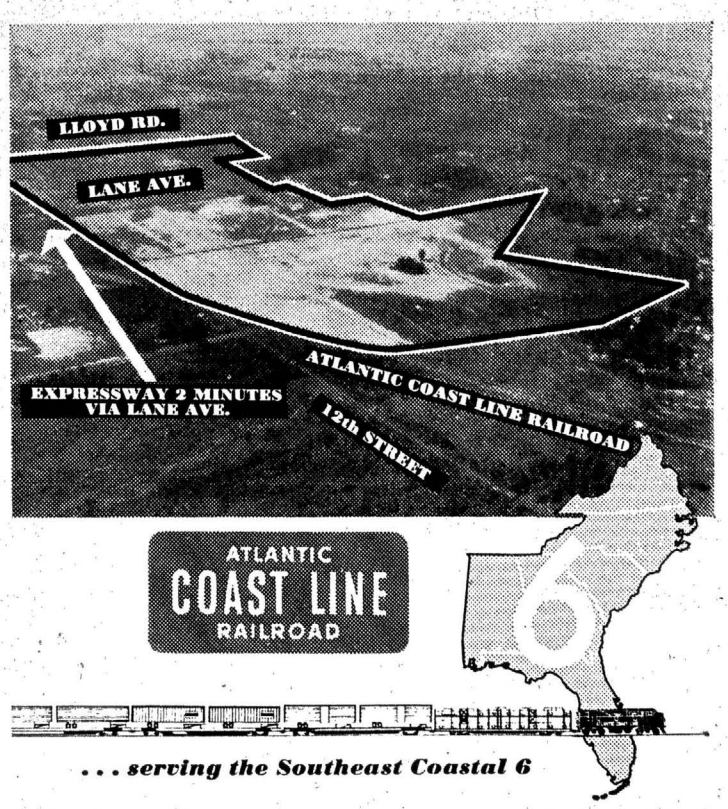
- City, U. S., State and Interstate highways
- Jacksonville's navigable St. Johns River
- Varied recreation, sports, urban facilities

industrial site at Jacksonville, Fla.

For details on this and other good sites in the Southeast Coastal 6, write or call. Inquiries held confidential.

Direct Inquiries to:

R. P. Jobb
Assistant Vice President
Department B-132
Atlantic Coast Line Railroad
Jacksonville, Florida



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year ahead, the food distribution industry will be confronted by a three-fold challenge:

(1) To continue to provide the public's food needs in the most efficient and least costly manner.

(2) To gain its share of the increase in the Gross National Product; and

(3) To maintain its profit level.

We anticipate a greater drive for volume concurrent with greater utilization of our ingenuity, imagination, and skill in developing improved efficiencies and new avenues of profit. While we may expect to see heightened interest in perfecting variances of the traditional supermarket form, by far the preponderance of volume will continue to be done through the highly developed conventional supermarket.

E. L. STEINIGER

President, Sinclair Oil Corporation

The oil industry is heartened as it faces the new year by the near unanimity of economists in predicting a 7% rise in the Gross National Product. I look, however, for domestic demand for pertroleum products to increase by only a modest 2.5%. This relatively small expected increase results in part from the stability of oil product consumption during the recession months, when many heavy goods industries were sustaining substantial percentage decreases. In other words, petroleum opens 1962 with a relatively higher base than many other industries, and its ability to show a high percentage gain for the year is thereby lessened.

Edward L. Steiniger

During the recession months, sales of gasoline and heating oil actually increased. Heavy fuel oil, which is geared closely to industrial activity, was the only major product to lose volume in 1961. Admittedly, automotive gasoline faces a challenge in 1962. The growing use of compact cars has resulted in a lower consumption rate per mile. On the other hand, if the GNP rises as predicted, we may be agreeably surprised by a substantial increase in gasoline demand.

As to some specifics, crude oil production in 1962 will probably remain at just about the present rate, assuming no change in the present level of crude imports. My guess is that there will be little downward change in import quotas if the Administration gives consideration to the beneficial trade and security effects of maintaining the good will of the exporting nations. The output of natural gas and condensate may increase as much as 5%. Overall, drilling activity can be expected to show only a slight increase. Refinery capacity, now in fairly large surplus, should only show primarily the changes attendant to the replacement of obsolete equipment.

Indications are that free world petroleum demand outside the U. S. will rise about 6%. The increased crude oil production in the Sahara and the new production in Libya will start to become significant in the world crude oil supply picture in 1962.

More important to the oil industry than volume in 1962 is price. The industry's price realizations during the last six months of 1961 were the lowest in years, and, relative to costs, were probably the lowest in a quarter century. Refiners are beginning to realize that they cannot maintain a healthy business unless they obtain adequate prices upon which their earnings depend. I hope, therefore, for some price improvement in 1962.

Even beyond the refiner, the whole industry cannot continue indefinitely based on the 1961 price structure. Each major segment of the industry—production, transportation, manufacturing and particularly marketing—must generate earnings commensurate with its invested capital, sales volume and public services rendered. Upon better prices, therefore, the welfare of thousands of small businesses, as well as of the so-called majors, depends for 1962.

W. R. STEPHENS

Chairman of the Board and President, Arkansas Louisiana Gas Company

My feeling is that the cost of money probably is the most important factor to be considered in 1962 in connection with developments and expansion in the natural gas industry and the segments of the manufacturing industry serving the natural gas companies.

Presently there appears to be an ample supply of money available but the cost is higher than it should be to encourage long-term expansion plans. I know of quite a few expansion plans on the boards in the gas industry, and in some portions of the consumer goods manufacturing industry, but they are being held abeyance to see when and whether lower interest rates are going to materialize.

W. R. Stephens

Since the President of the United States is committed to the principle of lower interest we feel that steps will be taken by the Administration to make money cheaper. If this occurs in time, 1962 will see rapid and extensive developments in the natural gas industry and its kindred consumer goods production.

Research, or rather production development, in the natural gas industry is booming and spectacular developments in this field well could occur in 1962. We know that there are several laboratories—including our own—which were on the threshold of perfecting several interesting developments when the old year ended. Arkla and its subsidiaries are well along with design and test on various products in air conditioning, heating, outdoor lighting, refrigeration and power generation to supplement our work in this area in 1961.

The gas industry will react more aggressively and more affirmatively to the competition of other energy sources in 1962 than ever before. It made a great start in 1960, picked up momentum in 1961 and will really roll in 1962. This will occur in the fields of research, product development, improved industrial tools and procedures, but more especially in the area of sales and pricing.

I am not an incurable optimist but I see one of the best years for the natural gas industry in 1962—if the cost of money is stabilized reasonably.

WILLIAM C. STOLK

Chairman, American Can Company

Forecasts of business activity for 1962 are of course subject to the usual qualifications concerning a worsening of the cold war crises or disruptive industry-wide strikes on the domestic front.

Barring these, our company foresees an opportunity for continuing improvement in both sales and earnings in the coming year.

William C. Stolk

Despite the rising level of business activity in 1961, the complaint most often heard in business circles was how to offset the squeeze on profits in the face of higher costs. In view of this, we were particularly pleased that all of our major product divisions were able to contribute to improved earnings by substantial improvements in the efficiency of their operations.

Our company has a number of major programs under consideration for 1962 to take care of future growth. These include expansion of the Marathon Division's Southern pulp operations at Naheola, Ala.; additional manufacturing facilities for Dixie Cup home products; a new Midwestern plant for Bradley-Sun Division's plastic tube and plastic-blown bottles operation; and both manufacturing equipment and dairy-fabricating equipment for our new plastic-coated paper milk containers.

We see six major trends which give an alert company in the packaging and container fields an opportunity to meet tne challenge of the squeeze on profits in the period ahead.

(1) The new competition between materials and combinations of materials is typified by the battle between aluminum and tin plate. As a result, the spiral of cost increases in metal container materials has been halted.

During the coming year most large-volume can customers will have the opportunity to convert to lightweight tin plate. This should give both them and us the opportunity to keep costs down while improving profitability.

Here is a measure of the pace of change in the technology and economics of materials. Every one of the billions of containers and packages we made five years ago has been or is about to be obsoleted by major changes in materials or design.

(2) The trend to more convenience is actually accelerated by a cost-conscious economy. Career housewives don't want to lug returnable bottles to work in order to do their shopping on the way home. More and more people demand time- and labor-saving convenience and are willing to pay for it in a package.

We used to think that opening a can was pretty easy compared to all the work of preparing and cooking your own dinner. But today customers will pay more for a package they can open without an opener. In the coming year we will be making a variety of containers with new easier-opening features. One is a new key-opening ham can. Another is an aluminum can for frozen juices with a pull-off top. Bacon packages have a slide-out tray, and ice cream cartons a "Flip-Top" which opens and recloses easily.

(3) New packages are also being introduced to meet consumer demand for the "large economy" size. Examples include a new half-gallon plastic-coated milk carton. To make this meet the requirement of convenience, we also had to develop a better pouring feature than any previously available on the market. Another is the giant-size 24-ounce pressure can just being introduced for a variety of products such as paints and insecticides.

(4) To meet the profits squeeze, our customers want help in cutting their manufacturing costs. This gives us the opportunity to design materials handling and packaging machinery to meet their needs. For several years, metal cans have been stacked for shipping in huge bulk pallets, with large savings in space and weight. Now we are successfully adapting this method for both composite containers and glass jars and bottles.

(5) The rapid growth of the vending machine business is another trend being accelerated by the profits squeeze. There is a growing market for all kinds of food and beverage containers for vending. At the same time paper service is answering the question of keeping down labor costs in large institutional restaurants for industry, schools, and hospitals.

(6) Finally, the profits squeeze makes more important than ever the trend of the past generation to supermarket selling. And here, the package is the salesman, putting an equal premium on the attractiveness of the lithographed can, the see-through glass or plastic, Hi-Fi, white paperboard for cartons, Glamakote finishes, and so on through the gamut of packaging and container technology.

All of these trends present an opportunity to bring about the improvement in business profits which is essential to the future growth of our economy.

ROBERT E. STRAUS

President, American National Bank and Trust Co. of Chicago, Chicago, Ill.

The nation's economy is in the midst of a pronounced business recovery following the mildest and shortest of the post-war recessions. Beginning in March, 1961, industrial production as measured by the FRB Index has shown a fairly consistent advance from 102 to an estimated rate of 116 for the current month. This favorable trend is expected to continue throughout the first half of 1962 and may extend for the full year.

Robert E. Straus

The problem of forecasting is particularly difficult at this time because the steel wage negotiations at mid-year will have short term effects on tne economy, as well as the possibility of long term consequences. Business inventory accumulation in anticipation of a mid-year steel strike is already discernible and this is especially true in steel itself. Building of inventories is expected to accelerate between now and the end of the second quarter. The consumer, who was somewhat behind times in displaying his confidence during the most recent cyclical recovery, is now spending at record rates, encouraged by steadily rising income and a liquidation of a portion of installment debt. Total retail sales will probably continue to rise in the first six months of 1962, with this emphasis on durable goods. Also supporting the economy will be government expenditures for goods and services.

A projection for the second half of the year involves guesswork but it is generally expected that the economy will be operating at new high levels by the end of 1962. Capital expenditures for plant and equipment by business, particularly as overall production exceeds 85% of capacity; a moderate increase in residential construction; and an expansion of commercial building should all be supporting factors in the economy. Improvement and modernizing of facilities could be stepped up in 1962, especially if special depreciation allowances and rates are enacted.

Some of the chronic problems which we face, such as inflation, a declining gold stock and unfavorable balance of payments position, and an increasingly competitive European economy could all be unfavorably influenced by the pattern set in the steel wage negotiations. Even if we were to succeed in curbing inflationary wage increases, these questions will require determination and hard work before they are solved. If the economy were to lose its vigor in the second half of 1962, persistent high unemployment would still be with us. These serious long term problems tend to temper one's enthusiasm for any short term favorable developments in 1962.

Assuming a strong economic background, the banking industry should have a good year in 1962. The total demand for credit will undoubtedly increase as long as business is in an upward trend, and interest rates should be firm. Deposit totals should remain at least as strong as their present relatively high levels. However, against these favorable factors must be offset the higher interest rates paid on savings and time deposits. The longer term implications of the higher charges which the banks must meet could reduce liquidity and loan standards in some areas of the banking system at a time when these factors might be of importance. On balance, it appears that 1962 should be as good or better insofar as bank earnings are concerned.

NORMAN R. SUTHERLAND

President, Pacific Gas and Electric Company

Continued business gains and rising consumption of energy are expected during 1962 in Northern and Central California. Pacific Gas and Electric Company will spend an estimated $221 million for construction of new facilities. This will be the third time in 17 postwar years that PG&E's annual construction expenditures have exceeded $200 million. The average for the period will be $165 million.

N. R. Sutherland

Contributing to the increase in demand for gas and electricity will be an estimated 3½% growth in population, or 272,000 persons, in the 47 counties in which the Company provides service. By year's end the population of this area will have passed 8 million. We look for a 5% increase in home building over last year, producing an estimated 86,600 new single family homes and apartment units in our service area.

During December we set a new all-time gas sendout record for 24 hours of more than 2 billion 200 cubic feet. Preliminary testing of the $300 million Alberta-California 36-inch pipeline began Dec. 4 just 14 months from the start of construction. One compressor station is in operation in the Crowsnest Pass, British Columbia, and three others are under construction along the 1,400-mile route of the line. As they are completed, deliveries of Canadian natural gas to California will build up to an average 415 million cubic feet a day. This large addi-

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tional supply of natural gas will stimulate further economic development of the PG&E service area. The market provided for the gas will be of mutual benefit to Canada, producing income and creating jobs there.

We also are continuing to connect new gas producing areas in California to our system. A total of 128 new wells in nearly 30 fields of the San Joaquin and Sacramento Valleys is included in the authorized program of connections during 1961 and extending into 1962.

These connecting systems require a total of 112 miles of pipeline. In 1962 we will build an additional 127 miles of transmission main in sizes up to 36 inches diameter. Our natural gas service area will be extended further in the northern Sacramento Valley.

Eleven electric generating units totaling 2,025,000 kilowatts capacity are included in our currently authorized construction program. Six of these are in progress, of which five, with 532,500 kilowatts capacity, will be completed in 1962, bringing the capacity of all PG&E plants at the end of this year to more than 6½ million kilowatts. The completions will include the 60,000 kilowatt nuclear unit at Humboldt Bay Power Plant. Construction is scheduled to start during 1962 on four units totaling 997,500 kilowatts, including the 325,000 kilowatt Bodega Bay Atomic Park. The eleventh unit in the current program, of 165,000 kilowatts, is planned to be started in 1963.

PG&E constitutes one of the largest power pools in America as a result of the complete integration of its unusually widespread regional system. Additionally we have been interconnected with our neighboring power systems for many years. The California Power Pool which we have just formed with the three other principal electric utility companies of the state is a further advance. It provides for the continuous interconnected and coordinated operation of the member companies' systems, including the coordination in the future of their individual expansion programs. Existing interconnections between them will be augmented. The use of all system resources in the most economical manner through the Power Pool will produce far-reaching public benefits.

On Dec. 20 the stockholders of the Company approved a 3-for-1 split of the common stock. The consequent reduction in market price should result in a broadening of public interest in the stock of the Company, an increase in the number of stockholders, and a greater availability of shares of common stock for purchase and sale. Such improved and expanded market for the stock of the Company should benefit the stockholders, the general investing public and the Company.

LEE TALLEY

President and Chairman of the Board, The Coca-Cola Company

Sales and earnings of the Coca-Cola Co. for the first three quarters of 1961 indicate that this will be the most successful year in our seventy-five year history.

The improvements in the economy of this country which have been experienced in recovering from the much analyzed "recession" of 1960-61 have been reflected generally throughout the soft drink industry which appears to react to economic trends fairly rapidly.

Lee Talley

Business activity throughout the Free World, in fact, shows many encouraging signs. In spite of international tensions which wax and wane, most of the more than 110 countries in which our products are sold are experiencing some degree of economic progress.

Although it is prudent to take a generally conservative view of world-wide economic conditions — particularly in the light of possible abrupt political realignments—we are encouraged by the experiences of our own business. To dwell on the occasional economic slowdowns which crop up here and there would be to ignore a generally active and improving economic standard throughout the Free World.

JOHN E. SWEARINGEN

President, Standard Oil Company (Indiana)

The year 1962 looks like a good year for the petroleum industry, and a better year for the economy as a whole.

The national economy should show stronger gains than oil in 1962. Industrial Production in 1962 should increase 10% over 1961 and the Gross National Product should show a gain of 7%. Growth in domestic petroleum use in 1962 will be more modest—about 3%.

John E. Swearingen

Domestic capital expenditures by the petroleum industry should rise by 5% to 6% above the 1961 estimated total of about $5 billion.

New practices of marketing gasoline have been adopted by several major companies, and introduction of these practices has brought severe price repercussions. It is likely that unsettled gasoline prices will continue through most of 1962.

First-half earnings will probably be lower for most oil companies because of lower prices on gasoline and other products. For the year as a whole, however, industry earnings should be about the same in 1962 as in 1961 or show some improvement.

In the Foreign Free World (outside U. S.), petroleum will continue rapid growth in 1962. Production and demand will increase about 10%, with earnings up somewhat less—perhaps 5%. I expect that the cold war will continue but there will be no major hostilities.

Two broad foreign considerations, one negative and one positive, concern the spread of Russian bloc oil and products and the growing economic unification of Western Europe.

Communist bloc cut-price exports to Western Europe have already reached the proportion of about 10% of that market. Continuing Communist activity can be expected.

Economic integration of Europe is moving ahead at a steady pace, and the already rapidly rising demand in European nations for petroleum products will be strengthened materially through the influence of the European Common Market.

LYNN A. TOWNSEND

President, Chrysler Corporation

Businessmen and economists in all parts of the country agree almost universally in expecting 1962 to be a year of sound and stable prosperity. At no time in the past decade has there been such a concert of opinion with regard to prospects for a coming year.

Lynn A. Townsend

In the automobile industry there is the same kind of agreement. Virtually everyone who has made a forecast in recent weeks concerning the size of the U. S. retail market for passenger cars has cited 7 million units as the number of automobiles, including imports, that are likely to be sold in 1962. The 7-million-unit estimate is solidly based on the fact that in the fourth quarter of 1961, retail sales of passenger cars, including imports, have been selling at a seasonably adjusted annual rate of 7 million—with every indication that this rate can be sustained in the coming year.

Retail sales of automobiles in the fourth quarter of 1961 are now expected to equal and possibly exceed the record total of 1,701,000, which is the number of units sold in the fourth quarter of 1955.

Truck sales in the fourth quarter are expected to total close to 250,000 units. If the present rate of sales is sustained during the next 12 months, truck sales may reach the 1,000,000-unit level for the first time since the years following World War II when private industry was rebuilding its truck fleets. The million-unit total was last achieved in 1951.

Among the reasons for expecting passenger-car sales to continue at the present level are the many indications of a permanently higher level of need for personal transportation. Over the past few years, for example, the number of car-owning households has increased by several million, and the number of households owning more than one car has also continued to grow. The total number of cars now in use in the United States is approximately 60 million, as compared with 41 million in 1951.

According to a recent survey, 57% of all privately owned passenger cars in this country are five years old or older. In 1957 only 47% were in that age group. These facts indicate a very substantial number of car owners who are potential customers for new cars or for used cars which are younger than those they now own.

Consumers are in a good position to buy the cars they need. During the short and mild recession of 1960-61 personal incomes remained relatively high and liquid savings increased steadily. Installment debt has remained stable, and there has actually been a slight decline in the ratio of installment debt to disposable income.

Automotive installment debt—after dropping steadily in the earlier months of 1961—is now rising in line with increasing sales. However, the amount of automotive installment debt outstanding is still well below what it was a year ago.

Along with their financial ability to buy cars, consumers are apparently also in the right mood to buy. The latest survey of consumer intentions by the Survey Research Center of the University of Michigan showed a marked improvement in the consumer's confidence about the future, which normally has a strong bearing on his willingness to spend—especially his willingness to spend for major items like housing and automobiles.

In the same survey great numbers of people expressed the view that current automobile prices are reasonable, that credit conditions are favorable, and that there is an attractive assortment of cars available. Expressions by consumers of this favorable attitude toward the buying of cars were as frequent as they were in similar surveys made in 1955 and 1956—when consumer confidence reached the highest level ever recorded by the Survey Research Center.

Confidence on the part of businessmen and consumers, combined with high levels of personal income and savings, should result in sustained and stable prosperity in 1962—provided there is no prolonged interruption of industrial activity arising from strikes and no serious blow to confidence resulting from further disturbances in world political conditions.

E. D. TULL

President, Cummins Engine Company, Inc.

The slowdown in business expansion, so evident in recent weeks, has not changed our basic view of the 1962 outlook. Much of the impact of stepped up military programs is still to come. Capital spending is bound to be accelerated in response to the market gains already recorded in corporate profits.

E. D. Tull

Two very solid leading indicators —manufacturers new orders and industrial-commercial building awards have moved steadily higher. However, the ingredients are lacking for a full-fledged boom in 1962.

Factory shipments of heavy duty trucks have continued to reflect both the seasonal influences and the economic cycle thus far this year. At the beginning of last fall the course of business was still upward, although at a much reduced rate from that of spring and summer.

The continued rise in economic activity should create sufficient demand to warrant a substantial increase in shipments of heavy duty diesel-powered trucks during 1962.

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PWC

The Plastic Wire & Cable Corporation

Jewett City, Connecticut

Manufacturers of Electrical Wires, Cables & Cord Sets

Fiscal Year Ended Sept. 30	Net Sales	Net Income	Net Income Per Share
1961	$12,002,898	$379,931	$1.40
1960	13,142,463	429,018	1.62
1959	12,311,796	499,619	1.93
1958	10,093,714	332,629	1.62
1957	12,302,916	780,692	3.82
1956	11,427,775	700,471	3.80
1955	8,512,565	331,021	1.84
1954	6,202,502	251,944	1.57

NOTE: The net income per share is calculated on the basis of the number of shares outstanding at the close of the fiscal years, adjusted to reflect the 10% stock dividend in 1954 and 10% stock dividend in 1960. The net income for prior years is restated on a basis consistent with a revised depreciation policy effected in 1961.

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WALTER E. VAN der WAAG

President, The Meadow Brook National Bank, West Hempstead, New York

The steady recovery in the economy evidenced early in 1961 and increasing in pace gives promise to continue into 1962. The Federal Reserve industrial index rose to 113 in October—it was 102 at the beginning of the year. Personal income moved up sharply to a seasonal annual rate of $425 billion, an increase of $22 billion from the February low. The important indicators on the economic scoreboard, with the exception of business failures and unemployment, which continued to be naggingly negative, all showed gains as the year drew to a close.

W. E. Van der Waag

But with the return of confidence to the economy come several uncertainties to the decision making level in the banking industry. The Federal Reserve obviously is taking full cognizance of the inflationary forces that tend to develop when the economy as a whole shows signs of moving forward at an increasing tempo. The psychology of consumers with personal disposable income increasing can shift from a mood of saving to a mood of spending rather quickly. This has happened before. The producer is not immune to the shift and buying for inventory accumulation or borrowing for plant expansion to be ready for the consumer buying splurge usually follows on the heels of the consumer shift from saving to spending.

Confidence feeds upon itself. And, always in the background is the threat of government deficits influenced by cold war expenditures with resultant increases in borrowing and an expanding money supply.

The Federal Reserve has done an excellent job in 1961 in supplying reserves to the banking system to help it to meet demands for credit. At the same time the short-term interest rate has remained remarkably stable and this in turn has had its effect in slowing down the flow of dollars to foreign money centers in search of higher interest rates.

Against this background, we look for 1962 to be a year of increasing economic recovery. To support it, credit demands will undoubtedly increase. When this happens we can expect the Federal Reserve to operate with restraint, first with open market operations and then with adjustments in the discount rate. Should the Federal Reserve remain passive in the face of increasing demands for credit to supply a rise in business activity, natural forces in the marketplace will force interest rates to respond upward. We look, therefore, to a climate in banking in 1962 of increased demand for credit, a higher rate pattern and an increase of deposits in the banking system as a whole.

WALTER J. TUOHY

President, Chesapeake & Ohio Railway Company

That the railroads in 1961 suffered from the pinch in the economy to a greater degree than any other service industry, is common knowledge. The outlook for 1962, however, is encouraging. With all the economic indicators forecasting a better business year, and a hoped - for improved regulatory climate for railroads, our industry should show improvement.

Walter J. Tuohy

A study of their history reveals that the prospects for the nation's railroads were often darkest on the eve of a change for the better. This has been due to cyclical changes in the business climate as well as in the passage and interpretation of remedial legislation, such as the Transportation Acts of 1958 and earlier years.

The railroads continue to suffer so many disadvantages in the areas of excessive regulation, discriminatory taxation and subsidization of competitors that legislative relief remains long overdue. It is confidently expected that Secretary of Commerce Luther Hodges' recent report to President Kennedy contains recommendations which, enacted into legislation, should let the railroads do the better job of which they are capable.

Six principal legislative goals which the railroads must reach to attain the full extent of their capabilities are: (1) Relief from unduly burdensome state and local taxation. (2) Repeal from other carriers or full extension to the railroads of bulk commodities exemptions. (3) Depreciation reform, through reduction of maximum depreciable life and creation of construction reserve funds. (4) Repeal from other carriers or full extension to the railroads of agricultural commodities exemptions. (5) Imposition of adequate user charges for publicly provided transportation facilities. (6) Removal of artificial obstacles to diversification of transport.

A primary necessity in helping to cure ills are mergers and consolidations. The railroads realize the importance of this approach, evidenced by the fact that many are already engaged in studies leading to merger or consolidation. Certainly there is nothing the industry can do in the way of self-help right now that offers so much for the continuation of the railroads under private enterprise as a program of unification.

The C&O itself has petitioned the Interstate Commerce Commission for authority to affiliate with the financially-pressed Baltimore and Ohio Railroad as the initial step leading to full merger. Lengthy hearings during 1961 in Washington and other cities were held on C&O's application. The Examiner's report is awaited. We believe the Commission will agree that the proposal is uniquely in the public interest, and will decide by mid-1962.

On C&O itself the outlook for 1962 is promising. With forecasts for the steel, automobile and coal industries generally bullish, C&O expects its eearnings in 1962 to be substantially better than in 1961.

The turn for the better in 1961 started in August, and business continued to climb encouragingly. As an indication of this upturn, C&O earned more in the last five months of the year ($18.5 million, with December earnings estimated) than it did in the previous seven months of 1961 ($11.3 million).

While the year's earnings fell below the year before, reflecting the generally lower levls of businss in the first half, C&O paid its 90,000 shareowners the regular $4 a year dividend—for the fifth consecutive year. C&O maintained its strong financial position, with working capital at year's end expected to be $53 million, and cash and short-term investments of about $55 million.

C&O stands ready to share in the expected general business improvement. Physically, its property is in good shape. There is no deferred maintenance. C&O is expanding its coal car fleet and has added to its piggy-back and other specialized freight car fleet. It is enlarging its coal terminal at Toledo, O., and increasing the capacity of a coal pier at its Newport News, Va., ocean shipping port. C&O has improved its electronics communications network and added to its electronic supervision of train movements through Centralized Traffic Control.

But most of all, the railroads of the country—and especially of the East—are at a fork in the road. And one of those roads is the high road. Mergers, voluntarily negotiated and in the public interest, can do as much for the industry as dieselization did a decade or so past. That is the direction of the right fork which the roads can and hopefully will take in 1962, granted industry and government statesmanship is demonstrated, to preserve the precious right of free enterprise in transportation.

H. von BERGEN

President, American Crystal Sugar Company

With the activity of the winter Holiday Season everywhere, many executives are now trying to analyze what the New Year will hold for them and their company. We, therefore, have the usual problem of inventory control, manufacturing, sales, credits, budgets, expansion or curtailment of operation, capital and maintenance expenditures. Also the sales program must be carefully geared into motion.

H. Von Bergen

The history of our economy is interesting and is a map of prosperity, recessions and depressions. Many of us have vivid memories of the 1930 depression which came upon us with much fury and little or no warning. In recent years, we have, however, developed better ways and means of stabilizing our economy to a more closely and better suited pattern which lends added protection against sudden depression or run-away inflation.

We have now experienced about six months of a relatively good business climate which I expect to continue until about mid-summer 1962, after which there should be a gradual and further improvement for the balance of that year.

Interest rates on prime loans should become more firm as the demand for new loans grows with increased business activity. This should create a more healthy money market which will have its effect on the stock market and the national economy. There, of course, always is that word of caution and in my opinion, one of our serious problems is the threat of further inflation and its gripping paralysis gradually attacking our well-being. I am concerned about our seasonal unemployment which continues to be adversely affected by such things as imports to the United States, with emphasis on clothing, toys, steel, automobiles, plywood, heavy industrial equipment, etc. produced with foreign labor who do not pay taxes in the United States. We should, therefore, make a good appraisal of our high cost of production and large profits from sales and endeavor to compete more closely with the price of foreign merchandise by maintaining quality and service to the best extent possible, to be more competitive and retain our employment at a high level which will create more purchasing power for American-made merchandise.

If our Federal, state and local governments find methods to increase the take-home pay through the reduction of taxes by carefully controlling unnecessary spending and waste, the wage earners will be less burdened in their endeavor to buy more of the things they now need and would like to have.

We cannot stand idly by with our minds occupied with wishful thinking because something real must be done about it promptly if we are to bolster our economy and improve or retain the present business climate through 1962. Because of the detrimental effects of inflation, imports, unemployment, curtailment in production of steel and many other items too numerous to mention here, I firmly believe we must get our own ship in shape before we can again move forward as we would like to do in this great country of ours.

I see no immediate big boom or bust, but, as I see it, there is a better business climate ahead which should continue in 1962. If we are realistic and face up to the many problems which our positions impose upon us as good citizens, then we hope to reap the rewards of our efforts.

WILLIAM H. WALTERS

Chairman and President, Diamond National Corp.

The business outlook for 1962 at the Diamond National Corporation is one of considerable optimism. We foresee continued growth for consumer packaging, paperboard and molded pulp products and the other diversified lines in which Diamond has forged ahead in sales, earnings and productive capacity during the past two years.

William H. Walters

Between 1958-1960, net income increased by 34% (excluding nonrecurring income in 1960) on a sales rise of 16%. Improvement continued in 1961. In the first nine months net operating income increased by approximately 3%, or $2.09 per share, well ahead of the industry's performance as a whole. Fiscal earnings should be in excess of 1960. The outlook for 1962, therefore, is quite favorable.

Diamond National, in the past two years, has concentrated on the reorganization and consolidation of its corporate and division operations, resulting in many changes and savings. Among others, Diamond had eliminated waste and duplication in all areas of production, achieved better quality control, and transformed its far-flung activities here and abroad into a more centralized and closely knit administrative structure.

For the past year, however, our corporate efforts have been directed to increasing productivity and integrating the many operations in the 46 plants that comprise our divisions and subsidiaries. We have also consolidated our research facilities leading to the development of new products, modernization of machinery, and expansion of our existing line of products.

At the present time, Diamond is expanding its molded-pulp operations with the construction of new plants in Middletown, Ohio, and Elsfelth, West Germany. These are being built at a cost of more than $6 million each under the supervision of Diamond engineers. Our research department is designing new machinery to provide these plants with higher quality and more efficiently manufactured products.

Diamond National's 500,000 acres of timberland provide an important source of raw materials for our lumber, match, woodenware and paperboard operations. Packaging products, however, account for two-thirds of our sales. We are cutting deeply into the packaging market, which has a tremendous potential for growth, through an aggressive merchandising program that stresses the "complete" integrated package.

Diamond's Research and Development staffs work closely with customers in providing packaging cartons of high quality and functional value. Our engineers design and build equipment for filling and shipping packages more efficiently. Our high speed, multi-color printing presses produce labels, wrappers and cartons with eye-appeal that help promote their sale.

In the past year, Diamond continued to move aggressively in the direction of diversifying its retail lumber operations. The program of streamlining its 86 building-supply stores and widening their buying appeal was stepped-up, with the addition of new self-service features, retraining of sales staffs and the relocation of many establishments in shopping areas closer to the point of sale.

A wave of tremendous confidence and expectation prevails among Diamond's directors, officers and top management as a result of its financial success in sales and earnings in 1961. We have the conviction Diamond is approaching an important stage that will carry it to higher pinnacles of accomplishment in the new fiscal year.

J. HARRIS WARD

Chairman and President, Commonwealth Edison Company

At Commonwealth Edison Company, we look forward to another year of good growth in our electric service business during 1962.

Our customers in Chicago and northern Illinois are using more electricity, and their number is increasing steadily. Our kilowatthour output is currently averaging around 9% over year-ago figures, reflecting the improved levels of industrial and business activity enjoyed in our service area since last spring.

J. Harris Ward

Though not yet available, I believe our revenues and kilowatthour sales for the year 1961 will be up between 5% and 6%, from 1960. Barring any effects from further deterioration in the international situation, I would expect our 1962 sales to show a similar uptrend.

We see at least three basic and continuing reasons for this optimism: (1) improvement in general business and economic conditions, (2) population growth, particularly in our fast-growing suburban areas which means more electric customers, and (3) new and enlarged uses of electricity by our customers.

There has been a noticeable pick-up in Chicago land home building in recent months. During 1962, we should

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add some 45,000 new customers, including about 4,000 formerly served by a municipal electric plant. Most of those added will be residential customers, as they were in 1961 when our new customers totaled about 35,000.

More and more of our customers are "living better electrically," fostered by our coordinated sales and advertising programs on electric ranges, clothes dryers, food freezers, air conditioning and, in recent years, electric heating. Stores, ofifces and factories continue to install better lighting and air conditioning. Some of the new high-rise apartment buildings in our service area, such as the 60-story Marina City project in Chicago, are going all-electric, including cooking, water heating, air conditioning and space heating.

All things considered, we think that 1962 should see an increase of perhaps 7% in our kilowatthour sales, and a gain of 5% or 6% in total revenues. If these estimates prove valid, we should show a modest increase in earnings per share over the $2.00 expected for 1961.

We have some real and challenging problems though. Taxes continue to rise. In 1960, our provision for taxes was nearly $128 million or more than 27% of our revenues. For 1961, this figure will be nearer 28%, with no end in sight. Our operating expenses also are likely to continue their rise, despite the fact that for many years we have carired on a hard-hititng program to cut costs and improve efficiency. These efforts are continuing unabated. Finaly lw,e are facing strong competition from other energy sources, particularly gas. We have no intention, however, of losing this battle.

To meet growth demands, we expect to spend around $570 million for new construction over the next four years, bringing our total construction expenditures since World War II to about $2.3 billion. When this four-year program is completed, our net generating capability, now 5,507,000 kilowatts, will be increased to 7,660,000.

During 1962 alone, two new generating units will add 680,000 kilowatts, or double the capacity installed last year. These new units will be needed to help generate the 25 billion kilowatthours we expect to sell in 1962.

THOMAS M. WARE

President, International Minerals & Chemical Corp.

The 1962 business outlook is good for the industries served by International Minerals & Chemical Corp.

The fertilizer industry represents the bulk of our business. We are basic producers of phosphate and potash—two of the three principal ingredients in fertilizer—and we plan to be basic in nitrogen in the near future. We also manufacture the finished fertilizer product at 31 plants.

Thomas M. Ware

Farm economic indicators point to a good year for fertilizer nutrients, with gains perhaps as high as 10%; this would about double the 5.2% annual increase in the linear trend from 1950 to 1961.

Here's a sampling of some of the economic indicators: farm income in 1961 was up substantially; farmers last year chalked up a new record in the yield of corn per acre; all crops together also reached a new record in yields per acre; overall farm crop prices are up 3%, and live stock prices are equal to a year ago.

These optimistic indications are reinforced by the probability of an increase in corn acreage which will more than offset possible losses in acreage of other crops. Wheat acreage reduction is already a fact, but is unimportant in terms of fertilizer sales. And while 1962 cotton acreage allotments have been shaved 2% this could be increased by planting time.

Although official reports are not in, our surveys indicate fertilizer sales increased last year in spite of acreage cuts, which kept the increase below the 10-year average.

The fertilizer industry has shown a consistent upward trend in the postwar years, growing at a rate 20% greater than the Gross National Product and undisturbed by the business cycle. One reason for this is the setting of new "norms" in crop yields. A farm getting 55-60 bushels an acre may go to 70 bushels an acre with the use of more advanced fertilization practices. The 70 bushels then becomes the norm, or average. This does not fall back; it is self-perpetuating. Of course abnormal weather will always be a factor limiting crop production.

Also in agriculture, IMC supplies phosphate supplements to the formula feed industry. The outlook for this industry is favorable for the feeding year which began October 1, 1961. A moderate increase in total live stock production is expected in the next 12 months. The crop of pigs, layers, chickens, and broilers, is expected to increase, although a decrease in turkeys is anticipated. We therefore calculate a 4% increase in formula feed tonnage in 1961-62, compared with the average annual rate of increase of 3% per year for the past 10 years.

Among other products. IMC supplies bentonite to the foundry and oil well drilling industries, feldspar to the ceramics and glass industries; Ac'cent brand monosodium glutamate to the food industry, and industrial grades of potash for soaps and detergents.

Foundries supply the "hard goods" lines such as transportation equipment and industrial machinery, which are notably cyclical. Durable goods production is currently about 7% above a year ago, but companies are planning only minor increases in plant and equipment, and railroad outlays continue to decline, reflecting sagging revenues. On balance, therefore, the foundry industry will probably operate at the current level of business.

Oil well bentonite sales have been at depressed levels throughout 1961 due to the low operating level in oil well drilling activity. Improvement is expected by the petroleum industry in the number of wells drilled in 1962.

Ceramics, glass, soaps, detergents, and food are primarily "consumer" goods, consumed and purchased in about the same amount every day. The outlook for 1962 and for every year, is for moderately higher sales of these products, with little regard to the business cycle. However, the sales of convenience foods will continue to increase much more rapidly than the consumer goods average.

ROBERT F. WARNER

President, Robert F. Warner, Inc.

A forecast on the outlook for the hotel business in 1962 developed from an analysis of both prospects and problems facing the 165 leading and independently-operated hotels and resorts for which Robert F. Warner, Inc. acts as consultants, must fall into four different categories to be valid and international in scope.

Robert F. Warner

City Hotels, to begin with, are still threatened with the overbuilding of motels in many major U. S. cities. These latter facilities are being constructed at a rate that far exceeds the present demand. The competition is no longer confined to hotels versus motels, but motels versus motels.

Many big city hotels such as our Distinguished Hotels group, a network of 17 independently-operated great American city hotels, have counteracted this threat by the renovation of facilities, the addition of drive-in entrances, and a large-scale, stepped-up sales campaign aimed to attract meeting and convention business.

It is our belief that the economy and occupancy of our city hotels will depend largely on their convention business, rather than on transient travel, which is being thinned out by the afore-mentioned increase in motel building.

Domestic Resorts, in turn, can look forward to a better year than they had in 1961. The trend for reservations indicates that more people are taking resort vacations again, now that the threat of a serious recession is over.

One major threat continues to mar the resort horizon, none-the-less, namely a possible future ruling of the Bureau of Internal Revenue disallowing convention attendance at a resort as a legitimate business expense deduction.

Such a ruling could affect all of the resort areas, and cause a chaotic situation in the domestic resort industry.

Off-Shore Resorts in such areas as the Caribbean, Hawaii, Bermuda and the Bahamas justifiably are looking forward to and can expect an upswing in business in 1962.

At the same time, competition for such business is more active than ever before, and these resorts must seriously concern themselves with over-building in many of these holiday areas; with high rates; and with the increased competition of more cruise ships scheduled than ever before, many of whom are offering unusually low prices.

Foreign Hotels had a dip in business from the U. S. in 1961, due again to the recession and untimely announcements from government officials last spring discouraging travel abroad.

A considerable increase in business for such hotels in 1962 can already be forecast. This is based on advance bookings, the general business climate, and the more active promotion campaigns presently being sponsored by all organizations concerned with attracting travel abroad, not only to Europe, but also to the Middle East and Far East.

THOMAS J. WATSON, JR.

Chairman of the Board,
International Business Machines Corp.

Although it is easy at this time to be optimistic about the general economic outlook, we should not let the economic expansion going on about us lull us into complacency. I believe 1962 is going to be a prosperous year, marked by new peaks of activity and reduced unemployment. Nevertheless, I view the months ahead as a time of national testing during which our success or our failure to cope with the changed economic world we now live in may well become apparent.

T. J. Watson, Jr.

We must make some progress toward solving our balance of payments problem before it begins to take on the aspects of a crisis. Our gold reserves are providing us with valuable time for doing so, but that time must not be squandered. We must make a concerted effort to increase our export earnings. We must press forward with a program to increase our negotiating power on tariffs or else we may soon find our goods at a serious disadvantage in a Common Market that includes Britain and other new members. Finally, we must exercise enough self-discipline to prevent a dangerous round of wage and price increases.

Aside from the problem of adverse balance of payments and the danger of inflation, we are also confronted with excessive unemployment. Although the rate of unemployment has been slightly reduced, it is still high, and the problem remains. Unfortunately, many of our unemployed are not able to do much to help themselves. Their lack of needed skills is compounded by residence in depressed areas, and they find it difficult to move.

Continued on page 102

HERE WE GROW AGAIN!

★ ★ ★ ★ ★

WESTERN POWER & GAS COMPANY

(name changed from Central Electric & Gas Company)

and

Subsidiary Companies Consolidated

	Pro Forma (1) 12 Months Ended November 30, 1961	Pro Forma (1) Fiscal Year Ended —September 30,— 1961	Pro Forma (1) Fiscal Year Ended —September 30,— 1960	Fiscal Year Ended September 30, 1960
Operating Revenues:				
Telephone	$41,495,821	$40,688,233	$36,428,317	$29,291,488
Gas	21,235,027	20,692,232	21,232,866	21,232,866
Electric	8,572,064	8,478,941	8,235,399	1,010,744
Total	$71,302,912	$69,859,406	$65,896,582	$51,535,098
Net Operating Income	$12,236,456	$11,893,158	$10,808,266	$ 7,833,505
Net Income before Minority Interest	$ 8,329,809	$ 8,060,140	$ 7,302,963	$ 5,819,227
Net Income for Westgas	$ 4,842,861	$ 4,672,232	$ 4,293,795	$ 3,314,673
Earnings Balance for Common Stock of Westgas	$ 4,296,592	$ 4,125,964	$ 3,747,235	$ 3,022,113
Common Shares Outstanding (2)—				
At end of period	2,740,329	2,733,109	2,575,141	1,852,750
Average during period	2,676,920	2,652,559	2,544,892	
Indicated earnings per share on average basis	$1.60	$1.55	$1.47	

—NOTES—

(1) For properties owned at September 30, 1961. Southern Colorado Power Company (headquarters at Pueblo) was merged into Westgas on May 1, 1961 and Southern Nevada Telephone Co. was merged into the Westgas subsidiary, Central Telephone Company, on September 21, 1961. For the 12 months ended April 30, 1961, Southern Colorado Power Company had electric operating revenues of $8,312,028. For the 12 months ended August 31, 1961, Southern Nevada Telephone Co. had telephone operating revenues of $8,335,813.

(2) Reflecting 6 for 5 stock split April 28, 1961.

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As a result, they are left untouched by the vigor of the rest of the economy. We must set ourselves to devise ways to help these people find useful employment, and in doing so, we should not shrink from methods merely because they are new.

Though these economic realities must be faced along with the uncertainties of international politics, I believe that we are up to the challenge. We have great economic and moral resources, and we need only resolve, as a nation, to use them effectively.

In line with the favorable outlook for the national economy in the year ahead, prospects for the industry and my own company are also good.

The acceptance of computers and other data processing systems for office and factory use is growing rapidly, and backlogs and new orders for this equipment should continue at a high level in 1962.

I believe that growth will be reflected primarily in the machines themselves and in the ways they are used.

One significant trend in IBM is that our more recently developed computers are coming more into balance with the needs of customers who have both scientific and commercial data processing requirements. New technologies are beginning to erase the distinction between computers developed primarily for solving scientific problems and those for processing business data.

New products and applications are helping to bring the benefits of electronics to small as well as large companies. Computers can be used to stimulate business situations in order to develop a number of alternative solutions without actually committing men, money or materials in advance. We also see computers being applied to the numerical control of machine tools. Another new area of application has been uncovered with the development of computers for control of continuous industrial processes in the petroleum, chemical, papermaking, steel and other industries.

Research and development activities in character and voice recognition by machine, language translation, and advanced information retrieval techniques are continuing. While we do not expect an immediate return on our investment in these areas, they will open up even more new fields to us in the future.

All of these factors point to our industry contributing significantly to the strength of our nation's economy in the coming year.

M. C. WHEELER

President, Commercial Solvents Corporation

The challenges of 1962 promise to test sharply the wisdom and the judgment of American business management. On the one hand we are faced with a range of opportunities for expanding our business to meet the needs of people in the U. S. and throughout the free world which is almost without precedent. On the other hand, we are confronted with problems of rising costs and intensifying competition which can seriously interfere with results in many areas of growth and expansion.

M. C. Wheeler

The prime goal is to make maximum use of our opportunities on a basis that contributes to the strengthening of the national economy and to a speed-up of the U. S. economic growth rate. This calls for more than greater volume of sales and profits. It demands a higher rate of return on the investment in U. S. business so that dividends to stockholders and funds available for capital investment will continue to contribute to consumer buying power and to steady employment for more people in this era of expanding population and increasing automation.

To achieve this prime goal isn't going to be easy. As American businessmen, we are confronted with a brand of competition from companies in other countries which is getting tougher and more challenging all the time. The competitive forces of communist production, with its lack of regard for the welfare of the individual worker, adds to the magniture of the competitive factor.

To measure up, U. S. companies in the chemical industry and in other fields are going to need the healthiest blend of imagination, ingenuity and flexibility they have ever had. In the tradition that gave this country world business leadership, we must widen the gap in developing product innovations that our customers at home and abroad need and want. Equally important, we must further develop and perfect our systems of business management and control so that we can do an even better job in meeting changing conditions rapidly and effectively. This calls for the welding of company organizations into dynamic, efficient groups which possess a unity of purpose and a capacity for getting things done which is second to none. It calls for facing up to facts, for realistic thinking, and for just plain hard work.

The business forecasters are saying that 1962 is going to be good for sales volume, at least in the first half. In a good year for earnings, at least in the first half. In a period of real opportunity, it hardly seems enough to have more sales and even more profits at last year's rates. This should be a time in which we use our opportunities to build solidly for long range growth and competitive ability, as well as for immediate return.

At Commercial Solvents we are thinking about the U. S. economy's place in the international business world of the 1970s and 1980s. We are giving more and more thought to where we want our company to be 10, 15, 20 years from now. As a matter of national well-being, as well as of company progress, we intend to make certain that Commercial Solvents contributes effectively to U. S. leadership in business then, as now.

SAMUEL W. WHITE, JR.

President, Oliver Corporation

Farm and construction equipment industries should find 1962 a good year because so many farmers and contractors alike have need for replacement machinery that will help them fight the cost-price squeeze and improve their profits. In the case of farmers, the need is for bigger, technologically-improved equipment that can accomplish more work with less manpower on the same acreages, resulting in lower unit costs and higher production capacities.

Samuel W. White, Jr.

In the case of contractors and other construction equipment users, the need is for new, efficient machinery to replace the excessive amount of old, worn-out, expensive-to-operate equipment still in use in the industry.

The farm equipment industry in 1962 can look for retail sales some 5% over 1961, with any kind of break from the weather. There always is the unpredictability of the weather in farming and nowadays there also is the unpredictability of the federal farm program and the effect it will have on farmers.

Inventories in most cases are in better control in the farm equipment industry this winter and wholesale farm equipment sales should follow retail sales patterns more closely. Oliver is especially conscious of keeping inventories attuned to retail sales and we fully expect to do even better than the industry level in both retail and wholesale farm equipment sales in 1962, with an increase of about 8%.

Realized net farm income was up appreciably in 1961 over 1960 and because farmers still are eager for new equipment that will do a better job for them, we believe a fair share of their increased income will go into equipment. Oliver is stressing to its dealers the need to help the buyer buy, to help the farmer or the contractor select the equipment designed to save on work costs. With equipment competition tougher than ever before, we expect to improve our percentage of the farm and construction markets by doing a better selling job right down at the grassroots buyer level.

The construction equipment industry probably will have an even better year than farm equipment in percentage rise in 1962, with retail sales likely to go up 5 to 10% over 1961.

Oliver expects to be a stronger factor in the construction and industrial markets for light and medium crawler tractors and allied equipment in 1962 and beyond. The incorporation of Oliver's crawler tractor production into the company's wheel tractor facilities at Charles City, Iowa, early this year will improve our crawlers and our earnings.

Oliver should match the anticipated industry rise in retail construction equipment sales in 1962.

There is no question, in equipment manufacture whether for farming or for construction and industrial applications, that the buyer today must be sold on the efficiencies, the cost-savings, the production increases, and the manpower reductions he can accomplish with new equipment.

Everybody talks about helping the buyer buy, but not enough is being done about it. We believe this approach must and will become more prevalent in 1962 — and Oliver is predicating its outlook for rising sales on a strong program of retail selling.

W. K. WHITEFORD

Chairman of the Board, Gulf Oil Corp.

Domestic demand for petroleum products in 1962, like the general economy of the nation, is expected to experience its best advance since 1959, in the opinion of W. K. Whiteford, Board Chairman of Gulf Oil Corp. We expect an increase of approximately 10% in the Federal Reserve Board index which will carry the index to a level of about 120 next year. On a similar basis, the domestic demand for petroleum products will increase between 2% and 3% in 1962, and possibly could rise, slightly higher. In contracst, the increased demand for 1961 currently is estimated at 1.4%. Compared with other major products, kerosene demand is expected to show the largest increase followed by residual, automotive gasoline and distillate. It is anticipated that aviation gasoline demand will decline in 1962. The switchover by commercial airlines to jet fuels has appreciably altered the demand patterns of aviation gasoline and kerosene. The trend should continue in 1962, but at a more moderate rate.

W. K. Whiteford

Distillate, which includes heating oils and diesel fuels, is not faring nearly as well as kerosene due to the inroads made by natural gas for home heating. Weather is the only factor which can alter the short-term trend for heating oils and, if forecast as normal, next year gives no basis for improved sales.

On the other hand, improved business conditions in 1962 will stimulate more diesel demand by railroads, trucks and buses. However, as diesel fuel still accounts for less than one-third of total distillate volume, its effect is only minor on total demand.

Reversing the trend of 1961, residual demand should be up approximately 2% in 1962 as a result of the increased industrial activity.

The flexibiliity of Gulf's operations is reflected in the fact that the corporation received approximately 61% of its earnings from the United States during the first nine months of 1961. Back in 1958, 61% of its earnings came from the Eastern Hemisphere.

To convert percentages to dollars, Gulf's 1961 earnings from domestic operations are expected to exceed $200 million, which again is approximately the same amount as that earned from the Eastern Hemisphere in 1958. The transition in earnings is the result of a highly successful exploration and production program, increased sales of natural gas and natural gas liquids, greater emphasis to the petrochemical segment of Gulf's business during the past five years, and improved efficiency in conducting domestic operations.

While Gulf's capital expenditures in 1962 will approach $400 million, slightly in excess of 1961, the increase will go toward our refinery building program in the Eastern Hemisphere as well as for petrochemicals, and to improve the efficiency of our existing refineries in the United States. There will be no increase in the capacity of U. S. refineries.

Exploration expenditures in the U. S. and world-wide will approximate the 1961 level.

S. D. WHITEMAN

Chairman of the Board,
Kansas-Nebraska Natural Gas Co., Inc.

It is difficult to be anything but enthusiastic and optimistic about the future of the natural gas industry. On every hand there is evidence of the increased use of natural gas and in the sale of appliances for its further use. Year-round air conditioning with natural gas as the source of fuel is beginning to make great strides and there are limitless prospects for the years ahead in such things as the fuel cell and the gas turbine.

S. D. Whiteman

The Kansas-Nebraska Natural Gas Company is proud to be a part of this vital, growing industry. We have had occasion to reflect on our growth this past year too, as we marked our 25th anniversary. Our humble beginnings were in Phillipsburg, Kansas, in 1936. In that year our plant investment was slightly under $2 million . . . today it approaches the $80 million mark. In 1936 we had 400 miles of pipeline . . . now there are over 6,000. That first year saw 37 towns on our service lines and Kansas-Nebraska had but 75 employees. Today, we serve 234 communities and our family numbers almost 900.

Along with the growth of our own company has come a growth in the industrial atmosphere of the area we serve. No longer are the plains of Kansas and Nebraska and eastern Colorado strictly an agricultural region. During the past several years, a number of national manufacturers have seen fit to establish plants here. Regional businesses too have expanded in our area. There is every reason to believe that this healthy industrial climate will continue.

While things look very promising indeed, both for this area and for our industry, I must also state my personal conviction that this country faces its most critical period in all history, both on the international level and on the domestic scene. We are face to face with a formidable foe — Communism — and our own domestic economy must be strong and the moral fibre of our people must be great if we are to properly meet the challenge.

While I could comment on many issues, I would like to concentrate for a moment on only one . . . an area where I believe we could afford to concentrate in an effort to strengthen our domestic economy. And in so strengthening our own American economy I believe we will also strengthen our leadership and influence throughout the Free World.

The area I refer to is that of tax reform. If we continue to take away the incentive of our people to work and to invest, then our economy will be stifled. This we are doing through harsh taxation.

The Herlong-Baker bills, already presented in Washington, should be supported. This bi-partisan legislation calls for a step-by-step cut-back of all income tax rates, personal and corporate, over a five year period. The result would be to unleash the chains that have bound our economy and the money thus freed would go into consumer purchases, plant expansion and development of new products through research. The end result would be more employment and the actual payment of MORE taxes in the long run.

Suffice it to say, in conclusion, that I believe we can win the war we are presently engaged in, but to do so we must be strong. We must be strong morally . . . reaffirming the convictions of our forefathers who framed the Declaration of Independence and the Constitution. And our economy must be strong . . . our people must once again have the incentive to carve out the greatness that lies still ahead for America.

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BEN H. WILLINGHAM

President, Genesco

Assuming a background economy in which the level of Federal expenditures will continue in the next six months at about its present level and assuming that there will be no outbreak of nuclear war, we expect the next six months to reflect generally good business conditions.

Ben H. Willingham

The shoe industry which hit an all time high in production in 1959 declined during 1960 and while 1961 figures are not yet available the production for 1961 should be at about the same level as 1960. The first six months of 1962, however, should see shoe production increasing to a record high rate.

Shoe production should reach 325 million pair which would be an increase of roughly about 10% over last year.

I believe the same general pattern should be felt in other areas of the apparel industry.

Total department store business, which is a good barometer of the total retail trade exclusive of automobiles, has indicated some slight increase during 1961. This means in effect that retail sales are continuing at a very high rate. During the last part of 1960 and continuing through early 1961 the stores were reducing their inventory commitments but this trend seems to have levelled off so that with the possibility of record Christmas sales during December of 1961 there should be a good level of new orders received by manufacturers supplying the department store trade for delivery in early Spring of 1962.

Because of the great pressure of profits during the last few months of '59 and during all of 1960, a great deal of effort has been extended by most manufacturers in the apparel and related industries towards reducing costs, towards improving profit margins so that my general inclination is to feel that not only will there be a strong level of business during the first six months of 1962 but that this business will provide improving profit margins to the manufacturers.

Considering the outlook for retail business for the first six months of 1962, I would be inclined to estimate an increase of roughly 5% over the corresponding period of 1961.

My feeling is that the consumers have been somewhat conservative in their spending during the course of the last 18 months because of the continued war threat. The war threat stays with us, but apparently the consumers are getting somewhat accustomed to the idea so that recently there has seemed to be a beter attitude on the part of the consumer relative to spending. Perhaps the news of increase in employment is reassuring.

These factors coupled with the repeated statements coming out of Detroit that 1962 models are selling well would seem to indicate that we could count on good business during the first six months of 1962.

Reflecting on the background assumption mentioned above, I think we would agree with those economic experts who are predicting an increase in the level of the Gross National Product of approximately 5% in 1962.

Thinking about our company's outlook, we are basing our plans generally on these assumptions. These factors seem to mean to us that we should expect our fiscal year ending July 31, 1962 to produce roughly $375 million in net sales which would be some 12% higher than our highest year on record, which was the year ending July 31, 1961.

We expect this increase in volume to produce a better profit picture and as we told our stockholders at the annual meeting on Dec. 4, 1961, this should provide for a minimum of $2.70 per share which would be the highest earnings per share in our history.

JOSEPH C. WILSON

President, Xerox Corporation

I believe 1962 will be a year of vigorous though not spectacular expansion for our economy. Although its rate of growth, as measured by Gross National Product, will probably continue at a somewhat slower pace than was true during the last three quarters of 1961, I expect to see new highs in both GNP and the index of industrial production late in the year. Increases in defense outlays and personal consumption expenditures, and a modest rise in total outlays for construction are among the important factors which will contribute to this growth. This forecast, of course, assumes continuation of world peace.

Joseph C. Wilson

The outlook for the office equipment industry is, I believe, somewhat better than for the economy generally. Total industry sales will probably increase by 10-12% in 1962. Some companies heavily involved in computers and office copiers will fare better than industry average. Primarily because of the strong demand for our high volume copying devices, we are projecting growth for Xerox in both sales and profits in 1962 at rates significantly greater than those anticipated for the office equipment industry as a whole.

KENDRICK R. WILSON, JR.

Chairman, Avco Corporation

For companies in the nation's defense and space industries, 1961 was generally a year of intensified activity in a climate of ever-increasing competition. With the world situation continuing unsettled and with our government committed to an extensive program of space exploration over the next decade, it would appear that these same business conditions will prevail during the coming year.

Avco Corporation, which has approximately 65% of its sales in government business and 35% in industrial and commercial operations, substantially improved its fiscal results again in 1961. The company's continuing emphasis on research, development and production in the broad areas of its scientific competence contributed greatly to this record of success. Its diversified operations today range from a wide variety of aerospace and electronic systems to specialized farm equipment and radiotelevision broadcasting.

It was just over five years ago that Avco management made the difficult but highly significant decision to go out of the appliance business, which then accounted for up to 75% of the company's sales but which had become highly unprofitable in the years 1953 to 1956. The sale and liquidation of Avco's appliance businesses in the fall of 1956 freed the capital and management effort necessary to accelerate the development of new products and to make the large investment—some $25 million—required to staff, house, equip and operate a first rate research capability.

Important progress has resulted from this basic realignment of Avco's corporate direction as evidenced by tangible results. Of 1961 sales, more than 65% was in products and services growing out of Avco research and development efforts over the past decade. This figure includes gas turbine engines for helicopters and other aircraft, missile nose cones, advanced types of aircraft structures, a wide range of electronic and electro-mechanical gear and a substantial volume of contract research and development for various branches of the federal government.

The results of Avco's 1956 decision were reflected not only in this large number of new products and services but also in an average pre-tax earnings increase of more than 20% per year compounded over the five year period.

Today Avco participates in more than 20 different missile and space programs. In addition, a large portion of the company's defense production consists of material for use in "limited warfare," a concept which is receiving increased emphasis in the government's current defense planning. Avco's total backlog of government orders at November 30, 1961, had increased by more than 50% from the figure of a year earlier.

With this broad base for continuing growth, we look for further increases in both sales and earnings of Avco Corporation in fiscal 1962.

ELMER L. WINTER

President, Manpower, Inc.

A recent survey among Manpower's 250 offices located in America, Mexico, Canada, Tokyo and 12 European countries indicates clearly an upswing in sales and profits for Manpower, Inc. during the calendar year of 1962. With the optimism prevalent among industry's leaders at this time, Manpower, Inc. will be called upon by an increasing number of organizations to meet their temporary help needs—whether it be in the field of office or factory work, as well as sales promotion.

Elmer L. Winter

Manpower employs over 130,000 people annually and with the expected increased demands from the business community for skilled help, Manpower should substantially increase the number of its customers over and above the 100,000 firms that used Manpower in 1961.

Manpower will continue to stress its Controlled Overhead Plan to many business leaders who are concerned with shrinking profit margins. Under the Manpower Controlled Overhead Plan, business firms can control their personnel costs by obtaining Manpower services on an "as when needed" basis. Through proper planning with Manpower, business firms can eliminate the peaks and valleys in their employment.

Manpower has just announced the merger of its Merchandising Services with Salespower, Inc., a wholly owned subsidiary of Manpower. This merger will provide an expanded service to those firms seeking regional, national or international sales distribution. Salespower, Inc., the world's largest selling organization, will expand its services in the following areas, namely: Salesmen, Demonstrating, Survey Interviewing, Store Detailing, Telephone Merchandising, Convention Services, Circular and Sample Distribution Services, etc.

According to Manpower's expansion timetable, it will open two to three new offices a month until it reaches its goal of 445 offices. Additional offices will be opened in America and Canada as well as throughout Europe. The company expects to expand its operation into South America, Australia and the Far East. Manpower has recently appointed a European Director to develop its operations in the European market areas.

In 1961 the company announced the formation of Travelpower, a wholly owned subsidiary of Manpower, Inc. This company will expand its travel program into many major metropolitan areas and offer travel services primarily to businessmen traveling domestically and to foreign countries. Manpower will offer to these traveling executives "an office away from home".

Looking ahead into 1970, we can see tremendous shortages of skilled workers. The population explosion that will take place in the 60's will expand the number of employed in America from 73,000,000 in 1961 to 87,000,000 in 1970. There will, however, be an acute shortage of key workers between 35 and 40, since the population explosion will be in the age groups which are generally

Continued on page 104

Now On The Big Board

Murphy Corporation is pleased to announce that its Common Stock was admitted to trading on the New York Stock Exchange on December 4, 1961. The ticker symbol is

MUR

MURPHY CORPORATION

Murphy Corporation, with headquarters in El Dorado, Arkansas, is a fully integrated oil company engaged in both domestic and international operations. Hydrocarbon production is centered in the United States (including substantial activity in offshore Louisiana), Canada and Venezuela. Exploration for oil and gas is carried on in these areas and in other parts of the world. The Company has two refineries for the production of petroleum products which are marketed in 24 states, Canada, the United Kingdom and Sweden.

EL DORADO, ARKANSAS

MURPHY CORPORATION

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the non-producers—those under 18 and over 65. It is expected that an increasingly greater number of business firms will call upon Manpower in the years ahead to help meet the emergencies and peaks created by shortages of skilled permanent workers.

The population explosion will also mean the expansion of industry and service organizations to take care of the increased demands which will be created. Again Salespower, Inc. with its network of sales offices will be called upon at an accelerated rate to provide local, regional, national or international distribution of products and services.

JAMES H. WINDSOR

President, Equitable Life Insurance Co. of Iowa

The amount of life insurance purchased in the United States has increased in every one of the past 10 years, and the insurance in force has shown a gain in each year since 1932. The coming year should be no exception. As a matter of fact, the growth in life insurance has accelerated in periods when general business and personal income have been expanding. Since indicators are pointing to a continuation in 1962 of the current phase of improving general business and growing personal income, the stage is set for a very good year for life insurance sales.

James H. Windsor

In addition, life insurance companies will have a favorable environment for their investment operations. The over-all trend of interest rates has been generally upward since 1947, permitting life insurance companies to increase the average net rate earned on their invested funds (before Federal Income taxes) from an all-time low of 2.88% in 1947 to an estimated figure approximating 4.25% in 1961. As general business continues to expand the pressures will be in the direction of higher rather than lower interest rates in 1962. Although any increases will probably be modest in scope, it will permit a continuation this year of the gradually rising trend in the rate of return on insurance company investments.

These favorable factors do not mean that the life insurance business is without its problems. Federal Income taxes are taking a substantially larger bite than in years past. Increasing costs of operation are a continuing problem despite the spreading use of more sophisticated computers and other office machines. Since life insurance does not sell itself, there is constant pressure in recruiting and training manpower. In the scramble for growth, companies must guard against overemphasis on sales volume for volume's sake alone without regard to the soundness and profitability of insurance contracts. Competition in the business continues intense not only among life insurance companies themselves but also with other forms of savings and investment. Nevertheless, the unique values provided by life insurance in the fields of protection and savings assure a bright future for this business.

J. THEODORE WOLFE

Chairman, Baltimore Gas & Electric Company

The outlook for business in the 2,300 square miles of mid-Maryland served by our Company is favorable.

The general level of business in Baltimore and the surrounding counties has been rising steadily since the early months of 1961. While it is not clear at the moment that all lines of industrial activity are responding equally to the forces of recovery, the prospects in many indicate a continuation of healthy growth in our area. The Bethlehem Steel Company is continuing to expand its steel-making facilities at Sparrows Point—the largest in the world, and General Motors Corporation will have in operation in 1962 the additional facilities which are doubling the capacity of its Baltimore car and truck assembly plant—the second largest in the Chevrolet division. In other segments of our broadly diversified industrial complex, the Western Electric Company has under construction a new ocean-cable plant which is scheduled to go into operation shortly, the United States Gypsum Company will complete later in the year its new plant for the manufacture of building materials, and a number of other companies are in the process of expanding their production capacity. Important factors in the electronics and space hardware industries in the Baltimore area—Westinghouse, Bendix, Aircraft Armaments among other—have received substantial government contracts which point to accelerated business for 1962.

J. Theodore Wolfe

The pace of new home construction in the Baltimore area quickened during the second half of 1961 and is expected to continue to accelerate in 1962. Some larger-scale residential developers have announced stepped-up activity, and the construction of new apartment houses is expanding rapidly. The establishment of regional shopping centers continues to dominate the retail construction field in our territory, and building operations for several new or expanding medical centers have begun or have been announced. In downtown Baltimore the first office building unit of Charles Center—a major redevelopment project—is well under way, as are Baltimore's Civic Center, a multi-purpose auditorium and exposition hall, and the 30-story Blaustein Building. Each of these structures is scheduled for completion in 1962. Our own construction program calls for the expenditure of nearly $45 million of which a considerable part is for the completion by early 1963 of another 191,000 kw generating unit.

In keeping with the continuing growth of mid-Maryland, we too expect higher volumes of business in 1962, and our present estimates indicate an increase of about 5% in our revenues. Our expenses will be affected by the continuing rise in wage and tax rates, and by the non-recurrence of some factors which were helpful in 1960 and 1961. One of our principal problems for 1962 will be to cope with these higher cost levels.

HARLESTON R. WOOD

President, Alan Wood Steel Company

The recent improvement in the steel operating rate is a situation all of us connected with the steel industry have been hopefully anticipating over almost a year of very low production. There are, however, indications that production may outrun consumption as we enter the early weeks and months of 1962.

Harleston R. Wood

This disproportionate increase will be due to attempts to build inventories based on a widespread fear of a steel strike on July 1, 1962. Unfortunately, this probably means that the steel industry will shortly be faced with the same situation encountered both before and after the 1959 strike. Unless positive action is taken immediately to avert this disastrous situation, we can anticipate an ever increasing inventory build up for the first six months of 1962, which could be followed by virtual stagnation in the steel industry later in the year regardless of the outcome of steel industry labor negotiations.

Such a rush of orders already is apparent. For example, in early November one of Alan Wood Steel's principal customers requested that we schedule a normal nine months of steel deliveries to reach him in the first five months of 1962. There are an increasing number of such requests as the labor contract expiration date creeps closer. The net result of this swollen demand will be huge inventories of steel on hand at the end of June.

The only answer to this problem is for the leaders of both the steel industry and the United Steelworkers to meet as soon as possible and take immediate steps toward an equitable settlement well in advance of the strike deadline.

An orderly settlement is important to our company, as well as the steel industry. Even though Alan Wood Steel Company worked throughout the long steel strike in 1959, we feel that in the long run we would have been better off financially if there had been no strike. This is because the disruptions in the national economy and the maladjustments both before and after the strike which resulted from unbalanced steel inventories seriously affected the steel industry, as well as business in general, and were a major factor in causing the ensuing recession.

Other problems besetting the steel industry at present include the cost-price-financing squeeze. Costs have been going up too fast and are too high. At the same time, prices have been forced up to the point where the steel industry's market position is jeopardized by both foreign competition and competition from other materials. Thus, steel prices cannot go much higher without endangering the industry's marketing position. This, in turn, results in squeezing the industry's profit level to a point below that of most other industries, which makes it difficult for the industry to compete in the market place for financing. Finally, this has the effect of reducing the steel industry's ability to purchase equipment for improved productivity and cost reduction.

There is no single answer to any of these problems. The fact that employment, raw material and capital input costs are rising is obvious. However, it is quite evident that competition from several sources is effectively regulating — or depressing — the price of steel in the United States. We are faced with strenous competition from foreign producers and in the domestic market, other materials, such as nonferrous metals, plastics and cement for structural applications, also are offering severe competition to the industry.

It is necessary that somehow the American steel industry find means of financing modernization of its production facilities. One of the major avenues which might be opened up would be liberalization of our depreciation tax laws. At present steelmaking equipment becomes obsolete before it wears out and before the industry can recover its investment. If our laws were liberalized so that we were competitive with foreign steel producers in respect to depreciation, the industry could do much towards maintaining and improving its competitive cost position.

As far as Alan Wood Steel is concerned, we have recently been showing a considerable loss due to high break-in costs for our new blooming and wide plate mills. However, we are pleased that steady progress is being made and are confident that in the next few months these facilities will make major contributions to the company's earnings.

The new mills have enabled Alan Wood to enter new markets for wider widths and heavier gauges of steel plate. This has strengthened our position in the plate market and the effect already has been felt through receipt of large plate orders both from existing, as well as new customers.

With the new mills in operation, Alan Wood Steel is for the first time in a position to utilize its full capacity to produce ingots. In the past, our company's annual capacity has been listed at 800,000 tons, since our rolling mills were not able to process more than this amount. Our capacity rating will now be increased to reflect an additional ten per cent of ingots, which we can now produce and roll into finished products on our new facilities.

We are pleased that our diversified operations, too, are showing considerable improvement. In the iron powder field, a number of new powders with unique properties have been developed, so that this division is operating at 100% of capacity. Additional capacity cannot be brought into operation until mid-1962, so we will not be able to take full advantage of these new products of our research laboratories until at least that time. Alan Wood's fabricated cabinet, locker and shelving business also has shown a profit improvement through 1961 which we expect will be accelerated in the year to come.

To sum up, 1961 has been a year of transition for Alan Wood and our earnings picture has been an admitted disappointment. However, we feel that we are entering 1962 in a much stronger position and that our earnings for the year will show a substantial improvement. This, we are certain, will be reflected in greatly increased earnings for at least the first six months and we are very optimistic regarding the entire year.

PAUL H. WOODS

President, First National Bank in Wichita, Wichita, Kansas

The commercial banking outlook for 1962 may be characterized as modestly optimistic. The recovery in business will in all likelihood be reflected in an increasing demand for bank credit. Currently there is nothing in the picture to reverse the recent stiffening of short-term government rates. With an increase in demand for loans and what appears to be a gradual increase in rates, bank income should continue upward. This will in many instances be offset by rising operating expense, due in part to automation. The substantial costs incurred in installing and shifting to automation equipment tend to exceed any immediate economies that can be realized from use of the equipment. Nevertheless, the shift to automation will continue but at a relatively high cost during the assimilation period.

Paul H. Woods

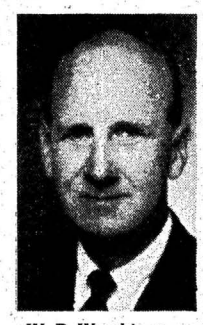
The recent action of the Federal Reserve Board in raising the savings interest rate ceiling will intensify competition for the savings dollar and will place banks willing to avail themselves of the higher allowable rates on a favorable competitive basis with other savings institutions. The net result will be a continued growth of savings deposits but at a higher cost to the banks.

Weighing these factors, it would appear that earnings will remain steady.

WILLIAM P. WORTHINGTON

Chairman of the Board, Home Life Insurance Company

The past twelve months have been a period of renewed vigor for the American economy. The Gross National Product at annual rates rose from $500.8 billion in the first quarter of 1961 to $526.0 billion in the third quarter. But, perhaps more important to the life insurance business, disposable personal income which constitutes the purchasing power of American families rose from $354.3 billion to $367.8 billion in the same period.



W. P. Worthington

Reflecting this economic progress and the wide recognition of the soundness of life insurance protection by American families, purchases of new individual life insurance during 1961 exceeded those in 1960 by about 2%, establishing a new record. New individual life insurance purchased from Home Life in 1961 showed a 5% gain over the previous year.

Since there are now strong indications that the present favorable economic climate is likely to continue and may well improve during the coming twelve months, the life insurance business looks to 1962 as potentially another record-breaking year.

By the same token, the Home Life Insurance Company, which specializes in "Planned Estates," a service geared to the needs of families with better than average incomes, anticipates another gain in new business in 1962. Not only is Home Life serving one of the fastest growing segments of our population (families whose annual earnings are upward of $7,500), but the career of client building through Planned Estates continues to attract a growing number of highly qualified men to the company's field organization. This in turn brings Planned Estates to an ever-increasing number of American families.

The nation's continued economic expansion during 1962 will undoubtedly produce rising demands for capital to finance business and industry, housing and the activities of federal, state and local governments. Since the assets of life insurance companies represent the nation's largest single source of long-term capital, the

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Savin Business Machines Corp. Common Offered

The first public sale of common stock of Savin Business Machines Corp. is being made through the offering of 150,000 shares, at $10 per share, by an underwriting group managed by Ira Haupt & Co., New York City. The securities are being offered as a speculation.

Net proceeds from the financing will be used for an initial production run of approximately 500 desk-top xerographic machines; purchase of xerographic paper; sales staff expenses; financing of inventories and accounts receivable; payment of demand notes to affiliates, the proceeds of which were used to finance increases in trade accounts receivable and inventories; furnishing of, and leasehold improvements (if any) to, branch office and warehouse facilities; for research and development; and for magazine and direct mail advertising. The balance of the proceeds will be added to working capital, of which a portion may be used for moving expenses and the establishment of a new main office.

The company of 161 Avenue of the Americas, New York, N. Y., has been engaged principally in the sale of photo sensitized paper, developing fluid and other supplies and accessories in the operation of diffusion transfer photocopy machines, and the sale of these machines. The company, in conjunction with Minox G.m.b.H. of Giessen, West Germany, is developing several prototypes of desk-top xerographic machines, otherwise known as "dry" or electrostatic photocopiers. Savin intends to market its xerographic products throughout the world and, to that end, has acquired licenses and entered into agreements with a number of foreign firms.

Authenticolor Stock Offered

Public offering of 148,200 common shares of Authenticolor, Inc., at $3.25 per share is being made by General Economics Corp., 101 W. 57th St., New York City. Of the total, 136,800 shares are being sold by the company and 11,400 by certain stockholders. Net proceeds to the company will be added to working capital.

The company of 525 Lexington Ave., New York City furnishes a variety of color photographic services for the professional market. Its products include duplicate transparencies, slides, film strips, and such color prints as dye-transfers, "Coloroids", "Colorstats" and related items.

Rainbow Photo Industries Stock Offered

A syndicate jointly managed by Rodetsky, Walker & Co., Inc., Richter & Co. and William, David & Motti, Inc., is offering 112,000 common shares of Rainbow Photo Industries, Inc., at $6 per share. Net proceeds will be used by the company for moving expenses, expansion of its color processing facilities, sales promotion, repayment of loans, and working capital.

The company of 29-14 Northern Blvd., Long Island City, N. Y., is primarily a processor of photographic film, servicing some 1,200 camera and other retail stores in the Metropolitan area. It is also a franchised distributor of cameras, film and other photographic equipment. Rainbow also operates three retail camera shops.

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industry will play an increasing role in the dynamic growth of our nation's economy.

A major question which will go hand in hand with continued economic expansion will be whether inflationary forces will build up to destroy the fruits of economic progress. These forces can be held in check if wise fiscal, monetary and wage policies are followed. But increasingly the highest order of economic statesmanship will be required of our government, labor and business leaders.

J. D. WRIGHT

Chairman of the Board and Chief Executive Officer, Thompson Ramo Wooldridge Inc.

Thompson Ramo Wooldridge Inc. looks for substantial improvement in sales and earnings in all major product areas in 1962.

With more than 27,000 employees in the U. S. engaged in research, development and production of precision parts and systems in the missile, space, electronics, aircraft, ordnance and automotive fields, the company in 1961 effected further penetration of these domestic markets, and new electronic and automotive affiliates were established in Europe and Latin America.

J. D. Wright

Preliminary estimates indicate that results for 1961 will fall short of 1960, temporarily interrupting the growth pattern evident in recent years. Sales for 1961 are expected to exceed $400 million, somewhat lower than the record $420 million of 1960.

Operations earlier in the year were affected by the slowdown in the automotive industry, price weakness in the semi-conductor business, and rescheduling of certain military contracts. Other factors were heavy expenditures for research and development and effects of the transfer of part of the business of TRW's subsidiary, Space Technology Laboratories, Inc. (STL), to a government-sponsored non-profit organization not affiliated with TRW.

STL recently occupied the first two buildings of its new space center at Redondo Beach, Calif., designed to house some 5,000 scientists, engineers, administrative and other personnel engaged in research, development, manufacture, integration and test of spacecraft, subsystems, components and ground support equipment for manned and unmanned space missions.

The new space center will produce OGO (the Orbiting Geophysical Laboratory) series of spacecraft for the National Aeronautics and Space Administration. During the past year, in addition to continuing its contractual relationship to NASA for OGO, to the Army Advent Management Agency for systems engineering in the Advent military communication satellite program, and to the Air Force for systems engineering and technical direction of the Atlas, Titan and Minuteman ballistic missile programs, STL has acquired a significant new business for 1962. Outstanding among new contracts was an award to STL late in 1961 to design, fabricate and test the spacecraft for the Air Force Vela Hotel program. The purpose is to determine the feasibility of detecting nuclear explosions in space.

The participation of Pacific Semiconductors Inc., in the Minuteman ballistic missile program, which was unexpectedly cut back early in 1961, was reinstated in the third quarter at a somewhat lower level. Despite the price collapse in the semiconductor industry, this subsidiary's order backlog rose substantially as the year advanced, and its sales outlook improved.

By the introduction of new products of advanced design, other segments of TRW's electronic operations have been achieving greater sales volume in both the military and industrial markets, bearing the promise of improved results in 1962.

Sales of components to jet engine aircraft builders in 1961 ran above earlier expectations, exceeding the levels of a year ago. The sales backlog in this area remains strong, with prospects of slightly higher levels for two major programs. No significant upswing is expected in the market for manned aircraft parts in 1962, but the new year finds TRW in possession of a solid block of this continuing and desirable business.

A highlight of recent operations was TRW's selection as a third major source for production of the U. S. Army's M-14 rifle. The company was awarded a multi-million dollar contract for the production, assembly and test of the weapon.

After getting off to a slow start, TRW's automotive original equipment business made a good recovery late in the year, running ahead of comparable 1960 sales levels. By continued market penetration and the introduction of new products, units of the TRW automotive group increased their share of the original equipment market in 1961, and automotive replacement parts sales showed steady gains. There are now indications that 1962 will show an appreciable improvement in passenger car output over 1961.

H. A. YOARS

President, General Development Corporation

As appears to be the case with most segments of the American economy, the nation's home-building and community development industry can look forward to substantial increases during 1962, I anticipate that new housing starts in the coming year will number approximately 1,350,000, a gain of about 4% from the 1961 residential building rate. This would mean a dollar volume of residential construction of nearly $24 billion for the year.

H. A. Yoars

In Florida, I believe the increase in residential construction will run well ahead of the national rate of gain in 1962 — topping 1961 by 6 or 7% in terms of new units.

And within Florida, the land and community development industry will score much larger gains in the coming year, than will the traditional home-building industry. We can expect to see sales volumes of this specialized segment of the industry increase by as much as 15%.

The same may hold true—though I believe to a lesser degree—in other U. S. areas of rapid growth and swift economic expansion, notably the Southwest.

It is likely that some material prices — steel, for instance—will advance somewhat in 1962. And it appears likely that the cost of mortgage and construction money will inch upward. But I do not see these as having a serious impact. Nor do I look for any scarcity in either respect.

This outlook is not explosive. But I regard it as highly favorable from the standpoint of solid and lasting progress. It is based, of course, on the assumption that the anticipated 1962 improvement in the remainder of the U. S. economy is not deflected by war, major strikes or other disruptive factors.

Chief reason for the greater gains which I feel lie ahead of the housing and community development industry in Florida, as compared with the nation as a whole, is the fact that Florida is without challenge the nation's fastest-growing area. With more than five million residents, it has gained nearly 80% in population in the past decade. Through the remainder of the 1960s, it will increase its population by another 60%, which means another three million new people by 1970. There will be corresponding increases in industrial investment, jobs, payroll—and housing.

Even this bright outlook may prove too conservative, because of the recent announcement that Cape Canaveral will be the nation's Port of Embarkation for the exploration of Space. In one fell swoop, that announcement added a multi-billion-dollar plus factor to the state's future outlook. The Apollo Project will result in some 40,000 new jobs in Florida—besides which it will stimulate untold other industrial growth.

The conquest of Space will be to Florida like oil was to Texas. The impact already is starting to be felt.

Even more than Florida's traditional home-builders, the community developers will reap the benefits of this precipitous growth. And the soundly operated development companies are not just sitting by waiting for

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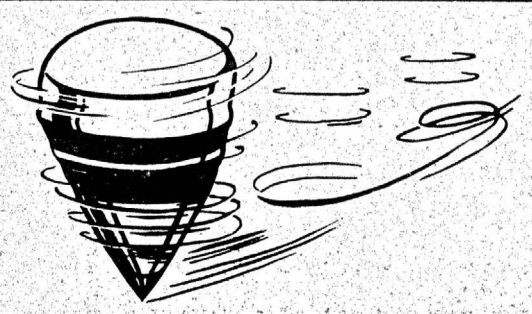

TOPS

IN LP-GAS INDUSTRY

Over 6 million meals a day cooked with Suburban Propane

Gas appliance manufacturer and distributor

Natural Gas producer

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63 CONSECUTIVE QUARTERLY DIVIDENDS

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people to arrive. We are going out with aggressive merchandising to create additional markets for Florida living—among the nation's huge retirement and pre-retirement groups, for instance.

As a result of Florida forces like these, my own Company, which will have sold nearly 2,000 new homes and some 40,000 homesites in 1961, expects to develop and market 2,500 homes and 45,000 building sites in the year ahead.

MILES F. YORK

President, Atlantic Mutual Insurance Company and Centennial Insurance Company

It now seems evident that the property and casualty industry in the United States will have poorer underwriting results in 1961 than in the year before when they were none too good. At this writing, figures are available only for the first nine months but these indicate that the principal stock companies as a group had a loss ratio, including loss adjustment expenses, of 64% as against 62% in the same period in 1960, with an expense ratio of 37% to written premiums, which was the same as the year before. This would give a trade underwriting loss of 1% as against a profit of 1%, or a swing of two points. With the heavy losses sustained in the Southern California fires, which occurred in November, it seems unlikely that the remaining quarter of the year could bring about any material improvement; in fact, it might be assumed that the results will have deteriorated. Despite these results, insurance stocks have generally been quite strong in the marketplace and we find the equities of the leading companies in wide demand even in the most conservative circles. It is not difficult to find the answer which should be a cause for concern to any student of the insurance business. In the nine months period when the companies were sustaining a one point trade loss in underwriting operations, their surpluses were increasing about 11%, or something over five hundred million dollars.

Miles F. York

This comes about, of course, by reason of the large holdings of equities in insurance company portfolios and, while for the most part it is a paper gain and does not reflect the capital gains tax liability, nevertheless, the increase in book value is apparent.

In the writer's opinion, the insurance business will never be on a completely sound basis so long as it depends upon an appreciation in equity values to offset losses in the underwriting operation. Security values can go down as well as up, as we have seen in the bond market, and, if we were to have any substantial break in the stock market, not a few companies would feel the pinch of heavy underwriting losses and deteriorating security values. A number of companies have invested in equities all of their capital funds and surplus and some even more.

There are some who say that the present chaotic conditions in the insurance business, with the ruthless competition and ever pressing desire to increase premium volume to develop funds for investment, will only be corrected if and when we have an important deterioration in equity values. This would seem to be a heavy price to pay to bring order into the business. However, it does not seem improper to ask how long the insurance business can be considered to be soundly operated when year after year it fails to turn in the underwriting profit the rates are supposed to generate.

Having said all this, the question then is what kind of a year may be expected in the insurance business in 1962. Certainly with the improvement in the economy and the build up of inventories, amounts to be insured will be increased but it seems doubtful that the premiums will increase in proportion due to the continuing erosion of rates. It follows that I would not expect an improvement in the loss ratio unless, of course, the industry is fortunate enough to have a year free of hurricanes, severe tornadoes or other catastrophes, which would appear to be a little too much to hope for. There is another factor with which the industry has to contend and that is the increase in the amount of business which is being siphoned off by foreign underwriters who are relatively free of regulation and taxation. Any substantial improvement in expense ratios also would appear unlikely unless something can be done to reduce acquisition expense and competitive pressures would seem to foredoom any such step.

CHARLES J. ZIMMERMAN

President, The Connecticut Mutual Life Insurance Co.

Do we detect spreading skepticism of economic forecasts? Someone reportedly checked back on several thousand predictions by well-known organizations and found the majority—wrong. Then there was the warning given recently by a Wall Street analyst: "Beware of year-end forecasts. . . . Men who run corporations are always the worst judges of the market performances of their stocks." In spite of such gibes, crystal-ball gazing is now in full swing. One thing we can be sure of: All economic results for 1962 will depend less on what businessmen see *in* the ball, and more on what businessmen have *on* the ball. Here are my predictions for 1962, to be taken at one's own risk. Americans will continue to increase their ownership of life insurance, perhaps by as much as 10%. Last year's increase was 8%, with the total amount in force reaching $635 billion by Dec. 31. Not generally appreciated is the fact that life insurance ownership during the last decade has grown at a rate of eight times faster than the population.

C. J. Zimmerman

Frequently today we hear alarmists point to Russia's 8% to 10% annual economic growth, as contrasted to this country's recent rate of 2% to 3%. But such a comparison needs some perspective. For example, the United States is today producing about 100% more *per capita* than in Russia. And there are scores of United States industries that consistently show growth rate of 8% to 10%, or more. Life insurance is one.

Since 1950, assets of the private life insurance companies have grown at a rate of better than 8% per year. Ownership of life insurance in private companies has averaged an annual gain of 15%!

There are a combination of reasons why life insurance ownership will continue to grow, entirely apart from reasons of rising population and incomes. First, life insurance is still the only way most men can be sure of guaranteeing financial security to their families and themselves. Second, most families today are underinsured. Average holdings among insured families now approach $13,000, or barely enough to continue family income for two years. Financial planners often recommend family ownership of four to five times annual income.

Additionally, this year will see continued great gains in the use of life insurance to solve business problems, for example—to fund pension plans, to guarantee continuation of a business, to help compensate for the loss of a key man, to provide sound deferred income investments.

While new purchases of group will likely grow faster than other types of life insurance, there will remain a great, increasing market for individual (ordinary) policies mainly permanent or cash value insurance. For permanent life insurance continues to be the best possible investment for the man who needs protection and who, at the same time, desires to build guaranteed dollar savings for himself. Many new types of individual policies will be issued, designed to help families obtain more protection at lower costs than formerly.

Presumably most of my colleagues in this special edition are anticipating a general rise in prosperity levels for 1962. While this is my own belief, I also see the possibility of danger ahead. This is the danger that inflation may start to creep again. We cannot afford to condone inflation, for it can rob all of us of part of our earnings and savings, and it can endanger our freedom and the place of our economy in competitive world markets.

Government can, if it will, do much to prevent inflation by practicing sound monetary discipline at every level. Each citizen can also help by living within his own means and by saving a reasonable, regular amount out of every paycheck.

This year it looks as if consumers will earn more—and spend more—than in 1961. Hopefully they will also save more! For spending without saving can be ruinous to a country, as well as to an individual.

It was encouraging to see the old year close with

42 Broadway, New York 4, N. Y.

535 Fifth Avenue, New York 17, N. Y.

Montgomery County Bonds Marketed

An underwriting group headed by Harriman Ripley & Co. Incorporated and Lehman Brothers on Jan. 16 purchased an issue of $13,150,000 Montgomery County, Maryland, 5%, 4.10%, 3%, 3¼%, 3.30%, 3.40% and 1/10% various purpose bonds, due Feb. 1, 1963 to 1987, inclusive. The group bid 100.02798 for the bonds, setting a net interest cost of 3.2535% to the borrower.

On reoffering, the bonds are priced to yield from 1.75% to 4.50%, according to maturity.

Other members of the group are:

Smith, Barney & Co.; Alex. Brown & Sons; Blyth & Co., Inc.; Goldman, Sachs & Co.; Kidder, Peabody & Co.; Salomon Brothers & Hutzler; Equitable Securities Corporation; Hornblower & Weeks, Paine, Webber, Jackson & Curtis; B. J. Van Ingen & Co. Inc.

Lee Higginson Corporation; Braun, Bosworth & Co. Incorporated; Hemphill, Noyes & Co.; Hallgarten & Co.; Francis I. du-Pont & Co.; Eldredge & Co. Incorporated; Stein Bros. & Boyce; Wm. E. Pollock & Co., Inc.; Stern Brothers & Co.; G. H. Walker & Co.

Hayden, Miller & Co.; Mullaney, Wells & Company; Robert W. Baird & Co. Incorporated; McDonald-Moore & Co.; The Weil, Roth & Irving Company; Townsend, Dabney & Tyson; Nongard, Showers & Murray, Inc.; Herbert J. Sims & Co., Inc.; W. H. Newbold's Son & Co.; Burns, Corbett & Pickard, Inc.

Hirsch to Admit Partners

As of Feb. 1 Adelaide Meyer and William Meyer will become limited partners in the New York Stock Exchange firm of Hirsch & Co., 25 Broad Street, New York City.

J. H. Anderson Opens

(Special to THE FINANCIAL CHRONICLE)

SAN PEDRO, Calif.—Joseph H. Anderson is conducting a securities business from offices at 3729 Stephen White Drive. He was formerly with Haas, Lidster & Co.

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record-high savings across the country, including record-high ownership of permanent life insurance. This trend toward individual thrift must continue, if the promise of a truly prosperous New Year is to be fulfilled.

KENNETH V. ZWIENER

President, Harris Trust and Savings Bank, Chicago, Ill.

The recession which began in June, 1960, was the mildest of the four postwar declines. By February of 1961 the decline was over, with total spending on goods and services receding only 1% from peak to trough. Industrial production dropped only 8% in contrast to a 15% decline in the 1957 - 1958 recession. Unemployment was held under 7% of the civilian labor force last year compared to 7½% in the summer of 1958. From a low point in the first quarter of 1961 economic activity expanded throughout the year, with Gross National Product setting new highs in the second and succeeding quarters. By year-end practically all sectors of the economy were showing notable gains. Despite a poor first quarter, Gross National Product for 1961 was $520 billion, 3% above 1960. In the early stages of the recovery, a shift from inventory liquidation to accumulation played a dominant part in the expansion. A hesitancy on the part of consumers to spend their rising incomes on goods during the first three quarters of last year led to doubts concerning the length and breadth of the recovery. The warm reception of the 1962 auto models by consumers eliminated this fear as 1961 drew to a close. Retail sales, largely expenditures on goods by consumers, were setting records along with other economic series by year-end.

K. V. Zwiener

Unemployment was another indicator of economic performance which showed little improvement in the first half-year of expansion. Productivity gains and a two-hour increase in the workweek of production employees in manufacturing during 1961 enabled business to increase output without hiring many additional workers. In the last two months of the year higher output was finally reflected in additional employment and the unemployment rate fell to 6%. Since the workweek is currently running at one of the highest rates in the past five years, further gains in output are likely to require more employees.

1965: High Level Economic Expansion

The present upward trend in the economy is expected to continue through the coming year. All business recoveries in the past 30 years have lasted for at least two years. Current economic indicators of future business provide little evidence suggestive of a recession this year. With most leading indicators showing favorable trends, expectations are high that industrial output will move upward during coming months.

Demand for goods and services will be buoyed by inventory building during the first half of the year in response to rising business sales and the possibility of a later steel strike. In contrast to possible fluctuation in inventory demand, capital spending by business will rise throughout 1962 as corporate profits climb with increased sales.

Surveys of buying plans suggest that rising personal incomes will be translated into larger consumer expenditures. Automobile sales are expected to be excellent in 1962, second only to 1955. Federal, state and local governments promise to boost aggregate demand in 1962. General inflation is unlikely to be a threat to the economy until late in the year. Prices will advance little in the first half of 1962 due to substantial unemployment and unusual plant capacity. Rising imports in the the coming year are likely to result in a continuing balance of payments problem.

Outlook for Banking

It is expected that banking will share in the 1962 broadly based business expansion. Business loan totals will expand significantly in response to inventory and accounts receivable financing. Total bank assets and deposits may increase less than in 1961 due to a less expensive monetary policy. Both demand and supply factors point to firm interest rates in the months ahead in contrast to moderate weakness in early 1961. Therefore, bank profits should be sustained in the coming year.

AS WE SEE IT

Continued from page 1

ing international conditions could and very probably would tend very positively toward a dollar crisis and a renewal of the outflow of gold. The loss of more gold at least in fairly moderate quantities would of itself, of course, be no particular tragedy but it would very definitely tend to dramatize the weakness of our international position and cause many abroad to lose further confidence in us and ours. The various devices that have been suggested for stemming any such tide through operations of the international financial organizations could hardly do very much to restore or to maintain full confidence in us and the dollar. When the unessential elements are stripped off, such steps as these are too much like a bank, finding itself in some difficulty and fearful of loss of confidence in it, were to ask large loans from its depositors.

It is depressingly evident that we have done little or nothing to correct the underlying situation out of which our dollar difficulties arise, the President's soothing words to the contrary notwithstanding. None of the steps necessary to enable our producers to become more competitive has been taken in Washington, and nowhere else can they be taken. It is also far from clear whether or not such faltering measures as the Administration has taken will be adequate to meet situations quite likely to arise during this year. Whether or not we are to witness another outrageous demand by the steel workers for "benefits" which inevitably raise the cost of steel and thus render not only the steel industry itself but steel users as well less competitive abroad remains to be seen. Certainly the apparent temper at the recent AFL-CIO convention did not inspire a great deal of confidence. If the steel industry and the steel using industries must face such cost increases or else a prolonged strike during the year, many bets will have to be cancelled. Evidently, rather gentle slaps on the wrists do not cause entrenched labor unions or labor leaders very much perturbation.

But the dangers to our prosperity, or at least to its solidity and lasting qualities, are not confined to the behavior of labor unions and the unwillingness of the authorities to take such steps as are necessary to place them on the same footing as the remainder of our economic system. The President has on more than one occasion spoken of the necessity of bearing our international situation carefully in mind whenever broad economic policies are formulated or given effect. In particular this consideration seems to have been effective in preventing the Administration from trying to force unduly easy credit conditions to help this, that, and the other element in the population which was thought to be in need of help.

Message Reflects Little of It

It must be said, however, in all candor that there is very little in the State of the Union Message that the President has just delivered to Congress which gives evidence of full awareness of this problem or rather group of problems. The Chief Executive is obviously still obsessed with the notion that government can through some sort of legerdemain, work the economy to its will. He is, moreover, evidently convinced that legislation is too slow a process for modern times and that the Chief Executive must be given temporary grants of extraordinary authority for the purpose of enabling him to deal with the inevitable problems of any managed economy. He is still a spender no matter what may be said about it. The very large additions now evidently in view for defense may or may not be essential in any and all senses of the word. We should hardly feel competent to pass upon such a question. But the funds he wishes to lay out in other directions—for education, for health care, and for various other causes—are obviously not essential.

Three Cheers for Congress

As a practical matter, it is quite an open question as to how much of all this the President can, with the most vigorous and skillful of efforts, obtain from Congress, whose cooperation at several key points is essential. The outlook for a continuation of the present excellent state of the economy without the development of serious problems would be less good were it not for the fact that men of good sense and independence of mind are present in our national legislative body. It is unfortunate that members of Congress are not equally able to proceed in a constructive way to lay out programs that are obviously needed and persuade the President and his so-called liberal advisers to go along.

But all periods of prosperity are hedged about with hazards of one sort or another. What a good thing it would be if in this instance we were to take them to heart—and move boldly and constructively to repair the foundations of our well being.

McHale to be Asst. Vice-Pres. Of Merrill Lynch

CHICAGO, Ill.—Effective Jan. 26, James E. McHale will become an Assistant Vice-President, of Merrill Lynch, Pierce, Fenner & Smith Inc. with headquarters in the Board of Trade Building.

Model, Roland to Admit Partner

Model, Roland & Stone, 120 Broadway, New York City, members of the New York Stock Exchange, on Feb. 1, will admit Sidney Rydell to partnership.

Amos Sudler Adds

DENVER, Colo.—Robert M. Kinney, Jr. has been added to the staff of Amos C. Sudler & Co., American National Bank Building. He was formerly with Preferred Securities, Inc.

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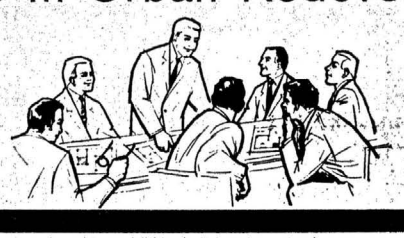

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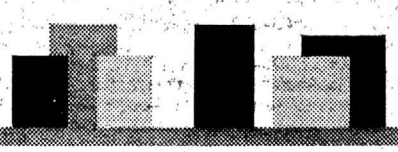

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BANK AND INSURANCE STOCKS: This Week — Bank Stocks

1961 EARNINGS AND THE EARNINGS OUTLOOK FOR NEW YORK BANKS

As shown, the major New York City banks showed an average decline in earnings per share for 1961 of 4%. It is interesting to note, however, that for the final quarter, earnings were up 3%, which indicates a reversal of the downward earnings' trend of the past year. Also significant in the year end figures are the trends in deposits and loans. New York City banks have seldom shown as large a deposit increase for a one year period as they have within the past year. For example, the Chase Manhattan bank showed a deposit increase of 17.1% over the period 1956-1960, as compared with a 9% increase for the last year. It is important to note that over the year 1961 loan demand did not approximate the increase in deposits, with the result that New York banks are now in a favorable loan position.

In the recent period of "tight money" in 1957-1958, New York City banks usually exceeded a 60% loan to deposit ratio. The average ratio is now 51%, which allows a 20 to 25% loan expansion in what is generally expected to be a recovery year. In addition, there have been pronouncements within the past week by two of the major New York City banks that an increase in the prime rate was not far away. Should the rate rise again to 5%, this would represent more than a 10% increase in return on prime rate loans. With these factors present, it is difficult to expect a decline in earnings for these banks in 1962.

Most bank stock prices have had appreciable declines over the past several weeks. This is due in part to the Federal Reserve Board ruling which permits commercial banks to pay up to 4% on time deposits. With time deposits relatively insignificant, any move to higher rates will not adversely affect the New York banks' earnings. On the other hand, these banks have been regarded as an equity investment which will provide yield, but within the past two years, this advantage has disappeared with a corresponding rise in price earnings ratio. Although the outlook for earnings appears certain, any institutional switching from New York City bank stocks into higher yielding investment media (bonds) could produce a depressed market for these bank stocks in the coming year.

	Price (Bid)	Dividend Rate	Yield	Current P/E Ratio (1961 Earns.)
Bank of New York	$418	$13.00	3.10%	18.2X
Bankers Trust Co.	71	1.80	2.54	18.6
Chase Manhattan Bank	83	2.60	3.13	16.4
Chemical Bank-New York Trust Co.	91	2.80	3.08	17.6
Empire Trust Company	370	3.00	0.81	17.5
First National City Bank	103	3.00	2.91	17.7
Irving Trust Company	53	1.60	3.02	17.5
Manufacturers-Hanover Trust Co.	63	2.00	3.17	17.8
Morgan Guaranty Trust Co.	127	4.00	3.15	19.4
U. S. Trust Co.	144	4.00	2.80	22.5

AVERAGE P/E RATIOS OF NEW YORK CITY BANK STOCKS

Current	18.3X	1958	15.0X
1960	16.7	1957	11.7

	Net Oper. Earns./Sh. Year Ended 12/31/61	% Change NOE/Sh. Over 1960	% Change NOE/Sh. 12/31/61 Over 9/30/61
Bank of New York	$22.96	— 1%	+ 6%
Bankers Trust Company	3.81	— 5	+ 1
Chase Manhattan Bank	5.05	— 5	— 1
Chemical Bank-New York Trust Co.	5.18	+ 7	+11
Empire Trust Company	21.05	—10	+ 2
First National City Bank	5.84	— 2	+12
Irving Trust Company	3.03	—10	— 2
Manufacturers-Hanover Trust Co.	3.55	— 7	— 9
Morgan Guaranty Trust Co.	6.53	— 6	+ 7
U. S. Trust Company	6.40	+ 3	+ 3
Average Increase or Decrease	---	— 4%	+ 3%

	Deposits 12/31/61 Over 12/31/60	Loans 12/31/61 Over 12/31/60	Loan/Deposit Ratio 12/31/61
Bank of New York	5%	3%	48%
Bankers Trust Company	12	8	50
Chase Manhattan Bank	9	9	53
Chemical Bank-New York Trust Co.	12	9	55
Empire Trust Company	16	6	51
First National City Bank	10	3	51
Irving Trust Company	13	19	50
Manufacturers-Hanover Trust Co.	3	—1	42
Morgan Guaranty Trust Company	13	4	58
U. S. Trust Company	3	2	52
Average Increase	10%	6%	
Average Loan/Deposit Ratio	---	---	51%

Our Annual Comparison

NEW YORK CITY BANK EARNINGS

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STATE OF TRADE AND INDUSTRY

Continued from page 16

cars or 20.4% below the corresponding week in 1960. Both 1962 and 1961 weeks included New Year's Day holiday, but there was no holiday in the 1960 week.

There were 8,999 cars reported loaded with one or more revenue highway trailers or highway containers (piggyback) in the week ended Dec. 30, 1961 (which were included in that week's over-all total). This was an increase of 854 cars or 10.5% above the corresponding week of 1960 and 2,338 cars or 35.1% above the 1959 week.

Piggyback loadings for the year 1961 totaled 591,246. This was an increase of 37,131 cars or 6.7% compared with 1960, and 174,738 cars or 42% above 1959. There were 58 class I U. S. railroad systems originating this type traffic in the current week compared with 54 one year ago and 50 in the corresponding week of 1959.

Truck Tonnage Volume Gains 4.8% Over 1961 Week

Intercity truck tonnage in the week ended Jan. 6, was 4.8% ahead of volume in the corresponding week of 1961. Data published by the *American Trucking Associations* showed that truck tonnage was 11.7% ahead of the volume for the previous week of this year. This week-to-week gain from the week of the Christmas holiday to that of New Year's is consistent with the pattern in previous years.

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.

Failures Continue to Rise in Second Week of 1962 but Still Below a Year Ago

Commercial and industrial failures climbed to 319 in the week ended Jan. 11 from 231 in the preceding week, reports Dun & Bradstreet, Inc. Despite this upturn, casualties remained below their year-ago level of 335 although they exceeded slightly the 292 occurring in the similar week of 1960. Some 16% fewer businesses succumbed than in pre-war 1939 when the toll was 380.

Failures involving liabilities in excess of $100,000 rose to 39 from 33 in both the prior week and last year. A sharper increase prevailed among casualties with losses under $100,000, which surged to 280 from 198 a week ago but did not reach the 302 of this size in the comparable week of 1961.

Wholesale Commodity Price Index Edges to Two-Year High

The general wholesale commodity price level last Wednesday reached 275.80, the highest point since January, 1960, but then eased off to 275.66 by Monday, Jan. 15, reports Dun & Bradstreet, Inc. It remained above the level in the preceding week, however, bolstered largely by price increases in oats and livestock, particularly steers and lambs.

On Monday, Jan. 15, the daily wholesale commodity price index stood at 275.66, up from 275.40 in the prior week and appreciably above the month-ago level of 273.46 and the year-ago level of 267.26.

Wholesale Food Price Index Holds Steady in Latest Week

No change occurred in the Wholesale Food Price Index, compiled by Dun & Bradstreet, Inc., in the latest week, but it remained moderately lower than a year ago for the17th straight week. On Jan. 16, the index held at $5.93, the same as in the preceding week but was down 3.6% from the $6.15 recorded on the corresponding day last year.

Moving higher in wholesale cost this week were flour, barley, beef, hams, bellies, eggs and steers. On the other hand, lower prices were quoted for wheat, rye, oats, butter cheese, cocoa, hogs and lambs.

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.

Weather Cuts Retail Consumer Buying

Dun & Bradstreet reported that ice, snow and rain combined to cut retail purchases in the week ended last Jan. 10, and over-all trade was held to about the same level as a year earlier. Activity, in both women's and men's apparel was hampered considerably by the weather, and white sales made only fair progress in their second week. But, some surprising advances were chalked up in appliances, autos, and furniture.

The total dollar volume of retail trade in the week under review ranged from 2% below to 2% higher than a year ago, according to spot estimates collected by Dun & Bradstreet, Inc. Regional estimates varied from comparable 1961 levels by the following percentages: New England —12 to —8; Mountain —10 to —6; West North Central —8 to —4; Middle Atlantic —4 to 0; East South Central —3 to +1; East North Central —2 to +2; West South Central 0 to +4; Pacific +1 to +5; and South Atlantic +3 to +7.

Nationwide Department Store Sales Down 2% From 1961 Week

Department store sales on a country-wide basis as taken from the Federal Reserve Board's index reported a 2% decline for the week ended Jan. 6, 1962, compared with the like period in 1961. For the week ended Dec. 30, 1961, sales were 8% higher than in the corresponding period in 1960. In the four-week period ended Jan. 6, 1962, sales advanced 9% over the corresponding period in 1960-1961.

According to the Federal Reserve System department store sales in New York City for the week ended Jan. 6, were 4% lower when compared with the same period in 1961. In the preceding week ended Dec. 30, 1961, sales were 7% higher than the same period in 1960. For the four weeks ending Jan. 6, 1962, a 10% increase was reported above the comparable period in 1960-1961.

Family Circle Associates Class A Sold

The initial public sale of the class A common stock of Family Circle Associates, Inc. is being made through the offering of 50,000 shares at $8 per share by Russell & Saxe, Inc., New York City. The shares are offered as a speculation.

Net proceeds from the financing will be used by the company to repay certain loans. The balance of the proceeds will be used as working capital, particularly for carrying additional inventories.

The company was organized on September 16, 1960 and acquired all the outstanding stock of Family Circle Stores, a New Jersey corporation. Family Circle Stores, an operating subsidiary, has operated a self-service discount department store in Keyport, Raritan Township, N. J., since October 31, 1957. Laurelton Family Circle Stores, Inc., an operating subsidiary, has operated a self-service discount department store in Laurelton, Brick Township, N. J., since October 19, 1961. The company has new offices in Keyport, N. J., which are to be used as executive headquarters, buying offices and general bookkeeping offices for the company and its subsidiaries.

Charles McKinney Forms Own Co.

(Special to THE FINANCIAL CHRONICLE)

LOS ANGELES, Calif. — Charles L. McKinney has formed McKinney & Co. to engage in the securities business from offices at 210 West Seventh St. Mr. McKinney, a member of the Pacific Coast Stock Exchange, was formerly a partner in Neary, Purcell & Co.

Paine, Webber to Admit Schwieger

Paine, Webber, Jackson & Curtis, 25 Broad St., New York City, members of the New York Stock Exchange, on Feb. 1 will admit John H. Schwieger to partnership.

REPORT OF CONDITION OF

Underwriters Trust Company

of 50 Broadway, New York 4, N. Y., at the close of business on December 30, 1961, published in accordance with a call made by the Superintendent of Banks pursuant to the provisions of the Banking Law of the State of New York.

ASSETS	
Cash, balances with other banks, and cash items in process of collection	$8,566,431.13
United States Government obligations, direct and guaranteed	18,088,874.03
Obligations of States and political subdivisions	2,503,247.34
Other bonds, notes and debentures (including $480,958.03 securities of Federal agencies and corporations not guaranteed by U. S.)	480,958.03
Loans and discounts (including $122.14 overdrafts)	24,570,253.55
Bank premises owned, none, furniture and fixtures	252,371.87
Real estate owned other than bank premises	235,352.64
Other assets	225,527.11
TOTAL ASSETS	$54,923,015.70
LIABILITIES	
Demand deposits of individuals, partnerships, and corporations	$23,482,105.57
Time and savings deposits of individuals, partnerships, and corporations	6,615,658.96
Deposits of United States Government	275,712.52
Deposits of States and political subdivisions	16,545,808.19
Deposits of banks	1,449,011.92
Certified and officers' checks, etc.	2,122,378.22
TOTAL DEPOSITS	$50,490,675.38
(a) Total demand deposits	26,744,403.02
(b) Total time and savings deposits	23,746,272.36
Other liabilities	353,442.01
TOTAL LIABILITIES	$50,844,117.39
CAPITAL ACCOUNTS	
Capital: Common stock, total par value	$2,000,000.00
Surplus fund	1,000,000.00
Undivided profits	1,078,898.31
TOTAL CAPITAL ACCOUNTS	$4,078,898.31
TOTAL LIABILITIES AND CAPITAL ACCOUNTS	$54,923,015.70
MEMORANDA	
Assets pledged or assigned to secure liabilities and for other purposes	$14,891,287.30
Loans as shown above are after deduction of reserves of	164,033.80
Securities as shown above are after deduction of reserves of	179,710.00

I, NICHOLAS F. PIOMBINO, Auditor of the above-named institution, hereby certify that this report of condition is true and correct to the best of my knowledge and belief.

NICHOLAS F. PIOMBINO

Correct—Attest:

CHRISTIAN W. KORELL
SUMNER FORD
JOSEPH B. V. TAMNEY
Directors

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Indications of Current Business Activity

The following statistical tabulations cover production and other figures for the latest week or month available. Dates shown in first column are either for the week or month ended on that date, or, in cases of quotations, are as of that date:

		Latest Week	Previous Week	Month Ago	Year Ago
AMERICAN IRON AND STEEL INSTITUTE:					
Indicated steel operations (per cent capacity)	Jan. 13	78.5	78.5	75.5	50.5
Equivalent to—					
Steel ingots and castings (net tons)	Jan. 13	2,300,000	2,294,000	2,200,000	1,482,000
AMERICAN PETROLEUM INSTITUTE:					
Crude oil and condensate output—daily average (bbls. of 42 gallons each)	Jan. 5	7,445,210	7,384,210	7,397,060	7,152,310
Crude runs to stills—daily average (bbls.)	Jan. 5	8,508,000	8,429,000	8,291,000	8,167,000
Gasoline output (bbls.)	Jan. 5	31,018,000	30,732,000	29,766,000	29,333,000
Kerosene output (bbls.)	Jan. 5	3,085,000	3,266,000	3,031,000	3,351,000
Distillate fuel oil output (bbls.)	Jan. 5	14,866,000	14,722,000	14,735,000	13,272,000
Residual fuel oil output (bbls.)	Jan. 5	6,743,000	6,508,000	6,265,000	6,668,000
Stocks at refineries, bulk terminals, in transit, in pipe lines—					
Finished and unfinished gasoline (bbls.) at	Jan. 5	199,901,000	194,640,000	187,466,000	199,770,000
Kerosene (bbls.) at	Jan. 5	31,358,000	32,531,000	35,084,000	30,714,000
Distillate fuel oil (bbls.) at	Jan. 5	147,269,000	151,880,000	169,118,000	133,975,000
Residual fuel oil (bbls.) at	Jan. 5	45,053,000	45,745,000	47,524,000	45,262,000
ASSOCIATION OF AMERICAN RAILROADS:					
Revenue freight loaded (number of cars)	Jan. 6	469,467	422,237	560,602	439,193
Revenue freight received from connections (no. of cars)	Jan. 6	437,852	412,503	511,289	425,770
CIVIL ENGINEERING CONSTRUCTION—ENGINEERING NEWS-RECORD:					
Total U. S. construction	Jan. 11	$430,300,000	$381,100,000	$393,000,000	$623,900,000
Private construction	Jan. 11	202,700,000	124,500,000	206,000,000	360,100,000
Public construction	Jan. 11	227,600,000	256,600,000	187,000,000	263,800,000
State and municipal	Jan. 11	195,500,000	164,300,000	145,000,000	177,100,000
Federal	Jan. 11	32,100,000	92,300,000	42,000,000	86,700,000
COAL OUTPUT (U. S. BUREAU OF MINES):					
Bituminous coal and lignite (tons)	Jan. 6	7,395,000	*6,555,000	8,425,000	6,830,000
Pennsylvania anthracite (tons)	Jan. 6	319,000	258,000	363,000	369,000
DEPARTMENT STORE SALES INDEX—FEDERAL RESERVE SYSTEM—1947-49 AVERAGE=100	Jan. 6	116	125	299	118
EDISON ELECTRIC INSTITUTE:					
Electric output (in 000 kwh.)	Jan. 13	16,957,000	16,021,000	16,695,000	15,030,000
FAILURES (COMMERCIAL AND INDUSTRIAL)—DUN & BRADSTREET, INC.	Jan. 11	319	231	306	335
IRON AGE COMPOSITE PRICES:					
Finished steel (per lb.)	Jan. 8	6.196c	6.196c	6.196c	6.196c
Pig iron (per gross ton)	Jan. 8	$66.44	$66.44	$66.44	$66.44
Scrap steel (per gross ton)	Jan. 8	$37.83	$37.83	$34.17	$31.17
METAL PRICES (E. & M. J. QUOTATIONS):					
Electrolytic copper—					
Domestic refinery at	Jan. 10	30.600c	30.600c	30.600c	29.600c
Export refinery at	Jan. 10	28.025c	27.875c	28.175c	26.500c
Lead (New York) at	Jan. 10	10.000c	10.250c	10.250c	11.000c
Lead (St. Louis) at	Jan. 10	9.800c	10.050c	10.050c	10.800c
‡Zinc (delivered) at	Jan. 10	12.500c	12.500c	12.500c	12.000c
Zinc (East St. Louis) at	Jan. 10	12.000c	12.000c	12.000c	11.500c
Aluminum (primary pig, 99.5%) at	Jan. 10	24.000c	24.000c	24.000c	26.000c
Straits tin (New York) at	Jan. 10	120.375c	120.375c	121.375c	100.250c
MOODY'S BOND PRICES DAILY AVERAGES:					
U. S. Government Bonds	Jan. 16	85.90	86.37	85.75	86.57
Average corporate	Jan. 16	86.11	86.11	85.85	86.78
Aaa	Jan. 16	89.02	89.78	89.64	91.19
Aa	Jan. 16	88.27	88.27	87.99	89.09
A	Jan. 16	85.59	85.59	85.46	86.24
Baa	Jan. 16	81.29	81.17	80.93	81.05
Railroad Group	Jan. 16	83.28	83.28	83.28	84.04
Public Utilities Group	Jan. 16	87.32	87.32	87.18	87.86
Industrials Group	Jan. 16	87.86	87.86	87.32	88.40
MOODY'S BOND YIELD DAILY AVERAGES:					
U. S. Government Bonds	Jan. 16	4.15	4.08	4.15	3.94
Average corporate	Jan. 16	4.70	4.70	4.72	4.65
Aaa	Jan. 16	4.42	4.43	4.44	4.33
Aa	Jan. 16	4.54	4.54	4.56	4.48
A	Jan. 16	4.74	4.74	4.75	4.69
Baa	Jan. 16	5.08	5.09	5.11	5.10
Railroad Group	Jan. 16	4.92	4.92	4.92	4.86
Public Utilities Group	Jan. 16	4.61	4.61	4.62	4.57
Industrials Group	Jan. 16	4.57	4.57	4.61	4.53
MOODY'S COMMODITY INDEX	Jan. 16	375.5	378.2	373.1	360.2
NATIONAL PAPERBOARD ASSOCIATION:					
Orders received (tons)	Jan. 6	216,099	291,340	351,763	207,300
Production (tons)	Jan. 6	162,543	241,356	338,958	167,049
Percentage of activity	Jan. 6	73	52	95	77
Unfilled orders (tons) at end of period	Jan. 6	493,023	444,764	497,784	408,384
OIL, PAINT AND DRUG REPORTER PRICE INDEX—1949 AVERAGE=100	Jan. 12	116.75	115.57	114.04	109.70
ROUND-LOT TRANSACTIONS FOR ACCOUNT OF MEMBERS, EXCEPT ODD-LOT DEALERS AND SPECIALISTS					
Transactions of specialists in stocks in which registered—					
Total purchases	Dec. 22	2,748,360	3,454,650	2,622,090	2,768,130
Short sales	Dec. 22	332,000	514,510	555,020	428,050
Other sales	Dec. 22	2,241,890	2,633,230	1,994,330	2,059,970
Total sales	Dec. 22	2,573,890	3,147,740	2,549,350	2,488,020
Other transactions initiated off the floor—					
Total purchases	Dec. 22	315,900	537,820	393,700	470,340
Short sales	Dec. 22	21,200	61,300	70,200	31,200
Other sales	Dec. 22	338,870	467,890	296,040	326,660
Total sales	Dec. 22	360,070	529,190	366,240	357,860
Other transactions initiated on the floor—					
Total purchases	Dec. 22	975,445	1,103,419	993,702	951,513
Short sales	Dec. 22	87,850	126,610	141,300	144,540
Other sales	Dec. 22	979,030	1,986,345	813,439	1,016,021
Total sales	Dec. 22	1,066,880	2,112,955	954,739	1,160,561
Total round-lot transactions for account of members—					
Total purchases	Dec. 22	4,039,705	5,095,889	4,009,492	4,189,983
Short sales	Dec. 22	441,050	702,420	766,520	603,790
Other sales	Dec. 22	3,559,790	5,087,465	3,103,809	3,402,651
Total sales	Dec. 22	4,000,840	5,789,885	3,870,329	4,006,441
STOCK TRANSACTIONS FOR ODD-LOT ACCOUNT OF ODD-LOT DEALERS AND SPECIALISTS ON N. Y. STOCK EXCHANGE — SECURITIES EXCHANGE COMMISSION					
Odd-lot sales by dealers (customers' purchases)—†					
Number of shares	Dec. 22	1,745,386	2,182,048	1,788,886	1,618,289
Dollar value	Dec. 22	$94,277,057	$116,310,161	$100,161,226	$80,123,202
Odd-lot purchases by dealers (customers' sales)—					
Number of orders—customers' total sales	Dec. 22	1,889,420	2,226,482	1,886,869	1,980,023
Customers' short sales	Dec. 22	7,249	9,737	10,222	7,313
Customers' other sales	Dec. 22	1,882,171	2,216,745	1,876,647	1,972,710
Dollar value	Dec. 22	$95,232,244	$110,190,295	$95,968,582	$90,520,319
Round-lot sales by dealers—					
Number of shares—Total sales	Dec. 22	653,520	722,710	591,230	715,430
Short sales	Dec. 22	------	------	------	------
Other sales	Dec. 22	653,520	722,710	591,230	715,430
Round-lot purchases by dealers—Number of shares	Dec. 22	491,730	712,390	474,540	382,890
TOTAL ROUND-LOT STOCK SALES ON THE N. Y. STOCK EXCHANGE AND ROUND-LOT STOCK TRANSACTIONS FOR ACCOUNT OF MEMBERS (SHARES):					
Total round-lot sales—					
Short sales	Dec. 22	544,530	867,140	909,970	735,780
Other sales	Dec. 22	18,037,740	22,043,450	17,292,430	18,748,160
Total sales	Dec. 22	18,582,270	22,910,590	18,202,400	19,483,940
WHOLESALE PRICES, NEW SERIES — U. S. DEPT. OF LABOR — (1947-49=100):					
Commodity Group—					
All commodities	Jan. 9	119.5	119.5	119.1	119.9
Farm products	Jan. 9	88.3	*88.6	87.6	89.9
Processed foods	Jan. 9	110.3	109.8	108.9	109.8
Meats	Jan. 9	97.4	95.7	93.8	98.2
All commodities other than farm and foods	Jan. 9	127.8	127.8	127.7	128.1

*Revised figure. †Number of orders not reported since introduction of Monthly Investment Plan. ‡Prime Western Zinc sold on delivered basis at centers where freight from East St. Louis exceeds one-half cent a pound. NA. Not available.

	Latest Month	Previous Month	Year Ago
ALUMINUM (BUREAU OF MINES):			
Production of primary aluminum in the U. S. (in short tons)—Month of November	164,125	167,295	161,208
Stocks of aluminum (short tons) end of Nov.	240,343	255,650	257,061
AMERICAN PETROLEUM INSTITUTE—Month of October:			
Total domestic production (barrels of 42 gallons each)	251,336,000	237,845,000	245,419,000
Domestic crude oil output (barrels)	220,942,000	209,848,000	215,687,000
Natural gasoline output (barrels)	30,379,000	27,984,000	29,715,000
Benzol output (barrels)	15,000	13,000	17,000
Crude oil imports (barrels)	33,585,000	33,147,000	31,458,000
Refined product imports (barrels)	23,319,000	21,751,000	20,989,000
Indicated consumption domestic and export (barrels)	295,657,000	280,696,000	283,056,000
Increase all stocks (barrels)	12,583,000	12,047,000	14,810,000
AMERICAN ZINC INSTITUTE, INC.—Month of December:			
Slab zinc smelter output all grades (tons of 2,000 pounds)	85,261	81,861	72,933
Shipments (tons of 2,000 pounds)	80,453	85,563	64,272
Stocks at end of period (tons)	151,189	146,381	190,810
BUILDING CONSTRUCTION — U. S. DEPT. OF LABOR—Month of December (in millions):			
Total new construction	4,741	*$5,201	4,482
Private construction	3,409	*3,613	3,170
Residential buildings (nonfarm)	1,954	*2,062	1,698
New housing units	1,477	*1,571	1,267
Additions and alternations	379	*389	340
Nonhousekeeping	98	102	91
Nonresidential buildings	908	948	925
Industrial	221	221	264
Commercial	398	424	387
Office buildings and warehouses	195	196	201
Stores, restaurants, and garages	203	228	186
Other nonresidential buildings	289	303	274
Religious	85	89	86
Educational	52	54	50
Hospital and institutional	70	72	57
Social and recreational	57	62	60
Miscellaneous	25	26	21
Farm construction	100	*113	87
Public utilities	430	*472	437
Telephone and telegraph	77	84	86
Other public utilities	353	388	351
All other private	17	18	23
Public construction	1,332	*1,588	1,312
Residential buildings	82	*80	59
Nonresidential buildings	396	*418	391
Industrial	36	*40	36
Educational	240	244	234
Hospital and institutional	30	*32	31
Administrative and service	49	*57	44
Other nonresidential buildings	41	*45	46
Military facilities	95	*167	122
Highways	472	*603	470
Sewer and water systems	121	*130	112
Sewer	73	*76	64
Water	48	54	48
Public service enterprises	31	40	43
Conservation and development	106	*118	95
All other public	29	*32	20
BUILDING PERMIT VALUATION — DUN & BRADSTREET, INC.—217 CITIES—Month of November:			
New England	$30,738,954	$39,117,142	$22,362,141
Middle Atlantic	196,723,273	664,303,002	171,051,571
South Atlantic	52,783,530	68,104,051	56,247,556
East Central	86,535,012	119,249,488	90,208,254
South Central	81,954,945	102,597,720	97,280,869
West Central	49,506,901	39,043,846	32,749,853
Mountain	37,471,912	33,258,087	21,350,150
Pacific	135,394,846	150,460,603	98,687,111
Total United States	$671,109,373	$1,216,133,939	$589,937,505
New York City	164,132,991	615,103,819	132,424,463
Total outside New York City	$506,976,382	$601,030,120	$457,513,042
BUSINESS INVENTORIES — DEPT. OF COMMERCE NEW SERIES—Month of November (Millions of dollars):			
Manufacturing	$54,570	$54,230	$54,220
Wholesale	13,670	13,760	13,630
Retail	27,710	*27,001	28,080
Total	$95,950	*$95,000	*$95,930
COAL OUTPUT (BUREAU OF MINES)—Month of December:			
Bituminous coal and lignite (net tons)	33,815,000	37,305,000	33,091,000
Pennsylvania anthracite (net tons)	1,404,000	*1,532,000	1,794,000
CONSUMER PRICE INDEX — 1947-49=100—Month of November:			
All items	128.3	128.4	127.4
Food	120.3	120.9	121.1
Food at home	116.8	117.6	118.4
Cereal and bakery products	140.9	140.2	138.6
Meats, poultry and fish	108.6	109.7	109.9
Dairy products	119.4	119.0	118.9
Fruits and vegetables	121.6	122.9	126.2
Other food at home	108.2	109.8	111.6
Food away from home (Jan. 1958=100)	122.7	122.4	119.6
Housing	132.9	132.7	132.1
Rent	144.2	144.1	142.7
Gas and electricity	125.7	125.7	125.7
Solid fuels and fuel oil	139.2	138.4	136.3
Housefurnishings	103.4	103.6	104.0
Household operation	139.5	139.2	138.3
Apparel	111.2	111.4	110.7
Men's and boys'	112.3	112.2	112.0
Women's and girls'	101.7	102.4	101.4
Footwear	142.3	141.7	140.3
Other apparel	93.0	93.1	94.1
Transportation	150.5	150.3	146.5
Private	138.0	137.9	134.4
Public	209.5	209.4	202.9
Medical care	162.4	162.3	157.9
Personal care	134.3	134.0	133.9
Reading and recreation	125.2	125.4	122.5
Other goods and services	133.8	133.8	132.7
RAILROAD EARNINGS CLASS I ROADS (ASSOCIATION OF AMERICAN RRs.)—Month of November:			
Total operating revenues	$799,611,458	$843,342,938	$756,581,458
Total operating expenses	601,095,542	623,858,041	603,120,900
Taxes	91,282,488	97,436,049	75,903,260
Net railway operating before charges	71,492,167	89,660,204	47,202,804
Net income after charges (estimated)	58,000,000	73,000,000	34,000,000
REAL ESTATE FINANCING IN NONFARM AREAS OF U. S.—HOME LOAN BANK BOARD—Month of Oct. (000's omitted):			
Savings and loan associations	$1,304,059	$1,248,103	$1,052,511
Insurance companies	109,217	101,364	105,861
Banks and trust companies	467,568	447,200	374,560
Mutual savings banks	174,254	173,561	146,475
Individuals	332,322	302,558	328,578
Miscellaneous lending institutions	573,780	509,768	520,161
Total	$2,961,200	$2,776,554	$2,525,146

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• 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.

ABC Air Freight Co., Inc.
Oct. 25, 1961 filed 105,000 common. **Price**—By amendment. **Business**—Furnishing of air freight services throughout the U. S. **Proceeds**—For expansion. **Office**—467 Tenth Ave., N. Y. **Underwriter**—Flomenhaft, Seidler & Co., N. Y. **Offering**—In early March.

ABC Cellophane Corp. (2/5-9)
Sept. 7, 1961 ("Reg. A") 75,000 common. **Price** — $4. **Business**—A converter of packaging material, producing polyethylene and cellophane bags and sheets. **Proceeds** — For a new plant and equipment and working capital. **Office**—1368-72 Utica Ave., Brooklyn. **Underwriter**—Havener Securities Corp., and D. A. Bruce & Co., Inc., N. Y.

Accuracy Inc.
Dec. 8, 1961 ("Reg. A") 60,000 common. **Price**—$5. **Business** — Research, design and manufacture of precision potentiometers. **Proceeds**—For general corporate purposes. **Office**—223 Crescent St., Waltham, Mass. **Underwriter**—Mann & Creesy, Salem, Mass.

Aceto Chemical Co., Inc. (1/29-2/2)
Sept. 27, 1961 filed 88,000 common. **Price**—$5. **Business**—Purchase and sale of chemicals and by-products. **Proceeds**—For expansion, sales promotion, and working capital. **Office**—40-40 Lawrence St., Flushing, N. Y. **Underwriter**—Karen Securities Corp., N. Y

Acro Electronic Products Co. (1/29-2/2)
July 17, 1961 filed 100,000 class A common shares. **Price**—By amendment. **Business**—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.

Acrylic Optics Corp. (1/29-2/2)
Nov. 28, 1961 ("Reg. A") $240,000 of 15-year 6% convertible subordinated debentures (convertible into common at $1.50 per share); and 40,000 common shares. **Price**—For debentures at par; for stock, $1.25. **Business**—Research, design and manufacture of contact lenses and accessories. **Proceeds**—For expansion. **Office**—1928 Firth National Bank, Detroit. **Underwriter**—A. D. Gilhard & Co., Inc., N. Y.

Advance Cable Systems Corp.
Nov. 30, 1961 ("Reg. A") 55,000 common. **Price** — $4. **Business**—Design, manufacture and installation of electronic cable systems and hardware. **Proceeds**—For debt repayment, equipment and working capital. **Office**—12806 Bradley Ave., Sylmar, Calif. **Underwriter**—B. B. George Securities, Ltd., N. Y.

★ Admiral Automotive Products, Inc.
Jan. 11, 1962 filed 100,000 common. **Price**—$4. **Business**—A warehouse distributor of automobile equipment accessories and supplies. **Proceeds** — For expansion and working capital. **Office**—3294 Steinway St., Astoria, N. Y. **Underwriter**—Baruch Brothers & Co., Inc., N. Y.

Aero-Dynamics Corp. (1/29-2/2)
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., N. Y.

★ Aero Space Electronics, Inc.
Dec. 22, 1961 ("Reg. A") 80,000 common. **Price** — $3. **Business**—Design and production of electronic components used in electronic and electro-mechanical apparatus. **Proceeds**—For working capital, new product development, equipment and other corporate purposes. **Office**—2036 Broadway, Santa Monica, Calif. **Underwriter**—Walter Security Co., 320 Northern Blvd., Great Neck, N. Y.

Agency Tile Industries, Inc. (1/29-2/2)
Sept. 6, 1961 ("Reg. A") 120,000 common. **Price**—$2.50. **Business**—Importing, marketing and distributing ceramic tiles. **Proceeds**—Debt payment, new products, sales promotion and advertising, new office and warehouse and working capital. **Office**—522 W. 29th St., N. Y. **Underwriter**—International Services Corp., Paterson, N. J.

• Ainsbrooke Corp. (3/26-30)
Jan. 8, 1962 filed 200,000 capital shares, of which 100,000 are to be offered by the company and 100,000 by the stockholders. **Price**—$10. **Business**—Manufacture of men's and boys' underwear and pajamas. **Proceeds**—For expansion, inventory and working capital. **Office**—350 Fifth Ave., N. Y. **Underwriter**—Richard Bruce & Co., Inc., N. Y.

Air Master Corp.
May 26, 1961 filed 200,000 shares of class A common stock, of which 50,000 shares are to be offered for public sale by the company and 150,000 outstanding shares by the present holders thereof. **Price**—To be supplied by amendment. **Business**—The manufacture and sale of aluminum storm windows and doors, and other aluminum products. **Proceeds**—For working capital, and other corporate purposes. **Office**—20th Street, and Allegheny Avenue, Philadelphia, Pa. **Underwriter**—Francis I. du Pont & Co., N. Y. **Note**—This offering has been temporarily postponed.

• Airtechnology Corp. (1/23-27)
Nov. 15, 1961 ("Reg. A") 60,000 common. **Price**—$5. **Business**—Electronic research, development and manufacture under U. S. Govt. contract. **Proceeds**—For investment in own and other companies, and working capital. **Office**—640 Memorial Dr., Cambridge, Mass. **Underwriter**—Schirmer, Atherton & Co., Boston.

Airtronics International Corp. of Florida (1/29-2/2)
July 29, 1961 filed 199,000 common, of which 110,000 are to be offered by the company and 89,000 by stockholders. **Price**—By amendment. **Business**—Manufacture of electronic, mechanical and components. **Proceeds**—Repayment of loans, expansion and working capital. **Office**—6900 West Road 84, Fort Lauderdale, Fla. **Underwriters**—Stein Bros. & Boyce, Baltimore and Vickers, McPherson & Warwick, Inc., N. Y.

Alan-Randal Co., Inc. (1/29-2/2)
Oct. 27, 1961 ("Reg. A") 120,000 common. **Price**—$2.50. **Business**—Distributor of pens and other advertising material. **Proceeds** — For working capital. **Office** — 11608 Ventura Blvd., Studio City, Calif. **Underwriter**—Pacific Coast Securities Co., San Francisco, Calif.

• Alaska Pacific Lumber Co. (2/13-16)
Nov. 17, 1961 filed 250,000 common. **Price**—By amendment. **Business**—A lumber company. **Proceeds**—For construction and working capital. **Office**—614 Equitable Bldg., Portland, Ore. **Underwriter**—Dempsey-Tegeler & Co., Inc., St. Louis.

• Albert Voigt Industries, Inc. (2/1)
Aug. 29, 1961 filed 80,000 common. **Price**—$4. **Business**—The manufacture of metal store fixtures, show cases and related items. **Proceeds**—For repayment of loans, working capital, a leasehold improvement and moving expenses. **Office**—14-20 Dunham Pl., Brooklyn, N. Y. **Underwriter**—David Barnes & Co., Inc., N. Y. C.

★ Alberto-Culver Co.
Jan. 12, 1962 filed 68,000 common. **Price** — By amendment. **Business**—Manufacture and sale of cosmetics and toiletry preparations, particularly in the hair care field. **Proceeds**—For selling stockholders. **Office**—2525 Armitage Ave., Melrose Park, Ill. **Underwriter**—Shields & Co., N. Y.

Al-Crete Corp. (2/5-9)
Sept. 20, 1961 filed 127,000 class A common. **Price**—$3. **Business**—Development and manufacture of a new variety of building products. **Proceeds**—For construction of a new plant. **Office**—4800 Baltimore Ave., Hyattsville, Md. **Underwriter**—Whitehall Securities Corp., Pittsburgh.

Allegheny Aluminum Industries, Inc.
Dec. 21, 1961 filed 100,000 common. **Price**—$4.25. **Business**—Manufacture of aluminum and fiberglass awnings and aluminum combination storm-screen windows and doors. Proceeds—For an acquisition, debt repayment and general corporate purposes. **Office**—5007 Lytle St., Pittsburgh, Pa. **Underwriter**—First Madison Corp., N. Y.

• 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**—Joint venture with Brunswick Corp. to establish and operate bowling centers in Europe. **Proceeds**—For expansion and general corporate purposes. **Office**—100 W. Tenth St., Wilmington, Del. **Underwriters**—Alessandrini & Co., Inc. and Hardy & Hardy, New York (managing). **Offering**—Imminent.

All-State Auto Rental Corp. (2/5-9)
Sept. 28, 1961 filed 50,000 common. **Price**—$4. **Business**—Leases motor vehicles. **Proceeds**—For working capital. **Office** — 31-04 Northern Blvd., Long Island City, N. Y. **Underwriter**—None.

Allied Capital Corp. (1/29-2/2)
Oct. 20, 1961 filed 213,427 common, of which 200,000 will be offered to the public and 13,427 to stockholders on a 1-for-10 basis. **Price**—By amendment. **Business**—A small business investment company. **Proceeds**—For investment. **Office**—7720 Wisconsin Ave., Bethesda, Md. **Underwriter**—Allen & Co., N. Y.

Alloys & Chemicals Corp.
Dec. 27, 1961 filed 225,000 common. **Price**—By amendment. **Business**—An aluminum smelter and refiner engaged in the production of aluminum alloys. **Proceeds**—For selling stockholders. **Office**—4365 Bradley Road, Cleveland. **Underwriter**—Joseph, Mellen & Miller, Inc., Cleveland.

Almo Industrial Electronics Inc.
Nov. 27, 1961 filed 155,000 class A shares. **Price**—By amendment. **Business**—Wholesaler and distributor of electronic parts manufactured by others. **Proceeds**—For working capital. **Office** — 412 N. 6th St., Philadelphia. **Underwriters**—C .C. Collings & Co., Inc. and Harrison & Co., Philadelphia.

Alson Mfg. Co. (2/13-16)
Aug. 28, 1961 ("Reg. A") 75,000 common. **Price**—$4. **Proceeds**—For equipment, repayment of loans and working capital. **Office**—2690 N. E. 191st St., Miami, Fla. **Underwriter**—Albion Securities Co., Inc., N. Y.

Aluma-Rail, Inc. (1/29-2/2)
Sept. 28, 1961 ("Reg. A") 100,000 common. **Price**—$2.25. **Business**—Manufacture of new color anodized aluminum chain link fencing. **Proceeds**—For inventory and plant expansion. **Office**—44 Passaic Ave., Kearny, N. J. **Underwriter**—Amber, Burstein & Co., Inc., N. Y.

Alumatron International, Inc.
Nov. 13, 1961 filed 73,000 common. **Price**—$7. **Business**—Company plans to construct special type homes, and engage in the general contracting business. **Proceeds**—For general corporate purposes. **Office**—St. Petersburg, Fla. **Underwriters**—Wm. H. Tegtmeyer & Co., Chicago and B. C. Malloy, Inc., St. Petersburg.

Amerel Mining Co. Ltd. (1/29-2/2)
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.

American Bolt & Screw Mfg. Corp. (2/26-3/2)
Dec. 15, 1961 filed 150,000 common. **Price** — By amendment. **Business**—Manufacture of standard and special industrial aircraft and missile fasteners. **Proceeds**—For debt repayment, equipment and other corporate purposes. **Office**—Lawson Blvd., Oceanside, L. I., N. Y. **Underwriter**—S. D. Fuller & Co., N. Y.

• American Book-Stratford Press, Inc. (2/19-23)
Oct. 27, 1961 filed 430,000 common. **Price**—By amendment. **Business**—Manufacture of hard-bound books for publishers. **Proceeds**—For selling stockholders. **Office**—75 Varick St., N. Y. **Underwriter**—Bear Stearns & Co., N. Y.

American Building Maintenance Industries (1/29-2/2)
Oct. 19, 1961 filed 141,000 capital shares, of which 30,000 shares are to be offered by the company and 111,000 shares by stockholders. **Price**—By amendment. **Business**—Providing of building maintenance services. **Proceeds**—For general corporate purposes. **Office**—335 Fell St., San Francisco. **Underwriters**—Carl M. Loeb, Rhoades & Co., N. Y. and Sutro & Co., San Francisco.

• American Cardboard & Packaging Corp.
Jan. 5, 1962 filed 150,000 common. **Price**—$3.50. **Business**—Manufacture and sale of cardboard boxes, display boards, etc. **Proceeds**—For general corporate purposes. **Office**—1101 W. Cambria St., Philadelphia. **Underwriters**—Milton D. Blauner & Co., Inc., M. L. Lee & Co., Inc., N. Y., and Hallowell, Sulzberger, Jenks, Kirkland & Co., Philadelphia. **Offering**—Expected in March.

American Development Corp.
Nov. 29, 1961 filed 60,000 common. **Price**—$6. **Business**—Development and sale of vacant land. **Proceeds**—Debt repayment and other corporate purposes. **Office**—1068 Broad St., Newark, N. J. **Underwriter**—To be named.

American Diversified, Inc.
Dec. 21, 1961 filed 110,000 common. **Price**—$7.50. **Business**—A holding company whose three subsidiaries are a life insurance company, a broker-dealer-underwriter, and a loan and finance company. **Proceeds**—For general corporate purposes. **Office**—930 Grant St., Denver. **Underwriter**—Nation-Wide Underwriters, Inc., Denver (a subsidiary).

American Finance Co., Inc. (1/29-2/2)
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,

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N. Y. **Underwriter**—Myron A. Lomasney & Co., N. Y. **Note**—The SEC has instituted "stop order" proceedings challenging the accuracy and adequacy of this statement.

• **American Financial Corp.**
Nov. 13, 1961 filed 150,000 common, of which 50,000 are to be offered by the company and 100,000 by stockholders. **Price**—By amendment. **Business**—The operation of three savings and loan associations, an equipment, automobile and truck leasing system and a general contracting business. **Proceeds**—For leasing program, to increase holdings in a subsidiary and for working capital. **Office**—3955 Montgomery Rd., Norwood, Ohio. **Underwriters**—Shearson, Hammill & Co., N. Y. and Westheimer & Co., Cincinnati. **Offering**—Imminent.

American Management & Investment Corp.
Dec. 20, 1961 filed 500,000 7% non-cumulative convertible preferred. **Price**—$10. **Business**—A management investment company which plans to acquire firms in the insurance and finance fields. **Proceeds**—For general corporate purposes. **Office** — Warner Bldg., Washington, D. C. **Underwriter**—None.

American Micro Devices, Inc. (2/5-9)
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 re-**writer**—Naftalin & Co., Inc., Minneapolis.

American Modular Manufacturing Corp.
Nov. 27, 1961 filed 200,000 common. **Price**—$2.50. **Business**—Manufacture of a type of component constructed home. **Proceeds**—For debt repayment, equipment, and working capital. **Office**—4950 71st Ave., North, Pinellas Park, Fla. **Underwriter**—Equity Securities Co., N. Y.

American Pioneer Life Insurance Co.
Dec. 20, 1961 filed 400,000 common. **Price**—$5.50. **Business**—Writes life insurance in Florida. **Proceeds** — For expansion and legal reserves. **Office**—307 S. Orange Ave., Orlando, Fla. **Underwriters**—Goodbody & Co., N. Y. and A. C. Allyn & Co., Chicago.

★ **American Pipe & Construction Co.**
Jan. 15, 1962 filed 300,000 common. **Price** — By amendment. **Business**—Manufacture of reinforced concrete pipe used in construction of water mains, sewers and storm drains. **Proceeds**—For property improvements and working capital. **Office**—390 S. Atlantic Blvd., Monterey Park, Calif. **Underwriter**—Dean Witter & Co., San Francisco.

American Realty & Petroleum Corp. (1/29-2/2)
Sept. 28, 1961 filed $2,000,000 of 6½% conv. subord. debentures due 1971. **Price**—At par. **Business**—Real estate and also the oil and gas business. **Proceeds**—For repayment of debt, sales and advertising, property improvements and possible acquisitions. **Office**—16 W. 61st St., N. Y. **Underwriter**—Troster, Singer & Co., N. Y.

American Sports Plan, Inc.
June 29, 1961 filed 200,000 common shares. **Price**—$6. **Business**—The operation of bowling centers. **Proceeds**—For expansion. **Office**—473 Winter Street, Waltham, Mass. **Underwriter**—None.

Anaconda Real Estate Investment Trust
Oct. 3, 1961 filed 163,636 shares of beneficial interests. **Price**—$10. **Business**—Real estate investing. **Proceeds**—For purchase of real estate in Florida. **Office**—1776 E. Sunrise Blvd., Fort Lauderdale, Fla. **Underwriter**—None.

Anchor Alloys, Inc.
Oct. 27, 1961 ("Reg. A") 50,000 common. **Price**—$6. **Business**—Purifying, alloying, and fabricating metals as components for the semi-conductor industry. **Proceeds**—For general corporate purposes. **Office**—968 Meeker Ave., Brooklyn, N. Y. **Underwriters**—Charles Plohn & Co., B. W. Pizzini & Co., Inc. and Atlas Securities Corp., New York. **Offering**—Expected sometime in March.

Anchor Industries Corp.
Nov. 24, 1961 filed 38,500 common. **Price**—$8. **Business**—Design and fabrication of precision sheet metal products. **Proceeds**—For machinery research, sales promotion, and working capital. **Office**—26 Essex St., Hackensack, N. J. **Underwriter**—Amber, Burstein & Co., Inc., New York.

• **Anoroc Products, Inc. (1/24)**
Oct. 6, 1961 ("Reg. A") 100,000 common. **Price**—$3. **Business**—Fabrication, manufacture and assembly of glass enclosures for bathtubs. **Proceeds**—For debt repayment and general corporate purposes. **Office**—181-14 Jamaica Ave., Jamaica, N. Y. **Underwriters**—G. Everett Parks & Co., Inc. and Parker Co., N. Y.

Anscott Chemical Industries, Inc.
Jan. 5, 1962 filed 95,000 common. **Price**—$2. **Business**—Development, sale and distribution of specialty chemicals and detergents. **Proceeds**—For sales promotion, new product development and general corporate purposes. **Office**—Industrial West, Allwood-Clifton, N. J. **Underwriters**—Glass & Ross, Inc. and Globus, Inc., N. Y.

Arizona Biochemical Co.
Nov. 14, 1961 filed 200,000 common. **Price**—$4. **Business**—Company plans to construct and operate refuse disposal plants. **Proceeds**—For general corporate purposes. **Office**—1001 N. Central Ave., Phoenix. **Underwriter**—Globus, Inc., N. Y. **Offering**—In late February.

★ **Arizona-New Mexico Development Corp.**
Jan. 3, 1962 ("Reg. A") 300,000 common. **Price** — $1. **Business** — Development of underground caverns as a tourist attraction. **Proceeds**—For debt repayment. **Office**—Suite No. 9—4344 E. Indian School Rd., Phoenix. **Underwriter**—Preferred Securities, Inc., Phoenix.

Arkwin Industries, Inc.
Nov. 28, 1961 filed 80,000 common, of which 25,000 are to be offered by the company and 55,000 by a selling stockholder. **Price**—$5. **Business**—Designs and manufactures precision hydraulic, pneumatic and fuel valves and control mechanisms for aircraft missiles, etc. **Proceeds**—For equipment and sales expansion. **Office**—648 Main St., Westbury, N. Y. **Underwriters**—Sterling, Grace & Co. and D. H. Blair & Co., N. Y. **Note**—This registration was indefinitely postponed.

• **Arnav Industries, Inc. (3/12-16)**
Dec. 29, 1961 filed $600,000 of 6% convertible subordinated debentures and 36,000 common stock purchase warrants to be offered for sale in units of one $1,000 debenture and 60 warrants. **Price** — By amendment. **Business**—Manufacture of hydraulic system devices and parts for the aircraft and missile industries, etc. **Proceeds**—For debt repayment and the purchase of additional equipment. **Office** — 32 Industrial Ave., Little Ferry, N. J. **Underwriter**—Gianis & Co., Inc., N. Y.

Aronoff & Richling, Inc.
Nov. 27, 1961 filed 54,000 common. **Price**—By amendment. **Business** — Design and manufacture of women's junior sizes. **Proceeds**—For selling stockholders. **Office**—1400 B'way, N. Y. **Underwriter**—Carreau & Co., N. Y.

Artlin Mills, Inc. (1/29-2/2)
Sept. 28, 1961 filed 135,000 class A common shares. **Price**—$5. **Business**—The purchase, conversion, decoration, gift packaging and distribution of terrycloth towels and cotton pillow cases. **Proceeds**—For inventory, repayment of loans and working capital. **Office**—1030 Pearl St., Long Branch, N. J. **Underwriter**—Mortimer B. Burnside & Co., Inc., N. Y.

Arts & Crafts Materials Corp.
Dec. 20, 1961 filed 150,000 common, of which 100,000 are to be offered by the company and 50,000 by a selling stockholder. **Price**—By amendment. **Business**—Importing and sale of arts and crafts materials. **Proceeds**—For general corporate purposes. **Office**—321 Park Ave., Baltimore. **Underwriter**—Federman, Stonehill & Co., N. Y.

Arwood Corp. (2/13-16)
Nov. 21, 1961 filed 230,000 common, of which 110,000 are to be offered by the company and 120,000 by the stockholders. **Price**—By amendment. **Business**—Manufacture of custom made castings. **Proceeds**—For plant improvement. **Office**—321 W. 44th St., N. Y. **Underwriter**—Bear, Stearns & Co., N. Y.

• **Astro-Science Corp. (2/26-3/2)**
Sept. 27, 1961 filed 232,500 common, of which 150,000 are to be offered by the company and 82,500 by stockholders. **Price**—By amendment. **Business**—Design and manufacture of ground systems and equipment for the support and servicing of electronic systems, aircraft and missiles. **Proceeds**—Repay debt and increase working capital. **Office**—9449 W. Jefferson Blvd., Culver City, Calif. **Underwriter**—W. C. Langley & Co., N. Y.

• **Astronetics, Inc.**
Nov. 21, 1961 ("Reg. A") 110,000 common. **Price** — $2. **Business** — Engaged in the purchasing, adaptation and distribution of specialized electronic component parts. **Proceeds**—For inventory, working capital and expansion of sales force. **Address**—Central and Hillside Aves., Atlantic Highlands, N. J. **Underwriter**—None. **Offering**—Expected in early February.

Atlantic Capital Corp.
Aug. 29, 1961 filed 500,000 common. **Price**—$12.50. **Business**—A small business investment company. **Proceeds**—For general corporate purposes. **Office**—744 Broad St., Newark, N. J. **Underwriter**—Paine, Webber, Jackson & Curtis, N. Y. C. **Offering**—Expected sometime in Feb.

Atlanta Motor Lodges, Inc.
Oct. 30, 1961 filed 150,000 common. **Price**—$10. **Business**—Operation of motels. **Proceeds** — For expansion and working capital. **Office**—120 North Ave., N. W., Atlanta, Ga. **Underwriter** — The Robinson-Humphrey Co., Inc., Atlanta, Ga.

• **Atlas Electronics Inc. (2/5-9)**
Sept. 28, 1961 filed 185,000 common. **Price**—$2.10. **Business**—Distribution of electronic components, parts and equipment. **Proceeds**—To repay debt, purchase inventory, and increase working capital. **Office**—774 Pfeiffer Blvd., Perth Amboy, N. J. **Underwriters**—Hay, Fales & Co. and McLaughlin, Kaufman & Co., N. Y.

Atlas Hotels, Inc.
Nov. 28, 1961 ("Reg. A") 30,000 common. **Price** — $10. **Business** — Operation of motor hotels. **Proceeds** — For working capital. **Office**—500 Hotel Circle, San Diego. **Underwriter**—J. A. Hogle & Co., Salt Lake City.

Atmospheric Controls, Inc. (1/29-2/2)
Aug. 22, 1961 ("Reg. A") 40,000 common. **Price**—$3.50 **Proceeds** — For repayment of loans, acquisition and working capital. **Office**—715 N. Fayette St., Alexandria, Va. **Underwriter**—First Investment Planning Co., Washington, D. C.

Audio Products Associates, Inc.
Dec. 29, 1961 filed 135,000 class A shares. **Price** — $4. **Business**—Creation, testing, and refinement of facilities for the production of low-cost polyvinyl chloride flexible plastic phonograph records. **Proceeds**—For equipment and working capital. **Office**—11 E. 74th St., N. Y. **Underwriter** — International Services Corp., Paterson, N. J.

Ausco, Inc. (1/29-2/2)
Oct. 12, 1961 filed 110,000 common. **Price**—$3. **Business**—Design, development, and manufacture of high pressure aircraft and missile valves. **Proceeds**—For engineering, product development, inventories, advertising, expansion and working capital. **Office**—17 W. 60th St., N. Y. **Underwriter**—Pearson, Murphy & Co., Inc., N. Y.

Austin Continental Industries, Inc. (2/13-16)
Nov. 14, 1961 filed 103,000 common. **Price**—$7. **Business**—Manufacture of specifications of aircraft, guided missiles and electronic components, and fastening devices. **Proceeds**—For debt repayment and a new product. **Office**—4873 W. Armitage Ave., Chicago. **Underwriter**—Raymond Moore & Co., Los Angeles.

Australia (Commonwealth of) (1/24)
Jan. 4, 1962 filed $30,000,000 of bonds due Jan. 15, 1982. **Price**—By amendment. **Proceeds**—To refund outstanding 3⅜% bonds due Feb. 1, 1962. **Underwriter**—Morgan Stanley & Co., N. Y.

Automated Teaching Systems, Inc.
Sept. 18, 1961 ("Reg. A") 30,000 common. **Price**—$10. **Business**—Manufacture of self-instructional materials and devices. **Proceeds**—For equipment, research and development and other corporate purposes. **Office**—1 W. 58th St., N. Y. **Underwriter**—Arthur J. Rosenwasser Co., 95 Broad St., N. Y.

Automatic Controls, Inc.
Dec. 28, 1961 filed 50,000 common. **Price**—$4. **Business**—Design, manufacture and installation of electrical, pneumatic, hydraulic and mechanical systems, controls and devices to control and automatically operate industrial machinery and processes. **Proceeds**—For general corporate purposes. **Office**—3601 Merrick Rd., Seaford, N. Y. **Underwriter**—S. Schramm & Co., Inc., N. Y.

Automatic Marker Photo Corp.
Dec. 1, 1961 filed 150,000 class A shares, of which 125,000 are to be offered by the company and 25,000 by stockholders. **Price**—By amendment. **Business**—Sale and distribution of a photocopy machine and supplies. **Proceeds**—For equipment, expansion, and working capital. **Office**—153 W. 36th St., N. Y. **Underwriter**—None.

B. V. D. Co., Inc.
Dec. 28, 1961 filed 600,000 common, of which 400,000 are to be offered by the company and 200,000 by stockholders. **Price**—By amendment. **Business**—Manufacture of men's underwear, ties and accessories. **Proceeds**—For debt repayment, expansion and working capital. **Office**—404 Fifth Ave., N. Y. **Underwriter**—Drexel & Co., Philadelphia. **Offering**—Expected in February.

Babs, Inc.
Nov. 27, 1961 filed 150,000 common. **Price**—$4. **Business**—Sale of dairy products, through "Dairy Drive-ins." **Proceeds**—For debt repayment and working capital. **Office**—32550 Pulaski Dr., Hayward, Calif. **Underwriter**—Pacific Coast Securities Co., San Francisco. **Offering**—Expected in late February.

Bacharach Industrial Instrument Co. (2/26-3/2)
Nov. 15, 1961 filed 60,000 common. **Price**—By amendment. **Business**—Development and manufacture of chemical, electrical and mechanical instruments, precision products and special purpose tools. **Proceeds**—For selling stockholders. **Office**—200 N. Braddock Ave., Pittsburgh. **Underwriter**—Arthurs, Lestrange & Co., Pittsburgh.

Bal Harbour Diagnostic Service, Inc.
Oct. 18, 1961 filed 2,000,000 common. **Price**—$1. **Business**—Company will operate a medical examination center. **Proceeds**—For a hotel acquisition and working capital. **Office**—10101 Collins Ave., Bal Harbour, Fla. **Underwriter**—J. R. Holt & Co., Denver.

Bank "Adanim" Mortgages & Loan Ltd.
Dec. 29, 1961 filed $556,000 of 6% cumulative preference dividend participating dollar-linked shares. **Price**—By amendment. **Business** — A mortgage lending company. **Proceeds**—For general corporate purposes. **Address**—108 Achad Haam St., Tel-Aviv, Israel. **Underwriter**—Adanim American Israel Investment Co., Inc.

Barish Associates, Inc.
Sept. 1, 1961 ("Reg. A") 50,000 common. **Price**—$4. **Business**—Aeronautical research and development. **Proceeds**—For working capital. **Office**—224 E. 38th St., N. Y. **Underwriter**—Gianis & Co., N. Y.

Barren River Petroleum Corp.
Oct. 23, 1961 ("Reg. A") 200,000 class B common and 100,000 class A common to be offered in units consisting of one class A and two class B shares. **Price**—$3, per unit. **Business**—Production, refining and marketing of oil and gas. **Proceeds**—For debt repayment and other corporate purposes. **Office**—8 E. Charleston Blvd., Las Vegas, Nev. **Underwriter**—John A. Oja & Associates, Las Vegas, Nev.

• **Barry (R. G.) Corp. (2/5-9)**
Sept. 21, 1961 filed 100,000 common. **Price**—$5. **Business**—Manufacture of slippers, robes, cushions, pillows, auto-seat covers, and other specialty items. **Proceeds**—To repay debt, increase inventory and for other corporate purposes. **Office**—78 E. Chestnut St., Columbus, Ohio. **Underwriter**—Arnold Malkan & Co., N. Y.

Basic Inc. (1/29-2/2)
Dec. 27, 1961 filed 70,000 cumulative convertible preference shares (par $50). **Price**—By amendment. **Business**—The production of basic granular and brick refractory materials. **Proceeds**—For plant expansion. **Office**—845 Hanna Bldg., Cleveland. **Underwriter** — First Boston Corp., N. Y.

Bay State Electronics Corp. (1/29-2/2)
Oct. 27, 1961 filed 160,000 common. **Price**—By amendment. **Business**—Development of products and techniques for use in the fields of oceanography, meteorology, seismology and ionospheric phenomena. **Proceeds**—For product development and working capital. **Office**—43 Leon St., Boston. **Underwriter**—S. D. Fuller & Co., New York.

Beacon Investing Corp.
Dec. 20, 1961 filed 300,000 shares of capital stock. **Price**—Net asset value. **Business**—A mutual fund. **Proceeds**—For investment. **Office**—22 The Fenway, Boston. **Underwriter**—None.

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Bechtold Engineering Co.
Nov. 30, 1961 filed 135,000 common, of which 95,000 are to be offered by the company and 40,000 by a selling stockholder. **Price**—By amendment. **Business**—Manufacture of specially designed thermosetting plastic fabricating machinery. **Proceeds**—For debt repayment and other corporate purposes. **Office**—631 N. E. 45th St., Fort Lauderdale, Fla. **Underwriter**—Roman & Johnson, Fort Lauderdale, Fla.

Bell Electronic Corp.
Dec. 20, 1961 filed $1,250,000 of convertible subordinated debentures due 1977; also 75,000 common shares. **Price**—For debentures: At par. For stock: By amendment. **Business**—A distributor of electronic parts and equipment manufactured by others. **Proceeds**—For debt repayment and other corporate purposes. **Office**—306 E. Aldondra Blvd., Gardenia, Calif. **Underwriters**—Mitchum, Jones & Templeton, Los Angeles and Walston & Co., N. Y.

Benjamin (W. A.), Inc.
Nov. 15, 1961 filed 50,000 common. **Price**—By amendment. **Business**—Publication of scientific texts and reference books. **Proceeds**—For working capital. **Office**—2465 Broadway, N. Y. **Underwriter**—None.

★ **Bernalen, Inc.**
Jan. 12, 1962 ("Reg. A") 70,000 common. **Price**—$2.62½. **Business**—Design, manufacture and installation of photographic equipment. **Proceeds**—For general corporate purposes. **Office**—9821 Foster Ave., Brooklyn, N. Y. **Underwriter**—Amber, Burstein & Co., Inc., N. Y.

Berne of California, Inc. (2/13-16)
Oct. 27, 1961 ("Reg. A") 85,000 common. **Price**—$3 **Business** — Manufacture of handbags and related items. **Proceeds**—For debt repayment and working capital. **Office**—1621 S. San Pedro St., Los Angeles. **Underwriter**—Pacific Coast Securities Co., San Francisco.

• **Bernz (Otto) Co., Inc. (1/22-26)**
Oct. 16, 1961 filed 150,000 class A shares, of which 100,000 are to be offered by the company and 50,000 by stockholders. **Price**—By amendment. **Business**—Manufacture of small propane-filled steel cylinders, garden sprinklers and hose accessories. **Proceeds**—For debt repayment and general corporate purposes. **Office**—740 Driving Park Ave., Rochester, N. Y. **Underwriter**—Reynolds & Co., Inc., N. Y.

Berry Door Corp. (2/13-16)
Dec. 18, 1961 ("Reg. A") 40,000 common. **Price**—$7.50. **Business**—Manufacture, sale and distribution of doors. **Proceeds**—For working capital and general corporate purposes. **Office**—2400 E. Lincoln Rd., Birmingham, Mich. **Underwriter**—Raymond Moore & Co., Los Angeles.

Besco Enterprises, Inc.
Oct. 27, 1961 filed 150,000 capital shares. **Price**—By amendment. **Business**—A holding company whose subsidiaries operate jewelry and photography departments in discount department stores. **Proceeds**—For debt repayment and expansion. **Office**—1328 Washington St., Oakland, Calif. **Underwriters**—Kleiner, Bell & Co., Beverly Hills, Calif. and Rittmaster, Voisin & Co., N. Y.

• **Best Plastics Corp. (2/6-8)**
Sept. 26, 1961 filed 125,000 common, of which 100,000 will be sold by the company and 25,000 by stockholders. **Price**—$3. **Business**—Manufacture of plastic novelties and party favors. **Proceeds**—New plant and equipment and working capital. **Office**—945 39th St., Brooklyn, N. Y. **Underwriter**—S. B. Cantor & Co., N. Y.

Big Drum, Inc.
Dec. 29, 1961 filed 100,000 common. **Price**—By amendment. **Business** — Furnishes packaging materials and equipment to producers of frozen confections. **Proceeds**—For debt repayment and working capital. **Office**—1183 Essex Ave., Columbus, O. **Underwriters**—Merrill, Turben & Co., Inc., Cleveland and The Ohio Co., Columbus.

Bilnor Corp.
Jan. 8, 1962 filed 100,000 class A capital shares. **Price**—By amendment ($11 max.). **Business**—Manufacture of wading pools. **Proceeds**—For the selling stockholders. **Office**—300 Morgan Ave., Brooklyn, N. Y. **Underwriter**—A. C. Allyn & Co., N. Y.

• **Blackman-Uhler Chemical Co. (1/22-26)**
Dec. 5, 1961 ("Reg. A") 5,600 common. **Price** — $8.875. **Business**—Manufacture of napthols, pigments, tints and intermediates. **Proceeds**—For selling stockholders. **Address**—Spartanburg, S. C **Underwriter**—Dargan & Co., Spartanburg, S. C.

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. **Offering**—Expected sometime in February.

• **Block (H. R.), Inc. (2/5-9)**
Nov. 16, 1961 ("Reg. A") 75,000 common, of which 25,000 shares are to be offered by the company and 50,000 shares by selling stockholders. **Price**—$4. **Business**—Preparation of Federal and State income tax returns. **Proceeds**—For working capital. **Office**—3937 Main St., Kansas City, Mo. **Underwriter**—George K. Baum & Co., Kansas City.

Blue Haven Pools (1/29-2/2)
Nov. 1, 1961 ("Reg. A") 75,000 capital shares, of which 40,000 are to be offered by the company and 35,000 by stockholders. **Price**—$4. **Business**—Design, construction and installation of swimming pools and equipment. **Proceeds**—For debt repayment and general corporate purposes. **Office**—11933 Vose St., North Hollywood, Calif. **Underwriter**—Pacific Coast Securities Co., San Francisco.

Bolar Pharmaceutical Co., Inc. (1/22-26)
Oct. 18, 1961 ("Reg. A") 50,000 class A common. **Price**—$2. **Business**—Compounds, manufactures and packages private label drugs and vitamins. **Proceeds**—For an acquisition and equipment. **Office**—54 McKibben St., Brooklyn, N. Y. **Underwriter**—Natale, Miller & Co., Inc., New York.

Boston Pneumatics, Inc. (1/22-26)
Nov. 13, 1961 ("Reg. A") 93,500 class A shares of which 85,000 will be sold for the company and 8,500 for the underwriter. **Price**—$2. **Business**—Fabrication, assembly and sale of tools powered by compressed air. **Proceeds**—For debt repayment and working capital. **Office**—365 Arlington Ave., Brooklyn 8, N. Y. **Underwriter**—T. M. Kirsch Co., Inc., N. Y.

Bowey's, Inc. (1/29-2/2)
Oct. 30, 1961 filed 80,000 common, of which 40,000 are to be offered by the company and 40,000 by a stockholder. **Price**—By amendment. **Business**—Manufactures, processes and supplies powders, syrups, flavorings, etc., to food industry. **Proceeds**—For repayment of debt and working capital. **Office**—679 N. Orleans St., Chicago, Ill. **Underwriter** — Cruttenden, Podesta & Co., Chicago.

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. **Underwriter**—P. J. Gruber & Co., Inc., N. Y.

Brentwood Financial Corp. (2/13-16)
Dec. 13, 1961 filed 150,000 common, of which 30,000 are to be offered by the company and 120,000 by the stockholders. **Price**—By amendment. **Business**—A holding company for a savings and loan association. **Proceeds**—For acquisition of two insurance agencies and expansion. **Office** — 12601 San Vincente Blvd., Los Angeles. **Underwriter**—Hayden, Stone & Co., N. Y.

Bridge Electronics Co., Inc. (2/26-3/2)
Nov. 29, 1961 filed 225,000 common, of which 200,000 are to be offered by the company, and 25,000 by the stockholders. **Price**—$4. **Business**—Design and manufacture of electronic equipment and communication systems. **Proceeds**—For general corporate purposes. **Office**—201 Laurel St., Beverly, N. J. **Underwriters**—Roth & Co., Inc., Philadelphia and Amos Treat & Co., Inc., N. Y.

Browning Arms Co. (1/29-2/2)
Nov. 27, 1961 filed 368,700 common, of which 150,000 are to be offered by the company and 218,700 by the stockholders. **Price**—By amendment. **Business**—Development, importation and distribution of sporting firearms. **Proceeds**—For construction and general corporate purposes. **Office** — First Security Bank Bldg., Ogden, Utah. **Underwriter**—Harriman Ripley & Co., Inc., N. Y.

★ **Brunswig Drug Co.**
Jan. 15, 1962 filed 85,000 common. **Price** — By amendment. **Business**—A wholesale drug distributor. **Proceeds**—For selling stockholders. **Address**—Vernon, Calif. **Underwriter**—William R. Staats & Co., Los Angeles.

Building Ventures, Inc. (1/29-2/2)
Oct. 27, 1961 ("Reg. A") 100,000 common. **Price**—$3. **Business**—Real estate. **Proceeds**—For working capital. **Office**—309 Main St., Islip, N. Y. **Underwriter**—Albion Securities Co. Inc., N. Y.

• **Burnham & Morrill Co. (2/13-16)**
Oct. 25, 1961 filed 187,250 common. **Price**—By amendment. **Business** — Manufacture of canned foods, frozen dinners and baked beans. **Proceeds**—For selling stockholders. **Office**—45 Water St., Portland, Me. **Underwriter**—Hornblower & Weeks, N. Y.

Burros Corp.
Oct. 30, 1961 filed 70,000 common, of which 40,000 are to be offered by the company and 30,000 by stockholders. **Price**—By amendment. **Business**—Designs, manufactures, imports and distributes artificial flowers. **Proceeds**—For repayment of debt and general corporate purposes. **Office**—111 W. 19th St., N. Y. **Underwriter**—Rodetsky, Walker & Co., Inc., N. Y. **Offering**—In early March.

Burton Mount Corp. (2/5-9)
Sept. 22, 1961 filed 100,000 common. **Price**—$6. **Business**—Importation and distribution of copying machines and supplies. **Proceeds**—Repayment of debt, inventory, sales promotion and other corporate purposes. **Office**—2147 Jericho Turnpike, New Hyde Park, N. Y. **Underwriter**—Reiner, Linburn & Co., N. Y.

Bush Terminal Co. (1/29-2/2)
Nov. 7, 1961 filed 92,320 common to be offered to stockholders on a 1-for-10 basis. **Price**—By amendment. **Business**—Operation of warehouses, manufacturing buildings, piers and railroad facilities. **Proceeds**—For working capital. **Office**—48 43rd St., Brooklyn, N. Y. **Underwriter**—None.

Business Growth Funding Corp.
Sept. 20, 1961 filed 100,000 common. **Price**—$4. **Business**—Making of loans to small business concerns, purchase of machinery for lease, and the providing of management counseling. **Proceeds**—For working capital. **Office**—527 Lexington Ave., N. Y. **Underwriter**—Morton Klein & Co., Inc., N. Y.

Cable Carriers, Inc. (1/22-26)
March 23, 1961 filed 196,109 shares of capital stock. **Price**—$1.15. **Business**—The company which began operations in 1954, is engaged in the research and development of special material handling systems for industrial and commercial use based on company-owned patents. **Proceeds**—For working capital. **Office**—Kirk Boulevard, Greenville, S. C. **Underwriter**—Capital Securities Corp., Greenville, S. C.

Cadillac Conduit Corp.
Nov. 30, 1961 ("Reg. A") 45,583 common. **Price**—$6. **Business**—Manufacturer of flexible steel tubing, cables and conduits to enclose electrical wires. **Proceeds**—For working capital. **Office**—19 Warren Pl., Mt. Vernon, N. Y. **Underwriter**—J. B. Coburn Associates, Inc., N. Y. **Offering**—Expected in late March.

• **Caldwell Publishing Corp. (2/5-9)**
Oct. 27, 1961 filed 137,500 capital shares. **Price**—$5. **Business**—Publishing of text books and general educational works. **Proceeds**—For general corporate purposes. **Office**—339 W. 51st St., N. Y. **Underwriter**—S. B. Cantor Co., N. Y.

Calumet Industries, Inc.
Jan. 8, 1962 filed $1,550,000 of 6½% s. f. subord. debentures due 1982 and 100,750 common shares to be offered in units, each consisting of $1,000 of debentures and 65 shares. **Price**—$1,032.50 per unit. **Business**—Marketing of lubricating and fuel oils and asphalt products. **Proceeds**—For debt repayment and working capital. **Office**—10 S. La Salle St., Chicago. **Underwriter**—Cruttenden, Podesta & Co., Chicago.

Cambridge Fund of California, Inc. (1/29-2/2)
Sept. 28, 1961 filed 280,000 common. **Price**—By amendment. **Business**—General real estate. **Proceeds**—Debt repayment and working capital. **Office**—324 E. Bixby Rd., Long Beach, Calif. **Underwriter**—To be named.

Cameo-Parkway Records, Inc.
Dec. 29, 1961 filed 200,000 class A common, of which 40,000 are to be offered by company and 160,000 by a stockholder. **Price**—By amendment. **Business**—Recording and distributing of phonograph records. **Proceeds**—For general corporate purposes. **Office**—1405 Locust St., Philadelphia. **Underwriter**—Godfrey, Hamilton, Taylor & Co., Inc., N. Y. **Offering**—Expected sometime in March.

Campbell-Lurie Plastics, Inc.
Oct. 27, 1961 filed 574,250 common, of which 500,000 are to be offered by the company and 74,250 by a stockholder. **Price**—$2.50. **Business**—Company is engaged in the plastic business as a converter of raw materials. **Proceeds**—For debt repayment and working capital. **Office**—5440 Highway Ave., Jacksonville, Fla. **Underwriter**—Florida Growth Securities, Inc., Jacksonville.

Campus Casuals of California (1/29-2/2)
Oct. 11, 1961 filed 140,000 common. **Price**—By amendment. **Business**—Manufactures ladies' apparel. **Proceeds**—For selling stockholders. **Office**—719 S. Los Angeles St., Los Angeles, Calif. **Underwriter**—William R. Staats & Co., Los Angeles.

Capital Management Corp.
Dec. 27 1961 ("Reg. A") 60,000 common. **Price**—$5. **Business**—An investment company which will hold mortgages, land contracts, etc. **Proceeds**—For investment. **Office**—44 E. Indian School Rd., Scottsdale, Ariz. **Underwriter**—Pacific Underwriters, Inc., Scottsdale, Ariz.

• **Capital Research Industries, Inc.**
June 28, 1961 filed 165,000 common shares and 75,000 common stock purchase warrants. **Price**—For stock, $2; for warrants, 20 cents. **Business**—The manufacture of X-ray film processing machines. **Proceeds**—For repayment of loans and working capital. **Office**—4206 Wheeler Ave., Alexandria, Va. **Underwriter**—None. **Note**—This registration was withdrawn.

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. **Offering**—Expected in early February.

Caribbean Cement Co., Ltd.
Oct. 18, 1961 filed 272,000 American Depositary Shares, each share representing one ordinary share. **Price**—By amendment. **Business**—Manufacture of cement. **Proceeds**—For selling stockholders. **Office**—Kingston, Jamaica. **Underwriter**—Paribas Corp., N. Y.

• **Caribbean Shoe Corp.**
Oct. 18, 1961 filed 149,794 common, of which 146,667 will be sold by the company and 3,127 by a stockholder. **Price**—$6. **Business**—Design, manufacture and distribution of custom made shoes for women. **Proceeds**—General corporate purposes. **Office** — 253 S. W. 8th St., Miami, Fla. **Underwriter**—Robert L. Ferman & Co., Inc., Miami. **Offering**—Imminent.

Carmer Industries, Inc. (2/26-3/2)
Nov. 28, 1961 filed 185,000 common, of which 135,000 are to be offered by the company and 50,000 by a stockholder. **Business**—Conversion of raw plastics to basic shapes such as rods, tubes and sheets. **Proceeds**—For a new plant, repayment of debt, and working capital. **Office**—22 N. 26th St., Kenilworth, N. J. **Underwriter**—Godfrey, Hamilton, Taylor & Co., Inc., N. Y.

Carolinas Capital Corp. (2/13-16)
Nov. 22, 1961 filed 500,000 common. **Price**—$10. **Business**—A small business investment company. **Proceeds**—For general corporate purposes. **Office**—1200 North Carolina National Bank Bldg., Charlotte, N. C. **Underwriter**—R. S. Dickson & Co., Charlotte.

Casavan Industries, Inc.
Aug. 21, 1961 filed 350,000 capital shares. **Price** — $7. **Business**—Production of plastics, marble and ceramics for the packaging and building industries. **Proceeds**—For expansion, leasehold improvements, repayment of loans and other corporate purposes. **Office**—250 Vreeland Ave., Paterson, N. J. **Underwriter**—Foundation Securities, Inc., N. Y.

Cavalier Radio & Electronics Corp. (1/22-26)
Oct. 27, 1961 ("Reg. A") 60,000 common. **Price**—$5. **Business** — Manufacture of specialized raidos and phonographs. **Proceeds**—New products, equipment and working capital. **Office**—66-02 Austin St., Forest Hills, N. Y. **Underwriter**—General Securities Co., Inc., N. Y.

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• Ceco Steel Products Corp.
Nov. 13, 1961 filed 18,000 common. **Price**—By amendment. **Business**—Manufacture of products for the construction industry. **Proceeds**—For selling stockholders. **Office**—5601 W. 26th St., Chicago. **Underwriter**—Hornblower & Weeks, N. Y. **Note** — This registration was withdrawn.

• Central Acceptance Corp. of Delaware (2/5-9)
Nov. 29, 1961 filed 150,000 class A common. **Price**—$5. **Business**—A sales finance company. **Proceeds**—For expansion. **Office**—526 North Ave. East, Westfield, N. J. **Underwriter**—Armstrong & Co., Inc., N. Y.

Central American Mining & Oil, Inc.
Oct. 30, 1961 filed 494,250 common. **Price**—$5. **Business**—Exploration for oil, gas and other minerals. **Proceeds**—For general corporate purposes. **Office**—Edificio Banco Atlantida, Tegucigalpa, D. C., Honduras. **Underwriter**—None.

Century Brick Corp. of America (1/29-2/2)
Nov. 9, 1961 ("Reg. A") 75,000 common. **Price**—$4. **Business**—Company has developed a process for producing simulated brick facing for buildings. **Proceeds**—For general corporate purposes. **Office**—4506 W. 12th St., Erie, Pa. **Underwriter**—Sandkuhl & Co., Inc., N. Y.

• Certified Industries, Inc. (2/19-23)
Sept. 28, 1961 filed $750,000 of 6% convertible subordinated debentures due 1976 with attached warrants to purchase 15,000 class A shares to be offered in units (of one $250 debenture and a warrant to purchase 5 shares) for subscription by holders of class A and class B shares at the rate of one unit for each 50 shares held. **Price**—$250 per unit. **Business**—Production of concrete for construction purposes. **Proceeds**—For expansion, equipment and working capital. **Office**—344 Duffy Ave., Hicksville, N. Y. **Underwriter**—Singer, Bean & Mackie, Inc., N. Y.

Chemical Coatings Corp.
Dec. 27, 1961 filed 75,000 common. **Price**—$5 **Business**—Manufacture of paints particularly for use in tropical and semi-tropical climates. **Proceeds**—for equipment and working capital. **Address**—Santurce, Puerto Rico. **Underwriter**—To be named.

Chestnut Hill Industries, Inc.
Nov. 29, 1961 filed 300,000 class A common, of which 225,000 are to be offered by the company and 75,000 by stockholders. **Price**—$7.50. **Business**—Design and manufacture of women's, misses' and junior sportswear, coordinates, and dresses. **Proceeds**—For debt repayment, equipment and working capital. **Office**—2025 McKinley St., Hollywood, Fla. **Underwriter** — Clayton Securities Corp., Boston, Mass.

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 management investment company. **Proceeds**—For investment. **Office**—501 Bailey Ave., Fort Worth, Tex. **Distributor**—Associates Management, Inc., Fort Worth. **Offering**—Expected in late February.

Cinema Studios Inc.
Dec. 14, 1961 ("Reg. A") 75,000 capital shares. **Price**—$1. **Business**—Production of motion pictures. **Proceeds**—For working capital. **Office**—309 Ainsley Bldg., Miami, Fla. **Underwriter**—Dalen Investments & Funds, Inc., Miami,

• Cineque Colorfilm Laboratories, Inc. (1/23-24)
Aug. 29, 1961 ("Reg. A") 120,000 common. **Price**—$2.50. **Business**—The production of slides and color film strips. **Proceeds**—For equipment, sales promotion and advertising. **Office**—424 E. 89th St., N. Y. **Underwriter**—Paul Eisenberg Co., N. Y.

Citizens Life Ins. Co. of New York (2/5-9)
Sept. 8, 1961 filed 147,000 common, of which 100,000 will be sold by the company and 47,000 by a stockholder. **Price**—By amendment. **Business**—The writing of ordinary life, group life and group credit life insurance. **Proceeds**—For investment in income producing securities. **Office**—33 Maiden Lane, N. Y. **Underwriter**—A. G. Becker & Co., N. Y. (mgr.).

City Finance Co., Inc.
Dec. 21, 1961 filed 110,000 common. **Price**—By amendment. **Business**—Engaged in the consumer loan and finance buisness in Maryland. **Proceeds**—For general corporate purposes. **Office**—307 N. Eutaw St., Baltimore. **Underwriter**—Stein Bros. & Boyce, Baltimore.

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. **Offering**—In late February.

Coastal Acceptance Corp.
Dec. 11, 1961 filed 80,000 class A common, of which 68,000 are to be offered by the company and 12,000 by stockholders. **Price**—$12.50. **Business**—A small loan finance company. **Proceeds**—For debt repayment. **Office**—36 Lowell St., Manchester, N. H. **Underwriter**—Eastern Investment Corp., Manchester, N. H.

• Colby (Jane), Inc. (2/5-9)
Oct. 19, 1961 filed 105,000 common, of which 50,000 shares are to be offered by the company and 55,000 shares by stockholders. **Price**—$10. **Business**—Manufacture of women's apparel. **Proceeds**—For general corporate purposes. **Office**—113 Fourth Ave., N. Y. **Underwriter**—Meade & Co., N. Y.

• Cole Vending Industries, Inc. (1/30)
Aug. 28, 1961 filed 115,000 common. **Price**—$5. **Business**—The manufacture, sale and servicing of vending machines. **Proceeds**—For working capital. **Office**—560 W. Lake St., Chicago. **Underwriter**—Straus, Blosser & McDowell, Chicago (mgr.).

Columbus Plastic Products, Inc. (2/5-9)
Nov. 22, 1961 filed 163,600 common, of which 100,000 are to be offered by the company and 63,600 by stockholders. **Price**—By amendment. **Business**—Design and manufacture of injection and blow molded plastic housewares. **Proceeds**—To purchase machinery, expand facilities, repay debt, and increase working capital. **Office**—1625 W. Mound St., Columbus, O. **Underwriter**—W. E. Hutton & Co., Cincinnati,

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NEW ISSUE CALENDAR

January 22 (Monday)

Bernz (Otto) Co., Inc. — Class A
(Reynolds & Co., Inc.) 150,000 shares

Blackman-Uhler Chemical Co. — Common
(Dargan & Co.) $49,700

Bolar Pharmaceutical Co., Inc. — Common
(Natale, Miller & Co., Inc.) $100,000

Boston Pneumatics, Inc. — Class A
(T. M. Kirsch Co., Inc.) $187,000

Cable Carriers, Inc. — Capital
(Capital Securities Corp.) $225,525

Cavalier Radio & Electronics Corp. — Common
(General Securities Co., Inc.) $300,000

Computron Corp. — Common
(Brandtjen & Bayliss, Inc.) $575,000

Elmar Electronics, Inc. — Common
(Schwabacher & Co.) 200,000 shares

Grant (W. T.) Co. — Debentures
(Lehman Brothers) $35,000,000

Great Continental Real Estate Investment Trust — Shares
(R. Baruch & Co., Inc.) $3,000,000

Marshall Electronics Co. — Common
(Richard Bruce & Co., Inc.) $300,000

National Capital Acceptance Corp. — Common
(Guardian Investment Corp.) $300,000

National Real Estate Investment Trust — Common
(Lee Higginson Corp.) $15,000,000

National Tel-Tronics Corp. — Common
(Frank Karasik & Co., Inc.) $399,000

Olympia Mines, Inc. — Capital
(Gaumont Corp., Ltd.) $405,000

Personal Property Leasing Co. — Debentures
(Dempsey-Tegeler & Co., Inc.) $2,000,000

Popular Library, Inc. — Capital
(Sutro Brothers & Co.) 127,500 shares

Raritan Plastics Corp. — Common
(Gianis & Co., Inc.) $500,000

Realty Equities Corp. of New York — Units
(Offering to stockholders—underwritten by Sutro Bros. & Co.) $1,675,800

Sonic Systems, Inc. — Common
(Keene & Co., Inc.) $150,000

Southern California Edison Co. — Common
(First Boston Corp. and Dean Witter & Co.) 1,500,000 shares

Southern Frontier Finance Co. — Units
(J. C. Wheat & Co.) 10,000 units

Southern Growth Industries, Inc. — Common
(Capital Securities Corp.) $600,000

Steel Plant Equipment Corp. — Common
(Joseph W. Hurley & Co.) $300,000

Struthers Scientific & International Corp. — Com.
(Hirsch & Co., Inc.) 150,000 shares

Tripoli Co., Inc. — Common
(D. L. Greenbaum & Co.) $300,000

United Aero Products Corp. — Debentures
(Hess, Grant & Remington, Inc. and Arthurs, Lestrange & Co.) $600,000

Vic Tanny Enterprises, Inc. — Common
(Globus, Inc. and Ross, Lyon & Co., Inc.) $1,250,000

Westland Capital Corp. — Common
(Bear, Stearns & Co.) $10,840,000

Windsor (Key), Inc. — Class A
(Lee Higginson Corp.) 200,000 shares

January 23 (Tuesday)

Airtechnology Corp. — Common
(Schirmer, Atherton & Co.) $300,000

Cineque Colorfilm Laboratories, Inc. — Common
(Paul Eisenberg Co.) $300,000

Electrosolids Corp. — Preference
(J. R. Williston & Beane) 100,000 shares

Empire Fund, Inc. — Capital
(A. G. Becker & Co., Inc.) 1,250,000 shares

Honig's-Parkway, Inc. — Common
(Richard Bruce & Co., Inc.) $300,000

Interstate Hosts, Inc. — Debentures
(Offering to stockholders—underwritten by Glore, Forgan & Co. and H. M. Byllesby & Co., Inc.) $2,550,000

San Diego Imperial Corp. — Common
(White, Weld & Co., Inc. and J. A. Hogle & Co.) 350,091 shares

Seaboard Air Line RR. — Equip. Trust Ctfs.
(Bids 12 noon EST) $5,565,000

Servonuclear Corp. — Common
(Rothenberg, Heller & Co., Inc.) $200,000

Shamrock Oil & Gas Corp. — Debentures
(First Boston Corp.) $25,000,000

Texas Power & Light Co. — Debentures
(Bids 11:30 a.m.) $10,000,000

January 24 (Wednesday)

Anoroc Products, Inc. — Common
(G. Everett Parks & Co., Inc. and Parker Co.) $300,000

Australia (Commonwealth of) — Bonds
(Morgan Stanley & Co.) $30,000,000

Corrigan Communications, Inc. — Common
(D. E. Liederman & Co., Inc. and Mitchum, Jones & Templeton) $750,000

Deer Park Baking Co. — Common
(J. R. Williston & Beane) $607,500

Paramount Foam Industries — Common
(Fialkov & Co., Inc.) 137,500 shares

Tennessee Valley Authority — Bonds
(Bids to be received) $45,000,000

January 25 (Thursday)

Cromwell Business Machines, Inc. — Common
(Pacific Coast Securities Co.) $300,000

Jorn's Greeting Card Co., Inc. — Common
(Godfrey, Hamilton, Taylor & Co., Inc.) 110,000 shares

Milo Components, Inc. — Class A
(T. M. Kirsch Co., Inc. and I. R. E. Investors Corp.) $150,000

January 26 (Friday)

Knickerbocker Toy Co., Inc. — Common
(Netherlands Securities Co., Inc. and Herbert Young & Co., Inc.) 100,000 shares

January 29 (Monday)

Aceto Chemical Co., Inc. — Common
(Karen Securities Corp.) $440,000

Acro Electronic Products Co. — Common
(Roth & Co., Inc.) $400,000

Acrylic Optics Corp. — Debentures
(A. D. Gilhard & Co., Inc.) $240,000

Acrylic Optics Corp. — Common
(A. D. Gilhard & Co., Inc.) $50,000

Aero-Dynamics Corp. — Common
(Cambridge Securities, Inc. and Edward Lewis Co., Inc.) $500,000

Agency Tile Industries, Inc. — Common
(International Services Corp.) $300,000

Airtronics International Corp. of Florida — Common
(Stein Bros. & Boyce and Vickers, McPherson & Warwick, Inc.) 199,000 shares

Alan-Randal Co., Inc. — Common
(Pacific Coast Securities Co.) $300,000

Allied Capital Corp. — Common
(Allen & Co.) 213,427 shares

Aluma-Rail, Inc. — Common
(Amber, Burstein & Co., Inc.) $225,000

Amerel Mining Co. Ltd. — Common
(E. A. Manning, Ltd.) $200,000

American Building Maintenance Industries — Cap.
(Carl M. Loeb, Rhoades & Co. and Sutro & Co.) 141,000 shares

American Finance Co., Inc. — Units
(Myron A. Lomasney & Co.) $1,250,000

American Realty & Petroleum Corp. — Debentures
(Troster, Singer & Co.) $2,000,000

Artlin Mills, Inc. — Common
(Mortimer B. Burnside & Co., Inc.) $675,000

Atmospheric Controls, Inc. — Common
(First Investment Planning Co.) $140,000

Ausco, Inc. — Common
(Pearson, Murphy & Co., Inc.) $330,000

Basic Inc. — Preference
(First Boston Corp.) 70,000 shares

Bay State Electronics Corp. — Common
(S. D. Fuller & Co.) 160,000 shares

Blue Haven Pools — Capital
(Pacific Coast Securities Co.) $300,000

Bowey's, Inc — Common
(Cruttenden, Podesta & Co.) 80,000 shares

Browning Arms Co. — Common
(Harriman Ripley & Co., Inc.) 368,700 shares

Building Ventures, Inc. — Common
(Albion Securities Co., Inc.) $300,000

Bush Terminal Co. — Common
(Offering to stockholders—no underwriting) 92,320 shares

Cambridge Fund of California, Inc. — Common
(To be named) 280,000 shares

Campus Casuals of California — Common
(William R. Staats & Co.) 140,000 shares

Century Brick Corp. — Common
(Sandkuhl & Co., Inc.) $300,000

Concors Supply Co., Inc. — Common
(Roth & Co., Inc.) $400,000

Conductron Corp. — Class A
(McDonnell & Co. and Halle & Stieglitz) 125,000 shares

Consolidated Bowling Corp. — Common
(Doolittle & Co.) 200,000 shares

Coyle's Voting Machine Co. — Common
(John A. Kemper & Co.) $147,500

Dale Systems, Inc. — Common
(Theodore Arrin & Co., Inc.) $325,000

DeLuxe Homes, Inc. — Common
(Alessandrini & Co., Inc.) $300,000

District Photo, Inc. — Common
(Auchincloss, Parker & Redpath) 100,000 shares

Fastline Inc. — Units
(G. Everett Parks & Co., Inc.) $460,000

Fidelity America Financial Corp. — Common
(Netherlands Securities Co., Inc.) $500,000

Flair Cards, Inc. — Common
(Amber, Burstein & Co., Inc.) $224,001

Florida Palm-Aire Corp. — Common
(Offering to stockholders—underwritten by Hardy & Co.) $620,000

Florida Palm-Aire Corp. — Common
(Hardy & Co.) $306,000

Folz Vending Co., Inc. — Common
(No underwriting) $330,000

Gould Paper Co. — Common
(Amos Treat & Co., Inc.) $1,540,000

Harleysville Life Insurance Co. — Common
(No underwriting) $600,000

High Temperature Materials, Inc. — Common
(L. F. Rothschild & Co.) 120,000 shares

Hoosier Soil Service, Inc. — Common
(Patterson Securities & Investment Co., Inc.) $283,088

House of Westmore, Inc. — Common
(Brand, Grumet & Seigel, Inc. and Kesselman & Co., Inc.) $600,000

Hydra-Loc, Inc. — Common
(McLaughlin, Kaufman & Co.) $120,000

Hygiene Industries Inc. — Common
(Milton D. Blauner & Co.) $1,000,000

Inpak Systems, Inc. — Common
(Stearns & Co. and Joseph Nadler & Co.) $382,500

Interworld Film Distributors, Inc. — Common
(General Securities Co., Inc. and S. Kasdan & Co., Inc.) $425,000

King Louie Bowling Corp. — Common
(George K. Baum & Co.) $975,000

Kollmorgen Corp. — Common
(Putnam & Co.) 100,000 shares

Krylon, Inc. — Common
(Eastman Dillon, Union Securities & Co.) 250,000 shares

Laboratory Procedures, Inc. — Capital
(Pacific Coast Securities Co.) $250,000

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Common Stock Fund of State Bond and Mortgage Co.
Jan. 2, 1962 filed 2,000,000 common. **Price**—At net asset value. **Business**—A mutual fund. **Proceeds**—For investment. **Office**—New Ulm, Minn. **Underwriter**—State Bond and Mortgage Co. of New Ulm, Minn.

● **Commonwealth Realty Trust (1/30-31)**
Nov. 22, 1961 filed 430,556 shares. **Price**—$10. **Business**—A real estate investment trust. **Proceeds**—For general corporate purposes. **Office**—8201 Fenton Road, Philadelphia. **Underwriters**—Woodcock, Moyer, Fricke & French, Inc., and Gerstley, Sunstein & Co., Philadelphia.

● **Community Charge Plan**
Sept. 22, 1961 filed $3,600,000 of 6% subordinated debentures due 1976 (with attached warrants to purchase 72,000 common shares) and 216,000 common, to be offered in units consisting of a $100 debenture (and a warrant to purchase two shares) and six common shares. **Price**—By amendment. **Business**—The purchase at a discount from merchant-members, their accounts receivable arising from customers who hold credit cards issued by these members. **Proceeds**—To repay debt and increase working capital. **Office**—10 Banta Place, Hackensack, N. J. **Underwriter**—Troster, Singer & Co., N. Y. **Offering**—Imminent.

Computer Components, Inc.
Dec. 6, 1961 filed 120,000 common, of which 90,000 are to be offered by the company and 30,000 by stockholders. **Price**—$3. **Business** — Manufacture of miniature coils for relays used in computers, aircraft, missiles and guidance systems. **Proceeds**—For general corporate purposes. **Office**—88-06 Van Wyck Expressway, Jamaica, N. Y. **Underwriter**—Jay W. Kaufmann & Co., N. Y.

Computer Concepts Inc.
Dec. 29, 1961 filed 100,000 class A common. **Price** — $5. **Business**—Development and sale of advanced programming systems, for solution of business problems by the use of digital computers. **Proceeds** — For general corporate purposes. **Office**—1012 14th St., N. W., Washington, D. C. **Underwriter**—Doft & Co., N. Y.

Computron Corp. (1/22-26)
Sept. 15, 1961 filed 500,000 common. **Price**—$1.15. **Business**—Research, development, design and production of electronic automation devices. **Proceeds**—For equipment, research and development and working capital. **Office**—9330 James Ave., South, Minneapolis. **Underwriter**—Brandtjen & Bayliss, Inc., St. Paul, Minn.

● **Concord Products, Inc.**
Nov. 28, 1961 filed 120,000 common (with attached 3-year warrants to purchase an additional 60,000 shares at $2 per share) to be offered in units of one share and one-half warrant. **Price**—$2 per unit. **Business**—Manufacture of cosmetics, toiletries, cleaning chemicals, jewelery, etc. **Proceeds** — For general corporate purposes. **Office**—525-535 E. 137th St., New York City. **Underwriter**—To be named.

Concors Supply Co., Inc. (1/29-2/2)
Oct. 19, 1961 filed 100,000 class A common. **Price**—$4. **Business**—Sale of food service and kitchen equipment. **Proceeds** — For equipment, debt repayment and other corporate purposes. **Office**—110 "A" St., Wilmington, Del. **Underwriter**—Roth & Co., Inc., Philadelphia.

Conductron Corp. (1/29-2/2)
Dec. 20, 1961 filed 125,000 class A common. **Price**—By amendment. **Business**—Research and development in the general field of electromagnetic radiation for the U. S. Government. **Proceeds**—For debt repayment and other corporate purposes. **Office**—343 S. Main St., Ann Arbor, Mich. **Underwriters** — McDonnell & Co., and Halle & Stieglitz, N. Y.

Consolidated Bowling Corp. (1/29-2/2)
Sept. 28, 1961 filed 200,000 common. **Price**—By amendment. **Business**—Operation of bowling centers. **Proceeds**—For expansion and working capital. **Office**—880 Military Rd., Niagara Falls, N. Y. **Underwriter**—Doolittle & Co., Buffalo, N. Y.

● **Consultants and Designers, Inc.**
Dec. 29, 1961 filed 180,000 common. **Price**—By amendment ($12 max.). **Business**—Furnishes technically skilled personnel to industry and government. **Proceeds**—For selling stockholders. **Office**—650 11th Ave., N. Y. **Underwriter**—Shearson, Hammill & Co., N. Y. **Offering**—Expected in late March.

● **Consumers Mart of America, Inc.**
Jan. 8, 1962 filed 72,000 common. **Price**—By amendment. **Business**—Operation of discount department stores. **Proceeds**—For expansion and working capital. **Office**—4701 N. Harlem Ave., Chicago. **Underwriters**—Rittmaster, Voisin & Co., N. Y. and Midland Securities Co., Inc., Kansas City, Mo.

Continental Industrial Electronics Corp.
Nov. 21, 1961 filed 200,000 common. **Price**—$2.50. **Business**—Development and manufacture of television picture tubes. **Proceeds**—For debt repayment and other corporate purposes. **Office**—2724 Leonis Blvd., Los Angeles. **Underwriter** — Amos Treat & Co., Inc., N. Y. **Offering**—Expected sometime in February.

Continental Investment Corp.
Dec. 29, 1961 filed 2,000,000 common. **Price**—By amendment ($3 max.). **Business**—A mortgage and real estate investment company. **Proceeds** — For working capital. **Office**—Scottsdale Savings Bldg., Scottsdale, Ariz. **Underwriter**—To be named.

Continental Leasing Corp.
June 19, 1961 ("Reg. A") 75,000 common. **Price** — $4. **Proceeds**—For purchase of new automobiles, advertising and promotion, and working capital. **Office**—4 Gateway Center, Pittsburgh, Pa. **Underwriter** — Cambridge Securities, Inc., N. Y.

Control Dynamics, Inc. (3/5-9)
Oct. 24, 1961 filed 500,000 common. **Price**—$1.15. **Business**—Development and production of electronic testing and training devices. **Proceeds** — For expansion and working capital. **Office**—9340 James Ave., S., Minneapolis. **Underwriter**—Brandtjen & Bayliss, Inc., St. Paul.

Cooke (F. J.), Inc.
Dec. 29, 1961 filed 125,000 common. **Price**—$3.75. **Business**—Manufacture of high vacuum systems and elec-

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Leslie (Joyce), Inc.—Common
(Seymour, Bernard & DuBoff, Inc.) $550,000
Lido Corp.—Common
(Flomenhaft, Seidler & Co., Inc.) $273,000
Lomart Perfected Devices, Inc.—Common
(No underwriting) $500,000
Maric Design & Mfg. Corp.—Common
(Terrio & Co., Inc.) $220,000
Markite Corp.—Common
(C. E. Unterberg, Towbin Co.) 100,000 shares
Maust Coal & Coke Corp.—Common
(Eastman Dillon, Union Securities & Co.) 250,000 shares
Maxam, Inc.—Common
(McDonnell & Co., Inc.) 200,000 shares
McCall Corp.—Debentures
(Offering to stockholders—underwritten by Goldman, Sachs & Co.) $9,983,000
Melnor Industries, Inc.—Common
(Francis I. duPont & Co.) 152,500 shares
Metalfab, Inc.—Debentures
(Cruttenden, Podesta & Co. and Splaine & Frederic, Inc.) $600,000
Metalfab, Inc.—Common
(Cruttenden, Podesta & Co. and Splaine & Frederic, Inc.) 100,000 shares
Metallurgical International, Inc.—Class A
(Mortimer B. Burnside & Co.) $435,000
Mobile Estates, Inc.—Common
(Harry Odzer Co.) $840,000
Mobile Rentals Corp.—Common
(Kleiner, Bell & Co.) 215,000 shares
Motor Parts Industries, Inc.—Class A
(Street & Co., Inc.) 120,000 shares
Narrows Premium Corp.—Common
(Pearson, Murphy & Co., Inc.) $400,000
Nationwide Bowling Corp.—Capital
(Warner, Jennings, Mandel & Longstreth) 100,000 shares
Oceanic Instruments, Inc.—Common
(Globus, Inc.) $140,000
Originala, Inc.—Common
(Dempsey-Tegeler & Co., Inc.) $1,387,500
Papekote, Inc.—Common
(Edward Lewis Co., Inc.) $300,000
Plasticrete Corp.—Common
(Blair & Co., Inc.) 160,000 shares
Plymouth Discount Corp.—Common
(M. Posey Associates, Ltd.) $300,000
Pride Industries, Inc.—Common
(Stevens Investment Corp.) $375,000
RF Interonics, Inc.—Common
(Arnold Malkan & Co.) $200,000
Rodale Electronics, Inc.—Common
(Charles Plohn & Co.) $300,000
Sav-Mor Oil Corp.—Common
(Amber, Burstein & Co., Inc.) $230,000
Sea-Wide Electronics, Inc.—Common
(Amos Treat & Co.) $800,000
Seg Electronics Co., Inc.—Common
(Searight, Ahalt & O'Connor, Inc.) 100,000 shares
Servotron Corp.—Common
(No underwriting) $500,000
Shatterproof Glass Corp.—Common
(Shields & Co.) 215,000 shares
Silo Discount Centers, Inc.—Common
(Boenning & Co. and Rodetsky, Walker & Co., Inc.) 165,000 shares
Spandex Corp.—Common
(McLaughlin, Kaufman & Co.) $270,000
Standard Industries, Inc.—Common
(Allen & Co.) 210,000 shares
Texas Tennessee Industries, Inc.—Common
(S. D. Fuller & Co.) 175,000 shares
Tidewater Lumber Co.—Common
(Rubin, Rennert & Co., Inc.) $1,000,000
Tyson Metal Products, Inc.—Common
(Arthurs, Lestrange & Co.) 70,000 shares
U-Tell Corp.—Common
(Continental Securities Corp.) $165,485
Ultra Plastics Inc.—Common
(Amos Treat & Co.) $600,000
Union Title Co.—Capital
(No underwriting) $1,125,000
Univend Corp.—Common
(Ezra Kureen Co.) $287,500
Universal Electronics Laboratories Corp.—Common
(Stearns & Co.; Clark, Weinstock & Porges and Elmaleh & Co., Inc.) 90,250 shares
Uropa International, Inc.—Common
(Dean Samitas & Co.) $300,000
Virginia Dare Stores Corp.—Common
(Lehman Brothers) 154,000 shares
Voron Electronics Corp.—Class A
(John Joshua & Co., Inc.) $300,000
World Scope Publishers, Inc.—Common
(Standard Securities Corp.) 300,000 shares
Worldwide Fund Ltd.—Common
(Burnham & Co.) $10,000,000

January 30 (Tuesday)

Cole Vending Industries, Inc.—Common
(Straus, Blosser & McDowell) $575,000
Commonwealth Realty Trust—Shares
(Woodcock, Moyer, Fricke & French, Inc. and Gerstley, Sunstein & Co.) $4,305,560
Eon Corp.—Common
(L. H. Rothchild & Co.) 133,333 shares
Futura Airlines—Common
(Raymond Moore & Co., Inc. and Pacific Coast Securities Co.) $300,000

January 31 (Wednesday)

Dougherty Brothers Co.—Common
(Suplee, Yeatman, Mosley & Co., Inc.) 120,000 shares

February 1 (Thursday)

Albert Voigt Industries, Inc.—Common
(David Barnes & Co., Inc.) $320,000

February 5 (Monday)

ABC Cellophane Corp.—Common
(Havener Securities Corp. and D. A. Bruce & Co., Inc.) $300,000
Al-Crete Corp.—Common
(Whitehall Securities Corp.) $381,000
All-State Auto Rental Corp.—Common
(No underwriting) $200,000
American Micro Devices, Inc.—Common
(Naftalin & Co., Inc.) $1,725,000
Atlas Electronics Inc.—Common
(Hay, Fales & Co. and McLaughlin, Kaufman & Co.) $388,500
Barry (R. G.) Corp.—Common
(Arnold Malkan & Co.) $500,000
Block (H. R.), Inc.—Common
(George K. Baum & Co.) $300,000
Burton Mount Corp.—Common
(Reiner, Linburn & Co.) $600,000
Caldwell Publishing Corp.—Capital
(S. B. Cantor Co.) $687,500
Central Acceptance Corp. of Delaware—Common
(Armstrong & Co., Inc.) $750,000
Citizens Life Insurance Co. of New York—Common
(A. G. Becker & Co.) 147,000 shares
Colby (Jane), Inc.—Common
(Meade & Co.) $1,050,000
Columbus Plastic Products, Inc.—Common
(W. E. Hutton & Co.) 163,600 shares
Cosnat Record Distributing Corp.—Common
(Amos Treat & Co.) 150,000 shares
Developers Small Business Investment Corp.—Com.
(Lieberbaum & Co. and Morris Cohon & Co.) $3,000,000
Dynamic Toy, Inc.—Common
(Hancock Securities Corp.) $243,000
Eastern Properties Improvement Corp.—Common
(Woodcock, Moyer, Fricke & French, Inc.) $2,500,000
Eastern Properties Improvement Corp.—Debens.
(Woodcock, Moyer, Fricke & French, Inc.) $1,500,000
Equitable Credit & Discount Co.—Units
(Paul C. Kimball & Co.) $1,100,000
First Hartford Realty Corp.—Common
(Putnam & Co.) 500,000 shares
Gard (Andy) Corp.—Common
(Van Alstyne, Noel & Co.) 200,000 shares
Garden State Small Business Investment Co.—Com.
(Godfrey, Hamilton, Taylor & Co., Inc.) $990,000
Gulf American Fire & Casualty Co.—Common
(Offering to stockholders—no underwriting) $452,008
Happy House, Inc.—Common
(No underwriting) $700,000
L. L. Drug Co., Inc.—Common
(Stevens Investment Co.) $450,000
Lunar Enterprises, Inc.—Common
(Ehrlich, Irwin & Co., Inc.) $718,750
Marks Polarized Corp.—Common
(Ross, Lyon & Co., Inc., Glass & Ross, Inc. and Globus, Inc.) 95,000 shares
Milgray Electronics, Inc.—Common
(D. B. Marron & Co., Inc.) 166,667 shares
National Bowling Lanes, Inc.—Capital
(Edward Lewis & Co., Inc.) $825,000
Nigeria Chemical Corp.—Common
(Scott, Harvey & Co., Inc.) $450,000
Orlando Paper Corp.—Common
(Professional & Executive Planning Corp. and E. J. Roberts & Co.) $200,000
Policy-Matic Affiliates, Inc.—Capital
(Balogh & Co., Inc.) $650,000
Recco, Inc.—Class A
(Midland Securities Co., Inc.) 75,000 shares
Roto Cylinders, Inc.—Common
(Woodcock, Moyer, Fricke & French, Inc.) $300,000
Rubber & Fibre Chemical Corp.—Common
(Armstrong & Co., Inc.) $600,000
S. M. S. Instruments, Inc.—Common
(Lieberbaum & Co.) $325,000
Shenk Industries, Inc.—Common
(Rodetsky, Walker & Co., Inc. and Boenning & Co.) $900,000
Sheraton Corp. of America—Debentures
(Paine, Webber, Jackson & Curtis and S. D. Lunt & Co.) $8,000,000
Stokely-Van Camp, Inc.—Common
(Reynolds & Co., Inc.) 100,000 shares
Stokely-Van Camp, Inc.—Debentures
(Reynolds & Co., Inc.) $15,000,000
Tech-Torch Co., Inc.—Common
(Scott, Harvey & Co., Inc.) $325,000
Tokyo Shibura Electric Co., Ltd. ("Toshiba")—Common
(Smith, Barney & Co. and Nomura Securities Co. Ltd.) 30,000,000 shares
Turner Engineering & Automation Corp.—Com.
(Valley Forge Securities Co., Inc.) $300,000
Val-U-Homes Corp. of Delaware—Common
(Mayo & Co., Inc.) $500,000
Venus Drug Distributors, Inc.—Common
(Garat & Polonitza, Inc.) $840,000
Voldale, Inc.—Common
(Peters, Writer & Christensen, Inc.) $229,500
Westates Land Development Corp.—Units
(Morris Cohon & Co.) $3,000,000
Western Union Telegraph Co.—Debentures
(Kuhn, Loeb & Co. and Lehman Brothers) $50,000,000
Wiatt (Norman) Co.—Common
(Schwabacher & Co.; J. Barth & Co. and Bear, Stearns & Co.) 135,000 shares
World Toy House, Inc.—Common
(Laren Co.) 150,000 shares
Wulpa Parking Systems, Inc.—Common
(Ehrlich, Irwin & Co., Inc.) $300,000

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tronic equipment. **Proceeds** — For debt repayment and general corporate purposes. **Office**—145 Water St., South Norwalk, Conn. **Underwriters**—John R. Maher Associates and Bull & Low, N. Y.

Copymation, Inc.
Dec. 28, 1961 filed 60,000 common. **Price**—by amendment ($15 maximum) **Business**—manufacture of photo-copy machines and the distribution of office copy machines, photographic laboratory equipment, etc. **Proceeds**—For general corporate purposes. **Office**—5642-50 N. Western Ave., Chicago, **Underwriter**—Kenneth Kass, N. Y.

Corporate Funding Corp.
Jan. 9, 1962 ("Reg. A") 75,000 class A common. **Price**—$2. **Business**—A financial investment and holding company. **Proceeds**—For expansion and working capital. **Office**—39 Broadway, N. Y. **Underwriter**—R. F. Dowd & Co. Inc., N. Y.

● **Corrigan Communications, Inc. (1/24)**
Sept. 28, 1961 filed 375,000 common. **Price**—$2. **Business**—Development and sale of tutorial electronics communications systems for use in individual class rooms. **Proceeds**—To repay loans, purchase machinery, and increase working capital. **Office**—1111 E. Ash Ave., Fullerton, Calif. **Underwriters**—D. E. Liederman & Co., Inc. N. Y. and Mitchum, Jones & Templeton, Los Angeles.

Cosnat Record Distributing Corp. (2/5-9)
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., N. Y. **Underwriter**—Amos Treat & Co., N. Y.

Coyle's Voting Machine Co. (1/29-2/2)
Aug. 31, 1961 ("Reg. A") 10,000 common. **Price**—$14.75. **Business**—The sale of punch card type voting machines. **Office**—830 High St., Hamilton, O. **Underwriter**—John A. Kemper & Co., Lima, O.

● **Cromwell Business Machines, Inc. (1/25)**
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.

● **Cryplex Industries, Inc. (2/14-16)**
Oct. 10, 1961 filed 80,000 common. **Price**—$3.75. **Business** — Manufactures plastic jewelry, dress accessories and novelties. **Proceeds**—For product development, moving expenses and working capital. **Office**—37 E. 18th St., N. Y. **Underwriter** — Herbert Young & Co., Inc., N. Y.

Custom Metal Products, Inc.
Nov. 20, 1961 filed 100,000 common. **Price**—$4. **Business**—Manufacture of metal components and electronic hardware to precise tolerances. **Proceeds**—For repayment of debt and other corporate purposes. **Office**—626 Atkins Ave., Brooklyn, N. Y. **Underwriter**—Blank, Lieberman & Co., Inc., N. Y.

Cut & Curl, Inc.
Dec. 20, 1961 filed 100,000 common. **Price**—$4. **Business**—Operation of beauty salons. **Proceeds**—For expansion. **Office**—67-11 Main St., Flushing, N. Y. **Underwriter**—M. J. Merritt & Co., Inc., N. Y.

Cybernetic Systems Corp.
Dec. 5, 1961 filed 100,000 class A shares. **Price**—$4. **Business** — Company plans to operate a service to furnish advice, assistance and skill in the field of data processing. **Proceeds**—For general corporate purposes. **Office**—71 W. 23rd St., N. Y. **Underwriter**—Jay W. Kaufmann & Co., N. Y.

Dale Systems, Inc. (1/29-2/2)
Aug. 9, 1961 filed 100,000 common. **Price**—$3.25. **Business**—A shopping service which checks the efficiency of retail sales employees. **Proceeds**—Expansion and general corporate purposes. **Office**—1790 B'way, N. Y. **Underwriter**—Theodore Arrin & Co., Inc., N. Y.

Data-Design Laboratories, Inc.
Oct. 9, 1961 filed 100,000 capital shares. **Price**—By amendment. **Business**—Publishing of technical reports and manuals covering electronic equipment. **Proceeds**—For debt repayment and working capital. **Office**—945 E. California St., Ontario, Calif. **Underwriter**—Morgan & Co., Los Angeles.

David & Dash, Inc.
Oct. 25, 1961 filed 108,000 common. **Price**—$5. **Business**—Designing, converting, importing and distributing of decorative fabrics. **Proceeds**—For debt repayment and general corporate purposes. **Office**—2445 N. Miami Ave., Miami, Fla. **Underwriter**—Stirling, Linder & Prigal, Inc., 50 Broadway, N. Y.

● **David's Inc.**
Nov. 29, 1961 ("Reg. A") 60,000 common. **Price** — $5. **Business**—Operation of a membership department store. **Proceeds**—For working capital. **Office**—11000 E. Kellogg St., Wichita, Kan. **Underwriters**—Quinn & Co., Albuquerque; A. G. Edwards & Sons, St. Louis; Peters, Writer & Christensen, Inc., Denver; Midland Securities Co., Inc., Kansas City, Mo.; and Dempsey-Tegeler & Co., St. Louis. **Offering**—Imminent.

Davis (H.) Toy Corp.
Nov. 27, 1961 filed 100,000 capital shares (with attached warrants to purchase an additional 100,000 shares), to be offered in units of one share and one warrant. **Price**—$3.25 per unit. **Business**—Manufactures educational toys. **Proceeds**—To repay debt and increase working capital. **Office**—794 Union St., Brooklyn, N. Y. **Underwriters**—Hampstead Investing Corp., Aetna Securities Corp., and Atlas Securities Corp., N. Y.

Decorel Corp.
Dec. 29, 1961 filed 120,000 common, of which 90,000 are to be offered by the public and 30,000 by a stockholder. **Price**—By amendment. **Business**—Production and

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February 6 (Tuesday)

Best Plastics Corp.—Common
(S. B. Cantor Co.) $375,000

Elizabethtown Water Co.—Debentures
(Bids 11 a.m. EST) $9,000,000

Rapid-Film Technique, Inc.—Common
(Herbert Young & Co., Inc.) $280,000

Southern Pacific Co.—Equip. Trust Ctfs.
(Bids 12 noon EST) $6,840,000

Valley Metallurgical Processing Co.—Common
(McDonnell & Co., Inc.) 70,000 shares

February 7 (Wednesday)

El Paso Electric Co.—Bonds
(Bids 11 a.m. EST) $10,500,000

February 8 (Thursday)

Chicago, Burlington & Quincy RR.—Equ. Tr. Ctfs.
(Bids 12 noon CST) $6,450,000

Fluke (John) Mfg. Co., Inc.—Common
(White, Weld & Co.) 170,000 shares

February 13 (Tuesday)

Alaska Pacific Lumber Co.—Common
(Dempsey-Tegeler & Co., Inc.) 250,000 shares

Alson Manufacturing Co.—Common
(Albion Securities Co., Inc.) $300,000

Arwood Corp.—Common
(Bear, Stearns & Co.) 230,000 shares

Austin Continental Industries, Inc.—Common
(Raymond Moore & Co.) $721,000

Berne of California, Inc.—Common
(Pacific Coast Securities Co.) $255,000

Berry Door Corp.—Common
(Raymond Moore & Co.) $300,000

Brentwood Financial Corp.—Common
(Hayden, Stone & Co.) 150,000 shares

Burnham & Morrill Co.—Common
(Hornblower & Weeks) 187,250 shares

Carolinas Capital Corp.—Common
(R. S. Dickson & Co.) $5,000,000

Family Record Plan, Inc.—Common
(Bache & Co.) 200,000 shares

Filon Plastics Corp.—Common
(White, Weld & Co.) 200,000 shares

Jackson Optical, Inc.—Common
(Stan-Bee & Co.) $150,000

Metatronics Manufacturing Corp.—Common
(Frank Karasik & Co.) $200,000

Miss Elliette, Inc.—Common
(F. L. Rossman & Co.) 100,000 shares

National Rolling Mills Co.—Common
(Drexel & Co.) 200,000 shares

North Atlantic Industries, Inc.—Common
(G. A. Saxton & Co., Inc.) 131,500 shares

Orion Electronics Corp.—Common
(A. D. Gilhart & Co., Inc.) $350,000

Power Industrial Products Co.—Class A
(S. D. Fuller & Co.) 160,000 shares

Pyramid Publications, Inc.—Common
(Milton D. Blauner & Co., Inc.) 115,000 shares

Spiral Metal Co., Inc.—Common
(Flomenhaft, Seidler & Co.) $250,000

Sportsmen, Inc.—Units
(William, David & Motti, Inc.) $300,000

Trans-Alaska Telephone Co.—Common
(Milton D. Blauner & Co., Inc.) $1,590,000

Tri-Point Industries, Inc.—Common
(Hill, Darlington & Grimm) 160,000 shares

Van-Pak, Inc.—Common
(Hodgdon & Co., Inc.) $2,100,000

Vitamin Specialties Co.—Capital
(Woodcock, Moyer, Fricke & French, Inc.) $300,000

Widmann (L. F.), Inc.—Common
(Godfrey, Hamilton, Taylor & Co.) $486,000

Youthcraft Creations, Inc.—Class A
(Paine, Webber, Jackson, & Curtis) 130,000 shares

February 14 (Wednesday)

American Telephone & Telegraph Co.—Deb. Bonds
(Bids to be received) $300,000,000

Cryplex Industries, Inc.—Common
(Herbert Young & Co., Inc.) $300,000

Ripley Industries, Inc., and Jomar Plastics Inc.—Units
(Paine, Webber, Jackson & Curtis and American Securities Corp.) 100,000 units

Vornado, Inc.—Debentures
(Bache & Co.) $5,500,000

February 15 (Thursday)

National Equipment & Plastics Corp.—Common
(Cortlandt Investing Corp.) $525,000

Western California Telephone Co.—Common
(Offering to stockholders underwritten by Dean Witter & Co.) 84,000 shares

February 19 (Monday)

American Book-Stratford Press, Inc.—Common
(Bear, Stearns & Co.) 430,000 shares

Certified Industries, Inc.—Units
(Singer, Beane & Mackie, Inc.) $750,000

Federal Mortgage Investors—Ben. Int.
(Hemphill, Noyes & Co. and Paine, Webber, Jackson & Curtis) 1,700,000 shares

First Midwest Capital Corp.—Common
(Paine, Webber, Jackson & Curtis and Craig-Hallum, Kinnard, Inc.) 150,000 shares

Franklin Realty Trust of Philadelphia—Ben. Int.
(A. G. Becker & Co., Inc.) $10,000,000

Graniteville Co.—Common
(Shearson, Hammill & Co.) 796,716 shares

Japan Fund, Inc.—Common
(Bache & Co.; Paine, Webber, Jackson & Curtis and Nikko Securities Co., Ltd.) $25,000,000

Jaylis Industries, Inc.—Units
(D. E. Liederman & Co., Inc.) $1,700,000

Pneumo Dynamics Corp.—Common
(Hemphill, Noyes & Co. and Estabrook & Co.) 150,000 shares

February 20 (Tuesday)

Duke Power Co.—Bonds
(Bids 11 a.m. EST) $50,000,000

General Acceptance Corp.—Common
(Paine, Webber, Jackson & Curtis and Eas man Dillon, Union Securities & Co.) 200,000 shares

February 26 (Monday)

American Bolt & Screw Mfg. Corp.—Common
(S. D. Fuller & Co.) 150,000 shares

Astro-Science Corp.—Common
(W. C. Langley & Co.) 232,500 shares

Bacharach Industrial Instrument Co.—Common
(Arthurs, Lestrange & Co.) 60,000 shares

Bridge Electronics Co., Inc.—Common
(Roth & Co., Inc. and Amos Treat & Co., Inc.) $900,000

Carmer Industries, Inc.—Common
(Godfrey, Hamilton, Taylor & Co., Inc.) 185,000 shares

Delford Industries, Inc.—Common
(I. R. E. Investors Corp.) $332,500

Fields Plastics & Chemicals, Inc.—Common
(Sutro Bros. & Co.) 220,000 shares

First Scientific Corp.—Class A
(Netherlands Securities Co., Inc.; Seymour Blauner Co. and Sprayregen, Haft & Co.) $600,000

Glass-Tite Industries, Inc.—Common
(Hemphill, Noyes & Co.) 185,000 shares

Hartman Marine Electronics Corp.—Common
(Charles Plohn & Co.) $400,000

Hillside Metal Products, Inc.—Common
(Milton D. Blauner & Co., Inc. and M. L. Lee & Co., Inc.) $1,800,000

Honora, Ltd.—Common
(Sunshine Securities, Inc.) $286,875

Lincoln Fund, Inc.—Common
(Horizon Management Corp.) 951,799 shares

Lithoid, Inc.—Common
(Godfrey, Hamilton, Taylor & Co., Inc.) $360,000

Michaels (J.), Inc.—Common
(L. F. Rothschild & Co.) 103,000 shares

Municipal Investment Trust Fund, Pa. Series—Ints.
(Ira Haupt & Co.) $6,375,000

Oxford Finance Cos., Inc.—Common
(Blair & Co., Inc.) 200,000 shares

Precision Instrument Co.—Capital
(Lehman Brothers and J. Barth & Co.) 125,000 shares

Printing Corp. of America—Common
(Goldman, Sachs & Co.) 454,000 sharese

Seashore Food Products, Inc.—Common
(Terrio & Co., Inc.) $300,000

Sperti Products, Inc.—Common
(Blair & Co., Inc.) 230,000 shares

Tork Time Controls, Inc.—Common
(Godfrey, Hamilton, Taylor & Co. and Magnus & Co.) 150,000 shares

United Packaging Co., Inc.—Common
(Godfrey Hamilton, Taylor & Co., Inc.) $306,000

West Falls Shopping Center Limited Partnership—Units
(Hodgdon & Co., Inc.) $444,000

March 1 (Thursday)

Oklahoma Gas & Electric Co.—Common
(Offering to stockholders—underwritten by Merrill Lynch, Pierce, Fenner & Smith Inc.) 328,912 shares

March 5 (Monday)

Control Dynamics, Inc.—Common
(Brandtjen & Bayliss, Inc.) $575,000

Industry Capital Corp.—Common
(A. C. Allyn & Co.) $7,590,000

Spartan International Inc.—Common
(M. H. Woodhill, Inc.) $700,000

West Penn Power Co.—Bonds
(Bids 12 noon EST) $30,000,000

March 12 (Monday)

Arnay Industries, Inc.—Units
(Glanis & Co., Inc.) 1 unit

International Airport Hotel Systems, Inc.—Units
(Bache & Co. and Robinson-Humphrey Co., Inc.) 17,000 units

March 15 (Thursday)

Ridge Tool Co.—Class A
(White, Weld & Co. and McDonald & Co.) 284,586 shares

March 26 (Monday)

Ainsbrooke Corp.—Capital
(Richard Bruce & Co., Inc.) $2,000,000

April 6 (Friday)

Government Employees Corp.—Debentures
(Offering to stockholders, no underwriting) $2,675,000

April 12 (Thursday)

Mississippi Power Co.—Bonds
(Bids to be received) $6,000,000

May 22 (Tuesday)

Utah Power & Light Co.—Bonds
(Bids to be received) $20,000,000

Utah Power & Light Co.—Common
(Bids to be received) $10,000,000

June 7 (Thursday)

Alabama Power Co.—Bonds
(Bids to be received) $17,000,000

November 7 (Wednesday)

Georgia Power Co.—Preferred
(Bids to be received) $7,000,000

Georgia Power Co.—Bonds
(Bids to be received) $23,000,000

November 28 (Wednesday)

Southern Electric Generating Co.—Bonds
(Bids to be received) $6,500,000

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sale of wood and metal framed pictures, wood utility frames, etc. **Proceeds**—For debt repayment, inventory, and working capital. **Office**—444 Courtland St., Mundelein, Ill. **Underwriter**—Clayton Securities Corp., Boston, Mass.

● **Deer Park Baking Co. (1/24)**
Oct. 27, 1961 filed 90,000 common, of which 10,000 shares are to be offered by the company and 80,000 shares by stockholders. **Price**—$6.75. **Business**—Manufacture of Danish-style and ice-box cookies. **Proceeds**—For working capital and general corporate purposes. **Office**—South Egg Harbor Rd., Hammonton, N. J. **Underwriter**—J. R. Williston & Beane, N. Y.

Delford Industries, Inc. (2/26-3/2)
Sept. 28, 1961 filed 95,000 common. **Price**—$3.50. **Business**—Manufacture of precision rubber extrusions. **Proceeds**—Plant expansion, equipment, debt repayment and working capital. **Office**—82-88 Washington St., Middletown, N. Y. **Underwriter**—I. R. E. Investors Corp., Levittown, N. Y.

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, Labouisse, Friedrichs & Co., New Orleans (managing). **Offering**—Expected sometime in March.

Delta Venture Capital Corp.
July 13, 1961 filed 520,000 common shares. **Price**—$3.30. **Business**—An investment company. **Office**—1011 N. Hill St., Hopkins, Minn. **Underwriter**—None.

● **DeLuxe Homes, Inc. (1/29-2/2)**
Dec. 11, 1961 ("Reg. A") 60,000 common. **Price** — $5. **Business** — Construction and financing of shell homes. **Proceeds**—For working capital. **Address**—Allendale, S. C. **Underwriter**—Alessandrini & Co., Inc., N. Y.

★ **Denie's (John A.) Sons Co.**
Jan. 15, 1962 filed 200,000 common. **Price**—By amendment. **Business**—Purchase, manufacture and sale of various building materials. **Proceeds**—For debt repayment and working capital. **Office**—373 Adams Ave., Memphis, Tenn. **Underwriter**—M. A. Saunders & Co., Inc., Memphis.

Dennis Real Estate Investment Trust
July 24, 1961 filed 100,000 shares of beneficial interest. **Price**—$100. **Business**—A real estate investment company. **Office**—90 State Street, Albany, N. Y. **Underwriter**—None.

Deuterium Corp.
Sept. 28, 1961 filed 140,000 common with attached warrants to purchase an additional 140,000 shares to be offered for subscription by stockholders in units (of one share and one warrant) on the basis of 3 units for each 5% preferred share held, 2 units for each 5% preferred A stock held and one unit for each 10 class B shares held. **Price**—$20 per unit. **Business**—Company plans to manufacture and utilize all kinds of chemical materials. **Proceeds**—For start-up expenses for a laboratory and small plant. **Office**—360 Lexington Ave., New York. **Underwriter**—None.

Developers Small Business Investment Corp. (2/5-9)
Sept. 27, 1961 filed 600,000 common. **Price**—$5. **Business**—A small business investment company. **Proceeds**—For general corporate purposes. **Office**—214 Engle St., Englewood, N. J. **Underwriters**—Lieberbaum & Co. and Morris Cohon & Co., N. Y. **Note**—This company formerly was named Diversified Small Business Investment Corp.

Dialight Corp.
Dec. 22, 1961 filed 367,000 common. **Price**—By amendment. **Business**—Design and manufacture of precision-engineered indicator lights for aircraft, missile and electronic instruments. **Proceeds**—For selling stockholders. **Office**—60 Stewart Ave., Brooklyn, N. Y. **Underwriter**—Burnham & Co., N. Y.

District Photo, Inc. (1/29-2/2)
Nov. 16, 1961 filed 100,000 common, of which 80,000 are to be offered by the company and 20,000 by a stockholder. **Price**—By amendment. **Business**—Processes and prints photographic film and distributes wholesale photographic equipment. **Proceeds**—For repayment of debt, plant expansion, and working capital. **Office**—3306 Wisconsin Ave., N. W., Washington, D. C. **Underwriter**—Auchincloss, Parker & Redpath, Washington, D. C.

Diversified Collateral Corp.
Dec. 28, 1961 filed 78,000 common. **Price** — By amendment. **Business**—A mortgage investment company. **Proceeds**—For general corporate purposes. **Office**—420 Lincoln Road, Miami Beach, Fla. **Underwriter** — To be named.

Diversified Discount & Acceptance Corp.
Dec. 13, 1961 filed 125,000 common. **Price**—$4.50. **Business**—A small loan investment company. **Proceeds**—For expansion. **Office**—707 Northwestern Federal Bldg., Minneapolis. **Underwriter**—Bratter & Co., Inc., Minneapolis.

Dolphin-Miller Mines Ltd.
Oct. 3, 1961 filed 1,600,000 capital shares, of which 1,200,000 shares are to be offered by the company and 400,000 shares by stockholders. **Price**—50c. **Business**—The exploration and production of ores. **Proceeds**—For salaries and general corporate purposes. **Office** — 25 Adelaide St., W., Toronto, Canada. **Underwriter**—Brewis & White Ltd., Toronto.

Don Mills, Inc.
Sept. 27, 1961 ("Reg. A") 60,000 common. **Price**—$5. **Business**—Financing of shipments of business machines. **Proceeds**—General corporate purposes. **Office**—Red Rock Bldg., Atlanta, Ga. **Underwriter**—Stan-Bee & Co., Washington, D. C. **Offering**—Expected in February.

● **Dougherty Brothers Co. (1/31)**
Oct. 24, 1961 filed 120,000 common. **Price**—By amendment. **Business**—Manufacture of medicine droppers and components and glass cartridges for the pharmaceutical industry. **Proceeds** — For debt repayment and general corporate purposes. **Address**—Buena, N. J. **Underwriters**—Suplee, Yeatman, Mosley Co., Inc., Philadelphia.

Dover Construction Co.
Dec. 21, 1961 filed $750,000 convertible subordinated debentures due 1972, and 100,000 common. **Price** — By amendment. **Business**—Construction and sale of homes. **Proceeds** — For debt repayment and working capital. **Office**—2120 Green Rd., Cleveland. **Underwriter**—Merrill, Turben & Co., Inc., Cleveland.

Duke Power Co. (2/20)
Jan. 5, 1962 filed $50,000,000 of first and refunding mortgage bonds due 1992. **Proceeds**—For construction. **Offices**—422 So. Church St., Charlotte, N. C., and 30 Rockefeller Plaza, N. Y. **Underwriters**—(Competitive). Probable bidders: Halsey, Stuart & Co. Inc.; First Boston Corp.; Stone & Webster Securities Corp.; Morgan Stanley & Co. **Bids**—Expected Feb. 20 (11 a.m. EST).

Dunhill Food Equipment Corp.
Dec. 29, 1961 filed 100,000 common. **Price**—$2.50. **Business**—Manufacture of food service equipment. **Proceeds**—For development and working capital. **Office**—79 Walworth St., Brooklyn, **Underwriters** — Carroll Co. and Paul Eisenberg Co., Inc., N. Y.

Duralite Co., Inc.
Nov. 29, 1961 filed 128,000 common. **Price**—$4. **Business**—Design and manufacture of aluminum-frame outdoor and porch furniture. **Proceeds** — For product development, equipment and working capital. **Office**—2 Barbour Ave., Passaic, N. J. **Underwriter**—Preiss, Cinder & Hoffman Inc., N. Y.

Duro Pen Co., Inc.
Jan. 5, 1962 filed 125,000 common. **Price**—$4. **Business**—Manufacture of inexpensive ball point pens. **Proceeds**—For debt repayment, equipment and working capital. **Office**—573 Broadway, N. Y. **Underwriter** — Godfrey, Hamilton, Taylor & Co., N. Y.

Dynamic Toy, Inc. (2/5-9)
June 30, 1961 ("Reg. A") 81,000 common. **Price** — $3. **Business**—Manufacture of toys. **Proceeds**—Advertising, development of new products, expansion and working capital. **Address**—109 Ainslie St., Brooklyn, N. Y. **Underwriter**—Hancock Securities Corp., N. Y.

Eastern Investors, Inc.
Dec. 27, 1961 filed 10,000 common shares and $625,000 of 6½% con. subord. debentures due 1972. **Price**—For stock, $2.50: For debentures, at par. **Business**—A holding company for small loan and credit accident insurance subsidiaries. **Proceeds**—For investment in a subsidiary and working capital. **Office**—147 Northeast Main St., Rocky Mount, N. C. **Underwriter**—Arnold Malkan & Co., Inc., N. Y.

● **Eastern Properties Improvement Corp. (2/5-9)**
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.

Econ-O-Pay, Inc.
Oct. 26, 1961 filed 1,000,000 common. **Price**—$3. **Business**—A dealer recourse finance business. **Proceeds**—General corporate purposes. **Office**—164 E. Main St., Valley City, N. D. **Underwriter**—Reserve Funds, Inc., Valley City, N. D.

Economy Food Enterprises Corp.
Nov. 29, 1961 ("Reg. A") 100,000 common. **Price**—$3. **Business**—Sale and servicing of home food freezers and sale of bulk food to freezer owners. **Proceeds**—For general corporate purposes. **Office**—180 Babylon Turnpike, Roosevelt, L. I., N. Y. **Underwriter**—Sentinel Securities Planning Corp., Long Island City, N. Y.

Economy Water Conditioners of Canada Ltd.
Nov. 21, 1961 ("Reg. A") 100,000 common. **Price**—$3. **Business**—Sale of water conditioning units to home owners. **Proceeds**—Rental of units, new distributorships and expansion. **Office**—36 Densley Ave., Toronto. **Underwriter**—S. I. Emrich Associates, Inc., N. Y.

Edu-tronics, Inc.
Oct. 27, 1961 filed 80,000 common. **Price**—$4. **Business**—Distribution of electronic parts and equipment. Company also plans to manufacture and sell electronic teaching machines. **Proceeds**—For product development and other corporate purposes. **Office**—136-05 35th Ave., Flushing, N. Y. **Underwriters**—Packer-Wilbur & Co., Inc. (mgr.). and Earle Securities Co., Inc., N .Y.

Educational Aids Co., Inc.
Dec. 26, 1961 filed 100,000 common. **Price**—$5. **Business**—Sale of school supplies, toys and notions. **Proceeds**—For equipment, inventories and working capital. **Office**—1125 Okie St., N. E., Washington, D. C. **Underwriter**—Wright, Myers & Bessell, Inc.

Educator & Executive Co.
Nov. 30, 1961 filed 174,900 common. **Price**—By amendment. **Business**—An holding company for insurance concerns. **Proceeds**—For general corporate purposes. **Office**—3857 N. High St., Columbus, Ohio. **Underwriter**—McDonald & Co., Cleveland.

Electro-Mec Instrument Corp.
Sept. 15, 1961 filed 176,480 common. **Price**—$6. **Business**—The design, manufacture and sale of potentiometers, digitometers and goniometers used in airborne computing devices. **Proceeds**—For the selling stockholder, Waltham Precision Instrument Co., Inc. **Office**—47-51 33rd St., Long Island City, N. Y. **Underwriter**—Sterling, Grace & Co., N. Y. **Note** — This registration was indefinitely postponed.

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., N. Y. (mgr.). **Offering**—Expected in February.

Electromagnetics Corp.
Nov. 17, 1961 filed 75,000 common. **Price**—$5. **Business**—Design and manufacture of precision nuclear magnetic instrumentation. **Proceeds**—For general corporate purposes. **Office**—Sawyer Lane, Hudson, Mass. **Underwriter**—Gianis & Co., Inc., N. Y.

Electronic Controls, Inc.
Nov. 29, 1961 filed 100,000 common. **Price**—$3. **Business**—Design and manufacture of automatic electronic and computer controlled drives and systems, helicopter check-out, flight control and landing control systems and multi-contact relays and switches. **Proceeds**—For debt repayment, working capital and other corporate purposse. **Office**—67 Southfield Ave., Stamford, Conn. **Underwriter** — Seymour, Bernard & DeBoff, Inc., N. Y. **Offering**—Expected sometime in March.

Electronic Transmission Corp.
Oct. 27, 1961 ("Reg. A") 100,000 common. **Price**—$3. **Business**—Manufacture, design and field testing of closed-circuit television. **Proceeds**—For debt repayment and other corporate purposes. **Office**—103 Hawthorne Ave., Valley Stream, N. Y. **Underwriters**—V. S. Wickett & Co., Inc. and Thomas, Williams & Lee, Inc., N. Y. **Offering**—Expected in late March.

● **Electrosolids Corp. (1/23)**
Oct. 30, 1961 filed 100,000 cum. conv. preference shares. **Price**—By amendment. **Business**—Production of devices for converting AC-DC current for aircraft, missiles and ships. **Proceeds**—Debt repayment and other corporate purposes. **Office**—12740 San Fernando Rd., N., Sylmar, Calif. **Underwriter**—J. R. Williston & Beane, N. Y.

Elizabethtown Water Co. (2/6)
Dec. 21, 1961 filed $9,000,000 of debentures due 1992. **Proceeds**—For debt repayment. **Office**—22 West Jersey St., Elizabeth, N. J. **Underwriters**—(Competitive). Probable bidders: W. C. Langley & Co.-Paine, Webber, Jackson & Curtis (jointly); Salomon Brothers & Hutzler-Eastman Dillon, Union Securities & Co. (jointly); White, Weld & Co.; Halsey, Stuart & Co. Inc. **Bids**—Expected Feb. 6. (11 a.m. EST).

Ellner & Pike, Inc.
Dec. 27, 1961 ("Reg. A") 30,000 common. **Price**—$10 **Business**—Operation of supermarkets. **Proceeds**—For expansion and working capital. **Office**—896 Old Country Rd., Westbury, N. Y. **Underwriter**—Meadowbrook Securities, Inc., Hempstead, N. Y.

● **Elmar Electronics Inc. (1/22-26)**
Sept. 29, 1961 filed 200,000 common, of which 100,000 will be sold by the company and 100,000 by stockholders. **Price**—By amendment. **Business**—Distribution of electronic parts and equipment. **Proceeds**—Debt repayment, expansion and working capital. **Office**—140 Eleventh St., Oakland, Calif. **Underwriter**—Schwabacher & Co., San Francisco.

El Paso Electric Co. (2/7)
Dec. 28, 1961 filed $10,500,000 of first mortgage bonds due 1992. **Proceeds**—To refund $3,500,000 of the company's outstanding 5⅛% bonds due 1989, and for construction. **Office**—215 North Stanton St., El Paso, Tex. **Underwriters**—(Competitive). Probable bidders: Stone & Webster Securities Corp.; Merrill Lynch, Pierce, Fenner & Smith, Inc.; Halsey, Stuart & Co., Inc.; Kidder, Peabody & Co. Inc.—White, Weld & Co.—Shields & Co. (jointly); Equitable Securities Corp.—R. W. Pressprich & Co. (jointly). **Bids**—Expected Feb. 7 (11 a.m. EST) at 90 Broad St. (19th floor), N. Y. **Information Meeting**—Scheduled for Feb. 2 (11 a.m.) at 90 Broad St., N. Y.

● **Empire Fund, Inc. (1/23)**
June 28, 1961 filed 1,250,000 shares of capital stock to be offered in exchange for blocks of designated securities. **Business**—A "centennial-type" fund which plans to offer a tax free exchange of its shares for blocks of corporate securities having a market value of $20,000 or more. **Office**—44 School Street, Boston, Mass. **Underwriter**—A. G. Becker & Co., Inc., Chicago.

● **Empire Precision Components, Inc.**
Aug. 29, 1961 ("Reg. A") 100,000 class A. **Price**—$2.60. **Business**—Manufacture of metal components parts for precision electronic connectors. **Proceeds**—For moving expenses, a new plant, equipment, repayment of loans and working capital. **Office**—574 President St., Brooklyn, N. Y. **Underwriter**—Ezra Kureen Co., N. Y. **Offering**—Imminent.

● **Ecn Corp. (1/30)**
Oct. 2, 1961 filed 133,333 common. **Price**—By amendment. **Business**—Manufacture of equipment for radiation detection and measurements. **Proceeds**—For equipment, leasehold improvements and working capital. **Office**—175 Pearl St., Brooklyn. **Underwriter**—L. H. Rothchild & Co., N. Y.

Equitable Credit & Discount Co. (2/5-9)
Oct. 27, 1961 filed $1,000,000 of 6½% jr. subord. conv. debentures due 1977 and 50,000 common shares to be offered in units consisting of $500 of debentures and 25 shares. **Price**—$550 per unit. **Business**—Leading and insurance. **Proceeds**—For working capital. **Office**—674 N. Broad St., Philadelphia. **Underwriter**—Paul C. Kimball & Co., Chicago.

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Equity Capital Co.
Nov. 29, 1961 filed $3,000,000 of 8% subordinate debentures due 1965. **Price**—At par. **Business**—The investment in mortgages and the making of construction loans to builders and property owners. **Proceeds**—For repayment of debt and working capital. **Office**—430 First Ave. North, Minneapolis. **Underwriter**—None.

Extrin Foods, Inc.
Nov. 29, 1961 filed 100,000 common. **Price**—$3.25. **Business**—Creation and manufacture of flavors for the baking and confectionary industries. **Proceeds**—For additional personnel, new products and possible acquisitions. **Office**—70 Barclay St., N. Y. **Underwriters**—Hay, Fales & Co., and McLaughlin, Kaufman & Co., N. Y. **Offering**—Expected sometime in March.

Fairbanks Wire Co., Inc.
Oct. 30, 1961 filed 54,000 common. **Price**—$3. **Business**—Manufactures specialized machinery and equipment. **Proceeds** — For debt repayment and general corporate purposes. **Office**—Walnut St., M D 23, Newburg, N. Y. **Underwriter**—First Madison Corp., N. Y.

Family Record Plan, Inc. (2/13-16)
Nov. 20, 1961 filed 200,000 common. **Price**—By amendment. **Business**—Sale of photographic portraits and albums. **Proceeds**—For selling stockholders. **Office**—2015 W. Olympic Blvd., Los Angeles. **Underwriter**—Bache & Co., N. Y.

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**—To be named. **Note**—July 11, the SEC instituted "Stop Order" proceedings challenging the accuracy and adequacy of this statement.

Fastline Inc. (1/29-2/2)
Sept. 28, 1961 filed $400,000 of 6% conv. subord. debentures due 1971 and 40,000 common shares to be offered publicly in units of one $500 debenture and 50 common. **Price**—$575 per unit. **Business**—Manufacture of concealed zippers. **Proceeds**—Debt repayment, advertising and working capital. **Office**—8 Washington Place, N. Y. **Underwriter**—G. Everett Parks & Co., Inc., N. Y.

Fastpak, Inc.
Nov. 30, 1961 filed 125,000 common. **Price**—$5. **Business**—The distribution of nuts, bolts and other fastening devices manufactured by others. **Proceeds**—For debt repayment and general corporate purposes. **Office**—8 Benson Place, Freeport, N. Y. **Underwriter** — Arnold Malkan & Co., Inc., N. Y.

Federal Mortgage Investors (2/19-21)
Dec. 21, 1961 filed 1,700,000 shares of beneficial interest. **Price**—By amendment. **Business**—A business trust which plans to qualify as a real estate investment trust. **Proceeds**—For investment. **Office**—50 State St., Boston. **Underwriters**—Hemphill, Noyes & Co., N. Y. and Paine, Webber, Jackson & Curtis, Boston.

Fidelity America Financial Corp. (1/29)
Oct. 3, 1961 filed 100,000 common. **Price**—$5. **Business**—Commercial finance company. **Proceeds** — General corporate purposes. **Office**—42 S. 15th St., Phila. **Underwriter**—Netherlands Securities Co., Inc., N. Y.

Fidelity Mining Investments Ltd.
Nov. 30, 1961 filed 800,000 common. **Price**—By amendment. **Business**—Exploration and testing of mining properties. **Proceeds**—For general corporate purposes. **Office**—62 Richmond St., Toronto. **Underwriter**—G. V. Kirby & Associates, Ltd., Toronto.

Fields Plastics & Chemicals, Inc. (2/26-3/2)
Nov. 29, 1961 filed 220,000 common. **Price**—By amendment. **Business**—Manufacture of vinyl plastic sheeting. **Proceeds**—For selling stockholders. **Office**—199 Garibaldi Ave., Lodi, N. J. **Underwriter**—Sutro Bros. & Co., N. Y.

• **Fifth Avenue Cards, Inc.**
Sept. 28, 1961 filed 115,000 class A capital shares. **Price**—By amendment. **Business**—Operation of a chain of retail greeting card stores. **Proceeds**—Debt repayment, working capital and expansion. **Office**—18 W. 34th St., N. Y. **Underwriters**—Hardy & Co. and Filor, Bullard & Smyth, N. Y. **Offering**—Imminent.

Filon Plastics Corp. (2/13-17)
Dec. 4, 1961 filed 200,000 common, of which 50,000 are to be offered by the company and 150,000 by stockholders. **Price**—By amendment. **Business**—Manufactures translucent fiberglas panels for building and decorative purposes. **Proceeds**—For expansion and working capital. **Office**—333 North Van Ness Ave., Hawthorne, Calif. **Underwriter**—White, Weld & Co., N. Y.

First Hartford Realty Corp. (2/5-9)
Oct. 30, 1961 filed 500,000 common. **Price**—By amendment. **Business**—Real estate investment. **Proceeds**—For property acquisitions, debt repayment and other corporate purposes. **Office**—380-390 W. Middle Turnpike, Manchester, Conn. **Underwriter**—Putnam & Co., Hartford.

First Midwest Capital Corp. (2/19-23)
Sept. 28, 1961 filed 150.000 common. **Price**—By amendment. **Business**—A small business investment company, **Proceeds**—General corporate purposes. **Office**—512 Nicollet Ave., Minneapolis. **Underwriters**—Paine, Webber, Jackson & Curtis, N. Y., and Craig-Hallum, Kinnard, Inc., Minneapolis.

First New York Capital Fund, Inc.
Oct. 27, 1961 filed 2,770,000 capital shares. **Price**—$1. **Business**—A small business investment company. **Proceeds**—For investment. **Office**—1295 Northern Blvd., Manhasset, N. Y. **Underwriter**—None.

First Real Estate Investment Trust of New Jersey
Jan. 4, 1962 filed 67,750 common. **Price**—$10. **Business**—Real estate investment trust. **Proceeds**—For general corporate purposes. **Office**—477 Main St., Hackensack, N. J. **Underwriter**—None.

First Republic Corp. of America
Dec. 19, 1961 filed $9,400,000 of 6½% convertible subordinated debentures due 1982 and 188,000 class A shares to be offered for subscription by class A stockholders in 47,000 units, each consisting of $200 of debentures and 4 class A shares. One right will be issued for each class A share held, and 40 rights will be needed to purchase one unit. **Price**—By amendment. **Business**—General real estate. **Proceeds**—For debt repayment and other corporate purposes. **Office**—375 Fifth Ave., N. Y. **Underwriters**—Morris Cohon & Co. and Lieberbaum & Co., N. Y.

First Scientific Corp. (2/26-3/2)
Dec. 6, 1961 filed 200,000 class A stock. **Price**—$3. **Business**—Company plans to acquire, invest in, and finance patents and new scientific technology. **Proceeds**—For general corporate purposes. **Office**—375 Park Ave., N. Y. **Underwriters**—Netherlands Securities Co., Inc., Seymour Blauner Co., and Sprayregen, Haft & Co., N. Y.

Flair Cards, Inc. (1/29-2/2)
Nov. 14, 1961 ("Reg. A") 74,667 common. **Price**—$3. **Business**—Manufactures greeting cards, greeting card trays, dishes, note paper, etc. **Proceeds** — For debt repayment and working capital. **Office**—537 W. 53rd St., N. Y. **Underwriter**—Amber, Burstein & Co., Inc., N. Y.

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., N. Y. **Underwriter**—General Securities Co., Inc., N. Y. **Offering**—Imminent.

Flex-I-Brush, Inc.
Nov. 27, 1961 ("Reg. A") 100,000 common. **Price**—$3. **Business**—Manufacture of one piece disposable plastic toothbrushes. **Proceeds**—For general corporate purposes. **Office**—7400 N. W. Seventh Ave., Miami, Fla. **Underwriter**—Meadowbrook Securities, Inc., Hempstead, N. Y.

Florida Palm-Aire Corp. (1/29-2/2)
Oct. 19, 1961 filed 463,000 common, of which 310,000 shares are to be offered for subscription by the stockholders on a 1-for-3 basis, and 153,000 shares will be sold to the public. **Price**—$2. **Business**—Purchase, development and sale of undeveloped real property and related activities. **Proceeds**—For debt repayment and general corporate purposes. **Office** — 1790 N. Federal Highway, Pompano Beach, Fla. **Underwriter**—Hardy & Co., N. Y.

Flower City Industries, Inc.
Nov. 29, 1961 filed 100,000 common. **Price**—$3.25. **Business.** — Design and manufacture of plastic artificial foliage and flowers. **Proceeds** — For general corporate purposes. **Address**—St. Thomas, Virgin Islands. **Underwriter**—Seidman & Williams, N. Y.

Fluke (John) Mfg. Co., Inc. (2/8)
Dec. 11, 1961 filed 170,000 common, of which 135,000 are to be offered by the company and 35,000 by stockholders. **Price**—By amendment. **Business**—Design and manufacture of precision electronic instruments, potentiometers, and related components. **Proceeds**—For debt repayment and working capital. **Office**—7100-220th St., S. W., Mountlake Terrace, Wash. **Underwriter**—White, Weld & Co., N. Y.

Food Corp. of America
Oct. 5, 1961 filed 50,000 common. **Price**—$2.50. **Business**—The acquisition of enterprises engaged in the food processing industry. **Proceeds**—For repayment of debt and working capital. **Office**—1207 Foshay Tower, Minneapolis, Minn. **Underwriter**—None.

• **Folz Vending Co., Inc. (1/29-2/2)**
Sept. 26, 1961 filed 55,000 common. **Price**—$6. **Business**—The distribution of novelties, candy, etc. through vending machines. **Proceeds**—To repay loans, purchase machines, and increase working capital. **Office**—990 Long Beach Rd., Oceanside, N. Y. **Underwriter**—None.

Forrest Electronics Corp.
Dec. 21, 1961 ("Reg. A") 130,000 common. **Price**—$2. **Business**—Research, design, manufacture, sale and distribution of precision electronic and mechanical components. **Proceeds**—For debt repayment, equipment and general corporate purposes. **Office** — 425 Las Vegas Blvd., S., Las Vegas, Nev. **Underwriter**—Elmer K. Aagaard, Salt Lake City.

Franklin Manufacturing Co.
Dec. 22, 1961 filed 349,590 common. **Price**—By amendment. **Business**—Design, manufacture and sale of household freezers, refrigerators, automatic washers and driers. **Proceeds**—For a selling stockholder. **Office**—65-22nd Ave., N. E., Minneapolis. **Underwriter** — Lehman Brothers, N. Y. **Offering**—In late February.

Franklin Realty Trust (2/19-21)
Jan. 3, 1962 filed 800,000 shares of beneficial interest. **Price**—$12.50 per share. **Business**—A real estate investment trust. **Proceeds**—For investment. **Office** — 1616 Walnut St., Philadelphia, Pa. **Underwriter**—A. G. Becker & Co., Inc., Chicago.

• **Futura Airlines (1/30-31)**
Oct. 20, 1961 ("Reg. A") 60,000 common. **Price** — $5. **Business** — Furnishing of scheduled air transportation service. **Proceeds**—For debt repayment and general corporate purposes. **Office**—8170 Beverly Rd., Los Angeles. **Underwriters**—Raymond Moore & Co., Los Angeles and Pacific Coast Securities Co., San Francisco.

Gard (Andy) Corp. (2/5-9)
Dec. 15, 1961 filed 200,000 common. **Price** — By amendment. **Business**—Manufacture of molded plastic toys and housewares, and the custom molding of other plastic products. **Proceeds**—For general corporate purposes. **Address**—Leetsdale, Pa. **Underwriter**—Van Alstyne, Noel & Co., N. Y.

• **Garden State Small Business Investment Co. (2/5-9)**
Oct. 27, 1961 filed 330,000 common. **Price**—$3. **Business**—A small business investment company. **Proceeds**—For investment. **Office**—1180 Raymond Blvd., Newark, N. J. **Underwriter**—Godfrey, Hamilton, Taylor & Co., N. Y.

Gas Hills Uranium Co.
Aug. 29, 1961 filed 847,035 common to be offered for subscription by stockholders on a 1-for-10 basis. **Price**—By amendment. **Business**—The operation of uranium mines and a mill. **Proceeds**—For repayment of loans, acquisitions and working capital. **Office**—224 Ivinson St., Laramie, Wyo. **Underwriter**—None. **Note**—This registration may be withdrawn.

Gateway Chemicals, Inc.
Nov. 22, 1961 filed 100,000 common, of which 50,000 are to be offered by the company and 50,000 by a stockholder. **Price**—By amendment. **Business**—Compounding and packaging of chemical products, primarily detergents. **Proceeds**—For working capital. **Office**—8136 S. Dobson Ave., Chicago. **Underwriter**—Federman, Stonehill & Co., N. Y.

• **General Acceptance Corp. (2/20-22)**
Dec. 29, 1961 filed 200,000 common. **Price**—By amendment. **Business**—The making of instalment loans to individuals, etc. **Proceeds**—For working capital. **Office**—1105 Hamilton St., Allentown, Pa. **Underwriters**—Paine, Webber, Jackson & Curtis and Eastman Dillon, Union Securities & Co., N. Y.

General Corp. of America
Dec. 7, 1961 filed 266,000 common. **Price**—By amendment. **Business**—A holding company for an insurance firm. **Proceeds**—For general corporate purposes. **Office**—672 Hanna Bldg., Cleveland, O. **Underwriter**—Merrill, Turben & Co., Inc., Cleveland.

★ **General Battery & Ceramic Corp.**
Jan. 11, 1962 filed 200,000 common. **Price** — By amendment. **Business**—Manufacture of replacement batteries and spark plugs; design and production of subminiature hermetically sealed relays and glass-to-metal seals; manufacture of voting machines and toll collection devices. **Proceeds**—For selling shareholders. **Office**—Reading, Pa. **Underwriter**—Dempsey-Tegeler & Co., Inc., St. Louis.

• **Glass-Title Industries, Inc. (2/26-3/2)**
Sept. 27, 1961 filed 185,000 common, of which 135,000 are to be offered by the company and 50,000 by a stockholder. **Price**—By amendment. **Business**—Manufacture of glass-to-metal hermetic seals. **Proceeds**—For purchase of equipment, investment in a subsidiary, research and development, moving expenses, and working capital. **Office**—725 Branch Ave., Providence, R. I. **Underwriter**—Hemphill, Noyes & Co., N. Y.

Global Steel Products Corp.
Nov. 3, 1961 filed 68,000 common. **Price**—By amendment. **Business**—Manufacture of prefabricated metal toilet compartments. **Proceeds**—Debt repayment and general corporate purposes. **Office**—10014 Avenue D, Brooklyn, N. Y. **Underwriter** — Treibick, Seiden & Forsyth, N. Y.

Globe Industries, Inc.
Oct. 30, 1961 filed 200,000 common, of which 100,000 are to be offered by the company and 100,000 by stockholders. **Price**—By amendment. **Business**—Manufacture of miniature electric motors, powdered metal products and devices for the missile and aircraft industries. **Proceeds**—For debt repayment and working capital. **Office**—1784 Stanley Ave., Dayton, Ohio. **Underwriter**—McDonald & Co., Cleveland.

Golf Courses, Inc.
Aug. 28, 1961 filed 100,000 capital shares. **Price**—$6. **Business**—The company plans to operate a public golf course and a private country club. **Proceeds**—For purchase of land, construction and general corporate purposes. **Office**—1352 Easton Rd., Warrington, Bucks County, Pa. **Underwriter**—Metropolitan Securities, Inc., Philadelphia. **Offering**—Expected in February.

Gotham Investment Corp.
Nov. 21, 1961 filed 100,000 common. **Price**—$6. **Business**—Real estate investment. **Proceeds**—For working capital and other corporate purposes. **Office**—1707 H St., N. W., Washington, D. C. **Underwriter**—Rouse, Brewer, Becker & Bryant, Inc., Washington, D. C.

Gould Paper Co. (1/29-2/2)
Sept. 28, 1961 filed 140,000 common. **Price**—$11. **Business**—Manufacture of paper. **Proceeds**—Expansion and working capital. **Office**—Lyons Falls, N. Y. **Underwriter**—Amos Treat & Co., Inc., N. Y.

• **Government Employees Corp. (4/6)**
Jan. 8, 1962 filed $2,675,000 of 4½% conv. capital debentures due 1977 to be offered for subscription by common stockholders on the basis of $100 of debentures for each 7 shares held of record Apr. 6 with rights to expire about April 30. **Price** — At par. **Business** — Company and its subsidiary provide automobile and mobile home financing service on a nationwide basis to government employees and military officers. **Office**—Govt. Employees Insurance Bldg., Washington, D. C. **Underwriter**—None.

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• **Grafco Industries, Inc.**
Sept. 27, 1961 filed 77,250 common. **Price**—$4. **Business**—Manufacture of graphic arts equipment, chemicals and supplies. **Proceeds**—For the operation of a subsidiary, new product development, equipment and other corporate purposes. **Office**—291 Third Ave.. N. Y. **Underwriter**—Philips, Rosen and Appel, N. Y. **Offering**—Imminent.

• **Graniteville Co. (2/19-23)**
Dec. 15, 1961 filed 796,716 common. **Price** — By amendment. **Business**—Manufacture of cotton fabrics. **Proceeds**—For acquisition of McCampbell & Co., Inc., a textile commission agent. **Address**—Graniteville, S. C. **Underwriter**—Shearson, Hammill & Co., N. Y.

Grant (W. T.) Co. (1/22-26)
Dec. 28, 1961 filed $35,000,000 of sinking fund debentures due 1987. **Price**—By amendment. **Business**—Retail sale of popular priced merchandise for individuals and the home. **Proceeds**—For general corporate purposes. **Office**—1441 Broadway, N. Y. **Underwriter**—Lehman Brothers, N. Y.

Gray Drug Stores, Inc.
Jan. 2, 1962 filed $5,230,000 of 5% convertible subordinated debentures due 1982, to be offered for subscription by common stockholders on the basis of $100 of debentures for each 12 shares held. **Price**—By amendment. **Business**—Operation of a retail drug chain. **Proceeds**—For expansion and working capital. **Office**—2400 Superior Ave., Cleveland. **Underwriter**—McDonald & Co., Cleveland.

• **Great Continental Real Estate Investment Trust (1/22-26)**
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**—R. Baruch & Co., Inc., Washington, D. C. (mgr.). **Note**—This firm formerly was known as Continental Real Estate Investment Trust.

Great Lakes Homes, Inc.
Dec. 26, 1961 filed 93,000 common. **Price**—By amendment. **Business**—Manufacture of custom-designed, factory built "house packages" consisting of basic carpentry for houses, and construction of shell homes. **Proceeds**—For debt repayment and for working capital. **Office**—Sheboygan Falls, Wis. **Underwriter**—The Milwaukee Co., Milwaukee.

Great Southern Real Estate Trust
Nov. 30, 1961 filed 320,000 shares of beneficial interest. **Price**—By amendment. **Business**—Real estate investment. **Proceeds**—For general purposes of the Trust. **Office**—200 First National Bank Bldg. Annex, Atlanta. **Underwriter**—Courts & Co., Atlanta.

Greater New York Box Co., Inc.
Dec. 29, 1961 filed 100,000 common. **Price**—By amendment ($7 max.). **Business**—Manufacture of corrugated board and containers. **Proceeds**—For general corporate purposes. **Office**—149 Entin Rd., Clifton, N. J. **Underwriter**—D. H. Blair & Co., N. Y.

Greater Pittsburgh Capital Corp.
Nov. 14, 1961 filed 250,000 common. **Price**—$11. **Business**—A small business investment company. **Proceeds**—For investment. **Office**—952 Union Trust Bldg., Pittsburgh. **Underwriters**—Moore, Leonard & Lynch and Singer, Dean & Scribner, Pittsburgh.

• **Green (Henry J.) Instrument Co.**
Aug. 24, 1961 filed 140,000 common. **Price**—$2.25. **Business**—The manufacture of precision meteorological instruments. **Proceeds**—For repayment of loans, equipment, salaries and general corporate purposes. **Office**—2500 Shames Dr., Westbury, N. Y. **Underwriter**—To be named. **Note**—This registration may be withdrawn and refiled at a later date.

Green Valley Construction Corp.
Nov. 29, 1961 filed 80,000 common. **Price**—$5.25. **Business**—General contracting for landscaping and construction work. **Proceeds**—For debt repayment and other corporate purposes. **Office**—97-36 50th Ave., Corona, N. Y. **Underwriter**—Williamson Securities Corp., N. Y.

Griesedieck Co.
Sept. 11, 1961 filed 100,000 common to be offered for subscription by stockholders on the basis of one new share for each three held. **Price**—By amendment. **Business** — A closed-end investment company. **Proceeds** — General corporate purposes. **Office**—314 N. B'way, St. Louis. **Underwriter**—Edward D. Jones & Co., St. Louis. **Offering**—Expected in mid-February.

Growth Consulting & Financing Co., Inc.
Dec. 29, 1961 ("Reg. A") 198,250 common (with warrants). **Price**—$1.155. **Business**—A holding company for a broker-dealer, farm equipment manufacturer and a finance company. **Proceeds** — For an acquisition and working capital. **Office**—33 N. LaSalle St., Chicago. **Underwriter**—Growth Issuers, Inc., (same address).

★ **Gryphon Fund, Inc.**
Jan. 11, 1962 filed 1,000,000 shares of capital stock. **Price**—Net asset value (for first 30 days, thereafter an additional 8½% sales charge). **Business**—A mutual fund. **Proceeds**—For investment. **Office** — 714 Boston Bldg., Denver. **Underwriter**—None.

Guayaco Corp.
Nov. 29, 1961 ("Reg. A") 36,000 common. **Price** — $5. **Business**—Manufacture and sale of hassocks, bench seats and leg rests. **Proceeds**—For debt repayment, equipment and working capital. **Address**—Guayanille, Puerto Rico. **Underwriter**—I. R. E. Investors Corp., Levittown, N. Y. **Offering**—Imminent.

• **Gulf American Fire & Casualty Co. (2/5-9)**
Sept. 28, 1961 filed 226,004 common to be offered for subscription by stockholders on the basis of three new shares for each 10 held. **Price**—$2. **Business**—Writing of fire and casualty insurance. **Proceeds**—To increase capital and surplus. **Office**—25 S. Perry St., Montgomery, Ala. **Underwriter**—None.

Haltone Rental Corp.
Dec. 18, 1961 ("Reg. A") 150,000 common. **Price**—$2. **Business**—Rental of furs and fur garments. **Proceeds**—For inventory, equipment, advertising and leasehold improvements. **Office**—350 Seventh Ave., N. Y. **Underwriter**—B. G. Harris & Co., Inc., N. Y.

Hanna-Barbara Productions, Inc.
Dec. 29, 1961 filed 200,000 capital shares. **Price** — By amendment. **Business**—Production of television cartoons and commercials. **Proceeds** — For a new building and working capital. **Office**—3501 Cahuega Blvd., Los Angeles. **Underwriter**—Carl M. Loeb, Rhoades & Co., Inc., N. Y.

Hannett Industries, Inc.
Aug. 11, 1961 ("Reg. A") 100,000 common. **Price**—$3. **Business** — Fabrication of components for missiles, jet engines, aircraft landing gears and precision machines. **Proceeds** — Machinery, research and development and working capital. **Office**—40 Sea Cliff Ave., Glen Cove, N. Y. **Underwriter**—Albion Securities Co., Inc., N. Y. **Offering**—Sometime in February.

Happy House, Inc. (2/5-9)
July 28, 1961 filed 700,000 common shares . **Price**—$1. **Business**—The marketing of gifts, candies and greeting cards through franchised dealers. **Proceeds**—For equipment, inventory and working capital. **Office**—11 Tenth Ave., S., Hopkins, Minn. **Underwriter**—None.

Hargrove Enterprises, Inc.
Dec. 8, 1961 filed 160,000 common. **Price**—$5. **Business**—Company plans to own and operate an amusement park. **Proceeds**—For property development, advertising, and working capital. **Office**—3100 Tremont Ave., Cheverly, Md. **Underwriter** — Switzer & Co., Inc., Silver Springs, Md.

Harleysville Life Insurance Co. (1/29-2/2)
Sept. 21, 1961 filed 40,000 common. **Price**—$15. **Business**—The writing of all types of life insurance and annuities. **Proceeds**—Working capital. **Office**—Harleysville, Pa. **Underwriter**—None.

★ **Harper Vending, Inc.**
Jan. 12, 1962 filed 100,000 common. **Price**—$3.25. **Business**—Operation of automatic vending machines. **Proceeds** — For expansion, debt repayment, and working capital. **Office**—498 Seventh Ave., N. Y. **Underwriter**—Greenman Co., N. Y.

Hartman Marine Electronics Corp. (2/26-28)
Oct. 27, 1961 filed 100,000 common, of which 75,000 are to be offered by the company and 25,000 by a selling stockholder. **Price**—$4. **Business**—Manufacture of marine and mobile communications and electronic equipment and military transmitter-receivers. **Proceeds**—For general corporate purposes. **Office**—30-30 Northern Blvd., Long Island City, N. Y. **Underwriter**—Charles Plohn & Co., N. Y.

Harvey Radio Co., Inc.
Oct. 27, 1961 filed 200,000 common, of which 100,000 are to be offered by the company and 100,000 by a selling stockholder. **Price**—$5. **Business**—Distribution of electronic components including high fidelity, radio and television parts and equipment. **Proceeds**—For working capital and general corporate purposes. **Office**—103 W. 43rd St., N. Y. **Underwriter**—Michael G. Kletz & Co., New York.

Hayden Publishing Co., Inc.
Nov. 29, 1961 filed 150,000 common, of which 20,000 are to be offered by the company and 130,000 by stockholders. **Price**—By amendment. **Business**—Publishes "Electronic Design," a trade magazine in the electronic field. **Proceeds**—For debt repayment. **Office**—850-3rd Ave., N. Y. **Underwriter**—Carl M. Loeb, Rhoades & Co., N. Y. **Offering**—Expected sometime in February.

Herman & Appley, Inc.
Oct. 27, 1961 filed 100,000 class A common. **Price**—By amendment. **Business**—General real estate. **Proceeds**—For investment. **Office**—16 Court St., Brooklyn, N. Y. **Underwriter**—Arnold, Wilkens & Co., N. Y.

Hickory Industries, Inc.
Aug. 31, 1961 ("Reg. A") 40,000 common. **Price**—$5. **Business**—The manufacture of barbecue machines and allied equipment. **Proceeds**—For equipment, inventory, sales promotion, expansion and working capital. **Office**—10-20 47th Rd., Long Island City, N. Y. **Underwriter**—J. B. Coburn Associates, Inc., N. Y. **Offering**—Indefinite.

High Temperature Materials, Inc. (1/29-2/2)
Sept. 28, 1961 filed 120,000 common. **Price**—By amendment. **Business**—Manufacture of products from test models. **Proceeds**—For equipment, research and development, leasehold improvements, repayment of debt and working capital. **Office**—130 Lincoln St., Brighton, Mass. **Underwriter**—L. F. Rothschild & Co., N. Y.

Hill Street Co.
Oct. 16, 1961 filed 2,265,138 common to be offered for subscription by stockholders of Union Bank of California on a share-for-share basis. **Price**—$3. **Business**—A management investment company. **Proceeds**—For investment. **Office**—760 S. Hill St., Los Angeles. **Underwriter**—None.

Hillside Metal Products, Inc. (2/26-3/2)
Dec. 15, 1961 filed 300,000 common, of which 200,000 shares are to be offered by the company and 100,000 shares by stockholders. **Price**—$6. **Business**—Manufacture of steel office furniture. **Proceeds**—For debt repayment, plant expansion and working capital. **Office**—300 Passaic St., Newark, N. J. **Underwriters** — Milton D. Blauner & Co. and M. L. Lee & Co., Inc., N. Y.

• **Honig's-Parkway, Inc. (1/23)**
Dec. 1, 1961 ("Reg. A") 100,000 common. **Price**—$3. **Business**—Company owns and operates three discount stores in the Bronx selling bicycles, electric trains, toys, household appliances, etc. **Proceeds**—For general corporate purposes. **Office** — 2717-25 White Plains Rd., Bronx, N. Y. **Underwriter**—Richard Bruce & Co., Inc. New York.

Honora, Ltd. (2/26-3/2)
Nov. 29, 1961 ("Reg. A") 76,500 common. **Price**—$3.75. **Business**—Purchase of cultured pearls in Japan and their distribution in the U. S. **Proceeds**—For general corporate purposes. **Office**—42 W. 48th St., N. Y. **Underwriter**—Sunshine Securities, Inc., Rego Park, N. Y.

Hoosier Soil Service, Inc. (1/29-2/2)
Nov. 28, 1961 ("Reg. A") 41,939 common, of which 11,939 are to be offered to preferred and common stockholders and 30,000 to the public. **Price**—$6.75. **Business**—Processing and marketing of fertilizers. **Proceeds**—For redemption of preferred stock and working capital. **Address**—Bluffton, Ind. **Underwriter**—Patterson Securities & Investment Co., Inc., Fort Wayne, Ind.

House of Westmore, Inc. (1/29-2/2)
Oct. 27, 1961 filed 150,000 common. **Price**—$4. **Business** Sale and distribution of cosmetics. **Proceeds**—For selling stockholders. **Office**—120 E. 16th St., N. Y. **Underwriters**—Brand, Grumet & Seigel, Inc. and Kesselman & Co., Inc., N. Y.

Humphrey, Inc.
Dec. 21, 1961 ("Reg. A") 40,000 capital shares. **Price**—$7.50. **Business**—Design and manufacture of precision instruments used in missile control and instrumentation systems. **Proceeds**—For equipment and working capital. **Office**—621 Fourth Ave., San Diego. **Underwriter**—J. A. Hogle & Co., Salt Lake City.

Hyatt Corp.
Oct. 20, 1961 filed 350,000 capital shares. **Price** — $10. **Business**—Operates a chain of motor hotels. **Proceeds**—For debt repayment and general corporate purposes. **Office** — 1290 Bayshore Highway, Burlingame, Calif. **Underwriters**—J. Barth & Co., San Francisco and Shearson, Hammill & Co., N. Y.

Hydra-Loc, Inc. (1/29-2/2)
Oct. 10, 1961 ("Reg. A") 60,000 common. **Price**—$2. **Business**—Design, development and manufacture of a brake control. **Proceeds**—For debt repayment and general corporate purposes. **Office**—101 Park Ave., Hudson, N. Y. **Underwriter**—McLaughlin, Kaufman & Co., N. Y.

• **Hygiene Industries, Inc. (1/29-2/2)**
Sept. 20, 1961 filed 200,000 common. **Price**—$5. **Business**—Manufacturer of shower and window curtains. **Proceeds**—For selling stockholders. **Office**—261 5th Ave., N. Y. **Underwriter**—Milton D. Blauner & Co., N. Y.

I. F. C. Collateral Corp.
Dec. 22, 1961 filed $1,500,000 of 10% registered subordinated debentures to be offered in five series due 1966 to 1970. **Price**—At par ($1,000). **Business**—Purchase and sale of real estate mortgages. **Proceeds**—For investment. **Office**—630 Fifth Ave., N. Y. **Underwriter**—None.

Imac Food Systems, Inc.
Nov. 17, 1961 ("Reg. A") 100,000 common. **Price** — $3. **Business**—Operation of restaurants. **Proceeds**—For debt repayment, expansion and working capital. **Office**—711 Branch Ave., Providence, R. I. **Underwriter**—Freeman & Co., Brighton, Mass.

Independent Telephone Corp.
Dec. 22, 1961 filed 400,000 common. **Price**—By amendment. **Business**—A telephone holding company. **Proceeds**—For repayment and advances to subsidiaries. **Office**—25-27 South St., Dryden, N. Y. **Underwriter**—Burnham & Co., N. Y.

Industrial Finance & Thrift Corp.
Oct. 30, 1961 filed $2,000,000 of 6% subordinated debentures due 1974. **Price**—At par. **Business**—A consumer finance firm. **Proceeds**—For repayment of debt and expansion. **Office**—339 Carondelet St., New Orleans, La. **Underwriter**—None.

Industrial Gauge & Instrument Co., Inc.
Nov. 9, 1961 ("Reg. A") 95,250 common. **Price**—$3. **Business**—Purchase, distribution and sale of industrial gauges, thermometers, etc. **Proceeds**—For debt repayment and working capital. **Office**—1403-07 E. 180 St., Bronx, N. Y. **Underwriter**—R. F. Dowd & Co., Inc., N. Y. **Offering**—Imminent.

Industry Capital Corp. (3/5-9)
Dec. 26, 1961 filed 500,000 common. **Price**—$15. **Business**—A small business investment company. **Proceeds**—For general corporate purposes. **Office**—208 S. La Salle St., Chicago. **Underwriter**—A. C. Allyn & Co., Chicago.

Information Systems, Inc.
Nov. 13, 1961 filed 1,266,000 common to be offered to preferred and common stockholders of Ling-Temco-Vought, Inc. (parent) of record Nov. 30, 1961. **Price**—By amendment. **Business**—Furnishes industrial information, handling and control systems. **Proceeds** — For selling stockholders. **Office**—10131 National Blvd., Los Angeles. **Underwriter**—None.

Inland Underground Facilities, Inc.
Dec. 7, 1961 filed 100,000 common. **Price** — $10. **Business**—Mining of limestone and the operation of underground freezer and dry warehousing facilities. **Proceeds**—For debt repayment, equipment and other corporate purposes. **Office**—6500 Inland Dr., Kansas City, Kansas. **Underwriter**—Scherck, Richter Co., St. Louis.

Inpak Systems, Inc. (1/29-2/2)
Oct. 25, 1961 filed 90,000 common. **Price**—$4.25. **Business**—Designs, develops, sells and leases automatic packaging machines. **Proceeds**—For debt repayment and general corporate purposes. **Office**—441 Lexington Ave., N. Y. **Underwriters**—Stearns & Co. and Joseph Nadler & Co., N. Y.

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● **International Airport Hotel Systems, Inc. (3/12-16)**
Jan. 4, 1962 filed $1,700,000 of convertible subordinated debentures due 1977 and 170,000 common shares to be offered in units of one $100 debenture and 10 shares. **Price**—By amendment. **Business** — Establishment and operation of hotels located in or near airports. **Proceeds**—For debt repayment and working capital. **Address**—Miami International Airport, Miami, Fla. **Underwriters**—Bache & Co., N. Y. and Robinson-Humphrey Co., Inc., Atlanta.

International Stretch Products Inc.
Nov. 27, 1961 filed 300,000 common. **Price**—By amendment. **Business**—Production and sale of extruded rubber thread and braided elastics. **Proceeds**—For debt repayment and general corporate purposes. **Office**—148 Madison Ave., N. Y. **Underwriter** — Burnham & Co., N. Y. **Offering**—Expected in early February.

● **Interstate Hosts, Inc. (1/23-25)**
Oct. 2, 1961 filed $2,550,000 of con. subord. debentures due 1981 to be offered for subscription by stockholders on the basis of $100 of debentures for each 33 shares held. **Price**—At par. **Business**—The operation of restaurants, other food establishments and gift shops. **Proceeds**—For expansion. **Office**—11255 W. Olympic Blvd., Los Angeles. **Underwriters**—Glore, Forgan & Co., N. Y. and H. M. Byllesby & Co., Inc., Chicago.

★ **Interstate Vending Co.**
Jan. 10, 1962 filed 53,829 common. **Price** — By amendment. **Business**—Sale of products through coin-operated vending machines, and operation of industrial catering facilities in the New England area and Brass Rail restaurants in New York City. **Proceeds**—For selling stockholders. **Office**—251 East Grand Ave., Chicago. **Underwriter**—Bear, Stearns & Co., N. Y.

Interworld Film Distributors, Inc. (1/29-2/2)
Sept. 29, 1961 filed 106,250 common. **Price**—$4. **Business** Theatrical distribution and co-production of foreign and domestic feature films. **Proceeds**—For acquisition, co-production, dubbing, adaptation and distribution of films, and working capital. **Office**—1776 B'way, N. Y. **Underwriters**—General Securities Co., Inc., and S. Kasdan & Co., Inc., N. Y.

Jackson Optical, Inc. (2/13-16)
Oct. 30, 1961 ("Reg. A") 75,000 common. **Price**—$2. **Business**—Wholesale distribution of optical goods. **Proceeds**—For expansion and working capital. **Office**—64 N. Park Ave., Rockville Centre, N. Y. **Underwriter**—Stan-Bee & Co., Washington, D. C.

● **(The) Japan Fund, Inc. (2/19-23)**
Oct. 19, 1961 filed 2,000,000 common. **Price** — $12.50. **Business**—A diversified investment company. **Office**—25 Broad St., N. Y. **Proceeds**—For investment in Japanese securities. **Underwriters**—Bache & Co., and Paine, Webber, Jackson & Curtis, N. Y., and Nikko Securities Co., Ltd., Tokyo, Japan.

● **Jayark Films Corp.**
Aug. 24, 1961 filed 72,000 common, of which 50,000 are to be offered by the company and 22,000 by stockholders. **Price**—By amendment. **Business**—The distribution of motion picture and television films. **Proceeds**—For production of films and working capital. **Office**—15 E. 48th St., N. Y. **Underwriter**—Pacific Coast Securities Co., San Francisco. **Offering**—Expected in March.

● **Japlis Industries, Inc. (2/19-23)**
Oct. 18, 1961 filed $850,000 of 6½% subord. debentures due 1971 and 212,500 class A common shares to be offered in units of one $100 debenture and 25 class A shares. **Price**—$200. **Business**—Manufactures patented traversing screens for use as window coverings, room dividers, folding doors, etc. **Proceeds**—For debt repayment and general corporate purposes. **Office**—514 W. Olympic Blvd., Los Angeles. **Underwriter**—D. E. Liederman & Co., Inc., N. Y.

Joanell Laboratories, Inc.
Dec. 21, 1961 filed 114,500 common, of which 82,500 are to be offered by the company and 32,000 by stockholders. **Price** — By amendment. **Business** — Development of simulated weapons training devices for U. S. Armed Forces and the manufacture of electronic control equipment. **Proceeds**—For general corporate purposes. **Office**—102 Dorsa Ave., Livingston, N. J. **Underwriter**—Searight, Ahalt & O'Connor, Inc., N. Y.

● **Johnson Electronics, Inc.**
Sept. 8, 1961 filed 125,000 capital shares. **Price**—By amendment. **Business**—The design and production of special electronic components for the commercial and military market. **Proceeds**—For the repayment of debt, and working capital. **Address**—Box 7, Casselberry, Fla. **Underwriter**—Warner, Jennings, Mandel & Longstreth, Philadelphia. **Offering**—Imminent.

Jomar Plastics, Inc.
See Ripley Industries, Inc., below.

● **Jorn's Greeting Card Co., Inc. (1/25-26)**
Sept. 28, 1961 filed 110,000 common. **Price**—By amendment. **Business**—Manufacture and sale of greeting cards. **Proceeds**—For repayment of loans, expansion and working capital. **Office**—106-11 157th St., Jamaica, N. Y. **Underwriter**—Godfrey Hamilton, Taylor & Co., Inc., N. Y.

Kann-Ellert Electronics, Inc.
Oct. 24, 1961 filed 108,000 common. **Price**—$6.50. **Business**—Wholesaling of electronic parts and components and equipment. **Proceeds**—For debt repayment and general corporate purposes. **Office** — 2050 Rockrose Ave., Baltimore. **Underwriter**—Rubin, Rennert & Co., Inc., N.Y. **Offering**—Expected sometime in February.

Kay Foods Corp.
Dec. 29, 1961 filed 88,000 class A common shares, of which 44,000 are to be offered by the company and 44,000 by stockholders. **Price**—$7. **Business**—Packing and sale of fruit juice products. **Proceeds**—For general corporate purposes. **Office**—241 N. Franklintown Rd., Baltimore. **Underwriter** — Auchincloss, Parker & Redpath, Washington, D. C.

Keeko, Inc.
Dec. 1, 1961 ("Reg. A") 100,000 common. **Price**—$3. **Business**—Company plans to establish service stations and vending machine outlets in the Denver area. **Proceeds**—For debt repayment and general corporate purposes. **Office**—4970 Jackson St., Denver. **Underwriter**—Amos C. Sudler & Co., Denver.

● **Kiddie Rides, Inc.**
Sept. 12, 1961 filed $1,000,000 of 7% convertible subordinated debentures due 1971 and 30,000 common to be offered in units of $1,000 debentures and 30 of common. **Price**—By amendment. **Business**—The operation of coin operated children's amusement equipment. **Proceeds**—For repayment of loans, equipment and general corporate purposes. **Office**—2557 W. North Ave., Chicago. **Underwriter**—Paul C. Kimball & Co., Chicago. **Offering**—Imminent.

Kine Camera Co. Inc.
Nov. 21, 1961 filed 75,000 common. **Price**—$5. **Business**—Importing and distribution of cameras, binoculars and photographic equipment. **Proceeds**—For debt repayment and working capital. **Office**—889 Broadway, N. Y. **Underwriter**—Underhill Securities Corp., N. Y. **Offering**—Expected in February.

King Louie Bowling Corp. (1/29-2/2)
Sept. 27, 1961 filed 325,000 common. **Price**—$3. **Business**—Operates a chain of bowling centers. **Proceeds**—Repay debt and for other corporate purposes. **Office**—8788 Metcalfe Rd., Overland Park, Kan. **Underwriter**—George K. Baum & Co., Kansas City, Mo.

● **Knickerbocker Toy Co., Inc. (1/26)**
Sept. 27, 1961 filed 100,000 common. **Price**—By amendment. **Business**—Design and manufacture of toys. **Proceeds**—For working capital. **Office**—401 Butler St., Brooklyn, N. Y. **Underwriters** — Netherlands Securities Co., Inc., and Herbert Young & Co., Inc., N. Y.

Kogel, Inc.
Dec. 8, 1961 filed 100,000 common. **Price**—$1. **Business**—A holding company for three subsidiaries in the wall and floor coating business. **Proceeds**—For product development, advertising, and working capital. **Office**—26-32 Second St., Long Island City, N. Y. **Underwriter**—Globus, Inc. **Offering**—Expected in late March.

Kollmorgen Corp. (1/29-2/2)
Nov. 9, 1961 filed 100,000 common, of whicn 40,000 are to be sold by the company and 60,000 by stockholders. **Price**—By amendment. **Business**—Manufacture of optical equipment. **Proceeds**—For debt repayment. **Office**—347 King St., Northampton, Mass. **Underwriter**—Putnam & Co., Hartford.

Kraft Planned Homes, Inc.
Dec. 14, 1961 filed 200,000 common. **Price**—$5. **Business**—A holding company in "shell homes" field. **Proceeds**—For debt repayment and general corporate purposes. **Office**—126 W. Broadway, Girard, Ohio. **Underwriter**—Best & Garey & Co., Inc., Washington, D. C. **Offering**—Expected sometime in March.

Krylon, Inc. (1/29-2/2)
Nov. 15, 1961 filed 250,000 common. **Price**—By amendment. **Business** — Manufacture of aerosol spray paints, protective coatings and other aerosol products. **Proceeds**—For selling stockholders. **Office**—Norristown, Pa. **Underwriter**—Eastman Dillon, Union Securities & Co., N. Y.

● **L. L. Drug Co., Inc. (2/5-9)**
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.

Laboratory Procedures, Inc. (1/29-2/2)
Sept. 29, 1961 ("Reg. A") 100,000 capital shares. **Price**—$2.50. **Proceeds**—For debt repayment, equipment, advertising, leases, and working capital. **Office** — 2701 Stocker St., Los Angeles. **Underwriter**—Pacific Coast Securities Co., San Francisco.

Lamb Industries, Inc.
Dec. 28, 1961 filed $2,200,000 of s. f. subord. debentures due 1977 (with attached warrants). **Price**—At par. **Business**—Manufacture of gas and electric water heaters, pluming fixtures, water softeners; sugar cane agricultural equipment; aluminum doors, storm windows and related aluminum products. **Proceeds**—For debt repayment, plant expansion and working capital. **Office**—500 Edward Lamb Bldg., Toledo. **Underwriter**—Blair & Co., N. Y.

Layne & Bowler Pump Co.
Dec. 22, 1961 filed 108,666 capital shares. **Price** — By amendment. **Business**—Manufacture and sale of vertical turbine pumps and the sale of a domestic water system equipment manufactured by a subsidiary. **Proceeds**—For selling stockholders. **Office**—2943 Vail Ave., Los Angeles. **Underwriter**—Crowell, Weeden & Co., Los Angeles.

Lee Fashions, Inc.
Dec. 27, 1961 filed 166,667 common. **Price**—By amendment. **Business**—Importing of low priced ladies' scarfs and blouses. **Proceeds**—For debt repayment and working capital. **Office**—2529 Washington Blvd., Baltimore. **Underwriters**—Godfrey, Hamilton, Taylor & Co., N. Y. and Penzell & Co., Miami Beach. **Offering**—In March.

Lehigh Industries & Investing Corp.
Dec. 29, 1961 filed 2,000,000 class A common. **Price**—By amendment ($4 est.). **Business**—A holding company for three subsidiaries which operate utilities, engage in construction, and distribute electronic parts. **Proceeds**—For debt repayment, construction, and working capital. **Office**—800 71st St., Miami Beach, Fla. **Underwriter**—To be named (a newly-formed subsidiary).

Lehigh Press, Inc.
Nov. 3, 1961 filed 155,000 common, of which 45,000 are to be offered by the company and 110,000 by stockholders. **Price**—By amendment. **Business**—A commercial printer. **Proceeds**—For a new plant, moving expenses and equipment. **Office**—2400 E. Huntingdon St., Philadelphia. **Underwriter**—Harrison & Co., Philadelphia.

★ **Leighton Mobile Homes, Inc.**
Jan. 11, 1962 50,000 class A shares. **Price** — $5. **Business** — Sale of mobile homes and development of real property for lease to owners of mobile homes. **Proceeds**—For debt repayment, expansion, and working capital. **Office**—Route 25 Lake Grove, Brookhaven, L. I. N. Y. **Underwriter**—George M. Curtis Co., N. Y.

Lembo Corp.
Dec. 21, 1961 filed 100,000 common. **Price**—$3.50. **Business**—Manufactures steel re-inforced concrete utilities, sanitary structures, fallout shelters and play sculptures. **Proceeds**—For debt repayment, sales promotion and working capital. **Office**—145 W. 11th St., Huntington Station, L. I., N. Y. **Underwriter**—Blank, Lieberman & Co., Inc., N. Y.

Leslie (Joyce), Inc. (1/29-2/2)
Sept. 28, 1961 filed 100,000 common. **Price**—$5.50. **Business**—Retailing of women's apparel. **Proceeds**—For expansion, inventories and working capital. **Office**—850 Flatbush Ave., Brooklyn. **Underwriter**—Seymour, Bernard & DuBoff, Inc., N. Y.

Lido Corp. (1/29-2/2)
Aug. 29, 1961 ("Reg. A") 84,000 common. **Price**—$3.25. **Business**—The manufacture of toys, games and novelties. **Proceeds**—For new equipment, advertising, and repayment of loans. **Office**—349 Rider Ave., Bronx 51, N. Y. **Underwriter** — Flomenhaft, Seidler & Co., Inc., N. Y.

● **Lincoln Fund, Inc. (2/26-3/2)**
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.

Lincoln Income Life Insurance Co.
Oct. 31, 1961 filed 45,000 common. **Price** — By amendment. **Business**—A life insurance company. **Proceeds**—For the selling stockholder. **Office**—Louisville, Ky. **Underwriters**—J. C. Bradford & Co., Nashville, Tenn. and W. L. Lyons & Co., Louisville, Ky.

Lithoid, Inc. (2/26-3/2)
Nov. 22, 1961 filed 120,000 common. **Price**—$3. **Business**—Development and manufacture of equipment and systems for the photographic data processing industry. **Proceeds**—For general corporate purposes. **Office**—232 Cleveland Ave., Highland Park, N. J. **Underwriter**—Godfrey, Hamilton, Taylor & Co., Inc., N. Y.

Little Ruffy Togs, Inc.
Nov. 29, 1961 filed 165,000 common. **Price**—By amendment. **Business** — Manufacture and sale of children's clothing. **Proceeds** — For debt repayment and working capital. **Office**—112 W. 34th St., N. Y. **Underwriters**—Glass & Ross, Inc. and Samson, Graber & Co., Inc., N. Y.

Littlefield, Adams & Co.
Dec. 28, 1961 filed 150,000 common. **Price**—By amendment ($5 maximum). **Business**—Publication and sale of paperback school books; manufacture of stuffed novelties, college pennants, etc.; and distribution of medical, nursing and law books. **Proceeds**—For debt repayment and working capital. **Office**—128 Oliver St., Paterson, N. J. **Underwriter**—Andresen & Co., N. Y.

● **Litton Industries, Inc.**
Jan. 8, 1962 filed $50,748,100 of conv. subord. debentures due 1987 to be offered for subscription by holders of outstanding common and securities convertible into common on the basis of $100 of debentures for each 10 shares held. **Price**—By amendment. **Business**—Manufacture of electronic systems and components, business machines, commercial electronic equipment, nuclear-powered submarines and other vessels. **Proceeds**—For debt repayment and working capital. **Office**—336 Foothill Rd., Beverly Hills, Calif. **Underwriters**—Lehman Brothers and Clark, Dodge & Co., Inc., N. Y. **Offering**—Expected some time in late March.

● **Lomart Perfected Devices, Inc. (1/29-2/2)**
Sept. 14, 1961 filed 100,000 common. **Price**—$5. **Business**—The manufacture of pool filters and accessories and tools, dies, metal stampings, etc. **Proceeds**—For moving expenses, purchase of equipment, promotion of a new product and working capital. **Office**—199 Bleecker St., Brooklyn, N. Y. **Underwriter**—None.

Lowell Toy Manufacturing Corp.
Dec. 27, 1961 filed 120,000 common, of which 100,000 are to be offered by the company and 20,000 by the stockholders. **Price**—$5. **Business**—Design, manufacture and sale of toys and games. **Proceeds**—For equipment, advertising and working capital. **Office**—1074 Brook Ave., N. Y. **Underwriters**—H. M. Frumkes & Co. and Batchker, Eaton & Co., N. Y.

Lunar Enterprises, Inc. (2/5-9)
Aug. 31, 1961 filed 125,000 common. **Price**—$5.75. **Business**—The production of television films. **Proceeds**—For filming and production and working capital. **Office**—1501 Broadway, N. Y. **Underwriter**—Ehrlich, Irwin & Co., Inc., 50 Broadway, N. Y.

MRM Co., Inc.
Nov. 29, 1961 ("Reg. A") 150,000 common. **Price**—$2. **Business**—Design and manufacture of automatic filling

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machines and related equipment. **Proceeds**—For debt repayment and working capital. **Office** — 191 Berry St., Brooklyn, N. Y. **Underwriter**—A. J. Gabriel Co., N. Y.

Macco Realty Co.
Dec. 21, 1961 filed $4,000,000 of conv. subord. debentures due 1977; also 150,000 common shares. **Price**—By amendment. **Business**—Construction and sale of homes. **Proceeds**—For debt repayment and general corporate purposes. **Office**—7844 E. Rosecrans Ave., Paramount, Calif. **Underwriters**—Kidder, Peabody & Co., N. Y. and Mitchum, Jones & Templeton, Los Angeles. **Offering**—Expected sometime in February.

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 Ave., N. Y. 16, N. Y. **Underwriter**—Continental Bond & Share Corp., Maplewood, N.J.

● **Macoid Industries, Inc.**
Sept. 28, 1961 filed 300,000 common, of which 100,000 are to be offered by the company and 200,000 by stockholders. **Price**—$5. **Business**—Molding of plastic products for the automobile, electrical utility and telephone industries. **Proceeds**—For working capital. **Office**—12340 Cloverdale, Detroit. **Underwriter**—Charles Plohn & Co., N. Y. **Offering**—Imminent.

Magic Fingers, Inc.
Dec. 29, 1961 filed 75,000 common. **Price**—$4. **Business**—Production of a new electrically powered device for messaging a person in bed. **Proceeds**—For general corporate purposes. **Office**—Route 17, Rochelle Park, N. J. **Underwriter**—Stanley R. Ketcham & Co., Inc., N. Y.

● **Mann Research Laboratories, Inc.**
Sept. 21, 1961 ("Reg. A") 100,000 common. **Price**—$3. **Business**—Sale of scientifically tested biochemicals and pharmaceuticals. **Proceeds**—For new quarters, equipment, a laboratory, inventories and working capital. **Office**—136 Liberty St., N. Y. **Underwriter**—L. D. Sherman & Co., N. Y. **Offering**—Imminent.

Maric Design & Mfg. Corp. (1/29-2/2)
Nov. 14, 1961 ("Reg. A") 55,000 common. **Pirce**—$4. **Business**—Manufacture of waste water filters and filtering systems. **Proceeds**—For debt repayment and working capital. **Office**—610 W. 18th St., Hialeah, Fla. **Underwriters**—Terrio & Co., Inc., Washington, D. C.

● **Markite Corp. (1/29-2/2)**
Oct. 26, 1961 filed 100,000 common. **Price**—By amendment. **Business**—Development, design, manufacture and sale of precision electromechanical devices. **Proceeds**—For debt repayment and working capital. **Office**—155 Waverly Place, N. Y. **Underwriter**—C. E. Unterberg, Towbin Co., N. Y.

● **Marks Polarized Corp. (2/5-9)**
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. (mgr.), Glass & Ross, Inc., and Globus, Inc., N. Y. C.

● **Marlene Industries Corp.**
Aug. 29, 1961 filed 225,000 common, of which 150,000 are to be offered by the company and 75,000 by stockholders. **Price**—$7. **Business**—The manufacture of ladies' wear. **Proceeds**—For working capital. **Office**—141 W. 36th St., N.Y.C. **Underwriter**—Bernard M.Kahn&Co., Inc., N.Y.C. **Offering**—Imminent.

Marquette Capital Co.
Dec. 1, 1961 filed 250,000 common. **Price**—By amendment. **Business**—A small business investment company. **Proceeds**—For general corporate purposes. **Office**—91 South Seventh St., Minneapolis, Minn. **Underwriter**—None.

● **Marshall Electronics Co. (1/22-26)**
Nov. 1, 1961 ("Reg. A") 100,000 common. **Price** — $3 **Business**—Manufacture of rectifiers, regulators, thermocouple tubes, and thyratrons. **Proceeds**—For expansion, research and development, and working capital. **Office**—54 Summer Ave., Newark, N. J. **Underwriter**—Richard Bruce & Co., Inc., N. Y.

● **Maryland Cup Corp.**
Dec. 28, 1961 filed 240,000 common. **Price**—By amendment. **Business**—Manufacture of paper cups, straws, book matches, etc. **Proceeds**—For selling stockholders. **Address**—Owings Mills, Md. **Underwriter**—Lehman Brothers, N. Y. **Offering**—Expected in February.

Masury-Young Co.
Dec. 4, 1961 filed 100,000 common. **Price**—$6. **Business**—Manufactures commercial and industrial floor maintenance products. **Proceeds** — For repayment of debt, equipment, and other corporate purposes. **Office**—76 Roland St., Boston. **Underwriter**—Townsend, Dabney & Tyson, Boston.

Mathias (A. L.) Co.
Nov. 30, 1961 filed 200,000 common, of which 125,000 are to be offered by the company and 75,000 by a selling stockholder. **Price**—By amendment. **Business**—Operates private cafeterias and public restaurants. **Proceeds**—For debt repayment and general corporate purposes. **Office**—25 E. Lee St., Baltimore. **Underwriter**—Stein Bros. & Boyce, Baltimore. **Offering**—Expected in March.

★ **Maul Bros. Inc.**
Jan. 15, 1962 filed 100,000 common, of which 60,000 are to be offered by the company and 40,000 by shareholders. **Price**—By amendment. **Business**—Manufacture of component parts and accessory equipment for machines used in production of glass containers. **Proceeds**—For debt repayment, construction, equipment, and working capital. **Office**—111 South 15th St., Millville, N. J. **Underwriter**—Kidder, Peabody & Co., N. Y.

Maust Coal & Coke Corp. (1/29-2/2)
Nov. 13, 1961 filed 250,000 common. **Price**—By amendment. **Business**—Mining of bituminous coal. **Proceeds**—For debt repayment and purchase of equipment. **Office**—530 Fifth Ave., N. Y. **Underwriter**—Eastman Dillon, Union Securities & Co., N. Y.

Maxam, Inc. (1/29-2/2)
Oct. 26, 1961 filed 200,000 common, of which 100,000 shares are to be offered by the company and 100,000 shares by stockholders. **Price**—By amendment. **Business**—Operation of self-service discount department stores. **Proceeds**—For debt repayment and working capital. **Office**—525 Hyde Park Ave., Roslindale, Mass. **Underwriter**—McDonnell & Co., Inc., N. Y.

McCall Corp. (1/29- 2/2)
Dec. 1, 1961 filed $9,983,000 of convertible subordinated debentures due Feb. 1, 1992, to be offered for subscription by common stockholders at the rate of $100 of debentures for each 13 shares held. **Price**—By amendment. **Business** — Magazine publishing. **Proceeds** — For possible expansion and diversification, and working capital. **Office**—230 Park Ave., N. Y. **Underwriter**—Goldman, Sachs & Co.

● **Mech-Tron Industries, Inc.**
Dec. 19, 1961 ("Reg. A") 150,000 common. **Price**—$1. **Business**—Engineering, design, development, repair and manufacture of mechanical, electronic parts and miscellaneous commercial products for automotive and aircraft industries and missile projects. **Proceeds** — For general corporate purposes. **Office**—9150 Highway 85, Henderson, Colo. **Underwriter**—Insurance Stocks, Inc., Denver.

Medex, Inc.
Sept. 27, 1961 filed 110,000 common. **Price**—By amendment. **Business**—Development and manufacture of a limited line of hospital and surgical supplies. **Proceeds**—For construction, inventory, research and working capital. **Office**—1488 Grandview Ave., Columbus, Ohio. **Underwriter**—Globus, Inc., N. Y. **Offering**—In February.

Medical Fund, Inc.
Oct. 26, 1961 filed 2,000,000 capital shares. **Price**—$10. **Business**—A closed-end diversified investment company. **Proceeds**—For investment in firms serving modern medicine. **Address** — New York, N. Y. **Underwriter**—Fleetwood Securities Corp. of America, 44 Wall St., N. Y.

Medical Industries Fund, Inc.
Oct. 23, 1961 filed 25,000 common. **Price**—$10. **Business**—A closed-end investment company which plans to become open-end. **Proceeds**—For investment in the medical industry and capital growth situations. **Office**—677 Lafayette St., Denver. **Underwriter**—Medical Associates, Inc., Denver.

Medical Video Corp.
Nov. 13, 1961 filed 250,000 common. **Price**—$10. **Business**—Manufacture of medical electronic equipment. **Proceeds**—For general corporate purposes. **Office**—Studio City, Calif. **Underwriter**—Financial Equity Corp., Los Angeles.

Melnor Industries, Inc. (1/29-2/2)
Nov. 15, 1961 filed 152,500 common, of which 52,500 are to be offered by the company and 100,000 by stockholders. **Price** — $11. **Business** — Manufacture of lawn and garden sprinkling equipment. **Proceeds**—For general corporate purposes. **Office**—Moonachie, N. J. **Underwriter**—Francis I. duPont & Co., N. Y.

Metalfab, Inc. (1/29-2/2)
Oct. 27, 1961 filed $600,000 of 6% s. f. conv. debentures due 1976 and 100,000 common (of which 20,000 shares are to be offered by the company and 80,000 by stockholders). **Price**—By amendment. **Business**—Manufactures products and parts of the automotive and electrical industries. **Proceeds**—For debt repayment and working capital. **Office**—First and Elm Sts., Beaver Dam, Wis. **Underwriters**—Cruttenden, Podesta & Co., Chicago and Splaine & Frederic, Inc., Milwaukee.

Metallurgical International, Inc. (1/29-2/2)
Sept. 26, 1961 filed 145,000 class A. **Price**—$3. **Business**—Reprocessing and manufacturing of rare refractory metals. **Proceeds**—Repay debt, taxes, purchase equipment, and working capital. **Office**—174 Main Ave., Wellington, N. J. **Underwriter**—Mortimer B. Burnside & Co., N. Y.

● **Metatronics Manufacturing Corp. (2/13-16)**
Oct. 18, 1961 filed 100,000 common. **Price**—$2. **Business**—Manufacture of electronic cases and containers, and precision sheet metal products. **Proceeds**—For debt repayment, and other corporate purposes. **Office** — 111 Bloomingdale Rd., Hicksville, N. Y. **Underwriter**—Frank Karasik & Co., N. Y.

Meteor Enterprises, Inc.
Oct. 31, 1961 ("Reg. A") 100,000 common. **Price**—$3 **Business** — Manufacture of electric barbecue motors, igniters, etc. **Proceeds**—For debt repayment and general corporate purposes. **Office**—5356 Riverton Ave., North Hollywood, Calif. **Underwriter**—Kolb & Lawrence, Inc., Las Vegas, Nev.

Metropolitan Acceptance Corp.
Oct. 2, 1961 filed $300,000 of 6% subordinated convertibles due 1967 and 60,000 common shares to be offered in units consisting of $100 of debentures and 20 common shares. **Price**—$150 per unit. **Business**—Financing of retail sales. **Proceeds**—For working capital. **Office**—5422 Western Ave., Chevy Chase, Md. **Underwriter** — R. Baruch & Co., Washington, D. C. **Offering**—In Feb.

Metropolitan Realty Trust
Dec. 20, 1961 filed 1,000,000 shares of beneficial interest. **Price**—$6.50. **Business**—A real estate investment trust. **Proceeds**—For general corporate purposes. **Office**—1700 K St., N. W., Washington, D. C. **Underwriter**—Eisele & King, Libaire, Stout & Co., N. Y.

Miami Data Processing Center, Inc.
Jan. 2, 1962 ("Reg. A") 70,000 common. **Price**—$3. **Business**—Furnishes statistical information to customers by using data processing equipment. **Proceeds**—Debt repayment, leasehold improvements and working capital. **Office**—7750 N. W. 7th Ave., Miami, Fla. **Underwriter**—E. W. Stewart & Co., Inc., Miami, Fla.

Michaels (J.), Inc. (2/26-3/2)
Dec. 20, 1961 filed 103,000 common, of which 20,600 are to be offered by the company and 82,400 by stockholders. **Price**—By amendment. **Business**—Retail sale of furniture, major appliances, bedding, etc., through a chain of four stores. **Proceeds**—For construction of a new store. **Office**—182 Smith St., Brooklyn, N. Y. **Underwriter**—L. F. Rothschild & Co., N. Y.

Midwest Medical Investment Trust
Dec. 11, 1961 ("Reg. A") 15,000 shares of beneficial interests. **Price**—$20. **Business**—A real estate investment trust which plans to own interests in medical office buildings, hospitals, etc. **Proceeds**—For working capital. **Address**—Van West, Ohio. **Underwriter**—J. Allen McMeen & Co., Fort Wayne, Ind.

Midwestern Investment Corp.
Oct. 16, 1961 filed 200,000 common. **Price**—$2. **Business**—Company plans to engage in the commercial finance and factoring business. **Proceeds**—General corporate purposes. **Office**—1730 K St., N. W., Washington, D. C. **Underwriter**—Affiliated Underwriters, Inc.

Milgray Electronics, Inc. (2/5-9)
Sept. 26, 1961 filed 166,667 common. **Price**—By amendment. **Business**—Wholesaler and distributor of electronic parts. **Office**—136 Liberty St., N. Y. **Underwriter**—D. B. Marron & Co., Inc., N. Y.

Miller Brothers Hat Co., Inc.
Dec. 18, 1961 filed 126,000 common, of which 100,000 will be sold by the company and 26,000 by certain stockholders. **Price**—By amendment. **Business**—Manufacture of men's and boy's hats. **Proceeds** — For purchase of a building, plant equipment, and working capital. **Address**—2700 Canton St., Dallas. **Underwriter**—Eppler, Guerin & Turner, Inc., Dallas.

Milli-Switch Corp.
Dec. 20, 1961 ("Reg. A") 100,000 capital shares. **Price**—$3. **Business**—Manufacture of switches and other electronic components. **Proceeds** — For general corporate purposes. **Office**—1400 Mill Creek Rd., Gladwyne, Pa. **Underwriter**—Seymour Blauner Co., N. Y.

● **Milo Components, Inc. (1/25)**
Nov. 17, 1961 ("Reg. A") 150,000 class A shares. **Price**—$1. **Business**—Manufacturer of precision metal components, assemblies and sub-assemblies. **Proceeds**—For debt repayment and working capital. **Office**—9-11 Cleveland St., Valley Stream, N. Y. **Underwriters**—T. M. Kirsch Co., Inc., N. Y. and I. R. E. Investors Corp., Levittown, N. Y.

Miss Elliette, Inc. (2/13-16)
Oct. 10, 1961 filed 100,000 common. **Price**—By amendment. **Business** — Design, manufacture and distribution of women's dresses. **Proceeds**—For debt repayment, inventory and expansion. **Office**—1919 S. Los Angeles St., Los Angeles. **Underwriter**—F. L. Rossmann & Co., N. Y.

Missile Valve Corp.
Nov. 24, 1961 ("Reg. A") 300,000 common. **Price** — $1. **Business** — Production and sale of new type butterfly valve. **Proceeds**—For purchase of the patent and production and development of the valve. **Office** — 5909 Hollywood Blvd., Hollywood, Calif. **Underwriter**—Preferred Securities, Inc., Phoenix.

Mitron Research & Development Corp.
Nov. 21, 1961 filed 130,000 common. **Price**—$3. **Business**—Research and development of new products for the electronic industry. **Proceeds**—For general corporate purposes, new products. **Office**—899 Main St., Waltham, Mass. **Underwriter**—Stanley Heller & Co., N. Y.

Mobile Estates, Inc. (1/29-2/2)
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., N. Y.

Mobile Rentals Corp. (1/29-2/2)
Oct. 13, 1961 filed 215,000 common, of which 165,000 are to be offered by the company and 50,000 by a stockholder. **Price**—By amendment. **Business**—Sale and leasing of trailers. **Proceeds**—For expansion, repayment of debt, and working capital. **Office**—8472 S. Figueroa St., Los Angeles. **Underwriters**—Kleiner, Bell & Co., Beverly Hills, Calif. and Hardy & Co., N. Y.

● **Molecular Dielectrics, Inc.**
Sept. 1, 1961 filed 150,000 common, of which 135,000 are to be offered by the company and 15,000 by Cardia Co. **Price**—$5. **Business**—The manufacture of high-temperature electronic and electrical insulation materials. **Proceeds**—For equipment, a new product and working capital. **Office**—101 Clifton Blvd., Clifton, N. J. **Underwriters**—Street & Co., Inc. and Irving Weis & Co., N. Y. **Offering**—Sometime in late February.

Molecular Systems Corp.
Dec. 12, 1961 filed 140,000 common. **Price**—$3. **Business**—Production of polyethylene materials of varying grades. **Proceeds** — For equipment, research and development and working capital. **Office** — 420 Bergen Blvd., Palisades Park, N. J. **Underwriters**—Stone, Ackerman & Co., Inc., (mgr.) and Heritage Equity Corp., N. Y.

Morse Electro Products Corp.
Dec. 29, 1961 filed $1,250,000 of 6½% convertible subordinated debentures due March, 1977. **Price** — At par. **Business**—Operates retail stores selling sewing machines

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and vacuum cleaners. **Proceeds** — For expansion and working capital. **Office**—122 W. 26th St., N. Y. **Underwriter**—Standard Securities Corp., N. Y.

● **Motor Parts Industries, Inc. (1/29-2/2)**
Oct. 30, 1961 filed 120,000 class A shares. **Price** — By amendment. **Business**—Distribution of automobile parts. **Proceeds** — For debt repayment and working capital. **Office**—900-908 S. Oyster Bay Rd., Hicksville, N. Y. **Underwriter**—Street & Co., Inc., N. Y.

★ **Mountain Electronics Co., Inc.**
Jan. 16, 1962 filed 140,000 common. **Price**—$3.50. **Business**—Wholesale distribution of radios, television sets and other electronic products and parts. **Proceeds**—for debt repayment and working capital. **Office**—708 Bigley Ave., Charleston, W. Va. **Underwriters**—Maltz, Greenwald & Co., N. Y. and Clayton Securities Corp., Boston.

Municipal Investment Trust Fund, First Pa. Series (2/26-3/2)
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, N. Y. C.

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, N. Y. C. **Offering**—Expected in early 1962.

Mutual Credit Corp.
Nov. 3, 1961 ("Reg. A") $300,000 of 6½% convertible subord. debentures, due 1971. **Price**—At par. **Business**—A finance company. **Proceeds**—For general corporate purposes. **Address**—Keene, N. H. **Underwriter**—Chilson, Newbery & Co., Inc., Kingston, N. Y. **Offering**—Imminent.

Narrows Premium Corp. (1/29-2/2)
Sept. 25, 1961 filed 100,000 common. **Price**—$4. **Business**—Financing of casualty insurance premiums in New York State. **Proceeds**—General corporate purposes. **Office**—9805 Fourth Ave., Brooklyn, N. Y. **Underwriter**—Pearson, Murphy & Co., Inc., N. Y.

National Bowling Lanes, Inc. (2/5-9)
July 21, 1961 filed 150,000 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., N. Y.

● **National Capital Acceptance Corp. (1/22-26)**
Oct. 20, 1961 ("Reg. A") 150,000 class A common. **Price**—$2. **Business**—Purchase of second trust notes and other securities. **Proceeds**—For working capital. **Office**—8719—Colesville Rd., Silver Spring, Md. **Underwriter**—Guardian Investment Corp., Washington, D. C.

National Equipment & Plastics Corp (2/15)
Sept. 28, 1961 filed 105,000 common. **Price**—$5. **Business**—Operation of a cleaning and pressing plant and affiliated stores. **Proceeds**—For debt repayment, store expansion and working capital. **Address** — Portage, Pa. **Underwriter**—Cortlandt Investing Corp., N. Y.

● **National Mercantile Clearing House, Inc.**
Oct. 23, 1961 ("Reg. A") 75,000 common. **Price**—$4. **Business**—A collection agency. **Proceeds**—For general corporate purposes. **Office**—4539 Ponce de Leon Blvd., Miami, Fla. **Underwriter**—Armstrong & Co., Inc., N. Y. **Note**—The SEC has issued an order temporarily suspending this proposed offering.

National Real Estate Investment Trust (1/22-26)
Nov. 9, 1961 filed 1,000,000 common. **Price**—$15. **Business**—A real estate investment company. **Proceeds**—For investment. **Office**—20 Broad St., New York City. **Underwriter**—Lee Higginson Corp., N. Y.

● **National Recreation Corp.**
Sept. 27, 1961 filed 337,500 common. **Price**—$8. **Business**—Operates a national chain of bowling centers. **Proceeds**—For the acquisition of new centers, repayment of debt and for working capital. **Office**—Time and Life Bldg., N. Y. **Underwriter** — Berger-Derman, Inc., N. Y. **Note**—This registration was withdrawn.

National Rolling Mills Co. (2/13-16)
Nov. 22, 1961 filed 200,000 common, of which 120,000 are to be offered by the company and 80,000 by stockholders. **Price**—By amendment. **Business**—Manufacture of steel suspension systems, and other specialized roll formed metal products. **Proceeds**—For debt repayment and other corporate purposes. **Office** — Morehall Road, Malvern, Pa. **Underwriter**—Drexel & Co., Philadelphia.

National Tel-Tronics Corp. (1/22-26)
Sept. 11, 1961 filed 133,000 common. **Price**—$3. **Business**—The manufacture of electronic components. **Proceeds**—For repayment of a loan, expansion, new products, working capital and general corporate purposes. **Office**—52 St. Casimer Ave., Yonkers, N. Y. **Underwriter**—Frank Karasik & Co., Inc., N. Y. (mgr.).

National Vended Ski Insurance Corp.
Oct. 30, 1961 filed 550,000 common. **Price**—By amendment. **Business**—Distribution of coin-operated insurance vending machines to brokers at sporting centers. **Proceeds**—For inventory, advertising and working capital. **Office**—420 Lexington Ave., N. Y. **Underwriter**—Pacific Coast Securities Co., San Francisco. **Offering**—Expected sometime in February.

Nationwide Bowling Corp. (1/29-2/2)
Oct. 19, 1961 filed 100,000 capital shares (with attached warrants). **Price**—By amendment. **Business**—The operation of bowling centers. **Proceeds**—For a realty acquisition and working capital. **Office** — 11 Commerce St., Newark, N. J. **Underwriter**—Warner, Jennings, Mandel & Longstreth, Philadelphia.

Nebraska Boiler Co., Inc.
Dec. 29, 1961 filed $400,000 of first mortgage sinking fund bonds due 1977 (with warrants) and 15,000 shares of 6% series A convertible preferred (par $10). **Price**—At par. **Business**—Design and manufacture of steam and hot water boilers. **Proceeds**—For construction and debt repayment. **Office**—235 N. 9th St., Lincoln, Nebr. **Underwriter**—First Nebraska Securities Corp., Lincoln.

New Campbell Island Mines Ltd.
Oct. 13, 1961 filed 475,000 common, of which 400,000 are to be offered by the company and 75,000 by a stockholder. **Price**—50c. **Business**—Exploration, development and mining. **Proceeds**—General corporate purposes. **Office**—90 Industry St., Toronto, Canada. **Underwriter**—A. C. MacPherson & Co., Toronto.

● **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. **Offering**—Imminent.

New World Laboratories, Inc.
Nov. 13, 1961 ("Reg. A") 100,000 common. **Price** — $3. **Business**—Manufacture of cosmetics and hair preparations. **Proceeds**—For debt repayment and general corporate purposes. **Office**—1610 14th St., N. W., Washington, D. C. **Underwriter**—T. J. McDonald & Co., Inc., Washington, D. C. **Offering**—Expected in February.

Nigeria Chemical Corp. (2/5-9)
Dec. 7, 1961 filed 90,000 common. **Price**—$5. **Business**—Company plans to construct a plant for production of ethyl alcohol and derivatives and to distill and sell industrial and potable alcohol in Nigeria. **Proceeds**—For equipment, debt repayment, and working capital. **Office**—1060 Broad St., Newark, N. J. **Underwriter**—Scott, Harvey & Co., Inc., Fairlawn, N. J.

● **North Atlantic Industries, Inc. (2/13-16)**
Sept. 26, 1961 filed 131,500 common, of which 120,000 will be sold by the company and 11,500 by a stockholder. **Price**—By amendment. **Business**—Manufacture of precision electronic instruments. **Proceeds**—Repayment of debt, new product development, inventory and working capital. **Office**—Terminal Dr., Plainview, N. Y. **Underwriter**—G. A. Saxton & Co., Inc., N. Y.

Northern Wood Products Corp.
Nov. 29, 1961 filed 78,000 common. **Price**—$5. **Business**—Manufacture of wooden kitchen cabinets and related appliances. **Proceeds** — For debt repayment, expansion, and working capital. **Office**—201-221 Godwin Ave., Paterson, N. J. **Underwriter**—United Planning Corp., Newark, N. J.

Nutri-Bio Corp.
Oct. 17, 1961 filed 1,200,000 common. **Price**—$5. **Business**—Distribution and sale of vitamins, minerals and dietary food supplements. **Proceeds**—For selling stockholders. **Office** — 291 S. La Cienega Blvd., Beverly Hills, Calif. **Underwriter** — Vickers, McPherson & Warwick, Inc., N. Y.

Nuveen Tax-Exempt Bond 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. **Note** — This fund formerly was known as Tax-Exempt Public Bond Trust Fund, Series 2. **Offering** — In late February or early March.

Nuveen Tax-Exempt Bond Fund, Series 3
Oct. 17, 1961 filed $15,300,000 of units representing fractional interests in the Fund. **Price** — By amendment. **Business**—The Fund will invest in interest bearing obligations of states, counties and municipalities of the U. S., and political subdivisions thereof which are believed to be exempted from Federal income taxes. **Proceeds**—For investment. **Office**—Chicago, Ill. **Sponsor**—John Nuveen & Co., 135 So. La Salle St., Chicago.

Nuveen Tax-Exempt Bond Fund, Series 4
Oct. 17, 1961 filed $15,000,000 of units representing fractional interests in the Fund. **Price**—By amendment. **Business**—The Fund will invest in interest-bearing obligations of states, counties, and municipalities of the U. S., and political subdivisions thereof which are believed to be exempted from Federal income taxes. **Proceeds**—For investment. **Office**—Chicago, Ill. **Sponsor**—John Nuveen & Co., 135 So. La Salle St., Chicago.

● **Oceanic Instruments, Inc. (1/29-2/2)**
Aug. 24, 1961 filed 140,000 common. **Price**—$1. **Business**—The company plans to manufacture scientific marine instruments and provide consultation services. **Proceeds**—For organizational expenses and purchase of equipment. **Office**—1515 Norton Bldg., Seattle. **Underwriter**—Globus, Inc., N. Y.

Olympia Mines, Inc. (1/22-26)
Sept. 1, 1961 filed 300.000 capital shares. **Price**—$1.35 **Business**—The exploration and development of mines **Proceeds**—For mining operations. **Office**—44 Court St., Brooklyn, N. Y. **Underwriter** — Gaumont Corp., Ltd., Toronto.

Optech, Inc.
Dec. 26, 1961 filed 160,000 common. **Price**—$3. **Business**—Research, development and fabrication of materials used in optical electronics. **Proceeds**—For equipment and working capital. **Office**—246 Main St., Chatham, N. J. **Underwriters**—Stone, Ackerman & Co., Inc., and Heritage Equity Corp., N. Y.

● **Originala Inc. (1/29-2/2)**
Aug. 29, 1961 filed 150,000 common. **Price**—$9.25. **Business**—The manufacture of women's coats. **Proceeds**—For the selling stockholders. **Office**—512 Seventh Ave., N. Y. **Underwriter**—Dempsey-Tegeler & Co., Inc., St. Louis, Mo.

Orion Electronics Corp. (2/13-16)
Aug. 28, 1961 filed 100,000 common. **Price**—$3.50. **Business**—The manufacture of precision electronic sub-systems for the generation, detection and control of frequencies up through the microwave region. **Proceeds**—For expansion, equipment and working capital. **Address**—Tuckahoe, N. Y. **Underwriter**—A. D. Gilhart & Co., Inc., N. Y. C.

Orlando Paper Corp. (2/5-9)
Oct. 11, 1961 ("Reg. A") 80,000 common. **Price**—$2.50. **Business**—Manufacturer of miscellaneous paper products. **Proceeds**—For debt repayment and general corporate purposes. **Office**—Oceanside, L. I., N. Y. **Underwriter**—Professional & Executive Planning Corp., Long Beach, N. Y., and E. J. Roberts & Co., East Orange, N. J.

Oxford Finance Cos., Inc. (2/26-3/2)
Nov. 28, 1961 filed 200,000 common. **Price**—By amendment. **Business**—A finance company. **Proceeds**—For expansion and debt repayment. **Office**—6701 N. Broad St., Philadelphia. **Underwriter**—Blair & Co., Inc., N. Y.

● **Ozon Products, Inc.**
Sept. 28, 1961 filed 105,000 common. **Pirce**—By amendment. **Business**—Manufacture of toiletries and cosmetics. **Proceeds**—For repayment of debt and working capital. **Office**—50 Wallabout St., Brooklyn, N. Y **Underwriter**—Carter, Berlind, Potoma & Weill, N. Y. **Offering**—Imminent.

PCS Data Processing, Inc.
Oct. 6, 1961 filed 100,000 common of which 50,000 are to be offered by the company and 50,000 by stockholders. **Price**—$3.75. **Business**—Furnishing of statistical information. **Proceeds**—For training personnel, new equipment, expansion and working capital. **Office**—75 W. St., N. Y. **Underwriters**—Harry Odzer Co., N. Y., and Lenchner, Covato & Co., Inc., Pittsburgh, Pa. **Offering**—Expected sometime in February.

P-G Products Manufacturing Co., Inc.
Oct. 10, 1961 filed 110,055 common. **Price**—By amendment. **Business** — Manufactures appliance replacement parts and accessories. **Proceeds** — For debt repayment, expansion and working capital. **Office**—230 E. 162nd St., N. Y. **Underwriters**—Kahn & Peck, Cohn & Co., N. Y.

P. & H. Tube Corp.
Oct. 25, 1961 filed 120,000 common (with attached warrants to purchase 60,000 additional shares) to be offered in units consisting of two shares and one warrant. **Price**—$12 per unit. **Business**—Manufacture of electric resistance welded steel tubing. **Proceeds**—For debt repayment and working capital. **Office**—413 Hamilton Rd., Bossier City, La. **Underwriters**—Howard, Weil, Labouisse, Friedrichs & Co., New Orleans and Clark, Landstreet & Kirkpatrick, Inc., Nashville.

Pacific Big Wheel
Oct. 26, 1961 filed 100,000 common. **Price**—By amendment. **Business**—Sale and installation of automobile accessories. **Proceeds**—For expansion and working capital. **Office**—6125 El Cajon Blvd., San Diego. **Underwriter**—N. C. Roberts & Co., Inc., San Diego

● **Pacific Nutrient & Chemical Co.**
Sept. 15, 1961 filed 120,000 common. **Price**—$4. **Business**—The manufacture and sale of chemical fertilizers, animal nutrients, crop seeds, insecticides, etc. **Proceeds**—For additional equipment, a new plant and working capital. **Office** — North Oak and Hazel St., Burlington, Wash. **Underwriter** — Paul Eisenburg & Co., Inc., and Magnus & Co., Inc., N. Y.

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 (mgr.). **Offering**—Indefinitely postponed.

Pal-Playwell Inc.
Nov. 28, 1961 filed 100,000 common. **Price**—$4. **Business**—Design, assembly and manufacture of toys. **Proceeds**—For debt repayment and working capital. **Office**—179-30 93rd Ave., Jamaica, N. Y. **Underwriter**—Tyche Securities, Inc., N. Y.

Palmetto Pulp & Paper Corp.
June 28, 1961 filed 1,000,000 common. **Price**—$3.45. **Business**—The growth of timber. **Proceeds**—Working capital and the possible purchase of a mill. **Address**—Box 199, Orangeburg, S. C. **Underwriter** — Stone & Co. c/o E. Lowitz & Co., 29 Broadway, N. Y .

Pan-Video Productions, Inc.
Dec. 15, 1961 filed 100,000 common. **Price**—$3. **Business**—Production of films. **Proceeds** — For general corporate purposes. **Office**—200 W. 57th St., N. Y. **Underwriter**—R. J. Curylo Co., 2166 Broadway, N. Y.

Papekote, Inc. (1/29-2/2)
Dec. 1, 1961 ("Reg. A") 60,000 common. **Price**—$5. **Business**—Development and sale of chemical processes used in the field of paper coating. **Proceeds**—For general corporate purposes. **Office**—443 W. 15th St., N. Y. **Underwriter**—Edward Lewis Co., Inc., N. Y.

● **Paramount Foam Industries (1/24-25)**
Sept. 25, 1961 filed 137,500 common. **Price**—By amendment. **Business**—The manufacture of polyester foams. **Proceeds** — Additional equipment, debt repayment and working capital. **Office**—Mercer and Arnot Sts., Lodi, N. J. **Underwriter**—Fialkov & Co., Inc., N. Y.

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Parker Finance Corp.
Oct. 27, 1961 filed 135,000 common. **Price**—$6. **Business**—Financing of commercial accounts receivable. **Proceeds**—For debt repayment. **Office**—8650 Cameron St., Silver Spring, Md. **Underwriter**—D. E. Liederman & Co., Inc., N. Y. **Offering**—Expected in February.

Parkway Laboratories, Inc.
Dec. 6, 1961 filed 160,000 common. **Price**—$5. **Business**—Manufacture of drugs and pharmaceuticals. **Proceeds**—For an acquisition, research and other corporate purposes. **Office** — 2301 Pennsylvania Ave., Philadelphia. **Underwriter**—Arnold Malkan & Co., Inc., N. Y.

Patent Merchandising Corp.
Nov. 22, 1961 filed 100,000 common (with attached five-year warrants to purchase an additional 100,000 shares) to be sold in units of one share and one warrant. **Price**—$3.50 per unit. **Business**—Company plans to market patented products, or products which it considers to be patentable. **Proceeds**—For general corporate purposes. **Office**—521 5th Ave., N. Y. C. **Underwriter**—Hampstead Investing Corp., N .Y.

Pennon Electronics Corp.
Sept. 28, 1961 ("Reg. A") 135,000 common. **Price**—$2.20 **Business**—Manufacture of solid state electronic devices. **Proceeds**—For working capital. **Office**—7500 S. Garfield Ave., Bellgardens, Calif. **Underwriter**—Darius Inc., N. Y.

Perpetual Investment Trust
Nov. 9, 1961 filed 500,000 shares of beneficial interest. **Price**—(For the first 10,000 shares) $10.80 per share. (For the balance) Net asset value plus 8% commission. **Business**—A real estate investment trust. **Proceeds**—For investment. **Office**—1613 Eye St., N. W., Washington, D. C. **Underwriter**—Sidney Z. Mensh Securities Co., Washington, D. C.

● **Personal Property Leasing Co. (1/22-23)**
Oct. 13, 1961 filed $2,000,000 of conv. subord. debentures due 1976. **Price**—By amendment. **Business**—Leasing of equipment to industrial and commercial firms. **Proceeds**—For purchase of equipment and collateral for bank credit. **Office**—6381 Hollywood Blvd., Los Angeles. **Underwriter**—Dempsey-Tegeler & Co., Inc., St. Louis.

Pioneer Restaurants, Inc.
Dec. 21, 1961 filed 125,000 common, of which 75,000 are to be offered by the company and 50,000 by a selling stockholder. **Price**—By amendment. **Business**—Operation of six restaurants in Sacramento. **Proceeds**—For expansion, debt repayment and working capital. **Office**—1626 J St., Sacramento. **Underwriter**—Stewart, Eubanks, Myerson & Co., San Francisco.

Pir-O-Wood Industries, Inc.
Nov. 28, 1961 filed 62,000 common. **Price**—$5. **Business**—Sale of prefabricated wood and plastic specialized components. **Proceeds**—For general corporate purposes. **Office** — 1182 Broadway, N. Y. **Underwriter** — Arnold Malkan & Co., Inc., N. Y. **Offering**—In February.

Plasticrete Corp. (1/29-2/2)
Nov. 15, 1961 filed 160,000 common. **Price**—By amendment. **Business** — Manufactures masonry units for the construction industry. **Proceeds**—For general corporate purposes. **Office** — 1883 Dixwell Ave., Hamden, Conn. **Underwriter**—Blair & Co., Inc., N. Y.

Plymouth Discount Corp. (1/29-2/2)
Aug. 28, 1961 ("Reg. A") 100,000 common. **Price**—$3. **Business**—Consumer sales financing. **Proceeds**—For repayment of notes and working capital. **Office** — 2211 Church Ave., Brooklyn, N. Y. **Underwriter**—M. Posey Associates, Ltd., 50 Broadway, N. Y.

Pneumo Dynamics Corp. (2/19-21)
Dec. 22, 1961 filed 150,000 common, of which 100,000 are to be offered by the company and 50,000 by stockholders. **Price**—By amendment. **Business**—Manufacture of precision hydraulic, pneumatic and mechanical equipment for marine, aircraft, ordnance and industrial use. **Proceeds**—For acquisition of a company and working capital. **Office**—3781 E. 77th St., Cleveland. **Underwriter**—Hemphill, Noyes & Co., N. Y. and Estabrook & Co., Boston.

Policy-Matic Affiliates, Inc. (2/5-9)
Oct. 16, 1961 filed 200,000 capital shares. **Price**—$3.25. **Business**—Leasing of insurance vending machines. **Proceeds**—General corporate purposes. **Office**—1001 15th St., N. W., Washington, D. C. **Underwriter**—Balogh & Co., Inc., Washington, D. C.

● **Popular Library, Inc. (1/22-26)**
Oct. 17, 1961 filed 127,500 capital shares. **Price** — By amendment. **Business**—Publishing of paperback books and magazines. **Proceeds**—General corporate purposes. **Office**—355 Lexington Ave., N. Y. **Underwriter**—Sutro Bros. & Co., N. Y.

Power Industrial Products Co. (2/13-16)
Nov. 22, 1961 filed 160,000 class A common, of which 133,333 are to be offered by the company and 26,667 by present stockholders. **Price**—By amendment. **Business**—Warehouse distribution of corrosion resistant stainless steel pipe, tubing, valves, etc. **Proceeds**—For repayment of debt, expansion, and working capital. **Office**—352 Harrison St., Passaic, N. J. **Underwriter**—S. D. Fuller & Co., N. Y.

Precision Automotive Components Co.
Dec. 28, 1961 filed 100,000 common. **Price**—By amendment. **Business**—Manufacture of carburetor replacement parts. **Proceeds** — For debt repayment, retirement of 6% pfd., and working capital. **Address** — Ballwin, Mo. **Underwriter**—G. H. Walker & Co., Inc., N. Y.

● **Precision Instrument Co. (2/26-3/2)**
Dec. 28, 1961 filed 125,000 capital shares of which 111,000 are to be offered by the company and 14,000 by stockholders. **Price**—By amendment. **Business**—Development and manufacture of instrumentation magnetic tape recording equipment. **Proceeds**—For debt repayment, construction and working capital. **Office**—1011 Commercial St., San Carlos, Calif. **Underwriters**—Lehman Brothers, N. Y. and J. Barth & Co., San Francisco.

Prestige Capital Corp.
Oct. 19, 1961 filed 200,000 common. **Price**—$5. **Business**—A small business investment company. **Proceeds**—For investment. **Office**—485 Fifth Ave., N. Y. **Underwriters**—D. Gleich & Co., N. Y., and Laird, Bissell & Meeds, Wilmington, Del.

● **Pride Industries, Inc. (1/29-2/2)**
Aug. 29, 1961 filed 75,000 common. **Price**—$5. **Business**—The sale of pet foods. **Proceeds**—For inventory, repayment of a loan, machinery, new products, advertising, **Office**—4408 Fairmount Ave., Philadelphia. **Underwriter**—Steven Investment Corp., Bala Cynwyd, Pa.

Printing Corp. of America (2/26-3/2)
Dec. 28, 1961 filed 454,000 common. **Price**—By amendment. **Business**—Printing of trade and business periodicals and textbooks by lithography. **Proceeds**—For selling stockholders. **Office**—71 W. 35th St., N. Y. **Underwriter**—Goldman, Sachs & Co., N. Y.

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, Nort Providence, R. I. **Underwriter**—Continental Bond & Share Corp., Maplewood, N. J.

Programming and Systems, Inc.
Oct. 11, 1961 filed 40,000 common. **Price**—$3.50. **Business**—Instructs classes in computer programming and the operation of electronic data processing machines. **Proceeds**—For expansion. **Office**—45 W. 35th St., N. Y. **Underwriter**—D. M. Stuart & Co., Inc., N. Y.

Publishers Co., Inc.
Nov. 28, 1961 filed 541,000 common. **Price**—By amendment. **Business**—Book publishing. **Proceeds**—For an acquisition and other corporate purposes. **Office**—1106 Connecticut Ave., N. W., Washington, D. C. **Underwriters**—Amos Treat & Co., Inc., N. Y. and Roth & Co., Inc., Philadelphia. **Offering**—Expected sometime in Feb.

Puerto Rico Capital Corp.
Sept. 13, 1961 filed 750,000 common. **Price**—$10. **Business**—A small business investment company. **Proceeds**—For general corporate purposes. **Address**—San Juan, Puerto Rico. **Underwriter**—Hill, Darlington & Grimm, N. Y. **Offering**—Imminent.

Puerto Rico Land and Development Corp.
Nov. 24, 1961 filed $4,000,000 of 5% conv. subord. debentures due 1971 and 200,000 class A shares to be offered in 25,000 units, each consisting of $160 of debentures and eight shares. **Price**—$200 per unit. **Business**—Real estate and construction. **Proceeds** — For general corporate purposes. **Office**—San Juan, Puerto Rico. **Underwriters**—Lieberbaum & Co., and Morris Cohon & Co., New York.

Pulp Processes Corp.
Sept. 20, 1961 filed 140,000 common. **Price**—$5. **Business**—Development of pulping and bleaching devices. **Proceeds**—General corporate purposes. **Office**—Hoge Bldg., Seattle, Wash. **Underwriter**—Wilson, Johnson & Higgins, San Francisco.

Pyramid Publications, Inc. (2/13-16)
Nov. 24, 1961 filed 115,000 common. **Price**—By amendment. **Business**—Publication and sale of pocket-size paperback books and a man's magazine. **Proceeds**—For expansion, debt repayment, and working capital. **Office**—444 Madison Ave., N. Y. **Underwriter**—Milton D. Blauner & Co., Inc., N. Y.

Pyroil Co., Inc.
Jan. 2, 1962 ("Reg. A") 30,000 common. **Price**—$5. **Business**—Manufacture of additives for gasoline, motor oils, etc. **Proceeds**—For debt repayment and general corporate purposes. **Address**—La Crosse, Wis. **Underwriters**—Loewi & Co., Inc. and J. M. Dain & Co., Inc., Milwaukee.

Quaker City Industries, Inc.
Nov. 28, 1961 filed 87,500 common. **Price**—$4. **Business**—Design and manufacture of metal cabinets, boxes, boiler and radiator enclosures. **Proceeds**—For equipment, aadvertising and working capital. **Office** — 234 Russell St., Brooklyn, N. Y. **Underwriter**—M. J. Merritt & Co., Inc., N. Y.

Quality Brake Rebuilders, Inc.
Jan 3, 1962 ("Reg. A") 300,000 common. **Price**—$1. **Business**—Rebuilding and reconditioning of automotive brake shoes. **Proceeds**—For general corporate purposes. **Office**—94 Gazza Blvd., Farmingdale, N. Y. **Underwriter**—Meadowbrook Securities, Inc., Hempstead, N. Y.

Quartite Creative Corp.
Sept. 27, 1961 filed 100,000 common. **Price**—$5. **Business**—Manufacture of home furnishing products. **Proceeds**—For research, new products and working capital. **Office**—34-24 Collins Place, Flushing, N. Y. **Underwriters**—Shell Associates, Inc. and Godfrey, Hamilton, Taylor & Co., N. Y. **Offering**—Imminent.

RF Interonics, Inc. (1/29-2/2)
Oct. 30, 1961 filed 40,000 common. **Price**—$5. **Business**—Manufacture of radio frequency interference filters and capacitors. **Proceeds**—For equipment, working capital and other corporate purposes. **Office**—15 Neil Court, Oceanside, N. Y. **Underwriter**—Arnold Malkan & Co., N. Y.

● **Rapid Film Technique, Inc. (2/6-8)**
Sept. 19, 1961 filed 70,000 common. **Price**—$4. **Business**—The rejuvenating and repairing of motion picture film. **Proceeds**—For debt repayment and general corporate purposes. **Office**—37-02 27th St., Long Island City, N. Y. **Underwriter**—Herbert Young & Co., Inc., N. Y.

● **Raritan Plastics Corp. (1/22-26)**
Sept. 28, 1961 filed 100,000 class A common. **Price**—$5. **Business**—Extrusion of plastic sheets. **Proceeds**—Equipment, debt repayment and working capital. **Office**—1 Raritan Rd., Oakland, N. J. **Underwriter**—Gianis & Co., Inc., N. Y.

● **Realty Equities Corp. of New York (1/22-26)**
Sept. 28, 1961 filed $1,675,800 of subord. debentures due 1971 (with warrants attached) to be offered for subscription by stockholders in 16,758 units, each consisting of $100 of debentures and a warrant to purchase 12.5 shares on the basis of one unit for each 20 shares held. **Price**—$100 per unit. **Business**—General real estate and construction. **Proceeds**—General corporate purposes. **Office**—666 Fifth Ave., N. Y. **Underwriter**—Sutro Bros. & Co., New York.

Recco, Inc. (2/5-9)
Oct. 19, 1961 filed 75,000 class A shares. **Price** — By amendment. **Business**—Operates record, card and stationery departments in discount stores. **Proceeds**—For expansion. **Office**—1211 Walnut St., Kansas City, Mo. **Underwriter**—Midland Securities Co., Inc., Kansas City, Mo.

Research Products, Inc.
Dec. 28, 1961 filed 250,000 common. **Price**—$9. **Business**—Manufacture of lithographic blankets used in printing. **Proceeds**—For debt repayment and working capital. **Address**—Hato Rey, Puerto Rico. **Underwriters**—Gross & Co., N. Y. and Elmaleh & Co., Inc.

Rex Craft Associates, Inc.
Dec. 27, 1961 ("Reg. A") 100,000 common. **Price** — $3. **Business**—Design, installing and constructing packaged commercial interiors and exteriors for buildings. **Proceeds**—For general corporate purposes. **Office**—Route 315 & Vine St., Avoca, Pa. **Underwriter**—M. G. Davis & Co., Inc., N. Y.

Richmond Corp.
Dec. 21, 1961 filed 142,858 common. **Price**—$7. **Business**—A real estate investment company. **Proceeds**—For debt repayment and general corporate purposes. **Office**—220 K St., N. W., Washington, D. C. **Underwriter**—Hirschel & Co., Silver Spring, Md. **Offering**—Expected in April.

Ridge Tool Co. (3/15)
Dec. 28, 1961 filed 284,586 class A common. **Price**—By amendment. **Business**—Manufacture of pipe working tools and machines. **Proceeds**—For selling stockholders. **Office**—400 Clark St., Elyria, Ohio. **Underwriters**—White, Weld & Co., N. Y. and McDonald & Co., Cleveland.

Ridgerock of America, Inc.
Dec. 29, 1961 filed 100,000 common. **Price**—$2.50. **Business**—Production of stone facing for buildings. **Proceeds**—For debt reduction and general corporate purposes. **Address** — Sebring, O. **Underwriter** — Baruch Brothers & Co., Inc., N. Y.

● **Ripley Industries, Inc., and Jomar Plastics, Inc. (2/14-16)**
Oct. 27, 1961 filed 100,000 common shares of Ripley and 100,000 of Jomar to be offered in units consisting of one share of each company. **Price**—By amendment. **Business**—Manufacture of wood and plastic heels for women's shoes, metal molds and dies, bowling pins, bowling shoes and related products. **Proceeds**—For general corporate purposes. **Office**—4067 Folsom Ave. St. Louis and Rio Piedras, Puerto Rico. **Underwriters**—Paine, Webber, Jackson & Curtis and American Securities Corp., N. Y.

Roadcraft Corp.
Dec. 26, 1961 filed 400,000 common. **Price**—By amendment. **Business**—Design, manufacture and sale of mobile homes and office trailers. **Proceeds**—For general corporate purposes. **Office**—139 W. Walnut Ave., Gardena, Calif. **Underwriter** — Vickers, MacPherson & Warwick, Inc., N. Y.

Roberts & Porter, Inc.
Nov. 20, 1961 filed 80,200 common, of which 16,680 are to be offered by the company and 63,520 by stockholders. **Price**—By amendment. **Business**—Sale of specialized photographic, plate making and press room supplies and equipment to the graphic arts industry. **Proceeds**—For working capital. **Office**—4140 W. Victoria Ave., Chicago, Ill. **Underwriters**—Blunt Ellis & Simmons, Chicago., and Schmidt, Roberts & Parke, Philadelphia.

Rochester Capital Leasing Corp.
Oct. 30, 1961 filed $625,000 of 6% convertible subordinated debentures due 1972 and 100,000 class A to be offered in 12,500 units each consisting of $50 of debentures and eight shares. **Price**—$90 per unit. **Business**—Manufacture and sale of furniture, equipment, and supplies to schools, hotels, hospitals and industrial companies. **Proceeds**—For working capital. **Office**—8 Jay St., Rochester, N. Y. **Underwriter**—Saunders, Stiver & Co., Cleveland.

Rodale Electronics, Inc. (1/29-2/2)
Sept. 29, 1961 ("Reg. A") 60,000 common. **Price**—$5. **Business**—Manufacture of electronic equipment. **Proceeds**—Debt repayment, new products, equipment, sales promotion and advertising. **Office** — 562 Grand Blvd., Westbury, N.Y. **Underwriter**—Charles Plohn & Co., N.Y.

Rogers (John) Co.
Oct. 24, 1961 filed $600,000 of 6% conv. subord. debentures due 1976 and 120,000 common shares to be offered in units consisting of one debenture and two shares. **Price**—$25 per unit. **Business**—Sale of rebuilt automobile engines and reground crankshafts to automobile parts jobbers. **Proceeds**—For working capital and general corporate purposes. **Office**—1060 Huff Rd., N. W., Atlanta, Ga. **Underwriters**—Robinson-Humphrey Co., Inc., and Courts & Co., Atlanta.

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Rona Plastic Corp.
Dec. 15, 1961 filed 200,000 common. **Price**—$5. **Business**—Manufactures plastic housewares, baby products and other plastic items. **Proceeds**—For debt repayment and other corporate purposes. **Office**—1517 Jarrett Place, Bronx, N. Y. **Underwriter**—Arnold Malkan & Co., Inc., N. Y.

• **Rooke Engineering Corp.**
Dec. 29, 1961 ("Reg. A") 120,000 common. **Price** — $2.50. **Business** — Design and manufacture of fasteners and related parts for the aircraft and missile industries. **Proceeds**—For debt repayment and working capital. **Office**—8560 Tujunga Ave., Sun Valley, Calif. **Underwriter**—Adams & Co., Los Angeles.

Roth Greeting Cards
Dec. 26, 1961 ("Reg. A") 100,000 common. **Price**—$1.50. **Business**—Design, production and sale of "contemporary" greeting cards. **Proceeds**—For design and introduction of new greeting card line and working capital. **Office**—504 E. Broadway, Glendale, Calif. **Underwriters**—R. E. Bernhard & Co., Beverly Hills, Calif.; Schaefer, Lowe & McCamant, Inc., San Francisco; Costello, Russotto & Co., Los Angeles; Amos C. Sudler & Co., Denver; G. H. Musekamp & Co., Cincinnati and V. E. Anderson & Co., Salt Lake City.

• **Roto Cylinders, Inc. (2/5-9)**
Nov. 16, 1961 ("Reg. A") 60,000 common. **Price**—$5. **Business**—Custom gravure engraving. **Proceeds**—For debt repayment and working capital. **Address**—Palmyra, N. J. **Underwriter**—Woodcock, Moyer, Fricke & French, Inc., Philadelphia.

Royaltone Photo Corp.
Nov. 29, 1961 filed 300,000 common, of which 100,000 are to be offered by the company and 200,000 by stockholders. **Price** — By amendment. **Business** — Develops and prints color, and black and white photographic film. **Proceeds** — For equipment and working capital. **Office**—245 7th Ave., N. Y. **Underwriter** — Federman, Stonehill & Co., N. Y.

Rubber & Fibre Chemical Corp. (2/5-9)
Sept. 25, 1961 filed 120,000 common. **Price**—$5. **Business**—Exploitation of a new process for reclaiming unvulcanized rubber. **Proceeds**—Purchase of equipment and existing plant building, repayment of debt, and working capital. **Office**—300 Butler St., Brooklyn, N. Y. **Underwriter**—Armstrong & Co., Inc., N. Y.

Ruby Silver Mines, Inc.
Jan. 2, 1962 ("Reg. A") 2,400,000 common. **Price**—12½ cents. **Business**—Exploration and development of mineral deposits. **Proceeds**—For debt repayment and general corporate purposes. **Address**—Box 1088, Wallace, Idaho. **Underwriter**—Pennaluna & Co., Spokane, Wash.

S. M. S. Instruments, Inc. (2/5-9)
Nov. 28, 1961 filed 100,000 common. **Price**—$3.25. **Business**—Repair and maintenance of aircraft instruments and accessories. **Proceeds**—For equipment, debt repayment, and other corporate purposes. **Office** — Idlewild International Airport, Jamaica, N. Y. **Underwriter**—Lieberbaum & Co., N. Y.

• **Sabre, Inc.**
Sept. 25, 1961 ("Reg. A") 50,000 common. **Price**—$2. **Business**—Manufacture of pre-painted aluminum siding and accessories. **Proceeds**—For inventory, dies, inventory equipment and working capital. **Office**—4990 E. Asbury, Denver. **Underwriter**—Schmidt, Sharp, McCabe & Co., Inc., Denver. **Offering**—Imminent.

Saladmaster Corp.
Jan. 3, 1962 filed $700,000 of 6% subord. conv. debentures due 1972 and 126,030 common (of which 15,399 shares are to be offered by the company and 110,631 shares by stockholders). **Price**—For debentures, at par; for stock, by amendment. **Business**—Sale of kitchenware, tablewear and a food cutting machine. **Proceeds**—For debt repayment and general corporate purposes. **Office**—131 Howell St., Dallas. **Underwriter**—Parker, Ford & Co., Inc., Dallas.

San Diego Imperial Corp. (1/23)
Dec. 5, 1961 filed 350,091 common. **Price**—By amendment. **Business**—A holding company for 14 savings and loan associations, and other firms. **Proceeds** — For the selling stockholders. **Office**—1400 Fifth Ave., San Diego, Calif. **Underwriters**—White, Weld & Co., Inc., N. Y., and J. A. Hogle & Co., Salt Lake City.

Sav-Mor Oil Corp. (1/29-2/2)
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**—Amber, Burstein & Co., Inc., N. Y.

Save-Mor Drugs, Inc.
Dec. 28, 1961 ("Reg. A") $300,000 of 6% 15-year subord. conv. debentures. **Price**—At par. **Business**—Operation of a chain of drug stores. **Proceeds**—For general corporate purposes. **Office**—3310 New York Ave., N. E., Washington, D. C. **Underwriter**—C. A. Taggart, Inc., Towson, Md.

Schultz Sav-O-Stores, Inc.
Nov. 13, 1961 filed 160,000 common, of which 75,000 are to be offered by the company and 85,000 by stockholders. **Price**—By amendment. **Business**—Wholesale food distribution and operation of supermarkets. **Proceeds**—For expansion. **Office**—2215 Union Ave., Sheboygan, Wis. **Underwriter**—Blunt Ellis & Simmons, Chicago.

Seashore Food Products, Inc. (2/26-3/2)
Aug. 29, 1961 ("Reg. A") 75,000 common. **Price** — $4. **Business**—The manufacturing and processing of assorted food products. **Office**—13480 Cairo Lane, Opa Locka, Fla. **Underwriters**—Terrio & Co., Washington, D. C.

Sea-Wide Electronics, Inc. (1/29-2/2)
Sept. 26, 1961 filed 200,000 common. **Price**—$4. **Business**—Importing of goods from Japan. **Proceeds**—For debt repayment. **Office**—Stokely St., and Roberts Ave., Philadelphia, Pa. **Underwriter**—Amos Treat & Co., N. Y.

Security Acceptance Corp.
March 7, 1961 filed 100,000 shares of class A common stock and $400,000 of 7½% 10-year debenture bonds, to be offered in units consisting of $100 of debentures and 25 shares of stock. **Price**—$200 per unit. **Business**—The purchase of conditional sales contracts on home appliances. **Proceeds** — For working capital and expansion. **Office**—724 9th St., N. W., Washington, D. C. **Underwriter**—None.

Security Equity Fund, Inc.
Dec. 14, 1961 filed 400,000 capital shares. **Price**—Net asset value plus 6%. **Business**—A mutual fund. **Proceeds**—For investment. **Office** — 700 Harrison St., Topeka, Kan. **Underwriter**—Security Management Co., Inc., Topeka.

Seg Electronics Co., Inc. (1/29-2/2)
Sept. 28, 1961 filed 110,000 common. **Price**—By amendment. **Business**—Design and manufacture of networks for data and program transmission, filters, transceivers and related electronic equipment. **Proceeds**—For equipment, research and development, repayment of loans and working capital. **Office**—12 Hinsdale St., Brooklyn. **Underwriter**—Searight, Ahalt & O'Connor, Inc., N. Y.

• **Servonuclear Corp. (1/23-24)**
Sept. 12, 1961 ("Reg. A") 100,000 common. **Price**—$2. **Business**—Manufacture of medical electronic products. **Proceeds**—For plant relocation, equipment, inventory, new products, debt repayment and working capital. **Office**—28-21 Astoria Blvd., Astoria, L. I., N. Y. **Underwriter**—Rothenberg, Heller & Co., Inc., N. Y.

Servotron Corp. (1/29-2/2)
Sept. 25, 1961 filed 100,000 common. **Price**—$5. **Business**—Sale of automatic film processing machines and other electronic products. **Proceeds**—Purchase of equipment and inventory, sales promotion, research and development, and working capital. **Office**—29503 West Nine Mile Rd., Farmington, Mich. **Underwriter**—None.

Shamrock Oil and Gas Corp. (1/23)
Dec. 13, 1961 filed $25,000,000 of sinking fund debentures due Jan. 1, 1987. **Price**—By amendment. **Business**—Production of natural gas, natural gasoline and petroleum. **Proceeds**—For prepayment of loans and working capital. **Office**—First National Bank Bldg., Amarillo, Tex. **Underwriter**—First Boston Corp., N. Y.

• **Shatterproof Glass Corp. (1/29-2/2)**
Oct. 27, 1961 filed 215,000 common. **Price**—By amendment. **Business**—Manufactures and distributes laminated safety glass. **Proceeds**—For selling stockholders. **Office**—4815 Cabot Ave., Detroit. **Underwriter**—Shields & Co., N. Y.

Shaver Food Marts, Inc.
Dec. 19, 1961 filed 170,000 class A common, of which 30,000 will be sold by the company and 140,000 by certain stockholders. **Price** — By amendment. **Business**—Operation of seven supermarkets in the Omaha-Council Bluffs area. **Proceeds**—For expansion. **Office**—139 S. 40th St., Omaha, Neb. **Underwriters**—J. Cliff Rahel & Co., and Storz-Wachob-Bender Co., Omaha.

Shelley Manufacturing Co.
Dec. 29, 1961 filed 55,000 common. **Price**—$6.50. **Business**—Manufacture of automatic equipment for handling packaged foods, and various food serving devices. **Proceeds**—For equipment, advertising, plant expansion and working capital. **Office**—3800 N. W., 32nd Ave., Miami, Fla. **Underwriter**—George, O'Neill & Co., Inc., N. Y.

Shenk Industries, Inc. (2/5-9)
Nov. 28, 1961 filed 150,000 common, of which 135,000 shares are to be offered by the company and 15,000 by a stockholder. **Price**—$6. **Business**—Manufacturer of rebuilt automobile parts. **Proceeds**—For debt repayment and working capital. **Office**—2101 S. High St., Columbus, Ohio. **Underwriters**—Rodetsky, Walker & Co., Inc., N Y. and Boenning & Co., Philadelphia.

Sheraton Corp. of America (2/5-9)
Oct. 30, 1961 filed $8,000,000 of 7½% capital income sinking fund debentures due 1989. **Price**—By amendment. **Business**—Operates hotels and other real estate properties. **Proceeds**—For general corporate purposes. **Office**—470 Atlantic Ave., Boston. **Underwriters**—Paine, Webber, Jackson & Curtis, Boston and S. D. Lunt & Co., Buffalo, N. Y

Silo Discount Centers, Inc. (1/29-2/2)
Nov. 15, 1961 filed 165,000 common. **Price**—By amendment. **Business**—Operation of retail discount stores. **Proceeds**—For general corporate purposes. **Office**—2514 N. Broad St., Philadelphia, Pa. **Underwriters**—Boenning & Co., Philadelphia, and Rodetsky, Walker & Co., Inc., N. Y.

Sokol Brothers Furniture Co., Inc.
Sept. 28, 1961 filed 240,000 common. **Price**—$2.50 **Business**—The instalment retailing of furniture, appliances and other household goods. **Proceeds** — For expansion and modernization of buildings, repayment of debt and working capital. **Office**—253 Columbia St., Brooklyn, N. Y. **Underwriter**—Continental Bond & Share Corp., Maplewood, N. J.

Sonic Development Corp. of America
Oct. 27, 1961 filed 56,000 common, of which 30,000 are to be offered by the company and 26,000 by stockholders. **Price**—$5. **Business**—Design, development and manufacture of devices using sound or fluids as a source of energy. **Proceeds**—For general corporate purposes. **Office**—260 Hawthorne Ave., Yonkers, N. Y. **Underwriter**—Meadowbrook Securities Inc., Hempstead, N. Y.

• **Sonic Systems, Inc. (1/22-26)**
Oct. 30, 1961 ("Reg. A") 75,000 common. **Price** — $2. **Business**—Manufacture of ultrasonic cleaning equipment, systems and transducers. **Proceeds**—For expansion and working capital. **Office**—1250 Shames Dr., Westbury, N. Y. **Underwriter**—Keene & Co., Inc., N. Y.

Southeastern Towing & Transportation Co., Inc.
Nov. 29, 1961 ("Reg. A") 100,000 common. **Price**—$3. **Business**—Construction and operation of towing boats. **Proceeds**—For debt repayment, conversion of a boat, and working capital. **Office**—3300 N. W. North River Drive, Miami, Fla. **Underwriter**—Irwin Karp & Co., Inc., 68 William St., N. Y.

Southern California Edison Co. (1/22)
Dec. 11, 1961 filed 1,500,000 common. **Price**—By amendment. **Proceeds**—For debt repayment and redemption of outstanding 4.88% preferred. **Office**—601 W. Fifth St., Los Angeles. **Underwriters**—First Boston Corp., N. Y. and Dean Witter & Co., San Francisco.

• **Southern Frontier Finance Co. (1/22)**
Sept. 22, 1961 filed $1,000,000 of sinking fund subordinated debentures due 1976 with warrants to purchase 200,000 shares of common stock, to be offered in units consisting of $100 of debentures with a warrant to purchase 20 common shares. **Price**—By amendment. **Business**—Repurchase of mortgage notes, contracts, leases, etc. **Proceeds**—Repayment fo debt, investments and other corporate purposes. **Office**—615 Hillsboro St., Raleigh, N. C. **Underwriter**—J. C. Wheat & Co., Richmond, Va.

Southern Growth Industries, Inc. (1/22-26)
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.
May 26, 1961 filed $4,140,000 of 6% convertible debentures due 1976, with warrants to purchase 41,000 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., N. Y.

Southern Syndicate, Inc.
Sept. 13, 1961 filed 300,000 common. **Price**—By amendment. **Business**—Real estate investment. **Proceeds**—For repayment of loans and working capital. **Office**—2501 Bank of Georgia Bldg., Atlanta. **Underwriter**—Johnson, Lane, Space Corp., Savannah. **Offering**—Imminent.

Southwest Recreation Associates, Inc.
Nov. 29, 1961 ("Reg. A") $150,000 6% convertible subordinated sinking fund debentures due 1973; and 30,000 common shares. **Price**—For the debentures: $500. For the stocks: $5. **Business**—Operation of bowling alleys. **Proceeds** — For debt repayment and working capital. **Office**—2711 N. 24th St., Phoenix. **Underwriter**—A. G. Edwards & Sons, St. Louis.

Southwestern Insurance Co.
Dec. 26, 1961 filed 220,000 common. **Price**—By amendment. **Business**—Writes automobile casualty insurance in Oklahoma and Arkansas. **Proceeds**—For redemption of surplus fund certificates and expansion. **Office**—5620 N. Western Ave., Oklahoma City. **Underwriters**—Eppler, Guerin & Turner, Inc., Dallas and R. J. Edwards, Inc., Oklahoma City.

Space Financial Corp.
Nov. 24, 1961 ("Reg. A") 100,000 common. **Price**—$2. **Business**—A small business investment company. **Proceeds**—For working capital. **Office**—113 W. 2nd St., Casa Grande, Ariz. **Underwriters**—Preferred Securities, Inc., and Brown & Co. Investment Securities, Phoenix.

Spandex Corp. (1/29-2/2)
Oct. 25, 1961 ("Reg. A") 90,000 common. **Price**—$3. **Business**—Manufacture of a synthetic elastic yarn and other synthetic fibres. **Proceeds**—For general corporate purposes. **Office**—186 Grand St., N. Y. **Underwriter**—McLaughlin, Kaufman & Co., N. Y.

Spartan International Inc. (3/5)
Dec. 22, 1961 filed 175,000 common. **Price**—$4. **Business**—Manufacture of metal shower receptors, precast concrete rceptors, prefabricated metal showers, baseboard radiators and rope and twine. **Proceeds**—For a new plant in Canada. **Office**—52-55 74th Ave., Maspeth, L. I., N. Y. **Underwriter**—M. H. Woodhill, Inc., N. Y.

Spears (L. B.), Inc.
Oct. 30, 1961 filed 65,000 common. **Price**—$5. **Business**—Operation of retail furniture stores. **Proceeds** — For working capital. **Office**—2212 Third Ave., N. Y. **Underwriter**—Arnold Malkan & Co., Inc., N. Y.

Sperti Products, Inc. (2/26-3/2)
Nov. 29, 1961 filed 230,000 common of which 200,000 are to be offered by the company and 30,000 by stockholders. **Price**—By amendment. **Business**—Manufacture of drug and food products, electrical and electronic devices and precision machinery. **Proceeds**—For the purchase of certain patents, repayment of debt, and working capital. **Office**—730 Grand St., Hoboken, N. J. **Underwriter**—Blair & Co., N. Y

Spiral Metal Co., Inc. (2/13-16)
Dec. 7, 1961 ("Reg. A") 100,000 common. **Price** — $2.50. **Business**—Broker and dealer in gold and silver bullion and other non-ferrous metals. It also does processing and smelting. **Proceeds**—For a new refinery, debt repayment and working capital. **Office**—E. William St., Hopelawn (Woodbridge), N. J. **Underwriter**—Flomenhaft, Seidler & Co., N. Y.

• **Sportsmen, Inc. (2/13-16)**
Nov. 29, 1961 filed $100,000 of 6% subordinated convertible debentures due 1977 and 50,000 common to be offered in units, each consisting of $20 of debentures and

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10 shares. **Price**—$60 per unit. **Business**—Design and manufacture of fishing and archery equipment and fiber glass household items. **Proceeds**—For general corporate purpose. **Office**—131 Saw Mill River Rd., Yonkers, N. Y. **Underwriter**—William, David & Motti, Inc., N. Y.

Standard Industries, Inc. (1/29-2/2)
Oct. 13, 1961 filed 210,000 common, of which 183,000 are to be offered by the company and 27,000 by a stockholder. **Price**—By amendment. **Business**—Production of crushed limestone, gravel, and ready-mix concrete and construction of highways, etc. **Proceeds**—General corporate purposes. **Office**—731 Mayo Bldg., Tulsa, Okla. **Underwriter**—Allen & Co., N. Y.

Stanley Industries Corp.
Oct. 26, 1961 filed 80,000 common. **Price**—$4. **Business**—Design, manufacture and sale of heavy-duty stainless steel equipment. **Proceeds**—For debt repayment and general corporate purposes. **Office**—454 Livonia Ave., Brooklyn, N. Y. **Underwriter**—Edwards & Hanly, Hempstead, N. Y.

Star Home and Shelter Corp.
June 28, 1961 filed 133,000 commn and 133,000 warrants to be offered in units, each unit consisting of one common share and one warrant. **Price**—$3 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., N. Y. (mgr.). **Note**—This firm formerly was known as Star Homes, Inc. **Offering**—Expected sometime in February.

• **Starmatic Industries, Inc.**
Nov. 3, 1961 filed 100,000 common. **Price**—By amendment. **Business** — Manufacture of boxes, brochures, packaging materials and packaging machines. **Proceeds**—For debt repayment and general corporate purposes. **Office**—252 W. 30th St., N. Y. **Underwriter**—To be named.

Steel Plant Equipment Corp. (1/22-26)
Oct. 2, 1961 ("Reg. A") 100,000 common. **Price**—$3. **Proceeds**—For equipment and working capital. **Address**—Norristown, Pa. **Underwriter**—Joseph W. Hurley & Co., Norristown, Pa.

Stelber Cycle Corp.
Jan. 5, 1962 filed $240,000 of 8% convertible debentures due 1972 and 60,000 common shares to be offered in units, each consisting of one $200 debenture and 50 shares. **Price**—$500 per unit. **Business**—Manufacture of bicycles, tricycles and toy automobiles. **Proceeds**—For debt repayment, moving expenses and a new product line. **Office**—744 Berriman St., Brooklyn, N. Y. **Underwriters**—Lloyd Securities, Inc. and Richard Bruce & Co., Inc., N. Y.

Sterner Lighting, Inc.
Jan. 2, 1962 ("Reg. A") 260,000 common. **Price**—$1.15. **Business**—Manufacture of outdoor fluorescent lighting devices. **Proceeds**—For working capital, equipment, inventory. **Address**—Winsted, Minn. **Underwriter**—Midwest Planned Investments, Inc., Minneapolis.

Stevens Markets, Inc.
Dec. 8, 1961 ("Reg. A") 13,559 class A common. **Price**—$7.37. **Business**—Operation of supermarkets. **Proceeds**—For selling stockholders. **Office**—5701 N. W. 35th Ave., Miami, Fla. **Underwriter**—Floyd D. Cerf Jr., Co., Inc., Chicago.

Stokely-Van Camp, Inc. (2/5-9)
Nov. 29, 1961 filed $15,000,000 of convertible subordinated debentures due 1982 to be offered by the company, and 100,000 common shares by a stockholder. **Price**—By amendment. **Business**—Processing and distributing of various canned and frozen food products. **Proceeds**—For debt repayment and working capital. **Office**—941 N. Meridian St., Indianapolis. **Underwriter**—Reynolds & Co., Inc., N. Y.

Struthers Scientific & International Corp. (1/22-26)
Oct. 23, 1961 filed 150,000 class A common. **Price**—By amendment. **Business**—Company was recently formed by Struthers Wells Corp., to take over latter's recent developments in saline water conversion and certain manufacturing, international engineering and sales activities. **Proceeds**—For general corporate purpose. **Office**—111 W. 50th St., N. Y. **Underwriter**—Hirsch & Co. Inc., N. Y.

Suburban Directory Publishers, Inc.
Dec. 28, 1961 filed 90,000 common. **Price**—$3. **Business**—Publishing and distributing telephone directories. **Proceeds**—For repayment of bank loans, additional equipment, expansion and working capital. **Office**—60 N. State St., Wilkes-Barre, Pa. **Underwriter**—G. K. Shields & Co., N. Y.

Taylor Publishing Co.
Dec. 21, 1961 filed 152,000 common. **Price**—By amendment. **Business** — Production and distribution of school year-books and commercial printing. **Proceeds**—For selling stockholders. **Office**—6320 Denton Dr., Dallas. **Underwriter**—Dallas Rupe & Son, Inc., Dallas, Tex.

• **Technibilt Corp.**
Nov. 28, 1961 filed 150,000 common. **Price**—$4. **Business**—Manufacture of shopping carts and related products. **Proceeds**—For debt repayment, equipment and working capital. **Office**—905 Air Way, Glendale, Calif. **Underwriter**—Frank Karasik & Co., N. Y. **Offering**—March.

Technical Animations, Inc.
Nov. 30, 1961 filed $211,400 of 7% conv. subord. debentures due 1972 (with warrants) to be offered for subscription by holders of class A and class B common at the rate of $100 of debentures for each 280 shares held. **Price**—$100 per unit ($100 of debentures and one warrant to purchase 14 class A shares). **Business**—Design and manufacture of animated transparencies and other technical training aids and displays. **Proceeds**—For debt repayment, expansion, research, and working capital. **Office**—11 Sintsink Dr., East Port Washington, N. Y. **Underwriters**—Bull & Low; John R. Maher Associates; and R. Topik & Co., Inc., N. Y.

Tec-Torch Co., Inc. (2/5-9)
Nov. 28, 1961 filed 100,000 common. **Price**—$3.25. **Business** — Design and manufacture, of inert gas welding equipment. **Proceeds**—For debt repayment, expansion and working capital. **Office**—153 Union Ave., East Rutherford, N. J. **Underwriter**—Scott, Harvey & Co., Inc., Fairlawn, N. J.

Tel-A-Sign, Inc.
Oct. 30, 1961 filed $900,000 of convertible subordinated debentures due 1974 and 180,000 common to be offered in units consisting of $100 of debentures and 20 common. **Price**—By amendment. **Business** — Manufactures illuminated and non-illuminated signs and other advertising material. **Proceeds** — For debt repayment and working capital. **Office** — 3401 W. 47th St., Chicago. **Underwriter**—Clayton Securities Corp., Boston.

Tele-Cine, Inc.
Dec. 29, 1961 ("Reg. A") 100,000 common and $100,000 of 6% 5-year subordinated debentures. **Price**—For stock, $1; for debentures, at par ($100). **Business**—Production of television programs. **Proceeds**—For equipment, debt repayment and other corporate purposes. **Office**—1017 New Jersey Ave., S. E., Washington, D. C. **Underwriter**—Turnbull, Deter & Sullivan, Inc., Charlottesville, Va.

Texas Electro-Dynamic Capital, Inc.
Oct. 16, 1961 filed 250,000 common. **Price**—By amendment. **Business**—A small business investment company. **Proceeds**—General corporate purposes. **Office**—1947 W. Gray Ave., Houston. **Underwriter**—Moroney, Beissner & Co., Inc., Houston.

Texas Power & Light Co. (1/23)
Dec. 13, 1961 filed $10,000,00 of sinking fund debentures due 1987. **Proceeds**—For debt repayment and construction. **Office** — 1511 Bryan St., Dallas. **Underwriters**—(Competitive). Probable bidders: Halsey, Stuart & Co. Inc.; Kuhn, Loeb & Co.-Blyth & Co., Inc.-Kidder, Peabody & Co.-Merrill Lynch, Pierce, Fenner & Smith Inc. (jointly); Lehman Brothers; White, Weld & Co.; First Boston Corp.; Eastman Dillon, Union Securities & Co.-Salomon Brothers & Hutzler (jointly). **Bids**—Expected Jan. 23, 1962 at 11:30 a.m. **Information Meeting**—Jan. 19 at 11:00 a.m. (EST) at 2 Rector St., N. Y.

Texas Tennessee Industries, Inc. (1/29-2/2)
Oct. 26, 1961 filed 175,000 common, of which 150,000 shares are to be offered by the company and 25,000 by stockholders. **Price**—By amendment. **Business**—Manufacture of water coolers, water cans and portable hot beverage dispensers. **Proceeds**—For debt repayment and general corporate purposes. **Office**—6502 Rusk Ave., Houston. **Underwriter** — S. D. Fuller & Co., N. Y.

★ **Thomasville Furniture Industries, Inc.**
Jan. 16, 1962 filed 343,551 common. **Price**—By amendment. **Business**—Manufacture of household furniture. **Proceeds**—For the selling shareholders. **Office**—401 E. Main St., Thomasville, N. C. **Underwriter**—Hornblower & Weeks, N. Y.

Thompson Manufacturing Co., Inc.
Dec. 22, 1961 filed 90,000 common, of which 80,000 shares are to be offered by the company and 10,000 by stockholders. **Price**—$4. **Business**—Design and manufacture of special machinery for bowling alleys and related equipment. **Proceeds**—For expansion and general corporate purposes. **Office** — Canal St., Lancaster, N. H. **Underwriter**—Packer-Wilbur Co., Inc., N. Y.

Thunderbird International Hotel Corp.
Jan. 2, 1962 filed 175,000 common. **Price**—By amendment ($10 max.). **Business**—Hotel ownership and management. **Proceeds** — For construction. **Office** — 525 N. Sepulveda Blvd., El Segundo, Calif. **Underwriter**—Vickers, MacPherson & Warwick, Inc., N. Y.

Tidewater Lumber Co. (1/29-2/2)
Oct. 23, 1961 filed 200,000 common. **Price**—$5. **Business**—Wholesale lumber company. **Proceeds**—For debt repayment and working capital. **Office** — 1600 Hillside Ave., New Hyde Park, N. Y. **Underwriter**—Rubin, Rennert & Co., Inc., N. Y.

• **Tokyo Shibaura Electric Co., Ltd. ("Toshiba") (2/5-9)**
Dec. 5, 1961 filed 30,000,000 common to be offered for public sale in the U. S., in the form of 600,000 American Depositary Shares, each representing 50 common shares of the company. **Price**—By amendment. **Business**—Manufactures a broad line of electrical and electronic equipment including home appliances, radio and TV, heavy duty equipment, tubes and semi-conductors. **Proceeds**—For the account of a subsidiary. **Office**—Tokyo, Japan. **Underwriters**—Smith, Barney & Co., and the Nomura Securities Co. Ltd., N. Y.

Tokyo Shibaura Electric Co., Ltd. ("Toshiba")
Dec. 8, 1961 filed 50,000,000 common shares to be offered to stockholders on the basis of one new share for each two held of record Dec. 30. **Price**—$0.125. **Business**—Manufactures a broad line of electrical and electronic equipment. **Proceeds** — For expansion. **Office**—Tokyo, Japan. **Underwriters**—None.

Tork Time Controls, Inc. (2/26-3/2)
Dec. 12, 1961 filed 150,000 common. **Price**—By amendment. **Business**—Design and manufacture of time controlled switches. **Proceeds**—For debt repayment, expansion, and working capital. **Office**—1 Grove St., Mount Vernon, N. Y. **Underwriters**—Godfrey, Hamilton, Taylor & Co., and Magnus & Co., N. Y.

Trail-Aire, Inc.
Dec. 27, 1961 ("Reg. A") 55,000 capital shares. **Price**—$5. **Business** — Manufacturing, servicing and repairing of commercial truck trailers. **Proceeds**—For debt repayment and general corporate purposes. **Office**—18033 S. Santa Fe Ave., Long Beach, Calif. **Underwriter**—Adams & Co., Los Angeles. **Offering** — Expected in mid-February.

Trans-Alaska Telephone Co. (2/13-16)
Nov. 29, 1961 filed 265,000 common, of which 250,000 are to be offered by the company and 15,000 by a stockholder. **Price**—$6. **Proceeds**—For construction, and acquisition, repayment of debt, and other corporate purposes. **Office**—110 E. 6th Ave., Anchorage, Alaska. **Underwriter**—Milton D. Blauner & Co., Inc., N. Y.

Transdata, Inc.
Nov. 29, 1961 filed 100,000 common. **Price**—$5. **Business**—Research and development in the data and image processing and transmission field. **Proceeds**—For debt repayment and other corporate purposes. **Office**—1000 N. Johnson Ave., El Cajon, Calif. **Underwriter**—N. C. Roberts & Co., Inc., San Diego.

Trans-Pacific Research & Capital, Inc.
Nov. 27, 1961 filed 47,000 common. **Price**—By amendment. **Business** — Manufacture of high pressure valves and accessories. **Proceeds**—For expansion, working capital, and possible acquisitions. **Office** — Pacific National Bank Bldg., Bellevue, Wash. **Underwriter**—Hill, Darlington & Grimm, N. Y. **Offering**—In mid-February.

Tri-Point Industries, Inc. (2/13-16)
Sept. 28, 1961 filed 160,000 common, of which 80,000 are to be offered by the company and 80,000 shares by stockholders. **Price**—By amendment. **Business**—Manufacture of precision, plastic components. **Proceeds**—For repayment of loans, advertising, equipment and working capital. **Office**—175 I. U. Willets Rd., Albertson, L. I., N. Y. **Underwriter**—Hill, Darlington & Grimm, N. Y.

Tripoli Co., Inc. (1/22-26)
Oct. 20, 1961 ("Reg. A") 60,000 common. **Price** — $5. **Business** — Manufacture of a wide variety of cosmetics. **Proceeds**—For equipment, inventory and working capital. **Office**—1215 Walnut St., Philadelphia. **Underwriter**—D. L. Greenbaum & Co., Philadelphia.

• **Trygon Electronics Inc.**
Dec. 22, 1961 filed 100,000 common, of which 52,000 are to be offered by the company and 48,000 by stockholders. **Price**—$6. **Business**—Design, manufacture and sale of power supplies. **Proceeds**—For debt repayment and working capital. **Office**—111 Pleasant Ave., Roosevelt, L. I., N. Y. **Underwriter**—William, David & Motti, Inc., N. Y. **Offering**—Expected sometime in March.

Turbodyne Corp.
May 10, 1961 filed 127,500 shares of common stock. **Price**—$5 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**—Sandkuhl & Co., Inc., Newark, N. J., and N. Y. C. **Offering**—Expected sometime in March.

Turner Engineering & Automation Corp. (2/5-9)
Sept. 27, 1961 ("Reg. A") 75,000 common. **Price**—$4. **Business**—Manufactures electronic devices and components. **Office**—209 Glenside Ave., Wyncote, Pa. **Underwriter** — Valley Forge Securities Co., Inc., Phila.

Twentieth Century Capital Corp.
Nov. 24, 1961 filed 250,000 common. **Price**—By amendment. **Business**—A small business investment company. **Proceeds**—For general corporate purposes. **Office**—134 S. La Salle St., Chicago. **Underwriter**—Bacon, Whipple & Co., Chicago.

21 Brands, Inc.
Dec. 22, 1961 filed 800,000 common, of which 550,000 are to be offered by the company and 250,000 by stockholders. **Price**—By amendment. **Business**—Distribution of imported and American wines and whiskies. **Proceeds**—For debt repayment, expansion and working capital. **Office**—23 W. 52nd St., N. Y. **Underwriters**—A. C. Allyn & Co., and Hornblower & Weeks. **Offering**—In March.

Tyson Metal Products, Inc. (1/29-2/2)
Oct. 26, 1961 filed 70,000 common, of which 21,000 shares are to be offered by the company and 49,000 by stockholders. **Price**—By amendment. **Business**—Manufacture of food and beverage service equipment. **Proceeds**—For working caiptal. **Office**—6815 Hamilton Ave., Pittsburgh. **Underwriter** — Arthurs, Lestrange & Co., Pittsburgh.

Ultra Plastics Inc. (1/29-2/2)
Sept. 19, 1961 filed 150,000 class A common. **Price**—$4. **Business**—The manufacture of outdoor plastic signs and urethane foam. **Proceeds**—For equipment, repayment of debt, inventory, additional personnel, advertising and **Underwriter**—Amos Treat & Co., N. Y.

Uneeda Vending Service, Inc.
Dec. 14, 1961 ("Reg. A") 73,500 common. **Price** — $3. **Business** — Purchase of new and used coin-operated vending and recreational machines. **Proceeds**—For general corporate purposes. **Office**—166 Clymer St., Brooklyn, N. Y. **Underwriter**—Capital Consultants Corp., N. Y.

• **Union Title Co. (1/29-2/2)**
Aug. 26, 1961 filed 282,000 capital shares. **Price**—$7.50. **Business**—The insuring of real estate titles. **Proceeds**—For working capital and expansion. **Office**—222 N. Central Ave., Phoenix. **Underwriter**—None.

United Aero Products Corp. (1/22-26)
Sept. 28, 1961 filed $600,000 of 6% conv. subord. debentures due 1971. **Price**—At par. **Business**—Manufacture of precision machined parts for the aircraft, missile, electronics and nuclear industries. **Proceeds**—Debt repayment, research and development, expansion and working capital. **Office**—Columbus Rd., Burlington, N. J. **Underwriters**—Hess, Grant & Remington, Inc., Philadelphia and Arthurs, Lestrange & Co., Pittsburgh.

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United Investors Life Insurance Co.
Dec. 15, 1961 filed 562,500 common, of which 472,100 shares are to be offered for subscription by stockholders of Waddell & Reed, Inc., parent, on the basis of one United share for each two Waddell shares held. The remaining 90,400 shares will be offered to certain persons associated with the parent company or its subsidiaries. **Price**—By amendment. **Business**—A legal reserve life insurance company. **Proceeds**—For the account of Waddell & Reed. **Office**—20 W. 9th St., Kansas City, Mo. **Underwriter**—Kidder, Peabody & Co., N. Y. **Offering**—Expected sometime in February.

United Packaging Co., Inc. (2/26-3/2)
Nov. 29, 1961 filed 102,000 common. **Price**—$3. **Business**—A general packaging business. **Proceeds** — For new machinery, debt repayment and working capital. **Office**—4511 Wayne Ave., Philadelphia. **Underwriter**—Godfrey, Hamilton, Taylor & Co., Inc., N. Y.

• **U. S. Controls, Inc.**
Sept. 28, 1961 filed 120,000 common. **Price**—$2.25. **Business**—The manufacture of automatic control systems. **Proceeds**—For repayment of debt, a sales and advertising program, research and development, equipment and working capital. **Office** — 410 Fourth Ave., Brooklyn. **Underwriter**—To be named.

U. S. Electronic Publications, Inc.
Sept. 26, 1961 ("Reg. A") 100,000 common. **Price**—$3. **Business**—Publishing of military and industrial handbooks. **Proceeds**—Debt repayment, expansion and working capital. **Office**—480 Lexington Ave., N. Y. **Underwriter**—Douglas Enterprises, 8856 18th Ave., Brooklyn.

U. S. Realty Investments
Dec. 21, 1961 filed 600,000 shares of beneficial interests. **Price**—By amendment. **Business**—A real estate investment trust. **Proceeds**—For general corporate purposes. **Office**—720 Euclid Ave., Cleveland. **Underwriter**—Hornblower & Weeks, N. Y.

United Variable Annuities Fund, Inc.
April 11, 1961 filed 2,500,000 shares of stock. **Price**—$10 per share. **Business**—A new mutual fund. **Proceeds**—For investment. **Office**—20 W. 9th Street, Kansas City, Mo. **Underwriter**—Waddell & Reed, Inc., Kansas City, Mo. **Offering**—Expected in early March.

Univend Corp. (1/29-2/2)
Sept. 29, 1961 ("Reg. A") 115,000 common. **Price**—$2.50. **Business**—Operates coin-vending machines for food and drink. **Proceeds** — For expansion and working capital. **Office**—28 O'Brien Place, Brooklyn, N. Y. **Underwriter**—Ezra Kureen Co., N. Y.

Universal Electronics Laboratories Corp. (1/29-2/2)
Sept. 28, 1961 filed 90,250 common, of which 76,250 will be sold by the company and 14,000 by stockholders. **Price**—By amendment. **Business**—Design, development and production of teaching machines. **Proceeds**—For production expenses, advertising, marketing etc. **Office**—510 Hudson St., Hackensack, N. J. **Underwriters**—Stearns & Co., Clark, Weinstock & Porges, and Elmaleh & Co., Inc., N. Y.

Universal Lighting Products, Inc.
Sept. 21, 1961 filed 175,000 common. **Price**—$1. **Business**—Manufacturer of lighting fixtures and display and merchandising equipment for use in gasoline service stations. **Proceeds** — Repayment of debt and working capital. **Office**—55 Bergenline Ave., Westwood, N. J. **Underwriter**—Globus, Inc., N. Y. **Offering**—Sometime in February.

Uropa International, Inc. (1/29-2/2)
Sept. 28, 1961 filed 120,000 common. **Price**—$2.50. **Business**—Importing of compact appliances and stereophonic radio and phonograph consoles. **Proceeds**—For working capital. **Office**—16 W. 32nd St., N. Y. **Underwriter**—Dean Samitas & Co., N. Y.

U-Tell Corp. (1/29-2/2)
Sept. 18, 1961 ("Reg. A") 33,097 common. **Price** — $5. **Business** — Operation of a discount department store. **Office**—3629 N. Teutonia Ave., Milwaukee, Wis. **Underwriter**—Continental Securities Corp., Milwaukee, Wis.

• **Val-U Homes Corp. of Delaware (2/5)**
Aug. 28, 1961 filed 100,000 common. **Price**—$5. **Business**—The manufacture of prefabricated buildings and building components. **Proceeds**—For working capital. **Office**—765 River St., Paterson, N. J. **Underwriter**—Mayo & Co., Inc., Philadelphia.

Valle's Steak House
Dec. 22, 1961 filed 78,812 common, of which 55,736 are to be offered by the company and 23,076 shares by a stockholder. **Price**—By amendment. **Business**—The operation of four restaurants in Maine and Mass. **Proceeds**—For expansion, debt repayment and general corporate purposes. **Office**—646 Forest Ave., Portland, Maine. **Underwriters**—H. M. Payson & Co., Portland, and R. W. Pressprich & Co., N. Y.

• **Valley Metallurgical Processing Co. (2/6-8)**
Oct. 23, 1961 filed 70,000 common. **Price**—By amendment. **Business**—Production of metal powders for the rocket, munitions and pyrotechnics industries. **Proceeds**—For debt repayment and general corporate purposes. **Office**—Essex, Conn. **Underwriter**—McDonnell & Co. Inc., N. Y.

• **Van-Pak, Inc. (2/13-16)**
Sept. 15, 1961 filed 140,000 common. **Price**—$15. **Business**—A nation-wide and overseas non-regulated freight forwarder engaged in the forwarding of household goods. **Proceeds**—To repay debt, purchase metal containers, and increase working capital. **Office** — 542 Insurance Exchange Bldg., Des Moines, Iowa. **Underwriter**—Hodgdon & Co., Inc., Washington, D. C.

Van Der Hout Associates Ltd.
Nov. 29, 1961 filed 100,000 common. **Price**—By amendment. **Business**—National distributor of automotive parts in Canada. **Proceeds**—For selling stockholders. **Office**—1480 Lake Shore Rd., Toronto. **Underwriter**—Rosmar Corp., Ltd., Toronto.

Varicraft Industries, Inc.
Nov. 7, 1961 ("Reg. A") 120,000 common. **Price**—$2.25. **Business**—Custom design and manufacture of furniture. **Proceeds**—For debt repayment and working capital. **Office**—45th St. and Crescent Blvd., Pennsauken, N. J. **Underwriter**—Mayo & Co., Inc., Philadelphia. **Offering**—Imminent.

Varigraphics, Inc.
Dec. 26, 1961 ("Reg. A") 50,000 common. **Price**—$4. **Business**—Supplies publishing and technical services to industrial and commercial firms for publishing of printed matter. **Proceeds**—For debt repayment, equipment, plant improvements and working capital. **Office**—7133 Darby Ave., Reseda, Calif. **Underwriter** — Adams & Co., Los Angeles. **Offering**—Expected in late January.

• **Vassar Corp.**
Dec. 27, 1961 filed 124,900 common, of which 55,000 are to be offered by the company and 69,900 by stockholders. **Price**—By amendment. **Business**—Design, manufacture and distribution of aids for hair styling, and the production of eyebrow pencils, lip liners, etc. **Proceeds**—For debt repayment, equipment and working capital. **Office**—585 Gerard Ave., N. Y. **Underwriter**—J. R. Williston & Beane, N. Y. **Offering**—Expected in March.

• **Venus Drug Distributors, Inc. (2/5-9)**
Oct. 2, 1961 filed 168,000 common, of which 120,000 are to be sold by the company and 48,000 by stockholders. **Price**—$5. **Business**—Wholesale distribution of cosmetics. **Proceeds**—For new product development, advertising and working capital. **Office** — 4206 W. Jefferson Blvd., Los Angeles, Calif. **Underwriter**—Garat & Polonitza, Inc., Los Angeles.

• **Vic Tanny Enterprises, Inc. (1/22-26)**
May 11, 1961 filed 200,000 shares of class A common to be sold by Mr. Vic Tanny, a stockholder, who will use proceeds to repay debt to company. **Price**—$6.25. **Business**—The operation of a national chain of gymnasiums and health centers for men and women. **Office**—375 Park Ave., N. Y. **Underwriters**—Globus, Inc., and Ross, Lyon & Co., Inc., N. Y.

• **Virginia Dare Stores Corp. (1/29-2/2)**
Oct. 27, 1961 filed 154,000 common, of which 100,000 shares are to be offered by the company and 54,000 shares by stockholders. **Price**—By amendment. **Business**—Operation of stores selling women's, misses and children's apparel. **Proceeds**—For working capital. **Office**—111 Eighth Ave., N. Y. **Underwriter**—Lehman Brothers, N. Y.

• **Visual Arts Inrustries, Inc.**
Dec. 26, 1961 filed 95,000 common. **Price**—$2. **Business**—Design, assembly, production and sale of creative arts, crafts, hobbies and educational toys. **Proceeds**—For debt repayment. **Office**—68 Thirty-third St., Brooklyn, N. Y. **Underwriters**—Ross, Lyon & Co., and Globus, Inc., N. Y. **Offering**—Expected in late March.

• **Vitamin Specialties Co. (2/13-16)**
Nov. 6, 1961 ("Reg. A") 100,000 capital shares. **Price**—$3. **Business** — Sale of vitamin products and proprietary drugs. **Proceeds**—For debt repayment and working capital. **Office**—3610-14 N. 15th St., Philadelphia. **Underwriter**—Woodcock, Moyer, Fricke & French, Inc., Philadelphia.

• **Voldale, Inc. (2/5-9)**
Oct. 20, 1961 ("Reg. A") 54,000 common. **Price**—$4.25. **Business**—Acquisition and development of new patents. **Proceeds**—For debt repayment and working capital. **Office**—35-10 Astoria Blvd., Long Island City, N. Y. **Underwriter**—Peters, Writer & Christensen, Inc., Denver.

Volume Distributors, Inc.
Nov. 24, 1961 filed 90,000 common. **Price**—By amendment. **Business**—Operation of a self-service family shoe store chain and shoe departments in discount department stores. **Proceeds**—For debt repayment and other corporate purposes. **Office**—115 W. Crane St., Topeka, Kan. **Underwriter**—Stern Brothers & Co., Kansas City, Mo.

Vornado, Inc. (2/14)
Dec. 7, 1961 filed $5,500,000 of convertible subordinated debentures due 1982, to be offered to common stockholders at the rate of $100 of debentures for each 25 shares held. **Price**—By amendment. **Business**—Operates a chain of retail "discount" stores and manufactures electric appliances. **Proceeds**—For expansion. **Office**—174 Passaic St., Garfield, N. J. **Underwriter**—Bache & Co., N. Y.

• **Voron Electronics Corp. (1/29-2/2)**
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. **Underwriter** — John Joshua & Co., Inc., N. Y.

Wade, Wenger ServiceMASTER Co.
Dec. 28, 1961 filed 140,000 capital shares. **Price**—By amendment. **Business**—Sale of franchises for on-location cleaning and moth-proofing of rugs, furniture, etc. Company also manufactures and sells cleaning equipment and supplies to franchise holders. **Proceeds**—For debt repayment, new building and equipment and other corporate purposes. **Office** — 2117-29 N. Wayne, Chicago. **Underwriter**—Laren Co., N. Y.

Walston Aviation, Inc.
Oct. 30, 1961 filed 90,000 common, of which 60,000 are to be offered by the company and 30,000 by a stockholder. **Price**—$6.25. **Business**—Sells Cessna Airplanes and supplies; also repairs and services various type airplanes. **Proceeds** — For expansion and general corporate purposes. **Office**—Civic Memorial Airport, E. Alton, Ill. **Underwriter**—White & Co., Inc., St. Louis.

Waterman Steamship Corp.
Aug. 29, 1961 filed 1,743,000 common. **Price**—By amendment. **Business**—The carrying of liner-type cargoes. **Proceeds**—For the purchase of vessels, and working capital. **Office**—71 Saint Joseph St., Mobile, Ala. **Underwriter**—Shields & Co. Inc., N. Y. (mgr.). **Offering**—Expected sometime in March.

Weinkles Liquor Stores, Inc.
Dec. 27, 1961 filed 165,000 common, of which 80,000 are to be offered by the company and 85,000 by stockholders. **Price**—$4.50. **Business**—Retail sale of liquor in and about Miami, Fla. **Proceeds**—For working capital. **Office**—2305 N. W. 12th Ave., Miami, Fla. **Underwriter**—Charles Plohn & Co., N. Y. **Offering**—In April.

• **Welcome Baby, Inc.**
Dec. 28, 1961 filed 75,000 common. **Price**—$2. **Business**—Company renders direct mail public relations, sales promotion and advertising services to mothers on behalf of retail stores. **Proceeds**—For debt repayment and general corporate purposes. **Office**—210-07 48th Ave., Bayside, N. Y. **Underwriters**—Globus, Inc., and First Philadelphia Corp., N. Y. **Offering**—In late February.

• **West Falls Shopping Center Limited Partnership (2/26-3/2)**
Nov. 14, 1961 filed $444,000 of limited partnership interests to be offered in 444 units. **Price**—$1,000. **Business**—Development of a shopping center at Falls Church, Va. **Proceeds**—For general corporate purposes. **Office**—1411 K St., N. W., Washington, D. C. **Underwriter**—Hodgdon & Co., Inc., Washington, D. C.

★ **West Penn Power Co. (3/5)**
Jan. 12, 1962 filed $30,000,000 of first mortgage bonds, series S, due March 1, 1992. **Proceeds**—For debt repayment and construction. **Address**—Cabin Hill, Greensburg, Pa. **Underwriters**—(Competitive). Probable bidbers: Halsey, Stuart & Co. Inc.; W. C. Langley & Co.; Lehman Brothers; Eastman Dillon, Union Securities & Co.-First Boston Corp. (jointly); Harriman Ripley & Co.; Kidder, Peabody & Co.-White, Weld & Co. (jointly). **Bids**—Expected March 5 (at 12 noon EST). **Information Meeting**—March 2 (10:30 a.m., EST) at 55 Wall St., (5th floor), N. Y.

Westates Land Development Corp. (2/5-9)
Sept. 28, 1961 filed $1,500,000 of 7% convertible subord. debentures due 1976 and 300,000 common shares to be offered in units, each consisting of $100 of debentures and 20 common shares. **Price**—$200 per unit. **Business**—General real estate. **Proceeds**—For debt repayment and working capital. **Office** — 9412 Wilshire Blvd., Beverly Hills, Calif. **Underwriter**—Morris Cohon & Co., N. Y.

Western California Telephone Co. (2/15)
Dec. 18, 1961 filed 84,000 common to be offered for subscription by preferred and common stockholders of record Feb. 15, on the basis of one right for each common share held and two-fifths of a right for each preferred share held. Two rights will be required to purchase one new share. **Price**—By amendment. **Proceeds**—For construction. **Office** — 15900 San Jose-Los Gatos Rd., Los Gatos, Calif. **Underwriter**—Dean Witter & Co., San Francisco.

Western Reserve Life Assurance Co. of Ohio
Dec. 29, 1961 filed 213,734 common to be offered for subscription by stockholders on the basis of two new shares for each 3 held. **Price**—By amendment. **Proceeds**—For expansion. **Office**—335 Euclid Ave., Cleveland. **Underwriters** — McDonald & Co., and Ball, Burge & Kraus, Cleveland.

Western States Real Investment Trust
Nov. 13, 1961 filed 32,000 shares of beneficial interest. **Price**—$6.25. **Business**—A small business investment company. **Proceeds**—For investment. **Office**—403 Ursula St., Aurora, Colo. **Underwriter**—Westco Corp., Aurora, Colo.

• **Western Union Telegraph Co. (2/5)**
Jan. 10, 1962 filed $50,000,000 of sinking fund debentures due 1987. **Price**—By amendment. **Business**—Furnishes communications service by wire telegraph and microwave radio in U. S., and by ocean cable between U. S. and foreign countries. **Proceeds**—For debt repayment and expansion. **Office**—60 Hudson St., N. Y. **Underwriters**—Kuhn, Loeb & Co., and Lehman Brothers, N. Y.

• **Westland Capital Corp. (1/22-26)**
Sept. 21, 1961 filed 985,500 common. **Price**—$11. **Business**—A small business investment company. **Proceeds**—For Working capital. **Office**—9229 Sunset Blvd., Los Angeles, Calif. **Underwriter**—Bear, Stearns & Co., N. Y.

Wham-O Mfg. Co.
Dec. 26, 1961 filed 145,000 common, of which 72,500 are to be offered by the company and 72,500 by stockholders. **Price**—By amendment. **Business**—Design, manufacture and sale of toys and games, sporting goods and housewares. **Proceeds**—For working capital. **Office**—335 E. El Monte St., San Gabriel, Calif. **Underwriter**—Lester, Ryons & Co., Los Angeles.

White Electromagnetics, Inc.
Oct. 5, 1961 filed 65,000 common. **Price**—$3.75. **Business**—Rendering of consulting services pertaining to electronic system analysis. **Proceeds**—For expansion, publication of technical papers, marketing, product development and working capital. **Office**—4903 Auburn Ave., Bethesda, Md. **Underwriter**—Weil & Co., Inc., Washington, D. C.

Wiatt (Norman) Co. (2/5-9)
Nov. 28, 1961 filed 135,000 common, of which 45,000 shares are to be offered by the company and 90,000 by stockholders. **Price**—By amendment. **Business**—Design

Continued on page 126

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and manufacture of ladies' dresses. **Proceeds**—For general corporate purposes. **Office**—124 E. Olympic Blvd., Los Angeles. **Underwriters**—Schwabacher & Co., and J. Barth & Co., San Francisco; and Bear, Stearns & Co., N. Y.

• Widmann (L. F.), Inc. (2/13-16)

Oct. 27, 1961 filed 162,000 common, of which 102,000 are to be offered by the company and 60,000 by stockholders. **Price**—$3. **Business**—Operates a chain of retail drug stores. **Proceeds**—Expansion, equipment and working capital. **Office**—738 Bellefonte Ave., Lock Haven, Pa. **Underwriter**—Godfrey, Hamilton, Taylor & Co., N. Y.

Wiggins Plastics, Inc.

Oct. 20, 1961 ("Reg. A") 100,000 common. **Price**—$3. **Business**—Custom compression, transfer and injection molding of plastic materials. **Proceeds**—For debt repayment and general corporate purposes. **Office**—180 Kingsland Rd., Clifton, N. J. **Underwriter**—Investment Planning Group, Inc., East Orange, N. J. **Offering**—Expected in mid-February.

• Windsor (Kay), Inc. (1/22-26)

Sept. 28, 1961 filed 200,000 class A common. **Price**—By amendment. **Business**—Manufacture and sale of women's dresses. **Proceeds**—For a selling stockholder. **Office**—Deane St., New Bedford, Mass. **Underwriter**—Lee Higginson Corp., N.Y.

Windsor Texprint, Inc.

Aug. 25, 1961 filed 265,000 common, of which 250,000 are to be offered by the company and 15,000 by stockholders. **Price**—$2. **Business**—The printing of towels and other textile products. **Proceeds**—For repayment of loans. **Office**—2357 S. Michigan Ave., Chicago. **Underwriter**—D. E. Liederman & Co., Inc., N. Y. **Offering**—In Feb.

• Winslow Electronics, Inc.

Dec. 28, 1961 filed 125,000 common. **Price**—$4. **Business**—Design and manufacture of precision electrical and electronic measuring devices and test equipment. **Proceeds**—For debt repayment and other corporate purposes. **Office**—1005 First Ave., Asbury Park, N. J. **Underwriter**—Amos Treat & Co., Inc., N. Y. **Offering**—In Mar.

★ Wonderland Motel, Inc.

Jan. 2, 1962 ("Reg. A") 18,000 common. **Price**—$5. **Business**—Operation of a motel. **Proceeds**—For debt repayment, furnishings and working capital. **Office**—2021 Central Ave., Hot Springs, Ark. **Underwriter**—None.

World Scope Publishers, Inc. (1/29-2/2)

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., N. Y.

World Toy House, Inc. (2/5-9)

Nov. 24, 1961 filed 150,000 common. **Price**—By amendment. **Business**—A manufacturers' broker specializing in the sale of toys, hobby goods and related items. **Proceeds**—For general corporate purposes. **Office**—408 St. Peter St., St. Paul, Minn. **Underwriter**—Laren Co., N. Y.

Worldwide Fund Ltd. (1/29-2/2)

Sept. 19, 1961 filed 100,000 common. **Price**—$100. **Business**—The Fund plans to invest primarily in equity securities of foreign issuers. **Office**—Bank of Bermuda Bldg., Hamilton, Bermuda. **Underwriter**—Burnham & Co., N. Y.

Wulpa Parking Systems, Inc. (2/5-9)

Oct. 13, 1961 ("Reg. A") 75,000 common. **Price**—$4. **Business**—Company plans to manufacture a parking device called the "Wulpa Lift." **Proceeds**—To open locations and increase working capital. **Office**—370 Seventh Ave., N. Y. **Underwriter**—Ehrlich, Irwin & Co., Inc., N. Y.

Wynlit Pharmaceuticals, Inc.

Dec. 28, 1961 filed 125,000 common. **Price**—By amendment. **Business**—Development and manufacture of pharmaceuticals and medical products. **Proceeds**—For general corporate purposes. **Office**—91 Main St., Madison, N. J. **Underwriter**—Andresen & Co., N. Y.

Yankee Plastics, Inc.

Sept. 8, 1961 ("Reg. A") 100,000 common. **Price** — $3. **Business**—Manufactures plastic hangers and forms. **Proceeds** — For acquisition of manufacturing facilities and working capital. **Office**—29 W. 34th St., N. Y. **Underwriter**—Sunshine Securities Inc., Rego Park, N. Y. **Offering**—Imminent.

Youthcraft Creations, Inc. (2/13-16)

Dec. 6, 1961 filed 130,000 class A shares, of which 20,000 are to be offered by the company and 110,000 by stockholders. **Price**—By amendment. **Business**—Design and manufacture of foundation garments for "juniors" and women. **Proceeds** — To finance increased accounts receivable and for other corporate purposes. **Office**—21-09 Borden Ave., Long Island City, N. Y. **Underwriter**—Paine, Webber, Jackson & Curtis, N. Y.

Zenith Laboratories, Inc.

Nov. 22, 1961 filed 120,000 common. **Price**—$4.50. **Business**—Development and manufacture of ethical pharmaceuticals, non-prescription drugs, vitamins, etc. **Proceeds**—For repayment of debt and working capital. **Office**—150 S. Dean St., Englewood, N. J. **Underwriter**—Sulco Securities, Inc., N. Y.

ATTENTION UNDERWRITERS!

Do you have an issue you're planning to register? Our Corporation News Department would like to know about it so that we can prepare an item similar to those you'll find hereunder.

Would you telephone us at REctor 2-9570 or write us at 25 Park Place, New York 7, N. Y.

Prospective Offerings

★ Alabama Power Co. (6/7)

On Jan. 12, 1962 it was reported that this subsidiary of the Southern Co. plans to offer $17,000,000 30-year first mortgage bonds in June. **Office**—600 N. 18th St., Birmingham, Ala. **Underwriters**—(Competitive) Probable bidders: Blyth & Co. Inc.-Kidder, Peabody & Co. (jointly); Morgan Stanley & Co.; First Boston Corp.; Eastman Dillon, Union Securities & Co.-Equitable Securities Corp.-Drexel & Co. (jointly); Lehman Brothers, Halsey, Stuart & Co., Inc. **Bids**—Expected June 7. **Registration**—Scheduled for May 10.

• American Telephone & Telegraph Co. (2/14)

Dec. 20, 1961 it was reported that the company plans to sell $300,000,000 of debenture bonds due Feb. 1, 1994. **Proceeds**—For expansion. **Office**—195 Broadway, N. Y. **Underwriters**—(Competitive). Probable bidders: Morgan Stanley & Co.; First Boston Corp., and Halsey, Stuart & Co. Inc. (jointly). **Bids**—Expected Feb. 14. **Registration**—Scheduled for Jan. 19.

★ Atlantic Coast Line RR.

Jan. 16, 1962 it was reported that this road expects to sell $4,155,000 of equipment trust certificates in late February or early March. **Offices**—500 Water St., Jacksonville, Fla., and 220 E. 42nd St., N. Y. **Underwriters**—(Competitive). Probable bidders: Salomon Brothers & Hutzler; Halsey, Stuart & Co. Inc.

★ Chicago, Burlington & Quincy RR. (2/8)

Jan. 17, 1962 it was reported that this road plans to sell $6,450,000 of equipment trust certificates due Sept. 1, 1962-77 in February. Two additional issues totaling about $6,500,000 also will be sold in the late Spring and Fall. **Office**—547 West Jackson Blvd., Chicago. **Underwriters**—(Competitive). Probable bidders: Salomon Brothers & Hutzler, Halsey, Stuart & Co. Inc. **Bids**—Feb. 8 (12 noon CST), at above address.

Consumers Power Co.

Jan. 9, 1962 it was reported that this company plans to sell about $40,000,000 of securities, probably first mortgage bonds, about mid-year. **Proceeds**—For construction. **Office**—212 West Michigan Ave., Jackson, Mich. **Underwriters**—(Competitive). Probable bidders: Halsey, Stuart & Co. Inc.; White, Weld & Co.-Shields & Co. (jointly); Harriman Ripley & Co. Inc.-First Boston Corp. (jointly); Morgan Stanley & Co.

Fairfield County Trust Co.

Jan. 10, 1962 it was reported that stockholders are to vote Feb. 15 on increasing authorized stock to provide for sale of 49,875 additional shares to stockholders on the basis of one new share for each 11 held of record Feb. 20. **Price**—$40. **Proceeds**—To increase capital and surplus. **Office**—300 Main St., Stamford, Conn. **Underwriter**—None.

★ Georgia Power Co. (11/7)

On Jan. 12, 1962 it was reported that this subsidiary of the Southern Co. plans to offer $23,000,000 30-year first mortgage bonds in November. **Office**—270 Peachtree Bldg., Atlanta, Ga. **Underwriters**—(Competitive). Probable bidders: Halsey, Stuart & Co., Inc.; Harriman Ripley & Co., Inc.; Blyth & Co., Inc.; Kidder, Peabody & Co.-Shields & Co. (jointly); Equitable Securities Corp.-Eastman Dillon, Union Securities & Co. (jointly); First Boston Corp.; Lehman Brothers; Morgan Stanley & Co. **Bids**—Expected Nov. 7. **Registration**—Scheduled for Oct. 5.

★ Georgia Power Co. (11/7)

On Jan. 12, 1962 it was reported that this subsidiary of the Southern Co. plans to offer $7,000,000 of preferred stock in November. **Office**—270 Peachtree Bldg., Atlanta, Ga. **Underwriters**—(Competitive). Probable bidders: Blyth & Co., Inc.; First Boston Corp.; Morgan Stanley & Co.; Eastman Dillon, Union Securities & Co.-Equitable Securities Corp. (jointly); Lehman Brothers. **Bids**—Expected Nov. 7. **Registration**—Scheduled for Oct. 5.

Gulf American Land Corp.

Jan. 10, 1962 it was reported that stockholders are to vote Feb. 6 on increasing authorized stock to provide for a 300% stock dividend and sale of $12,000,000 of convertible debentures which would be offered to stockholders on a pro rata basis. **Underwriters**—Morris Cohon & Co., and Street & Co., New York City.

Hartford National Bank & Trust Co.

Jan. 10, 1962 it was reported that stockholders are to vote Jan. 31 on increasing authorized stock to provide for sale of 170,000 new shares to stockholders on the basis of one new share for each seven held of record same date. **Price**—$45. **Proceeds**—To increase capital and surplus. **Office**—300 Main St., Stamford, Conn. **Under-Underwriter**—None.

Jaap Penraat Associates, Inc. (and Visual Education, Inc.)

Dec. 12, 1961 it was reported that a full registration will be filed shortly covering 100,000 common. **Price**—$3. **Business**—Industrial designing and the production of teaching machines. **Proceeds**—To expand teaching machine subsidiary, and for other corporate purposes. **Office**—315 Central Park West, N. Y. **Underwriter**—R. F. Dowd & Co. Inc., N. Y.

Japan Development Bank

Jan. 10, 1962 it was reported that the Japanese Finance Ministry had authorized the bank to issue $30,000,000 of Guaranteed External Loan Bonds, preferably in the U. S., in fiscal 1962. **Business**—The bank was incorporated in 1951 as a Japanese Government financial institution to supply long-term funds to Japanese industry for promotion of economic reconstruction and industrial development. **Office**—Tokyo, Japan. **Underwriters**—To be named. The last sale of bonds on Oct. 3, 1961 ($20,000,000) was underwritten by First Boston Corp., Dillon, Read & Co. Inc., and Smith, Barney & Co., Inc.

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**—Hayden, Stone & Co., N. Y. **Offering**—Expected in early 1962.

★ La Salle National Bank (Chicago)

Jan. 16, 1962 it was reported that stockholders are to vote Jan. 25 on a proposed 2½-for-1 split, a 1-for-11 stock dividend and sale of 50,000 new $10 par shares to stockholders on the basis of one share for each nine held of record Jan. 24. **Price**—$50. **Office**—135 So. La Salle St., Chicago. **Underwriters**—McCormick & Co.; A. C. Allyn & Co., and A. G. Becker & Co., Chicago.

★ Maryland National Bank

Jan. 17, 1962 it was reported that this bank is offering stockholders the right to subscribe for 88,554 additional $10 par shares on the basis of one new share for each 10 held of record Jan. 16 with rights to expire Feb. 5. **Price**—$75. **Office**—Baltimore and Light Sts., Baltimore 3, Md. **Underwriters** — Robert Garrett & Sons, Alex. Brown & Sons and John C. Legg & Co., Baltimore.

Masters Inc.

Jan. 6, 1961 it was reported that this corporation is contemplating its first public financing. **Business**—The operation of a chain of discount houses. **Office**—135-21 38th Avenue, Flushing 54, L. I., N. Y.

McDaniel Equipment, Inc.

Dec. 20, 1961 it was reported that this company plans to file shortly on 100,000 common shares. **Price**—$3. **Business**—The sale, servicing and installation of laundry and dry cleaning equipment and the operation of such centers at military bases, trailer parks and apartment houses. **Proceeds**—For debt repayment and other corporate purposes. **Office**—San Diego, Calif. **Underwriter**—California Investors, Los Angeles.

• Mercantaile National Bank at Dallas (Texas)

Jan. 17, 1962 it was reported that this bank is offering stockholders the right to subscribe for an additional 100,000 shares on the basis of one new share for each 15 held of record Jan. 16 with rights to expire Jan. 26. **Office**—1704 Main St., Dallas. **Underwriters**—Rauscher, Pierce & Co., and First Southwest Co., Dallas.

★ Mississippi Power Co. (4/12)

On Jan. 12, 1962 it was reported that this subsidiary of the Southern Co. plans to offer $6,000,000 30-year first mortgage bonds in April. **Office**—2500 14th St., Gulfport, Miss. **Underwriters** — (Competitive). Probable bidders: Eastman Dillon, Union Securities & Co.-Equitable Securities Corp. (jointly); Halsey, Stuart & Co. Inc.; Merrill Lynch, Pierce, Fenner & Smith Inc. **Bids**—Expected April 12. **Registration**—Scheduled for Mar. 16.

National Steel Corp.

Dec. 27, 1961 it was reported that stockholders are to vote Jan. 25 on a proposed 2-for-1 split of the common. If approved, directors will consider offering 1,500,000 of the new shares to stockholders through subscription rights on a 1-for-10 basis. **Business**—Company is one of the major U. S. steel producers. **Proceeds**—For expansion. **Office**—Grant Bldg., Pittsburgh, Pa. **Underwriters**—To be named. The last financing for the company was handled by Kuhn, Loeb & Co., Harriman, Ripley & Co., Inc., and First Boston Corp., N. Y.

★ Norton Co.

Jan. 17, 1962 it was reported that this closely held company had postponed until at least the second quarter of 1962 its original plan to make a public offering of its stock, due to the inability to obtain a favorable tax ruling from the IRS. **Business**—Manufacture of various abrasives and cutting machines. **Office**—New Bond St., Worcester, Mass. **Underwriter**—To be named.

Oceania International, Inc.

Dec. 27, 1961 it was reported that this company plans to file a registration covering about 150,000 common shares. **Price**—$5.50. **Business**—Manufacture of simulated pearl buttons. **Proceeds**—For a new plant. **Office**—Brooklyn, N. Y. **Underwriter**—Baruch Brothers & Co., Inc., N. Y.

★ Ohio Oil Co.

Jan. 16, 1962 it was reported that this company plans to issue about $80,000,000 of 25-year straight debentures to help finance the proposed acquisition of Plymouth Oil Co., on April 2. The sale is subject to receipt of a favorable tax ruling from the IRS and approval of the asset sale by Plymouth stockholders on March 28. **Office**—539 So. Main St., Findlay, O. **Underwriters**—First Boston Corp.-Lehman Brothers (jointly).

Oklahoma Gas & Electric Co. (3/1)

Dec. 13, 1961 it was reported that the company plans to offer stockholders the right to subscribe for 328,912 additional common shares on the basis of one new share for each 20 held of record about March 1. **Proceeds**—For construction. **Office**—321 North Harvey St., Okla. City. **Underwriter**—The last rights offering in March, 1956 was underwritten by Merrill Lynch, Pierce, Fenner & Smith Inc., N. Y.

★ Oklahoma Gas & Electric Co. (3/1)

Jan. 17, 1962 it was reported that this company plans to offer stockholders the right to subscribe for an addi-

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tional 328,912 common shares on the basis of one new share for each 20 held of record about March 1. **Proceeds**—For construction. **Office**—321 N. Harvey St., Oklahoma City. **Underwriter**—Merrill Lynch, Pierce, Fenner & Smith Inc., N. Y. **Registration**—Expected Feb. 8.

Pacific Gas & Electric Co.

Dec. 27, 1961 it was reported that the company plans to sell some $100,000,000 of securities, probably bonds, in 1962 to help finance its proposed $221,000,000 construction program. **Office**—245 Market St., San Francisco. **Underwriters** — (Competitive). Probable bidders: First Boston Corp.-Halsey, Stuart & Co. Inc. (jointly); Blyth & Co., Inc.

● **Pacific National Bank of San Francisco**

Jan. 9, 1962 stockholders voted to increase capital stock to provide for the sale of 119,220 additional shares to stockholders on the basis of one new share for each 5 shares held of record Jan. 9 with the rights to expire Feb. 1. **Price**—$45. **Proceeds**—To increase capital and surplus. **Office**—333 Montgomery St., San Francisco. **Underwriters**—Blyth & Co., N. Y., and Elworthy & Co., San Francisco.

Pan American Beryllium Corp.

Dec. 12, 1961 it was reported that a full filing will be made covering 100,000 common. **Price**—$3. **Business**—Operation of beryllium mines in Argentina. **Proceeds**—For mining expenses. **Offices**—39 Broadway, N. Y. **Underwriter**—R. F. Dowd & Co. Inc., N. Y.

Pan American World Airways, Inc.

Oct. 30, 1961 it was reported that the CAB had approved the company's plan to sell its 400,000 share holdings of National Airlines, Inc. However, it said Pan Am must start selling the stock within one year and complete the sale by July 15, 1964. 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 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., N. Y. **Underwriter**—Merrill Lynch, Pierce, Fenner & Smith Inc.

Panhandle Eastern Pipe Line Co.

March 8, 1961 it was reported that this company expects to sell about $72,000,000 of debentures sometime in 1962, 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).

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.

Resin Research Laboratories, Inc.

Dec. 20, 1961 it was reported that a full filing will be made covering 105,000 common. **Price**—$3.50. **Business**—Company is engaged in applied research and development in field of resin's polymer chemistry and plastics technology. **Proceeds** — For expansion, diversification and working capital. **Office**—400-06 Adams St., Newark, N. J. **Underwriter**—Keene & Co., Inc., N. Y.

San Diego Gas & Electric Co.

Sept. 12, 1961 it was reported that this company plans to sell about 500,000 common to stockholders in mid-1962 to raise some $17,500,000. **Office**—861 Sixth Ave., San Diego, Calif. **Underwriter**—Blyth & Co., Inc., N. Y.

(Jos.) Schlitz Brewing Co.

Dec. 20, 1961 it was reported that a full filing will be made covering about 692,000 outstanding common shares. **Price**—About $31.75. **Business**—Production and distribution of beer. **Proceeds** — For the selling stockholders. **Office**—Milwaukee, Wis. **Underwriter**—Glore, Forgan & Co., Chicago. **Registration**—Expected in January.

Seaboard Air Line RR. (1/23)

Jan. 9, 1962 it was reported that this company plans to sell $5,565,000 of 1-15 year equipment trust certificates in January. This is the first installment of a total issue of $11,130,000 which will help finance the purchase of $13,929,533 of additional rail equipment. **Office**—3600 W. Broad St., Richmond, Va. **Underwriters**—(Competitive) Probable bidders: Halsey, Stuart & Co. Inc., and Salomon Brothers & Hutzler. **Bids**—Jan. 23 (12 noon EST) at office of Wilkie, Farr, Gallagher, Walton & Fitzgibbon, 15 Broad St., N. Y.

★ **Southern Electric Generating Co. (11/28)**

On Jan. 12, 1962 it was reported that this subsidiary of the Southern Co. plans to offer $6,500,000 30-year first mortgage bonds in November. **Office**—600 N. 18th St., Birmingham, Ala. **Underwriters**—(Competitive) Probable bidders: First Boston Corp.; Halsey Stuart & Co., Inc.; White, Weld & Co.-Kidder, Peabody & Co. (jointly); Merrill Lynch, Pierce, Fenner & Smith Inc.-Blyth & Co., Inc. (jointly); Eastman Dillon, Union Securities & Co.-Equitable Securities Corp.-Drexel & Co. (jointly); Morgan Stanley & Co. **Bids**—Expected Nov. 28. **Registration**—Scheduled for Nov. 1.

★ **Southern Pacific Co. (2/6)**

Jan. 17, 1962 it was reported that this company plans to sell $6,840,000 of 1-15 year equipment trust certificates in February. **Office**—165 Broadway, N. Y. **Underwriters**—(Competitive). Probable bidders: Salomon Brothers & Hutzler; Halsey, Stuart & Co. Inc. **Bids**—Feb. 6 (12 noon EST) in Room 217, 165 Broadway, N. Y.

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, Walker & Co., Inc., Jersey City.

Tennessee Valley Authority (1/24)

Jan. 9, 1962 it was reported that the Authority plans to sell $45,000,000 of bonds in New York City at competitive bidding in January. **Proceeds** — For construction. **Office**—Knoxville, Tenn. **Underwriters**—(Competitive) Probable bidders: Chase Manhattan Bank-Morgan Guaranty Trust Co. of New York-Chemical Bank New York Trust Co.-C. J. Devine & Co.-Continental Illinois National Bank & Trust Co. of Chicago (jointly); Blyth & Co., Inc.-J. C. Bradford & Co. (jointly); Halsey, Stuart & Co. Inc.-Equitable Securities Corp.-Smith, Barney & Co.-First National City Bank of New York (jointly); First Boston Corp.-Lazard Freres & Co.-Eastman Dillon, Union Securities & Co.-Salomon Brothers & Hutzler (jointly). **Bids**—Expected Jan. 24.

★ **Union Planters National Bank of Memphis**

Jan. 16, 1962 it was reported that this bank is offering stockholders the right to subscribe for an additional 100,000 $10 par shares on the basis of one new share for each 10 held of record Jan. 10, with rights to expire Feb. 1. **Price** — $40. **Address** — 61 Madison Ave., Memphis, Tenn. **Underwriter**—M. A. Saunders & Co., Memphis.

★ **U. S. National Bank of San Diego**

Jan. 16, 1962 it was reported that the bank is offering stockholders the right to subscribe for an additional 23,750 $10 par shares on the basis of one new share for each 19 held of record Jan. 9, with rights to expire Jan. 30. **Price**—$47.50. **Address**—San Diego, Calif. **Underwriters**—Dean Witter & Co., San Francisco; Evans MacCormack & Co., and Crowell, Weedon & Co., Los Angeles.

★ **Utah Power & Light Co. (5/22)**

Jan. 17, 1962 it was reported that subject to approval of directors, the company plans to sell about $20,000,000 of mortgage bonds and $10,000,000 of common stock in May. **Office**—1407 W. North Temple St., Salt Lake City. **Underwriters**—(Competitive). Probable bidders on the bonds: First Boston Corp.-Blyth & Co., Inc. (jointly); Kidder, Peabody & Co.; Halsey, Stuart & Co., Inc.; Salomon Brothers & Hutzler; White, Weld & Co.-Stone & Webster Securities Corp. (jointly); Eastman Dillon, Union Securities & Co.-Smith, Barney & Co. (jointly); Lehman Brothers-Bear, Stearns & Co. (jointly). The last issue of common on Sept. 17, 1957 was underwritten by Blyth & Co., Inc.-Kidder, Peabody & Co.-Merrill Lynch, Pierce, Fenner & Smith, Inc. (jointly). Other bidders were First Boston Corp., and Lehman Brothers. **Bids**—Expected May 22.

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.

DIVIDEND NOTICES

THE FIRST REPUBLIC CORPORATION OF AMERICA

8TH CONSECUTIVE MONTHLY DIVIDEND

The Board of Directors has declared a cash dividend of **nine cents (9¢)** per share on the Class A Stock to Shareholders of Record at the close of business, January 31, 1962, payable on February 20, 1962.

Ira Sands
Chairman of the Board

375 FIFTH AVENUE
NEW YORK 16, N.Y.
A PUBLICLY OWNED REAL ESTATE COMPANY

Dietz Securities Formed

Freda Dietz is engaging in a securities business from offices at 1270 Sixth Avenue, New York City, under the firm name of Dietz Securities.

DIVIDEND NOTICES

GOODYEAR

COMMON DIVIDEND No. 115

The Board of Directors today declared the following dividend:

22½ cents per share on the Common Stock, payable March 15, 1962 to stockholders of record at the close of business February 15, 1962.

The Goodyear Tire & Rubber Co.
By R. L. Miller,
Secretary
January 16, 1962

THE GREATEST NAME IN RUBBER

RAYON • ACETATE • CELLOPHANE • AVISTRAP® • AVICEL®

DIVIDEND AVISCO NOTICE

AMERICAN VISCOSE CORPORATION

Directors of the American Viscose Corporation, at their regular meeting on January 3, 1962, declared a dividend of fifty cents (50c) per share on the common stock, payable on February 1, 1962, to shareholders of record at close of business on January 17, 1962.

Vice President and Treasurer

RAYON • ACETATE • CELLOPHANE • AVISTRAP® • AVICEL®

DIVIDEND NOTICES

UNITED STATES LINES COMPANY

Common Stock DIVIDEND

The Board of Directors has authorized the payment of a dividend of fifty cents ($.50) per share payable March 9, 1962, to holders of Common Stock of record February 16, 1962.

THOMAS R. CAMPBELL, *Secretary*
One Broadway, New York 4, N. Y.

R. J. Reynolds Tobacco Company

Makers of
Camel, Winston, Salem & Cavalier cigarettes
Prince Albert, George Washington Carter Hall smoking tobacco

QUARTERLY DIVIDEND

A quarterly dividend of 40c per share has been declared on the Common Stock of the Company, payable March 5, 1962 to stockholders of record at the close of business February 15, 1962.

WILLIAM R. LYBROOK,
Secretary

Winston-Salem, N. C.
January 11, 1962

Sixty-two Consecutive Years of Cash Dividend Payments

DIVIDEND NOTICES

GREEN BAY & WESTERN RAILROAD COMPANY

The Board of Directors has fixed and declared $50 the amount payable on Class "A" Debenture Coupons (Payment No. 66), and a dividend of $5. to be payable on the capital stock, and $7.50 to be the amount payable on Class "B" Debenture Coupons (Payment No. 42), out of the net earnings for the year 1961, payable at Room No. 3400, No. 20 Exchange Place, New York 5, New York, on and after February 6th, 1962. The dividend on the stock will be paid to stockholders of record at the close of business January 22, 1962. Also, there should be presented all prior coupons on Class "A" and Class "B" Debentures which have not yet been paid to the holders.

W. W. COX, Secretary
New York, New York, January 3, 1962

Two With du Pont

(Special to THE FINANCIAL CHRONICLE)

ATLANTA, Ga.—B. Phillip Gordon and Everette L. Hodge, Jr., have joined the staff of Francis I. du Pont & Co., Trust Company of Georgia Building.

Forms Dana Securities

Dana Securities Co., Inc. is conducting a securities business from offices at 258 Broadway, New York City. William A. Sempier is President and Secretary of the firm.

PANHANDLE EASTERN PIPE LINE COMPANY

QUARTERLY DIVIDEND

50¢ per Common Share

- Payable March 15, 1962
- Record February 28, 1962
- Declared January 15, 1962

WILLIAM C. KEEFE,
Vice President & Secretary

Pioneer Long-Distance Transporter and Producer of Natural Gas

THE SOUTHERN COMPANY
(INCORPORATED)

The Board of Directors has declared a quarterly dividend of 37½ cents per share on the outstanding shares of common stock of the Company, payable on March 6, 1962 to holders of record at the close of business on February 5, 1962.

L. H. JAEGER,
Vice President and Treasurer

THE SOUTHERN COMPANY SYSTEM
Serving the Southeast through:

ALABAMA POWER COMPANY
GEORGIA POWER COMPANY
GULF POWER COMPANY
MISSISSIPPI POWER COMPANY

SOUTHERN ELECTRIC GENERATING COMPANY
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WASHINGTON AND YOU

BEHIND-THE-SCENES INTERPRETATIONS FROM THE NATION'S CAPITAL

WASHINGTON, D. C. — Federal expenditures in 1929 before the great depression were a little less than $3 billion. Today that sum would not pay the interest on the national debt for six months.

Partially because the first session of the 87th Congress was the biggest spending session in either peacetime or cold war history, our government is going to have to borrow some money to pay for some of that spending.

Therefore, the Treasury Department is paving the way to get an increase in the national debt limit of some $3 billion. The debt limit now stands at close to $297 billion. The highest ceiling of all time was $300 billion when the Japanese surrendered in Tokyo Bay, or thereabouts, in 1945.

Our permanent debt ceiling is $285 billion. The limit will revert to that staggering figure automatically on June 30 of this year, unless Congress does something about it. Congress will do something about it, probably before Spring.

As Congress reconvened, the annual budget balancing question was raised quickly on Capitol Hill. The Secretary of the Treasury, Douglas Dillon, had an early huddle with Senator Harry Flood Byrd of Virginia, Chairman of the Senate Finance Committee.

Administration Seeking Quick Action

The Kennedy Administration would like to have some quick action on increasing the present temporary ceiling of $298 billion. Apparently efforts are going to be made to raise it beyond the all-time high mark of $300 billion.

It appears that the national deficit is going to be about $7 billion come July 1. In his State-of-the-Union message, President Kennedy outlined a whole new series of spending plans. At the same time he talked about reducing taxes and balancing the budget.

The cold, hard facts are that there will be no reduction in taxes this year or next. If we have a balanced budget, Congress is going to be forced to raise the postal rates, extend all the existing taxes, such as excise and corporation taxes, and pass laws to withhold taxes for dividends and interest.

The tax burden is not only at an all-time high in this country, but it is going higher. It will continue to go up and up until there is a peaceful "revolution." Not only the Federal taxes are at a peak, but local and state taxes continue to rise, as is to be expected. Between the local, State and Federal, the tax bill amounts to about 30 cents of every dollar of the Nation's total annual production.

Future Federal Commitments Staggering in Amount

Maurice Stans, who served as Budget Director under President Eisenhower, said a study by him shows that besides the direct debt, the Federal government has piled up many commitments for future expenses that amount to more than the present National debt.

"As Budget Director, I compiled a list of obligations that will come due in the future," said Mr. Stans, "and it came to about $450 billion. This sum added to our current debt brings our total commitments to the incredible total of $750 billion. And even this stratospheric amount doesn't include another $300 billion we will need to collect to make good on our present promises under the social security system."

The budget that President Kennedy sent to Capitol Hill this week is tremendous. It could very well mean that we will have another deficit facing us a year from now.

There is a chance—perhaps a 50-50 chance—that Congress will raise the postal rates. But there is also the chance that Congress would offset the postal income, by raising the pay of all postal workers.

Budget's Impact

One does not have to be a fiscal expert or an economist to realize that the National budget is so large that it can affect all phases of our economy. If it is so much greater than the tax income it can and does create inflation.

Students of the budget say the budgetary producers have resulted down through the years of efforts by Congress to control the White House in its recommendations for spending. While the controls have never worked entirely satisfactorily, nevertheless the budget has served as a guideline for both the executive and legislative branches of our Federal government.

Indicative of how the Federal budget and Federal expenditures affect all our people is the fact that the Federal government pays out billions of dollars each year in old age and other so-called social security benefits, and billions in interest on the debt.

It has been estimated that approximately one-sixth of our total output of goods and services are absorbed by the Central government.

Deficit Spending Defended by Budget Bureau

Although Senator Byrd and some other advocates of a sound fiscal spending policy for our Government, do not agree, the Kennedy Administration's Bureau of the Budget weeks ago defended expenditures over tax receipts in this manner:

"The excess of Federal expenditures over receipts in all four quarters of calendar 1961, as reflected in the national income accounts, has had a stimulative impact on the private economy and has contributed to economy recovery during the year. With the shift to a surplus early in calendar 1962, Federal activities may exert a mildly restraining influence on the economy."

It is estimated that the 1962 fiscal yield from individual income taxes is going to be more than $3.5 billion than was collected from this source in 1961. Personal incomes in the country are expected to continue to rise to new record levels, averaging $417 billion during the 1961 calendar year as compared with $402 billion for the 1960 calendar year.

Of the total expenditure for the 1962 fiscal year which ends June 30, it is estimated that expenditures will total $89 billion. Broken down, the outlay will include major national security, the foreign assistance program, and the space program $55.4 billion; fixed interest charges $9 billion, agriculture $6.2 billion; veterans $5.3 billion, and all others $10.6 billion.

Cost of Farm Price Support Program

The agriculture program is a tremendous item in the budget. The Department of Agriculture's total investment of Commodity Credit Corporation in price support loans and inventories amounted to $7,647,236,000. Total investment included loans outstanding of $2,206,223,000 and inventories amounting to $5,441,013,000.

Price support loans outstanding for seven commodities accounted for the bulk of the loan total at the end of the 1961 calendar year. In the warehouses and grain bins of the country were:

286,603,972 bushels of wheat, 2,911,524 bales of cotton, 403,350,091 bushels of corn, 514,046,933 pounds of tobacco, 70,146,933 bushels of soybeans, 62,181,667 (cwt) of grain sorghum, and 62,727,733 bushels of barley.

There were numerous other items in the Commodity Credit Corporation inventory such as 199,610,965 pounds of butter, 57,627,324 pounds of cheese, to name but two items, and numerous smaller inventories of shelled peanuts and dry edible beans.

It is obvious that our farm policies are getting more and more expensive to maintain. Nevertheless, it is doubtful if there will be any substantial changes in the program this year.

[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.]

"Last week you said BUY—today you say SELL—now, once and for all, make up your mind!"

COMING EVENTS

IN INVESTMENT FIELD

Jan. 17, 1962 (Philadelphia, Pa.)
Philadelphia Securities Association Annual Meeting and Dinner at the Barclay Hotel.

Jan. 19, 1962 (Baltimore, Md.)
Baltimore Security Traders Association Annual Mid Winter Dinner at the Southern Hotel

Jan. 22-23, 1962 (Washington, D.C.)
Association of Stock Exchange Firms Board of Governors meeting at the Statler Hilton Hotel.

Jan. 25, 1962 (Kansas City, Mo.)
Kansas City Security Traders Association Annual Winter Dinner at the Hotel Continental.

Jan. 29, 1962 (Chicago, Ill.)
Investment Traders Association of Chicago annual midwinter dinner at the Ambassador West.

Feb. 9, 1962 (Boston, Mass.)
Boston Securities Traders Association Annual Winter Dinner at the Statler Hilton Hotel.

March 2, 1962 (Houston, Tex.)
Stock and Bond Club of Houston annual outing at the Champions Golf Club.

March 9, 1962 (Philadelphia, Pa.)
Investment Traders Association of Philadelphia annual dinner at the Bellevue-Stratford.

March 30, 1962 (New York City)
New York Security Dealers Association 36th Annual Dinner at the Waldorf Astoria Hotel.

April 8-10, 1962 (San Antonio, Tex.)
Texas Group of Investment Bankers Association of America, annual meeting at the St. Anthony Hotel.

April 27, 1962 (New York City)
Security Traders Association of New York Dinner at the Waldorf-Astoria.

May 6-9, 1962 (Seattle, Wash.)
National Association of Mutual Savings Banks 42nd annual conference at the Olympic Hotel.

May 9-12, 1962 (White Sulphur Springs)
Investment Bankers Association meeting of Board of Governors.

May 14-15, 1962 (Detroit, Mich.)
Association of Stock Exchange Firms Board of Governors spring meeting at the Dearborn Inn.

May 17-18, 1962 (Nashville, Tenn.)
Nashville Association of Securities Dealers annual spring party.

Sept. 19-21, 1961 (Santa Barbara, Calif.)
Investment Bankers Association Board of Governors Meeting.

Sept. 23-26, 1962 (Atlantic City, N. J.)
American Bankers Association annual convention.

Oct. 8-9, 1962 (San Francisco)
Association of Stock Exchange Firms Fall Meeting at the Mark Hopkins Hotel.

Oct. 11-12, 1962 (Los Angeles)
Association of Stock Exchange Firms Board of Governors meeting at the Ambassador Hotel.

Nov. 4, 1962 (Boca Raton, Fla.)
National Security Traders Association Convention.

Nov. 25-30, 1962 (Hollywood, Fla.)
Investment Bankers Association Annual Convention at Hollywood Beach Hotel.

A. M. Bleiler With C. N. White Co.

(Special to THE FINANCIAL CHRONICLE)

Adolph M. Bleiler

OAKLAND, Calif. — Adolph M. Bleiler has become associated with C. N. White & Co., 436 Fourteenth Street. Mr. Bleiler was formerly Chairman of the Board of First California Company, Incorporated.

With Citizens Securities

(Special to THE FINANCIAL CHRONICLE)

GREEN BAY, Wis. — Urgel F. Asselin is now with Citizens Securities Co., Adams & Cherry St. Mr. Asselin was formerly with A. M. Kidder & Co., Inc. in Atlanta, Ga.

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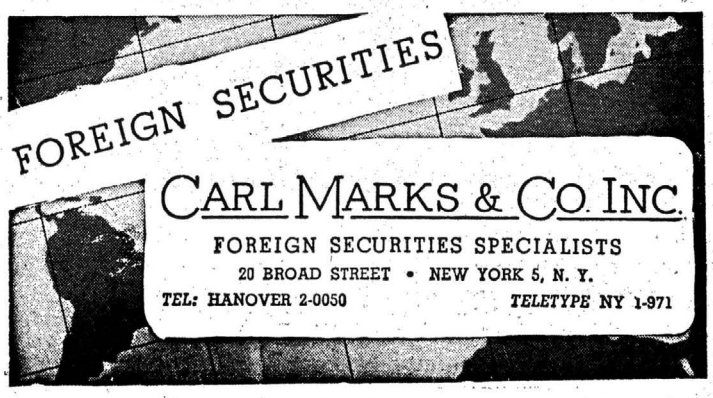

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