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Editorial AS WE SEE IT

The President has now submitted that "balanced budget" which he has been promising for a good while past. According to these official figures the American taxpayer will have to dig up some $92.5 billion to get the figures into balance—and provide a very small surplus. The figure for total receipts compares with $81.5 billion in fiscal 1961, and $89.1 billion in fiscal 1962. If in actual practice the Federal budget is to be balanced (or better) in good years to offset deficits in poor years, it is evidently to be accomplished not by anything that smacks of economy, but by skimming more cream off prosperity. The fact is that only in the two worst war years, fiscal 1944 and fiscal 1945 did we reach or even come near the volume of Federal outlays that the President proposes for fiscal 1963.

All but the most naive will, in any event, understand that this budget the President is submitting is not now balanced in any way but in the brains of those who drew it up. The balance in actual practice must depend upon receipts living up to very optimistic estimates, and outlays falling within the limits set down in this official document—and also upon the passage by Congress of tax legislation which it has refused to adopt again and again in recent years. So eminent an authority as Senator Byrd is already assuring the country that not a balance, or a small surplus, but a deficit of at least a billion dollars and quite possibly five times that amount is much more likely.

One studies the details of the President's estimates in vain for any indication of a trend toward greater reason in spending the taxpayers' money. It is easy enough, of course, to say that half or more of the increase in proposed Federal outlay falls in the category of national defense, and to add that in this area we obviously cannot afford to be penny wise. The fact is that so many and various elements are now included in that category that the ordinary man is hesitant about differing with the plans as laid out—and must be in any event since so much of the detail must of (Continued on page 12)

Canada's Leading Authorities Evaluate Its Economic Prospects

In articles especially written for THE CHRONICLE, individuals eminently qualified to accurately interpret the course of Canada's economy in the instant year present their views. The commentaries discuss the probable trend of key factors, including course of the money market, capital and consumer expenditures, housing, new developments in the oil, gas and mining industries, and other aspects of the nation's business life. The statements appear herewith:

HON. DONALD M. FLEMING

Canadian Minister of Finance

One of the most important objectives of the Government of Canada has been to foster an environment in which Canadian firms have the opportunity to win a greater share of the volume and value of sales in domestic and world markets.

Hon. D. M. Fleming

In this policy of expansion through free enterprise, one of the objectives has been the reduction of the deficit in Canada's balance of payments, which at present levels is inappropriate to Canadian economic conditions. Formerly, when the economy was under inflationary pressures, the inflow of capital and the associated inflow of goods and services of corresponding size provided welcome assistance to our economic development. In recent years, as I stated in the June budget, with idle capacity and unemployed labor we should have been exporting substantially more goods and services and importing less.

The key to our balance of payments deficit lies in the capital account. Capital inflows which are high in relation to our needs exert undue upward pressure on the exchange rate, to the disadvantage of exporters and certain import-competing industries. In the main, exports tend to become dearer and thus decline, and imports cheaper and thus increase.

In a series of measures beginning almost two years ago and emphasized in the budget of June, 1961, the Government has undertaken to dampen the net inflow of some types of foreign capital unnecessary in such quantities at the present time, such as portfolio investment in bonds, short-term capital, and that part of direct investment which does not bring with it new jobs, new industrial techniques and markets, but merely involves the takeover by nonresidents of established Canadian businesses. The budget of March, 1960 contained a clear warning to Canadian borrowers regarding the exchange risks involved in borrowing abroad. Partly because of this warning and subsequent Government actions, the easy habit of selling provincial, municipal and other Canadian security issues to large U. S. financial institutions has diminished. During the last two years the net inflow of portfolio capital has fallen sharply. In the December, 1960 budget the Government changed some tax provisions which had provided special incentives to certain inflows of capital that had been useful during periods of inflation and scarce resources. At the same time, other measures were adopted with the aim of increasing the flow of Canadian savings to Canadian uses. I shall refer later on to these and other Government measures to broaden and deepen the Canadian capital and credit markets.

In the June, 1961 budget further measures were taken to reduce the reliance on certain types of capital inflow, so that the exchange rate would move to a level more beneficial to our exporters and import-competing industries and more appropriate to the economy as a whole.

In drawing up the budget, we recognized that Canadian interest rates exceeded foreign rates by much too wide a spread. (Continued on page 18)

CANADIAN ANNUAL REVIEW AND OUTLOOK ISSUE

The Security I Like Best . . .

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

This Week's Forum Participants and Their Selections

St. Regis Paper Co. — George L. Bartlett, Partner, Thomson & McKinnon, New York City. (Page 2)

Esquire, Inc.—Edward W. Ferguson, Manager of Investment Research Dept., Laird, Bissell & Meeds, New York City. (Page 2)

GEORGE L. BARTLETT
Partner, Thomson & McKinnon
New York City

St. Regis Paper

Stockholders, by and large, are a peculiar lot and the exception proves the rule. To the trader, the stock—any stock—is less than the equity of a great or small corporation; it is a number or a potential profit. To the investor, it is the earner of profits and the payer of dividends. Should it fail to earn or drag its feet the trader usually throws it out of his holdings. Seldom does the investor look behind the bare facts of a reported loss or passing of dividends to see what really happened; his loyalties are rarely involved and his sense of partnership in the business not at all. His eyes are well-nigh certain to be kept wide-open for replacement with "something better," so he often sells at the worst possible time—when the bad news is out.


George L. Bartlett

That is the situation with St. Regis Paper, a stock with a future for which I have high expectations. It went into 1960 with high hopes, spent about $49 million for capital account and issued some 1,600,000 shares of additional common stock in a series of acquisitions. Today, it is said the purchases were poorly timed, unwise and what not. Capital programs accounted for expenditures of $46 million or so more in 1961.

The company encountered a little trouble after early 1960. Costs were steadily rising. More stock outstanding obviously diluted earnings in relation to 1959 and rising debt also took toll of earnings. Then, too, the industry found itself in a price squeeze. We had too much paper capacity for our needs, the Street said. The company paid another 2% stock dividend. It did not include nonrecurring gains equivalent to $2.47 a share at the end of 1960 in its earnings. The result was net of $1.91 a share for 1960 as compared with $2.98 a share in 1959.

Came 1961, with the Republican administration voted out of power and the international political situation at its height of tension. Fears of inflation running hogwild and a torrent of gold pouring out of our reserves even brought the value of the dollar into question. In due course, St. Regis Paper worked down to around 31½ as compared with a 1960 high of 55½. Before long, however, it became evident that the down-pull of the 1960 depression had been halted and by the end of 1961 it no longer was a question of corrective rebounds, but whether we were in for a six month rally or whether a new boom was in the making. St. Regis Paper rose to around 41, just about 33⅓%. Various paper and paperboard prices had been increased. Nevertheless, it was well-known that earnings per share for the year would be a little under the 1960 figure despite record sales. Consolidation and coordination of newly acquired plant was costly and there had been a big increase in common stock.

Soon after the turn of the year into 1962, the company announced that frauds had been perpetrated in a subsidiary—Bates do Brasil—amounting to more than a million dollars. As was to be expected, there was another wave of selling but after the initial setback, nothing much happened. Bates do Brasil is not consolidated in the St. Regis accounts. St. Regis has had its hammering and now seems poised to take off when the market is ready to rally.

There should be good results in 1962. Money has been poured into acquisitions and existing plant; some of it should be coming through into net income. The price squeeze looks a good deal less formidable than it had. There have been various markups in prices but there is still a psychosis of a sort about "over-capacity" and the paper field, in some of its phases, may drag a while. There has been no halt in "growth"—which means different things at different times — but there have been changes which lead to readjustments that take time to effectuate.

St. Regis Paper has increased its 1961 sales to a new high record, reflecting 1960 acquisitions, in the main. The company has an aggressive and far-seeing management. Earnings in 1961 were $1.61 a share on presently outstanding stock. There was a good gain in the fourth quarter and it is continuing in 1962. A rise in net to around $2 or better a share in 1962 is quite possible. All of that would make the stock appear cheap at present price levels, even in a distinctly cyclical industry like paper. The stature of the company is increasing. Its sales in 1961 reached $565 million. Its dividends have been paid at the rate of $1.40 cash and 2% stock for several years. The cash rate looks a little shaky but the nearby outlook, which is good, probably will determine what the company will do.

The St. Regis Paper situation, it still seems to me, is a remarkably promising one. Good management, thoroughly integrated, large forest reserves, adequate finances and good credit, improving prospects, excellent diversification, better than half-a-billion in sales last year, and strong growth—it has them all. Competition keen? Good. That is where the men are separated from the boys.

The issue is listed on the New York Stock Exchange.

EDWARD W. FERGUSON
Manager, Investment Research Dept., Laird, Bissell & Meeds, New York City

Esquire, Incorporated

The selection of Esquire, Inc. as "The Stock I Like Best" is, in my opinion, predicated on analytical yardsticks which in the past have stood the test of time. Esquire, Inc. has value in fixed assets, active and alert management, earnings record, dividend payment record, and expanded earnings potential.


Edw. W. Ferguson

Esquire, Inc. today is a vibrant company of eight divisions and one subsidiary with an established position in the exciting fields of publishing, electronics, broadcasting and education. Esquire, Inc. has a recognized image in the publishing field. "Esquire Magazine," with 850,000 mature readers, is nationally known. "Gentlemen's Quarterly," with 60,000 subscribers and 600,000 readers, is fast establishing itself. Scott Publications is the outstanding name in the stamp business. Esquire, Inc. is not generally identified and well known in the field of education, although "Coronet Instructional Films," founded in 1939, now has a library of 1100 films and a reputation unique in the world of educational documentary. The "Coronet Instructional Film" library would cost $10 to $15 million to duplicate. In the electronic field, the Data Processing Center at Boulder, Colorado, boasts of the largest Univac service center under one roof. Six million subscribers are being serviced, their addresses changed, their orders cancelled or renewed, their bills sent out, payments received and deposited.

In the electronic manufacturing field, Esquire, Inc. acquired, in late 1960, the Wide-Lite Corporation which manufactures an efficient housing for color corrected mercury vapor lamps. Mercury vapor lamps are turning night into day in such diverse places as stadiums, ship docks, parking lots, golf courses, parks, air fields, dam and building construction areas, and railroad yards. The potential of mercury vapor lamps, instead of incandescent lamps and quartz-iodine lamps, also used by Wide-Lite in special fixtures in industry and recreation areas, is still in the infancy stage. They provide two and a half times the light per watt and last 10 times as long. For 1962, Wide-Lite has announced two new products—an indoor fixture and a special ballast—which should increase volume. In the broadcasting field, Esquire Broadcasting operates Radio Station WQXI in Atlanta, Georgia. The station operates around the clock sending a 5,000 watt beam by day and a 1,000 watt beam by night to 362,000 homes.

In 1960 the alert and aggressive management of Esquire, Inc., recognizing the unfavorable elements in the long-term trend of the mass magazine publishing industry, made three important acquisitions; Scott Publications, Radio Station WQXI, and Wide-Lite Corporation. These acquisitions were made for cash with no stock dilution. In 1961 a drastic but most constructive step, earnings-wise, was taken in the suspending of publishing of the "Coronet Magazine." Losses and suspension costs for the six months period of April through September, 1961 for "Coronet Magazine" totalled $420,000. Also, in 1961, a new Division, *Esquire Book Division*, was set up. Over the years the pages of "Esquire Magazine" have inspired 35 books. To date more than two million copies have found their way on to the shelves of discriminating readers. Esquire's experience and know-how in all facets of the publishing business, the creative abilities, publishing facilities and distribution channels, suggests that

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

Cyclical-Type Stocks' Turn In the Changing Market

By Harold X. Schreder,* *Executive Vice-President, Distributors Group, Inc., New York City*

Diffusion analysis of the D-J Industrial Average shows it to be a "real fooler" — particularly in representatively purporting that stocks have already discounted the favorable business outlook and are selling at historically high valuations. In short, no "Average" can indicate anything important about stocks in the market. Mr. Schreder (1) underscores the fundamental, logical price-determining importance of earnings and dividends; (2) assesses the price, earnings and dividend performance of growth, defensive and cyclical-type stocks; and (3) opines now is the time to examine long-depressed stocks in the basic or cyclical areas of industry. All in all, the investment fund officer looks forward to an upturn in 1962, sees no evidence that we are yet coming to grips with some vicious economic problems, and sees a continuing strong demand for stocks.

The big question in most people's minds about the stock market is: Hasn't the rise in prices been so substantial that the admittedly favorable business outlook has already been discounted—even over-discounted? The answer seems obvious when one has to recognize that the stock market, as measured by the familiar Dow-Jones Industrial Average, was recently selling at around 23 times current earnings, and on an average yield basis of about 3%—nearly 1½% less than the current yield on high grade bonds! Moreover on the basis of an expected 20% increase in 1962 earnings, the Average stock is still selling at nearly 19 times earnings. These relationships clearly represent historically high valuations—based upon this stock Average. Yet, I do not believe that such an obvious conclusion is warranted at this time on the basis of a more detailed analysis of the stock market over the last several years.

Harold X. Schreder

December's D-J High

Despite the fact that the Dow-Jones Industrial Average recently closed at an all-time high of 735, the stock market has not been a one-way street for the last five to six years. It basically has been a three-way street, with the three basic types of stocks — growth stocks, defensive stocks, and cyclical stocks — traveling not only in different and historically unique paths, but actually in completely opposite directions. Moreover, the long-term advance in the stock market, which started twelve and a half years ago in June, 1949, at 160 in the Dow-Jones Industrial Average, has been broken into two distinct periods of about equal length. The market action of the first half period, from 1949 to 1956, is different in practically all respects from the market action from 1956 to date. Herein, lies the real story behind the stock market as I view it.

To help me explain the complex and unique stock market we're confronted with today, let me call your attention to the chart below showing the stock market as it looks on the basis of the Dow-Jones Industrial Average.[1]

The first fact to be recognized is that the Dow-Jones Industrial Average, at its all-time high level of 735 recently, is up 355% from its June, 1949 low. It should be further noted, however, that during the first half of this market move (1949-1956), the Average was up 220%, whereas in the latter half of the move, from 1956 to the present, the DJI Average is up only 41%.

The second fact to be recognized about the Dow-Jones Industrial Average earnings is that whereas they were up 38% from 1949 to 1961, these earnings increased 42% from 1949 to 1956, but since then, the earnings have actually declined 3%. As the chart also shows, the dividend picture is very similar—up 80% during the 1949-1956 period and approximately flat since then.

The third fact to be recognized about the stock market Average since 1949 is that from 1949 to 1956, price-earnings ratios increased from under 7 times to over 15 times, or 126%; and then they increased another 51% from 1956 to the present time.

Individual Performance of Each D-J Stock

It is this combination of moderately declining earnings and dividends and sharply rising price-earnings ratios since 1956 that makes the present day stock market look so historically "high." Yet, as I say, before this conclusion is made, let me make these further observations about the stock market on the basis of an individual look at each of the 30 stocks which make up this Dow-Jones Industrial Average, particularly since 1956.

As I pointed out above that while the Dow-Jones Industrial Average recently closed at an all-time high of 734.91 on Dec. 13, 1961, the stock market has not been a one-way street for the last five to six years. In fact, the Dow-Jones Industrial Average of 30 stocks has (1) never been as unrepresentative of the stock market as it has been during the last several years and it (2) never

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[1] It is adapted from 3-Cycli-Graphs published by the Securities Research Corporation.

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Articles and News Page

CANADA'S LEADING AUTHORITIES EVALUATE ITS ECONOMIC PROSPECTS

Starting on the cover page, we present the views of leading Canadian Government Officials, Bankers and Industrialists as to the probable course of Canada's economy during 1962. These articles, of course, were expressly written for the *Chronicle* and provide the reader with official, up-to-the-minute information regarding economic trends in Canada.

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OBSERVATIONS...

BY A. WILFRED MAY

ON THE BATTLE-FRONT FOR SAVINGS

WASHINGTON — Queried from the floor after his formal address at the Treasury Conference to start the 1962 Savings Bonds Drive about the possibility of "sweetening" their yield, Secretary Dillon pointed out that the present rate is equal to the average paid by banks; that they provide an assured rate of interest over the long-term; and that the tax payable on the income is postponable until maturity.

Remarkable, but typical, is it that at this all-day meeting with speakers including President Kennedy, Secretaries Rusk and Gilpatric, Reserve Board Chairman Martin, Treasury Under Secretary Fowler and Savings Bonds national director Neal, also addressing 600 leading executives in business, labor, banking and communications, this was the only reference to the material *investment* advantages of the Bonds.

Highly important among such chronically overlooked advantages, is the Bonds' unique continuous *redemption* feature extended to the *holder*. In contrast to the widespread practice in the case of other bonds issued by the government, and by corporations and municipals giving the *borrower* the unilateral privilege to terminate the contract before maturity (a heads-you-win-tails-I-lose arrangement), the Savings Bond holder is in the "driver's seat." He can terminate the contract at almost any time that this advantages him.

The Series E Bond is sold at a discount, with the income being derived from appreciation to maturity, which interval is now shortened to seven years and nine months for a yield of 3¾%. (If redeemed before the maturity date, the yield is reduced).

The Series H Savings Bond, sold at par in $500 units, and paying semi-annual interest checks, may be redeemed by the holder at par six months or more after his purchase, with graduated reduction of the income yield below the 3¾% afforded when held to its 10-year maturity.

This reverse-call privilege rates first place among the Savings Bonds' advantages particularly because of certain partial offsets to the above-mentioned benefits cited by Secretary Dillon. (Actually the investor must hold his Savings Bond to maturity to get the expected yield, whereas the bank depositor can withdraw his money at almost any time without interest reduction. Again, the cited tax postponability to maturity must be declared at the outset, with the entire interest accrual bunched for a single tax payable at one time, possibly in a higher bracket).

In any event, in peacetime and midst inflation fears it is particularly necessary to bolster the *patriotic* appeal (the May-June selling effort is to be dubbed "the Freedom Drive"), with realization of the Bonds' investment advantages.

ON THE GOVERNMENT'S INVESTOR RESCUE EXPEDITIONS

The sensational revelations of abuse on the American Exchange do not justify assumption that the future activities of the *Special Study of Securities Markets* which was created—with a $750,000 appropriation—by the Mack Bill will be confined to "doing a job" on the stock exchanges. Nor will it monopolize the coming reform efforts in the investment field. Actually, work on the stirring 155-page Report on the American Stock Exchange was begun by the SEC's own staff three months before passage of the Mack legislation, and submitted by joint signatories, Philip A. Loomis and Irving M. Pollack, Director and Associate Director of the Commission's Division of Trading and Exchanges, along with the Director of the Special Study, Milton H. Cohen.

Chairman Cary has made it clear that the Jan. 3, 1963 due-date for the ultimate report ensuing from the Special Study will not cause postponement of the quest for new legislation or rules arising from the continuing work of the permanent Commission staff.

Double-Barrelled Overhaul

The investment companies constitute a territory which will be split between the Commission's staff and the Special Study "task force" with the former first taking up the management companies' functioning, and the latter, pursuant to its Congressional directive, via the NASD, later going into the funds' selling practices. Delivery of the Wharton School's long-awaited Size study for the Commission, is expected within the week.

Stock options constitute another question which is susceptible to split treatment. The SEC's Special Study people will go into options connected with underwriting and new issue marketing, with which, in lieu of their strictly corporate aspects, it is concerned. The matter of *company* stock options may be taken up by the Commission's permanent staff (it has jurisdiction over public utilities' use of them); and surely by the Treasury Department's tax planners.

The over-the-counter market will also be getting the attention of both groups. The Special Study gets there via its mandate from the Mack Committee to investigate the supervising National Association of Securities Dealers, covering "the ethical conduct of its members in all their activities." This scope together with action under the long controversial Frear Bill for extending to over-the-counter securities the corporate provisions of the Securities Exchange Act now confined to listed companies, and named for the present SEC Commissioner Frear, is sure to be pushed by the Commission as a separate piece of legislation.

Related thereto is the anomaly on the American and regional stock exchanges, whereunder a number of issues still remain without having submitted to the listing requirements met by the fully listed companies on the same exchange. This clearly constitutes a situation requiring the attention of the Mack-directed Special Study.

Curbing the Tipsters

The advisory services too will get attention under both the special legislation and SEC routine. The former will re-examine the doings of investment advisers, and possibly public relations firms too, as they may affect their companies' stock-market action.

Current action on the advisors by the regular Commission staff will be devoted to finalizing its latest proposed rules pertaining to employee activities, securities' custody, and record-keeping.

These proposals were preceded by the actual adoption, on Nov. 2 last, of a rule (206 (4) 1) prohibiting advertisements containing testimonials of any kind; barring advertising of past recommendations unless all recommendations are — un-eclectically — included, and covering a minimum of the past year; outlawing the free "guest" list racket unless the "hospitality" is genuine; and prohibiting the representation that any chart, graph, formula "system" unless the advertisement also prominently discloses "the limitations and difficulties encountered" in its use.

The Commission is now engaged in arranging for the policing of these rules—an impossible task in at least the last-cied section relating to "systems." Assuming the advisors' whole-souled integrity, he cannot possibly recognize the fallacy or shortcomings of hs pet beat-the-market gadget. Furthermore, how can the Commission take the responsibility of either approving or disapproving in such a controversial matter?

Also, may not enforcement of the rule versus hindsight recommendations be sabotaged by confusion over definition of "recommendation?"

The Vigorous Special Study

The foregoing emphasis on the Commission's staff's participation in reform activities is not to be interpreted as belittling the important ground to be covered, in breadth and depth, by the Special Study.

Among the other pressing problems which will be getting exhausting treatment by the Study will be underwriting practices in all their phases, the broker-dealer relationship, the part-time salesman, the distribution process of new and also of outstanding issues, and "margin" and other credit restrictions applied to securities.

Association of Stock Exchange Firms

WASHINGTON, D. C.—More than 600 leaders of Congress, Government and the nation's investment community attended the formal dinner (Statler Hilton, Jan. 22) marking the winter meeting of Governors of the Association of Stock Exchange Firms. Pictured (left to right) are four Principals at the session: G. Keith Funston, President of the New York Stock Exchange; J. Truman Bidwell, Chairman of the NYSE Board of Governors; ASEF President Brittin C. Eustis, Partner of Spencer Trask & Co.; and William C. Coe, ASEF Vice-President and Governor, and Partner of Mackall & Co., Washington, D. C. Mr. Coe was also Chairman of the Reception Committee, composed of ASEF-member firms in Washington, for the Association's meeting and dinner.

To Be Leavitt Partner

LONG BEACH, N. Y.—As of Feb. 1, Aaron I. Canon, Co-Manager of the Long Beach office of Leavitt & Co., 84 East Park Avenue, will be admitted to partnership in the New York Stock Exchange member firm.

J. E. Andrews Opens

(Special to THE FINANCIAL CHRONICLE)

PEBBLE BEACH, Calif.—Jack E. Andrews is engaging in a securities business from offices here under the firm name of Andrews Investment Consultant. Mail address is P. O. Box 61.

Form Colt Investing

Colt Investing Corporation is engaging in a securities business from offices at 442 Park Avenue South, New York City.

The State of TRADE and INDUSTRY

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

The Federal Reserve Board reported that its index of industrial production increased one point further in December to 115% of the 1957 average—5% above the prerecession level in the first half of 1960. Gains in output were widespread, with consumer goods, equipment, and materials attaining new record highs.

Auto assemblies increased 9% further in December, to about the record rates of 1955, partly to build up dealer stocks. Current production schedules indicate a decline in January. Output of furniture, television, and other home goods continued to expand in December and production of apparel and staples was maintained at advanced levels. A further increase in output of business equipment reflected mainly gains in industrial and commercial machinery and in trucks.

Output of iron and steel increased substantially in December, and steel mill operations continued to rise in early January. While output of construction materials declined further in December, production of most other materials continued to advance.

Construction

The value of new construction put in place declined somewhat in December to a seasonally adjusted annual rate of $60 million. Private residential building continued to increase, but public construction, which had advanced sharply in November, declined to its October rate. For the fourth quarter as a whole, construction activity reached a new record high and was 7% above the fourth quarter of 1960.

Employment

Seasonally adjusted employment in nonfarm establishments was unchanged in December at 54.5 million. Employment rose slightly in manufacturing, reflecting mainly further gains in the transportation and electrical equipment industries, but declined among nonmanufacturing industries. The seasonally adjusted unemployment rate, at 6.1%, was unchanged from November.

Bank Credit and Reserves

Total commercial bank credit rose sharply further in December, mainly reflecting heavy tax and dividend related borrowing by businesses, security dealers, and finance companies. Holdings of U. S. Government and other securities also rose. The seasonally adjusted money supply continued to expand.

Total reserves and required reserves increased substantially further in Decebmer. Reserves were supplied through increases in Reserve Bank float, which reaches its seasonal peak in December, and through Federal Reserve purchases of U. S. Government securities. Reserves were absorbed principally through currency and gold outflows. Excess reserves declined slightly and borrowings rose somewhat.

Security Markets' Yields Rose Mid-December to Mid-January

Yields on short-term U. S. Government securities rose further from mid-December to mid-January. Yields on longer-term Treasury securities and on corporate bonds changed little while those on State and local government bonds declined.

In mid-January, common stock prices were moderately below the record highs of a month earlier, and the volume of trading remained relatively high during the period.

Bank Clearings Up 6% Relative To 1961 Week

Bank clearings last week showed an increase compared with a year ago. Preliminary figures compiled by the *Chronicle*, based on telegraphic advices from the chief cities of the country, indicate that for the week ended Saturday, Jan. 20, clearings from all cities of the United States from which it is possible to obtain weekly clearings will be 6% above those for the corresponding week last year. Our preliminary totals stand at $31,801,381,842 against $29,987,877,703 for the same week in 1961. Our comparative summary for some of the principal money centers follows:

Week End. Jan. 20—	(000s omitted) 1962	1961	%
New York	$17,437,569	$16,465,458	+ 5.9
Chicago	1,494,156	1,392,443	+ 7.3
Philadelphia	1,290,000	1,133,000	+13.9
Boston	947,287	834,986	+13.4

Steel Inventory Buildup to Continue

Look for the steel inventory buildup to continue in spite of government requests that strike-hedge buying be halted, *Steel* magazine said on Jan. 22.

For every firm that decides against buildups, there will probably be a half dozen that will ignore Washington's advice.

Since all major consumers are expected to use more steel this year than they did in 1961, inventories would have to be increased even if there were no possibility of a strike. Stocks are not big enough to support continued high production by automakers and increasing demand from other users.

Stocks of finished steel in the hands of consumers are almost as low as they were at the end of the 1959 strike, and they're lower relative to the level of consumption than they've been at any time since pre-World War II years.

On Jan. 1, stocks totaled about 11 million tons. Prior to 1960, when users started liquidating surplus steel accumulated after the 1959 strike, inventories rarely dropped below 15 million tons — except in strike periods.

Inventories will total an estimated 12 million tons on Feb. 1. That compares with an estimated 16 million tons on Feb. 1, 1959, prior to the last steel labor negotiations.

By next June 30 when the present labor contract expires, look for steel users to build stocks to about 21 million tons vs. 23 million tons on June 30, 1959.

Preliminary wage talks are underway. Using standing committees provided in the last contract to try for better understanding in six key areas, representatives from 11 major steel companies and the United Steelworkers have met more than 100 times since January, 1960. Recently, the gatherings have been held much more frequently.

There's a chance for a quick and quiet settlement before June 30. But many of the issues that led to the 116-day walkout in 1959 are still unresolved. Some are even more acute than ever.

Steelmakers continue to book more tonnage per day than they could produce even if they operated at full capacity. Demand is not as strong as it was in late December, but steel sales executives are not surprised. They say users have made commitments through the first quarter and beyond, so they are returning to buying patterns that are closer to normal.

Ingot output this week is expected to be slightly higher than the 2,340,000 tons (highest since the first week of April, 1960) *Steel* estimates the industry made last week.

Adverse weather hampered the movement of scrap last week, especially in the Midwest. *Steel's* steelmaking scrap price composite declined 33 cents to $37.67 a gross ton.

Manufacturers are seriously figuring on price hikes this year, *Steel* reported. Increasing labor and material costs, plus the profit squeeze, continue to drive prices upward.

In a 100 company survey, *Steel's* editors found: Recent increases have been made in 21 product categories. Price hikes are slated for an additional 20. Prices of another 27 will rise if the price of steel goes up.

Steel Orders Taxing Industry's Facilities

Steel orders are still coming in at a rate that exceeds capacity, *The Iron Age* reports.

This means the margin of safety between supply and demand is precarious and narrowing fast. While the market has not yet reached the saturation point, unrestricted selling is out of the question for most mills, and on a widening range of products.

Flat-rolled continues to lead in demand. But some other products are moving out rapidly, the magazine notes. Although the overcapacity rate will ease in time, no tapering off has been noted.

This means there was no quick reaction to White House efforts to call off an inventory buildup. Implications that the Administration could head off a steel strike by an early settlement of the steel labor contract have had no effect on steel ordering.

Another factor in the market is the feeling on the part of some major steel consumers that steel prices will have to go up after the new labor contract is signed. This price hedging, on top of strike hedging, is another negative response to President Kennedy's plea, which implied a noninflationary settlement.

Independent auto parts makers have provided the biggest new impetus to the market. Automakers some time ago told their suppliers they were expected to have enough stock on hand to keep a flow of parts coming for weeks after the June 30 deadline in the steel labor contract—strike or no strike. The suppliers are now part of a secondary wave of inventory buying.

These suppliers include forgers, gear makers, spring makers and other makers of auto parts. Fastener makers are now ordering steel as far ahead as April.

On the general market, delivery dates for most products are lengthening out, and most mills now have backlogs stretching out two months.

But in spite of the strengthening market, most steel products, except for flat-rolled, are still available within a reasonable delivery time. But how long this will last is a question.

Orders are improving for bars, plates, structurals, standard pipe, oil country seamless, and wire products. Heavy inventory buying has not yet hit these items, although there are indications it is underway.

Ward's Automotive Reports said that adjustments in overtime production programs in the week ended Jan. 20 and next week preclude the 660,000-670,000-unit January output auto makers originally projected. Present outlook for the month is for closer to 620,000 cars.

Ward's said, however, that these adjustments did not reflect any softening of new car demand on an industrywide basis, only a realistic inventory build-up by some companies. January-March auto sales still call for a seasonally adjusted, annual rate of 6,500,000 units.

Factory production in the week ended Jan. 20 was estimated at 142,655, about 1% below 143,041 the previous week, but far ahead of the 94,155 cars made in the corresponding week of a year ago.

Of the latest week's output, General Motors accounted for 57.6%; Ford Motor Co. 28.8%; Chrysler Corp. 7%; American Motors 6.6%.

Steel Production Data for the Week Ended Jan. 20, 1962

According to data compiled by the American Iron and Steel Institute, production for the week ended Jan. 20, 1962, was 2,341,000 tons (*125.7%), or 1.8% above the output of 2,300,000 (*123.5%) in the week ended Jan. 13, 1962.

Production this year through Jan. 20, amounted to 6,935,000 tons (*124.1%), or 59.7% above the period through Jan. 20, 1961.

The Institute concludes with index of Ingot Production by Districts for week ended Jan. 20, 1962, as follows:

	* Index of Ingot Production for Week Ended Jan. 20, 1962
North East Coast	127
Buffalo	140
Pittsburgh	121
Youngstown	118
Cleveland	154
Detroit	146
Chicago	126
Cincinnati	132
St. Louis	85
Southern	114
Western	121
Total	125.7

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

Lumber Shipments Were 7.4% Above Same Week in 1961

Lumber shipments in the United States in the week ended Jan. 13, totaled 175,368,000 board feet, compared with 142,708,000 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 5%, shipments jumped by 7.4% and orders advanced by no less than 31.3%.

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

	Jan. 13, 1962	Jan. 6, 1962	Jan. 14, 1961
Production	186,545	146,213	177,731
Shipments	175,368	142,708	142,774
Orders	221,774	150,296	168,932

Electric Output 11.7% Higher Than in 1961 Week

The amount of electric energy distributed by the electric light and power industry for the week ended Saturday, Jan. 20, was estimated at 16,857,000,000 kwh., according to the Edison Electric Institute. Output was 100,000,000 kwh. below that of the previous week's total of 16,957,000,000 kwh. but 1,765,000,000 kwh., or 11.8% above that of the comparable 1961 week.

Carloadings Down 2.5% From 1961 Week's Level

Loading of revenue freight in the week ended Jan. 13, totaled 503,542 cars, the *Association of American Railroads* announced. This was an increase of 34,075 cars or 7.3% above the preceding holiday week, but below the normal seasonal increase due to severe weather.

The loadings represented a decrease of 12,733 cars or 2.5% below the corresponding week in 1961, and a decrease of 102,251 cars or 16.9% below the corresponding week in 1960.

There were 9,762 cars reported loaded with one or more revenue highway trailers or highway containers (piggyback) in the week ended Jan. 6, 1962 (which were included in that week's over-all total). This was an increase of 1,107 cars or 12.9% above the corresponding week of 1961 and 677 cars or 7.5% above the 1960 week.

There were 57 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 1960.

Intercity Truck Tonnage Tops Year Ago Volume by 13.7%

Intercity truck tonnage in the week ended Jan. 13, was 1.5% ahead of the volume in the corresponding week of 1961, the *American Trucking Associations* announced. Truck tonnage was 13.7% ahead of the volume for the previous week of this year. This week-to-week gain is attributable to the New Year's holiday observed in the earlier week.

These findings are based on the weekly survey of 34 metropolitan areas conducted by the ATA Department of Research and Transport Economics. The report reflects tonnage handled at more than 400 truck terminals of com-

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TAX-EXEMPT BOND MARKET

BY DONALD D. MACKEY

The tax-exempt bond industry has been enlivened this week by the sale, on Tuesday of $180,000,000 Massachusetts Turnpike Authority, Boston Extension bonds to an underwriting syndicate managed by Allen & Co., Merrill Lynch, Perce, Fenner & Smith Inc. and Tripp & Co., Inc. by the Massachusetts Turnpike Authority. An effort was made to finance this extension during June of 1961 through an offering of $183,000,000 bonds but the negotiation was frustrated then through an inability to obtain underwriters for the full amount. The June push was spearheaded by a large group managed by F. S. Moseley & Co., The First Boston Corp., Blyth & Co., Inc. and Tripp & Co., Inc.

The current underwriting is comprised of two series of bonds: $100,000,000 series A, 4¾% 40 year term bonds reportedly priced at 100 and $80,000,000 series B, 4%-5% 40 year term bonds also offered at 100. The former are a first lien on revenues and the latter are subordinated. The three underwriters are forming a selling group for public distribution of the bonds not so far committed. All of the series A issue and part of the series B issue is said to have been placed.

1964 Completion Date

Construction of the 12-mile extension from the eastern terminus of the present turnpike, at Weston, to downtown Boston near South Station is expected to begin as soon as the weather permits. Completion will be scheduled for early 1964.

This highway is a direfully needed improvement. There has been some political controversy concerning the manner of financing. The toll road method has won out as the most expedient way to get the job done in a hurry although it has been opposed by certain officials and civic groups.

An Active Sales Week

Although the state and municipal bond market has not been ostensibly very active during the past week, the record would indicate that a considerable amount of business has been transacted. The calendar has been light but at least $50,000,000 of new issues (competitive) have been handled by dealers with no apparent increase in dealer inventories. (Our figures, obviously, do not allow for the $100,000,000 California issue which only came to market late on Wednesday.)

Street float, as measured by the *Blue List* state and municipal bond offerings, is little changed from the total of a week ago. Current total is only $278,946,000 and represents a healthy market factor.

Price Structure Steady

On the basis of our preselected list of 15-20 year high grade bond offerings, as they appear in the *Blue List*, the state and municipal bond market has maintained its tone and even improved slightly during the week. *The Commercial and Financial Chronicle's* yield Index averages out at 3.223% on Jan. 24 against 3.226% a week back.

In view of the unsettled government bond market, the impact of the budget message and the nervousness in other financial markets, this steady tax-exempt bond market is notable to say the least.

Supply Ahead Manageable

The supply of new tax-exempt bond issues has been about normal during the last 30 days. It has included two noteworthy negotiated offerings; the $157,000,000 Florida State Turnpike issue and the $180,000,000 Massachusetts Turnpike, Extension issue, as well as the $100,000,000 State of California issue which was competitively bid for yesterday.

The sealed bid calendar, including all issues thus far scheduled through February, totals only about $500,000,000. The industry's capacity to handle this sort of volume at the current general level of prices would seem to be ample.

No Market Rise in Interest Rates Anticipated

As we have reported from time to time, the market for state and municipal bonds has been benefited for several months by a surging commercial bank interest in tax-exempt bonds. The increase in commercial bank time deposit interest rates largely triggered this interest. Since deposits in this category are certain to increase progressively, the commercial bank demand for tax-exempt bond holdings seems likely to be enlarged in the months ahead. The full impact of this increased interest in tax-exemption may reach far into the year.

In this connection we have rather persistently felt that the tax-exempt bond market would resist any tendency toward higher interest or coupon rates. We have felt strongly that a firm, receptive bond market would be carefully nurtured by the Federal Reserve as a desirable factor toward economic resurgence. We have felt that these policies would mitigate any significant diminishing or tightening in the money supply.

This week the Administration has quite importantly shown its hand as regards its strong interest in the cost of money and in the manner that changes in the prime rate may be effected. Several of the large commercial banks are reported as having been asked by the Anti-Trust Division of the Justice Department for information in connection with prime rate changes. It is generally known that there have been recent rumors about the street to the effect that an increase in the prime rate may be imminent. These rumors have abruptly quieted and the market for tax-exempts, at least, has shown substantial improvement. Bidding for new issues has again become extremely competitive.

Recent Awards

This past week has been the busiest new issue period since the first of the year. On Monday, Jan. 22, $4,592,000 Boston Metropolitan District, Massachusetts (1963-1992) bonds were won by the Halsey, Stuart & Co. group with 3.20% and 3% coupons designated. Other major members of this group include Lehman Brothers, Blair & Co., Inc., Shields & Co. and Thomas & Co. Scaled to yield from 1.70% to 3.50% about 50% of the bonds have been sold. Also on Monday, Orange County (Orlando), Florida awarded $1,750,000 Road bonds due 1963-1982 to the Florida National group of banks as 3.20s. The bonds were not reoffered and presumably went for bank investment.

On Tuesday four groups eagerly vied for $15,600,000 State of Georgia Rural Roads Authority (1963-1987) revenue bonds. The syndicate managed jointly by Blyth & Co., Inc. and The Robinson-Humphrey Co., Inc. was the successful bidder with a net interest cost of 3.379%. The second bid, figured as a 3.400% interest cost, was made by the Halsey, Stuart & Co. syndicate.

Other members of the successful syndicate are Smith, Barney & Co., Lehman Brothers, C. J. Devine & Co., Goldman, Sachs & Co. and Kidder, Peabody & Co. Reoffered to yield from 1.75% to 3.50%, excellent demand appeared from commercial banks and insurance companies. The issue was a sell-out.

Ridgewood Township, New Jersey School District sold $2,930,000 bonds due 1964-1983 to the Phelps, Fenn & Co. group as 3.05s. Reoffered to yield from 1.90% to 3.15%, the account reports an unsold balance of about $1,500,000. Also on Tuesday an issue of $2,225,000 Modesto School District, California (1963-1987) bonds was bought by the Bank of America N. T. & S. A. group. Scaled to yield from 1.70% in 1963 to 3.40% in 1986, the present balance is $950,000. The 1987 maturity was not reoffered.

Bank Buying Significant

On Wednesday four bids were made for $18,500,000 Kansas City, Missouri Sewerage System Revenue 1963-1992 bonds. The winning bid, a 3.3006% interest cost, was made by the Smith, Barney & Co.-Harriman Ripley & Co. syndicate. The other three bids ranged from 3.32% to 3.34%. Associated with Smith, Barney & Co.-Harriman Ripley & Co. as major underwriters are Goldman, Sachs & Co., Kuhn, Loeb & Co., White, Weld & Co., B. J. Van Ingen & Co., Inc., Equitable Securities Corp., Paine, Webber, Jackson & Curtis and Stone & Webster Securities Corp.

The issue is scaled to yield from 1.75% in 1963 to 3.50% in 1991 and once again, upon reoffering, commercial banks and insurance companies were substantial buyers. About $7,000,000 of the bonds have been sold out of account. The 1992 maturity carried a 1% coupon and was not reoffered.

California Issue to Be Well Received

Wednesday's largest competitive sale was $100,000,000 State of California School Building Aid (1964-1988) bonds. This issue was bought by a nationwide underwriting group headed by the Bank of America N. T. & S. A. at a 3.18% net interest cost. The runner-up bid designating a 3.20% interest cost was made by the Bankers Trust Co. group. William Morris & Co. was the last bidder at a 3.344% interest cost.

The bonds were offered to yield from 1.90% in 1964 to 3.40% in 1987. Orders will be taken throughout the day and no balance is presently available but it is expected that the bonds will be well spoken for. The 1988 ma-

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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	3.25%	3.10%
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%

January 24, 1962 Index=3.223%

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. 25 (Thursday)			
Austin, Texas	2,000,000	1963-1987	10:00 a.m.
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	1963-1982	11:00 a.m.
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)			
Otero Co., E. Otero Co. SD 1, Colo.	1,375,000	1963-1982	7:30 p.m.
Pomona, Calif.	1,300,000	1963-1992	8:00 p.m.
Jan. 30 (Tuesday)			
Boulder & Weld Cos., St. Vrain Valley Sch. Dist. REIJ, Colo.	4,050,000	1963-1982	10:00 a.m.
Glen Cove City Sch. Dist., N. Y.	2,800,000	1962-1990	2:00 p.m.
Grand Island C. S. D. No. 1, N. Y.	4,376,000	1962-1991	3:00 p.m.
Newton School District, Iowa	1,500,000	1963-1981	3:00 p.m.
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.
Shelton, Conn.	1,580,000	1963-1982	2:00 p.m.
Tulsa, Oklahoma	2,100,000	1964-1987	10:00 a.m.
Tulsa County, Okla.	1,800,000	1964-1987	10:00 a.m.
Two Rivers, Wis.	1,750,000	1963-1980	1:00 p.m.
Waco, Texas	2,505,000	1963-1987	1:15 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.
East Grand Forks, S. D. 595, Minn.	1,475,000	1966-1991	4:00 p.m.
Hempstead UFSD No. 11, N. Y.	3,410,000	1963-1992	11:30 a.m.
Jefferson City, Sch. Dist., Mo.	1,500,000	1963-1982	4:00 p.m.
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)			
Birmingham Sch. Dist., Mich.	2,500,000	1965-1987	8:00 p.m.
Tri-Cities Mun. Water Dist., Calif.	1,750,000	1965-1990	7:30 p.m.
Feb. 6 (Tuesday)			
Anne Arundel County, Md.	6,750,000	1964-1987	11:00 a.m.
Anne Arundel County Sanitary Commission, Md.	2,500,000	1964-1992	11:00 a.m.
Boulder, Colo.	4,000,000	1963-1992	2:00 p.m.
Ceritos Junior College Dist., Calif.	1,200,000	1963-1982	9:00 a.m.
Columbus City Sch. Dist., Ohio	7,000,000	1963-1985	Noon
De Kalb County, Ga.	8,910,000	1964-1991	Noon
Hayward Union S. D., Calif.	2,038,000	1963-1987	1:00 p.m.
Michigan (State of)	25,000,000	1964-1984	11:00 a.m.
New Jersey (State of)	42,000,000	--------	11:00 a.m.
Oakland County, Mich.	6,000,000	1963-1982	10:00 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	--------	--------
Feb. 7 (Wednesday)			
King Co., Bellevue SD #405, Wash.	1,650,000	1964-1982	11:00 a.m.
Lubbock, Texas	2,250,000	1963-1982	11:00 a.m.
Public Housing Authorities	79,550,000	--------	--------
Robbinsdale Sch. Dist. 281, Minn.	1,125,000	--------	4:00 p.m.
St. Louis, Mo.	12,676,000	1963-1982	--------
Sumter, S. C.	1,000,000	1963-1992	12:00 a.m.
Washington Twp.-Marion Co., H. S. Bldg Corp., Ind.	6,750,000	1965-1984	11:00 a.m.
Feb. 8 (Thursday)			
Harris Co. Flood Control D., Texas	7,000,000	1963-1982	10:30 a.m.
Oakland, California	6,000,000	1963-1987	11:00 a.m.
Oyster Bay U. F. S. D. No. 17, N. Y.	2,198,000	1962-1990	--------
Wayne County, Mich.	5,000,000	1964-2001	11:00 a.m.
West San Bernardino Water Dist., California	2,375,000	--------	8:00 p.m.
Feb. 13 (Tuesday)			
Edgerton City, Fulton, Porter, etc., Joint School District, Wis.	1,420,000	1963-1977	2:00 p.m.
Jefferson Co. Sch. Dist. R-1, Colo.	7,425,000	1964-1984	7:30 p.m.
Los Angeles Sch. Dist., Calif.	30,000,000	1963-1987	9:00 a.m.
Macomb Co., Mich.	1,000,000	1963-1987	11:00 a.m.
Mounds View Ind. S. D. No. 621, Minnesota	1,500,000	1965-1992	8:00 p.m.
Philadelphia S. D., Pa.	12,000,000	1964-1987	11:00 a.m.
San Francisco, Calif.	27,300,000	1963-1982	--------
Feb. 14 (Wednesday)			
Ball State Teachers College, Ind.	4,800,000	1964-1996	10:00 a.m.
Charleston County S. D. 20, S. C.	1,000,000	1964-1984	Noon
Jefferson County, Ky.	2,415,000	--------	--------
Painesville Twp. Local S. D., Ohio	1,000,000	1962-1982	Noon
Feb. 15 (Thursday)			
Cecil Co., Md.	1,500,000	--------	--------
New York City	89,400,000	1963-1992	11:00 a.m.
Salt Lake City, Utah	7,500,000	1964-1982	10:30 a.m.
Feb. 20 (Tuesday)			
Ouachita Parish S. D. No. 1, La.	4,000,000	1963-1982	7:00 p.m.

Tax-Exempt Bond Market

Continued from page 6

turity bears a 1/10 of 1% coupon and was offered to yield 4.50%.

This week's final important issue was $3,445,000 Kingston, New York, City School District (1962-1981) bonds. This issue was awarded to the Marine Midland Trust Co. group as 3s. The bonds are offered to yield from 1.50% to 3.15% and after the initial order period, a balance of $1,430,000 remains in account.

Strong Market for Toll Revenue Bonds

The dollar quoted long-term revenue bond issues have been steady with the market. During the past few sessions certain of the toll road issues have appeared to be under accumulation. The new Florida State Turnpike 4¾s, which came to market three weeks ago at 99, are now 102½ bid. Illinois, Indiana Calumet, Massachusetts and Kansas issues are all better this week. The *Smith, Barney & Company* Turnpike bond Index averaged out at a 3.78% yield when sampled on Jan. 18.

January revenues for the midwestern toll roads will doubtless reflect the rigor of their old fashioned winter. However, when the snow and ice is cleared away, we expect that revenues will continue to show the relative gains that have been established during the past year.

Another Large Toll Issue Imminent

Another toll road flotation appears likely for mid-February. Preliminary letters have gone out covering proposed offerings totaling $106,000,000 Maryland-Delaware Turnpike revenue bonds. These underwritings will be managed by Alex. Brown & Sons. This strategic route between the Delaware Memorial Bridge and the Baltimore Tunnel has long required this turnpike facility.

Labor Unions as Today's New Financial Owners

By Roger W. Babson

Dean of the financial writers traces the successively different classes of investment holders ranging from Daniel Drew, Jim Fisk and Jay Gould to today's investment companies and labor unions. Mr. Babson particularly notes the phenomenal rise of labor unions who "may soon become the leading bankers of the U. S."

One of the big land developments near Lake Wales, Florida is the Indian Lake Estates, which was started by Leon Ackerman. It included 7,000 acres with hard roads, 6,500 residential lots, and a beautiful waterfront.

History of Indian Lake Estates

The original promoter "bit off more than he could chew" and either sold out to or went into partnership with an Alaskan Company which was to furnish the money to complete the sewerage, golf links, club house, etc. Storms and high water discouraged this new group. They turned to the Teamsters Union for money, by giving the union the blanket mortgage, subject in part to other mortgages, on all the property that was not owned free and clear by those who had already built homes or bought lots. This probably means that Indian Lake Estates will become the property of the Teamsters Union.

It is said that Mr. Hoffa has bought several hotels and other property in Key West and elsewhere in Florida, as well as stocks and bonds, which he can sell at any time. Mr. Hoffa, however, has another string to his bow: If he doesn't sell the Florida property, he can use it for union members who have reached retirement age. Thus Florida is going through a real estate cycle. First, it was the home of native persons, many of whom acquired, and own, property; then, middle-class people, especially from the Central West, began to retire in Florida; then followed the very rich who built up Miami and the Gold Coast; and now Florida is looking to the Labor Unions for its bankers!

Era of Private Banking, Trusts, and Insurance Companies

The big men of Wall Street were originally such men as Daniel Drew, Jim Fisk, and Jay Gould, who played with the stocks of the leading railroads of that day. There was then no Interstate Commerce Commission, or State Railroad Commission, or Securities and Exchange Commission. It was "free for all" until Mr. J. P. Morgan came into the picture and brought order out of chaos. Mr. Morgan was a very wonderful man. After he had accumulated money for himself, he assumed control of the investment situation in general. Those who followed his order and generalship usually prospered; those who did not fell into bankruptcy.

The second era was that of trusts, organized by certain famous lawyers under the laws of Delaware. These were the beginnings of what are now know as "holding companies" but they were unsupervised. Among the most prominent were Havermeyer (sugar), Harriman (railroads), Rockefeller (oils), and Duke (tobacco). Following these, the great life insurance companies which had money rolling in every month and "unsupervised bankers" became powerful.

Era of Mutual Funds

The third great era of combining and accumulating large aggregates of capital, in which the small investor could buy shares, was that of the Mutual Funds. These have grown greatly during the past few years since they have been sponsored by many of the best New York Stock Exchange houses which send salesmen out all over the country. Before the Mutual Funds became popular, the stock exchange houses could not afford to do this as their commissions were only a fraction of 1%. With Mutual Funds, however, they are allowed commissions of around 5%. These Funds now control $24,000,000,000 in stocks and bonds. As their salesmen sell Mutual shares, the Mutual companies buy stock to protect the purchases. As the Mutual company stockholders sell, the Mutual companies must sell stocks they are holding. During 1961 the Mutual companies redeemed 4 shares for every 10 sold. [Editor's Note: The Investment Company Institute reports 1961's sales were $2,950,860,000 and redemptions were $1,160,357,000.]

Meanwhile, labor unions, with membership dues coming in every month, are building up large reserves and may soon become the leading bankers of the U. S. The finance committees of these labor unions have two extraordinary advantages: (1) Labor unions are the only corporations now exempt from the anti-trust laws; (2) labor unions have some advantage in connection with income and other taxes. Whether government ownership or something else will follow the labor unions, we do not now know, but history shows that "every dog has its day."

Scott Named Trustee

Harold W. Scott, Partner in Dean Witter & Co., and a member of the New York Stock Exchange,

Harold W. Scott

has been elected a Trustee of the Gratuity Fund of the Exchange, to fill the vacancy caused by the death of William D. Scholle.

Ira Haupt Branch

BEVERLY HILLS, Calif. — Ira Haupt & Co. has opened a branch office at 166 North Canon Drive, under the direction of William Blatner.

Broughton V.-P. Of National S. E.

Woodson Broughton has been named Vice-President of The National Stock Exchange, it has been announced by Lawrence H. Taylor, Sirota, Taylor & Co., Inc., Chairman. Mr. Broughton has been with the administration of the New York Stock Exchange since 1957, and will be concerned with general administrative duties in his new post with The National Stock Exchange which is scheduled to open March 7.

Woodson Broughton

Before entering the field of exchange administration, Mr. Broughton was with Bache & Co.

Form Hill & Co.

SAN FRANCISCO, Calif.—Hill & Co. has been formed with offices at 2107 Union Street to engage in a securities business. Partners are Charles B. Strain, Joseph V. Costello, Jr. and John L. Levinshon.

With Schaefer, Lowe

(Special to THE FINANCIAL CHRONICLE)

SAN FRANCISCO, Calif. — Richard C. Wallace, Jr., has become associated with Schaefer, Lowe & McCamant, Inc., 1 Bush Street. He was formerly with Birr & Co., Inc.

DEALER-BROKER INVESTMENT LITERATURE AND RECOMMENDATIONS

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

Aerospace Stocks — Bulletin — Walston & Co., Inc., 74 Wall St., New York 5, N. Y. Also available is a bulletin on **Grumman Aircraft.**

Airlines—Bulletin—B. C. Christopher & Co., Board of Trade Building, Kansas City 5, Mo.

Aluminum Industry — Analysis—Paine, Webber, Jackson & Curtis, 25 Broad Street, New York 4, N. Y. Also available are data on **Bullock's, Inc., Long Island Lighting,** and **Aero Space Stocks.**

Canada—Review of the Canadian Dollar situation and business review—Royal Securities Corporation, Ltd., 244 St. James Street, West, Montreal 1, Que., Canada.

Canadian Business Guide—An up-to-date general outline of taxation and other matters of value to those considering the establishment of a business in Canada—Bank of Nova Scotia, 37 Wall St., New York 5, N. Y.

Canadian Common Stocks—Comparative figures as of Dec. 29, 1961—Equitable Brokers Ltd., 60 Yonge St., Toronto 1, Ont., Can.

Canadian Dollar—Study—Greenshields & Co. Incorporated, 507 Place d'Armes, Montreal, Que., Canada.

Canadian Market—Bulletin—Annett & Co., Ltd., 220 Bay Street, Toronto 1, Ont. Canada.

Canadian Market — Discussion of 1962 outlook—Draper Dobie and Co., Ltd., 25 Adelaide St., West, Toronto, Ont., Canada.

Canadian Stocks—Selection guide—Gairdner & Co., Ltd., 320 Bay St., Toronto, Ont., Canada. Also available is a circular on Canadian Government and Corporation Bond Offerings and a short-term money market letter.

Canadian Stocks—Comparison of Price-earnings ratios of representative list of stocks—Wills, Bickle & Co., Ltd., 44 King St., West, Toronto 1, Ont., Canada.

Canadian Stocks in 1962—Survey—Draper Dobie & Co., Ltd., 25 Adelaide St., West, Toronto, Ont., Canada.

Cincinnati Bank Stocks—Comparative operating results—Pohl & Co., Inc., Dixie Terminal Bldg., Cincinnati 2, Ohio.

Eastern Railroad Mergers — Report—H. Hentz & Co., 72 Wall St., New York 5, N. Y. Also available are reports on **United States Tobacco** and **Tax Exempt Obligations.**

Electric Utilities—Report—Goodbody & Co., 2 Broadway, New York 4, N. Y. Also available is a bulletin on **Retail Trade** and the **Pennsylvania - New York Central Merger** and a memorandum on **Cudahy Packing.**

European Common Market—Study—W. E. Hutton & Co., 14 Wall St., New York 5, N. Y.

Favored Common Stocks—Review of stocks in three categories—Eastman Dillon, Union Securities & Co., 15 Broad St., York York 5, N. Y.

Growth Plus Yield—Bulletin—B. C. Christopher & Co., Board of Trade Bldg., Kansas City 5, Mo.

Health Market—Bulletin—Mackay & Co., 50 Broad St., New York 4, N. Y.

Industries for 1962—Brief review of **Drugs, Teaching Machines** and **Natural Gas Distributors** — The Milwaukee Co., 207 East Michigan St., Milwaukee 2, Wis.

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

Japanese Market — Summary review of 1961 and forecast for 1962—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.**

New Orleans Bank Stocks — Report—Scharff & Jones, Inc., 140 Carondelet St., New Orleans 12, La. Also available is a bulletin on **Ascension - St. James Bridge & Ferry Authority.**

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

New York City Bank Stocks—Comparative figures at Dec. 31, 1961—First Boston Corporation, 15 Broad St., New York 5, N. Y.

New York City Bank Stocks—Year-end review of 10 leading banks—A. M. Kidder & Co., Inc., 1 Wall St., New York 5, N. Y.

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

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.

Private Aircraft Industry—Memorandum with particular reference to **Beech Aircraft, Cessna** and **Piper**—E. F. Hutton & Company, 1 Chase Manhattan Plaza, New York 15, N. Y. Also available is a memorandum on **Schenley Industries.**

Railroad Stocks—Report—Shearson, Hammill & Co., 14 Wall St., New York 5, N. Y.

Railroad Stocks—Memorandum—Sincere & Co., 208 South La Salle Street, Chicago 4, Ill.

Railroads in 1962 — Review and Outlook—A. M. Kidder & Co., 1 Wall St., New York 5, N. Y. Also available is a memorandum on **Maryland Casualty.**

Securities for 1962 — Booklet—Schwabacher & Co., 100 Montgomery St., San Francisco 4, Cal. Also available is an analysis of **Babcock Electronics Corp.**

Shell Home Industry — Analysis with particular reference to **Outdoor Development Co., Inc.**—Granbery, Marache & Co., 67 Wall St., New York 5, N. Y.

Small Business Investment Companies — Analysis — Hemphill, Noyes & Co., 8 Hanover St., New York 4, N. Y.

Steel—Discussion—F. S. Moseley & Co., 50 Congress St., Boston 2, Mass. Also available is an analysis of **Norfolk & Western.**

Tax Free Municipal Bonds—Bulletin—Hess, Grant & Remington, 123 South Broad St., Philadelphia 9, Pa.

Toronto Stock Exchange—Monthly review — The Toronto Stock Exchange, 234 Bay Street, Toronto 1, Ont., Canada.

Treasure Chest in the Growing West — Descriptive booklet describing industrial opportunities in the area served—Utah Power & Light Co., Dept. K, Box 899, Salt Lake City 10, Utah.

Truck Makers—Bulletin—Walston & Co., Inc., 74 Wall St., New York 5, N. Y.

U. S. Banks — Comparative figures on 15 largest U. S. banks—Bankers Trust Co., 16 Wall St., New York 15, N. Y.

U. S. Banks and Trust Companies—Comparative figures on leading banks and trust companies of the United States — New York Hanseatic Corporation, 120 Broadway, New York 5, N. Y.

Vending Machine Operators—Survey—Weston Smith Associates, 52 Broadway, New York 4, N. Y.

Western Securities — Memorandum—Irving Lundborg & Co., 310 Sansome Street, San Francisco 4, Calif.

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ABC Vending — Data—Courts & Co., 11 Marietta Street, N. W., Atlanta 1, Ga. Also available are data on **Celanese Corp. of America, National Lead Co.** and **Timken Roller Bearings.**

AMP Incorporated — Analysis — Butcher & Sherrerd, 1500 Walnut Street, Philadelphia 2, Pa. Also available is a list of recommended securities.

Aeroquip — Memorandum — Blair & Co., Inc., 20 Broad St., New York 5, N. Y.

Air Reduction — Memorandum—W. E. Burnet & Co., 80 Pine St., New Yrok 5, N. Y.

Allied Chemical — Memorandum—Courts & Co., 11 Marietta St., N. W., Atlanta 1, Ga.

Allied Chemical Corp. — Data—Thomson & McKinnon, 2 Broadway, New York 4, N. Y. Also available are data on **Johns Manville Corp., Parke, Davis & Co., Reynolds Metals Co., Standard Oil of New Jersey,** and **Union Bag Camp Paper.**

Allied Paper — Memorandum—Gerstley, Sunstein & Co., 211 So. Broad St., Philadelphia 7, Pa. Also available are memoranda on **American Viscose, Brown Co., Christiana Oil, McCrory Stores** and **Walnut Grove Products.**

Allied Supermarkets — Discussion in January "Investment Letter"—Carreau & Co., 115 Broadway, New York 6, N. Y. In the same issue are discussions on **Amerada, American Heritage Publishing, Arvin Industries, Carter Products, Dresdner Bank AG, North American Aviation, Revlon** and **Unilever.** Also available is a bulletin on **Laboratory for Electronics.**

Amerada Petroleum — Review—Carl M. Loeb, Rhoades & Co., 42 Wall St., New York 5, N. Y. Also available are data on **Electric Utilities, Armour & Company** and a memorandum on **Apco Oil.**

Amerada Petroleum Corp.—Report—Peter P. McDermott & Co., 42 Broadway, New York 4, N. Y.

American Heritage Life Insurance Co. — Memorandum — Johnson, Lane, Space & Co., 16 North Laura St., Jacksonville, Fla.

Anaconda—Discussion—Stearns & Co., 80 Pine Street, New York 5, N. Y. Also available are memoranda on **Coburn Credit** and **Hexagon Laboratories.**

Automated Building Components—Report—Glass & Ross, Inc., 60 East 42nd Street, New York 17, N. Y.

Avon Products — Memorandum—McDonnell & Co. Incorporated, 120 Broadway, New York 5, N. Y. Also available is a memorandum on **Beauty Counselors.**

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

Bee County (Texas) Hospital Bonds — Circular — Rauscher, Pierce & Co., Inc., Milam Building, San Antonio 5, Tex.

Beech Aircraft—Analysis—Colby & Co., Inc., 85 State St., Boston, Mass. Also available is an anlysis of **Westinghouse Air Brake.**

Biaw-Knox Co.—Review—Purcell & Co., 50 Broadway, New York 4, N. Y. Also available are reviews of **International Harvester Co., Radio Corporation of America, Tishman Realty** and **Associated Transport.**

Blue List Publishing Co., Inc.—Bulletin—Mitchum, Jones & Templeton, 650 South Spring St., Los Angeles 14, Calif.

Burlington Industries—Memorandum — F. P. Ristine & Co., 15 Broad St., New York 5, N. Y. Also available are memoranda on **Ekco Products** and **McKesson & Robbins.**

C I T Financial—Memorandum—Manley, Bennett & Co., Buhl Bldg., Detroit 26, Mich.

Cap & Gown Company—Analysis—Hooker & Fay, Inc., 221 Montgomery St., San Francisco 4, Calif.

Casa Electronics—Report—Adams & Company, 5545 Wilshire Boulevard, Los Angeles 36, Calif.

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

Cenco Instruments—Memorandum—McDonnell & Co. Inc., 120 Broadway, New York 5, N. Y.

Cerametal Industries — Memorandum—Jamieson & Co., 314 West Superior Street, Duluth 2, Minn.

Certain - Teed Products Corp.—Review—L. F. Rothschild & Co., 120 Broadway, New York 5, N. Y. Also available is a review of **National Can Corp.**

Chesapeake & Ohio — Memorandum—Sincere and Company, 208 South La Salle Street, Chicago 4, Ill. Also available is a memorandum on **Building Materials.**

Culler Hammer—Memorandum—James Anthony & Co., Inc., 37 Wall Street. New York 5, N. Y.

Dania Bank (Dania, Fla.)—Analysis—L. C. Whitaker Co., 225 East Dania Beach Boulevard, Dania, Fla.

Del Electronics Corporation—Report—Lenchner, Covato & Co., Inc., Bigelow Bldg., Pittsburgh 19, Pa.

Diamond National—Memorandum — Baker, Weeks & Co., 1 Wall Street, New York 5, N. Y.

Dunn Engineering—Report — Sirota, Taylor & Co., Inc., 26 Broadway, New York 4, N. Y.

Dunn Engineering Corp.—Report—Filor, Bullard & Smyth, 26 Broadway, New York 4, N. Y.

Eitel McCullough, Inc. — Memorandum—Schwabacher & Co., 100

Continued on page 35

Kern County Land Company

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

An interesting example of rising earning power and broadened corporate stature stemming from the ownership and upgrading of land.

Land is the basic investment of mankind, and real estate securities, conveniently dividing the ownership of land into marketable corporate shares, have now become exceedingly popular. While over 200 significant new realty issues have come on the market in the past decade, we'd like to discuss today a distinguished enterprise incorporated 72 years ago. It acquired its extensive land holdings early, and at very low cost, and still owns about 1,750,000 acres in fee, much of it located in rapidly growing Southern California. The company is Kern County Land Company.

The first 50 corporate years of KCL were not particularly eventful. Agricultural products were extensively grown on company land, and large swaths of acreage were devoted to the grazing and raising of cattle. The company entered its second major corporate phase in 1936, with the discovery of the Ten Section oil field in Kern County. For the next 18 years, royalty revenues from oil produced on KCL land created a great upsurge in earning power, and switched the major corporate accent from cattle and agriculture to petroleum. KCL, during this period, richly rewarded its shareholders with stock splits and dividend increases.

Oil Exploration Program

In 1954, KCL entered its third and most dynamic phase. Instead of remaining essentially a landlord, passively collecting rents and royalties, the company decided to make more aggressive use of its cash flow and resources. In oil, it entered exploration on its own account and, in other areas, it expanded and diversified.

Because KCL had been associated with oil for years it had acquired both the experience and resources required for successful exploration. While revenues from royalty land continued at excellent levels (a new high—$19,356,000 for the first nine months of 1961), extensive drilling, not only on company lands, but elsewhere, has set the stage for larger earnings in future years. For 1962, $11 million has been allocated to the drilling program.

The majority of wells under the program were drilled with partners, with varying participations. A new discovery, the South Gosford field, was opened up in 1961 in 50-50 partnership with Universal Consolidated Oil Company; and there are 10 producing wells there now. Exploration in Australia, with two partners, has located oil in Queensland. While revenues from this project will contribute nothing to 1962 earnings, the future potentials, from possible oil production on a permit area larger than New York State, are exciting.

During the first nine months of 1961, KCL participated totally, in the drilling of 51 wells located in California, Louisiana, West Canada, the Permian Basin, the Four Corners area and Australia. Over time, revenues from these production projects should augment substantially the KCL royalty income, which itself is increasing, due to profit sharing leases reaching maturity, added gas sales, and secondary production techniques that prolong "well life."

Oil is not the only mineral resources being exploited. KCL has acquired extensive deposits of hard minerals — phosphates, borates, trona and asbestos. With Johns-Manville (which owns the majority interest), KCL formed the Coalinga Asbestos Company which will shortly start operation.

Diversified Industrial Expansion

KCL capital has also been effectively put to work in a series of forward looking industrial enterprises. In 1958, the company formed Watkins-Johnson Company to implement the talents of two brilliant young electronic scientists. This subsidiary operates in one of the most rapidly growing sectors of the electronic industry, and produces versatile microwave tubes for use in satellites, radar and sophisticated new communication uses being constantly developed.

In 1959, Kern County acquired Walker Manufacturing Company, a leader in the production of filters, exhaust systems and lifting devices, now grossing over $50 million annually. Of particular interest here are the anti-smog devices developed. In association with American Cyanamid Company, Walker has perfected a catalytic muffler system. It has also developed a ventilator designed to neutralize smog emissions from motor vehicle crank cases. Both devices are being studied by the California Motor Vehicle Pollution Control Board. Walker Company's earnings are increasing rapidly and should make important contributions to net of KCL.

A third industrial unit of KCL is Gas Processors, Inc., producer of portable equipment to remove liquids from natural gas. Individual units can handle up to 100 million C.F. of gas per day, and can be operated, in parallel, to handle any required volume. Thirteen oil and gas companies have already acquired these units and substantial increase in installations is expected for 1962.

Real Estate Development

KCL is aggressively upgrading the uses of its own broad land holdings and applying its talents and experience in realty to interesting new development projects. In association with the Del E. Webb Corp., it has converted what used to be 6,000 acres of company ranch land into Stockdale, a sizeable industrial commercial and residential development near Bakersfield, Calif. In Santa Monica, Kern-Webb also has a large scale urban development project involving 27 acres of beach property, 2,000 apartment units and 7 acres of commercial development. Elsewhere KCL with another partner, is developing a 600 acre tract in Oahu, Hawaii.

Agriculture and Cattle

The original land uses have not been neglected. Today, 45,000 fat cattle a year are sold by KCL. Modern research is being applied to breed superior livestock for market, requiring less time from breeding ranch to slaughter, thus speeding turnover and maximizing profits.

In agriculture, KCL has at work 126,000 acres of irrigated farmland, most of which is within a 2 hour truck drive to the Los Angeles area. Providing agricultural products to such a burgeoning market should continue to be rewarding, as population grows, and more and more land is withdrawn from agriculture for building purposes.

Conclusion

From the foregoing swift account, we can perceive a sharp change in corporate direction of KCL in recent years. More effective use of land resources, and substantial plowback of the cash flow into new ventures has set the stage for larger net earnings per share in the years ahead. For 1961, net was around $4 a share, comfortable coverage for the $2.40 dividend; while cash flow was around $5.70.

There are 4,321,000 shares of KCL listed on the New York Stock Exchange, and currently selling at 81. The upgrading of strategically owned acreage, rising earnings and cash flow, sound expansion into growing industrial fields, and aggressive oil exploration shepherded by a young and extremely competent management team, all suggest that KCL may continue to deliver substantial rewards to patient shareholders.

Renyx, Field Names Exec. V.P.

Appointment of Frans J. Weterrings as Executive Vice-President of Renyx, Field & Company, Inc., 630 Third Avenue, New York City, has been announced. He headed his own marketing consulting business for many years.

NSTA NOTES

BOSTON SECURITIES TRADERS ASSOCIATION

The Boston Securities Traders Association will hold its 38th annual winter dinner at the Statler-Hilton Hotel, Friday, Feb. 9, at 7:30 p.m. A cocktail party from 5:30 to 7 p.m. will precede the dinner for guests and officers.

INVESTMENT TRADERS ASSOCIATION OF PHILADELPHIA

The Investment Traders Association of Philadelphia will hold their annual dinner March 9, at the Bellevue Stratford Hotel.

SECURITY TRADERS ASSOCIATION OF NEW YORK

The Security Traders Association of New York will hold its 26th annual dinner April 27, at the Waldorf-Astoria Hotel.

With Disbro Co.

WILLOUGHBY, Ohio—Eugene A. Willman has joined the staff of Disbro & Co., 4076 Erie Street. He was formerly with Ross, Borton & Co., Inc.

Form Matthew Investing

BROOKLYN, N. Y.—Matthew Investing Company is conducting a securities business from offices at 4011 Kings Highway. Bernice Gordon is a principal of the firm.

Jervis Secs. Opens

Jervis Securities Inc. has been formed with offices at 55 Broadway, New York City, to engage in a securities business. Joseph Jervis is a principal of the firm.

Economic Outlook and Its Implications for Banking

By Dr. R. Pierce Lumpkin,* Consulting Economist, The Bank of Virginia; Chairman, Economics Department, Richmond Professional Institute of William and Mary College and Consultant to Edward G. Webb and Co., Richmond, Va.

Overall economic expansion in 1962 is projected at 6% with an annual rate of $575 billion in the fourth quarter. Collation of factors influencing the economy's course underlies prediction of a faster pace in the first half then in the last half of next year. In discussing the implications of anticipated economic and monetary policy changes during 1962, in line with projections made, for commercial banking Dr. Lumpkin expects: (1) earning assets to increase one-third in 1962 compared to 1961; (2) liquidation of shorter-term investments to meet mounting loan demand; and (3) faster rise in lending rates in the first half of 1962 than in the remaining six months. The writer, also expresses some misgivings about the price level's direction and impact upon balance of payments.

We entered the present year 1962 with the economy in a firm and broadly based expansion pattern. What are the factors that will tend to sustain this pattern, or perhaps interrupt it, during the course of 1962?

R. Pierce Lumpkin

Under certain conditions economic expansion may be self-generating. The production and construction activities which make goods and services available to the people generate the incomes which create the demand for the goods and services. If a large proportion of these incomes is spent, additional production and construction is encouraged. Such a self-generating expansionary process is currently under way. But are the underlying forces such that the expansion will be accelerated, just maintained, or gradually slowed down?

One factor which will have an important bearing on the behavior of the economy in 1962 is the behavior of the consumer. Consumer spending for services (personal and medical care, repair work, recreation, debt service and the like) continued its post-World War II steady rate of increase right on through the past recession and the recovery which has followed. With personal income at record levels and rising strongly, there is every reason to believe that such expenditures will continue this trend throughout 1962.

Spending by consumers for nondurable goods has likewise shown a remarkably stable upward trend throughout the post-World War II years with only minor setbacks in recessionary periods. In the 1953-54 recession, for example, nondurable goods expenditures dropped by only $1.2 billion (seasonally adjusted annual rate), in the 1957-58 recession, they fell off by only $0.7 billion and in the last recession, they fell by only $0.6 billion. In the 1960-61 recession, spending for nondurable goods declined in the very early months of the recession (in the third quarter of 1960) and then expanded in each month thereafter until the recovery got under way, at which time a faster rate of expansion materialized. Now that spending for nondurable goods has recovered its more normal rate of advance, and in view of the income support for such spending being generated by other economic activities, there is good reason to expect this type of consumer spending to hold to its post-World War II upward trend throughout 1962.

Consumer Durable Sales

Durable goods sales, in contrast, fluctuate quite strongly with economic recession and recovery and are the principal source of instability from the consumer sector of the economy. In the most recent recession, durable goods expenditures fell from a seasonally adjusted annual rate of $45.3 billion in the second quarter of 1960 to $39.4 billion in the first quarter of 1961. In October, consumer spending for durable goods experienced a significant increase for the first month in this year. The automobile sales experienced in November suggest a further strong rise in durable goods sales for that month. In short, whatever the factors which caused consumers to withhold spending for durable goods during the recession and the early months of the recovery, they have now been overcome. And the factors which induced consumers to increase spending for durable goods in the final months of 1961 are those that will be in effective operation during the opening period of 1962.

A significant consideration in this respect is that the factors which stimulate consumers to increase their spending are themselves stimulated by this very spending. Increased consumer spending means increased orders to manufacturing firms; increased orders means increased production and employment; and these in turn mean increased incomes, the main support for increased spending.

Despite the very high inventory of durable goods in consumers hands, the American market has a long way to go before it becomes saturated — assuming such a condition could ever exist. Replacement demands, upgrading of living standards, and an ever-widening participation in the consumption of the products of this modern economy assure a strong basis for sales expansion when the production, construction and service processes are generating the incomes to make effective the demands for these products. Recent activities in these producing sectors of the economy have generated the income support needed for an expansion in consumer spending in the months ahead, and in the last quarter of 1961, consumers reacted to these changes by a significant shift in spending behavior, thus setting the stage for a cumulative expansion on through 1962.

Inventory Policy

A second important factor that will be at work in 1962 will be that stemming from inventory policy of manufacturers, wholesalers and retailers. Intensive efforts to reduce the levels of inventories could take enough steam out of the production increases now under way to prevent the development of an economic expansion of real boom proportions. This happened in early 1960, and not only curbed potential expansion below boom levels but actually led the economy into recession. There are two opposing factors at work on inventories: (1) cost cutting and (2) sales promotion. The first of these becomes predominant at the manufacturing and wholesale levels, but the second has become more important at the retail level because of the highly competitive conditions which have now developed. Inventories at manufacturing and wholesale levels account for nearly three-fourths of total inventories and consequently the cost-cutting factor may, on balance, be the dominating one for 1962. Intensive efforts to reduce the costs of carrying inventories, however, have been made over the past two years, and very little further improvement in inventory-handling efficiency can be expected in the near future, especially with the general economy in a broad upswing and putting a premium on ability to deliver goods on short notice.

The termination in July 1962 of the current union contract with steel will certainly lead to some buildup of steel inventories in users hands over the first half of 1962 as protection against a strike in that industry. Accordingly, a fairly strong rate of inventory accumulation, say, at an annual rate of from $7 to $8 billion, should materialize over the first half of 1962 to meet the sales needs of an expanding economy and to hedge against a possible steel strike. The continuing emphasis on the cost-cutting aspect of inventory policy, however, should act to curb any excessive buildup of stocks. Accumulation should continue, but at a somewhat lower rate, over the remainder of the year. Inventory accumulation, therefore, will provide strength to the economy through the first half of next year, but it may well have a mild dampening effect thereafter.

Public Spending

A third factor which will influence the economic shape of 1962 is spending by governmental units. State and local government spending has risen by from $3 to $4 billion per annum in recent years and all of the factors behind these increases are still effective. Federal Government spending, stimulated first by the 1960-61 recession and later by threatening maneuverings of the Communist dictator, will show a substantial rise for the fiscal year ending next June. In the first quarter of the 1962 fiscal year—the third quarter of 1961—Federal Government spending showed only a very modest rise. This, however, was caused by the timing of defense contracts and disbursements and indicates larger increases in the current quarter and over the first half of 1962 than earlier expected. The President has repeatedly affirmed his stand on a balanced budget for fiscal 1963. If he remains firm in this resolve, the rate of rise in Federal Government spending will have to slow down in the last half of 1962. The prospects for the total of all the government sectors of the economy in 1962, then, are for a fairly rapid rate of expansion over the first half of the year and continued increases over the second half, but at a slower pace.

Business Spending

A fourth influence which will be at work on the economy in 1962 stems from spending by business firms for new plant and equipment. The 1961 economic recovery stopped a declining trend in this type of spending which had been under way since the second quarter of 1960. In the last half of 1961, such spending responded to, and contributed to, the improvement in general business conditions by showing a moderate but steady rise. A recent McGraw-Hill survey suggests a continued rise in plant and equipment expenditures in 1962, putting the year's total about 4% about 1961. In the early stages of expansion the results of such surveys tend to understate future changes. The force of the expansion in consumer and government spending and in business spending for inventories over the first half of 1962 will most likely generate a much stronger rise in plant and equipment expenditures than anticipated by the survey.

G N P Prediction

The conclusion from a review of all these factors is that the American economy will experience a rapid and broadly based expansion over the first half of 1962 which will push the Gross National Product in the second quarter at least 4% above its anticipated level of about $540 billion in the final quarter of 1961. Could this generate inflationary pressures? Indeed it could. There is a lot said about excess capacity in our economy. While there is certainly unused capacity at this time, it is a lot smaller than at the beginning of the 1961 recovery ten months ago, and there will be even less just a few months hence. Furthermore, the cost pressure on profits has abated none at all, and a strengthening of demand such as is envisaged here will provide many firms with the opportunity to recapture some of the cost increases which could not be recaptured in weaker product markets which have existed over the past 18 to 20 months. Competition for markets is much more intense now than at any time since World War II ended and many analysts feel that this dampens any enthusiasm for price increases. Certainly, competition has a restraining effect on price rises, but when all the firms in an industry need higher prices to restore normal profit margins there are many other means to be found for beating the competition. Profits per dollar of sales, incidentally, have been declining irregularly since 1950. The ratio rose over the first half of 1961, but at approximately 8 cents per dollar are still well under the nearly 14 cents per dollar at the end of 1950. In short, there is pressure to restore margins and, despite terrific efforts to reduce costs by increased efficiency and new technology, costs continue their relentless rise.

Since the behavior of the economy in the second half of 1962 will be influenced by the monetary policy adopted by Federal Reserve in the first half, let me look first at monetary policy before going ahead with conclusions about economic developments in that period. Monetary policy had shifted to a high degree of credit ease during the 1960-61 recession, and this degree of ease was maintained throughout the recovery period which followed and right on through last November. The principal reason for holding to a recession-type credit-ease policy throughout most of 1961 was to assure the initiation of a self-feeding economic growth. Such a growth is now under way and it will be accelerating over the first half of 1962. Accordingly, credit ease is no longer needed to foster a self-sustaining expansion.

Inflationary Dangers

As just pointed out, one of the dangers of a rapid rate of economic expansion is the development of inflationary pressures. Continuing a recession-type of credit ease through a strong economic expansion would most assuredly guarantee the appearance of inflationary forces. Despite unused capacity and intense competition, inflation is not a thing of the past. Should it reappear in this country, all the usual evils associated with inflation—including the loss of purchasing power by those who can least afford it and the inducement of a corrective recession to follow — would again be with us, and in addition there would be important adverse consequences for our international balance of payments. We have been suffering a deficit in our balance throughout 1961 and in the third quarter of that year this deficit rose to a seasonally adjusted annual rate of $3 billion. Associated with this mounting deficit has been a renewal of gold losses to foreign countries. Federal Reserve is certainly as alert as ever to the dangers of inflation—and it is quite aware that it is far easier to keep inflation from developing than it is to stop it once it gets under way. The inflation danger, then, coupled with the disappearance of the need to foster a self-sustaining economic expansion, will lead Federal Reserve to shift its monetary policy away from the present degree of credit ease, and such a shift is under way right now or will be in the very near future, and gradually move toward credit restraint over the first half of 1962. By mid-1962 monetary policy will be one of mild restraint and interest rates will be well above present levels.

As the second half of 1962 begins, credit will be less readily available and the use of it will cost borrowers more. The economy will feel the effects of the changed credit conditions and a moderation of the expansion in some lines of activity will appear. If it does not, then Federal Reserve will have missed its objective of preventing the emergence of inflationary pressures. One area which should feel the effects of the growing restraint on credit is the residential construction industry. While home building is far from record levels, it has been in an upward trend throughout most of 1961 and recent contracts awarded for future construction indicate a continuation of this trend in the first half of 1962. Furthermore, as the anticipated expansion in activity materializes over the first six months of the year, the Administration will find a firmer basis for balancing the budget in fiscal 1963 and the rise in Federal Government expenditures, which are expected to be quite marked over the first half of next year, will slow down considerably.

Slowed Expansion in Second Half of 1962

As pointed out above, inventory accumulation should be at a somewhat slower pace in the second half of 1962 than in the first half and this will act as a mildly dampening factor on production. The combination of all these factors, then, should produce a moderately slower rate of economic expansion over the second half of 1962 than that which is now anticipated for the first half. There will still be expansion, however, and the Gross National Product should advance by another 2% to an annual rate of around $575 billion in the fourth quarter of the year. For the year as a whole, the Gross National Product is, therefore, expected to advance by about 6%.

With economic expansion still under way at a fairly strong rate, although not as strong as in the first half of the year, monetary policy will be held to moderate restraint to prevent the appearance of the inflationary forces the fear of which led to the movement toward restraint in the first half of the year. Upward pressures on interest rates should be less than in the first six months of 1962, but the trend will still be toward higher rates.

Implications for Bankers

The most important implication for bankers of these anticipated economic and monetary policy changes during 1962 relates to the availability of reserve and the consequent ability of the banks to acquire earning assets. In years of credit ease, earning assets advance more rapidly than in periods of credit restraint. The year 1962 will be no exception. Earning assets of all commercial banks may have increased by over $14 billion by the time 1961 data are tallied. In 1958, a year in which a recession bottomed out and recovery got under way, earning assets rose by just over $15 billion. In 1954, the increase was over $10 billion. In each of the years following 1958 and 1954, the rise in commercial banks' earning assets fell to around $5 billion. We are now going into the year following that in which recession bottomed out and recovery was initiated — and in which earning assets of commercial banks expanded by some $14 billion. There is good reason to expect past patterns to prevail as monetary policy shifts in 1962, and earning assets for all commercial banks should show an increase of no more than about one-third that experienced in 1961.

A second implication has to do with the demand for credit. Looking to past history again for guidance, the earning asset expansions which occurred in these years in which recessions bottomed out was principally in the form of investments. Loan demand is generally weak under such conditions and the increase in available reserves brought about by a monetary policy of ease is used by the banks in the acquisition of investments. In the years following such years of credit ease, loan demand has shown considerable strength and, under conditions of a lesser availability of reserve funds brought about by the shift in monetary policy toward restraint, the banks have had to liquidate investments to meet their customers' loan needs. In 1955, investments were off by $7 billion and loans rose by $12 billion. In 1959, investments were down by $7.5 billion and loans rose by $12.6 billion. A similar pattern should materialize in 1962. Loan demand will rise as the economic advance proceeds, particularly demands from commercial and industrial firms and from consumers, both of which were weak in 1961. To meet this demand the banks will have to liquidate investments — and most banks have their portfolios full of very short maturities for this very purpose.

A third implication of the economic and monetary policy changes in 1962 for bankers has to do with interest rates. Interest rates will be rising, quite sharply over the first half of the year but more moderately over the second half. Federal Reserve has just raised the maximum permissible interest rates that member banks can pay on savings and time deposits and the larger banks will now be able to compete effectively with the securities markets for corporate and public time funds as short-term rates rise over the first half of 1962. This means, however, that these banks will be seeking means for covering the higher interest cost to the banks and their lending rates will certainly be given an upward nudge. The prime rate will certainly be moved up in the early part of 1962 and perhaps again by mid-1962.

*From a talk by Dr. Lumpkin before the Bank of Virginia's Correspondent Bank Conference, Richmond, Va.

Clark Pres. of Nation-Wide Secs.

Nation-Wide Securities Co., Inc. has elected Robert E. Clark as President. He succeeds Hugh Bullock, who becomes Chairman of the Board. Bullock is President and Clark Executive Vice-President of Calvin Bullock, Ltd., investment advisor to Nation-Wide.

Dangerous Possibilities Of Euro-Dollar System

By Paul Einzig

Dr. Einzig reports London estimates of $4 billion Euro-dollars in warning of the potential double-fold adverse pressures such deposits can cause in the event of a dollar scare. He, also, warns against complacency resulting from misimpressions as to the extent of IMF help available when the recently concluded supplemental loan agreement is authorized. The same is held true of Euro-sterling, even though such deposits are smaller than Euro-dollars; and the possibility of simultaneous attack on both currencies is not ruled out. Hoped for is no further increase in this new type of deposit, and sound policies to prevent dollar or sterling scares.

LONDON, Eng.—At long last, people are beginning to take serious notice of the new influence which has arisen in the foreign exchange markets and money markets of Europe, in the form of Euro-dollar deposits and other foreign currency deposits. There is now more frequent reference to the subject in the London financial press. Even so it seems that very few people have realized the extent of the dangers inherent in the system.

There is no indication that expert opinion on either side of the Atlantic is aware of the perturbing potentialities of foreign currency deposits in general and of Euro-dollars in particular. The danger arises from the fact that, owing to the new system, the same dollars — or any currency under attack—can be sold twice over. This means that when there is a dollar scare the adverse pressure is liable to increase by a maximum of twice the amount of Euro-dollars.

Although the original holders of dollar deposits re-deposited in Europe have temporarily renounced their power to sell their dollars on the spot market, there is nothing to prevent them from selling the dollars for forward delivery, to be delivered on the date when the deposits are due to be repaid to them. Simultaneously, those with whom they re-deposited their dollars are in a position to sell the same dollars on the spot market.

It is true, only a small part of the Euro-dollars is taken with the object of keeping them in the form of dollar deposits. The greater part is either swapped into sterling or some other currency, or it is loaned for financing foreign trade. In either case the forward dollar is covered, so as to ensure that when the Euro-dollar deposits are due to be repaid the banks or firms concerned can recover the dollars at a prearranged rate and are able to restore them to their original owners. But in either case those concerned are in a position to remove the forward cover before it is due, and they will be inclined to do so if they think there is a chance of covering the dollars at a cheaper rate on maturity.

Can Cause Selling Pressure

This means that, regardless of whether the Euro-dollars are retained in the form of dollars or are otherwise employed, they are liable to give rise to selling pressure on the spot or forward dollar, simultaneously with the selling pressure on the forward dollar through sales by the original depositors. In other words, on the occasion of dollar scares, each $1 million of Euro-dollars is liable to result in selling pressure up to the extent of $2 million.

Since the total of Euro-dollars is estimated in London alone at something like $4 billion, the extent of potential additional pressure arising from the system must be something really formidable. It is certainly in excess of the maximum of additional support that may be expected as a result of the recently concluded arrangement with the International Monetary Fund.

It may be argued, of course, that the pressure is apt to become reversed when the Euro-dollar deposits mature. Those who sold the spot dollars without covering the forward dollars have to buy in the dollars in order to repay the deposits. But it is always possible to carry their short positions forward. In any case, a large part of the Euro-dollar deposits mature in three months or later, and a great deal of water will flow in the Hudson and in the Thames before their repayment halves the double effect on the dollar. If as a result of the additional temporary pressure there should be a corresponding additional outflow of gold, this is liable to accentuate the distrust, and to produce a self-aggravating effect.

The above perturbing picture is presented, not in order to cause alarm and despondency, but in order to warn against complacency that might result from the increase of IMF facilities. It would be a fatal mistake to imagine that the provision of additional drawing facilities — in which the maximum U. S. share is $4 billion in theory and a great deal less in practice—has removed the necessity for policies aiming at assuring the inherent soundness of the dollar. Such measures are absolutely essential in order to prevent a dollar scare.

Sound Policies Are Best Cure

The same is true, of course, concerning sterling. Although the total of Euro-sterling deposits is much smaller than that of Euro-dollar deposits, Britain is in a less favorable position than the United States to resist with the aid of its own resources any additional pressure arising from the double sale of the sterling involved. In the case of Britain the maximum of additional IMF aid would be, it is true, much larger than the maximum of additional pressure that is liable to arise from the double sale of Euro-sterling. But the possibility of a simultaneous attack on both dollar and sterling can not be ruled out. Should it occur, the combined additional pressure on the two currencies would have to be met by dividing the additional IMF drawing facilities whose total after the deduction of dollars and sterling, would only be $3 billion.

Any further increase in the total of Euro-dollar or Euro-sterling deposit would aggravate further their potential disturbing effect. It would reduce further the extent to which the impressive additional resources of $6 billion placed at the disposal of the IMF could and should be relied upon as an effective defense against speculative attacks. It would, therefore, increase further the need for sound policies to avoid dollar or sterling scares.

Forms Ind. Equity

BROOKLYN, N. Y.—Independent Equity Corporation is engaging in a securities business from offices at 456 Schenectady Avenue. Melvin L. Kane is President.

S. Katsigianis Opens

BROOKLYN, N. Y.—Stephen Katsigianis is engaging in a securities business from offices at 2123 East 15th Street under the firm name of Stephen Katsigianis Associates.

Investors Equity Opens

WOODLAND HILLS, Calif. — Wayne L. Bowan is engaging in a securities business from offices at 5733 Penfield Avenue, under the firm name of Investors Equity Company.

Phila. Inv. Ass'n To Hear Grodinsky

PHILADELPHIA, Pa.—Dr. Julius Grodinsky, Professor of Finance at the University of Pennsylvania, will be guest speaker at a luncheon meeting of Investment Association of Philadelphia to be held on Friday, Jan. 26, at the Engineers Club of Philadelphia.

Julius Grodinsky

Dr. Grodinsky will offer members of the association a new and fresh approach on the "Economic Outlook for 1962."

William Rebmann of Laird, Bissell & Meeds, is in charge of arrangements.

Adams Rejoins E. I. Hagen & Co.

PORTLAND, Ore. — Richard H. Adams has rejoined the trading staff of E. I. Hagen & Co., Inc., American Bank Building.

Travis Co. Formed

CHICAGO, Ill. — Dempsey J. Travis Security & Investment Co., Inc. has been formed with offices at 414 East 47th Street, to engage in a securities business. Officers are Dempsey J. Travis, President and Treasurer; M. Travis, Vice-President; and M. E. Travis, Secretary.

Diversified Security Opens

MUNCIE, Ind.—Diversified Security, Inc. has been formed with offices at 2 Woodridge Drive to engage in a securities business. Officers are Philip K. Stoufer, President; Doris R. Johnson, Vice-President; and Glen F. Johnson, Secretary and Treasurer.

AS WE SEE IT

Continued from page 1

necessity be held confidential by the powers that be, and since nowadays so much of it is highly technical. One is, perhaps, more entitled to doubt about the very large increase in outlays proposed for "space research and technology," though the inclination of most observers is, we are sure, to leave the matter to the judgment of those burdened with responsibility in the premises.

The thoughtful observer is most likely to find the strongest ground for dissatisfaction in the estimates listed under the title "domestic civil functions." Here we find all those categories (or most of them at any rate) which constitute the general run of expenditures, and which run on like the poet's brook forever—and in the instant case without a single indication of any intent to return to prudent fiscal management.

"Domestic Civil Functions"

The total of this type of outlays is listed at some $25.4 billion as against $22.4 billion in fiscal 1961 and $25.3 billion in fiscal 1962, estimated. The disheartening thing about this figure, or one of them, is the fact that nowhere in the list of items included is there any clear or even hopeful indication of return to anything that might be termed normal. The largest proposed increases in expenditures are found in "health, labor and welfare" and in "education," where the Administration is known to have large ambitions which may or may not be approved by Congress. There is even a slight decrease in proposed agricultural outlays, in planned expenditures on veterans, and on "commerce and transportation" but the changes are far too small to give any substantial hope that radical alterations in these fields is in prospect—and just that is essential if any real progress is to be made.

Let no one overlook the fact that, in addition to all the budget expenditures listed here or elsewhere, large exactions are now laid upon the taxpayers of the land. We have a so-called social security system that is now actually spending large sums from trust funds, an outlay that is not revealed in budget figures. There are many other trust funds and many areas in which the Federal government has taken on the role of insurer or guarantor. The total of the contingent liabilities of the national government—and hence the outlays in future years — has never been very accurately estimated, probably could not be very accurately estimated. All these are facts which the taxpayer must bear in mind whenever the subject of tax exactions is up for consideration.

Commitments for the Future

Another aspect of this whole general situation is the extent to which actions now taken by Congress must be expected to reveal themselves, not in the budget now being submitted, but in future years. Thus it comes about that in any given year the amount of economizing that the President or even the President and Congress can do is limited by commitments made in prior years. Unfortunately, the facts in this highly important aspect of the situation are not easily assembled nor easily understood by the rank and file. It is to be earnestly hoped that Senator Byrd, in the general survey that he is now undertaking, will assemble information of this sort and set it forth in a form that the rank and file of taxpayers throughout the land can quickly and fully grasp.

Obviously, the volume of outlays set out in this document now presented to Congress precludes anything in the nature of a general tax reduction. If the desire to lighten the load of tax exactions is not great enough to bring us all to the point of demanding changes in policy which would make lower taxes feasible, then we shall have to continue to carry the tax burdens inevitable in the circumstances. For our part, we believe that all of us would be better off if greater care were devoted to the outlays we make through the national Treasury at Washington. We suspect that even those who seem to be the beneficiaries of the generosity that is being practiced in public expenditures would in the long run be better off in other circumstances — or most of them would in any event.

Needed Tax Reform

But apart from the total load of tax payments we must make, there is a very real possibility of tax changes of a sort that would bring many of the blessings that we would expect from tax reductions. Our present system of Federal taxation was for the most part born when New Deal theorists were in the saddle in Washington. It is saturated with various notions which are seriously detrimental to us all. Some of them were in their origins at least punitive in nature. At other points the interest was obviously much more than of establishing what the reformers thought of as "social justice" than in raising required revenues with the least detrimental effects upon the economic system and hence upon us all. The time is long past when a real beginning should be made in this direction. Preferably, it should be accompanied by reduction in the total tax take, but if the requirements of the Treasury make this latter impossible, then there is no good reason why delay in basic tax reform should be tolerated.

Commodity Exch. Elects Officers

William Reid, partner of Bache & Co., has been elected President of The Commodity Exchange, Inc., it has been announced by the Board of Governors. He succeeds J. Raymond Stuart.


William Reid

Mr. Reid, a Governor and former Vice-President of the Exchange, has headed Bache's commodity department for over a quarter of a century. He becomes the 12th President of the Commodity Exchange since its founding in 1933.

A recognized authority on commodities, Mr. Reid is on the Board of Managers of the New York Cotton Exchange, a member of the Chicago Board of Trade, the Association of Commodity Exchange Firms, and the New York Produce Exchange, and Past Governor of the New York Coffee and Sugar Exchange and Wool Associates. He was the first elected President of the Commodity Club of New York. Prior to his affiliation with Bache, Mr. Reid served as Vice-President of the Guaranty Trust Company.

Newly elected Vice-Presidents of the Exchange are: Timothy F. Carberry, President, Metal Traders, Inc. (Metals); Matthew S. Fox, Vice-President, Balfour, Maclaine, Inc. (Rubber); Walter S. Stern, President, H. Elcan & Co. (Hides); and J. Raymond Stuart, general partner, E. F. Hutton & Co. (Commission House).

Joseph Fischer of Joseph Fischer & Co. was re-elected Treasurer.

Newly elected Governors are: Irving Weis, Irving Weis & Company (Commission House); Horace M. Wetzell, independent trader, (Non-Trade Group); and William T. Baird, Jr., Baird Rubber & Trading Co., Inc. (Rubber).

Mobile Estates Common Offered

Harry Odzer, 67 Broad St., New York City, is offering 80,000 common shares of Mobile Estates, Inc. at $6 per share. Net proceeds will be used for the purchase of certain real property, the construction and development of mobile home sites and the formation of sales agencies to sell such homes.

The company, with offices in Carteret, N. J., proposes to develop a total of 218 acres, in five different sites in New Jersey, as mobile home sites. It is believed that the markets for these sites are primarily young married couples, married military personnel, and retired couples.

Andrew and Company

(Special to The Financial Chronicle)

VALLEJO, Calif.—Andrew and Company is engaging in a securities business from offices at 1522 Tennessee Street. Officers are Andrew P. Bosco, President; Paul E. O'Hara, Vice-President and B. L. Scott, Secretary-Treasurer.

BANK AND INSURANCE STOCKS: This Week — Insurance Stocks

The Fire & Casualty Insurance Industry — Year End Review

The year 1961 is now history. For the fire and casualty insurance industry, it was a year of both satisfaction and disappointment. Certainly stockholders of insurance companies must be favorably impressed with the stock market gains established by insurance equities during the past 12 months; however, there was little in underwriting results to warrant enthusiasm.

The highlights of the insurance year were the stock market performance and the Connecticut General decision. The two are not unrelated as the court decision resulted in a sharp rise in market price for many insurance company stocks that could be considered potential merger candidates for the larger life companies. Although Connecticut General was the only major life company to act during the year following the New York court decision which enabled the company to merge a fire and casualty company (Aetna Insurance) without losing its license to operate in New York State, it is anticipated that many of the nation's leading life insurance concerns will move in that direction as the industry trends toward merger and all lines insurance underwriting continues.

Three-quarters of the large fire and casualty groups are now in the life insurance field in varying degrees. The offering of full insurance coverages has become to an ever increasing degree a competitive necessity in satisfying the general public's desire for service and convenience at a reasonable price. Doubtless 1962 will witness a continuation of the merger trend.

The insurance industry has made a number of moves over the past two years in a major attempt to solve the problems that have been long neglected. As yet it is too early to evaluate the success of the "preferred risks" or "merit plans" in automobile underwriting, or the benefits to the industry of direct billing, commission reduction, consolidation of policies, rate reduction, classification reorganization, the development of new coverages and the trend toward the handling of accounting data through electronic processing. Underwriting results during the past two years have tended to hide the extent of the improvements made in operating techniques because of a number of catastrophic natural disasters which significantly altered operating results.

While final results are not yet available it is estimated that the fire and casualty industry's underwriting was conducted at a break-even basis at best in 1961. The operating loss ratio is believed to have risen slightly to approximately 65% while expenses at 35% of premiums written remained constant. Total premium volume increased 5% over that of 1960.

The major disappointment during the year on a by-line analysis lies in the property insurance results which suffered under the influence of poor weather conditions, record fire losses and the disasters of Hurricanes Carla and Esther. Fire, homeowner's and extended coverage lines were all in the red while underwriting of inland and ocean marine coverages is believed to have been conducted at a satisfactory profitable level.

Results in the automobile field were improved over those of 1960 and continued the upward trend of recent years since the heavy losses incurred in 1957. Nevertheless, the auto lines continue to be the major problem of the industry, particularly assigned risks. Bodily injury results continue to run heavily in the red although property damage and physical damage were profitable to the industry. In other liability lines, workmen's compensation was slightly in the red due to higher medical costs, the normally profitable fidelity line was in the red, general liability results were satisfactory and surety results were better than in 1960 but varied widely with individual contractor failures.

The present prices of insurance equities and the optimism of many insurance executives reflects the feeling that 1962 will be that good underwriting year.

	Current Price	Est. 1961 Net Investment Income	Price X N.I.I.	Premium* (Discount)	Estim. Dividend	Yield
Aetna Casualty	$133	$5.80	23.0 X	42%	$1.40	1.0%
American Insurance	31	2.20	14.0	(24)	1.30	4.1
Boston Insurance	40	3.05	13.0	(25)	1.80	4.4
Continental Casualty	95	2.50	38.0	120	1.50	1.6
Continental Insurance	66	3.60	18.3	(26)	2.20	3.3
Employers' Group	54	4.00	13.7	(28)	1.40	2.5
Federal Insurance	68	1.95	34.9	49	1.00	1.4
Fireman's Fund	58	4.20	13.8	(27)	2.00	3.4
Glens Falls	47	3.55	13.2	(32)	1.00	2.1
Great American	55	4.40	12.5	(40)	2.00	3.6
Hartford Fire	73	2.70	27.0	38	1.10	1.5
Home Insurance	57	3.95	14.4	(38)	2.20	3.8
Insurance Co. of North America	95	3.05	31.0	44	1.80	1.9
New Hampshire	68	5.10	13.4	(32)	2.40	3.4
Ohio Casualty	35	1.12	31.2	48	0.72	2.0
Phoenix Insurance	122	7.45	16.4	(36)	3.00	2.4
St. Paul Fire & Marine	84	2.80	30.0	48	1.44	1.7
Springfield Insurance	39	1.95	20.0	(27)	1.00	2.5
U. S. Fidelity & Guaranty	70	2.90	24.1	26	1.20	1.7

*Based upon estimated year-end liquidating values—book value plus equity in unearned premium reserve.

NEWS ABOUT BANKS AND BANKERS

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

The election of Joseph A. McFadden as Senior Vice President of **Chemical Bank New York Trust Company, New York** was announced by Harold H. Helm, Chairman.

Mr. McFadden joined the Bank in 1929. He became Assistant Secretary in 1940, Assistant Vice President in 1946 and Vice President in 1949.

Charles Ezra Daniel was elected a director.

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Jere D. Buckley, a Vice-President of the **Morgan Guaranty Trust Company of New York** died Jan. 23 at the age of 63.

Mr. Buckley joined the **Guaranty Trust Company of New York,** in 1919. In 1929 he was elected an Assistant Vice-President. He became a Vice-President in 1943.

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The election of John P. DeSantis as Vice President of the **Federation Bank and Trust Company, New York** was announced by Thomas J. Shanahan, President. Mr. DeSantis has been Treasurer of the Bank since January, 1959.

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Henry J. Nave was elected a director of the **Bank of Nova Scotia Trust Company of New York.**

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The **Trade Bank and Trust Company, New York,** announced the election of Robert S. Greenbaum as Comptroller.

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Sterling National Bank & Trust Co. New York, elected George J. Frankel a director.

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Christian W. Korell, President of the **Underwriters Trust Company of New York,** has announced the following official changes made Jan. 18:

Christopher F. Meyer, Vice President & Trust Officer; Frederic J. Sohl, Vice President; Howard E. Pusch, Controller.

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Vincent F. Albano, Jr., was elected Senior Vice President of the **Gotham Bank, New York.**

* * *

William H. Gruler, Jr., has been elected a Vice President of the **Greenwich Savings Bank New York**

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UNDERWRITERS TRUST COMPANY, NEW YORK

	Dec. 31, 1961	Sept. 27, 1961
Total resources	$54 923,016	$55.277,954
Deposits	50,490,675	50,852,343
Cash & due from banks	8.566,431	6,262,355
U. S. Govt. security holdings	18,088,874	20,082,740
Loans & discounts	24,570,254	24.977.442
Undivided profits	1,078,898	1,041,610

* * *

Gerald J. Peffert, Vice President and Comptroller of **The Dime Savings Bank of Brooklyn, N. Y.** on January 25 observed the 30th anniversary of his employment by the Bank.

Mr. Peffert joined The Dime Savings Bank of Brooklyn on January 25, 1932, as a teller.

In 1946 he was appointed Assistant Comptroller and was made Comptroller in 1952. Two years later he was appointed Vice President and Comptroller.

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Carl K. Schornstein has been elected a Director of **Security National Bank of Long Island, N. Y.**

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Martin D. Ryan, Senior Vice President of **National Bank of Westchester, White Plains, N. Y.,** was elected a Director.

The shareholders also approved a 2% stock dividend to be paid to the holders of 1,143,878 shares of capital stock outstanding. The Comptroller of the Currency has given approval and the dividend will increase the number of outstanding shares to 1,166,754.

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Wheeler National Bank, Interlaken, N. Y., elected James W. Bassette Executive Vice President and Lewis S. Bell Vice President. Morton O. Davis, Herman W. Brown and Myron W. Bassette, Jr., were elected Directors.

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Bank of Jamestown, Jamestown, N. Y. on Jan. 17 was given approval to increase the par value of the previously authorized 150,000 shares of capital stock from $6.66⅔ per share to $10.00 per share, and for an increase in the amount of authorized capital stock from $1,000,000 to $1,500,000 in conformity with the change of par value.

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William S Edgerly was elected a director of the **State Street Bank & Trust Co., Boston, Mass.**

New Jersey Bank & Trust Co., Passaic, N. J. elected Hans W. Hilgert a Director, succeeding Julius G. Forstmann, who resigned.

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The common capital stock of **The National State Bank, Elizabeth, N. J.,** was increased from $1,875,000 to $2,250,000 by stock dividend effective Jan. 11.

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By a stock dividend **The National State Bank of Newark, Newark, New Jersey,** increased its common capital stock from $8,000,000 to $8,500,000 effective Jan. 9.

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Broad Street National Bank of Trenton, Trenton, N. J., elected Raymond L. Steen President and Samuel L. Conrad Executive Vice President and Cashier. John S. Wicoff, Edward H. Blackman, John Cornell and A. R. Naylor have been elected Vice Presidents.

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The **First Trenton National Bank, Trenton, New Jersey,** increased its common capital stock from $4,000,000 to $4,500,000 by a stock dividend effective Jan. 11.

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The **First Pennsylvania Banking and Trust Company, Philadelphia, Pa.,** announced the election of Gustave G. Amsterdam as a Director.

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BROOKLINE SAVINGS AND TRUST CO., PITTSBURGH, PA.

	Dec. 31, 1961	Dec. 31, 1960
Total resources	$43,295,212	$41,761,441
Deposits	37,654,764	36,525,5[illegible]7
Cash & due from banks	5,858,081	5,799,451
U. S. Govt. security holdings	4.853,723	4 958,084
Loans & discounts	26,171,103	24 413,923
Undivided profits	929,542	1,447,261

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The First National Bank and Trust Company of Elm Grove, Elm Grove, Wheeling, West Virginia, changed its title Jan. 9 to **The First National Bank and Trust Company of Wheeling.**

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George Gund, President of **The Cleveland Trust Company, Cleveland, Ohio,** was elected Chairman of the Board, and George F. Karch, Executive Vice President, was advanced to President.

Mr. Gund succeeds I. F. Freiberger, who announced his retirement as Board Chairman after more than 60 years with the Bank. Mr. Freiberger continues as a Director.

It was also announced that Willard W. Brown was added to the Bank's directorate, replacing Oliver Bolton, who has resigned.

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National City Bank of Cleveland Ohio, elected E. Colin Baldwin, and William A. Hobbs, Directors. Sidney B. Congdon was named an honorary director.

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The Union Commerce Bank, Cleveland, Ohio, elected James A. Hughes, David H. Myers, R. J. Wean, Sr. and Henry G. Schmidt, Directors.

Don H. Ebright, Donald L. Harbaugh and Edward F. Meyers have been elected Senior Vice Presidents. Frank L. Kennard, Peter R. Musselman and Robert W. Richards were elected Vice Presidents.

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Everett K. Krueger has been elected a Vice President and Counsel of the **City National Bank & Trust Co., Columbus, Ohio.**

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Stockholders of **The Ohio Citizens Trust Company Toledo, Ohio,** named W. M. Richards and Harold R. Platt honorary Directors. William S. Richards, Marvin M. Wilkinson, Durwood C. DuBois and Robert L. Knight, Executive Vice Presidents of the Bank were made Directors.

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THE FIFTH THIRD UNION TRUST CO., CINCINNATI, OHIO

	Dec. 31, 1961 $	Dec. 31, 1960 $
Total resources	405,580,618	382,466,134
Deposits	364,836,937	343,717,110
Cash & due from banks	104,111,842	99,361,841
U. S. Govt. security holdings	89,915,213	80,426,001
Loans & discounts	190.166,896	182,234,425
Undivided profits	4,677,413	3,397,537

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Theodore A. Dauer, Robert E. Dean, Jerome R. Heyer, Ralph A. Mayer, and George W. Menold were elected Vice-Presidents of the **Detroit Bank & Trust Co., Detroit, Mich.**

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Michigan Bank, Detroit, Mich. elected George A. Pierson a Vice-President.

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Joseph B. Lanterman and Stanley G. Harris, Jr., were elected Directors of the **Harris Trust & Savings Bank, Chicago, Ill.**

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La Salle National Bank, Chicago, Illinois elected Harold Meidell, President, as Chairman. John C. Wright, Chairman since 1953, was made Honorary Chairman. Milton F. Darr, Jr. was elected Executive Vice President. Elliot W. Frank, Arthur J. McConville and Keith G. Cone were elected Senior Vice Presidents.

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The common capital stock of **The South East National Bank of Chicago, Chicago, Illinois** was increased from $875,000 to $1,000,000 by a stock dividend effective Jan. 11.

* * *

Lake Shore National Bank Chicago, Illinois named Michael Cudahy, a Director.

* * *

First National Bank Evergreen Park, Ill. elected Donald H. Hixson Executive Vice President, Robert M. Honig Vice President and Martin W. Noeth Comptroller.

* * *

By a stock dividend the **First National Bank of Niles, Niles, Michigan** increased its common capital stock from $620,000 to $868,000 effective Jan. 11.

* * *

The Fidelity Savings State Bank, Topeka, Kansas, changed its title to **The Fidelity State Bank** effective Jan. 9.

* * *

William A. McDonnell announced his retirement as Chairman of the Board and Chief Executive Officer of the **First National Bank in St. Louis, Mo.** and was elected to the newly created position of Chairman of the Executive Committee in which capacity he will remain active in the bank's affairs.

James P. Hickok, President, was advanced to Chairman of the Board and Chief Executive Officer.

John B. Mitchell, Executive Vice President, was elected President and a member of the Board of Directors.

Edwin S. Jones, Executive Vice President, was elected to membership on the Bank's advisory board.

Mr. McDonnell joined First National in 1947 as Executive Vice President and Director after practicing law and serving as an officer of **The Commercial National Bank in Little Rock, Arkansas.** He was named President of First National in 1949 and became Chairman and Chief Executive Officer in 1957.

Mr. Hickok joined the staff of First National Bank in St. Louis as Executive Vice President and Director in 1950 and was elected President in January, 1957. He had previously served as President of the **Manchester Bank and Trust Co.** and as President of the **Manufacturers Bank and Trust Co. of St. Louis, Mo.**

Mr. Mitchell joined the staff of First National Bank in April, 1955 and was named Executive Vice President in January, 1960. Prior to affiliating with First National he was Executive Vice President of the **Manufacturers Bank and Trust Co. of St. Louis, Mo.**

* * *

Raymond R. Meckfessel has been elected Vice President of the **Boatmen's National Bank of St. Louis, Mo.**

* * *

The State Banking Commissioner of Florida, this week granted a charter for a new State bank to be known as the **Bank of Commerce,** located in the Coral Ridge Shopping Plaza, Fort Lauderdale, Fla. The Branch is headed by James S. Hunt as Chairman of the Board.

The bank is capitalized at $1,000,000 with the deposits insured under the Federal Deposit Insurance Corporation. Construction on the new bank will start soon for an early summer opening.

* * *

R. B. Hewitt has been elected Chairman and Chief Executive officer of the **Union National Bank Kansas City, Missouri.** He replaces George R. Hicks, who has retired. W. R. Warner was elected President.

* * *

City National Bank and Trust Company, Kansas City, Mo., has announced the appointment of Wayne W. Hughes to the position of Assistant Comptroller.

* * *

THE SECOND NATIONAL BANK ASHLAND, KENTUCKY

	Dec. 29, 1961	Sept. 27, 1961
Total resources	$32,771,370	$33,161,737
Deposits	29,498,537	29,832,817
Cash and due from banks	6,119,381	7,675,635
U. S. Govt. security holdings	10,141,922	9,125,023
Loans & discounts	12,841,711	12,596,222
Undivided profits	351,429	502,436

* * *

Wachovia Bank & Trust Co., Winston-Salem, N. C. elected Richard B. Menius and Richard G. Page, Jr., Senior Vice-Presidents.

THE MARKET . . . AND YOU

BY WALLACE STREETE

Stocks continued to sag without much support showing up this week, the selling concentrating as it has so far in the new year, on the issues that have had long runs of popularity and had reached high price-earnings and low yield status.

The net result was to depress the industrial average again to where it was poised to test areas on the downside where support had shown up previously.

Wall Street was glum over the persistently reactionary markets, but still not unduly concerned. So far the selling hasn't driven the industrial average below the low reached late last September when it found support at 691, and below that were many other levels close by where support had shown up earlier as bargain hunters moved in after selling waves.

The Market's Contrary Action

With business still improving, and higher government spending in prospect, the consensus was that it would be distinctly unusual to have a serious market upset in the face of a generally prosperous economy. What was apparent was that last year's spirited upsurges on the part of favored issues had gone a long way to discount the current good outlook and bright prospects, and better action by this year's market would have to come from new favorites that are starting to benefit from changed prospects.

The steels offered little help to the rest of the market, sliding downhill when selling was rampant and showing little demand when the going was good, as the prospects of a mid-year strike kept sentiment restrained. Government efforts to get an early settlement sparked little among investors, and inventory buildups continued as consumers stockpiled their needs against a shutdown of the mills.

The possibility of a steel strike also weighed on the railroads which until this week were the section showing superior price action for 1962. They, like the steel mills, will benefit temporarily from the build-up of inventories. And both would show distorted results in case there is no strike and the consumers work off their inventories later in the year at the expense of new orders.

Some of the defense issues showed mild popularity at times on the prospects of expanded military spending but few were able to show any startling progress, and most were chilled when general selling showed up elsewhere. Oils moved higher sporadically but with profit-taking quick to show up in cases, like Amerada, where progress has been impressive.

Tobaccos Steady

Tobacco shares were reasonably steady even when selling was rife as all the health scares seemed finally to have died down and, the long-term pattern of a steady expansion in consumption took over the spotlight. Some of them are still the bargain items against some of the high ratios and low yields in other groups that were more popular.

Universal Leaf Tobacco which hasn't the highly competitive market problems that the prime makers of cigarets have since its large role is that of a tobacco broker and exporter, has been hovering in an area where it shows definitely above-average yield and a conservative price-earnings ratio of around 12-times anticipated results for fiscal 1962.

Tobacco use was slowed down in 1953 and 1954 over the health scares but since has shown consistent increases running 3 to 4% a year. With Universal Leaf acting as the commission broker for other companies, the trend to lower quality tobacco has had little effect on its profits since volume is the barometer of its well-being. Abroad, some of the trade restrictions are being dropped and increasing acceptance of African tobacco, which is produced by a subsidiary of Universal Leaf, plus a two-year-old German subsidiary set up to convert leaf tobacco to cigar making, give it an important stake in the foreign market.

U. S. Tobacco is an operation in the tobacco field that has been busy diversifying both by acquisition and in the relatively new field of making private brands for supermarkets. Basically it is the nation's largest producer of snuff which is one of the most pronounced anti-recession products of all. A couple of years ago it started its diversification outside the tobacco field by picking up a nut and candy bar operation on the West Coast, and a year later added another canned and packaged nut operation as well as a maker of pens and pencils. With its existing nationwide distribution setup, U. S. Tobacco was able to broaden the sales potential of the two regional nut and candy operations, and coordinate the sales activities of its pen and pencil acquisition with those of its own staff in broadening the retail outlets served.

Interesting Textile Item

Textile issues still find it difficult to enjoy any sustained popularity despite efforts on the part of the Administration to encourage new investment by the companies. They still remain the ultra-cyclical ones around. Burlington Industries, for example has a definitely above average yield, more than 4% in fact and has been available recently at around nine times earnings.

Burlington has been acquisition-minded and today rates as a highly diversified operation in the textile industry. It has built up a sufficiently broad base to minimize the cyclical swings of the industry in specific products. Its output ranges from hosiery to carpets, glass fabrics and are lacking only in knit outerwear and heavy-weight industrial cottons. Its operations extend to plants in Central America, South Africa, Germany, France and Great Britain with sales of its products recorded in some 85 countries. It is right in the thick of the Common Market.

While the company's profits have been cyclical in tune with the general textile picture, its good years have shown a rising profit trend on each recovery from a poor textile period. Last year was a poor one for the textile industry but for Burlington a strong upturn showed up in the final quarter of its fiscal year, and persisted into the first quarter of its current fiscal year. The prospect is that the earnings for the period ending in September will at least equal and might improve slightly on the record earnings shown in 1960.

Brightening Picture

To many the entire textile picture is growing brighter, and the cyclical swings of the past are to be ironed out to a more even future course as new plants, efficiency programs and a definite damper on the tendency to overproduce when demand is good, are making their appearance. The candidate for a more liberal dividend in the section is J. P. Stevens & Co. which is also in line for a good rebound from recession adversities. Stevens is also a widely diversified operation and, like others, will benefit from the increased cash flow from faster depreciation now being permitted textile companies. Its $1.50 dividend, maintained without change since 1956, was well covered by what were described as "depressed" earnings of $2.52 for its last fiscal year and projections indicate that it will be covered more than twice over by anticipated earnings in the current year with the cash flow nearly double the reported per-share results. It leaves plenty of room for dividend largesse.

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

THE SECURITY I LIKE BEST . . .

Continued from page 2

the *Esquire Book Division* can contribute substantially to overall net profits.

Capitalization (as of Mar. 31, 1961)

Long Term Debt	$3,843,763
Capital stk. ($1 par)	*539,389

*Shares outstanding.

The current statistics section indicates that Esquire, Inc. has declared exceptionally generous dividends from 1953 through 1958 and, for the past three years, has paid 4% in stock. The dividend record since 1937 includes $0.70 per share paid in 1946 and 1947, and a continuous record of cash payments from 1937 to 1959. This suggests that the stockholder could expect a resumption of cash payments on a generous basis or a larger stock dividend with increasing earnings.

Conferences with the managers of the eight divisions, and the manager of the Garland Court Properties, and an inspection of the properties, makes it readily apparent that Esquire, Inc. has an efficient as well as a dedicated management team.

Esquire, Inc. has made three acquisitions for cash, all of which should add to total earnings. The suspension of "Coronet Magazine" has curtailed loss operations. The new "Esquire Book Division" could be significantly profitable. The Data Processing Center has a bright earnings future. "Esquire Magazine" and "Gentlemen's Quarterly" should support their own activities. Summarizing, it would appear that the outlook for increased and significant earnings ability is quite promising and possibly already in the making. The issue is listed on the American Stock Exchange.

Current Statistics on Esquire, Inc.

Year Ending March 31	Net Oper. Revenues	Net After Taxes	No. of Shs. Outstanding	Earns. Per Share	Dividends Paid	—Price Range— High	Low
1961	$23,285,000	*$635,755	535,000	*$1.19	‡4%	23⅞	12⅛
1960	20,172,000	173,844	502,578	0.35	‡4%	20⅛	6¼
1959	18,788,000	212,501	489,203	0.43	‡4%	11½	7
1958	17,630,000	211,148	472,687	0.45	0.30	14¼	7
1957	16,598,000	117,374	459,237	0.26	0.30	12	5
1956	16,175,000	159,264	461,387	0.35	0.30	8⅛	4¼
1955	14,889,000	150,540	458,337	0.33	0.25	6⅛	4¼
1954	15,737,000	72,553	459,487	0.16	0.15	5⅛	4¼
1953	15,164,000	118,858	467,237	0.25	0.30	6	5

*Includes gain on sale of fixed assets of $682,216 or $1.26 per share. ‡Stock dividend.

SECURITY SALESMAN'S CORNER

BY JOHN DUTTON

"Don't Ignore Customer's Man"

Several names have been used to describe the men who sell securities directly to the public. They include security salesmen, customer's men and, of later years, the more fancy appelation of "registered representative" has become popular. The Public Relations firm of Richard B. Gersh, of New York City, recently issued a press release from which we quote, "The customer's man is the key figure in financial public relations and is the most ignored member of the financial community in most firm's P.R. efforts." Then they observed that public relations firms and advertising agencies have forgotten that the registered representative is (quote): "the man in whom the vast majority of investors place full confidence and will ordinarily follow his suggestions to buy, sell, or hold."

They emphasize that firms handling financial public relations should direct their programs so that valuable information regarding their client's financial and business activities reach the men who meet the investing public and make most of the decisions which ultimately reflect in action by investors. They correctly state that the difference betwen success and failure for a securities salesman depends upon his ability to put his clients into good situations.

Then the Gersh people offer some excellent suggestions for reaching the key men in the financial segment of our economy, such as: establishing personal relationships with all customer's men who are active in trading a public relation firm's clients securities; sending them letters on a regular basis, and giving prompt attention to letters and phone calls from them. Reprints of significant stories, and analysts reports should be sent to them; time should be given at press conferences to registered representatives, and invitations should be sent to them regularly. They also advocate the preparation of a four page brochure that lists important data concerning their client's activities written in an easily understood and simple manner.

Not Propaganda But Facts

This public relations firm has made an important point. Too often a conscientious security dealer or a registered representative will have some reason to contact a public corporation whose securities are traded either locally in the over-the-counter market, or on a recognized exchange. He will write for information and often he is ignored. He may even telephone one of the officers and receive a very quick brush-off. Some corporations are very conscious of their responsibilities to their stockholders and the investing public; others are just the opposite.

I have always been skeptical of any corporation that goes to either extreme in furnishing investment men with information. When financial officers of a company are indifferent, evasive, and lethargic concerning the release of PROPER information to which the public is legally and ethically entitled, it is a strong indication that the management of such a company is either purposely withholding facts or doesn't understand their responsibilities. When a public relations firm or the management of any company goes to the other extreme and fills my desk with stories of a GENERAL NATURE, gossip of what may happen next year, great things in the offing, pretty pictures, and meaningless stories about some gadget they are making which may be used to land a space ship in Shangrila; this material also goes into file number one (under my desk).

But when public relations are handled conservatively, facts are presented, questions that are proper are answered promptly and politely, a customer's man begins to have some confidence in a public corporation's management.

Example

About a year ago I became interested in the stock of a corporation * that has its shares listed on the New York Stock Exchange. I obtained as much information as I could from regular sources—the investment manuals, company reports, and a cross check on directors and banking connections. My letters to the company on such subjects as new products they had announced were answered promptly and there was no attempt to "guild the lily."

Several months later I was visiting in the city where this firm had its main office and I telephoned the President of the company. His Secretary told me he was not in but if I would leave my number he would return my call. I told her I was at a certain hotel but would be out and they would take my messages. His Secretary called me twice that afternoon and about four o'clock when I returned to the hotel I picked up the two messages and returned the call. I spoke with a gracious, polite man who was conservative in his statements and who answered my questions without any hesitation. He offered me an invitation to write or telephone him any time I desired to do so if he could give me any information which was within his proper province to provide. I have telephoned him long distance twice since then and I have been continuing to accumulate this stock for clients.

Naturally I know the rules well enough not to ruin our relationship by asking him for confidential material that would prejudice both his position and mine. This is a man who is interested in building a profitable business, who owns a large block of stock in his own company, who knows that I have many of my customers (who are my bread and butter) betting on his ability to make profits for all his shareholders, and he cooperates with me by keeping me informed by mail as well as by personal contact.

My first impression was favorable when he returned my call—not once but twice. My second impression of his company was reinforced by his conservative honest answers to my questions, whether favorable or unfavorable to the current market in the stock of his company. He told me, "I am trying to build a strong, profitable business. Then when that is achieved we will look ahead for more worlds to conquer. We are putting first things first—such as strengthening our financial position, developing new products, increasing efficiency, reducing costs, and increasing sales." Regarding these matters, he gave me examples and facts, not a lot of "blue sky" about what they hope to do next year etc. I received an image of a corporation in which I think my clients and I can retain our stock and our confidence.

*Please do not write for the name of this company as this column has never presented an opinion regarding the merits of any security.

PUBLIC UTILITY SECURITIES

BY OWEN ELY

Gulf States Utilities Company

Gulf States Utilities supplies electricity and some gas to a population of nearly one million in Texas and Louisiana (42% of revenues being derived from Texas and 58% from Louisiana). The service area extends over 350 miles along the Texas Louisiana Coast. It comprises some 28,000 square miles which include the cities of Beaumont, Port Arthur and Orange (Texas) and Lake Charles and Baton Rouge (La.).

In Baton Rouge the company furnishes steam and electricity under long-term contracts to Ethyl Corporation, Esso Standard Division of Humble Oil & Refining, and U. S. Rubber. This business is not subject to commission regulation and in 1961 accounted for about 9% of total operating revenues. Gas is supplied to Baton Rouge and vicinity accounting for less than 4% of revenues.

The company's area includes a major petrochemical center which is expected to continue to grow. Rice, cotton, sugar cane and cattle raising are important farm activities. Important industries include oil production, refining and pipe line pumping, and the manufacture of paper, synthetic rubber, chemicals and salt products.

Population growth in the service area during the decade ended 1960 was 46% compared witn the U. S. gain of 19%. The company has enjoyed rapid sales growth with revenues showing an average compounded gain of 11% per annum in the past decade (although 1961 made the worst showing of the entire period with a gain of only 6%). Electric industrial revenues gained 305% in the decade, compared with 208% for residential and rural and 169% for commercial. Rapid growth in the area is expected to continue. President Kennedy is asking Congress for about $5.5 billion for the space program and much of this will probably be spent in the Houston and New Orleans areas. Since the company's Baton Rouge and Nevasata division areas are adjacent to these cities the company's operations should feel the impact of these big expenditures. There should also be substantial future growth in electric househeating. Due perhaps to gas competition saturation of electric ranges is only 36%, water heaters 10%, and room air-conditioners 30%.

Net generating capacity is now 1,501,000 kw plus 330,000 kw available from interconnections, making a total of 1,831,000 compared with the 1961 peak load of only 1,211,000. By 1965 generating capacity will be increased to 2,381,000. Plans for construction of additional generating facilities after 1965 will depend upon the outcome of negotiations with TVA and SPA for exchange of power between public and private utilities. Excess capacity is now about 24% and this ratio is expected to continue through 1964, but will drop to around 13% in 1965, providing a favorable earnings factor for later years.

The company's new power stations have been planned for conversion to coal burning (with coal barged in) if it should be decided to change from gas to coal; also all the three of the newer power stations include automatic equipment such as data-logging, scanning and computer control. This generating plant program has been costly, accounting for nearly 35% of total capital investment, but the company should now be in a very favorable position for some years to come. The company is also constructing an extra high voltage system costing about $9 million.

The company's construction program for the four years ending 1964 are estimated at $160 million. About a year ago the company sold 350,000 shares of common stock for about $12 million and in October $15 million debentures were sold. No further equity financing is anticipated until 1963, when it may be desirable to sell stock in order to maintain the equity ratio in a range of 30-33%.

Share earnings increased in each of the past 10 years except 1961, and the rate of growth — from 65 cents in 1951 to an estimated $1.30 for 1961 — averaged about 7% on a compounded basis. However, much of this gain occurred in the first half of the decade with the rate of growth slowing in recent years. Nineteen sixty-one earnings were disappointing, results for the 12 months ended Nov. 30, being $1.30 on an increased number of shares, compared with $1.38 for calendar 1960. Weather conditions seemed largely responsible. Persistent cool weather retarded air conditioning and hurricane Carla cost about $400,000 in damages and lost revenues; these two factors may have held back earnings as much as 15 cents a share.

However, industrial development in the area has continued at a rapid pace. During 1961 fifteen nationally known industrial companies added 90,000 kw of load to the company's line. Houston Chemical, Goodyear, Foster Grant, Mobile Chemical, Continental Oil and Philipps Chemical built new plants, while other companies such as Firestone, duPont and W. R. Grace expanded their plants. The company expects to add 84,000 kw of new industrial business in 1962. An increased commercial load of 48,000 kw is expected for 1962 compared with 38,000 gained in 1961. In the residential field the company last year added 2,500 new all-electric homes and 972 residential heat pumps, and over 20,000 major electrical units were sold in the area; and comparable gains are estimated for 1962. Board Chairman Nelson, in a recent talk before the New York Society of Security Analysts, forecast a gain of 12% in revenues in 1962 and earnings of $1.55 exclusive of any increase in gas rates which might be obtained (gas is currently earning only about a 4% rate of return).

The stock has been selling recently around 39½ compared with a range in 1961-62 of 47¼-35¼. The dividend rate is $1 yielding about 2.5%. The price-earnings ratio approximates 30, although if the estimated $1.55 is realized in 1962 (based on normal weather) the P-E ratio would drop to 25.5.

J. E. Schonbrun Opens

BAYSWATER, N. Y.—Jay Edward Schonbrun is conducting a securities business from offices at 14-31 Point Breeze Place.

Form Coronet Securities

STATEN ISLAND, N. Y.—Coronet Securities, Inc. is conducting a securities business from offices at 119 Roma Avenue. Virginio Caropreso is a principal of the firm.

Form Geldermann Co.

CHICAGO, Ill.—John T. Geldermann & Company is conducting a securities business from offices at 141 West Jackson Boulevard. Thomas A. Geldermann is a principal of the firm.

California Bond Issue Offered

A Bank of America N. T. & S. A. underwriting syndicate, which included The Chase Manhattan Bank, and The First National City Bank of New York, on Jan. 24 purchased $100,000,000 of State of California State School Building Aid Bonds, Law of 1960, Series AA.

The group paid a premium of $17,139 for a combination of 5%, 4%, 3%, 3¼%, 3.40% and 1/10% bonds. The dollar price was 100.017, and the net interest cost to the state was 3.1803%, compared with a net interest cost of 3.7544% on the $100,000,000 State School Building Aid Bonds sold last August. The bonds were reoffered at prices to yield from 1.90% to a dollar price of par on the 3.40% bonds, according to maturity Nov. 1, 1964-1987. The bonds due in 1988 were not reoffered.

The bonds just sold are the second offering from an authorization of $300,000,000 approved by voters in June of 1960. A total of $1,035,000,000 of State School Building Aid Bonds have been sold since the initial authorization in 1949. Proceeds are advanced to California School Districts which have depleted their building funds. State-aided school districts generally are located in rapidly expanding residential areas, and represent about one-third of the approximately 1,725 school districts in California.

Other members of the underwriting group include:

Blyth & Co., Inc.; The First Boston Corp.; Harris Trust & Savings Bank; Wells Fargo Bank American Trust Co.; Security First National Bank; United California Bank; Glore, Forgan & Co.; C. J. Devine & Co.; Crocker-Anglo National Bank; R. H. Moulton & Co.; Eastman, Dillon, Union Securities & Co.;

Merrill Lynch, Pierce, Fenner & Smith Inc.; Dean Witter & Co.; Weeden & Co., Inc.; The First National Bank of Oregon; Seattle-First National Bank; Mellon National Bank & Trust Co.; Equitable Securities Corp.; Lazard Freres & Co.; J. Barth & Co.; Ladenburg, Thalmann & Co.; John Nuveen & Co., Inc.;

William R. Staats & Co.; Hornblower & Weeks; Wertheim & Co.; Hayden, Stone & Co., Inc.; A. C. Allyn & Co.; E. F. Hutton & Co., Inc.; Shearson, Hammill & Co.; Ira Haupt & Co.; B. J. Van Ingen & Co., Inc.; Paribas Corp.; Bache & Co.

FROM WASHINGTON ...Ahead of the News

BY CARLISLE BARGERON

If this buildup about Khrushchev keeps up it will not be long before we put him on our foreign aid list.

As the propaganda goes, something is wrong in Russia. The very best experts on Russia can't make it out. But the main theme standing out in black letters is that Khrushchev is having trouble with those who disagree that Communism and Capitalism can live together in a spirit of coexistence. If the other side wins, it looks like we are in for war. If Khrushchev wins, he is our man; we can continue to live in nothing worse than the cold war.

We doubt that this picture of Khrushchev as the peace loving man, risking his dictatorship for the sake of living with us peacefully has been accepted by the public and apparently not even by the most imaginative editorial writers and commentators, but it is unmistakably there.

Apparently if the propaganda keeps up it will develop that our feeling towards Khrushchev has been wrong all the time. He has been our best friend. If the war mongers had been in control of Russia we would have been attacked a long time ago.

Now our fate has been largely tied up with the fate of Molotov. The fact that Khrushchev doesn't seem to be able to get rid of him is ominous. He was called back from Vienna where he was Russia's representative on the International Atomic Energy Committee, according to general belief, to be kicked out of the Communist party and sent into disgrace. Then, much to our surprise, he was ordered back to Vienna where he has yet to show up.

Who knows but that he is still in Moscow conniving against Khrushchev and is such a conniver that he can't be got rid of. We shall have to wait with baited breaths until some definite disposition is made of him. A victory for him means trouble for us.

We are throwing away money all over the world trying to make friends against Khrushchev. What we should do is to give him some of this money to aid him in his fight against those who want to start a war.

Certainly, when we meet in the next summit we should keep in mind what a friend he has been and treat with him generously, let him take home something to show his enemies and say, "See, I told you that we could live in co-existence."

Of course, we can pass up as little pleasant gestures, the trouble in Berlin and the wall, the capture of a spy in Italy and the frequent bellicosity of Khrushchev himself. They are only to convince his enemies inside Russia and in China that he is really a very two-fisted man. We should not misjudge him. At least we should realize that things would be much worse under another man.

Perhaps, now, we should turn our guns or strategy against little Albania, which has split with Khrushchev because he is not firm against the west. Albania is one of those nations that does not believe communism and capitalism can co-exist side by side. The heroic stature of Khrushchev grows to its full height when we realize that he is insisting they can coexist.

In all seriousness, Russia is playing some huge propaganda game now. Regardless of what it is, you can rest assured that with all the experts we have, we will swallow a lot of bunk before it is over.

Russia's secrecy and closed doors are not to keep foreigners from finding out her strength in atomic weapons and military weapons. It is to keep us from finding what relatively little strength she has.

Opens Inv. Office

(Special to THE FINANCIAL CHRONICLE)

LOS ANGELES, Calif.—Georgette O'Connor is engaging in a securities business from offices at 861 Devon Avenue.

Sandkuhl Branch on Coast

(Special to THE FINANCIAL CHRONICLE)

BEVERLY HILLS, Calif.—Sandkuhl & Company, Inc. has opened a branch office at 8901 Wilshire Boulevard.

Our Reporter on GOVERNMENTS

BY JOHN T. CHIPPENDALE, JR.

The second stage of the new money raising operation of the Treasury was completed last week when $1,100,000,000 was obtained through the sale of the reopened 4% bonds due Oct. 1, 1969. This venture was not quite the ball of fire that had been previously indicated even though subscriptions aggregated $1,619,000,000, which was well above the amount needed. Subscriptions of $50,000 or less were allotted in full while with those above $50,000 the allotment was 60%. The latter figure of 60% is considered to have been a high percentage when compared with some of the previous operations figures of the Treasury.

Stiff Competition

In the current instance, however, the issue which was offered was a medium-term bond nearly eight years to the maturity date and not a very short-term Government obligation. This is believed to have had some bearing on the total of the subscriptions received and the allotments which were made, since the commercial banks can pay for their purchases by crediting the tax and loan account which is usually a point of attraction.

In addition, it seems as though the great desire for liquidity, especially in holdings of Government securities, had a part in the lack of subscriptions to the new money raising issue. This liquidity preference idea, in the opinion of not a few money market specialists, can be carried too far and it may in more than a few instances be near that point already.

Emphasis on Income

However, it appears as though investors are getting more conscious of that thing called income which is readily available in fixed income bearing obligations. In addition, a good return is also obtainable in savings deposits and time deposits, with the latter affording 4% for a one year period. This is what the Treasury had to compete with in its recent new money raising operation and will also have to contend with in its future ventures whether they be for new money or for refundings.

It is the rate of return, or income, which the investor will receive from Government obligations which will determine whether or not the Treasury is going to get more of its marketable issues in the hands of the public and at the same time extend the overall maturity of the Federal debt. This would be non-inflationary and would be a favorable development for both the Government and investors as a whole.

As far as the other holders of Government obligations are concerned, such as the Federal Reserve Banks, the Treasury trust accounts and the commercial banks, through the use of package deals, it will be possible to tailor the offerings so that they will appeal to these investors also. This would apply to both new money operations as well as refunding.

Soon Know the Answer

The answer to this should not be long in coming since the next important venture of the Treasury in the market will be the refunding of the Feb. 15 maturities which aggregate nearly $11,200,000,000. It is again rather evident that a package deal will be given to the owners of the Feb. 15 issues, namely the 3¼s, the 3⅝s and the 4s. The latest record of ownership of the Feb. 15 maturities indicates that about $6,200,000,000 are owned by the public and the Treasury, in order to keep a similar amount of the refunding obligations in these same hands or even add to them, will have to make an offer of securities that will appeal to not only the present owners but also to the public as a whole.

There seems to be no question but what the Treasury with a high enough rate and a maturity date which will enable the refunding issues to meet the existing competitive conditions will be able to keep or even increase the public's holding of the debt that is coming due about the middle of next month. The Federal Reserve Banks and Government trust account holdings of the Feb. 15 maturities can also be very readily provided for since the refunding issues can also be made to meet their needs.

The upward movement of interest rates which is so widely forecast, and which many money market specialists believe will be reaching a peak during the second quarter of the year if not sooner, should not be a handicap as far as the Government's new money raising or refunding operations are concerned. It is indicated that issues with a yield which is high enough can be sold to public investors who are interested in keeping them to the maturity date because of the satisfactory income which will be obtained. The larger the public holding of the Government debt the less the inflation potential.

Now Proprietor

(Special to THE FINANCIAL CHRONICLE)

TOLEDO, Ohio—George A. Roose is now sole Proprietor of Roose and Company, Toledo Trust Building.

J. S. Negin Opens

Jay Stanley Negin is engaging in a securties business from offices at 1440 Broadway, New York City.

Complete Sierra Capital Offering

Sierra Capital Company, San Francisco, largest Northern California Small Business Investment Company to go public, completed $10 million financing with delivery of a check for proceeds of the financing to Richard N. Goldman, right, President. Belmont Towbin, left, represents managing underwriting firm of C. E. Unterberg, Towbin Co., New York. Sierra anticipates investing major portion of new capital in Western businesses.

T. E. Plumridge With Frank Inv.

Theodore E. Plumridge has become associated with Frank Investors Corp., 150 Broadway, New York City, as co-manager of the trading department. Mr. Plumridge was formerly President of Eastern Securities, Inc.

Theo. E. Plumridge

Chemical Promotes To Senior V.-P.

The election of Joseph A. McFadden as Senior Vice-President of Chemical Bank New York Trust Company has been announced by Harold H. Helm, Chairman.

Joseph A. McFadden

Mr. McFadden joined the bank in 1929; he became Assistant Secretary in 1940, Assistant Vice-President in 1946, and Vice-President in 1949. In his new position, he will continue to supervise the bank's credit division and assist Howard W. McCall, Jr., Vice-Chairman and Chief Loan Officer in the administration of the bank's loan portfolio.

World Bank Bonds Sold

An underwriting group of investment firms and commercial banks headed jointly by The First Boston Corp. and Morgan Stanley & Co., are offering publicly a new issue of $100,000,000 of 4½% bonds of the International Bank for Reconstruction and Development. The bonds, which mature Feb. 1, 1982, are priced at 100% and accrued interest to yield 4½% to maturity.

The bonds are not redeemable, prior to Feb. 1, 1972. From Feb. 1, 1972 they will be subject to optional redemption at prices ranging from 102½% to par. As a sinking fund, the Bank will retire $,000,000 of the bonds on or before Aug. 1, 1972 and on or before Aug. 1 in each year through 1981. The sinking fund is calculated to retire 50% of the issue prior to maturity.

As in the case of other World Bank issues recently sold in this country, the Bank is offering certain institutional investors the privilege of taking delayed delivery of the bonds on one or more quarterly dates from May 1, 1962 through Feb. 1, 1964. A commitment fee at the rate of ¾% per annum from Feb. 8, 1962 to delivery will be paid by the Bank to purchasers under the delayed delivery contracts.

The delayed delivery arrangement is expected to enable the Bank to coordinate a portion of its borrowings with loan disbursements and also to make it possible for the purchasers to arrange payments to suit individual preferences in the light of their own projected cash positions.

This will be the 12th issue of World Bank bonds to be marketed in the United States on a negctiated basis by underwriting groups headed by The First Boston Corp. and Morgan Stanley & Co. The last previous issue was $125,000,000 of 25 year 5% bonds in February, 1960.

R. B. Yankowitz Opens

HEMPSTEAD, N. Y.—Robert B. Yankowitz is conducting a securities business fro moffices at 33 Duncan Road.

Canada's Leading Authorities Evaluate Its 1962 Economy

Continued from page 1

An unduly wide spread between Canadian and foreign interest rates attracts portfolio and short-term capital from abroad, pushes up the exchange rate, and contributes to the growth of an import surplus of goods and services with adverse effects on production and employment.

In fostering narrower spreads between Canadian and foreign interest rates we have attached great importance to a climate of market confidence in Government debt management and monetary policy. We have been progressively acquiring from private and public hands some of the longer-term Canada bonds which have been overhanging the market.

These steps in debt management have been only part of a coordinated strategy involving the Bank of Canada's monetary policy as well. It should be clearly understood that there have been no attempts to force down interest rates artificially by undue increases in the money supply. The increases that have occurred have contributed to the quickening tempo of business activity during the past year. I have stated before that it is of the utmost importance that the monetary and fiscal authorities work together to ensure a proper blend of policies. This can only be achieved by constant liaison between the Governor of the Bank of Canada and the Minister of Finance. Over the past six months a very harmonious working relationship has prevailed.

These actions in the field of debt management and monetary policy have reinforced the decline in the spreads between Canadian and foreign interest rates. Since the first five months of 1961 the differential between the interest rate on a typical long-term Government of Canada bond, the 3¾s of 1975-78, and its U. S. counterpart, has narrowed from 1½% to about 0.85%. Interest rate spreads in the short-term market have narrowed also. In this respect, therefore, people abroad have had much less of an incentive to send capital into Canada and Canadian borrowers much less incentive to seek funds abroad.

The Government has sought to offset the reduction in the excessive inflows of capital by encouraging a more effective flow of Canadian savings into Canadian investment opportunities. To do this the Government has been endeavoring to broaden and deepen the capital and credit markets.

The Royal Commission on Canada's financial structure and institutions is hard at work and I am gratified that outstanding people have consented to serve on it.

One of the more important developments over the past year regarding the flow of Canadian savings to Canadian investors has been the marked expansion of the Industrial Development Bank. Businessmen from coast to coast are now far more aware of its existence than they were a few years ago. In the past four years the number of branch offices has grown from six to 16 and the bank's expanded programme of public information has yielded solid results. In its fiscal year ended Sept. 30, 1961, the number and dollar value of loans ran over 80% above the total in the previous year. There were 1,364 loan approvals totaling $71 million. Following the June budget proposals the Government widened the scope of the bank's operations so that enterprises over the whole range of economic activity may become eligible for loans. The most important categories that became newly eligible were motels, restaurants and other tourist establishments, and the remaining sections of retail and wholesale trade. At the same time the total financial resources available to the bank were boosted by the Government from $157 million to approximately $400 million. By early fall many loan applications from newly eligible businesses were being processed. In October and November the number and dollar value of loan approvals ran at more than double the rate of a year earlier and a substantial percentage of the increase went to businesses in the newly eligible categories. The bank is vigorously fulfilling its prime role of making term loans to small and medium-sized businesses which for various reasons cannot get private financing on reasonable terms and conditions. It is also hoped that the Industrial Development Bank can be of increasing use in making it possible to maintain Canadian ownership of family firms at times when infusions of new capital and management become desirable or when estate taxes present problems.

The Small Businesses Loans Act has been another step in the Government's campaign to encourage a more effective flow of Canadian savings into Canadian investment opportunities. The Act came into force in mid-January, 1961. The response by businessmen and banks has been encouraging. By October 31, 2,501 loans had been made totaling $20 million.

Other parts of the Government's programme to expedite the flow of Canadian savings to Canadian uses include its efforts to encourage the development of a secondary market in mortgages and tax measures such as the incentives to Canadian pension funds and mutual investment companies to invest in domestic enterprises.

The recent expansion of export financing facilities is another example of the Government's policy to broaden the capital market and to provide an expansionary base for the economy. There are two types of export financing. Under section 21A of the Export Credits Insurance Act the Government finances the export sales of Canadian capital goods where the buying country cannot pay within five years. From the latest information available the Government has authorized or approved the financing of export transactions amounting to $97 million. Export financing for periods of under five years is provided by the chartered banks individually or by the Export Finance Corporation established by the Government and the banks in April, 1961 and owned collectively by the banks.

The result of these efforts to enlarge and improve domestic sources of capital and credit and reduce the inflow of capital from abroad is to remove some of the upward pressures on our exchange rate and hence reduce the deficit on our balance of payments. It was recognized that some of the measures to relax the upward pressure on the exchange rate would take some time to materialize and in the meantime the Government considered it urgent to ensure that any temporary upward pressures on the exchange rate be relieved.

In the June budget I announced that the Government was prepared, therefore, to use the resources of the Exchange Fund if necessary to neutralize the effects of the continuing capital inflows and facilitate the anticipated downward movement in the exchange rate. From May to July, the average monthly value of the Canadian dollar in U. S. currency fell about 5% from a premium of 1.25% to a discount of 3.41%; then, late last year, fell nearly 1% further to a discount over 4%. Between the end of May and the end of December, Canada's official holdings of gold and U. S. dollars rose by only $107 million.

At this point I should like to repeat the warning I gave in the budget and subsequent speeches. The downward adjustment in the external value of our dollar and the other fiscal and financial measures in the budget have opened up new opportunities for Canadian industry both in our home market and abroad. However, recent history is full of examples where such opportunities have been prematurely dissipated by wage and price increases unjustified by improvements in productivity. It would be the height of folly if these new opportunities were to be lost because of lack of self-discipline or failure to achieve effective co-operation between management and labor.

Higher costs and prices are not the only factors that can cause a deterioration in our competitive position. This can equally be caused by slack delivery schedules, a shortage of salesmen conversant with foreign languages and ways of living, lack of interest in the export "leads" turned up by our foreign trade officers, and a general inertia when it comes to entering new fields at home and abroad. In Canada we have by no means solved all our underlying economic problems yet.

The recovery of the past nine months has been very encouraging. Production, employment, incomes and profits have all made strong gains. Most importantly, these gains have not been accompanied by inflationary tendencies. The consumer price index has been stable for over a year now. The most encouraging feature of the current recovery has been the sharp decline in the underlying trend of unemployment. In mid-November there were 80,000 fewer or nearly 20% fewer unemployed persons than there had been a year previous. Although we may expect some increase in seasonal unemployment during the winter months there will be fewer unemployed than last winter, and the situation will continue to improve throughout the year. Also encouraging has been the reduction in the inflow of foreign capital and the parallel reduction in our balance of payments deficit. Exports have been the strongest contribution to our current recovery.

An important factor in the export trend has been the recovery in the United States. But other elements have also been important, including the great improvement in grain sales, the National Oil Policy, and, of course, the fall in the external value of the Canadian dollar. The present situation has also been helped by increases in consumer confidence and spending. Automobile sales have greatly benefited from the removal of the 7½% excise tax on automobiles in the June budget. Business investment in the third quarter was moderately higher than it had been at the beginning of the year and more improvement is expected. Business inventory accumulation provided some suport to the recovery in the second and third quarters and there are indications of a stronger upturn in the fourth. Finally, government operations have added to the stream of spending and incomes are another source of expansion.

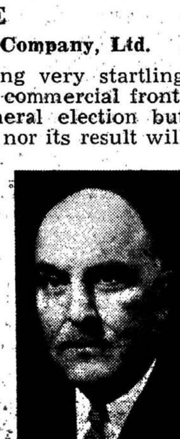
We therefore enter 1962 with recovery spread across the broad front of economic activity.

D. W. AMBRIDGE

President, Abitibi Power & Paper Company, Ltd.

It is altogether unlikely that anything very startling will happen in Canada in 1962 on the commercial front.

There may well be a federal general election but neither the concurrence of the election nor its result will have much effect on the state of business in the nation.



D. W. Ambridge

The pulp and paper industry should do well and at about the same level of production as was attained last year.

No great progress economically is likely unless some substantial progress is made towards the solution of the two major ills which at present afflict the nation.

These two ills are (1) Unemployment, and (2) The imbalance of our trade with the United States.

Most of the efforts being made in Canada nowadays are for the purpose, directly or indirectly, of curing these two diseases, and it is of overwhelming importance that some progress be made.

If more goods and services produced in Canada are used in Canada then it is obvious that both the imbalance of trade with the United States and the unemployment totals will be reduced, and it woud seem that there should be much more emphasis on "buy Canadian" campaigns than there ever has been in the past.

How can we increase the proportion of home made goods and services consumed in Canada?

Certainly not by the imposition of tariffs and duties. These are dangerous devices which a middle-sized nation like Canada should not use except sparingly.

The way to increase the consumption of home made goods and services in Canada is to convince Canadian buyers that it is in their own long-term interest to buy Canadian, even at a sacrifice in price, as long as there is no sacrifice in quality.

This general idea has long been disdained by the "sophisticated" buyers because they say it is not possible to persuade human beings to pay more for home made goods if cheaper foreign made goods of equal quality are available.

I do not believe the case has ever been put convincingly to the Canadian buyer. What, for instance, is to be gained by buying cheaper foreign made goods if the money saved is later to be taxed away by a government which must provide each year increased sums for the support of the unemployed?

What is to be gained by buying cheaper foreign made goods if this results in so great an imbalance of trade with the United States that it will lead inevitably to the undermining of the very foundations of our nation.

St. Matthew, nearly two thousand years ago asked this question:

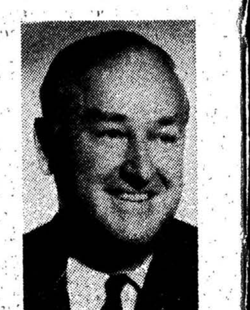
"What is a man profited, if he shall gain the whole world, and lose his own soul?"

We Canadians today must, each one of us, ask ourselves this age-old question.

P. C. ALLEN

President, Canadian Industries Limited

Output of the chemical industry rose about 4% in 1961, a growth rate well below the postwar average. There were signs, however, of a more rapid advance as the year progressed.



P. C. Allen

The moderate increase concealed wide variations within the industry and among individual companies. In the consumers goods sector, for example, demand for synthetic detergents rose sharply, but shipments of paints, varnishes, medicines and pharmaceutical preparations declined or showed little change. Increased output of chemical pulp and a high level of activity in the steel industry strengthened demand for some industrial chemicals, whereas the continuing decline in the uranium industry had a depressing effect on sulphuric acid production. Exports of chemical products advanced only slightly in 1961 compared with the sharp increase of the previous year, but higher sales abroad were of particular importance to producers of fertilizers and plastics.

Although domestic consumption of chemical products advanced only slightly, the share obtained by imports was enlarged as rising over capacity in other countries exposed Canadian producers to intensify import competition. The wave of capital expansion in recent years has also created much excess capacity in Canada for a broad range of chemical products. The resulting downward pressure on prices was in large part responsible for a decline in profits in the early part of last year compared with 1960, despite a substantial increase in investment. There are indications that profits improved in the last half of 1961, a movement typical of recovery periods. It may be expected, however, that the current profit improvement will be more limited than in earlier postwar business recoveries; despite efforts to lower costs and increase operating efficiency, the industry has a long way to go in solving the critical problem of obtaining a level of profit on new investment adequate to provide for healthy development of the industry.

It is still too early to determine the full effect of recent government policies designed to step up economic growth in Canada. The lower foreign exchange value of the Canadian dollar in 1961 had the immediate effect of improving the competitive position of Canadian chemical producers in foreign markets. At present about 18% of Canadian-made chemicals are exported. With the inclusion of chemicals used in the processing of natural resources, such as pulp and paper and minerals, the chemical industry's dependence on exports rises to nearly 35%. On the other hand, about one-quarter of total chemical consumption in Canada is supplied by imports. Here the beneficial effect of the exchange rate change was outweighed in many cases by the sharp price cuts initiated by United States and other foreign producers on their sales to Canada.

As might be expected the special depreciation provi-

Continued on page 20

Phila. Bond Club Receives Slate

PHILADELPHIA, Pa. — Edgar J. Loftus of W. E. Hutton & Co. has been nominated for President of The Bond Club of Philadelphia. Mr. Loftus would succeed Willard S. Boothby, Jr. of Eastman Dillon, Union Securities & Co., whose term is expiring.

Edgar J. Loftus

The annual meeting of The Bond Club is being held on Thursday, Jan. 25, at The Barclay Hotel. Other officers nominated to serve for the coming year are: Theodore E. Eckfeldt of Stroud & Company, Incorporated, Vice-President; John Gribbel, 2nd, of Elkins, Morris, Stokes & Co., Treasurer; and Theodore C. Sheaffer of Janney, Battles & E. W. Clark, Inc., Secretary.

Mr. Boothby has been nominated for the Board of Governors to serve for one year, and William Gerstley, II, of Gerstley, Sunstein & Co., and Arthur Horton of Penington, Colket & Co. have been nominated for the board to serve for three-year terms.

Kalman Names McFarland V.-P.

Robert D. McFarland has been elected a Vice-President of Kalman & Co., Inc.

Mr. McFarland joined the Kalman firm in 1953 as a registered representative. He will continue his headquarters in the Minneapolis office of Kalman & Co. in the McKnight Building.

In 1960, he served as Secretary-Treasurer of the Twin City Bond Club. He is a director of Suburban Lumber Co. and Custom Service Corporation.

MontrealExchange Governing Comm.

MONTREAL, Canada—P. B. Reid was elected, by acclamation, Chairman of the Governing Committee of the Montreal Stock Exchange at the Annual Meeting held in Montreal on Thursday, Jan. 18, 1962. Mr. Reid is a partner in the stock brokerage firm of MacDougall, MacDougall & MacTier Ltd., Montreal. He served the previous term as an advisory member of the Montreal Stock Exchange and a member of the Governing Committee and as Chairman of the Board of Management of the Canadian Stock Exchange. Mr. Reid succeeds S. J. Langill, Hugh Mackay & Co., Montreal, the outgoing Chairman.

I. A. Martin of Royal Securities Company was elected Vice-Chairman, succeeding H. E. Murray, of Nesbitt, Thomson & Co., who served the previous term. Mr. Martin also served for the previous term as an advisory member of the Montreal Exchange, as a member of the Governing Committee and as Vice-Chairman of the Canadian Stock Exchange in 1959.

W. T. Moran of Greenshields & Co. Limited was re-elected, by acclamation, Secretary-Treasurer. Mr. Moran served on the Governing Committee for the past three years.

Other members of the Committee elected by acclamation at the meeting are:

Governors (regular members): A. S. Beaubien, L. G. Beaubien Co.; E. H. McAteer, Graham and Co.; F. G. McArthur, A. E. Ames & Co.; W. L. S. O'Brien, O'Brien & Williams; and E. J. Wright, Geoffrion, Robert & Gelinas Co.

Governors (advisory members): T. A. O'Hara, Jones Heward & Co.; M. G. Ibbotson, McCuaig Bros. & Co. Ltd.; and R. C. Bulman, Grant Johnston & Co. Limited.

Outgoing Governors who served the previous term are: H. E. Murray, Nesbitt, Thomson & Co.; G. Gingras, Rene-T. Leclerc Co.; and J. L. Levesque, J. L. Levesque Inc.

Wells Joins Lubetkin, Regan

Alden R. Wells, former Treasurer and director of Plymouth Cordage Co., Inc., has been named Director of Research of the New York Stock Exchange firm of Lubetkin, Regan & Kennedy, 44 Wall Street, New York City, it has been announced.

Mr. Wells, who entered the securities field in 1934, served as Chief Financial Officer and board member of Plymouth Cordage from 1955 to 1960. During the past year, he has been associated with Plymouth Cordage's parent firm, B.S.F. Co., as financial consultant.

Mr. Wells launched his career as an account executive with Moody's Investors Service 28 years ago, leaving that company in 1942 for three years' service as a Lieutenant in the U. S. Army Field Artillery here and in Germany.

He resumed his career in 1946 as a securities analyst with the Boston investment banking firm of Coffin & Burr and, seven years later, became a partner of the New York Stock Exchange firm of Moors & Cabot, also of Boston.

D. H. Ellis Co. To Admit to Firm

D. H. Ellis & Co., 64 Wall Street, New York City, members of the New York Stock Exchange, on Feb. 1 will admit Byron T. Foster to partnership. Mr. Foster will become a member of the New York Stock Exchange.

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sions for new product manufacture and for research expenditures, by themselves, will have only a limited effect on the development of the domestic chemical industry.

If the economic recovery in Canada and the United States extends well into 1962, sales of chemical products in Canada this year should rise at a faster rate than in 1961. It seems unlikely though that the benefits of greater sales will much improve the profitability of the industry as a whole, although there will always be exceptions in individual companies. Competition from imports, based on growing world capacity for chemicals and on the inadequate protection provided by the Canadian chemical tariff, will continue to be a serious threat to the Canadian chemical industry.

Despite the unsatisfactory outlook for return on investment, capital expenditures by the chemical industry may be close to a record level again in 1962. Unlike last year, when very few new products were manufactured for the first time in Canada, several products for chemicals new to Canadian manufacture are underway or planned for 1962 for products such as isocyanates, cyclohexane, lithium chloride and metal, all of which involve replacement of imported chemicals. The emphasis, however, will continue to be on new or expanded plants for established products such as caustic soda and chlorine, phosphates and urea. Overcapacity may be a problem with benzene, titanium dioxide and pentachlorophenol as more than one new plant for each of these chemicals have come on stream within the last year or will be producing in 1962.

As examples of the increasing interest in plastic films, additional polythene film capacity is under construction and several companies have begun extrusion of polypropylene film. Another significant trend is the growing participation of petroleum companies in the chemical field, either through direct production or by a tie-in with a chemical company as in the case where a major oil company will supply napthas for ethylene, propylene and acetaldehyde operations in Quebec. In western Canada the number of new major projects is falling off; expenditures on plants for recovering sulphur will be down sharply this year, as the majority of the new natural gas plants were completed in 1961.

Efforts to improve the industry's research effort will lead to considerable capital outlays in 1962 with two major projects under construction in the Montreal area. The chemical industry now employs about one-third of the country's industrial research scientists with post-graduate training.

Perhaps the most significant and far reaching event in recent years for the chemical industry, as for all Canadian industry, will prove to be Britain's application to join the European Economic Community. The chemical industry, in common with other sectors of the Canadian economy must give serious attention to ways of accommodating itself to the new world economic environment which is evolving.

ST. CLAIR BALFOUR

President, The Southam Company Limited

The Southam Company is largely dependent on newspaper advertising for the success of its operations. With eight newspapers in Central and Western Canada, our business is a sensitive barometer of the pace of retail trade in these two important areas of the nation. Unlike a barometer, however, we can only measure present activity — not the future. We deal in today's business. A newspaper acquires no backlog of orders —no commitments for the future. The present trend is, however, a good indicator for the future and with this as the basis of our optimism we are looking for better than average retail activity through at least the first six months of 1962.

St. Clair Balfour

The past year has behaved much as expected. Only the closing months, particularly November and December, showed any substantial gain over the previous period. These last two months, however, have set new records and this pace is presently continuing. November was probably the best month for retail trade in Canada's history. This is especially significant as consumer spending had previously been lagging behind in the general economic upturn.

If this trend continues, and it is supported by record bank deposits, high personal incomes and a backlog of some nine to twelve months of consumer hesitation, then 1962 should be an excellent year. We think it will be.

J. D. BATEMAN

President, Sarcee Petroleums Ltd.

The year 1962 should be a year of continuing progress for the western Canadian oil and gas industry. In 1961 the target of the National Oil Policy will not only be met but exceeded; and this will materially reduce the pressure for a pipeline from western Canada to the Montreal refining area, and result in continuing imports of off-shore oil amounting to almost 400,000 barrels per day.

J. D. Bateman

The present domestic production target could not have been reached without exemption for Canadian oil from United States import controls. The writer is firmly convinced that there should be an unrestricted flow of pipeline oil between Canada and the United States, not only for reasons of security in the event of a national emergency, but because this makes sound economic sense. In the alternative, should domestic oil displace Venezuelan crude at Montreal, the United States would be expected to increase imports from that source correspondingly.

Considerable alarm has been expressed in some U. S. petroleum circles with respect to the rate of increase of imports from Canada during the past year. This rate, however, is not inconsistent with reserves and productive capacities relative to the two countries. For example, at the 1960 rate of production U. S. reserves were equivalent to 13 years supply while Canadian reserves corresponded to 21 years supply. Even today Canadian production is no more than half the productive capacity and, in the interests of a healthy continental oil industry Canadian oil should continue to be exported at an increasing rate as, in 1961, imports of crude and products are more than double exports.

The natural gas picture in Canada is in a healthier condition and, in 1962, the growth rate may be expected to climb sharply. Natural gas discoveries continue to be made at a rapid rate, particularly in north-eastern British Columbia, and during the coming year, uncommitted natural gas reserves will reach an all time high. As a result of the almost explosive growth of pipeline construction and export of gas to the United States there has been built a number of gas processing plants in Alberta. During the coming year there will be considerable pressure to export the liquid petroleum products from these plants to the United States.

Perhaps the most interesting wildcat venture is the well currently being drilled on Melville Island in the far north Canadian Arctic Islands. This is the first test, slated to go to 14,500 feet, in one of the largest sedimentary basins in North America. It is probable that a second well will be drilled in the Arctic in 1962; but in the event of success in either of these wells, the impact on the Canadian petroleum industry will not be felt for several years.

In summary, the outlook for 1962 is one of accellerating growth both for oil and gas.

J. U. BOYER

President, The Provincial Bank of Canada, Montreal, Canada

It is too early to state definitely whether the present recovery in the Canadian economy will last throughout 1962. Industrial production of both durable and non-durable goods has gathered strength in recent months and there are signs that retail sales have been increasing again. A satisfactory rate of growth can hardly be expected, however, unless there is a marked increased in the volume of domestic investment. The reduction in capital outlays during the last few years has been an obstacle on the road to further expansion.

J. U. Boyer

The substantial rise in the money supply last year has made it easy for chartered banks to finance the short-term credit requirements of the current expansion, and no difficulties are anticipated in this field for 1962. Greater liquidity in the economy has also brought about a reduction in interest rates, in spite of the large financial requirements of the federal government. The decline in the yield of long-term bonds has not been very substantial but, on the other hand, it is doubtful whether, under present conditions, lower interest rates would have a great impact on the volume of investments.

Bold new policies involving structural changes, better world markets for raw material and, more particularly, increased demand in the United States for Canadian goods, are essential requirements for a rapid and steady growth of Canadian economy. We are all looking forward to improvements in these various fields.

J. A. BRUSSET

President, West Canadian Oil & Gas Ltd.

We are living through such a turbulent period of History that it is hazardous to venture a forecast. In fact, such an attempt can be justified only if it is assumed that there will be no major war nor any other international upset of great proportions, however improbable this assumption may appear to some people.

J. A. Brusset

Politically, in Canada, campaigning for the Federal election has started, and it seems to me that the election will be held at an early date. The present administration no doubt wants to capitalize on the improvement in the economic situation which we have experienced since the Canadian currency was devalued in June last; an improvement which now has passed its peak. Waiting much longer might demonstrate only too clearly to the voting public that devaluation was not a real cure for the economic difficulties of the country.

Nobody should attempt to forecast the results of an election; in the field of international politics, the present administration has lost some of its prestige at home in its recent argument with the U. K. Government on the matter of the European Common Market; also, the prolonged quarrel with the British Columbian Government over the export of hydraulic power and the location of the new power developments has not improved its popularity. However, the party in power is still strong in the Eastern Provinces, and it is impossible at this early stage to gauge the respective chances of the competing parties.

From the point of view of economics, things look hopeful for the year 1962 and it probably is good that this will be an election year, since the electoral platforms no doubt will have to give added prominence to their plans for economic improvement.

The devaluation of the Canadian currency last June has been a mixed blessing. It has contributed over the second half of 1961 an improvement in export and in the general activity, although unemployment is still severe. But it now begins to appear that it has had only a temporary good effect, and that increased costs of production may ultimately leave the Canadian Industry in a weaker competitive position than before. Will there be a second attempt at devaluation? It must be sincerely hoped that a remedy more original and of more durable effect will be found.

In fact, the Canadian dollar has proven to be an unusual currency; the Canadian Treasury has had to spend many million dollars in trying to keep it down; it may be the first time in history that a currency has so stubbornly refused to sink, and if the government stopped its efforts, it is probable that it would bob up again.

Apart from this problem, the solution of which will have a great degree of influence on Canadian affairs in 1962, many factors contribute to an optimistic picture.

Business has materially improved in the U. S. A. over the past six months, and no other single factor could be so important for Canada, not even the European Common Market, to which maybe too much prominence has been given in the Canadian Press. In my estimation, the Common Market, whether Canada does or does not become a part of it, will prove beneficial to Canada. The industrial development, and the resultant greater prosperity of Western Europe, can only cause greater purchases by it of raw materials, such as ores, base metals and pulp wood, all of which are still the main basic export of Canada.

Another new factor which may become even more evident in 1962 than in 1961 is the emergence of Japan as a great industrial nation, and, as far as Canada is concerned, as a great purchaser of raw materials. Japan is increasingly purchasing not only Canadian meats, wheat and milk, but also the metal concentrates from the great mines recently opened in British Columbia, and bituminous coal to feed its tremendously growing steel industry.

In 1961, it has become apparent that Canadian ranching may also have come into a better period. A fast growing population in North America demands ever more beef per capita and these parts of the world which are tired of being called "backward" insist on being helped by the wealthier nations towards the consumption of all the good things.

Of course, all the above good points could be nullified, in the long run, by the large amounts which have to be paid by Canada outside its boundaries for imports, dividends and interests. A reduction in imports is necessary, and many Canadians begin to realize that one of the most costly imports is foreign crude oil into the Eastern part of the country.

It may be that the present financial difficulties of Canada may help to bring about the construction of the very controversial oil pipeline from Alberta to Montreal. While admittedly an expensive project, it would cost less to the country and accomplish more for it over the years than another devaluation of the currency. Canada is a country of tremendous distances, and new means of transportation are a physical and logical necessity for its future development.

As a conclusion, it is my opinion that Canada will continue in 1962 its traditional role as a large exporter of raw materials, and may also see large additions to industrial plants with resultant greater internal activity.

A. F. CAMPO

President, Canadian Petrofina Ltd.

At the turn of the year, Canadian economic indicators continue to point upward as the business cycle recovery is being supported by a combination of monetary, exchange rate and fiscal policies.

A. F. Campo

The strength of the U. S. recovery, the favorable trend of our foreign trade and the improved buying mood of consumers indicate that the current upswing in Canada will carry through at least the major part of 1962. However, in view of sizeable excess capacity in many industries, capital spending by business is likely to be a moderating, rather than stimulating element in the 1962 expansion.

Gross National Product is expected to rise by about 6% to $39¼ billion in the coming year. This compares with a modest 3% gain in 1961. With productive resources ample to meet the increased demand, prospects are for little change in prices. The Canadian oil and gas producing industry experienced a year of outstanding growth in 1961.

Production of crude oil and natural gas liquids averaged close to 643,000 b/d, for an increase of 18%. A major factor behind this growth was the rise in exports to the United States which, at 180,000 b/d, exceeded the previous peak reached in 1957 when the Suez crisis forced a number of refiners on the U. S. West Coast to turn to Canadian sources of supply.

The current and prospective expansion of our crude oil and natural gas exports should contribute materially to the narrowing of Canada's huge—$1¼ billion—deficit from transactions in goods and services with the United States. It should also result in a progressive improvement in the ratio of crude oil production to producing potential which is presently about 50%.

Although the increase in crude oil production in 1962 will be more moderate than in 1961, the gain in natural gas sales, due mainly to the opening up of new export outlets in California, should be of substantial proportions. The improved market outlook will undoubtedly have a stimulating effect on exploratory activity in Western Canada.

Developments in the domestic market for petroleum products were less encouraging in 1961. The increase in consumption was smaller than anticipated, mainly because of adverse weather conditions which affected gasoline demand on the Prairies and heating oil demand in Eastern Canada. At the same time, new entries into the retail field further intensified competition for markets.

While domestic demand is expected to increase by about 5½% in 1962, to 940,000 b/d, the pressure on prices is likely to continue. The situation is being aggravated by the current and planned expansion of refining capacity which in certain market areas far exceeds the prospective growth in petroleum demand.

ALEXANDER CLARK

President, The Calgary & Edmonton Corporation Ltd.

In Feburary 1961, the Canadian Government announced its National Oil Policy involving a target of 640,000 bbls./day of Canadian produced crude oil and condensate for 1961, and 800,000 bbls./day by the end of 1963. It now appears almost certain that the actual average production for 1961 will be slightly in excess of 640,000 bbls./day as compared with an average of 540,000 bbls./day for 1960. Of this increase, only about 35,000 bbls./day was taken up by increased market for Canadian crude in Canada. The remaining 65,000 bbls./day was accomplished by export to the U. S. A., largely into the Puget Sound area of Washington.

Alexander Clark

The Canadian Government has not set a specific target for production of Canadian crude for 1962, but it is assumed that an average of 700,000 bbls./day or a 60,000 bbls./day (9.4%) increase over 1961 will be achieved. It is anticipated that, due to increased refining capacity in the Ontario area, a further market for Canadian crude will be absorbed there next year. The best guess is that, of the 60,000 bbls./day expected increase, approximately 30,000 bbls./day will be accounted for by increased Canadian markets, the remaining 30,000 bbls./day will mainly go to the Puget Sound area where Canadian crude does not compete with U. S. domestic crude.

Substantial increase in market for natural gas occurred in 1961, both in Canada, and by expanded export to the U. S. As a result, Canadian natural gas production in 1961 increased between 20% and 25% over that for 1960.

The new project for Canadian gas export into the west coast of the U. S. is now essentially complete. By late December of 1961, gas will be flowing into the San Francisco area and into the Pacific Northwest from Alberta gas fields. It is estimated that over 550 million cubic feet per day will be entering these markets during 1962. As a result of this additional market, the Alberta gas producers will net an estimated additional 20 million dollars in 1962 from gas and by-products sale.

On the basis of the above enumerated data, the average increase in net revenue of oil and gas producing companies in Canada will be 20% greater for 1961 than for 1960. With respect to the outlook for 1962, it now appears that, based on projected increases of oil and gas production, net revenue to producers should increase another 10% over 1961. It should be noted that all producing companies will not benefit equally in these gains.

Prior to the implementation of the National Oil Policy, oil and gas exploration in Canada had declined quite drastically due to depressed revenues. We now foresee a very much stepped-up program of exploration for 1962 so as to insure the maintenance of adequate oil and gas reserves to back the increased production.

Canadian oil and gas producers have every good reason to expect a healthy growth in reserves and revenue in 1962, and this trend should continue in the years following.

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Fahnestock & Co. To Admit Partner

Fahnestock & Co., 65 Broadway, New York City, members of the New York Stock Exchange, on Feb. 1 will admit Robert H. Warren to partnership.

G. C. Haas Co. To Admit to Firm

On Feb. 1 John R. Haas will become a Partner in G. C. Haas & Co., 65 Broadway, New York City, members of the New York Stock Exchange.

Robinson-Humphrey To Admit Partner

ATLANTA, Ga.—On Feb. 1 M. Lamar Oglesby will become a Partner in Robinson-Humphrey & Co., Rhodes, Haverty Building, members of the New York Stock Exchange. Mr. Oglesby is a Vice-President of the firm's corporate affiliate, The Robinson-Humphrey Company, Inc.

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ROLLA L. CRAIN

President, R. L. Crain Limited

I believe that most management people recognize that business in Canada is currently undergoing change. Most companies have found it necessary to adjust to new conditions—new competition.

To meet these new conditions, there has been required a fresh approach, new plans and a complete appraisal of all operations in business. This will bring improvement, with a resulting increase in business activity.

Employment should show a modest gain and prices remain relatively the same as '61. However, if Canada is to achieve results and the future that is possible, a concerted team effort by all levels of government, business and labor is required.

F. R. DANIELS

President, Paton Manufacturing Company Limited

Towards the middle of 1961, Canada's economy showed signs of recovering from the mild recession which had characterized the early months of the year and most of the previous year. The upturn continued to gain moderate strength as 1961 came to a close. This trend was encouraging to most sectors of Canadian business, including the woollen and worsted fabrics industry.

While statistics for the latter part of the year are incomplete, it was evident by mid-year that Canadian mills had taken advantage of a decrease in the volume of imported wool fabrics to improve their share of the domestic market to approximately 60%, although total demand and per capita consumption were virtually unchanged.

Considering that the foundation of the industry in Canada predates the birth of the nation itself in Confederation, it is remarkable that some satisfaction should be derived from a position in which such a substantial portion of the market is commanded by importations. The encouraging fact of course is the apparent reversal of a post-war trend which witnessed the increase of imported fabrics' share of the civilian market from 30% to over 50% by 1957.

In the first half of 1961, the United Kingdom supplied 77% of the woollen cloth imported into Canada, but it is of interest to note that the domestic industry's gains in volume of shipments were achieved entirely at the expense of British importations, both last year and in 1960. Great Britain's domestic demand was much less buoyant last year than in the preceding year and under those circumstances a vigorous drive might have been expected to expand export sales and to regain ground lost in the Canadian market. On the other hand, fabric of Italian manufacture occupied a considerably larger share of imports into Canada than in any previous year.

Several factors may be working against a renewed assault on this market. What could be a short-term advantage accrued from the Canadian Government's fiscal policy of a discounted Canadian dollar in June 1961. While this action had the effect of raising the raw material cost component of Canadian made fabrics, it increased, by the same token, the total landed cost of foreign goods. It is also becoming evident that Commonwealth countries are losing importance as outlets for Britain's manufactured products, including textiles and that her long-term prospects appear to favor a re-orientation towards Western European markets.

Even if this assessment is correct, there is no immediate prospect of a rapid surrender by British mills of their remaining substantial hold on this market, but possibly there might be less willingness on their part to cater specifically to Canadian tastes and conditions in non-staple fabrics as far as designs, styles and weights are concerned.

Guarded optimism might well describe the mood of the Canadian woollen industry at the outset of the new year. With a slight lessening of import pressures and a modest economic expansion promising at least a sustained demand, most leading domestic mills foresee their welcome improvement in activity lasting until mid-1962 and, hopefully, beyond.

Long-term prospects are less predictable. There are the areas in which initiative can be and is being taken—aggressive policies in marketing, styling and design, fabric development and improvement, utilization of technological advances, maintenance of the most modern, efficient equipment and reduction of unit costs. There remain the problem areas on which the industry's initiative can make little impace and in this category there are the inescapable facts of operation in a high wage society and confinement to a limited market with intensive domestic and import competition. This results in low and inadequate returns on the industry's investment, and in a high degree of vulnerability to governmental and international trade policies.

H. GEORGE DE YOUNG

President, Atlas Steels Limited

Activity in the Canadian economy has risen moderately during the past year. The upswing has not been accompanied by sufficient increase in capital investment to provide jobs for all those who are entering the labor force. The recovery in the United States seemingly has risen at a much faster pace and this most likely will have the effect of causing a further rise in Canadian business activity.

H. George De Young

Industrial activity in the United Kingdom, Europe and Australia has recently shown signs of weakening. This will increase the availability of their products on foreign and Canadian markets and bears out the necessity for Canadian industry to improve on a continuing basis its competitive ability at home and abroad.

Atlas Steels Limited is activating its plans for maintaining and improving its competitive position. We fully expect to improve on our ability to compete and to enjoy the increase in our business commensurate with the improvement in the local economic conditions as well as improving our position in the world markets through investments in new plants and modernization of existing equipment.

Our new Quebec plant, representing an investment of about 40 million dollars and to be completed in the next few years will produce stainless steel strip and sheet for domestic and world markets. The new Quebec installation particularly is Atlas' answer to the competitive conditions that we expect will be the result of the enlarged Common Market and closer, more liberal, trade ties between Canada and its trading partners. In Australia we're building a plant that will do final processing on some of our products for that particular market area. These plants, along with our general modernization program, are components of an overall plan of preparedness for the inevitable changes in world business conditions that lie ahead.

We are forecasting a moderate increase in our business for the year 1962.

THOMAS W. EADIE

President, The Bell Telephone Company of Canada

Capital expenditures by The Bell Telephone Company of Canada in 1962 will be somewhat higher than in 1961 as we move ahead in meeting demands for more diversified communications services. A notable rise in the number of new service offerings fortified this trend toward diversification in 1961. The fastest rising sales curve was for new and improved types of business service, including private branch exchanges, call directors and key telephones.

Thomas W. Eadie

Our expenditures on construction in 1961 amounted to more than $190,000,000. Much of this was devoted to providing service for new customers through new exchanges or building extensions.

Use of long distance service increased more rapidly than in the previous year. We added more than 175,000 telephones to those we serve in Ontario and Quebec, not quite as many as in 1960. During the year we raised $127,000,000 of new capital to finance the expansion and improvement of service, including a stock issue yielding almost $81,000,000. At the end of the year the company had more than 178,200 shareholders, of whom 97% were residents in Canada. The single bond issue completed in 1961 was for $35,000,000 at 6% interest, payable in Canadian funds. Another issue for $40,000,000, at 5½% interest, was announced at the end of the year and dated Jan. 2, 1962.

The opening last summer of our high frequency radio station at Alma, Que., brought network long distance service to remote areas of Northern Quebec and Labrador. We also set up telephone exchanges in a number of communities on the shores of James Bay, Hudson Bay and Ungava Bay, such as Fort Chimo, Fort George, Port Harrison and Povugnituk, as well as Cartwright on the Labrador coast.

National defense requirements for communications have been growing. Our activities have included provision of circuits and equipment for the Ballistic Missile Early Warning System and for SAGE air-defense centers. We have also made available communications for the national survival program.

The Trans-Canada Telephone System, which arranged coast-to-coast facilities for the television network of the Canadian Broadcasting Corporation was also awarded the contract for the new, independent CTV Television Network Limited. As a member of Trans-Canada, the Bell is responsible for the portion which lies within Ontario and Quebec.

A moderate improvement in the level of economic activity occurred in Canada in 1961. A continuation of this generally favorable trend is in prospect for 1962, although apparently without the additional stimulus that would be provided by a strong upsurge in capital investment. Higher consumer spending, inventory rebuilding and somewhat higher government expenditures should contribute to the expected improvement. There should be some increase in employment opportunities but the level of unemployment may still remain troublesome.

Even so, the volume of national production may increase by 4%, a rate of growth greater than that achieved in any of the last five years.

We expect that, by the end of the year, telephones in service in our Ontario-Quebec territory will approach the 3.9 million mark.

Name to Be Model, Roland & Co.

Effective Feb. 1 the firm name of Model, Roland & Stone, 120 Broadway, New York City, members of the New York Stock Exchange, will be changed to Model, Roland & Co.

On the same date Sidney Rydell and Adolphe J. Warner will be admitted to partnership.

Hardy Again Offers Course

Hardy & Co., members of the New York Stock Exchange, will offer an informal course for adults on Investment for Security and Income on Tuesday evenings starting Feb. 27 at the East Midwood Jewish Center in Brooklyn. The fee for the course which consists of nine lectures, is $15.

G. B. GORDON

Chairman of the Board, Dominion Textile Company, Ltd.

The outlook in the textile field, and more particularly in the cotton section with which I am more directly associated, is quite favorable over the near term future in 1962, short of an unpredictable change in the tide of events. There is sufficient business on the books of most companies to keep them well occupied at profitable price levels for the first quarter of the new year. The change in the exchange value of the Canadian Dollar has had a marked effect on the actions of import minded firms who have, in the past, taken full advantage of the discounted American Dollar. Now the situation is reversed and instead of buying American goods at a discount of anything up to 5%, such people are being forced to pay a premium of up to 5% if they elect to buy American goods in place of the Canadian counterparts. This changed situation is reflected in a wholesome increase in busines available to the Canadian mills which are well equipped and prepared to handle the additional volume.

G. B. Gordon

Peering ahead into the second and subsequent quarters of 1962, it is almost impossible to make well founded predictions. The business world in Canada as a whole is not any too certain just what overtones the proposed membership of the United Kingdom in the European Common Market may hold for Canada. Even the Cabinet Ministers of the present Federal Government seem at times to be at cross purposes in their statements about the probable course of things. It is small wonder that the heads of our enterprises are puzzled as to where Canada will fit into the new trading picture.

There is also the posibility that a Federal Election will take place around mid 1962, and with a new third party, the New Democratic Party, in the field seeking power on a Socialist Platform, almost anything can happen in the Federal political arena. The former Liberal Government will make a strong bid to oust the present Conservative Government who took over in 1957 and who were re-elected with a huge majority of seats, although not of the popular vote, in 1958. When the next Federal Election does take place, and it cannot be later than 1963, there may be very interesting developments, but this all adds to the uncertainty of the future as looked at in December 1961.

N. R. CRUMP

Chairman and President, Canadian Pacific Railway Company

The year just ended has been one of great challenge to Canadians.

While there has been some recovery in business conditions, it does not portend a boom in 1962. We may, however, expect a continuation of economic growth on a limited scale. Canadian exports improved significantly in 1961, and prospects for further improvement in 1962 are reasonable. The Canadian consumer appears now to be entering the market place to a greater extent. Investment expenditure, however, shows little prospect for overall improvement with investment by governments assuming an increasing proportion of the total.

N. R. Crump

The decision of Great Britain to seek membership in the European Common Market has made it vital that Canadians re-examine their economic position and work aggressively towards strengthening their competitive position.

Canadian Pacific in 1961 continued to improve its equipment and services in order to provide its customers, at home and abroad, with the best in transportation to meet the diversified needs of shippers and travellers in today's fast-changing economy. The variety and scope of its services—which give it title to the world's most complete transportation system — reflect the growing contribution of this Canadian enterprise to the national economy and to the five continents which it serves with its integrated system of trains, trucks, ships, and planes.

Canadian Pacific, as one of the world's most experienced transportation enterprises, is fully aware of its obligations to Canada and the world it serves with its shelf of transportation services. Changing conditions require changing techniques, particularly in this period of revolutionary transport development; and Canadian Pacific, by instituting new services and improving former business practices is today offering its customers the widest possible range of services at economical cost.

To participate fully in these new and enlarged freight and passenger markets which have resulted from higher levels of income throughout the world, Canadian Pacific is tailoring its services to place it in a favorable competitive position for securing increased traffic.

During 1961 the company engaged in extensive marketing surveys related to rail, steamship, air, and hotel business. These markets are expanding, but competition is becoming increasingly severe.

While every effort is being made to improve the position of the company through the provision of improved equipment, new services, and modern merchandising methods it is unfortunate that depressed statutory freight rates impose a heavy and unwarranted burden. Canadian Pacific, with its freight rates frozen by Government decree and faced with fantastic new wage demands from the non-operating unions, calls for fresh, new thinking along the whole broad front of government-labor relations.

The year 1961 found Canadian Pacific reducing costs, improving efficiency, and enlarging sales in a transportation market that has set a new high in competitive ruggedness—both on the basis of cost and service. Innovations in equipment and facilities were introduced, sales offices were integrated and streamlined, new yards and centralized traffic control were developed, electronic practices were widely extended, and important economies were effected in unremunerative train operations. Major additions were made to its rail, steamship, and air fleets as well as enlargement of piggyback and the expansion into Alberta of Merchandise Services.

Railway traffic officers aggressively sought out new sources of freight revenue. Many new industrial sidings were constructed by Canadian Pacific, and two branch lines built to serve new, widely separated sulphur developments in Alberta. The recession depressed freight revenues in the first half of the year, but there was some recovery in the second half.

Construction of a large automated switching yard at Agincourt, on the eastern outskirts of Toronto, was further advanced. Grading operations were completed, trackage installed, and highway-grade separations associated with the project developed. The Agincourt yard, presently scheduled for completion in 1964, will expedite movement of greater volumes of traffic and consolidate switching operations in the Toronto area.

Merchandise Services, conceived, designed, and engineered by Canadian Pacific and embodying a concept of integrated freight handling unique in North America, is exciting interest throughout the transportation industry. The provision of this most complete freight service under a single administrative control and using all the tools of transportation—rail, road, water, and air—have given Canadian Pacific the lead on the continent in this forward-looking diversified service.

In November, new Merchandise Services terminals were opened in Calgary and Edmonton, representing an investment of $1.4 million.

Five new piggyback terminals were opened, making a total of 37 in operation across Canada from Saint John to Vancouver. Canadian Pacific handled, for the first time, trailers of private industry and also completed ground work for interchange of piggyback traffic with American railroads.

Canadian Pacific is one of the largest piggyback carriers in North America. In 1961 some 118,000 trailers were handled compared with 113,800 in the previous year. The piggyback fleet now totals 1,140 specially-equipped flatcars, and some recently acquired represent Canadian Pacific's entry into the new and promising field of container-handling.

In the field of communications, as in transportation, there was continued growth in 1961.

Telex service was estabilshed at 29 additional cities and towns, bringing to 66 the number of points in Canada served by this convenient form of automatic message exchange. There is a continuing growing demand for the service. Telex was inaugurated in December between the Montreal and Vancouver stock exchanges.

Expansion of micro-wave systems jointly owned with Canadian National between Montreal-Quebec-Moncton is under way to provide improved communications services between these points, as well as to Saint John-Halifax and Sydney.

Canadian Pacific, one of the pioneer railways on the continent to introduce integrated data processing, continued in 1961 to chalk up history-making gains in this rapidly expanding field of electronic endeavor. During the year, the IBM 705 model III high-speed electronic computer installation was replaced by an IBM 7080 computer which is the most powerful commercial application in the world and the first of its kind to be installed outside the United States. This amazing new computer is fully transistorized and is six times faster internally than the former model. Three IBM 1401 computers were also installed to operate in satellite status to the 7080 and as computers in their own right, and one of these is equipped with Ramac disk storage.

Canadian Pacific has had seven years of experience in integrated data processing and nearly five years of experience in the operating of large-scale computers. It has developed a working integration of transportation data collection and processing to a higher degree than has been achieved by any other transportation company.

The company's "White Empress" transatlantic passenger-cargo fleet was augmented in April of last year by the addition of the new 27,300 ton flagship "Empress of Canada." The fleet now offers a total of 3,152 berths in these impressive new liners, and carryings showed an increase in 1961.

The "Empress of Canada," booked to capacity, will sail from New York on Feb. 9 on a 61-day cruise to the Mediterranean and the Greek Isles—the first time the famous Canadian Pacific chequered house flag has appeared in these ports since before World War II. Also, after an absence of some years, Canadian Pacific will offer two cruises from the United Kingdom to Mediterranean and North African ports. The important West Indies cruise market also finds the Canadian Pacific operating seven cruises out of New York. The variety and scope of the cruise program indicates the searching out of new markets, and bookings to date are most encouraging and reflect creditably on the service and appointments of "White Empress" ships.

Cargo service was increased between Canadian-U. S. Great Lakes ports and the United Kingdom-European ports by the operation of six chartered vessels, two more than were operated in the 1960 season. A new cargo liner, the "Beaverfir," 5,780 tons deadweight, was commissioned in July for service between Canadian and European ports.

For the first time, Canadian Pacific is operating a

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Eaton & Howard Appoints Analyst

BOSTON, Mass.—E. Wallace Sleeth has joined Eaton & Howard, Inc., 24 Federal Street, as a Senior Security Analyst, it has been announced. Mr. Sleeth will be based in the research department at the firm's Boston headquarters.

Before joining Eaton & Howard, Mr. Sleeth was for six years a security analyst with Preston, Moss & Co., and before that he served several years in the same capacity at White, Weld & Co.

NAIC to Hold Spring Conference

MIAMI, Fla.—The National Association of Investment Clubs will hold a spring conference at the Seville Hotel, June 1 and 2. About a thousand delegates are expected to attend.

This is the first time that the NAIC has held a meeting comparable to their annual meeting in October, and the purpose is to bring the group's educational work to those who cannot always travel long distances.

Andrews, Posner To Admit Partner

Andrews, Posner & Rothschild, 52 Wall Street, New York City members of the New York Stock Exchange, on Feb. 1 will admit Charles J. Czaplinski to partnership.

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winter freight service into the St. Lawrence. Two chartered ships, the "Eskimo" and "Fort Chambly," specially strengthened to navigate in ice conditions, are being used to maintain sailings between Quebec and Liverpool, London and Antwerp.

Canadian Pacific continued its policy of resource development. Canadian Pacific Oil and Gas Limited drilled 35 wholly-owned wells, of which 21 were successful gas wells and 3 were oil wells. In December, C. P. O. G. announced an association with Pembina Pipe Lines, Ltd., and Hu Harries and Associates, Ltd., in Huron Pipelines, Ltd. A hearing has been held by the Alberta Oil and Gas Conservation Board and its decision is pending in the application by the latter company to construct a $10.5 million oil product pipeline from Edmonton to Calgary and Lethbridge, Alberta.

Canadian Pacific, in addition to providing new services and expanding markets, also made important economies through the reduction of unremunerative passenger train miles with consequent improvement in car mile revenue. Patronage and, consequently, revenues of the streamlined "Canadian" on the transcontinental route continued to represent an increasing proportion of gross passenger earnings, as passenger traffic on some inter-city and local runs continued to decline, principally because of improved highways, motor car competition, and the use of air services.

Canadian Pacific flew into the jet age in 1961 with delivery of a fleet of four Super DC 8 jet aircraft. These giant new jet Empresses, with wing modifications now being applied making them the fastest and longest-range jets in the world, are now operating across Canada and to Hawaii, to Europe on the polar and mid-Atlantic routes, to Tokyo and Hong Kong, and to Mexico City from Eastern Canada. Route development included the significant addition of Calgary on the polar route now linking Vancouver, Calgary, Edmonton, Amsterdam and Rome.

A further logical extension of Canadian Pacific polar services of benefit to Canadians awaits implementation by the British Government of the bilateral agreement between Canada and the United Kingdom. When the agreement is implemented, Canadian Pacific will be enabled to fly from Vancouver via Calgary and Edmonton to London.

Negotiations between the Canadian and Mexican Governments with repect to a new bilateral air agreement between the two countries were in the closing stages at the end of the year. It is expected that in addition to existing services, CPA will provide service from Windsor, Ontario, and Calgary, Alberta, to Mexico City as a result of these changes.

Canada's tourist trade enjoyed a record year in 1961, and Canadian Pacific hotels from sea to sea played an important role in catering to the important visitor industry. Banff and Lake Louise, two of the best-known resort hotels in the world, catered to substantial convention and guest business, and the Chateau Frontenac again proved a most popular convention and tourist hotel.

Elsewhere on the hotel front, Canadian Pacific undertook innovations to meet competition. The establishment of the Empress Hotel Motor Lodge at Victoria proved successful and attracted near-capacity business, while the special economy room rates at the Royal Alexandra at Winnipeg proved popular with the travelling public. In Toronto, the Royal York Hotel, the largest in the Commonwealth, continued to operate, notwithstanding a strike called in April. Some 50% of the employees who went on strike have been back to work, and the Royal York continues to provide the service for which it is famous.

The Royal Commission on Transportation concluded its hearings early this year, and Volume I of its report was released. The balance of the Royal Commission report is still awaited.

G. ARNOLD HART

President, Bank of Montreal, Montreal, Canada

The past twelve months have witnessed a recovery in the Canadian economy which has been gathering strength as the year progressed. While total national output in 1961 increased only moderately in comparison with the early 1950's, the accelerating pace of business resulted in a record level of employment, rising incomes, and a new high in the index of industrial production.

G. Arnold Hart

In its early phase, the recovery was sparked by rising trends in consumer and government spending and by higher exports, but was somewhat tempered by a poor grain harvest on the prairies and by depressed levels of capital expenditure. However, business outlays on plant and equipment turned upward in the second half of the year and provided further strength to the recovery. On the basis of the latest information available, it appears that the year closed on a strong note with rising trends evident in many key indicators of economic activity.

It isc encouraging that the present upturn in the Canadian economy is taking place against a background of a similar recovery in the United States and continued buoyant conditions in many other parts of the world. Exports should therefore continue to show strength, a particularly important factor in a country such as Canada, for whom foreign trade is so important.

Looking to the immediate future, there are many signs of further expansion of business activity in Canada in 1962. The rising trend in personal income, for instance, should be felt in stronger consumer demand. Unlike the experience in the United States, there has not been a significant build-up of inventories in Canada so far in the present recovery. It seems likely, therefore, that an upward adjustment of business inventories will be made in the near future, adding a further source of strength to the expansion. The outlook for capital expenditures, while more uncertain, is considered good, with a modest improvement in total spending expected.

All in all, businessmen in Canada are confident that 1962 will see further record levels attained.

CHARLES HAY

President, Royalite Oil Company, Ltd.

The increase in sales of crude oil produced in Canada and the start of export of natural gas through the Foothills Section of the Alberta Gas Trunk Line over-shadow other events in the Petroleum Industry in 1961 in Canada.

Charles Hay

The adoption of a National Oil Policy by the Government at Ottawa, the administration of the Policy by the National Energy Board, and the cooperation of all phases of the Industry in achieving the 1961 objective have established a new pattern in the Industry, and restored confidence to exploration and production activities.

The targets adopted under the Policy, and the progress towards meeting them, have been well publicized. It is apparent that continued success through 1962 and 1963 will depend on our ability to supply larger proportions of Canada's requirements of finished products from Canadian crude. Initially the growth has been achieved through increased export. For the remainder of the target period emphasis will have to be placed on the increase in domestic use to the end that the total growth in sales of crude and condensate, achieved over the three-year period of the Policy, will have been obtained equally through foreign and domestic sales. Current trends in supplying the Ontario market indicate that this balance will be reached.

It is not too soon to consider the years which follow the National Oil Policy three-year period. Canada needs to sell sufficient crude to support exploration activities capable of maintaining adequate proven reserves.

The concept of continental import and domestic supply appears to be growing with the better understanding of comparable conditions in the United States and Canada. It is hoped that this trend will continue, and that Canadian production reaches a stable level commensurate with its national consumption.

HON. GEORGE HEES

Minister of Trade and Commerce, Ottawa, Canada

As 1962 opens, forces are in motion which could bring a major reshaping of world trade patterns. Britain, Canada's major overseas customer, is now negotiating to enter the European Common Market. The ramifications of such an association would have far-reaching implications for virtually all trading nations. Canada, as a member of the Commonwealth and as a major world trader, is doubly affected. This new formative period in world trade relations comes upon us at a time of expanding economic activity in nearly all parts of the world.

Hon. George Hees

This favorable climate should help to foster outward looking attitudes on the part of countries adapting to these new conditions. For Canada such a prospect poses the likelihood of considerable adjustment, but it also gives promise of new opportunities.

Meanwhile, the pace of the economic expansion in Canada has accelerated in 1961. National output has increased sharply from the beginning to the end of the year. Industrial production has moved into new high ground and, on the basis of the latest figures, is running 6% higher than a year ago. Higher operating levels in Canadian industries have meant more employment and increased incomes.

The upward trend of total personal income has accelerated, and corporate profits have reversed their previous decline and appear headed to new records. The labor market has strengthened. Over the course of the year, the growth of job opportunities has exceeded new job seekers, and unemployment has declined. By November there were 18% fewer jobless persons in Canada than in the same month a year ago.

Economic developments in Canada in 1961 have occurred within the context of renewed cyclical expansion in North America, and continued growth in most overseas countries. More goods have moved across retail counters, and spending on consumer services has increased in line with the strengthening trend of personal incomes. A resurgence in sales of automobiles and other durable goods was evident in the latter part of the year. Following a period of inventory adjustment, businesses are again adding to stocks, though at a moderate rate. Business outlays on plant and equipment turned upward at about mid-year.

In the field of residential house building, the easier terms under the National Housing Act, implemented in 1960, together with the greater availability of mortgage funds, have contributed to increased housing activity. Meanwhile, institutional and public construction has continued to expand. Special federal measures, which have helped to round out local public investment programs, include the provision of financial assistance for such purposes as technical education, sewage projects, university residences, and the extended municipal winter works program.

A key feature of the current economic expansion has been the strengthening in Canada's trade position. Exports have been increasing at a faster pace than imports, resulting in a further improvement in the merchandise trade balance. It is now evident that a trade surplus has been realized in 1961, compared with deficits of $97 million in 1960, $369 million in 1959, and $713 million in 1956. On the other hand, Canada has been running an "invisible" deficit in excess of $1 billion annually. Therefore, the deficit on all current transactions, though less than last year, remains large.

Much of the increase in exports last year reflected higher wheat shipments. At the same time, there has been an encouraging growth in exports of manufactured products. Despite lower sales abroad of farm implements and automotive products, total exports of manufactured goods, on the basis of figures available to date, are up about 10%. In addition to large deliveries on aircraft orders, significant increases have occurred in such categories as industrial machinery, electrical apparatus, cotton products, and manufactured wood products. Industrial material exports were adversely affected early in the year by the economic slow-down in the United States economy. More recently, however, sales of mineral and forest products have been moving ahead in response to the upturn in factory output south of the border.

Imports are higher for 1961 compared with 1960, but the increase is moderate in relation to the general expansion in activity. There has, in fact, been increased reliance upon domestic, as opposed to foreign, sources of supply in a number of fields, including automobiles, appliances, textiles, and iron and steel products. All in all, trade figures for 1961 show that Canadian producers are making headway to an encouraging degree in the further penetration of both home and foreign markets.

New Federal measures of a far-reaching character have been implemented to help Canadian producers extend their markets and expand production. Of major importance has been the change in exchange rate policy, resulting in a lower external value of the Canadian dollar. For the last six months, the Canadian dollar has been at a discount with the United States dollar, amounting, on average, to 3.3% compared with an average premium of 3% during 1960. In the prevailing conditions of intensive international competition, an exchange rate shift of this magnitude provides an important lift to the wide range of Canadian industries competing with foreign goods, both domestically and abroad.

The new credit facilities available to capital goods exporters have brought an energetic response. Projects in eight countries, involving the possible sale of Canadian capital equipment, aggregating $82 million, are under active consideration, while five other proposals are being studied—a total of $214 million.

Throughout the past year, the Department af Trade and Commerce has made an all-out effort to bring to the Canadian businessman a greater awareness of opportunities in foreign markets, and also to help in the search for new avenues of economic production and development. To this end, the trade conference of late 1960 has been followed up by a series of provincial conferences, aimed at fostering, at the local level, the necessary sense of urgency in the drive for new markets.

Other new measures contributing to business growth include the provision of guaranteed bank loans to small business; extension of the operations of the Industrial Development Bank; the provision, under income tax regulations, of accelerated depreciation for specified categories of capital outlays; and the establishment of new arrangements providing for increased attention to product design.

Looking to the new year, there are many signs of continued expansion. Key indicators of economic activity are pointing upward. Business confidence is strong, and there is widespread expectation of future growth in production and sales. Information now available on investment plans for 1962 indicates at least a sustained level of business outlays for new plant and equipment, and further growth in institutional and public building. The current surge in consumer buying should clear the way for a strong order position in the new year.

Giving support to this firm business trend in Canada is the improving economic situation in the United States. Exports to the United States have risen since early 1961, but have yet to reflect the full impact of rising factory output in that country.

These are some of the considerations which seem to underlie current expectations of a good year ahead. It is important, however, not to be lulled by good business prospects into letting up in our efforts to strengthen our position in world markets. In the expansion phase of the business cycle, the going is apt to be deceptively easy. In a period of expanding demand, it is possible for an industry to maintain a higher level of sales even though its share of the total market is shrinking. The full consequences of this situation may not strike home until the overall market deteriorates, at which time the lagging competitor suffers disproportionately. This, therefore, is the time to intensify, not slacken, our endeavors.

Although Canada's merchandise trade balance with the rest of the world has moved from a deficit to a surplus position, we still have a large deficit on total current transactions. This reliance upon foreign resources must, to the maximum extent practical, be replaced by the fuller and moree ffective use of our productive potential. In these circumstances, Canadians simply cannot afford, even temporarily, to rely on the favorable prevailing currents to carry us along.

So long as we have the means to achieve a better balance with the rest of the world, maintenance of our current position in world markets is simply not good enough. It is imperative that we press ahead to expand our share of currently expanding world markets.

There is much to show that Canadian producers have made a good start toward achieving the kind of competitive strength and resiliency necessary to extend their position in the present day competitive world. Full realization of this objective is not quickly or easily attained. It requires continued perseverance, through good times and bad, and demands action on many fronts. In this offensive, the plant manager, the worker, and the primary producer, i.e., the people who make the goods for sale in world markets, occupy front-line positions. These groups, however, are not likely to succeed single-handed. Their efforts must be supplemented by positive action on the part of all ancillary services in the community which can help in any way to improve the effectiveness of the nation's productive machine. To succeed fully this must be an offensive in depth.

The year 1961 has been one of good progress toward such a goal. The economy is well launched toward further major strides ahead in the coming year. However, the advance achieved will depend largely upon how we rise to the challenges before us. No number of rosy predictions will move us to our objective.

The outlook for 1962 is favorable. The measure of prosperity to be achieved, however, will depend upon the initiative, the enterprise, the energy, and the enthusiasm of Canadians.

During the past year we have made great strides. The economy, lifting from a solidly prepared base, is now well launched on its course to further major achievements in 1962. I call on the businessmen of Canada to exhibit that degree of confidence and energy which I am confident will carry us to new heights of prosperity and progress.

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Expand Facilities for Institute Of Investment Banking

WASHINGTON, D. C. — Expanded facilities and a revised program format are permitting a substantial increase in the number of registrants that can be accommodated at the 10th annual Institute of Investment Banking scheduled for the week of March 11-16, announced Curtis H. Bingham, President of Bingham, Walter & Hurry, Inc., Los Angeles, President of the Investment Bankers Association of America. This executive development program for the securities business is sponsored by the Association in cooperation with the Wharton School of Finance and Commerce on the campus of the University of Pennsylvania, Philadelphia. It provides a program for junior officers, partners and other experienced personnel of IBA member organizations.

Class offerings for the 1962 session have been expanded and diversified by scheduling separate sessions for each of the three classes on several afternoons during the week, rather than joint sessions as in the past. A broader range of subject matter will be covered and a larger roster of speakers, panelists and discussion leaders will familiarize registrants with current developments and problems affecting investment banking.

A first year enrollment of 150 has been authorized by the Institute Planning Committee and this compares with 113 in the freshman class last year—a one-third increase. With a higher quota, according to IBA Education Committee Chairman Robt. Mason of Merrill Lynch, Pierce, Fenner & Smith, Chicago, it is reasonable to expect that it will be possible to assign two and perhaps even three places in the first year class to IBA members seeking to enroll more than one representative. Last year it was not possible to confirm more than one first year registration to any IBA member organization due to lack of facilities.

The aim of the overall program is to develop leadership ability and to foster efficiency in all phases of investment banking operations, according to H. H. Sherburne, Partner, Bacon, Whipple & Co., New York, and Chairman of the IBA Institute Planning Committee. It is invaluable for those who are being prepared for positions of greater responsibility.

The Institute is designed for those who have been in the securities business for five or more years. However, application may be made for those who have had four years of experience or who are over 30 years of age. Seasoned personnel will find the Institute an excellent "post-graduate" program to prepare them for further advancement.

Each spring about 300 registrants from all parts of the U. S. and Canada assemble on the University of Pennsylvania campus for a week of classes in economics and investment banking subjects. They are accommodated at the Sheraton Motor Inn and attend classes in Dietrich Hall, home of the Wharton School and at the University Museum Auditorium. Registrants completing the three-year program receive a Certificate of Merit in recognition of their specialized training for the investment banking business.

Investment banking leaders and specialists from business, government and academic circles participate as speakers and discussion leaders during the week. Registrants benefit not only through class discussion sessions, but also through meeting others from all sections of the country and exchanging views with them.

Nearly 500 men and women in the investment banking business have received their Certificates of Merit for completing this program. Each year the Institute has grown in popularity, with more applications being received than can be accepted. Applicants in excess of the quota are given preference for future enrollment. Because of the number of such applicants carried over from last year and the advance interest shown in the 1962 session, the Institute Planning Committee again expects applications to exceed the quota.

Official application forms have been mailed only to the main offices of IBA member organizations. Branch office personnel should apply through the main office of their company. Applications and the registration fee of $240 for each applicant should reach the IBA Washington office by Wednesday, Feb. 7. Additional information on the 1962 program can be obtained from Erwin W. Boehmler, Educational Director, Investment Bankers Association of America, 425 Thirteenth St., N.W., Washington 4, D. C.

Massie Named by Delafield Firm

Adrian M. Massie will act as economic consultant to Delafield & Delafield, members of the New York and American Stock Exchanges, the firm has announced.

Adrian M. Massie

Mr. Massie, Chairman and Chief Executive Officer of the New York Trust Company until its merger into Chemical Bank New York Trust Company, is a director and investment committee chairman of Investment Management Company, a subsidiary of Hugh W. Long & Co., sponsor of four mutual funds.

Delafield & Delafield is located at 45 Wall Street, New York City.

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G. ROSS HERINGTON

President, H. Corby Distillery Limited

Distilled beverage products sold well in Canada in the last quarter of 1961, despite retail prices inflated by heavy Federal taxation and new sales taxes in several provinces. This seems to confirm that Canadian consumers are optimistic about the months ahead and assure us of some business buoyancy, at least for a good part of 1962.

G. Ross Herington

However, high production costs and a burdensome tax system are basic faults in the economy that will not easily be overcome. Canadian distillers in particular are suffering from a cost price squeeze. Prices to the provincial liquor boards are fairly rigid and all distribution of distilled beverage products is through the provincial authorities whose regulations cover all phases of marketing.

Fortunately, provincial regulations and methods of distribution are gradually improving and our industry's long - term prospects are reasonably sound. Canadian whiskies are expected to continue dominating the domestic market, without any significant tariff protection against imports. Further, the special character of Canadian whiskies should lead to their increasing acceptance abroad as well as in the U. S. A.

G. H. D. HOBBS

President, Western Canada Steel Limited

1961 was a difficult year for Canadian business and industry. Price declines continued in most lines and caused consumers to maintain a "wait-and-see" attitude. Consequently, higher operating costs which occurred for a variety of reasons have had to be absorbed with a marked effect on profit margins. Canadian exporters have been faced as well with rising world competition. The relative decline in the value of the Canadian dollar however in the latter months of 1961 improved our competitive position in world markets.

G. H. D. Hobbs

This general atmosphere of rugged competition at home and abroad is not likely to abate during 1962. The difference between a mediocre and a successful year for a Canadian business firm will be determined by the quality and service it proffers its customers. High quality manufactures sold by ardent, aggressive and well-trained salesmen in an atmosphere of service to the trade are essential ingredients to higher profits.

The new year will not be without its disappointments. Unemployment remains a serious problem. Job openings continue to fall behind entries into the labor force. To solve or even to mitigate this problem will require serious changes in the basic attitudes of government, labor and business.

World competition remains keen. This calls for imaginative and adroit leadership on the part of government and business beyond that already demonstrated, particularly in this period of fundamental changes in the institutions of and methods for world trade. By and large Western Canadians look on the European Common markets, on Japan, on India and the South American countries as real and potential markets for Canadian goods, both raw material and manufactured, as well as serious competition to home commerce and industry. Trade is a two-way street, and Canadians must trade to maintain their standard of living.

This standard can be attained and maintained best by securing a proper balance between the exploitation of our natural advantage in resources, and domestic self-sufficiency for selective secondary industry.

GRANT HORSEY

President, Salada Foods

For Canadian business, 1962 shows promise of being a good year. But we cannot expect it to be an easy year. Aggressive competition and careful consumer buying will continue to pose a double challenge for businessmen: to give the best possible value, and at the same time to maintain a high level of efficiency in order to operate at a profit.

Grant Horsey

In Ontario, the introduction of a provincial sales tax has intensified this challenge by suddenly reducing the dollars available for the purchase of goods and services.

The economic squeeze of a year ago has eased somewhat. It would be unrealistic, however, to think that this squeeze will disappear completely—now or in the foreseeable future. The facts of our economy have changed.

Maximum efficiency is a prerequisite of progress, even of survival. This gives momentum to one of the more obvious changes in our economy, by strengthening the trend to greater mechanization. The result often is an increase in production without an increase in the number of jobs. The patterns of mass employment are shifting, and the full solution of Canada's unemployment problem clearly depends on adjustments to these patterns.

There now seems no likelihood of a return to the relatively easy business climate of the 1950s. We are a prosperous country, and by all indications we will remain so; but for 1962 and the years ahead our prosperity is likely to be tougher than it was, with a few soft spots and a great many business challenges. To a large extent, the success of individual businesses will depend on their ability to cope with the keen new edge of competition, and to meet the more selective demands of the consumers.

Although the food industry is more stable by nature than some others, the same hard facts apply.

Cost of raw materials and labor have risen steadily without corresponding increases in consumer prices. The profit squeeze has reached the point that it will be difficult, perhaps impossible, to avoid price increases in many foods during the coming year.

The food field offers excellent opportunities. In these times of change the opportunities probably are greater than ever. But so are the dangers. Many of the techniques and principles of five or ten years ago are already out of date, and food companies must keep a constant and accurate watch on market changes. To prosper, a food company needs a fine blend of realism, efficiency and imagination.

Much has been said about the surge of new products in the food industry. More and more, not only this industry but our whole economy relies for buoyancy on the development of new products and new types of products, and on new and refined merchandising techniques both at home and abroad. Canadian businessmen are pressing their quest for the new and the better. This quest—continuous, diligent and imaginative—will be an important factor in Canada's stability and progress during 1962.

H. R. JACKMAN

President, Dominion & Anglo Investment Corp. Ltd.

1961 has been a year which has given Canadians cause for encouragement. A year ago we were in the midst of a recession and now as we enter 1962 it would appear that we are in a new phase of expansion. Productivity has increased on all fronts, especially in oil and gas.

H. R. Jackman

Increased employment opportunities are being found for our labor force. Canadian businessmen have taken a closer look at manufacturing and marketing procedures with a view to cutting costs and to meeting the challenge of more rugged competition at home and abroad.

Similarly, the Federal Government has, in the past year, shown vigor and initiative. Adjustments in the income tax and depreciation rules have encouraged business to expand into new product lines thereby increasing productivity and employment. At the same time significant changes in monetary and exchange policy have lowered the value of the Canadian dollar in terms of the U. S. dollar thereby greatly benefiting our export industries. National development policies, such as the National Oil Policy, which has increased production for 1961 by 18%, are also benefiting our economy. Similarly natural gas sales increased approximately 30% and substantial increases are expected in the years ahead.

Turning to the economic prospects for 1962 we should see an orderly advance in all spheres of economic activity in Canada leading to an increase in our economic growth greater than that experienced in 1961. An increase in industrial production should be accompanied by a rise in consumer spending, the largest sector in overall demand.

Exports which account for almost one-fifth of Canada's Gross National Product should assume increasing importance, particularly in light of the larger return on each dollar's worth of goods sold as a result of the 3% to 4% discount on the Canadian dollar.

These factors when accompanied by a modest rise in capital expenditures and a continued easy money policy are likely to play a significant role in the economic uptrend during at least the first part of 1962.

Turning to the stock market, the past year has proven to be a very profitable year for investors. During 1961 the Toronto Stock Exchange industrial averages went to record levels increasing 95 points or a gain of over 25%. Corporate profits in 1961, although modestly better than a year previous, do not in themselves justify the present rise in stock market prices. It would appear therefore that the stock market has already discounted estimated earnings increases in 1962. Whether a continued and sustained advance of the averages can be justified in the coming year will depend on the extent and duration of the boom into 1962 and possibly 1963.

Over the immediate term, favorable corporate developments, expanded money supply and the insistent demand for equities could easily lead to further advances. However, it should be pointed out that the present advanced state of the market with high price earnings ratios and low stock yields in relation to bond yields, give the market a high base from which to make an advance similar to that experienced in 1961. We would doubt very much if 1962 will be as good a year for investors as 1961. If earnings expectations fail to materialize the equity market could become vulnerable. There will always be some situations especially favored by unusually able management and a good economic milieu, such as Alberta Gas Trunk Line. Canadian holding and investment companies' shares are selling at unwarranted discounts from liquidating values.

R. H. Anderson Joins Harris, Upham & Co.

(Special to THE FINANCIAL CHRONICLE)

PORTLAND, Ore. — Robert H. Anderson has joined the staff of Harris, Upham & Co., 601 Southwest Oak Street. Mr. Anderson was formerly northwestern representative for Miles Burgess and prior thereto was with with Foster & Marshall.

Kent A. McLachlan has also been added to Harris Upham's staff.

J. P. Hart Joins Wm. J. Mericka & Co.

(Special to THE FINANCIAL CHRONICLE)

YOUNGSTOWN, Ohio—James P. Hart has become associated with Wm. J. Mericka & Co., Inc., members of the Midwest Stock Exchange. Mr. Hart was formerly Vice-President of Ross, Borton & Co. with headquarters in Youngstown.

LETTER TO THE EDITOR:

Disputes View Taxes Aided Savings Banks

Spokesman for the industry, commenting on recent "Washington and You" column, defends present tax status of mutual savings bank and points out that, rather than having grown at an "accelerated pace," only two mutual banks have been established since World War II.

Editor, Commercial and Financial Chronicle:

I must protest the allegations and inferences directed at mutual savings banks in the "Washington and You" column of the Jan. 4 issue of the *Commercial and Financial Chronicle*. The column, characterizing mutual savings banks as "tax sheltered institutions," stated that since World War II they "have been established at an accelerated pace."* This is incorrect. There have been only two mutual savings banks established since the end of World War II—one in Edgartown, Mass., in 1955 and one in Anchorage, Alaska, in December 1961.

Dr. Grover W. Ensley

The column went on to state that the founders of such banks cannot be criticized for their actions, since "nearly all of them, if not all, have wanted to make money." Actually, it is the absence of the profit factor that accounts for the fact that only two mutual savings banks have been established during this period. The history of these mutual institutions clearly shows that during the 146 years of their existence in this nation they have been established, often as a result of a semi-philanthropic action in a community, to provide safe havens where people of modest means can save with assurance of a modest return, plus accessibility and safety.

The article fails to make basic distinctions between commercial and mutual savings banks. The reserves-for-bad-debt formula, provided mutual institutions, recognizes that their investments, primarily of a long-term nature, are subject to more risk from business cycle fluctuations than those of commercial banks with most of their funds committed to short-term loans.

GROVER W. ENSLEY
Executive Vice-President
National Association of Mutual Savings Banks, New York City.

Jan. 11, 1962.

Ed. Note:* **Mr. Ensley properly takes issue with some of the phraseology in the column in question. For the record, it should be pointed out that the opening paragraph stated that "All across the Nation since World War II tax-sheltered thrift institutions—savings and loan associations and mutual savings banks—have been established at an accelerated pace." Obviously, the words "and mutual savings banks" did not belong in that context even though the rest of the column dealt with the proposals to establish a new basis for taxing savings and loan associations and mutual savings banks, with the emphasis being placed on the phenomenal growth of the former institutions.

Secs. & Inv. Planning

BALTIMORE, Md. — Securities and Investment Planning Corp. is engaging in a securities business from offices at 1 West Biddle Street. Officers are Samuel Shapiro, President; Paul Jacobs, Vice-President; and Irving Jacobs, Secretary-Treasurer.

M. F. JONES

President, T. G. Bright & Co., Limited

I think that in Canada the business barometer is rising, and 1962 will be a better year for business generally, than 1961. However, in the wine business it's the long-term view that counts, because it takes years to bring a new product to market. In my view, the long-term prospect for Canada is a bright one.

Meredith F. Jones

Since 1951 the population of this country has increased from approximately 14 million to 18 million. Income per person also increased from $1,130 to $1,550. I think these increases will continue, providing a growing market for goods and services. Since 1951, more than one and a half million immigrants have entered Canada. These people have had a tremendous impact on our national personality. They have brought new skills, new tastes in entertainment, in clothes and in food. Nowhere is this more apparent than in the wine industry. Large numbers of these new Canadians came from countries where wine with meals is a common social custom. This concept, new to Canada, is slowly being accepted by Canadians in all walks of life. It has created new demands for new types of wines and better wines. Because we believe this new appreciation of wine will continue to expand, we have invested large sums of money in research for better grapes, new products and in plant and equipment.

The trend seems definitely towards table wines, but there is also an increase in the demand for the premium ports and sherries. There is a vigorous drive for this market from old world producers. But in spite of this strong competition from countries with the prestige of years of tradition in wine making, we have actually captured a larger share of that section of the wine market.

I think that competition from abroad for all parts of the Canadian market, will intensify, but I am sure that Canadian producers will compete just as strongly. We at Bright's certainly intend to do so.

What are Canada's prospects for the future? We believe they are excellent and, as a measure of our confidence in that belief, we have invested upwards of two million dollars in the last two years, in preparation for an expanding market for fine wines.

ALLEN T. LAMBERT

President, The Toronto-Dominion Bank

The Canadian economy shifted from a contractionary phase to a recovery phase early in 1961. As the year progressed a broad range of statistical indicators showed increasing strength, and by the last quarter of the year it was clearly evident that the economy was moving out of the recovery stage and into a period of firm expansion. During the fourth quarter of 1961, the Canadian economy was operating at a level which was some 4 to 5% above the same period of a year earlier, and there are good reasons for believing that a combination of cyclical and structural factors will bring about even more significant achievements in 1962.

Allen T. Lambert

The current cyclical upturn by itself would likely be mild for there is no present evidence of dynamic elements in the economy as there was in 1950 and in 1955. I believe, however, that the policy decisions made with regard to the Canadian exchange rate will result in a reinforcement of the present upswing and perhaps even prolong it. Having seen evidences of the distortions, which our overvalued dollar was creating in the economy up until last June, we have since seen signs of the beneficial effects of the new exchange rate. Thus while Canada still imported capital to the tune of about $1 billion last year, she also experienced a surplus of commodity exports over imports for the first time in several years.

The effects of the new exchange rate, in addition to the prospects which we see in our major export markets, certainly suggest that our export industries will achieve new records in 1962. Industries catering primarily to the demands of the domestic market can also be expected to make more progress in 1962 than for some years past. For not only is demand for their products on the rise in Canada, but I believe that they will also get a larger share of the Canadian market this year. Despite this firmer tone in two major sectors of the economy, I do not expect that rising capital spending decisions will immediately result. However, the business community might well decide to devote more capital to plant and equipment later on in the year. In the meantime, it is reasonable to expect that the Canadian business community will devote more expenditures to the acquisition of inventories. As yet there are few signs that business inventories have made any cyclical recovery, but I feel that as the year unfolds this will surely develop. This will provide a further net stimulus to expansion in Canada this year.

While there is no single dynamic element in the Canadian economy, the combination of positive factors which I have pointed to indicate that solid progress is in prospect in Canada this year. Unemployment will likely be less burdensome this winter than it has been for some winters past and throughout 1962, we should make further substantial progress in this area. If Canadian businessmen take full advantage of the opportunities presented to them this year, it is quite probable that the Canadian economy will grow at a rate equal to its long-term growth rate. A 4% rise in Canada's Gross National Product would raise annual production by about $1.5 billion to a level of over $38 billion this year. Even such a solid advance as this will not put all Canadian resources to work, but it will do much to attest to the ability of the Canadian economy to respond to changing world conditions.

E. H. LaBORDE

President, Canadian Homestead Oils Limited

With the inauguration of a national oil policy for Canada early in 1961, the government's long range position with respect to the oil and gas industry has become clearly defined. In turn, the policy announcement has made it possible for the industry to extend its own plans for growth. With this clarification of the government's position, Canadian oil production increased sharply during 1961, exceeding the previous year's output by close to 17%. More than two-thirds of this increase flowed out of Canada as, larger exports principally to the Puget Sound area of the United States. Canada itself increased its use of domestically produced oil, particularly at its eastern refineries. Construction of additional refinery facilities in Ontario is likely to result in the continued growth of this domestic market during 1962. From all indications Canada's oil producers will start off 1962 with close to a 20% increase in crude oil production.

E. H. LaBorde

The Canadian natural gas industry also has been recording important progress. The new pipeline system linking Canadian gas fields to westcoast cities in the United States is nearing completion, with full operation scheduled later this year. When this line goes on stream

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it will help to double Canadian exports of natural gas over those in 1961.

The improved outlook for production and marketing in 1962 will provide the necessary incentive for new investments in exploration and development of Canadian reserves. In every respect 1962 promises to be one of the most active and successful in the history of the Canadian oil and gas industry.

H. E. LANGFORD

President, Chartered Trust Company, Toronto, Canada

Since it reached the nadir of the 1960-61 recession in March 1961, the Canadian economy has made a substantial recovery. The index of industrial production rose from 165.5 in March to 175.5 in August and 176.3 in September. Similarly retail trade showed a steady gain from $1342.2 million in March to $1433.6 million in August. Due to the imposition of the 3% sales tax in Ontario, effective Sept. 1, there was a reduction in retail trade in that Province from $590.3 million in August to $475 million in September, which affected the figures for the whole country; the country-wide figure for September was $1320.2 million. Press reports indicate a very good Christmas trade throughout the country. Imports and exports for the third quarter of 1961 were at the highest levels in history for this particular quarter. The money supply as of Dec. 6, 1961 had increased $1.18 billion or 8% from a year ago and general loans by the chartered banks had gone up by $580 million or 11.45%. Construction contract awards were $247.9 million in November, 1960, and $386.7 million in November, 1961, an improvement of 56.0%. For the first 11 months of 1961, comparative figures are $2874.9 million, $3015.8 million and 4.9%. Consumer credit outstanding as at Sept. 30, 1961 amounted to $3265 million compared to $3049 million a year ago, up 7.1%. The whole range of statistics reflects the improvement in economic conditions in 1961 over 1960; there has been an increase in production of wood pulp, newsprint and paperboard, petroleum products and gas, steel and automobiles. In recent months the unemployment situation has eased.

H. E. Langford

Among the darker spots in the picture, productive capacity of nearly all Canadian products is still in excess of demand and, until demand more nearly approaches capacity, capital expenditures will remain at a minimum. There appears at year-end to be no indications of any appreciable capital spending intentions so that it must be inferred that business will slow down in the not too distant future.

Canada's economy for the present is in a healthy state but well short of a boom. With a measurable amount of unused capacity and a still fairly high rate of unemployment, increased prices and inflation are not immediate problems, and money is in good supply. These almost ideal conditions are expected to continue until the middle of 1962; if there are any indications of increased capital expenditures in the early months of the year they may well be prolonged into the third and fourth quarters.

Looking beyond the first two quarters, the Canadian economy will probably be faced with increasing buyer resistance, inventory accumulation and cutbacks in production. Price cutting is already a problem. Such developments are of course part of the normal business cycle. Externally Canadian business may be affected if there were to be a steel strike in the United States and, more important, the entry of the United Kingdom into the European Common Market will undoubtedly cause many short term dislocations in the Canadian economy picture. The grain crop in 1961 was generally poor but since it came at the end of a long period of prosperity in agriculture, the impact was not too serious. Another poor crop in 1962 however would create a more serious situation.

To summarize the outlook for 1962—the first half looks buoyant. After that anything could happen.

JOHN F. LANGSTON

President, Scurry-Rainbow Oil Limited

The expanding export sales for natural gas and the marketing accomplishments of the Canadian oil industry during the later half of 1961, following the recommendation of the National Energy Board, were encouraging. If the target levels set by the NEB are maintained, the 1962 prospects for the Canadian oil and gas industry will be growth and expansion. The National Oil Policy, proclaimed by the Canadian Government in 1961, placed the onus on the oil industry of increasing its markets so that a greater percentage of the producing capabilities of the oil industry will be realized in actual marketing. The target of 640,000 barrels per day was met in 1961 by increasing exports to the United States, by capturing a greater portion of the Ontario market and by increase due to natural demand. An average of 720,000 barrels per day for 1962 is in prospect which is half way to the target of 800,000 barrels per day set for 1963. Gas export to California should be in full swing in early 1962, following a hectic year of construction. Gas production, according to the Canadian Gas Association, will be 2.5 billion cubic feet per day in 1962—up 75% from 1961. By-products such as sulphur and propane will cause temporary marketing headaches but disposal is expected to be resolved.

John F. Langston

Exploration for added reserves is expected to increase. Offshore oil appears less secure with every newspaper headline. One or two big new fields are needed at this time and, with a settled National Oil Policy and significant gas export established, the added production revenues will permit oil companies to increase their exploration efforts necessary to maintain their share of the market and to fulfill reservation and lease holding obligations.

The oil exploration area in Western Canada, known as the Sedimentary Basin, stretches almost 2,000 miles from the Yukon Territory to southwestern Manitoba and includes the northeastern portion of British Columbia, almost all of Alberta, the southern half of Saskatchewan and a small corner of southwestern Manitoba. Exploration and development activities within this Sedimentary Basin are subject to extreme variations from one area to another and consequently each area requires specialized consideration.

British Columbia has established in essence a provincial oil policy. A pipeline has been laid entirely within the boundaries of the Province which will transport crude from northeastern British Columbia to the Trans Mountain pipeline at Kamloops, thence to the refinery area in the lower mainland. Ultimately, British Columbia's 80,000 barrels per day consumption will all come from wells producing in British Columbia. Exploration and development for gas is expected to continue at even greater rates than in the past, due to increased export sales to the Pacific northwest.

Alberta, having the largest portion of the Sedimentary Basin, will continue as the main exploration and development area in Western Canada, presently utilizing two-thirds of the active drilling rigs. The Alberta economy which has become industrialized in the last fifteen years should enjoy further development in 1962, with more and more material and equipment produced locally for the oil and construction industries and other consumers. The building of the Pine Point railway from Grimshaw, Alberta, 240 miles north to the Northwest Territories' boundary, thence to Pine Point on Great Slave Lake, will open up new prospects for agriculture, lumber and the development of natural resources, and the construction of this railway itself will contribute to the economy.

In Saskatchewan, new discoveries may be expected both in the present shallower pays and in the deeper zones of the Williston Basin, but socialistic thinking in this Province tends to worry "the goose that lays the golden eggs". The latest black mark on Saskatchewan's record is Bill 56, the "Mineral Contracts Alteration Act", designed to compel revision of contracts entered into 10 or 12 years ago. There is reason to believe that this difficult situation will be resolved in the immediate future, once and for all, to allow a better climate in which to operate.

It accordingly appears that 1962 will show a definite upturn in the economy of Western Canada, not independently of the over-all Canadian economy but along with it. Whereas the construction of pipelines and gas plants poured millions of dollars into Western Canada's industrial development over the last couple of years, the next year and the years thereafter will see increased industrialization, development of resources in the North and the resulting demand for more and more energy. This will be reflected back on the oil industry and, together with expected increases in shipments of oil to Eastern Canada and somewhat to the United States, will undoubtedly show continued improvement.

HERBERT H. LANK

President, Du Pont of Canada Limited

The advance in industrial production, which became apparent in the first quarter, tended to gather momentum as the year 1961 advanced. The devaluation of the Canadian dollar and the ready availability of credit were the two most important contributory factors in the improvement although the recovery now under way in the United States also had a strong psychological impact here.

Herbert H. Lank

Production of chemicals and related products benefited by this advance, but the rate of growth was below the long-term trend for the industry. Very substantial gains for some products were partially offset by declines for others. Although the value of exports increased, growing difficulties in selling abroad were encountered. The result was a worsening in Canada's unfavorable balance of trade in chemical and related products. A further deterioration is expected in 1962.

Fortunately, the Canadian market for chemicals continues to grow. Of particular importance to Du Pont of Canada Limited, because of the nature of its products, is the resurgence of a strong consumer demand over a wide area. There are encouraging indications that this will continue well into 1962 and may be the strongest element in the business picture for the year.

Expansionist forces, however, can make only moderate headway until the business community is given a clear indication of how governmental policies are to be modified in the face of the sweeping changes now under way in world trading relationships and of the shifts in the balance of world economic power, particularly the rapid rise of the European community of nations as a formidable competitor. Under the circumstances, the improved short-term prospects for sales of chemical products are accompanied by increasing uncertainty about the longer-term outlook.

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Person Miami Mgr. for Francis I. duPont & Co.

MIAMI, Fla.—Arthur C. Person has been appointed manager of the Miami office of Francis I. duPont & Co., 127 Southeast Second Avenue, it is announced by A. Rhett duPont, Senior Partner. Mr. Person has been in the securities business in Miami since 1950.

Mr. Person entered the securities business in March, 1946, with C. J. Devine & Co., New York City. For the past 11 years he has been with the Miami office of Merrill Lynch, Pierce, Fenner & Smith, Incorporated.

R. W. Murphy Joins Merrill Lynch Co.

(Special to THE FINANCIAL CHRONICLE)

CINCINNATI, Ohio — Rufus W. Murphy has become associated with Merrill Lynch, Pierce, Fenner & Smith Incorporated, Dixie Terminal Building. Mr. Murphy was formerly in the Municipal department of Charles A. Hinsch & Co., Inc.

R. W. Bowman With Dela. Mgmt.

PHILADELPHIA, Pa.—The appointment of R. Wallace Bowman as investment Vice-President of Delaware Management Co., Inc., 3 Penn Center Plaza, has been announced by W. Linton Nelson, President. He will hold the same office, Mr. Nelson added, with Delaware Fund and Delaware Income Fund, the two mutual funds the management company serves as adviser and national distributor. Mr. Bowman comes to the Delaware organization from Studley, Shupert & Co., Inc., a Boston investment counseling firm and fund adviser. As Vice-President, he was responsible principally for economic, monetary and security analyses.


R. Wallace Bowman

In his new post, Mr. Bowman will direct Delaware's research activities and formulate overall policy for Investment Committee review and approval. He will also serve as a member of the Investment Advisory Committee.

Mr. Bowman completed his undergraduate studies at the London School of Economics where he received a Bachelor of Science degree in 1949. Postgraduate work brought him to Montana State College as a Research Fellow majoring in agricultural subjects. His writings on the Missouri River Basin appeared in 1951, the same year he received his Master of Science degree from MSC. He then entered Harvard University as a Littauer Fellow and two years later was awarded a Master's degree in Public Administration.

An RAF pilot during World War II, Mr. Bowman holds the British Air Force Cross and the French Croix de Guerre. Now a naturalized citizen, he is a native of Gargrave, Yorkshire, England.

Quartite Creative Common Offered

The initial public sale of the common stock of Quartite Creative Corp. is being made through the offering of 100,000 shares at $5 per share by Shell Associates, Inc. and Godfrey, Hamilton, Taylor & Co., Inc., New York City.

Net proceeds from the sale of the stock will initially be added to the company's general funds. It is the present intention of the company to use these funds for research and development, market studies and new machinery relating to new products and processes. The balance of the proceeds will be added to working capital and used for general corporate purposes.

The company of 34-24 Collins Place, Flushing, N. Y., is engaged in the design, development and manufacture of home furnishing products including decorative table lamps with shades, lighting fixtures and tables. It also distributes lamp parts and accessories for all types of lamps manufactured by itself as well as others, and is about to begin marketing plastic wall decor products and outdoor statues which it designs and manufactures. Showrooms are maintained in New York City, Chicago, San Francisco, Los Angeles, Dallas, Atlanta and High Point, North Carolina, and the two factories are located in New York and in Pennsylvania.

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A. N. LILLEY

President, Texaco Canada Limited

Industrial activity in Canada began an upward turn in 1961 which is expected to carry into the coming year.

For the Canadian petroleum industry 1961 was a year of accomplishment.

Production of crude oil and natural gas liquids should reach a record level of approximately 640,000 barrels daily, an increase of about 17% over the previous year.


A. N. Lilley

Demand for petroleum products should also attain a new high level of approximately 890,000 barrels daily, a rise of about 3½% over 1960. Production of natural gas, stimulated by strong domestic demand and a substantial increase in exports to the Pacific Northwest region of the United States, should reach an unprecedented daily rate in 1961 of approximately 1.7 billion cu. ft., up about 40% over 1960.

The outlook for 1962 is for further increases in demand and production of crude petroleum and natural gas.

Petroleum demand is forecast at approximately 940,000 barrels daily, an increase of about 5% over 1961. Expectations are for a stronger domestic requirement and a continuance of exports at around the present level, which should push production of Canadian crude oil and natural gas liquids to a level of approximately 700,000 barrels daily, an increase of about 9% over 1961. The forecast for production of natural gas, boosted by a further growth of exports, is for a rise of more than 30% to a level of approximately 2.3 billion cu. ft. daily.

Canadian refineries are expected to process some 840,000 barrels daily in 1962, an increase of about 5% over 1961. A greater output of petrochemicals and aviation turbine fuels together with greater emphasis on minimizing production of low value products will probably feature the manufacturing activities.

Petrochemicals and petrochemical feed-stock production continue to be among the fastest growing requirements of the petroleum industry.

Indications are that exploration activity in Canada will accelerate somewhat slowly in 1962. In this decade, however, the petroleum industry must make substantial additions to its reserves in order to maintain a reasonable ratio of reserves to forecast production.

Overall, the outlook is for expansion of both the general economy and the petroleum industry in Canada in 1962.

HON. JEAN LESAGE

Prime Minister of the Province of Quebec, Quebec, Canada

A domestic market of well over five million people, year round shipping facilities to all parts of the world and an inland waterway which reaches to the heart of the continent, are suddenly transforming Quebec's economic outlook. It is fast becoming one of the main sources of supply to the Free World.


Hon. Jean Lesage

Occupying a land-mass six times larger than that of the United Kingdom, with soil and sub-soil resources that are vital to present standards of living, the Province of Quebec presents a bright future.

Faced with this large scale economic development which, of necessity, is also partly dependent on expanding markets in other parts of the world, the provincial government has created the Quebec Economic Advisory Council. It is composed of top ranking leaders in the fields of industry, commerce, labor and science. As voiced time and again by the heads of Quebec's present day government, the influence exerted by this Council is worth noting. Economic planning is meant to be respectful of the freedom of association, groups or individuals. While planning is made necessary by the complexity of Quebec's economy and the accelerated rate of its development, it will have all possible consideration for the democratic rights of the groups and persons concerned.

Private initiative and free enterprise are to remain the cornerstone of Quebec's fast expanding economy. New laws, and a complete overhaul of the province's Department of Industry and Commerce fully prove it.

Implementing this policy and providing all the government assistance needed to render it immediately effective, the Department of Industry and Commerce has created a Bureau of Economic and Scientific Research and a Bureau of Industrial Expansion.

These agencies operate through a number of subsections. These cover almost every sector of production and are especially staffed and equipped to serve the needs of small and medium-sized industries, whether new or already established. They provide free technical and scientific assistance to help solve their problems of research, which would otherwise prove generally too costly—production, cost-accounting, marketing, advertising, etc. Needless to say these various services are proving to be of considerable value.

Paving the way for new capital investment, a new law known as the Industrial Funds Act, is now also taking care of certain forms of financial assistance. Subject to certain qualifications, cities and town corporations in the Province of Quebec are now empowered to establish an industrial fund especially earmarked for industrial expansion. Disposing of such a fund, a municipal corporation is now able to assist private enterprise in several ways. It can acquire suitable tracts of land to create one or more industrial centers. Land sites may then be made available to prospective new industries, either on a lease arrangement or under a sales contract providing suitable terms. The same procedure applies where a municipal corporation should find expedient to build a plant to meet specific industrial requirements.

The Industrial Funds Act also empowers a municipal corporation having created such a fund to lend its financial support to enterprises already established. Such financial assistance may be made available to enlarge existing plant facilities or to modernize its equipment. The fund can also be used to rescue a local industry in financial difficulties. In such a case, the municipal corporation would take possession of the fixed assets and either lease them back or resell them to the industry in financial difficulties under suitable terms of repayment. The Province of Quebec, due to the varied nature of its resources, their geographical location, the availability of power and labor offers a number of distinct opportunities. Each of its regions presents specific advantages. These range all the way from the extraction of raw materials of all kinds to sites best suited for their primary and secondary transformation and from proximity to markets to existing or planned transportation facilities.

To help in solving these problems, the Bureau of Industrial Expansion plans to assign a delegate to each of these regions. The selection and training of a qualified personnel is presently underway. The primary function of this regional economic delegate will be to promote and coordinate municipal action with that of the various independent bodies concerned with their regional development. Forming a link between local interests and the various services now provided by the Department of Industry and Commerce, this official will also be able to secure the statistical data required and, in turn, transmit the information needed to ensure safe and profitable action.

Considering the present state of world economy, and more particularly in the light of the industrial evolution now taking place in the Province of Quebec, these various government services have become a necessity.

Actual manufacturing and marketing conditions present a complexity of factors which call for extensive research, the cost of which is often prohibitive where individuals or companies are concerned. Thus, through its own research and study facilities, the Government of Quebec has set up the proper machinery to assist private enterprise in meeting the challenge of current technical and technological developments.

Also essential to industrial performance is an ample supply of power. In Quebec, the power generated by hydro-electric turbines already installed not only exceeds immediate industrial requirements but barely

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amounts to one third of the potential economically available. Moreover, while the average cost of hydro-electric power amounts to 7 cents per Kwh for the whole of Canada, this average cost only amounts to 4.5 cents per Kwh in the Province of Quebec. It is one of the lowest in the world.

Such an abundance of hydro-electric resources goes hand in hand with an unfailing abundance of fresh water on which most industrial processes so largely depend.

To properly publicize and disseminate information regarding the province's present industrial activity as well as its natural resources, the Quebec Government is also moving to play its part in enlarging its foreign markets. Adding to an official government agency already established in New York, new agencies are being opened in Paris and London. Once fully staffed, these agencies will supply continuous information on possible foreign markets for all goods and articles produced in Quebec.

Of particular interest in considering Quebec's economic future is the fact that due to its homogeneity of culture and language the population of Quebec is essentially stable. It owes this distinguishing trait to a solid background of historic and political traditions. This is reflected in the mental make-up of the French-Canadian labour force in that it combines a blend of Latin awareness, British fair-play and American know-how.

In the field of industry, these qualities manifest themselves in the generally good relations which unite capital and labor. Statistics indicate that labor disputes in Quebec are far less frequent than elsewhere.

These are some of the factors which enable the Province of Quebec to look forward to its bright future.

W. S. LLOYD

Premier, Province of Saskatchewan

The general expectation now is that Canada will experience an improvement in the levels of its economic activity during 1962. Although during 1961 Canada's Gross National Product will probably show a rate of growth of less than 3%, signs of strength began to appear in the latter half of the year and it is upon this experience that the optimism for 1962 is based. However, there are still sufficient grounds for concern about the health of our economy. One cannot feel too hopeful that the recovery now underway will continue throughout the whole of 1962; one wonders whether the stimuli to growth are strong enough. Already warning notes are being sounded by economists and business leaders about the possibility of a decline beginning toward the end of the year. Also even during periods of recovery in recent years we have been left with a number of disturbing economic problems. I would hope, therefore, that the air of optimism that now generally prevails will not obscure the need to deal with the underlying problems that have been a feature of the economy in the last half decade.

It is not expected that the economic growth during 1962 will be sufficient to bring per capita national production in real terms above 1956 levels. If this is so this will be the sixth year in succession that real per capita production has been below that of 1956. It is probable then that 1962, even as a recovery year, will reflect an inadequate utilization of Canadian productive capacity both in terms of plant, resources and manpower.

Further it is likely that unemployment will remain at a high level in 1962, although it may well fall below the record postwar high set in 1961. Since 1945, each succeeding recession has brought a steadily rising peak of unemployment. Each succeeding economic up-turn has seen higher levels of unemployment until today even in the midst of economic recovery, unemployment is a more serious problem than during some of the previous recessions. Firm indications that this trend will be reversed have not yet appeared.

Nor is there any indication that the anticipated rise in production in 1962 will be sufficient fully to absorb unused industrial capacity so that it is not expected to spark any sharp increase in business capital investment. Present indications are that the increase in business investment will be very modest. Business capital investment is estimated to have declined in 1961 for the fourth consecutive year and now a jump of about 20% would be required just to restore it to 1957 levels. An increase of this magnitude seems out of the question in 1962.

Obviously there is a close inter-relationship between these factors and a sluggish growth of consumer demand, a problem wihch has been magnified by the decline in the rate of Canada's population growth due to restrictive immigration policies. The continuing shift by consumers from expenditures on goods, and particularly durable goods, to expenditures on services has obviously had a very considerable impact on employment in goods-producing industries and indirectly on investment levels. The shift of employment to service industries has had a secondary retarding effect on demand because of the generally lower wage levels which presently prevail in the service industries.

Looked at against a world background, it is apparent that these problems reflect a fundamental transformation in Canada's economic position. While Canada has shown a slow rate of growth in recent years, other regions of the world have shown remarkable advances. Indeed, the United Nations' Monthly Bulletin of Statistics reports that since 1953 the geographic regions of Canada and the United States has shown the smallest relative increase in industrial production of any region. It is true, of course, that in absolute terms the production of northern North America is still impressive, but it is not likely that, short of some world disaster, this region will again possess the overwhelming industrial dominance it enjoyed in the immediate post-war period. Production in other regions will probably continue to out-pace that of northern North America, so that in 1962, we may see further strides toward an equalization of world economic potential.

While the newly established or expanded industries in other areas, often employing the most modern production techniques, constitute a challenge to Canadian and United States industry, the considerable increases in national income that have been registered particularly in Western Europe provide significant market opportunities to North America. It may fairly be suggested that a North American industrial complex functioning at full capacity and at peak efficiency should be in a good position to supply a considerable portion of increased requirements.

Already the importance to Canada of the economic advance in Western Europe has been underlined by the considerable increase in Canadian exports to the European Common Market that has taken place in 1961 and which should be sustained in 1962. The rapid economic growth in Japan too has made it an increasingly important customer.

Undoubtedly 1962 will record further developments in the several regional trading associations that have been established. Clearly, their growth throughout the world indicates an increasing awareness of the economic advantages of a freer flow of commodities over national frontiers, even if only the goods of a few nations are affected. The next step must involve the promotion of wider measures of international trade. I am hopeful that Canada will be able to associate itself in some mutually beneficial manner with, in particular, the European Common Market. The impending entry of Britain into this group only serves to enhance the desirability of this step.

In the wake of common market developments, Canada and the United States should begin, in the coming year, to explore the possibilities of working out a more desirable economic partnership than that which now exists. In some respects the ability of Canadian industry to compete effectively on world markets outside of North America is dependent, among other things, on a wider market basis in North America or, in other words, on greater access of Canadian industry to United States markets. To this end, it would seem desirable to promote the tariff-free movement between the United States and Canada of selected commodities. This has already taken place in the case of farm machinery to the mutual benefit of both agriculture and industry in both Canada and the United States. This also seems desirable in the case of the automobile industry. The Canadian Royal Commission on the Automotive Industry has already made recommendations which point in this direction. Other items that might well be considered for mutual abolition of tariffs could include paper, petroleum, petroleum products and petro-chemical products. It can be demonstrated that at least in certain instances present tariff policies have contributed to higher production costs in both Canada and the United States, although perhaps the impact has not been as great in the United States.

There is thus very considerable scope for government action on the international level to deal with the problems confronting the Canadian economy. But it is particularly essential that in the coming year steps be taken in the realm of domestic policy to stimulate a resurgence of economic growth. The sluggish behavior of both market demand and private investment require the supplementation of social investments on a large scale by public authorities as part of a comprehensive national plan. This, together with measures of income redistribution to under-privileged economic groups, would constitute a substantial strengthening of the domestic economy. These and other public programs should bring together idle manpower, unused resources and incompletely utilized productive capacity to provide not only more goods and services but higher levels of economic production. The achievement of this goal will continue to be one of the major challenges facing Canada in 1962.

L. F. LONG

President, Building Products Limited

It appears that final statistics on building construction in Canada for 1961 will reveal relatively little change from 1960. A modest improvement in residential building and a fairly healthy percentage increase in institutional building will be offset by some decline in industrial and commercial activity.

L. F. Long

In the case of residential construction, 1961 represented a rebound from the low point reached in 1960 when less than 109,000 housing starts were recorded. It now appears that residential construction is levelling off at the rate of 125,000 units per year and if this trend holds 1962 will see about the same level as 1961.

The chartered banks continue to refrain from mortgage lending on the plea that they are prevented by law from charging more than 6% on mortgage loans, whereas the present rate on NHA insured loans is 6¼%. This gap in available funds is being made up by the

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So. California Edison Company Stock Sold

The First Boston Corp., New York City, Dean Witter & Co., San Francisco, and associates are offering publicly 1,500,000 common shares of Southern California Edison Co. at $29.625 per share.

The common is listed on the New York and Pacific Coast Stock Exchanges.

This Los Angeles based public utility which generates, buys, transmits, distributes and sells electricity in portions of central and southern California, will use proceeds of the issue to retire outstanding bank loans. Such loans will total approximately $41,000,000, of which approximately $22,000,000 was incurred in connection with the construction program.

The population in the company's service territory was estimated as approximately 5,120,000 as of April, 1961. Operating revenues in the 12 months ended Oct. 31, 1961, were $327,353,000 and net income $53,065,000, equal after-preferred dividends to $1.53 a share. In calendar 1960, operating revenues were $305,799,000 and net income $45,576,000, or $1.34. Per-share figures are adjusted for a 3-for-1 stock split that has been declared effective Jan. 10, 1962.

On Nov. 16, 1961, when directors initiated action on the split, they announced their intention to declare dividends on the split stock at a quarterly rate of 24 cents a share, commencing with a dividend payable in April, 1962.

V.-P. of Investors Planning

BUFFALO, N. Y.—Robert Kaffey, manager of Investors Planning Corporation of America branch office at 10 Lafayette Square, has been elected a Vice-President of the mutual fund organization, President Walter Benedick has announced.

Calvin Bullock Names Humphrey

Joseph H. Humphrey, Vice-President in charge of investment research for Calvin Bullock, Ltd., 1 Wall Street, New York City, has been elected a director of Bullock Fund, Ltd. Mr. Humphrey has been with the Bullock organization since 1936 and is the co-author of the textbook, "Investment Analysis and Management," published in 1951. He is also Vice-President of Dividend Shares, Inc. and other companies under Bullock management.

Joseph H. Humphrey

Commonwealth of Australia Bonds Offered

A group of investment firms headed by Morgan Stanley & Co., New York City, is offering publicly $30,000,000 of Commonwealth of Australia 5½% bonds due Jan. 15, 1982, at 98¼% and accrued interest, to yield approximately 5.65% to maturity.

In a separate transaction, the Commonwealth signed an agreement with the World Bank covering a loan from the Bank equivalent to $100,000,000 in various currencies. Proceeds of the World Bank loan will be used by the Commonwealth to assist in financing the next major section of the Snowy Mountains hydro-electric power project in Australia.

The new 5½% bonds will not be redeemable prior to Jan. 15, 1972, except through operation of the sinking fund. The bonds will be redeemable on and after Jan. 15, 1972, at the option of the Commonwealth at 102% to and including Jan. 15, 1976, and at lower prices thereafter. Semi-annual sinking fund payments of $810,000 from Jan. 15, 1964, to July 15, 1981, together with a payment of up to $840,000 on Jan. 15, 1982, are calculated to retire the entire issue by maturity. The sinking fund redemption price is 100%.

The net dollar proceeds of the public issue will be added to the Commonwealth's international reserves which, to the extent required, will be applied to repayment on Feb. 1, 1962, of the Commonwealth's 15-year 3⅜% bonds due on that date. The 3⅜% bonds are now outstanding in the amount of about $38,000,000. In lieu of cash payment for the new bonds, the Commonwealth will accept 3⅜% bonds with coupon due Feb. 1, 1962, attached. Each such 3⅜% bond and coupon will be accepted as the equivalent of $1,016.88.

Named Pres. of United Inv.

BOSTON, Mass. — Frederick W. Whittemore has been elected President of United Investment Counsel, Inc. Formerly Vice-President and Treasurer, he succeeds H. Nelson Conant, who becomes Chairman.

With J. N. Russell Co.

(Special to The Financial Chronicle)

CLEVELAND, Ohio — David L. Weissberg is now affiliated with J. N. Russell & Co., Inc., Union Commerce Building, members of the New York and Midwest Stock Exchanges. He was formerly with Edward N. Siegler & Co.

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Central Mortgage and Housing Corporation, which is prepared to do a large volume of lending subject to rather stringent restrictions against the financing of speculative building. The decline of one-fourth of 1% in the maximum interest rate which occurred in November 1961 does not appear to be having very much effect either in stimulating building or discouraging lenders.

In the early part of the year the Federal Department of Public Works rejected a suggestion that a Royal Commission should investigate the financing of house building to determine why the National Housing Act 1954 had not been successful in encouraging private funds to move into the mortgage lending field in sufficient volume to finance the building of houses. However, in June the Minister of Finance announced the appointment of a Royal Commission of much broader scope to investigate Canadian finances generally. It is expected that this Commission will include the field of mortgage lending in its investigation, and it is hoped that some solution for the problem will be found. The house builders feel that with the government a heavy lender in this field, the fluctuations in activity can become rather extreme, as evidenced by the starting of 165,000 residential units in 1958 and the decline to less than 109,000 in 1960.

There is still a considerable margin of excess industrial capacity in many lines of manufacturing. The future for secondary manufacturing is clouded by the uncertain effect of British entry into the European Common Market on the one side and the effect of lowering the exchange value for the Canadian dollar on the other. This uncertain situation will not be conducive to expansion of industrial construction. It is anticipated that the rate of commercial construction will be good although there is evidence of over-anticipation of office building requirements in some metropolitan areas. With the pressure of provincial hospital plans and the drive on improvement of educational facilities, institutional building should continue at a good rate in 1962.

To sum up, the year 1962 should see a good rate of activity in Canada, both in residential and non-residential building. The year should also see some progress made in the study of mortgage lending and the problems associated with it as well as its relationship to the other demands upon the capital market.

E. D. LOUGHNEY

President, The British American Oil Company Limited

Most sectors of the Canadian petroleum industry are looking forward to a favorable year in 1962.

As in 1961, the Government's National Oil Policy again will be the significant feature of petroleum industry activity. No specific target levels have been set for the coming year, but a continued orderly expansion of markets for Canadian crude oil and natural gas liquids is required if the announced target of 800,000 barrels a day in 1963 is to be achieved. The result should be another good year for the producing side of the industry in 1962.

E. D. Loughney

Refining and marketing operations will be maintained at high levels, but the competitive pressures of recent years will continue to depress earnings from this source in most parts of the country.

Total 1961 production in excess of 640,000 barrels a day was up 18% or 100,000 barrels a day over 1960. Of this increase, 67,000 barrels a day were accounted for by exports, but these were arranged to have the least possible effect on U. S. domestic production.

Puget Sound refineries in District V took 43,000 additional barrels a day, which displaced other imported crude oil rather than domestic production. Refineries in the Great Lakes region—Districts 1-IV—took a net increase of 24,000 barrels a day, reflecting the first full year of supply to the new Detroit-Toledo and Buffalo markets for Canadian crude oil, and a slight reduction in some other areas.

Domestic demand of 460,000 barrels a day in 1961 showed an increase of only 33,000 barrels a day, due to the complexity of agreements required to cut back imported supplies of crude oil and refined products into Ontario.

For 1962, domestic demand is expected to increase a further 40,000 barrels a day to approximately 500,000 barrels a day; and it is not anticipated that exports to present markets next year will increase materially over the last half of 1961, during which they averaged 210,000 barrels daily.

Total production of crude oil and natural gas liquids in 1962 is estimated at something in the order of 720,000 barrels a day.

Natural gas, during 1961, once more made an important contribution to the revenue of producers. Production estimated at over 15 billion cubic feet per day should exceed the 1960 average by 25%, although only one of three recently-approved major export projects (Trans-Canada at Emerson, Manitoba) was in operation for the full year.

For 1962, we anticipate a further increase of at least 40%, to over 2.1 billion cubic feet daily as existing markets continue to expand and the remaining authorized exports tart moving to the U. S. West Coast (Alberta and Southern and Westcoast Transmission projects, through Kingsgate, British Columbia).

J. C. MacKEEN

President, Nova Scotia Light and Power Company, Limited

The year 1961, taking Canada as a whole, has been one in which, generally speaking, considerable progress toward rectifying many of the outstanding difficulties which faced us at the close of 1960, has been made. This follows the general pattern wherein the similar Canadian economy follows along with that of the United States, either up or down, but usually some months behind.

J. C. MacKeen

Most industries have shown an improvement in the volume of business done if not in net profits. General employment has improved except in those sectors of the economy where basic industries are suffering due to changes in world or local demand.

I would consider that the Atlantic Provinces, by and large, have stood up well in a difficult year, with the exception of certain localities particularly where coal mining has been the major activity. The increase in the consumption of electric power in these Provinces has substantially exceeded the national average, as have other utility and service industries. This I consider to be a reasonable index of the general prosperity of the area.

There are many problems still to be faced and I would mention particularly the adverse trade balance, the unsettling prospect due to the possible entry of our second most important customer into the Common Market, the ever increasing burden of taxation imposed on industry by the various taxing authorities and the necessary employment of all the young people coming on from year to year and adding to the surplus in the labor market of those already not gainfully employed.

Productivity has been a sore spot with Canadians since the survey spanning 1950 to 1960 showed Canada trailing behind her trade competitors. In some countries, this difference was substantial. Belatedly, we have discovered that mass production and superior plant and equipment are no longer the monopoly of this continent. Others have the production techniques and are equally well equipped. The competition narrows down and becomes a worker-to-worker, manager-to-manager comparison. In such a light, we have considerable room for improvement.

In view of these observations, and depending on our success in translating our economic ideals into realities,

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State of Trade And Industry

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mon carriers of general freight throughout the country.

Business Failures Climb in Latest Week

Commercial and industrial failures surged to 396 in the week ended Jan. 18 from 319 in the preceding week, reports Dun & Bradstreet, Inc. At the highest level since Oct. 19, casualties ran considerably above a year ago when 340 occurred or in 1960 when the toll was 302. Business mortality was about 8% heavier than the pre-war level of 367 in 1939.

The week's increase was concentrated among failures involving liabilities under \$100,000, which rose to 362 from 280 in the previous week and from 287 last year. In contrast, casualties with losses in excess of \$100,000 dipped to 34 from 39 a week earlier and 53 in the similar week of 1961.

Wholesale Food Price Index Up Fractionally in Latest Week But Still Below Last Year

After holding even for two weeks, the wholesale food price index, compiled by Dun & Bradstreet, Inc., edged up slightly on Jan. 23 to \$5.94. Although fractionally, 0.2%, higher tnan the \$5.93 in the prior week, the index remained 3.4% below the \$6.15 registered on the similar day a year ago.

Appreciable advances in prices at wholesale for eggs, bellies and cottonseed oil offset declines in quotations for flour, oats, hams, lard, prunes, steers and hogs.

The Dun & Bradstreet, Inc. wholesale food price index represents the sum total of the price per pound of 31 raw foodstuffs and meats in general use. It is not a cost-of-living index. Its chief function is to show the general trend of food prices at the wholesale level.

Wholesale Commodity Price Index Dips in Latest Week

After reaching a two-year peak in the prior week, the general wholesale commodity price level slipped downward through the latest week, reports Dun & Bradstreet, Inc. Substantial declines were registered in the prices at wholesale for wheat and oats, and mild dips occurred in quotations for coffee, steers, hides, silver and steel scrap. Only three commodities—flour, lard and tin—moved higher this Monday as compared with the same day a week earlier.

On Monday, Jan. 22, the Daily Wholesale Commodity Price Index dipped to \$274.45 from \$275.66 in the preceding week but remained noticeably higher than the \$267.30 on the comparable day last year.

Retail Purchases Sag in Snow and Cold

Consumer buying was hindered severely by icy, stormy weather in the week ended Jan. 17, with over-all retail volume dropping sharply from the comparable level last year. Very few areas—Boston, New York, and the West Coast—survived to register gains, while activity slowed to a standstill in other regions and only snow shovels, auto anti-freeze, plumbing repair fixtures were selling at a respectable pace. Naturally, heavy clothing held up best, and household linens, midway in January white sales, matched year-ago levels.

The total dollar volume of retail trade in the week under review ranged from 2 to 6% lower than last year, according to spot estimates collected by Dun & Bradstreet, Inc. Regional estimates varied from comparable 1961 levels by the following precentages: South Atlantic —14 to —10; West

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North Central and West South Central —12 to —8; East South Central —9 to —5; Mountain —8 to —4; East North Central —7 to —3; Middle Atlantic —1 to +3; Pacific 0 to +4; New England +1 to +5.

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. 13, 1962, compared with the like period in 1961. For the week ended Jan. 6 sales were likewise lower by 2% from the corresponding 1961 week. In the four-week period ended Jan. 13, 1962, sales advanced 7% 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. 13, were 4% higher when compared with the same period in 1961. For the week ended Jan. 6, a decline of 4% was registered when compared with the same week in 1961. For the four weeks ending Jan. 13, 1962, a 5% increase was reported above the comparable period in 1960-1961.

Posner Named ASE Pres. Pro-tem

The American Stock Exchange Board of Governors at a special meeting, elected Edwin Posner, Andrews, Posner & Rothschild, as President pro-tem to succeed Joseph F. Reilly whose resignation as Chairman of the Board and President pro-tem was accepted by the Board.


Edwin Posner

The Board also accepted the resignations, effective immediately, of Vice-Chairman Charles J. Bocklet, and Governors James R. Dyer and John J. Mann.

The Board will not elect a Chairman until the Feb. 12 elections. Mr. Posner is the nominating committee's selection for that post.

Thomson & McKinnon to Instal System

An advanced electronic computing system that will enable brokerage offices in 41 cities to communicate directly with the floors of the New York and American Stock Exchanges has been ordered by the firm of Thomson & McKinnon, 2 Broadway, New York City.

First of its kind for the brokerage industry, the data processing complex is the result of almost two years of joint development by Thomson & McKinnon and International Business Machines Corporation. It is scheduled to be installed late next year.

All messages to and from exchange floors will be processed and routed automatically by an electronic data processing center at the brokerage house's headquarters in New York City.

The IBM 1410 Brokerage Teleprocessing System will make it possible for a branch office order to be printed out at either stock exchange floor — in the proper format—in less than half a minute.

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Canada may look forward with confidence to 1962 and beyond.

Electrical utilities across the country are expanding and planning for expected load growth in the future. The past year has set a record in electrical sales. It seems safe to predict that this trend will continue in the new year.

Electrical power is so interwoven in the modern economy that the growth of one implies an upsurge in the other.

R. J. McGILLIS

President, Laura Secord

In the coming year, in spite of weaknesses in the form of continuing surplus production capacity and the persistence of heavy unemployment in Canada, the economy should reach a new high level.

R. J. McGillis

One of the optimistic factors for expansion in Canada in 1962 appears to be the growth in personal income, which will mean a high level of consumer spending for goods and services. This is a continuation of the 1961 uptrend which was noted in the last six months and should result in personal income reaching a high point in 1962.

The increased buying power in the hands of the public, coupled with the heavy liquid assets position of the consumers and the reasonable debt picture should bring about heavier outlays for non-durable goods and for services and a more than proportionate increase in expenditures in the durables field. Consumer expenditures will, no doubt, increase with higher incomes and this would indicate an advance in activity at the retail level.

HON. E. C. MANNING

Premier, Province of Alberta, Canada

As 1961 ended, a more optimistic tone was evident in the statements of those willing to make predictions as to business conditions in the coming year. Business conditions are in large part induced by the general optimism or pessimism of the business community. Accordingly, it is very likely that 1962 will be a more prosperous and expansive year than we have enjoyed for some time.

Hon. E. C. Manning

The Canadian economy, based so largely on exports, necessarily follows the fluctuations of the American and European economies. Increased military expenditures, and looser purse strings, now increasingly important and effective in the U. S. A. will have secondary but beneficial effects in Canada. Although it is likely that the bloom is off the European boom, nevertheless the existence of that huge market now gradually congealing into a single entity is in itself promise of increasing demands for Canadian raw materials. It is likely therefore, that external forces will have a favorable effect on the Canadian economy during 1962.

The cautious business tone had an effect on ordinary consumer spending which has remained on a plateau for nearly three years. The more optimistic business outlook now being voiced will undoubtedly affect favorably the spending habits of Canadian wage earners which should serve to strengthen the business upturn. Spending in the public sector in Canada and in the United States, likely will be high enough to increase the danger of inflation if not controlled carefully.

The national oil policy announced early in 1961 has had a beneficial effect on Canadian oil production—and was welcomed accordingly as being long overdue. It has seemed poor public relations in effect to tell western Canadians that, because they have a record of good and stable government, countries less dependable should enjoy the benefits of immediate production and higher current income. We will expect a gradual increase in production up to a level equalling total Canadian consumption.

Canadians have been watching with interest—and some trepidation—the development of the European Common Market. Although there is no change in the total number of consumers, there is a hope that the rationalization of European manufacturing facilities will lead to a higher output and hence to a higher demand for our products and raw materials. There is a very realistic fear that the development of manufacturing facilities in Canada will receive a severe setback as a result of the intensified competition. European manufacturers will have the advantage of long production runs and lower labor costs.

On the other hand, Canada is a young, virile nation, rich in natural resources and having an ever increasing skilled labor force. Steady and continuous development and utilization of these resources will assure this nation adjusting without serious difficulty to the economic realignment in world marketing problems.

There is a realization both here and in Europe that the rather starting productivity "gains" of recent years were due as much as anything to the changes necessitated by reorganization and redeployment of production facilities, and that Europe is now likely to suffer from the same disadvantages of production over-capacity as does North America at present.

Agriculture, despite the gains made in recent years by other industries, remains one of the mainstays of the prairie economy. Accordingly, the drought of 1961 is viewed with some misgivings lest it presage a prolonged dry spell. Although the long run effects may be unwelcome, 1961 will be regarded as one of the better years for agriculture on the prairies. Livestock prices held more than firm, and farmers' income from livestock rose considerably. The wheat sales consummated during the year will do much to remove the burdensome surplus which has hung over the Canadian economy for nearly a decade. The sales may be taken as an indication that world population will press even harder on agricultural resources as this century wears on. What we have regarded hitherto as burdensome surpluses may turn out to be slim reserves.

HUET MASSUE

General Manager, The Lower St. Lawrence and Gulf Development Association

Through the last decade, the Lower St. Lawrence and Gulf region, extending from the mouth of the Saguenay river to the Atlantic ocean, has possibly been one of the fastest growing areas of Canada. While in 1950 the economic activities were practically limited to forestry and to the production of pulp and paper, today, they include the production of titanium ore, of iron ore, of copper, of aluminium, of electricity as well as the distribution of a growing volume of petroleum products and other commodities, and the shipments of millions of bushels of Canadian and U. S. grains.

Huet Massue

The population which in 1950 numbered less than 40,000 has now reached 100,000. Hydro-electric plants' capacity which in 1950 amounted to only 61,000 KW now exceeds 1,850,000KW. Roads along the coast which in 1950 were very rudimentary and only reached Baie Comeau, have been considerably improved and extended as far as to the Moisie River, 12 miles east of Sept-Iles. This Route (No. 15) which joins this point of the North Shore to Quebec City extends over a distance of 425 miles.

The year 1962, shall be a year of accelerated development in the Lower St. Lawrence and Gulf region.

Quebec Cartier Mining Company, a wholly owned subsidiary of U. S. Steel, whose shipments of iron ore concentrates started in July 1961, will boost up the production of its 8 million-ton-a-year concentrator at Lake Jeannine, some 200 miles north of Port Cartier, and increase its shipments from that port.

Iron Ore Company of Canada, a joint venture of Canadian and U. S. companies, whose operations started in 1954, has since shipped some 72 million tons of crude ore. In 1962, this company will start the shipment of beneficiated iron ore from its 7 million-ton-a-year concentrator at Carol Lake some 250 miles north of Sept-Iles. Through a subsidiary, it will also proceed with the construction of a 5.5 million-ton-a-year pelletizing plant at Labrador City, which will necessitate the use of an additional 60,000hp.

Wabush Iron Ore, a joint venture of Canadian, U. S., Italian, and German steel producers, will be actively engaged in the development of its $250-million, 6 million-ton-a-year, iron ore concentrator project north of Sept-Iles.

During 1962, Canadian British Aluminium Company Ltd., will prepare the 45,000-ton expansion of its Baie Comeau smelter to be started in 1963. This expansion is expected to boost up the yearly producing capacity of that plant to 135,000 tons by 1965.

Mining developments and the expansion of newsprint production facilities in Baie des Chaleurs during the year 1962 are also expected to contribute to the economy of the region.

The harnessing of some 6 million hp on the Manicouagan and Outardes rivers, back of Baie Comeau, at a probable cost of about one billion dollars, by Hydro-Quebec, a government enterprise, consititutes the most important development now proceeding in the area. In addition to supplying the increasing needs of the industrial centers of the province, this hydro-electric power should serve as a magnet to attract industries to the Quebec North Shore.

Time might not be far when the 6 million hp water power potential of the Hamilton River, some 250 miles north of Sept-Iles, will also be harnessed for the establishment of local industries looking for low-cost power and year-round access to world markets.

In this connection, it is of interest to point out the efforts of the Canadian Government to open up the Lower St. Lawrence and Gulf region to a dependable winter navigation.

During the 1960-61 winter, the most severe in many years, the directing and escorting of some 350 vessels, through the Gulf and Lower St. Lawrence, by Government icebreakers permitted the handling of 1,500,000 tons of cargo.

It is expected that by 1965 shipments of iron ore concentrates, the market for that commodity permitting, will boost up winter shipments through Cabot Strait to 5 million tons.

L. J. McGOWAN

President, The Foundation Company of Canada Limited

British membership in the European Common Market is one of several external factors which cloud forecasts of Canadian construction activity in 1962. British entry into the Common Market could have a profound influence on decisions about capital investment in Canada with consequent effects on the construction industry.

L. J. McGowan

A major domestic factor during 1961 was the transition of emphasis in Canadian construction from big natural resource development work to commercial, industrial, and institutional projects in urban areas. This trend can be expected to continue through 1962.

One of the effects of this transition has been the creation of a substantial unused capacity on the part of the construction equipment division of the industry. Resource development requires a large amount of heavy construction equipment and during the years of peak activity in this field, large inventories of equipment were built up. Industrial, commercial and institutional work—especially when it is concentrated in urban areas—requires much less equipment and the result in 1961 was a great deal of slack in construction equipment use.

The industry as a whole fared better. There is a gradual upward trend in volume as far as the major companies are concerned, though, in common with most industries, extremely severe competition has pared profit margins. This has been a particularly serious matter in construction. The existence of over-capacity in the industry has led some firms into bidding practices which are at best unrealistic and at worst dangerous to the firms involved. This practice has contributed to the reduction in profit margins through the industry.

This is a situation which will correct itself in due course since the lessons to be learned from its results are unmistakable. Meanwhile, the effects should be modified by an increasing volume of business available.

The industry in Eastern Canada suffered seriously from the results of labor disputes in 1961 and the bad aspects were shared equally by construction labor and management. Because there are a large number of different trades involved in building projects, labor relationships in the industry are especially sensitive and, unfortunately, unstable. The situation lent itself to the introduction of extraneous issues into negotiations and also to the involvement of firms in the industry which were not directly concerned with the dispute and which, moreover, had no power to bring about a settlement.

Nineteen Sixty-Two will have to bring a most serious effort on the part of unions and managers to spell out a working relationship between them which will free the industry from the crippling effects of this kind of instability. The responsibility for the effort falls upon both management and labor and the need for it is such that action in this area can be safely predicted for 1962.

NEIL J. McKINNON

President, Canadian Imperial Bank of Commerce, Toronto, Canada

Business conditions have improved considerably in Canada since the early part of last year and there are some indications that we are on an upward phase which could extend through 1962. The chief question-mark is the level of new capital investment. Industrial production has been rising steadily and the weakness in durable manufacturing which characterized 1960 appears, for the present, to have been overcome. Personal expenditures are moving upwards so that there are reasonable prospects that consumer demand will give the economy substantial support throughout 1962. Expenditures by governments will also probably be at a somewhat higher level and prospects for the export trade are, on balance, favourable, nothwithstanding the stiffer competition in international trade and some doubts about the effects on Canada of the European Common Market and, particularly, the accession of the United Kingdom to the Common Market. Among the influences affecting our foreign trade prospects in a favourable direction are the rising level of industrial activity in the United States, the continuing buoyant economic conditions in continental Europe, the current improvement in market conditions for exports of wheat and other grains, and the present level of the foreign exchange rate for Canadian dollars.

Neil J. McKinnon

On the other hand there remains in Canada a good deal of surplus capacity, and such new large resource development projects as are envisaged are still mainly at the planning stage. There are not yet any firm indications of a substantial volume of large scale continuing new capital investment projects of the sort which have characterized periods of outstanding growth in Canada's economy. This lag in new capital investment is one of the fundamental problems of our economy.

Among other persistent economic difficulties are the problems of adequate incentives to induce sustained economic growth as well as the continuing large current account deficit on foreign payments. For the last few years this deficit on current account has exceeded

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Dealer-Broker Literature

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$1 billion per annum. It has been off-set by an inflow of capital from abroad, mainly from the United States. This inflow of capital has undoubtedly brought with it many advantages in the form of the more rapid development of our country's resources but it has also brought the growing problem of the annual payments abroad to service this debt. While we are close to balancing our international accounts for imports and exports of commodities, the large excess of payments over receipts for such "invisible" items as interest and dividends means that we shall continue to have a serious payment problem. It is, therefore, particularly urgent that we now regain an adequate annual rate of real growth for our economy, accompanied by a continuing and substantial improvement in our international balance of payments position.

It is a matter of some encouragement that at the present time, when our economy is moving into a more buoyant phase, there are a good many indications of serious examination of these deep-rooted problems which affect so directly the vitality and soundness of our economy.

C. H. McLEAN

President, British Columbia Telephone Co.

The exceptional progress in the economy of British Columbia, during the past six months, has pushed most of the indices beyond their previous peaks. Probably the only exception will be found in the construction industry. While it is unlikely that the value of construction work in the near future will regain the level reached in 1958, it is showing mild signs of recovery. Realization of one or both of the power development plans for the Peace River or Columbia River, along with further exploration and development in the petroleum industry, may well change the picture in 1962. Due to overcapacity in the residential housing sector of this industry, the remedial measures taken by the National Government have not and are unlikely to have much effect in stimulating house building in British Columbia. However, the improvement in the residential housing industry in the rest of Canada and the United States is helping British Columbia's allied industries, particularly lumber and plywood.

C. H. McLean

The fishing industry, traditionally one of British Columbia's three basic industries has experienced a very good year, having surpassed all peak years except 1958. However, the future prospects for this prime source of economic stability will require some improvement in labor relations, as labor unrest in this industry has a pronounced effect on production.

Tourism in British Columbia has been showing expanding characteristics of practically boom proportions since about the middle of 1959. There is no reason to believe that this will slacken off, and the Seattle Centennial in 1962 will be an added inducement for tourists to visit British Columbia.

The recent decline in the value of the Canadian dollar is likely to result in increasing exports and decreasing imports with advantage to Canada's longstanding adverse trade balance. As British Columbia's economy is largely based on exports, this may be an important step towards improved business conditions in 1962.

Although there is a prediction in some quarters, that the present cycle of expansion will flatten out at the present level about the middle of the year, there appears to be no doubt that 1962 will be a better year than 1961.

CLIFFORD W. MICHEL

Chairman, Dome Mines Limited

The outlook for profits for the Canadian gold mining industry in Canada in the year 1962 is moderately favorable and net income generally should increase over 1961.

Profit margins in this industry are directly affected by the relationship of the Canadian dollar to the U. S. dollar, as the price paid the producer for each ounce of gold sold is the U. S. Treasury buying price of $35 per ounce expressed in Canadian funds. When the Canadian dollar is at a premium to that of the U. S., as it has been for some years, the price realized in the hands of the Canadian producer declines below $35 Canadian funds. As an example, in 1960 the average price received was approximately $33.90 per ounce. However, by virtue of unfavorable balance of payment factors and by apparent Canadian Government design, the premium declined to parity and in June, 1961 fell to a discount, reaching 4% where it stands at this writing. Since the middle of 1961 the price paid by the Royal Canadian Mint has averaged over $36 per ounce compared with approximately $34.70 per ounce received in the early part of 1961. As it would appear that the discount will continue at these levels, or lower, the profit margins will tend to be more favorable than they have been for some time.

Clifford W. Michel

The gain in this quarter will be partially eroded by the creeping inflation in operating costs caused by vast government budgets and expenditures. Mechanization and continuous cost cutting programs should, however, save a good portion of the price increment.

Of fundamental importance to the industry is whether the United States Government will increase its buying price for gold. In the face of a continuing drain on its gold reserves, which are now below $17 billion, and with increasing claims by foreign holders upon the dollar, the continued official denial of any change in the buying price carries with it less conviction.

C. J. MORROW

President, National Sea Products Limited

The year 1961 was a better year for the fresh and frozen fish industry than the preceeding year. The year started out with a heavy carry-over of frozen products from the previous year. These have been liquidated and inventories are now in a fairly healthy state. In fact there are shortages of some finished products.

C. J. Morrow

The success of the fish business, like the meat business, depends to quite an extent upon by-products. The important by-product in the fresh fish business is fish meal. The world markets for this were for some months over supplied and fish meal was being sold at a loss. There has been an improvement in this situation in recent months but the world situation is still very uncertain. Canada is a small producer of fish meal in comparison with some other countries of the world and our price depends to a very large extent upon the supply and pricing policies of our larger competitors.

The change in the value of the United States dollar has been helpful to the industry and, if it continues, will encourage exports to the United States market. The industry on the Atlantic Coast of Canada depends on the United States market to take a very large percentage of the fish that are produced. This market in recent years has become highly competitive. Iceland and several of the European countries market substantial quantities of fish in the United States. These are naturally in competition with fish from Nova Scotia and other provinces on this coast.

The scallop fishery is growing steadily. Quite a number of Nova Scotia draggers now fish for scallops at Georges Bank and are quite successful. New draggers are being added to this fleet all the time. The market for scallops has expanded with the production and, unless further increases in production are too sudden, the

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chances are good for a further expansion of the market for scallops.

Additions have been made to the offshore fleet of trawlers and further additions are contemplated for 1962. Again, the market for the fish caught by the offshore trawlers can be expanded in a healthy manner provided the increase in production is gradual.

Changes are taking place continually in the form in which fish is sold to the consumer. Over half of the cod, haddock, perch, etc. that Canada exports to the United States now reaches the consumer in the form of breaded or cooked products. This trend will continue. In spite of the fact that the serving of fish has been made simpler for the housewife, the per capita consumption is not increasing to any worthwhile extent. In fact, the per capita consumption in the United States is about the same as it was 20 years ago. An increase in sales that has taken place has been due to increased population.

Prospects for the industry on this coast seem reasonably good for 1962. Much, of course, will depend upon the catch and the competition from other countries. With inventories now in a healthy state and with a normal catch, 1962 should be a satisfactory year for the fresh and frozen fish industry.

D. McKELVIE

President, Northern Telephone Company Limited

The outlook for operating communication companies for 1962 is very favorable, in the opinion of the writer. The Canadian economy should progress in the coming year. Most of the larger systems in Canada will gain considerable benefit from major defense expenditures. Across northern Ontario and Quebec where this company operates, the ups and downs of the national economy are less noticeable. The economy and population growth of the North continue to expand, which directly affects this company. Various factors contribute to this growth, namely: continuing mineral and metal discoveries and mining property developments; the further "opening" of the country by government sponsored "Access Roads" and "Roads to Riches"; the development of large hydro electric sites; the increase in demand for pulp, paper and lumber products; and the northern expansion of the large tourist industry. This dynamic growth northwards will be of distinct benefit to these areas in particular and to Canada as a whole.

Donald McKelvie

HARTLAND de M. MOLSON

President, Molson's Brewery Limited

Judged by late reports of increased output and higher income levels, business conditions in Canada show an improvement over those noted at the close of 1960. The outlook for the short term is correspondingly more promising. Current optimism could spark some upturn in capital expenditure which, together with increased government spending, estimated at between 4% and 7%, should raise personal income slightly and result in perhaps a 5% increase in consumer spending. Prices, which have remained fairly stable during the last 12 months, may possibly be on the verge of an upward turn, in keeping with a moderate increase in business activity.

H. de M. Molson

There are several factors worth noting which have a bearing on the general outlook for 1962. A shortage of money in the West may result from lower crop yields brought about by the severe drought in the Prairies. On the other hand the balance of trade with the United States, which has not yet had time to feel the full effect of the dollar discount, is likely to be favorably influenced in the year ahead. It is hard to believe that the swing of approximately 8% from a premium to a discount on the Canadian dollar can fail to place many Canadian products on a more competitive basis. It is also interesting to note that total exports have been forecast to increase anywhere up to 7%.

In view of forecast increases in spending in both the public and private sectors of the economy, with emphasis on capital expenditures and, also, the buoyancy in other areas of the economy, it can be surmised on balance that the coming year should be a satisfactory one for Canadian business. There are no signs of any major changes and, if there is any move from the present fairly static condition, it is more likely to be an upward turn. At the same time it should be remembered that the increased activity within the economy has only eased but not solved our unemployment problem.

The absence of any major trends may be a reflection of the fact that Canada is preoccupied with the prospect of Britain joining the European Common Market. It has been generally accepted that if this does come about the effects for the first few years would be definitely adverse. Over the long period, however, there is a consensus of opinion that a wealthier Europe would provide greater trade opportunities and could result in an increase in Canadian exports to that area. If the proposal by Britain is accepted, and should this bring about substantially beneficial changes in trade relationships, then the United States, whose own trade depends largely on the health and wealth of her neighbors, would benefit from a more prosperous Canada.

In the brewing industry sales for the last 12 months were ahead of the prior period but did not keep pace with the rest of the economy. Sales should pick up this year and a moderate gain might possibly result from the accelerated increase in the adult population in Canada, combined with improved conditions.

A. H. MEADOWS

President, Fargo Oils Ltd.

With respect to oil and gas, it appears to me that Canada stands today about where Texas stood 25 years ago. Therefore, the oil and gas business of Canada can look ahead with great confidence over the next quarter century. It is however, quite a different picture for the short-term. I cannot see too much improvement in Canadian prouction as long as oil production in the U. S. A. is so severely prorated.

A. H. Meadows

I look for a gradual improvement in income annually at a rate of perhaps 10%. That doesn't mean that increased demand for oil will be up 10%, but net profits should be. Any increase in present allowed production all goes to net profit as the cost of production should remain about the same.

Potentially the oil and bas business in Canada is tremendous. Witness the great gas discoveries in the past two or three years in Northeastern British Columbia. Certainly the vast areas in Canada prospective or oil and gas accumulation have hardly been scratched. Because of inaccessibility of so much of this land except during the frozen winter of about three months per year, development will be slow and discoveries will continue over perhaps the next 100 years.

Of course all predictions go out the window if war involving the U. S. A. and Russia occurs. Then shipments by tanker would be disrupted and the U. S. A. would need all the oil Canada could produce.

In conclusion, I feel sure the oil business in Canada will continue good indefinitely, and show some improvement each year.

R. S. MUNN

President, Burns & Co., Limited

Agriculture continues to be an important factor in the Canadian economy. It was adversely affected in 1961 because of drought conditions in the West. The drought served to reduce crops of grain and fodder, and reduce the producer's income accordingly. The same, however, did not apply to livestock and income from this source should equal if not exceed that of 1960.

R. S. Munn

Cattle slaughter in Canada in 1961 should reach a record two million head. Marketings were abnormally heavy during the late summer and early fall because of the drought, but fortunately there was sufficient domestic demand and export interest to prevent prices from declining to any extent. More recently the cattle market has been exceptionally strong and while perhaps the current level will not be maintained, there is good reason to expect a ready market at prices profitable to the producer throughout 1962.

Exports of live cattle to the United States for the year to date total 365,000 head, compared to 160,000 a year ago. Most exports consisted of feeder cattle of light weight. This level of export should continue into 1962.

There has also been an increase in the export of dressed beef to the United States. Beef and veal exports total 26,000,000 pounds compared to 16,000,000 pounds a year ago.

Only a very few cattle have been imported into Canada this year.

Cattle prices in the United States will continue to have an important influence upon the Canadian market, but prospects are good in both countries.

Hog marketings fell during the past calendar year of the producer — from October to October — and amounted to about 6¼ million head. This is a drop of slightly more than 1 million head from the previous year and nearly 2 million less than the record peacetime high of 8.3 million in 1958-1959. Most of this drop in hog marketings took place during the first half of the year. A definite trend was established as the decrease in marketings became less and less as the year progressed. Total hog marketings during the period October-December 1960 were 27% lower than during the same quarter one year earlier. During the January-March period total marketings were 22% lower, and during the last half of the year April-September marketings were only 2% lower than a year ago. The catching-up process has continued to develop to the point where at the present time hog marketings are currently running at higher levels than last fall. Marketings are expected to increase to the extent of 12% during the first few months of 1962. The increase in the latter part of the year will be small, probably not more than 4%.

Prices have continued above the Government support level and no deficiency payment will be made in 1961. Depending, of course, upon United States values it is expected that the level of prices in Canada will be somewhat lower during the first few months of 1962 because of heavier marketings, with higher prices later in the year when marketings will be lighter by comparison.

Exports of fresh pork to the United States so far this year have been somewhat lower, amounting to about 30,000,000 pounds compared to 33,000,000 pounds a year ago. Imports of pork from the United States into Canada, totalling over 31,000,000 pounds, are well above normal and most of this product entered Eastern Canada. A two-way movement of pork is expected to continue as long as the present relationship between the Canadian and United States market continues.

Over-all prospects for the livestock producer in 1962 are good.

ROBERT H. MORSE, III

President, The Canadian Fairbanks-Morse Co. Ltd.

I believe that the current uptrend of the business cycle should broaden in 1962. The increases in industrial production, capital goods expenditures, and export of goods and services experienced in the latter part of 1961 should continue well into 1962. The Canadian economy will also be stimulated by the marked growth in the business activity in the United States. This growth together with the discount in the Canadian dollar should have a very favorable effect, particularly on demand in the United States for Canadian products and materials. The confidence of the business community in increases in corporate earnings in the new year have been reflected in recent advances in common stock prices. This confidence should turn out to be justified.

Robert H. Morse, III

A specific area of the Canadian economy which deserves mention in an analysis of the outlook for 1962 is that of the capital goods industry. The uptrend in this industry has lagged behind the general uptrend in the economy, but two factors give reason for optimism:

(1) The increase in corporate earnings should encourage management to approve equipment replacement programs which have been inactive since the last capital expenditures cycle which expired in 1957;

(2) The increased pressure to reduce costs in order to meet the price levels of foreign imports.

An evaluation of prospects for 1962 would not be complete without a word of caution. The extent of the recovery in business activity may well be hindered by the high rate of unemployment and the growing foreign competition in industrial products. Canada must, to ensure its steady and continual orward movement, create greater incentives for development of its industrial potential. The prospects of stable costs, greater productivity and satisfactory profit margins would provide such incentives. Close cooperation of government, management and labor will be necessary to bring this about.

A. D. NESBITT

**President and Director,
Power Corporation of Canada Limited**

The economic prospects for 1962 are bright. The quickening pace of business activity that began well into 1961 should continue for at least a good part of the new year. However, the optimistic outlook must be tempered by the continued problems presented by a high rate of unemployment, while the length of the boom will depend to a great extent on the strength of the increase in capital investment.

The prime stimulants should come from higher consumer spending, increased export trade, the turnabout of inventories and the continued high level of government spending.

A. Deane Nesbitt

Reports on department store sales during the recent Christmas season indicate that they were substantially above the 1960 level. To date consumer acceptance of the 1962 models of the automobile manufacturers has been good. The automobile industry is thus expecting a record or near record year on sales. There also seems to be a resurgence of purchasing of consumer durables which lagged badly in the earlier parts of 1961.

The decline in the exchange value of the Canadian dollar cannot help but have favorable effects on trade.

Goods produced for export and sold in Canadian dollars will be cheaper outside the country and thus more competitive with other foreign produced products. Those goods sold in foreign currencies will provide greater profits to Canadian companies or will allow price decreases without having the normal effect of reducing former profit margins. The natural resources industries should derive the greatest benefits from this situation. In addition, the lower value of the Canadian dollar compared to foreign currencies will tend to reduce imported goods which automatically have become more expensive, although it admittedly will raise some prices and thus the cost of living.

Inventory depletion was in effect in the first half of 1961 and likely continued into the third quarter. If the typical cyclical pattern was followed, the fourth quarter will have shown a tendency toward inventory accumulation. This augurs well for further increases early in 1962.

How prolonged the upturn will be is problematical. Capital spending, the factor that can be substantial in

Continued on page 41

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. 20	80.0	78.5	76.0	51.5
Equivalent to—					
Steel ingots and castings (net tons)	Jan. 20	2,341,000	2,300,000	2,225,000	1,499,000
AMERICAN PETROLEUM INSTITUTE:					
Crude oil and condensate output—daily average (bbls. of 42 gallons each)	Jan. 12	7,402,710	7,445,210	7,355,160	7,156,910
Crude runs to stills—daily average (bbls.)	Jan. 12	8,638,000	8,508,000	8,276,000	8,342,000
Gasoline output (bbls.)	Jan. 12	29,574,000	31,018,000	30,140,000	29,158,000
Kerosene output (bbls.)	Jan. 12	3,362,000	3,085,000	3,001,000	3,097,000
Distillate fuel oil output (bbls.)	Jan. 12	14,924,000	14,866,000	13,815,000	14,542,000
Residual fuel oil output (bbls.)	Jan. 12	6,840,000	6,743,000	6,744,000	6,584,000
Stocks at refineries, bulk terminals, in transit, in pipe lines—					
Finished and unfinished gasoline (bbls.) at	Jan. 12	201,920,000	199,901,000	188,833,000	200,269,000
Kerosene (bbls.) at	Jan. 12	29,755,000	31,358,000	34,687,000	29,546,000
Distillate fuel oil (bbls.) at	Jan. 12	138,983,000	147,269,000	162,815,000	127,567,000
Residual fuel oil (bbls.) at	Jan. 12	45,952,000	45,053,000	46,923,000	45,290,000
ASSOCIATION OF AMERICAN RAILROADS:					
Revenue freight loaded (number of cars)	Jan. 13	503,542	469,467	532,853	516,275
Revenue freight received from connections (no. of cars)	Jan. 13	465,160	437,852	498,859	466,941
CIVIL ENGINEERING CONSTRUCTION—ENGINEERING NEWS-RECORD:					
Total U. S. construction	Jan. 18	$273,000,000	$430,300,000	$384,700,000	$359,800,000
Private construction	Jan. 18	131,700,000	202,700,000	156,900,000	174,400,000
Public construction	Jan. 18	141,300,000	227,600,000	227,800,000	185,400,000
State and municipal	Jan. 18	123,400,000	195,500,000	190,400,000	156,600,000
Federal	Jan. 18	17,900,000	32,100,000	37,400,000	28,800,000
COAL OUTPUT (U. S. BUREAU OF MINES):					
Bituminous coal and lignite (tons)	Jan. 13	7,665,000	*7,275,000	8,425,000	7,825,000
Pennsylvania anthracite (tons)	Jan. 13	407,000	319,000	363,000	429,000
DEPARTMENT STORE SALES INDEX—FEDERAL RESERVE SYSTEM—1947-49 AVERAGE=100	Jan. 13	127	116	333	129
EDISON ELECTRIC INSTITUTE:					
Electric output (in 000 kwh.)	Jan. 20	16,857,000	16,957,000	16,630,000	15,092,000
FAILURES (COMMERCIAL AND INDUSTRIAL) — DUN & BRADSTREET, INC.	Jan. 18	396	319	285	340
IRON AGE COMPOSITE PRICES:					
Finished steel (per lb.)	Jan. 15	6.196c	6.196c	6.196c	6.196c
Pig iron (per gross ton)	Jan. 15	$66.44	$66.44	$66.44	$66.44
Scrap steel (per gross ton)	Jan. 15	$37.50	$37.83	$34.50	$31.50
METAL PRICES (E. & M. J. QUOTATIONS):					
Electrolytic copper—					
Domestic refinery at	Jan. 17	30.600c	30.600c	30.600c	28.600c
Export refinery at	Jan. 17	27.775c	28.025c	28.225c	26.450c
Lead (New York) at	Jan. 17	10.000c	10.000c	10.250c	11.000c
Lead (St. Louis) at	Jan. 17	9.800c	9.800c	10.050c	10.800c
‡Zinc (delivered) at	Jan. 17	12.500c	12.500c	12.500c	12.000c
Zinc (East St. Louis) at	Jan. 17	12.000c	12.000c	12.000c	11.500c
Aluminum (primary pig, 99.5%) at	Jan. 17	24.000c	24.000c	24.000c	26.000c
Straits tin (New York) at	Jan. 17	120.750c	120.375c	121.000c	100.750c
MOODY'S BOND PRICES DAILY AVERAGES:					
U. S. Government Bonds	Jan. 23	86.09	85.90	85.81	87.17
Average corporate	Jan. 23	86.11	86.11	85.85	86.78
Aaa	Jan. 23	90.06	89.92	89.64	91.34
Aa	Jan. 23	88.13	88.27	87.86	89.23
A	Jan. 23	85.59	85.59	85.46	86.38
Baa	Jan. 23	81.29	81.29	80.93	80.93
Railroad Group	Jan. 23	83.40	83.28	83.15	84.04
Public Utilities Group	Jan. 23	87.32	87.32	87.18	87.86
Industrials Group	Jan. 23	87.99	87.86	87.45	88.07
MOODY'S BOND YIELD DAILY AVERAGES:					
U. S. Government Bonds	Jan. 23	4.13	4.15	4.15	3.88
Average corporate	Jan. 23	4.70	4.70	4.72	4.65
Aaa	Jan. 23	4.41	4.42	4.44	4.32
Aa	Jan. 23	4.55	4.54	4.57	4.47
A	Jan. 23	4.74	4.74	4.75	4.68
Baa	Jan. 23	5.08	5.08	5.11	5.11
Railroad Group	Jan. 23	4.91	4.92	4.93	4.86
Public Utilities Group	Jan. 23	4.61	4.61	4.62	4.57
Industrials Group	Jan. 23	4.56	4.57	4.60	4.51
MOODY'S COMMODITY INDEX	Jan. 23	375.5	375.5	373.5	360.4
NATIONAL PAPERBOARD ASSOCIATION:					
Orders received (tons)	Jan. 13	332,753	216,099	314,562	294,387
Production (tons)	Jan. 13	341,777	162,543	341,752	305,418
Percentage of activity	Jan. 13	97	73	95	92
Unfilled orders (tons) at end of period	Jan. 13	483,653	493,023	469,658	399,021
OIL, PAINT AND DRUG REPORTER PRICE INDEX—1949 AVERAGE=100	Jan. 19	117.59	116.75	114.31	109.64
ROUND-LOT TRANSACTIONS FOR ACCOUNT OF MEMBERS, EXCEPT ODD-LOT DEALERS AND SPECIALISTS					
Transactions of specialists in stocks in which registered—					
Total purchases	Dec. 29	2,422,820	2,748,360	3,356,720	2,267,170
Short sales	Dec. 29	260,990	332,000	589,480	308,420
Other sales	Dec. 29	2,006,420	2,241,890	2,659,310	1,756,390
Total sales	Dec. 29	2,267,410	2,573,890	3,248,790	2,064,810
Other transactions initiated off the floor—					
Total purchases	Dec. 29	370,730	315,900	469,170	393,490
Short sales	Dec. 29	11,300	21,200	101,900	28,500
Other sales	Dec. 29	303,600	338,870	435,840	263,750
Total sales	Dec. 29	314,900	360,070	537,740	292,250
Other transactions initiated on the floor—					
Total purchases	Dec. 29	822,808	975,445	1,089,853	880,761
Short sales	Dec. 29	48,610	87,850	131,150	67,850
Other sales	Dec. 29	826,981	979,030	1,034,844	549,844
Total sales	Dec. 29	875,591	1,066,880	1,165,994	617,694
Total round-lot transactions for account of members—					
Total purchases	Dec. 29	3,616,358	4,039,705	4,915,743	3,541,421
Short sales	Dec. 29	320,900	441,050	822,530	404,770
Other sales	Dec. 29	3,137,001	3,559,790	4,129,994	2,569,984
Total sales	Dec. 29	3,457,901	4,000,840	4,952,524	2,974,754
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. 29	1,700,195	1,745,386	2,289,612	1,541,794
Dollar value	Dec. 29	$86,704,001	$94,277,057	$125,979,945	$72,605,329
Odd-lot purchases by dealers (customers' sales)—					
Number of orders—customers' total sales	Dec. 29	1,790,362	1,889,420	2,338,215	1,790,807
Customers' short sales	Dec. 29	6,313	7,249	15,917	5,858
Customers' other sales	Dec. 29	1,784,049	1,882,171	2,322,298	1,784,949
Dollar value	Dec. 29	$80,436,408	$95,232,244	$116,816,155	$72,951,341
Round-lot sales by dealers—					
Number of shares—Total sales	Dec. 29	578,240	653,520	743,970	635,290
Short sales	Jan. 29				
Other sales	Dec. 29	578,240	653,520	743,970	635,290
Round-lot purchases by dealers—Number of shares	Dec. 29	474,120	491,730	655,020	383,820
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. 29	395,200	544,530	1,048,970	507,600
Other sales	Dec. 29	17,260,790	18,037,740	21,936,780	16,320,420
Total sales	Dec. 29	17,655,990	18,582,270	22,985,750	16,828,020
WHOLESALE PRICES, NEW SERIES — U. S. DEPT. OF LABOR — (1947-49=100):					
Commodity Group—					
All commodities	Jan. 16	119.7	*119.6	119.2	119.8
Farm products	Jan. 16	89.6	*88.7	87.7	89.7
Processed foods	Jan. 16	110.0	*110.0	109.5	109.7
Meats	Jan. 16	97.4	*97.2	95.0	97.3
All commodities other than farm and foods	Jan. 16	127.9	*127.9	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
BANK DEBITS—BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM—Month of December (000's omitted)	$286,258,000	$272,541,000	$256,905,000
BANKERS' DOLLAR ACCEPTANCES OUTSTANDING — FEDERAL RESERVE BANK OF NEW YORK—As of Dec. 31:	$	$	$
Imports	485,448,000	460,591,000	403,342,000
Exports	968,604,000	939,108,000	669,092,000
Domestic shipments	17,844,000	16,765,000	12,727,000
Domestic warehouse credits	275,404,000	270,012,000	295,446,000
Dollar exchange	116,809,000	98,240,000	121,800,000
Based on goods stored and shipped between foreign countries	819,134,000	770,007,000	524,122,000
Total	2,683,243,000	2,554,723,000	2,026,529,000
BUSINESS FAILURES—DUN & BRADSTREET, INC.—Month of December:			
Manufacturing number	232	258	231
Wholesale number	121	125	130
Retail number	606	624	637
Construction number	215	206	245
Commercial service number	104	122	110
Total number	1,278	1,335	1,353
Manufacturing liabilities	$19,723,000	$35,237,000	$18,878,000
Wholesale liabilities	7,209,000	36,530,000	8,211,000
Retail liabilities	18,361,000	23,494,000	20,199,000
Construction liabilities	16,743,000	18,883,000	28,104,000
Commercial service liabilities	3,453,000	5,070,000	3,579,000
Total liabilities	$65,489,000	$119,214,000	$78,971,000
COMMERCIAL PAPER OUTSTANDING—FEDERAL RESERVE BOARD OF NEW YORK—			
As of Dec. 31 (000's omitted)	$1,711,000	$1,868,000	$1,358,000
COPPER INSTITUTE—For month of December:			
Copper production in U. S. A.—			
Crude (tons of 2,000 pounds)	118,033	*105,153	111,777
Refined (tons of 2,000 pounds)	142,210	141,201	152,211
Delivered to fabricators—			
In U. S. A. (tons of 2,000 pounds)	108,281	122,446	91,163
Refined copper stocks at end of period (tons of 2,000 pounds)	79,755	77,646	139,272
COTTON SEED AND COTTON SEED PRODUCTS—DEPT. OF COMMERCE—Month of November:			
Cotton Seed—			
Received at mills (tons)	1,275,600	*2,098,200	1,495,500
Crushed (tons)	767,200	753,000	740,000
Stocks (tons) Nov. 30	2,332,900	*1,824,500	2,393,500
Cake and Meal—			
Stocks (tons) Nov. 30	85,800	96,700	198,800
Produced (tons)	349,700	341,200	344,500
Shipped (tons)	360,600	317,800	313,400
Hulls—			
Stocks (tons) Nov. 30	105,000	97,100	70,000
Produced (tons)	175,800	169,000	162,700
Shipped (tons)	167,900	158,000	150,600
Linters—			
Stocks (bales) Nov. 30	155,900	150,000	181,700
Produced (bales)	232,000	222,100	220,600
Shipped (bales)	226,100	181,400	186,700
DEPARTMENT STORE SALES SECOND FEDERAL RESERVE DISTRICT FEDERAL RESERVE BANK OF NEW YORK—1947-49 Average=100—Month of November:			
Sales (average daily) unadjusted	182	151	*168
Sales (average daily) seasonally adjusted	143	144	*132
INDUSTRIAL PRODUCTION—BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM—1947-49=100—Month of Dec.:			
Seasonally adjusted	115	114	103
Unadjusted	113	115	101
LIFE INSURANCE BENEFIT PAYMENTS TO POLICYHOLDERS — INSTITUTE OF LIFE INSURANCE—Month of October:			
Death benefits	$286,700,000	$287,200,000	$258,400,000
Matured endowments	62,300,000	52,800,000	52,800,000
Disability payments	11,600,000	10,400,000	10,300,000
Annuity payments	65,700,000	59,900,000	58,800,000
Surrender values	151,700,000	132,000,000	132,900,000
Policy dividends	145,100,000	131,100,000	112,900,000
Total	$723,100,000	$673,400,000	$626,100,000
PRICES RECEIVED BY FARMERS — INDEX NUMBER — U. S. DEPT. OF AGRICULTURE—1910-1914=100—As of Nov. 15:			
All farm products	238	240	241
Crops	223	226	219
Commercial vegetables, fresh	213	195	219
Cotton	280	286	254
Feed, grain and hay	149	154	136
Food grains	218	217	204
Fruit	209	228	262
Oil-bearing crops	248	242	213
Potatoes	134	134	181
Tobacco	530	537	517
Livestock	250	252	260
Dairy products	275	274	282
Meat animals	291	297	288
Poultry and eggs	140	141	182
Wool	228	228	219
RUBBER MANUFACTURING ASSOCIATION, INC.—Month of November:			
Passenger & Motorcycle Tires (Number of)—			
Shipments	8,623,966	9,598,818	7,348,162
Production	9,050,957	9,818,648	7,978,594
Inventory	21,572,323	21,025,501	22,492,834
Tractor Implement Tires (Number of)—			
Shipments	192,339	277,660	183,113
Production	262,046	267,513	203,292
Inventory	1,000,757	921,961	924,764
Passenger, Motorcycle, Truck & Bus Inner Tubes (Number of)—			
Shipments	2,902,800	3,434,559	2,657,297
Production	3,231,587	3,560,134	2,920,595
Inventory	9,458,224	9,095,955	10,859,375
Tread Rubber (Camelback)—			
Shipments (pounds)	45,758,000	49,907,000	44,057,000
Production (pounds)	48,441,000	46,713,000	44,630,000
Inventory (pounds)	16,480,000	14,508,000	20,012,000
Truck and Bus Tires (Number of)—			
Shipments	1,115,163	1,510,152	954,902
Production	1,278,218	1,331,338	1,065,649
Inventory	3,343,424	3,169,947	3,797,265
TREASURY MARKET TRANSACTIONS IN DIRECT AND GUARANTEED SECURITIES OF U. S. A.—Month of December:			
Net sales			
Net purchases	$27,826,200	$57,279,000	$39,703,700

Securities Now in Registration

★ INDICATES ADDITIONS SINCE PREVIOUS ISSUE
● ITEMS REVISED

NOTE — Because of the large number of issues awaiting processing by the SEC, it is becoming increasingly difficult to predict offering dates with a high degree of accuracy. The dates shown in the index and in the accompanying detailed items reflect the expectations of the underwriter but are not, in general, to be considered as firm offering dates.

● **ABC Air Freight Co., Inc. (2/13-16)**
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.

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. (2/5-9)**
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. (2/5-9)**
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.

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.

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.

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. (2/26-3/2)**
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. (1/30)**
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 (2/5-9)**
July 29, 1961 filed 186,625 common, of wihch 150,000 are to be offered by the company and 36,625 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.**
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. **Offering**—In mid-February.

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.

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.

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.

● **Allied Capital Corp. (2/19-23)**
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.**
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. **Note**—This letter was withdrawn. It will be refiled shortly.

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 (2/13-16)**
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. (2/15)**
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, 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 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 cor-

porate 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 research. **Underwriter**—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. (2/5-9)**
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 Space Exploration, Inc.**
Jan. 22, 1962 filed 250,000 common. **Price**—$2. **Business**—Company plans to manufacture digital voltmeters, digital chonometers and solid state counters. **Proceeds**—For general corporate purposes. **Office**—3910 S. Kalamath St., Englewood, Colo. **Underwriter**—Preferred Securities, Inc., Phoenix.

★ **American Telephone & Telegraph Co. (2/14)**
Jan. 19, 1962 filed $300,000,000 of debentures due Feb. 1, 1994. **Proceeds**—For advances to subsidiaries, expansion and other corporate purposes. **Office**—195 Broadway, N. Y. **Underwriters**—(Competitive). Probable bidders: Morgan Stanley & Co.; First Boston Corp. and Halsey, Stuart & Co. Inc. (jointly). **Bids**—Feb. 14 (11:30 a.m. EST) in Room 2315, 195 Broadway, N. Y.

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. **Offering**—Expected in mid-March.

● **Anoroc Products, Inc.**
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. **Offering**—Imminent.

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 withdrawn.

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. (2/5-9)**
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.

★ **Associated Baby Services, Inc.**
Jan. 17, 1962 filed 160,000 common, of which 60,000 are to be offered by the company and 100,000 by stockholders. **Price**—$7.50. **Business** — Operates diaper services, supplies linens, and publishes "Baby Talk" magazine which is distributed in U. S. and Canada. **Proceeds**—For equipment and working capital. **Office**—149 Madison Ave., N. Y. **Underwriter**—Brand, Grumet & Seigel, Inc., 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.

● **Atmospheric Controls, Inc.**
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. **Offering**—In late February.

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. (2/5)**
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.

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.

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.

★ **Barth Vitamins Corp.**
Jan. 23, 1962 filed 180,000 class A shares. **Price** — By amendment. **Business**—The mail order sale of vitamins and dietary products. **Proceeds**—For selling stockholders. **Office**—270 W. Merrick Rd., Valley Stream, L. I., N. Y. **Underwriter**—H. Hentz & 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.

★ **Baxter Laboratories, Inc.**
Jan. 22, 1962 filed $10,000,000 of convertible subordinated debentures due 1982, and 120,000 common shares. **Price**—By amendment. **Business**—Manufacture of pharmaceutical supplies and equipment. **Proceeds**—For debt repayment and working capital. **Office**—6301 Lincoln Ave., Morton Grove, Ill. **Underwriters**—Lehman Brothers and Merrill Lynch, Pierce, Fenner & Smith Inc., N. Y.

● **Bay State Electronics Corp. (2/19-23)**
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.

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

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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. **Offering**—Expected in mid-March.

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.

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. (2/5-9)**
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.

★ **Blake & Neal Finance Co.**
Jan. 12, 1962 ("Reg. A") $250,000 of subordinated debentures due 1964-72. **Price**—At par. **Business**—Financing of dealers in motor vehicles and house trailers. **Proceeds** For expansion. **Office**—1939 E. Burnside St., Portland, Ore. **Underwriter**—None.

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**
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. **Offering**—Expected in mid-February.

● **Boiar Pharmaceutical Co., Inc. (2/13-16)**
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. (1/31)**
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**—To be named.

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.

★ **Brown Engineering Co., Inc.**
Jan. 22, 1962 filed 80,000 common. **Price** — By amendment. **Business**—Engineering and custom manufacturing activities pertaining to the space and missile programs. **Proceeds**—For debt repayment and working capital. **Address**—P. O. Drawer 917, Huntsville, Ala. **Underwriter**—Goodbody & Co., 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. **Offering**—Expected sometime in April.

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.

★ **C. M. P. Corp.**
Jan. 19, 1962 filed 70,000 common. **Price** — By amendment. **Business**—Manufacture of molded plastic products, principally melamine dinnerwear. **Proceeds**—For expansion, working capital and debt repayment. **Office**—118 Santa Barbara, Santa Paula, Calif. **Underwriter**—Pistell, Inc., N. Y.

● **Cable Carriers, Inc.**
March 23, 1961 filed 196,109 shares of capital stock. **Price**—$1.15. **Business**—The company which began operations in 1954, is engaged in the research and development of special material handling systems for industrial and commercial use based on company-owned patents. **Proceeds**—For working capital. **Office**—Kirk Boulevard, Greenville, S. C. **Underwriter**—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.

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. **Price**—By amendment. **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. (1/29-2/2)**
Oct. 27, 1961 ("Reg. A") 48,300 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.

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.

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prolonging a boom is expected, at best, to be up only modestly according to what the Department of Trade and Commerce's latest forecast suggests. A substantial improvement in this sector could turn the current upturn into a boom while at the same time contribute appreciably to reducing the rate of unemployment.

F. W. NICKS

President, The Bank of Nova Scotia
Toronto, Canada

Though the Canadian economy is still faced with important problems of adjustment in a rapidly changing world, developments during the past year have been encouraging. A renewed uptrend in production and employment was under way by mid-1961. Exports for the year showed a notable gain, and the long-sustained imbalance in the country's current international transactions was reduced to more manageable proportions. The rate of unemployment during the past few months has declined appreciably. The exchange rate on the Canadian dollar has come down to a more suitable level, interest rates have subsided a little, and the financial climate in general has shown a marked improvement.

F. W. Nicks

In the outlook for 1962 the brightest factor undoubtedly is the recent recovery in the United States. U. S. demands are expected to be rising through most of the year and the customary expansive impact on Canada will be enhanced by new exports of natural gas and iron ore. Also most encouraging is the evident improvement in the competitive position of Canadian industry. And it is to be hoped that there will be a better grain crop in the Prairies to supply the strong world demands.

Despite a notable increase in governmental construction programs during 1961, total construction activity did not show as much recovery as anticipated early in the year and remained below the peak levels of 1957-59. At the turn of the year, too, it is apparent that the new natural gas processing and pipeline facilities in the West have been largely completed, that plant capacity continues to be more than ample in most industries, and that demand for housing, though firm, shows no real sign of vigor. However, during the past few months there have been indications of a slight pickup in business capital programs, and there is a good possibility that further spending plans will be activated by improvements in both foreign and domestic markets. With further increases in public capital projects, construction in total may thus give moderate support to the economy in 1962.

Support will be forthcoming also from higher consumer spending. Labor income in recent months has been running about 4½% above a year earlier. Retail sales tended to lag somewhat up to October, but more recently appear to have been improving. Demand for the new automobile models has been good, and signs of a growing replacement demand for other durable items are encouraging.

On the international horizon, there are many continuing problems and uncertainties. The negotiations for British entry into the Common Market has raised questions regarding the market outlook for a number of Canadian products, and during the past few months the pace of expansion in Western Europe has slackened (most notably in Britain and West Germany). In addition, the business trends in both Europe and North America are clouded to some degree by the continuing elements of uncasiness in the international exchange markets.

All in all, however, the immediate outlook for the Canadian economy is one of substantial gains.

GLENN E. NIELSON

President, Canadian Husky Oil Ltd.

The outlook for Canada's oil industry in 1962 appears to be even better than 1961. However, certain chronic problems must be solved if its great potential is to be fully realized.

On the optimistic side, crude oil production should increase 12% under the national oil policy and gas production should be up 40% to an average of two billion cubic feet daily now that export pipelines are in operation. Production revenues should increase by about $100 million to a total of more than $650 million.

Glenn E. Nielson

Experience has shown that the oil industry will continue capital spending when it has hope of reasonable return on such investment. Therefore, increased production income should foster more active exploration in 1962. I also expect to see greater recognition of Canada's tremendous oil and gas potential by the financial community as the full benefits of 1962 improvements become known.

On the other side of the coin, there are continuing challenges to the industry. In 1961, crude oil production increased by 102,000 barrels daily, but 67% of the increase was exports to the United States. Obviously, exports cannot continue to grow at this rate without disturbing the quota-free status of Canadian oil. Domestic producers in the U. S., whose markets are being invaded from Canada, could be expected to increase pressure on Washington if the 1961 rate of increase were to be sustained.

Imports continue to influence Canada's industry. Canadian refiners who use Canadian crude oil find it difficult to compete with refiners using crude from foreign countries which have lower wage rates and lower standards of living. Continued excessive imports of low-cost crude will prolong the chaotic pricing practices which have demoralized refining and marketing operations in recent years. Stability, balance and orderly growth of the industry can be achieved if Canada consumes more of her own oil and imports less.

Another challenge involves taxation of the oil industry. Discriminatory, unrealistic tax policies which tend to discourage Canadian investment, have led to domination of the industry by foreign capital. Yet those who condemn the industry for heavy foreign ownership consistently turn a deaf ear to its pleas for equitable tax treatment which would encourage Canadian participation. Government leaders might well consider the benefits which can be obtained by altering oil industry taxation policies.

Overcapacity in the industry is another of its current headaches. In view of existing industry conditions, a realistic approach to expansion of refining and marketing operations is certainly advisable. Failure to restrict expansion to reasonable limits will result in excessive inventories which would further complicate an extremely competitive price situation. Expansion in any phase of production, refining or marketing should be carefully measured against market demand.

The newly-elected President of the American Petroleum Institute, L. F. McCollum, recently stated that his company will not add unnecessary refining capacity nor drill unnecessary development wells nor build unnecessary service stations and will draw out of inventory for any increased consumption in 1962. This is sound advice for all companies in Canada too. Such restraint by the industry, together with curtailment of imports and appropriate tax revision, could result in very real progress for Canada's oil industry.

A. ROSS POYNTZ

President, The Imperial Life Assurance Co. of Canada

The maturing of vast amounts of life insurance coverage in Canada will mean a flow of benefits to policyholders and beneficiaries in 1962 exceeding $600 million. It is likely that two-thirds of this amount will be paid to living policyholders. The remainder would reflect a continuation of reasonable mortality rates, but even so, a substantial sum exceeding $200 million is death benefits.

A. Ross Poyntz

We are on the threshold of a prosperous year in Canada, and it is likely that Canadians will save about $500 million in the form of premiums. This will continue to represent more than one-quarter of all personal savings during the year. Aggregate sales of new life insurance in 1962 should exceed the peak volume of 1961 and will probably exceed $6½ billion.

It is likely that interest rates will remain historically high and that the life insurance companies will earn a very satisfactory return on their invested assets, to the benefit of policyholders. The total amount of money invested on behalf of policyholders in Canada will exceed $9 billion before the end of 1962 and the use of these funds will continue to have an important bearing on the development of the Canadian economy. The new investments acquired by the life insurance companies will again show a big increase in mortgage investments and the sustaining of the major role played by these companies in financing Canadian corporations. The ownership of real estate in various forms will be more evident in the portfolio of investments.

Policyholders in Canada will continue to witness the trend toward higher dividends on their participating policies and favorable trends in the cost of insurance.

L. B. RAMSEY

Chairman of the Board,
Belding-Corticelli, Limited

It is very difficult to forecast with much degree of certainty what results will be attained in our business and in the Canadian Textile Industry in general in 1962. However, sales over the last six months have improved moderately and we anticipate this improvement should continue through most of 1962. We have invested quite heavily in new equipment, which will result in lowered costs, so that better profits are indicated for 1962.

L. B. Ramsey

At the same time there is practically no abatement in the flow of foreign-made textiles to this country and we are still importing more manufactured textiles than any other country, large or small, and we accept more proportionately from Asiatic Countries than any other Western Country. The discrepancy between what Canada receives in Asiatic textiles and that received by European Common Market Countries is particularly marked, being—per capita in 1960—

Canada	$2.98
European Countries	.44

Representatives of our Government are now meeting with Japanese Government Officials to set new quotas for 1962 and we sincerely hope some reductions in a number of quotas, which now allow 40 to 50% of our market to be taken by Japanese imports, will result. No doubt it is in the interest of the West that Japan should remain strong and prosperous but there is no doubt other Western countries could easily accept more of their goods, and ease the burden from the Canadian Textile Industry. The rate of increase of Japanese textile exports to Canada has been out of all proportion, rising from $4,000,000 to around $40,000,000 in the last six years, and these goods are almost all in types directly replacing Canadian production rather than other imports. Naturally, this has resulted in adding materially to the high unemployment figures in this country over the last few years, and in making it very difficult for many Canadian Textile Companies to operate profitably. Unfortunately, Japanese quotas have been based on the highest shipping years, so are consequently very far out of line with what we consider reasonable quantities.

In one of our major lines — Braided Elastic, where Japanese shipments to Canada increased from 41,000 lbs. in 1954 to 559,000 lbs. in 1959, the quota for 1961 accounted for approximately 45% of the whole Canadian market. We contend that 25% would be generous, particularly as other countries' exports to Canada are substantial, and we are hopeful that our Government will succeed in obtaining some reduction of the present quota for 1962.

Should the negotiations now going on in Ottawa result in quotas for elastics and ribbons which, per-capita, are even double those for similar goods shipped by the Japanese to the U. S. A. or Western European markets, I could predict very much improved results for our company for the coming year.

However, if the Canadian dollar remains at its present discount, and should the expected general improvement in the Canadian economy be realized, I believe, 1962 should be a moderately good year for our company.

S. J. RANDALL

President and Managing Director,
General Steel Wares Limited

While business activity in the many industrial fields in which our company participates was slow in recovering in the early part of 1961 due to the recession in the previous year, there has been considerable activity in all divisions of our company over the last six months and there appears to be every indication this activity will continue and increase in 1962.

S. J. Randall

One of the major factors contributing to the pick-up in the consumer goods business in the latter part of the year was the greater number of people employed in the work force. While there will be some unemployment during the winter it is not anticipated this will materially affect 1962 business too greatly in the winter months.

The increase in the number of Canadians employed certainly can be attributed to a number of things. Primarily the reduction in the exchange rate of the Canadian dollar has curtailed the import of foreign goods from many countries but particularly the United States on consumer items generally. This also has given greater impetus to Canadian manufacturers to put more effort into export sales and for the first time a great many Canadian companies are experiencing, like ourselves, increased volume through export. While profit margins on the export of consumer goods are slim, nonetheless they do provide many thousands of hours of work for Canadian workmen, swelling the pay envelopes and making it possible for these Canadians to increase their buying whether it be for imported or domestically manufactured products.

Since World War II the onus has been on the manufacturers in Canada to produce better quality goods at lower prices and meet the ever increasing challenge of higher wages and increased costs from material suppliers, creating a squeeze on the Canadian manufacturer unprecedented in Canada's history. During this period, manufacturers who are able to meet the challenge and remain solvent certainly could be considered to be the most efficient producers of consumer or other goods comparable to any in the world. For perhaps the first time since World War II the retailing industry has been challenged to become equally as efficient with the advent of the discount retailer. Great changes are taking place in the distribution system across Canada and having far reaching effects on almost every industry.

It is obvious the pressure for better products at lower cost will affect every facet of our respective businesses whether they be manufacturing or retailing, and in my judgment the consumer never, at any time, got more value for the dollar spent, than he can at present. Just so long as we recognize the consumer will buy if the price and product are right, we can anticipate a continuation of high volume sales and business activity that we have experienced over the last several months.

There is little doubt the Canadian economy will continue to expand and recover from any recession if greater effort is put forward to find bigger markets for Canadian goods of every variety. Our reputation as

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quality manufacturer is second to none anywhere in the world and our own company's experience in the last few years in securing new markets is indicative of the success other Canadian companies could enjoy. While it is obvious there must be investment of time and money to find and create these new markets, nonetheless in doing so it will help create jobs for many thousands of Canadians who would otherwise be unemployed and eliminated as domestic consumers. Even export sales taken at prices that will absorb a portion of plant overheads, make a very great contribution in providing jobs for Canadians until through either immigration or the natural expansion of our population, we enlarge our domestic market.

We are confident that 1962 will be a most successful year for our company and a prosperous one for Canada.

J. H. RANAHAN

President, Industrial Acceptance Corporation Limited

I foresee a modest expansion for business generally in the year ahead, continuing a firm trend that has become apparent in the closing months of 1961.

Unemployment, for instance — always an aggravating factor in our economy—presented a somewhat more optimistic picture as 1961 drew to a close. Whereas January through July showed a greater percentage of the labor force unemployed than during the equivalent months of 1960, this trend was reversed during September, October and November, with all three months showing an improvement over the 1960 levels. This augurs well for employment during the winter months.

J. H. Ranahan

The current level of retail instalment credit outstanding also indicates room for further expansion. This has remained relatively static for a number of months with new debt being undertaken at a rate only equalling that of the retirement of old debt. A rise in disposable income through a higher level of employment, would undoubtedly signal a healthy increase in demand for consumer durable goods and services, with new debt being undertaken at a somewhat faster rate.

Retail instalment credit outstandings reflect the confidence of hundreds of thousands of Canadian families in assuming relatively long term obligations, and thus provide a useful indicator of how Canadians view their own economic prospects.

There are firm indications that a rise in outstandings would persist into 1962, and with motor vehicle production and sales running at a significantly brisker pace than last year, this would create a stimulating year for the automotive industry and the many trades allied to it.

The availability of capital and credit for small-and-medium-sized businesses — through leasing, equity financing and capital funds — remains ample. This stimulus to growth, enabling businesses to build inventories and compete more effectively through improved facilities, cannot help but have a beneficial effect upon employment, upon consumer spending and, hence, upon the tone of the economy as a whole.

Canada's prospects for 1962 continue to be those of a young and vital nation.

HON. JOHN P. ROBARTS

Prime Minister of Ontario

The most noteworthy development of 1961 was the upturn in business activity and the resumption of a rate of industrial expansion in excess of population growth. Last year, after a sluggish first quarter, the pace of our economy gained momentum, led by a resurgence in manufacturing production. The index of industrial production rose to a new record level in June and then continued to move ahead for substantial gains in each successive month. Estimates for 1961 indicate a record year in value of output from Ontario's manufacturing industries. Canadian steel production, 90% of which is located in Ontario, rose to more than six million tons for the first time in history. The automotive industry forged ahead, enjoying, as far as sales of Canadian-made automobiles were concerned, its best year in the last five. The reception of the 1962 models augurs well for another good year in 1962. While the resurgence in manufacturing in 1961 was the brightest spot in our economic spectrum, expansion occurred across a broad front. The agriculture, forestry and mining industries all enjoyed better than average years.

Hon. John P. Robarts

One of the favorable by-products of our vigorous rate of growth in 1961 was the steady decline in the seasonally adjusted rate of unemployment. In Ontario, this seasonally adjusted rate fell from 6.9% of the labor force in January to 4% by the end of 1961. Unemployment in Ontario continued to be less than that in other parts of Canada, and indeed in the United States.

Other economic indicators also reflected the economic upturn, although some tended to lag. Retail sales advanced above those of 1960, but only by about 1% in value. Changes in consumer buying habits and the spread of merchandise discount houses in many areas of the Province may be reflected in a smaller than usual year-to-year gain. Corporation profits and personal savings were both considerably higher.

The most notable gains were made in export trade. Exports were up about 6% on the year, bringing total exports to record levels. Imports rose by only 4%. For the first time since 1954, Canada achieved a small surplus on merchandise account. For the most part, this was realized by a sharp increase in exports to countries other than the United States and Britain. However, trade with the United States recovered strongly in the last half of the year and stimulated production in the forest-based industries and mining. The decline in uranium production affected the value of Ontario's total mineral production which fell from $983 million to $936 million, still close to its historic record, and five times that of a decade ago. Pulp and paper production advanced to a new high level.

Looking to the future, it must first of all be remembered that the dislocations apparent in the Ontario and the Canadian economies have still not been fully overcome. However, we are now meeting competition more effectively and there is a general recognition of the need to develop positive policies of economic growth.

While we are concerned at the dislocations and problems that will accompany Britain's entry in the European Common Market, we are also recognizing more clearly the many opportunities for expanding trade throughout the world. This is evident by the growing feeling of optimism that Canadian skills and manufacturing capability will be able to compete successfully with those of other export nations.

In the short run, all indications point to another prosperous year for Canada in 1962. Future prosperity will depend on how Ontario and its sister provinces meet the challenges of the commercial and trading world.

HON. LOUIS J. ROBICHAUD

Premier, Province of New Brunswick

The rapid turnabout in business capital spending and residential construction in the third quarter of 1961 has provided one of the largest quarterly increases in the Gross National Product in recent years. This, combined with other increases in spending and a rising level of exports, should produce a modest annual increase of approximately three per cent in total output over 1960. Roughly the same situation has prevailed in New Brunswick and the Atlantic Region of Canada, but with larger than average increases in manufacturing production, mining output and residential construction.

Hon. L. J. Robichaud

Most of the experts are forecasting a continuation of these trends into the current year, 1962, and even beyond; and while not suggesting an expansion of "boom" proportions, are looking for more than modest rates of growth. For the United States, similar forecasts are even more favourable, and this has undoubtedly been reflected in Canadian thinking. Although not an "expert" in the field of business cycle forecasting, I am inclined to share this optimism, since I believe it to be soundly based on a number of significant factors.

First, all levels of spending in Canada are rising — Government spending is likely to be up some 10%, and while no great expansion in business investment spending is anticipated, small increases are indicated. On the other hand, consumer spending has been lagging behind the recovery while incomes have been rising. This, combined with increased availability of consumer credit, may well provide substantial impetus for further increases in the demand for goods and services.

A second factor which will be important is related to the export trade. With both the United States and European economies moving upwards, markets for Canadian goods will be expanding. This will be particularly true with respect to a variety of raw materials. These factors should produce higher levels of production, employment and income in Canada during 1962, with the Gross National Product rising at about twice the rate in 1961.

In New Brunswick and the rest of the Atlantic Region, the effects of such national trends will be to reinforce the current rate of economic expansion. In addition, the commencement of construction of two pulp and paper mills, a chemical plant and a base metal mine-mill-smelter complex will contribute to a substantially increased volume of investment in New Brunswick. These plants, and others in the final stages of construction, provide a sound basis for optimism with respect to the Provincial economy during 1962.

However, a word of caution on two points is, I believe, appropriate. Regardless of the degree of expansion, two rather substantial problems will continue to confront Canadians and Canadian policy-makers. The problem of unemployment, particularly seasonal unemployment, remains even during periods of expansion. Secondly, developments with respect to the European Common Market are of the greatest importance to Canada. The proposed entry of Great Britain into the Market can provide us with the greatest opportunity in a generation; or, with the greatest problem, depending upon the policies we pursue.

If Canada is to achieve the predicted rates of growth and the period of growth extended for more than a few short months, then these problems must be solved. Needless to say, solutions will come only if the problems are faced squarely, sound policies developed and bold action taken.

KEN. B. ROBERTON

President, Dominion Oilcloth & Linoleum Co Limited

The first six months of 1961 showed little change in the conditions existing throughout 1960. Since then, however, a slight improvement has taken place which we hope may be significant of brighter prospects for 1962. On the average selling prices of our products were up slightly but these changes occurred at various times during 1961 and resultant benefits should be more apparent in 1962.

About mid-year United Kingdom manufacturers increased their prices of floor coverings which were popular in their own market and in some export areas. Prices of lines heavily exported to Canada were left unchanged, however, and the severity of competition from this source has diminished little. We also must contend with the still large volume of importations from the United States.

Looking at the overall import situation, the action taken last June by the Canadian government in devaluating the Canadian dollar has relieved to some extent the pressure from imports.

The average costs of raw material were about the same as in 1960. Linseed oil prices increased during the second half of 1961 due to the sustained drought in the Western prairies, which caused a decreased crop of about 15,000,000 bushels compared with 23,000,000 the previous year. A corresponding reduction occurred in the U.S.A. However, with prospects of an increased crop in the Argentine over 1960, it would now appear that there will be sufficient flax to meet world requirements.

The price of another important raw material . . . polyvinyl chloride resins . . . was reduced during the year in an effort to compete with imports, mainly from Italy and Japan. Jute prices are now approximately 15% below the unusual high they reached in December 1960.

Exports were again up slightly but remain at a relatively low figure. We are anticipating a further increase in 1962.

A new plastic floor covering was introduced in March 1961. This material is made two yards wide, featuring clear, opalescent and metallic colours, and has met with favourable acceptance in the trade.

Residential building "starts" for the first ten months of 1961 were up about 28% while business "starts" were down approximately 5%. The general trend, however, seems to be improving and should be of benefit to our industry in 1962.

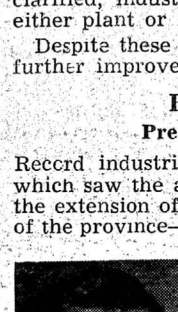
Because of the uncertain international situation it is very difficult to make predictions for 1962 and to know how our economy will be affected by foreign events. Should the United Kingdom decide to join the European Common Market it will necessitate a revision of Canada's general trade policies and, until these conditions are clarified, industry in general will be slow to expand either plant or machinery.

Despite these uncertainties we are looking forward to further improved conditions in 1962.

HON. DUFF ROBLIN

Premier, Province of Manitoba

Record industrial activity in Manitoba during 1961 — which saw the acquisition of new, major industries and the extension of industrialization to a number of sectors of the province—should set the stage for active economic growth in 1962. For 1961 itself, the latest figures indicate that the value of factory production should reach a record $758.8 million, up 4%, or $30,000,000, over the final 1960 figure.



Hon. Duff Roblin

The year 1962 should set further record in industrial production, and the years ahead show what can best be termed "exceptional promise." The graph of manufacturing production should rise rather steeply.

Projects are pending which are basic to a broadening of our industrial complex.

The province's total economic activity during 1961 was up over that of 1960, despite a drought which cut back agricultural production by one-fifth, to stand at $254,000,000. The estimated farm cash income for 1961 is less than 1% below that of 1960, but some of the economic effects of the drought won't be felt until well on into 1962. Lowered farm grain inventories, deficiency payments, supplementary payments and good cattle prices which stepped up cattle marketing by 24% over 1960 helped hold up farm cash income.

Agriculture is the biggest imponderable is Manitoba's economic picture; the province is conscious of the influence another dry season would have on the general economy. But greater diversity in agriculture, with a greater emphasis on livestock, on row crops and on specialized lines, together with advances in techniques, agricultural science and cultural practices, is helping strengthen this sector of our economy, and at the same time is assisting strongly in the extension of food-processing plants.

Recent additions to the food-processing industry include: the $3 million J. R. Simplot potato operation in south-central Manitoba, to open within weeks, and which will process at the outset 200 million pounds of potatoes annually and which, when markets are further established, will employ 500 to 700 people; a 600,000-pound-per-year mushroom plant, opening this spring at Portage la Prairie, with much of its production slated for the $5,000,000 Campbell Soup plant which opened there in the fall of 1960; a million-dollar Catelli food-processing plant, which opened in suburban Transcona in December.

In other industrial fields, Border Chemical broadened its industrial chemical complex by building facilities to produce alum and copper sulphate. Further activity is indicated for 1962.

1962 will see a major start on the $165,000,000 nuclear research establishment and nearby townsite in the Whiteshell region of southeastern Manitoba. Installation of underground services and provision of other services has been undertaken, and this year should see a number of surface buildings under construction.

In northern The Pas, work is underway on a $4½ million refinery, using crude oil from the Manitoba and Saskatchewan fields. In southeastern Manitoba, work has been completed on construction of a $2½ million flakeboard plant, which will produce 10 million feet annually. An extruded aluminum mill is under construction in East Kildonan. In all, new industries located in the province at the rate of about one per week during 1961.

In the mining field, the major event fo 1961 was the opening in March of the International Nickel Company of Canada's $175,000,000 mining-smelting refining operation at Thompson. The world's largest integrated nickel operation began production at the rate of 60 million pounds annually, and is building up to 75 million pounds. This operation, together with the first full year of activity at Hudson Bay Mining and Smelting Company's Chisel Lake mine, more than doubled the total Manitoba metal production in a single year.

The 1961 value of metal production was $71.9 million, compared with $29.9 million in 1960. Total mineral production—including industrial minerals and crude oil—reached $99.2 million, compared with 58.7 million in 1960.

Inco has commenced shaft-sinking on another deposit 20 miles from Thompson, while promising copper-zinc deposits have been reported by Sherritt Gordon Mines Limited near their Lynn Lake nickel operation.

Manitoba continues to show strong industrial diversity. Of the 171 different types of industries listed by the Dominion Bureau of Statistics for all Canada, Manitoba industry falls into 123 of the categories. This broad-based strength in industry, in primary production and in agriculture generally provides the province with economic stability.

Even so, a projection of the rates of industrial expansion and of population growth indicates that within a decade there may be 40,000 more workers than there are jobs available. To prevent either emigration from the province or an increase in unemployment, the rate of capital investment, which rose an average 7.3% annually in the past decade, will have to be stepped up to an average 11.3% yearly.

To meet this challenge, a unique and powerful Committee on Manitoba's Economic Future, consisting of leaders in the fields of management, labor, university and government, was set up in September to identify and investigate those primary, secondary, tourist and service industries—including finance and distribution—that are capable of expanding at the higher required rate. The committee, through which some 63 different research projects are being undertaken, will examine physical factors of transportation and resources—including water, labor and power resources—and the financial and social factors of industrial promotion, business taxation, financial inducements and aids to community development.

The final 1961 figures are expected to show that retail sales will be $810.6 million, down from the $826.7 million of 1960.

Labor income should rise 3% to reach $891 million, with total personal income up slightly to $1,378 million.

Capital and repair investment was an estimated $53 million below the $681 million mark set in 1960, while increases were indicated in housing ($113.5 million as against $107.1 million in 1960) and in institutional services and governments (up nearly $7 million to reach an estimated $159.2 million).

Life insurance sales for 1961 were estimated at $188.2 million, compared with $197.5 million in 1960.

Bank clearing continued to rise strongly to reach an estimated $21.8 billion, as against the previous record of $19,080 million established in 1960.

Tourism continues to establish new records, and the estimated $37¾ million spent by the province's 1,300,000 visitors in 1961 should show another 5% rise in 1962.

A. G. SAMPSON

President, Chateau-Gai Wines Limited

The past year was a most satisfactory one in practically all respects for the Canadian wine industry. Our own firm again recorded a new peak in sales volume—the highest in our 67-year history. Despite increasing costs of the factors of production, our profit picture has also continued to improve. This reflects not only the growing acceptance of fine Canadian wines in the home market, but also the progressive attitude of the Canadian industry in developing new facilities which maintain the high quality of the products and keep costs down.

A. G. Sampson

In the fields of research and the development of wines, we have continued on the principle that Canadian tastes are many and varied and Canadian companies are in the best position to appreciate those tastes and to cater to them. Over the past 11 years, Chateau-Gai has developed 14 new brands of fine wine for its customers. Two of these were introduced on the Canadian market during 1961.

Slow but important progress continues to be made in overcoming some of the difficulties imposed on the marketing of our product. The introduction of displays of Canadian wine in the Government retail outlets in Ontario is an encouraging development. In the first place, these attractive displays are proving to be a valuable asset in presenting the Canadian product to the public. In the second place—and this is a particularly encouraging development — acceptance of the displays indicates a measure of official recognition of the special position wine holds among alcoholic beverages: an integral part of the food industry.

We have also taken the position that the use of these fine Canadian wines at the family dinner table should be made to suffer interference from the meaningless ritual which has come to be associated with the use of wine on this continent.

Unfortunately, over the years certain preferences in the use and serving of wine have been rather vigorously endorsed by some of the people having such preferences. These preferences—and they are no more than that—have, as a result, tended to become almost authoritarian dictates and one of the good and simple pleasures of the family dinner table has been made unnecessarily complicated. Many people who do not feel they are connoisseurs have hesitated to serve wine because they have not been able to take the time to learn all the "shoulds" and "musts" that others associate with wine and its use.

As the Canadian wine industry is part and parcel of the good Canadian life, we feel it is the industry's responsibility, in its own and its customers' interests, to encourage Canadians to act on the established fact that taste—being a sense—is entirely subjective. Accordingly, personal preference should determine the wine that is used with different foods and the manner in which it is served.

We believe this position has been readily accepted by Canadians and that the effect has been to increase the use of wine at the dinner table.

LELAND ELBRIDGE SPENCER

President and General Manager,
The Goodyear Tire & Rubber Company

Industry unit sales of tires in 1961 were about 8% ahead of the previous year, bolstered by a significant increase in replacement sales, while sales of tires for all types of new vehicles manufactured in Canada just about equalled those of 1960. Sales of rubber products, other than tires, are also slightly ahead of such sales for the earlier year.

Leland E. Spencer

However, in spite of the sizable increase in unit sales, it is expected that dollar sales for the whole industry will show only a marginal gain, if any. Vigorous and intense competition resulting in repeated decreases in prices has prevailed throughout the year so that profits have been under tremendous pressure during the entire period.

Economies arising out of substantial capital investments in new and improved manufacturing and distribution facilities enable us to pass on to the consuming public constantly improved products featuring extra service and safety.

Looking ahead to 1962, we expect that the business upturn, which took place about the middle of last year, will continue throughout the new year. With increased public acceptance of the new model vehicles manufactured in Canada, combined with continued high incomes and an ever-increasing standard of living plus normal population and vehicle registration growth, 1962 should becomes a new record unit sales year for our industry.

However, with capacity still exceeding demand, it is expected that vigorous competition will continue to exert intensive pressure on prices.

In short, we anticipate a steadily growing and severely competitive market with ever-increasing product values available to the consumer—our boss.

KARL E. SCOTT

President, Ford Motor Company of Canada, Limited

The pace of Canada's economic growth, markedly slowed in recent years, will quicken in 1962. An upswing in corporate profits has improved confidence. This, in turn, is being reflected in a more buoyant feeling toward new capital investment plans.

Karl E. Scott

Credit for business expansion will become more readily available as the liquid condition of the banks continues to strengthen.

Consumer buying will increase with rising personal incomes, greater savings and reduced debts. As one result of this, Ford of Canada is forecasting a modest, but substantial, improvement in automotive retail sales in Canada, apart from the swiftly-increasing public acceptance of our products.

The economic picture will be further brightened as industries seek out new markets for the increased volume of production that can be achieved through enterprise and initiative.

Implementation of the recommendations of the Bladen Royal Commission Report on the Automotive Industry would supply one such spur to Canadian business. We wholeheartedly support these recommendations which, we believe, are designed to aid not only the automotive industry but Canada as a whole. However, implementation will be achieved only by the utmost effort and cooperation from a united front of government and industry. This, I believe, will be forthcoming.

The present buoyancy in the U. S. market will be reflected in increasing exports of Canadian goods to that market at a time when our exports to Britain probably will curtailed by austerity measures in that country and new economic alignments.

However, the boom in Europe can be expected to continue, maintaining demand for Canadian products, and if the present enterprise shown by some producers in looking for new business can be accelerated, then I expect to see further improvements in our export trade to countries other than the traditional markets.

If Canadians continue to face up to the economic facts of life then Canada can face whatever 1962 has in store without too much apprehension.

HON. W. R. SHAW

Premier, Province of Prince Edward Island

Any pronouncements on the future economic prosperity of this or any other country must necessarily be based upon the prayerful assumption that an already shaky peace will be maintained throughout the world. No country would prosper economically or otherwise in a nuclear conflict and proclamations of neutrality would serve as useless defenses against deadly radiation fallout. Whether the present degree of world peace is maintained because of the existing arms race between East and West, or whether it is that very thing which makes it so uncertain, is not for me to say, but it is ironical to note that part, at least, of this country's economy depends upon the manufacture of defensive weapons of war. And thus it should be. As a recognized independent member of the world family of free Nations, Canada must assume its full share of responsibility in providing the necessary defenses against Communist aggression.

Walter R. Shaw

Canada's economy at the present time is in a good state of health and is reflected in her standard of living now at an all-time high. Business, generally, was good in 1961, largely as a result of the lower foreign exchange rate of the Canadian dollar and there is no substantial reason to believe that this upward trend won't continue in 1962.

It is most imperative, however, for Canadian industry to become more cost conscious if it is to withstand increasingly stiffer competition in world markets. Britain's entry into the European Common Market may lift, or even remove Canada's protective trade blanket and much of our Nation's trade would find itself priced out of existence. "The old order changeth, yielding place to new," wrote Tennyson, and Canadian industry must be prepared to adapt itself to whatever new situations these changes may bring.

By virtue of my age and length of public service, I am now numbered among my country's senior active Civil Servants and while I humbly recognize that this in no sense makes me a sage, it does give me the advantage of reflecting upon a longer span of Canada's growth and development than many of my colleagues in Government. Canada was still in knee pants when I was born and I have watched her develop through two World Wars and an intervening depression to maturity. If then I was to describe my country in one word, it would be "Adaptability"—the ability of my countrymen to adjust when it was in the national interest to do so and the wisdom to remain firm and immovable when the easier course would have been to follow the popular trend.

Canada's political, economic and social welfare is secure in the hands of such men.

GORDON M. SHRUM

Chairman and President,
British Columbia Electric Company Limited

Things seem to be improving in Canada. Some experts are predicting for 1962 a 5% increase in the nation's production of goods and services. This would represent a marked improvement over our performance in recent years. On the average since 1957, the gain has been more like 2% a year.

Gordon M. Shrum

The two main sources for this improved strength are increased activity in Canada's export industries and a rise in consumer spending. Personal savings, which have been accumulating for some time, should begin to level off and as confidence builds up Canadians will probably start increasing their outlays on consumer durables as well as on food, textile and other soft goods. With export earnings mounting and retail sales continuing to rise, some Canadian industries should begin adding to their new plant and equipment. New money will also be going into inventories and, as a result, unemployment should show some decline.

While I am somewhat optimistic about the immediate

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future, I recognize that Canada still faces many problems of adjustment—the main one is the provision of employment opportunities for unskilled labor. Excess capacity exists in a number of Canadian industries and thus construction can no longer provide the same openings for our labor force as it did in the late 1940's and early 1950's. At the same time, our earlier heavy investment in new machinery and equipment will begin to show up in the form of increased productivity and we will be able to produce a much greater volume of goods and services as the market for our products increases. This will not necessarily solve our unemployment problems. The establishment of new industries and imaginative planning in government circles will be necessary before the number of unemployed can drop below its present level of about 7%.

Looking ahead a few years, there is reason for optimism. A steady rise in the demand for raw materials and further opportunities for processing our natural resources should serve to utilize much of our industrial capacity. New facilities will be planned and built. Construction activity, together with community planning and the provision of utility and other services, should help to bring our economy back to a more even keel. In my own Province, there is already evidence that a fresh upsurge is taking place. Our load growth for both natural gas and electric power showed a marked improvement during the last two months of 1961. If both the Columbia and Peace River hydro-electric projects and other resource development plans go ahead as expected the Province of British Columbia should experience another decade of rapid expansion and industrial growth.

HON. R. L. STANFIELD

Premier, Province of Nova Scotia

The current upturn in Canadian business dating from the first months of 1961 appears to mark another period of postwar expansion, with a prospect for firm gains in most sectors of the economy. Consumer expenditure and housing are up for the first nine months of the year, and new capital investment is expected to remain steady, if not increase. The lowered value of the Canadian dollar has already resulted in increased export values, and the policies of the new administration in Washington are likely to assist in the expansion of the demand for Canada's products in the United States.


R. L. Stanfield

In Nova Scotia, the indicators for most of the sectors of the economy in 1961 showed hopeful signs of strengthening as compared with similar periods in 1960, reflecting a movement away from the general decline which became pervasive throughout that year. In the primary industries, agriculture was buoyant, showing a healthy increase (in farm cash income) of close to 9% in the first nine months of 1961 over 1960. The fisheries industry recovered strongly from the setbacks occasioned by severe weather at the beginning of the year, and the quantity and value of fish caught in the third quarter advanced over the previous year.

In forestry, sawn lumber production continued to decline, reflecting a lessening demand by the construction industry and by export markets. However, pulpwood production was marked by a strong forward surge, increasing by 55% in 1961 over the first nine months of the previous year.

Manufacturing activity generally showed encouraging signs of firmness. The selling value of factory shipments was close to 1960 levels, while the employment indices for manufacturing as a whole showed slight advances. Employment in transportation equipment and shipbuilding and repairing were up considerably over 1960, off-setting somewhat the decline in the steel industry in the over-all picture.

An encouraging factor in manufacturing for the longer term is the increase in private and public investment forecast for 1961. Of particular significance is the substantial rise in capital outlay in manufacturing, a major portion of which is represented by the new pulpmill at the Strait of Canso.

In construction it is also encouraging to note the forecast for 1961 indicates a slight increase over 1960 in the total value of construction, although new residential construction declined in the first nine months of 1961.

General business conditions reflected favorable increases, notably in electric power generated, retail trade and cheques cashed by provincial clearing centers. The tourist industry brought in over $60 million to the province in 1961, an increase of 25% over 1960.

New developments in Nova Scotia industry in 1961 include the construction of plants for the manufacture of equipment for the pulp and paper industry, for adhesives, and for blueberry processing. New facilities for existing industry include a hangar for Fairey Aviation Company of Canada Limited at the Halifax International Airport, metal working, furniture, wood-working, garments and fish plants. New products include concrete blocks and refractory brick.

E. P. TAYLOR

President, Argus Corporation Limited

The Canadian economy closed 1961 on a strong note, after weakness in the early months of the year. I anticipate a continuance of the 1961 recovery throughout 1962. Year-to-year improvement in most important indices and in corporate sales and profits should be greater than we experienced in 1961. Higher consumer spending with more emphasis on durable goods, well-maintained to slightly higher capital outlays, and continuance of the rising trend in Canadian exports will provide the basis for economic strength in 1962. Stimulus will also come from increased government expenditures.


Edward P. Taylor

I anticipate with the ample capacities available and keen competition only moderate upward pressure on prices this year, despite the likelihood that production will show the largest annual gain in several years and the probability that the Canadian dollar will continue at a significant discount from U. S. funds. Unemployment will diminish in 1962 but is likely to remain a major economic and political problem.

I believe Canada will make further progress in reducing her balance of payments deficit in 1962. Because Canadian exports account for approximately 20% of total economic activity, recent developments, particularly Britain's application for entry into the Common Market, are of great significance, and have forced the most fundamental re-examination of Canadian trading relationships in several decades. The emergence of a prosperous and unified Europe, however, while likely to cause difficult trade adjustments, particularly for British Commonwealth countries, could prove, in my opinion, of major and lasting benefit to Canada.

Argus Corporation Limited, Canada's largest closed-end fund, with assets of $140 million, will show about the same earnings level this year as in 1961. ($1.70 per common share.) All of the companies in which it holds major investments are likely to show improved sales and earnings: Dominion Tar & Chemical Co., Ltd. (pulp and paper, building products, and chemicals), Dominion Stores Ltd. (major food chain), Massey-Ferguson Ltd. (farm machinery), Canadian Breweries Ltd. (world's largest brewing concern), Hollinger Consolidated Gold Mines, Ltd. (large iron ore producer), B. C. Forest Products Ltd. (lumber, plywood and sulphate pulp), and Standard Radio Ltd. (radio broadcasting).

I believe that the Argus portfolio is better diversified and more soundly based to participate in future Canadian growth and development than at any time in the past.

J. A. TAYLOR

President and General Manager,
The Huron & Erie Mortgage Corporation
The Canada Trust Company

Uppermost in the thinking of Canadians this year must be the outcome of Britain's application for entry into the European Common Market and its effect on Canada's trading position. While this development is unlikely to exert any direct influence on our exports during 1962, nevertheless Government and management must devote time and energy toward understanding and solving the problems it will create. Obviously an economically strong and prosperous Europe, with a more stable political climate, will eventually be a much better customer for us, though the shorter term problems can be difficult.


J. Allyn Taylor

The discount on the Canadian dollar may be stabilized after meetings wth the International Monetary Fund in the early part of the new year and a rate close to present levels may prevail. This should materially assist Canada's export industries and those who must compete with foreign goods in our domestic market. So far, the discount that has prevailed for the last several months has exerted little pressure on our own price levels.

Because of the seemingly robust recovery in the United States, the increased savings of Canadians and a high degree of liquidity in our banking system, we can view the outlook for 1962 much more optimistically. At the same time it must be recognized there are serious and fundamental problems on the horizon though their effect is not likely to be felt at least until the end of 1962. Most serious of these is the low rate of increase in Canada's Gross National Product. In recent years this has been increasing at the rate of only about 2% per annum in constant dollars whereas an annual growth rate of 4 to 5% is considered necessary to properly stimulate the economy. Our declining rate of population increase is also disturbing. Immigration which has previously been a potent factor in expanding population growth has dwindled and there is some suggestion that emigration is increasing.

Gross capital expenditures have largely been sustained by Government, either directly or indirectly, and as there is still much unused capacity in industry it is doubtful if any pronounced stimulus can be expected from this source. In particular, the high level of residential construction has been materially assisted by Federal Government lending policies and a downturn in housing starts could become apparent after the middle of the year, not for want of financing but because of lessened demand.

Our trade balance has materially improved during the past year and 1962 should see even further gains with oil and gas, iron ore and nickel leading the way. Exports to the U. K. and Europe may level off but exports to the United States are likely to increase.

All in all, in 1962 because of the momentum of the recovery our Gross National Product may be expected to rise by 3 to 4% in constant dollars. This will vary, of course, to the extent of changes in Government fiscal and monetary policies which, as usual, are impossible to predict. However, we may be entering an era when our international balance of payments will in itself impose sterner discipline.

D. G. WILLMOT

President, The Anthes-Imperial Company Limited

The recovery in 1961 from the level of the economy in 1960 has been much more gradual than the preceding 1958 recovery. A gradual adjustment of this kind does not impart much momentum to the economy and thus might be shorter in duration. It is forecasted that the trend of the last half of 1961 will be continued possibly to the late third quarter or early fourth quarter of this year at which time it may level off. Small gains will be experienced in net employment and capital spending. Gross national product should reach levels close to $39 billion being an increase of some 4% over 1961.


D. G. Willmot

The construction industry, with which Anthes-Imperial is closely connected, should equal or better its 1961 performance. Housing starts should be between 122,000 and 128,000 units but could be pushed to higher levels by government action designed to maintain employment. Higher mortgages will be available for winter starts and increased activity may be encouraged in housing for low income groups. To facilitate the upgrading of housing accommodation and the widening of the market, government action may have to be taken in the field of refinancing of existing mortgages.

Mortgage money should be plentiful in 1962 and rates could edge downward toward 6% (N. H. A.) to build up the demand for mortgages. The spread between dwelling completions (supply) and net family formation (demand) has widened, continuing the trend initiated in 1953. How long this can continue without placing a strain on the inventory of unsold houses is difficult to forecast. However, the solution to this problem may have to wait until the expected upsurge in family formations begins in 1965-66 when the crop of war and immediate postwar babies reaches marriageable age.

Strong efforts are being made to increase Canadian exports and improve the balance of international commodity payments. Some progress is being made in this respect but certain segments of manufacturing, catering to domestic markets, are operating well below capacity and hence are affecting employment levels. Canada's problems relating to a high price economy may cause extensive adjustments in the character of manufacturing over the next few years.

In summary, there will be no boom in 1962, rather an extension of 1961 performance with a possibility of some improvement in the construction industry, particularly housing, with government assistance.

HENRY S. WINGATE

Chairman of the Board,
The International Nickel Co., Inc.

The 1961 nickel-producing capacity of the free world, exclusive of Cuba, attained a new all-time high estimated at over 625,000,000 pounds annually. This record capacity exceeds 1961 consumption of nickel by about 125,000,000 pounds and has brought about increased competition for markets among the free world producers of nickel. In addition, supplies of Cuban nickel produced from facilities seized by the Castro regime in that country are being offered for sale in Europe.


Henry S. Wingate

The new high in nickel-producing capacity established in 1961 is fully 15% above the nickel industry's capacity in 1960 and is more than 100% over that of 10 years ago.

International Nickel's deliveries of nickel in 1961 will reach a new high, but total nickel consumption in the free world in 1961 will be approximately the same as in 1960, when according to revised figures nickel consumption totalled 503,000,000 pounds. In 1959, free world consumption of nickel totalled 435,000,000 pounds.

In the United States in 1961 consumption of nickel showed an improvement over the previous year. Following a slow start, consumption in that country gained momentum, reaching its best level in the latter part of the year. Nickel consumption in European markets during the year slackened off from the high rate of 1960, but nevertheless maintained a good proportion of the total free world consumption. At year-end the demand for nickel in these markets appears to have steadied.

Consumption of nickel from all sources by countries of the free world for the year 1961 is estimated as follows:

Country:		% of Total
United States		44%
United Kingdom	16%	
Common Market Countries	20%	36%
Japan		9%
Sweden		4%
Canada		2%
All Others		5%

Capacity of Free World Nickel Producers

The total capacity of all free world nickel producers in 1961, estimated at over 625,000,000 pounds per year, exclusive of Cuban sources, represents an increase of some 95,000,000 pounds over the previous year. Of the total amount, Canadian producers continued to account in 1961 for the major portion—more than three-quarters of the nickel-producing capacity of the free world.

The most significant factor contributing to this increase was the completion of International Nickel's new nickel project at Thompson, Manitoba, at which commercial production was begun before mid-1961. This fully integrated nickel-producing operation is in full production with an annual capacity which exceeds 75,000,000 pounds of nickel. It has already brought International Nickel's total capacity for nickel from its operations in the Sudbury District of Ontario and in Manitoba to more than 385,000,000 pounds per year.

Annual production capacity of other Canadian nickel producers includes that of Falconbridge Nickel Mines Limited, whose capacity has been increased during 1961 from 65,000,000 pounds to about 70,000,000 pounds of nickel, and Sherritt Gordon Mines Limited with an annual capacity of approximately 25,000,000 pounds.

It is estimated that the nickel-producing capacity of the French nickel company, Societe Le Nickel, with deposits on the island of New Caledonia, is over 50,000,000 pounds per year. The nickel production capacity in the United States, consisting mainly of the operations of The Hanna Mining Company in Riddle, Ore., continued at about 23,000,000 pounds annually. Japanese refiners, employing imported ores, are accounting for the greater part of the balance of the free world's nickel-producing capacity. It is estimated that these refiners could support an annual production of about 45,000,000 pounds of nickel.

Nickel Prices

The export price for Canadian nickel was increased 7¼ cents (U. S.) per pound at mid-year to assist in offseting higher and mounting costs. This increase, the first in more than four and one-half years, brought the base price of refined nickel in Europe to £660 per long ton in the United Kingdom, and the base price of electrolytic refined nickel in the United States to 81¼ cents (U. S.) per pound, including the 1¼ cents U. S. import duty. The corresponding base price for nickel in Canada at current exchange rates became 82½ cents per pound Canadian currency. Similar changes in prices were made at the same time for other forms of primary nickel.

Surplus Nickel Supplies of U. S. Government Further Reduced

With the co-operation of Canadian producers some 45,000,000 pounds of surplus nickel, in excess of the United States Government's strategic requirements, was disposed of to the trade during 1961. This nickel consisted of supplies in the Government's Defense Procurement Act inventory and additional quantities which were scheduled for shipment to the Government under procurement contract obligations. Surplus nickel disposed of during 1960 amounted to more than 50,000,000 pounds.

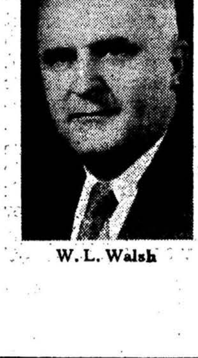
Outlook

The free world's nickel industry, as a result of major expansions in its production facilities, has made available to consumers over the past several years greatly increased supplies of nickel. This has served as an important impetus to the development of expanded markets.

Consumption of nickel in 1961 has kept pace with the all-time high reached in 1960. With more than adequate supplies available for all applications, we contemplate that the gradual upward trend in the use of nickel by the free world will continue. Augmented production capacity, coupled with enlarged research and marketing facilities, assure that the metal produced by the nickel industry will be available in ever-increasing quantities to satisfy the ever-greater demands of a growing scientific world.

W. L. WALSH

President, Quebec Iron and Titanium Corporation


W. L. Walsh

Titanium pigment production in Canada and Europe is continuing to expand. It is expected, therefore, that the demand for titanium slag will continue in 1962 at the same high level established in 1961. Steel production activity should also provide a favorable climate for sale of the company's Sorelmetal in export markets. The unfavorable side of the picture in the coming year is the prospect of increased manufacturing costs against a ceiling on selling prices set by increased competition and lower prices of titanium concentrates from various world sources.

EDWARD C. WOOD

President, Imperial Tobacco Co. of Canada, Limited


Edward C. Wood

In 1961 the Canadian Tobacco Industry recovered from the tax and economy depressed years of 1959 and 1960. Cigarette releases were up over 8% and, although this was in part due to new brand introductions—some of which have been on a large scale—it appears the "real" increase has been about 6%. Fine cut tobacco for hand-rolled cigarettes, the other big segment of the industry, was up about 2%—mainly a result of the continuing high level of unemployment. Cigars showed a modest increase in the total number excised, but on a dollar basis the increase was minimal. Less expensive cigars of the cigarillo type account for over one-third of the market. Domestic pipe tobaccos continued to lose ground to imported brands, and there was a continuation of the long-term trend toward lower sales of plug and snuff tobaccos.

Competition has been intensified during the year and will be so again in 1962 as the Canadian industry copes with a Government decision allowing more tobacco in cigarettes from April 1962 on. As tobacco is by far most expensive component of cigarette manufacture, a price increase for longer heavier smokes is inevitable if present quality is to be maintained. 1962 will be a period of adjustment as the new brands of recent years are absorbed, new sizes and prices appear, and the smoker decides what size of cigarettes he wants and how much he will pay for them.

There could well be an increase for cigarettes in 1962 of about 5%. This is far below the level of annual increases achieved by the industry in the years prior to the tax increase of 1959, but there is little or no likelihood of greater progress until there is a decrease in excise taxes on Canadian cigarettes.

HON. ROBERT WINTERS

President, The Rio Tinto Mining Company of Canada Limited


Hon. Robert Winters

Output from Canada's uranium mining industry has continued its predicted decline during 1961 as a result of the re-adjustment of delivery contracts to a stretch-out basis made in 1960. The original contracts, mainly with the U. S. Atomic Energy Commission, all expire in 1962 and 1963. Extension of deliveries under the new "master" contract now permit a segment of the industry to continue operating until the end of 1966, which is also the expiry date for most U. S. domestic uranium mining contracts with USAEC.

In the Algoma district of northwest Ontario, where the bulk of Canada's uranium reserves, and most of the uranium production capacity are situated, only 4 of the original 11 integrated mining and milling operations are still functioning at or near capacity. The original contracts called for deliveries in 1960 and 1961 of 15,756 tons of U_3O_8 and 15,558, respectively. Under the stretched-out contracts, deliveries in 1960 were 12,899 tons, and 1961 will amount to approximately 9,700 tons. The value of uranium production in 1961 will still be quite appreciable in relation to other minerals and metals, amounting to some $200 million.

The event during 1961 which undoubtedly had the greatest impact on the Canadian uranium mining industry was the revelation during hearings of the Parliamentary Committee on Research that a contract existed between Eldorado Mining and Refining Limited and the United Kingdom Atomic Energy Authority for the sale to the U. K. between 1963 and 1966 of 24,000,000 lbs. of U_3O_8. (This is roughly equivalent to 10 years' production from one typical 3,000 tons per day mill in the Algoma area). Eldorado, a Crown Corporation, has negotiated for the entire uranium industry with the U. S. Atomic Energy Commission and the U. K. Atomic Energy Authority, independently of the private companies who as a result were not aware of this particular contract.

As of mid-December, no decision had been reached regarding the allocation of this contract among the producers. Certain details on the execution of the contract are understood still to be outstanding between Eldorado and UKAEA, the quantity of material to be delivered being regarded as firm. Provided this contract is allocated equitably among the producers, it should be possible to ensure the continued existence of at least a segment of the industry beyond the end of 1966, when final deliveries are made under government contracts already in effect.

Some guarantee of continued sales after 1966 is judged to be essential as really sizable demand for uranium for nuclear power purposes is not expected to develop until the early 1970's. As far as the British are concerned, it is likely that they would prefer to defer deliveries of the 12,000 ton order as long as possible as they are already committed to taking more uranium than they need over the next few years.

1961 has been a year of good progress in the development of peaceful power from the atom. Competitive power from nuclear stations, which will constitute the principal market for uranium in the future, appears to be nearer now than it was a year ago. In Canada, a 20-electrical megawatt demonstration power reactor based on natural uranium with heavy water as coolant and moderator is nearly completed at Rolphton in Ontario. Building of a 200-electrical megawatt full-scale power reactor of similar characteristics is well under way near Kincardine, Ontario, and should be completed by the end of 1964.

Two developments in the United States in 1961 are judged to be of considerable signifcance as regards the early achievement of competitive nuclear power. The first is the reduction announced in June by USAEC of their base charges for enriched uranium and the second the statement by Pacific Gas & Electric Co., in California that a 325-electrical megawatt boiling water reactor it has ordered from U. S. General Electric is expected to yield power fully competitive with that obtainable from equivalent conventional stations when it starts operating in a few years' time.

It is developments such as these which encourage people in the uranium mining industry to believe that a solution to their current market problems is not too many years away.

D. K. YORATH

President, Canadian Western Natural Gas Company Limited, and Northwestern Utilities, Limited


D. K. Yorath

The year 1961 saw the completion of the project to transport natural gas through a pipeline commencing north west of Edmonton to San Francisco, Calif., a distance of over 1,400 miles. This was the last of the major natural gas export programs submitted to and approved by the Oil and Gas Conservation Board of Alberta and the National Energy Board of Canada prior to the end of 1960. The construction of this vast pipeline system through Alberta, the southeast portion of British Columbia and the northwestern United States is now in its final stages and preliminary testing has been commenced. Operations had been expected to begin before the end of December. The line was built without fanfare and probably without the majority of Albertans realizing that a substantial portion of this multi-million dollar transportation system was being built in their own backyard.

The pipeline of Alberta Gas Trunk Line, known as that company's foothill system, and connecting with a pipeline at the Alberta-B. C. border, cost some hundred million dollars. In addition, several natural gas processing plants are being constructed in Alberta at a further cost in the neighborhood of another hundred million dollars. Most of these plants should be completed before the end of 1961 or early in 1962. It has been estimated that during 1961 well over five hundred million dollars has been expended by the oil and gas industry in development, exploration, land acquisition and other related projects in the Province.

Indications are that 1961 has seen for the time being the completion in Alberta, at last, of the major construction activities in connection with the export of natural gas, though further development and exploration will undoubtedly continue. Some additional processing plants will in all probability be constructed over the next two years but it does not appear that there will be a resumption of any major construction, similar to that which has taken place over the last five years, until there is a further demand for additional gas from the export markets. However, this statement is not intended as any indication of pessimism as to the future, rather the contrary. The large export pipelines have now been built and are in operation. They are serving markets having tremendous growth potential. As that potential develops and the demands in other parts of Canada and the United States for Alberta and British Columbia gas increase, then additional construction may commence. But judging by past experience it is doubtful if any field work could get under way for at least two or three years hence, if for no other reason than the time which will be required to organize and engineer projects and to obtain the necessary government permits.

Commencing in 1962 the gas producing companies and the Province of Alberta will start to experience the financial benefit from the sale of natural gas to Alberta and Southern Gas Company Limited, the company exporting gas to California. In addition, with the substantial quantities of by-products which will become available from the gas processing plants, it is reasonable to expect there may be some expansion of the petrochemical industry.

With the improvement in the production of oil resulting from the Canadian Government's oil policy and the aggressiveness of the producers, coupled with culmination of the current gas export program, those in the petroleum industry are entitled to regard the future with some degree of optimism.

Alberta's two major gas utilities, Canadian Western Natural Gas and Northwestern Utilities did not experience in 1961 quite the same degree of growth that they had over the past ten years. Practically all communities within economic reach of their pipelines and of the system of Alberta Gas Trunk Line are now served. It is expected the future growth prospects of these companies will be mainly in line with the growth of the communities they now serve and of the Province generally.

It is anticipated that by the end of 1961 these two companies will be serving approximately 195,000 customers, an increase of more than nine thousand since the end of 1960. At the end of 1950 the companies served 85,973 customers. Other statistics evidencing the

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companies' growth are that their annual sales of natural gas for 1961 are estimated to be some 97.5 billion cubic feet, compared to 44.8 billion in 1950. In 1961 the maximum daily demand (or peak) is expected to be in the neighborhood of six hundred and eighty million cubic feet. In 1950 it was two hundred and thirty six million.

These companies now have some 4,500 miles of pipeline serving 158 communities having a total population of about 765,000. In 1950 they had 1,872 miles of pipeline, serving 39 communities with a population of 320,000. In 1961 the companies advised the Provincial Government that they would be prepared to serve rural customers from the Alberta Gas Trunk Line system where the pipeline passed within reasonable distance of the customer's premises, even though the customer may live some miles distant from the companies' service area. A number of farmers and others have signed applications for natural gas service by these two utilities from the Trunk Line system. The companies already serve over 2,000 farmers and other rural customers.

In 1961 Canadian Western, serving the Cities of Calgary and Lethbridge and a number of other communities in Southern Alberta, applied for a rate increase as a result of increased prices which it had to pay to producers from whom the company purchases a major portion of its gas supply. The company's requested rate increase, amounting to 2½ cents per thousand cubic feet for most of the company's customers, was approved by the Public Utilities Board and was not opposed by any of the communities served by the company. No similar application was made by Northwestern and none is contemplated. Both companies are looking forward to a period of rate stabilization, barring eventualities which cannot be foreseen at the present time.

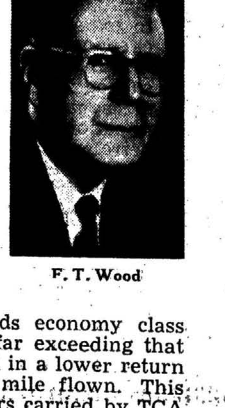
The national scene for the marketing of natural gas in Canada shows a steady growth over previous years, in some cases verging on the spectacular. The most recent national figures available are for the first six months of 1961. At June 30, 1961, the total sales by utility companies amounted to 207 billion cubic feet, an increase of 24 billion or 13.5% increase over the same period in 1960. At the end of the same period the number of customers served totalled 1,211,800 as compared to 1,140,000 at June 30, 1960. The Canadian residential consumer used on an average 69.7 Mcf. whereas a similar consumer in Alberta used 123 Mcf. Alberta still provides the largest retail market for gas in Canada, its consumption being 37.5% of the national total. Ontario was close behind with 35.2% of the national consumption.

Turning to the broad National Scene, there is every indication that the economy of the country will continue to improve during 1962, particularly in Alberta. In recent months much has been said and written about Great Britain entering the European Common Market, a step which seems essential to many in the economic and political interests of that country. It is difficult to assess the effect which this may have on Canada and a variety of opinions have been expressed. If Britain does join the Common Market, and it seems almost certain that she will, it would appear that in all probability certain Canadian industries will have to go through a period of re-adjustment if not a temporary set-back. The seriousness of the problems which will confront these industries cannot be regarded lightly. However such basic natural resources industry as oil and gas, minerals, forestry and so forth should not be too seriously affected, if at all. Public utilities should not experience any adverse effect, except through the diminution or loss of sales through a possible temporary curtailment of industrial output.

F. T. WOOD

Executive Assistant to the President, Trans-Canada Air Lines

It is difficult to be overly optimistic about the immediate future of the air transport industry in Canada, despite the fact that Trans-Canada Air Lines fared considerably better in 1961 in the area of traffic growth than did many of the mainline carriers in the United States.



F. T. Wood

TCA recorded an 8% increase in the number of passengers carried, 1961 over 1960, and a 20.5% increase in the number of passenger miles flown as the average length of journey increased significantly.

This gratifying rise in traffic was due almost entirely to the introduction of a new North American fare structure at the beginning of the year, which reduced fares on long-haul routes, maintained them at existing levels on medium-length routes and increased them on shorter routes, and to new economy excursion fares for off-season travel, introduced at the same time.

There was a decided trend towards economy class travel on domestic services in 1961, far exceeding that forecast by the airline, which resulted in a lower return to the company for each passenger mile flown. This trend, which saw 75% of all passengers carried by TCA in 1961 going economy class, coupled with a decrease in the number of passengers travelling on shorter routes as a result of the increase in short-distance fares, resulted in revenues substantially lower than had been estimated.

Due to the new fare structure, TCA's domestic passenger miles increased at almost the same rate as capacity. On the North Atlantic this was, unfortunately, not the case. Even here, TCA did not fare as badly as a number of other airlines, although the total capacity offered by all carriers between Canada and Europe far exceeded the number of passengers available. It was, to quote an official of one European carrier, "a case of too many seats chasing too few passengers."

It appears as though this will be the situation again next year, unless the airlines can agree on some new type of incentive fare to attract more passengers to North Atlantic routes, particularly during low-traffic seasons.

The company's domestic traffic should continue to show substantial growth in 1962. The trend towards economy travel is now well recognized and TCA will be able to take steps to better accommodate it next year, to the benefit of both passengers and the carrier.

The initial capital and training costs inherent in the introduction of new equipment such as TCA's DC-8s and Vanguards should be considerably reduced in 1962.

With the present improvement in the North American business climate and the rapidly rising European economy, North Atlantic traffic should improve during the coming year. TCA has already started an intensive program aimed at attracting European vacationers and businessmen to Canada for pleasure and business, which should also assist the overseas traffic picture.

There are still many problems remaining to be resolved, particularly in the area of over-capacity on many routes, but it is considered that 1962 will be a satisfactory year for TCA in terms of both traffic growth and earnings, assuming no change in present route licensing positions.

F. W. YOUNG

President and General Manager, Canada Foils, Ltd.

There is a definite overtone of confidence in Canada's economy which auguers well for 1962. A moderate but broad uptrend, which had its inception early in 1961 in all levels of Canadian industry, continues to flourish. This buoyancy should carry it well into 1962.

The economy of Canada is strong and healthy. It is firm financially and its future is bright. The devaluation of the Canadian dollar has spurred our primary industries and, has indeed, opened up new markets for our manufacturing concerns. In this respect it is of interest to note that Canada's dependence on the U. S. as a major outlet for Canadian products is undergoing significant changes. Export sales to Western Europe and Japan are expanding at an increased tempo and there is every indication this expansion will continue.

Canada finds herself, however, at the cross-roads in the international economic alignments and tariff revisions. The prospect of the United Kingdom joining the European Common Market and the possible effect upon Canadian-British trade casts clouds upon an otherwise serene picture. President Kennedy's recent proposal to drastically reduce tariffs has also caused dismay in certain Canadian industries.

In this ever-changing international economic picture, Canada must take its stand. The declaration of intent and policy will, no doubt, be the result of England's future alignments and the depth of influence the proposed U. S. tariff revisions will have on Canadian industry. The road to be followed will be a difficult one to decide. Do we isolate ourselves behind tariff walls or gear ourselves to more ably compete, whether abroad or at home, on an open market? The scene is too fluid at present to predict any possible decisve moves but the fact remains that changes are imminent.

Notwithstanding impending international alignments and arrangements, it is sincerely believed that Canada will continue to forge its own destiny. The dependence on the Commonwealth must now be reassessed in the wake of current events. The old order will pass as circumstances dictate and the cold cruel facts of international trading must be faced. Secondary industries will bear the brunt of the new order and severe internal adjustments must be made if many manufacturing concerns are to survive. There is every possibility the Government will be forced to review its present corporation taxation policies to afford some measure of relief.

It is my sincere belief that 1962 will be a most beneficial year for Canadians. I also see drastic changes in many of the present concepts of manufacturing procedures. Under the anticipated new marketing conditions, Canadian manufacturers must, of necessity, pay close attention to all aspects of production costs if they are to successfully combat intense competition both abroad and in the local market places. The enforced changes in marketing might result in major revisions to our present standards governing the manufacturing industry.

Although the future for the Canadian manufacturer is still subject to the outcome of eventual tariff agreements to be concluded by the members of the Western bloc, it is sincerely felt that Canada will dictate its own policies and govern its own future. There may be difficult times ahead for a short period, but taken on a long range point of view, it is anticipated that Canada will emerge into a stronger international position for the good and benefit of its citizens.

Cyclical-Type Stocks' Turn In the Changing Market

Continued from page 3

has been as unrepresentative of its own individual 30 stocks' price action.

Note from this Dow-Jones Industrial Average chart, reproduced in this paper, that after rising from the 160 level in 1949, it moved sideways around a top level of 525 during the 1955-57 period. It, then, fell about 20% during 1957 to the 420 level, from which it rose to the recent all-time high of around 735 last December. Obviously, each of the 30 individual Dow-Jones Industrial Average stocks made their own individual highs during 1955-57 at different times and have traveled different price courses from then until the present. With the Average price of these 30 stocks over 200 points higher currently than their Average high price of 525 during 1955-57, the amazing situation is that:

(1) 15 of the individual 30 stocks are **lower** than they were five or six years ago, one as much as 50% lower, and all 15 stocks **lower** by an Average of 21%! One stock sold practically all last year below its 1949 low price, and is now only moderately above it.

(2) In fact, only 8 of the 30 stocks have actually acted better than the Average itself, since their 1955-57 highs.

(3) And, only 6 of the 30 stocks have really acted "lots better" than the Average itself, and they are American Telephone & Telegraph, American Tobacco, Eastman Kodak, General Foods, Procter & Gamble, and Sears Roebuck. Are these the kind of stocks you would **expect** to take a market to an all-time peak?

(4) Obviously, quantitatively and qualitatively, the Dow-Jones Industrial Average price movement has been a "real fooler," and this diffusion analysis of the stock market should prove that **NO one should ever expect to discover much that is important about the stocks IN the market by looking at some Average!**

(5) Yet, one should always remember that an **individual** stock's price action is (1) very logical, and (2) basically determined by the fundamental factors of earnings and dividend trends. A detailed analysis of hundreds and hundreds of individual stocks' earnings and dividend trends over this period of the last six years clearly shows that the stocks that acted best price-wise, also had sharp upward trends in earnings and dividends, whereas the stocks that went down experienced declining trends of earnings and dividends.

Diffusion Pattern

This marked diffusion of stock prices, earnings, and dividend trends during recent years has brought about an extremely interesting additional set of current facts about the valuation position of stocks within the stock market.

(1) As I mentioned before, the Average stock is currently selling for around 23 times earnings, but this average P/E ratio of the 30 stocks is made up of individual price-earnings ratios that range up to nearly 40 times earnings and down below 10 times earnings.

(2) And, the current Average stock yield of around 3% is made up of a range of individual stock yields from 5.75% down to under 1.50%.

(3) Moreover, qualitatively speaking, the high price-earnings ratios and low current yields are all associated with the former high-flying "growth" stocks or more recently with the popular "defensive" stocks, whereas the low price-earnings ratios and high yields are completely associated with the long-depressed, basic industry, "cyclical" type stocks.

It is this long-standing sharp divergence in stock prices and values which explains, to me at least—(1) why the stock market is not nearly as "high" as it may appear today; and (2) which provides the basic key to stock market selection and investment policy at this time. To make this point, let me call your attention to the accompanying Table which shows the specific differences in the price, earnings, multiplier thereof, and dividend trends of the three basic types of stocks in the market—growth, defense, and cyclical—since 1949, and particularly since 1956.

Market and Value Movements Within the Stock Market

	1949 Lo to 1956 Hi	1956 Hi to 1961 Hi
Dow-Jones Industrials		
Price	+220%	+ 41%
Earnings	+ 42	— 3
Price to Earnings	+126	+ 51
Dividends	+ 80	— 4
Growth-Type Stock		
Price	+285%	+120%
Earnings	+ 88	+ 33
Price to Earnings	+105	+ 65
Dividends	+117	+ 79
Defensive-Type Stock		
Price	+174%	+192%
Earnings	+ 52	+ 61
Price to Earnings	+ 80	+151
Dividends	+ 59	+ 80
Cyclical-Type Stock		
Price	+450%	— 23%
Earnings	+131	— 25
Price to Earnings	+137	+ 3
Dividends	+161	— 2

* * *

The first obvious fact to be observed from this table is that during the 1949-56 market period, while all three basic types of stocks went up, the cyclical-type stocks were the heavily favored performers — basically because their earnings and dividends increased the most. Human nature being what it is, this naturally was also accompanied by the largest earnings-multiplier increase, until substantial over-valuation developed in the cyclical-type stocks during the 1955-57 period. Obviously, too, during the 1949-56 market period, the growth stocks, while a weak second to the cyclical stocks, did act better than the defensive stocks — again for basic differences in the rates of earnings and dividend increases.

Since 1956, however, it is clear that the defensive-type stocks have been the best performers, basically because their earnings and dividends increased most. Again, naturally, the largest earnings-multiplier increase took place in the defensive-type stocks since 1956, and there is a considerable amount of current evidence that, broadly speaking, the defensive-type stocks have reached a point of full-to-over valuation, which may require considerable time or price decline to correct. While the growth-type stocks went up and acted second best to the defensive-type stocks since 1956, because of basic earnings and dividend increases, the cyclical-type stocks literally have been going **down** since 1956 — and, again, because earnings and dividends on this type of stock declined.

Reasons for Stock Market Behavior

Why did all these shifting cross currents develop in the market? A complete answer obviously, would require another paper on that subject alone, but I am sure market analysts clearly recognize the economic outline of basic reasons behind his rotating and diverging stock market. Quickly and simply stated, the 1949-56 period represented the dynamic post-war recovery period in America, during which we were restocking and rebuilding both our own country and our western allies (Marshall Plan, etc.). American industry greatly benefited from this World War II generated demand for consumer-durables, industrial machinery, and raw materials. Then came the Korean War buildup. This was followed by the 1955-57 boom in auto and appliance sales and topped off with peak business plant and equipment expansion expenditures. While this surging business environment benefited all types of stocks, it was especially favorable to the cyclical-type stocks for obvious reasons.

Since the 1955-57 period, however, American industry has been experiencing "excess" capacity problems as a result of previous overselling and overbuilding, coupled with increasing foreign competition. This volume problem has been greatly aggravated by a high and rising-regardless wage structure, and complicated by an inability to pass wage increases on as before in higher prices because the American consumer felt he had enough "goods;" he wanted to pay back his borrowing for them, and increase his savings. During all this combination of conditions, money was periodically tight, and basic industry's profit margins kept on declining. While there are others, this should be enough in the way of reasons why cyclical-type stocks have acted so badly since around 1956; and why defensive-type stocks and growth-type stocks have continued to act well as total expenditures for daily needs such as food, clothing, tobacco, electricity, and various services continued on upward with our growing population; and as national expenditures were also increased sharply in the electronic-science-oriented areas both for industry cost-cutting purposes and national defense needs.

Thus, with the factual record of the specific differences in the price, earnings, multiplier thereof, and dividend trends of the three basic types of stocks in the market since 1949, and particularly since 1956, with some reasons therefor, it is obvious that (1) all stocks are not nearly as high in price to value as the usual market Averages suggest, and (2) that it may well be a time to take a good look at those long-depressed cyclical-type stocks again.

* * *

The prolonged and sharply rising earnings trend of the great majority of glamorous growth stocks has leveled off or declined during the past year and a half; and that the majority of these stocks which were selling from 40 to 100 times earnings (and with no dividends in many cases) experienced recognized over-valuation in the market place, and price declines of 30% to 60% have been very widespread during the last year and a half. Naturally, their relative price action to the Average stock also turned sharply downward. While I won't go into any detailed documentation of my views on this type of stock, it is my general feeling that most of the better known stocks of this type have experienced sufficient declines to place them back in a rather broad accumulation area again, but it certainly behooves one, I should think, to be extremely selective in this operation and to be willing to exercise reasonable patience, as the irregular recovery may be more prolonged than many would like.

One always hesitates to use a label like "defensive" stock when discussing a defensive-type stock . . . but I am generally referring in this case to stocks of the "daily needs" type, such as represented by the consumer-goods and services industries i.e. foods, retail trade, tobaccos, utilities, finance, etc. type companies. When we look at the market action of this type of stock since 1949, I'm sure that most of us think that it, too, should be labeled a "growth" stock because its earnings, dividends, and price action look as good or even better than those recorded by the growth stock example I just discussed. In fact, the market action of the "defensive" type stocks, particularly since 1956, has been as unique as it has been phenomenal. The "defensive" type stocks really took off on an earnings, dividend, and price movement spree in 1956, doing better thereafter than the majority of growth stocks. This is especially true during the last year and a half or so, because as I previously mentioned, the growth stocks have been experiencing very sharp corrections, whereas the "defensive" stocks are still up around their all-time highs.

How Much Higher for Defensive Stocks?

It is obvious that a well-balanced common stock portfolio should have been very heavily weighted with these "defensive" stocks for the last five or six years because they provided the highest combination of quality, income, and performance available during this treacherous and diffused market period. Now, again, without all of the detailed documentation, it is quite apparent that this type of stock, selling at 35 to 40 times earnings and yielding 1% to 2%, has reached a point of very full valuation. While, there are exceptions, generally speaking, one should be very careful about following this trend much further. In fact, the total evidence suggests that this is an area in the stock market which represents the more extremes of current over-valuation and that some lightening of established positions in this area should be seriously considered if it has not already been done. In short, there just does not seem to be much room for continued increases in price-earnings ratios for the majority of defensive-type stocks when only moderate earnings increases are now generally indicated.

Conversely, sharply improving earnings should continue to develop in the basic industry areas of our currently expanding economy, and it is here in the cyclical-type stocks that values can more easily be found. As the last record shows, earnings and dividends are already showing some recovery, and so are prices, from their prolonged, depressed levels. Moreover, if busines is to recover along the expansionary lines I believe it will, and which seems to be the consensus of most economists, then the recovery in corporate activity and earnings, especially in the cyclical areas of industry, is only well getting underway. The logic, therefore, of looking over the great number of stocks of the long-depressed, cyclical type for selective values seems reasonably obvious.

Four Economic Problem Areas

It would be even more obvious if it were not for four problem areas: (1) 1962 will be a major Congressional election year and good, bad and just plain silly actions may be taken or threatened (2) we might experience an excessive, unbalancing inventory build-up in the first half of this year, as in 1959, in anticipation of a prolonged steel strike, and connected with this is problem (3) the unrelenting drive of labor for higher wages, fringe benefits, and shorter workweeks, all with their renewed inflationary implications, and all of which ties in with (4) our **major** problem in connection with our overall international balance of payments.

We have not shown very clear evidence yet that our country is realistically coming to grips with these viciously real problems. President Kennedy has a great opportunity as well as responsibility to write his own chapter in "Profiles in Courage" as these and related problems continue to cry for realistic solutions. I am very hopeful, even expectant, that progressive signs will develop over the coming months to indicate that sound steps are being taken by government, labor, and business to solve these problems constructively. Such action must be forthcoming!

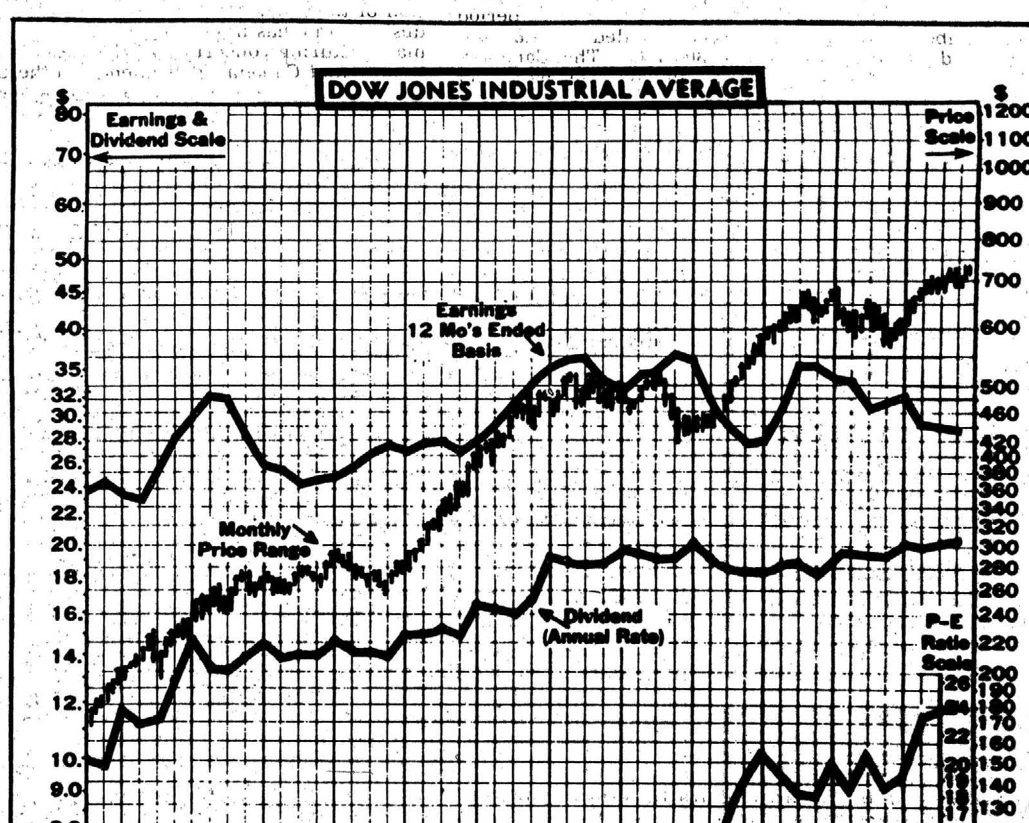
Summary

In the meantime, I believe it is fair to summarize the basically indicated probabilities for the stock market as follows: (1) the cyclical upturn in business is still in its most vigorous stage, (2) bank credit position and policy is still very favorable to business expansion, (3) a sharply rising trend of earnings and dividends, especially in the basic or cyclical-type industry areas should continue, accompanied by (4) a continuing strong demand for stocks, because (5) investors generally are still thoroughly innoculated with the expectations of long-term inflation, and with the belief that well-selected common stocks still provide the best hedged method of achieving long-term growth of capital and income.

Finally, for the intermediate future ahead, I leave this thought about the long-popular growth and defensive stocks versus the long-depressed cyclical - type stocks—"the first shall be last and the last shall be first," may well be true in the stock market as it is in the Scripture.

*From a talk by Mr. Schreder before the American Finance Association, New York City, Dec. 27, 1961.

THE STOCK MARKET



MUTUAL FUNDS

BY JOSEPH C. POTTER

Big and Good

In 1961, American investors bought about $3 billion worth of mutual fund shares, an all-time record and a whopping year-to-year increase of nearly 50%. The size and growth of the business, which now has better than $23 billion of assets, stagger the imagination.

For sheer size, the American economy has never seen anything quite like it. In what other field could a single day's action result in the loss (or gain) of a billion dollars? It could happen here — a drastic selloff on a war scare or a sensational rise on some action by Washington could bring a 4% to 5% adjustment in stocks over a single session.

When you're that big you're obviously vulnerable. But the funds, which must pay close attention to day-today development and long-term trends, probably are more concerned nowadays about their public representatives than about the publicly-owned stocks that fill their vaults.

With Federal investigators beginning to take a close look at financial community practices, there is growing talk about self-policing and tougher tests for would-be registered representatives. Thus, Walter Benedick, the President and founder of Investors Planning Corp. of America, says that the tougher examinations to be instituted this year by the National Association of Securities Dealers serve merely to reinforce the trade's voluntary efforts to maintain a high quality of sales representation. And he adds:

"As far as I.P.C. is concerned, the new N.A.S.D. test will not necessitate any major changes in our training program, for the fundamental reason that from the very beginning our program has consistently exceeded the minimum requirements. As it turns out, the association's more intensive study outline for the qualifying examination is almost a point-by-point parallel of the basic sales-training syllabus we have been using for years."

Mr. Benedick, of course, is quick to note that his company is not unique in the field. After all, Mr. Benedick and other fundmen know only too well that unfavorable publicity for a competitor is bound to prove painful and costly to the entire trade.

However, Mr. Benedick can only hope that the other funds will keep their standards high. He has the power only to keep his own house in order. Operating on that level, he likes to think his program is unusual in at least one respect.

"In addition to training our people on the fundamentals of the fund field," he boasts, "each is required to attend lectures on basic economics given for us by a member of the Rutgers University faculty. We feel such supplemental training enables the registered representative to better serve the investor's interests and we would like to see its equivalent adopted throughout the fund industry."

It's a large-size educational order, considering that there are over 50,000 people retailing fund shares and plans. Nor are all of these operating in areas where top-drawer academic training is readily available. Of course correspondence courses are not exactly an innovation.

Mr. Benedick likes to have his representatives regularly attend group meetings, at which executives of the company and outside experts outline the latest developments in financial areas in which the funds frequently play a vital role. There is much talk at these sessions on such topics as estate planning, taxes, trusts, pensions and profit-sharing plans.

Fundmen have thrived on public confidence in the business and its leaders. The essential soundness of their structure, as Mr. Benedick points out, "has never been questioned by the regulatory authorities."

The record, it must be conceded, is good. Maintaining the record, in the face of its fantastic growth with the rising need of a veritable army of personnel, is a strong challenge for the fund industry. It is no exaggeration to say that on their success or failure rides the fortunes of millions of investment-minded Americans.

The Funds Report

Total net assets of **American Enterprise Fund, Inc.** during 1961 increased to a record high of $627,049, up from $469,873 at Dec. 31, 1960. At the end of 1961 net asset value per share was $14.89, up from $12.60 a year earlier.

On June 30, 1961, net asset value was $15.11 a share. The company said the decline in share value during the last six months of last year "resulted principally from general weakness in electronics . . ."

* * *

Record gross sales of **Delaware Fund** and **Delaware Income Fund** shares during 1961 were reported. Gross sales of the income fund amounted to $4,678,318, a 13% increase on a year-to-year basis while the former had sales of $23,319,383, up 11%.

* * *

Fairfield Securities announced its net asset value per share on Dec. 31 was $188.12, compared with $129.34 at the end of 1960. Total gross assets of the fund amounted to $4,849,797 on Dec. 31, 1961, compared with $1,413,362 on Dec. 31, 1960.

Largest holdings at latest report were James Talcott, Coastal States Gas Producing, San Diego Imperial, Air Products & Chemical and Alberto Culver.

* * *

Gains and record highs in net assets, shares outstanding, shareholders, and sales for the fiscal year ended Nov. 30, 1961, were reported by **Fidelity Capital Fund.** Total net assets, last year slightly over $25,000,000 climbed to over $160,000,000, while shares outstanding rose to 7,520,000 from 1,697,000.

Shareholders increased from 8,500 on Nov. 30, 1960, to 44,000 on Nov. 30, 1961. Sales of shares to the public jumped from 12,339,435 in 1960 to over $118,000,000 in 1961.

Also during the year per share net asset value rose from $14.73 per share to $21.28.

New securities added during the final quarter of the year were: American Express; Avon Products; Borden Co.; Commerzbank, A.G. (ADR); Consolidated Cigar Corp.; Crocker Anglo National Bank; Ford Motor Co.; Grolier; Interstate Department Stores; Interstate Vending Co.; Howard Johnson; Korvette (E. J.), Inc.; Loew's Theatres; Philadelphia & Reading Corp.; Photo-Produits Gevaert; Republic National Bank of Dallas; Roadway Express; O. M. Scott & Sons; United Financial of California; and Wachovia Bank & Trust Company.

Securities eliminated were: Beech Aircraft; Brunswick Corp.; Chrysler; Delta Airlines; Fairchild Camera & Instrument Co.; Flying Tiger Line; General Instrument Corp.; Genuine Parts Co.; Kawneer Co.; Lionel Corp.; Metro - Goldwyn - Mayer; Paramount Pictures; Salada-Shirriff-Horsey; Seeburg; Standard Kollsman Industries; Underwood; United Airlines; Walter (Jim) Corp.; and Winn-Dixie Stores.

* * *

General Public Service Corp. reports net assets at market value on Dec. 31 of $82,527,058, equal to $6.80 a share. At the close of 1960 net assets were $51,255,601 and asset value per share was $6.49. In comparing per-share asset value, the company stated, adjustments should be made for the rights offering in September of 3,947,795 shares at less than asset value and the capital-gain distribution by this closed-end company of 24 cents a share paid Jan. 15, 1962.

During the fourth quarter initial investments were made in Atlantic City Electric, Consumers Gas, Farbenfabriken Bayer, Chas. Pfizer, Stardard Packaging, Wyandotte Chemicals and FMC Corp. convertible debentures. Sales included about $1,800,000 of long-term bonds and debentures.

* * *

Institutional Investors Mutual Fund reached new peaks on Dec. 31 when the fund achieved a net asset value of $278.80 a share. This compares with $231.66 a year earlier. Net assets at latest report were $72,931,941, a new top and up from the $56,667,062 on Dec. 31, 1960.

* * *

Total net assets of the five mutual funds distributed by **Investors Diversified Services, Inc.** increased by more than $725 million during 1961 to exceed the $3.3 billion mark at the close of the year, Harold K. Bradford, Board Chairman and President of all of the funds, announced. As of Dec. 31, 1961, combined total net assets of the funds were $3,344,567,914 compared with $2,619,332,336 on Dec. 31, 1960.

* * *

Record 1961 sales of $117,671,000 —up 14% from the previous-year high of $103,262,000—were reported by **The B. C. Morton Organization, Inc.** According to President Bernard Carver, last year's total combined volume in mutual fund shares and plans, F. H. A.-insured mortgages, bank time deposits, savings and loan placements and realty syndication. He said the new annual high was enabled by record fourth-quarter sales of $30,002,000—44.6% higher than the $20,748,000 total of the like 1960 period.

Carver said the largest categorical gain in the Morton Organization's 1961 sales picture was in mutual fund shares and plans. The company's fund volume came to a record $39,548,000, bettering by 99.8% the $19,792,000 total of 1960.

* * *

Net assets of **Southwestern Investors, Inc.** were at a record high of $6,193,462 on Dec. 31, 1961, up from the $5,625,891 reported on Sept. 30. A special report for the first quarter of the fiscal year said per-share asset value on Dec. 31 was $8.48, against $8.41 on Sept. 30, close of the last fiscal year.

* * *

Net asset value of **The United Corp.** amounted to $126,375,296, or $8.98 a share, on Dec. 31, compared with $106,094,010, or $7.54 a share, a year earlier.

* * *

United States & Foreign Securities Corp. reports total net assets on Dec. 31, 1961, amounting to $119,764,480, equal to $36.17 a share, before provision for Federal income taxes in controversy. This compares with total net assets on Dec. 31, 1960, of $104.539,183, or $31.58 a share, before the tax provision.

After making provision for the taxes in controversy total net assets on Dec. 31, 1961, were equal to $33.44 a share and on Dec. 31, 1960, to $28.96 a share.

Chicago Analysts to Hear

CHICAGO, Ill.—Harold S. Geneen, President of International Telephone and Telegraph Corporation, will be guest speaker at the luncheon meeting of the Investment Analysts Society of Chicago to be held Jan. 25 at the Midland Hotel.

Ahearn Named By Wellington

PHILADELPHIA, Pa. — Daniel S. Ahearn has been appointed Financial Economist for Wellington Management Co., 1630 Locust St., it has been announced by A. Moyer Kulp, Senior Vice President.

Daniel S. Ahearn

Mr. Ahearn was previously an officer of the First National City Bank (New York). He served in the bank's economics department for more than ten years, specializing in money market activities and the appraisal of Federal Reserve policy. His experience also includes the writing of numerous articles on money and credit and business forecasting, for the bank and for independent publications.

Mr. Ahearn is a Phi Beta Kappa graduate of Columbia College, and received his Ph. D. degree from Columbia University. His dissertation, entitled "Aspects of Federal Reserve Policy, 1951-1959," will be published by the Columbia University Press this year.

School Bond Sales At New High

Sales of new issues of school bonds to finance public elementary and secondary schools set a new record in 1961, aggregating over $2.4 billion on the basis of preliminary tabulations by the Investment Bankers Association of America. This is the largest amount of school bonds that have ever been sold in a single year.

The sale of school bonds usually precedes commencement of construction, so that the proceeds from these bond sales in 1961, supplemented by current revenues, assure a continuing high level of classroom construction in 1962. This follows a year of record classroom construction for the school year 1960-1961 when over 72,200 new classrooms were constructed, according to official reports by the Department of Health, Education and Welfare.

Rittmaster, Voisin To Admit Partner

Rittmaster, Voisin & Co., 250 Madison Avenue, New York City, members of the New York Stock Exchange, effective Feb. 1 will admit Jerome L. Fichman to partnership.

Zuckerman, Smith To Admit to Firm

Zuckerman, Smith & Co., 30 Broad Street, New York City, members of the New York Stock Exchange, on Feb. 1 will admit Edward R. Whitehead, Jr., a member of the Exchange, to partnership.

Jerome Weinstein Opens

BROOKLYN, N. Y. — Jerome Weinstein is conducting a securities business from offices at 755 Rogers Avenue.

Form J. M. Boggess Co.

LIVINGSTON, N.J.—J. M. Boggess & Co., Inc. has been formed with offices at 38 Ridge Drive. James M. Boggess is a principal of the firm.

Continued from page 40

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 (2/19-23)**
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.

Continued on page 50

NEW ISSUE CALENDAR

January 29 (Monday)

Acro Electronic Products Co.____Common
(Roth & Co., Inc.) $400,000
Aero-Dynamics Corp.____Common
(Cambridge Securities, Inc. and Edward Lewis Co., Inc.) $500,000
Amerel Mining Co. Ltd.____Common
(E. A. Manning, Ltd.) $200,000
Basic Inc.____Preference
(First Boston Corp.) 70,000 shares
Bowey's, Inc____Common
(Cruttenden, Podesta & Co.) 80,000 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
Cavalier Radio & Electronics Corp.____Common
(General Securities Co. Inc.) $241,500
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
DeLuxe Homes, Inc.____Common
(Alessandrini & Co., Inc.) $300,000
Fastline Inc.____Units
(G. Everett Parks & Co., Inc.) $460,000
Fleetwood Securities Corp. of America____Common
(General Securities Co., Inc.) $500,000
Folz Vending Co., Inc.____Common
(No underwriting) $330,000
Harleysville Life Insurance Co.____Common
(No underwriting) $600,000
Hoosier Soil Service, Inc.____Common
(Patterson Securities & Investment Co., Inc.) $283,088
Hygiene Industries Inc.____Common
(Milton D. Blauner & Co.) $1,000,000
Kollmorgen Corp.____Common
(Putnam & Co.) 100,000 shares
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
Marshall Electronics Co.____Common
(Richard Bruce & Co., Inc.) $300,000
Maust Coal & Coke Corp.____Common
(Eastman Dillon, Union Securities & Co.) 250,000 shares
Maxam, Inc.____Common
(McDonnell & Co., Inc.) 200,000 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
Narrows Premium Corp.____Common
(Pearson, Murphy & Co., Inc.) $400,000
Oceanic Instruments, Inc.____Common
(Globus, Inc.) $140,000
Papekote, Inc.____Common
(Edward Lewis Co., Inc.) $300,000
Popular Library, Inc.____Capital
(Sutro Brothers & Co.) 127,500 shares
Pride Industries, Inc.____Common
(Stevens Investment Corp.) $375,000
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
Union Title Co.____Capital
(No underwriting) $1,125,000
Worldwide Fund Ltd.____Common
(Burnham & Co.) $10,000,000

January 30 (Tuesday)

Airtechnology Corp.____Common
(Schirmer, Atherton & Co.) $300,000
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
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
Eon Corp.____Common
(L. H. Rothchild & Co.) 133,333 shares
Futura Airlines____Common
(Raymond Moore & Co., Inc. and Pacific Coast Securities Co.) $300,000
Jorn's Greeting Card Co., Inc.____Common
(Godfrey, Hamilton, Taylor & Co., Inc.) 110,000 shares
Realty Equities Corp. of New York____Units
(Offering to stockholders—underwritten by Sutro Bros. & Co.) $1,675,800
Servonuclear Corp.____Common
(Rothenberg, Heller & Co., Inc.) $200,000
United Aero Products Corp.____Debentures
(Hess, Grant & Remington, Inc. and Arthurs, Lestrange & Co.) $600,000
Virginia Dare Stores Corp.____Common
(Lehman Brothers) 154,000 shares

January 31 (Wednesday)

Boston Pneumatics, Inc.____Class A
(T. M. Kirsch Co., Inc.) $187,000
Dougherty Brothers Co.____Common
(Suplee, Yeatman, Mosley & Co., Inc.) 120,000 shares
McCall Corp.____Debentures
(Offering to stockholders—underwritten by Goldman, Sachs & Co.) $9,983,000
Paramount Foam Industries____Common
(Fialkov & Co., Inc.) 137,500 shares
Personal Property Leasing Co.____Debentures
(Dempsey-Tegeler & Co., Inc.) $2,000,000

February 1 (Thursday)

Albert Voigt Industries, Inc.____Common
(David Barnes & Co., Inc.) $320,000
Steel Plant Equipment Corp.____Common
(Joseph W. Hurley & Co.) $300,000

February 5 (Monday)

ABC Cellophane Corp.____Common
(Havener Securities Corp. and D. A. Bruce & Co., Inc.) $300,000
Aceto Chemical Co., Inc.____Common
(Karen Securities Corp.) $440,000
Acrylic Optics Corp.____Debentures
(A. D. Gilhard & Co., Inc.) $240,000
Acrylic Optics Corp.____Common
(A. D. Gilhard & Co., Inc.) $50,000
Airtronics International Corp. of Florida____Common
(Stein Bros. & Boyce and Vickers, McPherson & Warwick, Inc.) 199,000 shares
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
American Realty & Petroleum Corp.____Debentures
(Troster, Singer & Co.) $2,000,000
Artlin Mills, Inc.____Common
(Mortimer B. Burnside & Co., Inc.) $675,000
Atlas Electronics Inc.____Common
(Hay, Fales & Co. and McLaughlin, Kaufman & Co.) $388,500
Ausco, Inc.____Common
(Pearson, Murphy & Co., Inc.) $330,000
Barry (R. G.) Corp.____Common
(Arnold Malkan & Co.) $500,000
Blackman-Uhler Chemical Co.____Common
(Dargan & Co.) $49,700
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
Dale Systems, Inc.____Common
(Theodore Arrin & Co., Inc.) $325,000
Developers Small Business Investment Corp.__Com.
(Lieberbaum & Co. and Morris Cohon & Co.) $3,000,000
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
House of Westmore, Inc.____Common
(Brand, Grumet & Seigel, Inc. and Kesselman & Co., Inc.) $600,000
Inpak Systems, Inc.____Common
(Stearns & Co. and Joseph Nadler & Co.) $382,500
Interstate Hosts, Inc.____Debentures
(Offering to stockholders—underwritten by Glore, Forgan & Co. and H. M. Byllesby & Co., Inc.) $2,550,000
Knickerbocker Toy Co., Inc.____Common
(Netherlands Securities Co., Inc. and Herbert Young & Co., Inc.) 100,000 shares
Krylon, Inc.____Common
(Eastman Dillon, Union Securities & Co.) 250,000 shares
L. L. Drug Co., Inc.____Common
(Stevens Investment Co.) $450,000
Leslie (Joyce), Inc.____Common
(Seymour, Bernard & DuBoff, Inc.) $550,000
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
Milo Components, Inc.____Class A
(T. M. Kirsch Co., Inc. and I. R. E. Investors Corp.) $150,000
Mobile Rentals Corp.____Common
(Kleiner, Bell & Co.) 215,000 shares
National Bowling Lanes, Inc.____Capital
(Edward Lewis & Co., Inc.) $825,000
Nigeria Chemical Corp.____Common
(Scott, Harvey & Co., Inc.) $450,000
Olympia Mines, Inc.____Capital
(Gaumont Corp., Ltd.) $405,000
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
Standard Industries, Inc.____Common
(Allen & Co.) 210,000 shares
Tech-Torch Co., Inc.____Common
(Scott, Harvey & Co., Inc.) $325,000
Texas Tennessee Industries, Inc.____Common
(S. D. Fuller & Co.) 175,000 shares
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
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
Val-U-Homes Corp. of Delaware____Common
(Mayo & Co., Inc.) $500,000
Venus Drug Distributors, Inc.____Common
(Garat & Polonitza, Inc.) $840,000
Vic Tanny Enterprises, Inc.____Common
(Globus, Inc. and Ross, Lyon & Co., Inc.) $1,250,000
Voldale, Inc.____Common
(Peters, Writer & Christensen, Inc.) $229,500
Voron Electronics Corp.____Class A
(John Joshua & Co., Inc.) $300,000
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

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
King Louie Bowling Corp.____Common
(George K. Baum & Co.) $975,000
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

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★ Chez Milhet, Inc.
Jan. 15, 1962 ("Reg. A") $100,000 of 7% convertible subordinated debentures due 1967 and 50,000 common shares to be offered in units of $100 debentures and 50 shares. **Price**—$200 per unit. **Business**—Home food catering. **Proceeds** — For debt repayment and general corporate purposes. **Office**—500 N. W. 22nd Ave., Miami, Fla. **Underwriter**—Street & Co., N. Y.

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.
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. **Offering**—Imminent.

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 cor-

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February 13 (Tuesday)

ABC Air Freight Co., Inc.—Common
(Flomenhaft, Seidler & Co.) 105,000 shares

American Building Maintenance Industries—Cap.
(Carl M. Loeb, Rhoades & Co. and Sutro & Co.) 141,000 shares

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

Atlantic Coast Line RR.—Equip. Trust Cifs.
(Bids 12 noon EST) $4,155,000

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

Bolar Pharmaceutical Co., Inc.—Common
(Natale, Miller & Co., Inc.) $100,000

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

Electrosolids Corp.—Preference
(J. R. Williston & Beane) 100,000 shares

Family Record Plan, Inc.—Common
(Bache & Co.) 200,000 shares

Filon Plastics Corp.—Common
(White, Weld & Co.) 200,000 shares

Honig's-Parkway, Inc.—Common
(Richard Bruce & Co., Inc.) $300,000

Melnor Industries, Inc.—Common
(Francis I. duPont & Co.) 152,500 shares

Metatronics Manufacturing Corp.—Common
(Frank Karasik & Co.) $200,000

Miss Elliette, Inc.—Common
(F. L. Rossman & Co.) 100,000 shares

Morse Electro Products Corp.—Debentures
(Standard Securities Corp.) $1,250,000

Motor Parts Industries, Inc.—Class A
(Street & Co., Inc.) 120,000 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

Plasticrete Corp.—Common
(Blair & Co., Inc.) 160,000 shares

Plymouth Discount Corp.—Common
(M. Posey Associates, Ltd.) $300,000

Power Industrial Products Co.—Class A
(S. D. Fuller & Co.) 160,000 shares

Puerto Rico Capital Corp.—Common
(Hill, Darlington & Grimm) $7,500,000

Pyramid Publications, Inc.—Common
(Milton D. Blauner & Co., Inc.) 115,000 shares

Southeastern Towing & Transportation Co., Inc.—Common
(Irwin Karp & Co., Inc.) $300,000

Spiral Metal Co., Inc.—Common
(Flomenhaft, Seidler & Co.) $250,000

Spandex Corp.—Common
(McLaughlin, Kaufman & Co.) $270,000

Sportsmen, Inc.—Units
(William, David & Motti, Inc.) $300,000

Stokely-Van Camp, Inc.—Common
(Reynolds & Co., Inc.) 100,000 shares

Stokely-Van Camp, Inc.—Debentures
(Reynolds & Co., Inc.) $15,000,000

Struthers Scientific & International Corp.—Com.
(Hirsch & Co., Inc.) 150,000 shares

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

World Scope Publishers, Inc.—Common
(Standard Securities Corp.) 300,000 shares

Youthcraft Creations, Inc.—Class A
(Paine, Webber, Jackson, & Curtis) 130,000 shares

February 14 (Wednesday)

American Telephone & Telegraph Co.—Deb. Bonds
(Bids 11:30 a.m. EST) $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)

American Finance Co., Inc.—Units
(Myron A. Lomasney & Co.) $1,250,000

Kann-Ellert Electronics, Inc.—Common
(Rubin, Rennert & Co., Inc.) $702,000

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)

Allied Capital Corp.—Common
(Allen & Co.) 213,427 shares

American Book-Stratford Press, Inc.—Common
(Bear, Stearns & Co.) 430,000 shares

Bay State Electronics Corp.—Common
(S. D. Fuller & Co.) 160,000 shares

Century Brick Corp. of America—Common
(Sandkuhl & Co., Inc.) $300,000

Certified Industries, Inc.—Units
(Singer, Beane & Mackie, Inc.) $750,000

District Photo, Inc.—Common
(Auchincloss, Parker & Redpath) 100,000 shares

Federal Mortgage Investors—Ben. Int.
(Hemphill, Noyes & Co. and Paine, Webber, Jackson & Curtis) 1,700,000 shares

Fifth Avenue Cards, Inc.—Capital
(Hardy & Co. and Filor, Bullard & Smyth) 115,000 shares

First Midwest Capital Corp.—Common
(Paine, Webber, Jackson & Curtis and Craig-Hallum, Kinnard, Inc.) 150,000 shares

Florida Palm-Aire Corp.—Common
(Offering to stockholders—underwritten by Hardy & Co.) $620,000

Florida Palm-Aire Corp.—Common
(Hardy & Co.) $306,000

Franklin Realty Trust of Philadelphia—Ben. Int.
(A. G. Becker & Co., Inc.) $10,000,000

Graniteville Co.—Common
(Shearson, Hammill & Co.) 796,716 shares

Hayden Publishing Co., Inc.—Common
(Carl M. Loeb, Rhoades & Co.) 150,000 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

Johnson Electronics, Inc.—Capital
(Warner, Jennings, Mandel & Longstreth) 125,000 shares

Pneumo Dynamics Corp.—Common
(Hemphill, Noyes & Co. and Estabrook & Co.) 150,000 shares

Seg Electronics Co., Inc.—Common
(Searight, Ahalt & O'Connor, Inc.) 100,000 shares

Southern Growth Industries, Inc.—Common
(Capital Securities Corp.) $600,000

Tyson Metal Products, Inc.—Common
(Arthurs, Lestrange & Co.) 70,000 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 Eastman Dillon, Union Securities & Co.) 200,000 shares

February 26 (Monday)

Agency Tile Industries, Inc.—Common
(International Services Corp.) $300,000

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

Fidelity America Financial Corp.—Common
(Netherlands Securities Co., Inc.) $500,000

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

Hannett Industries, Inc.—Common
(Albion Securities Co., Inc.) $300,000

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

Hydra-Loc, Inc.—Common
(McLaughlin, Kaufman & Co.) $120,000

Interworld Film Distributors, Inc.—Common
(General Securities Co., Inc. and S. Kasdan & Co., Inc.) $425,000

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

National Real Estate Investment Trust—Common
(Lee Higginson Corp.) $15,000,000

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

RF Interonics, Inc.—Common
(Arnold Malkan & Co.) $200,000

Rockower Brothers, Inc.—Common
(Drexel & Co.) 150,000 shares

Seashore Food Products, Inc.—Common
(Terrio & Co., Inc.) $300,000

Sperti Products, Inc.—Common
(Blair & Co., Inc.) 230,000 shares

Sun City Dairy Products, Inc.—Common
(Finkle & Co.) $600,000

Tidewater Lumber Co.—Common
(Rubin, Rennert & Co., Inc.) $1,000,000

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

February 27 (Tuesday)

Consolidated Natural Gas Co.—Debentures
(Bids 11:30 a.m. EST) $25,000,000

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)

Arnav Industries, Inc.—Units
(Gianis & Co., Inc.) 600 units

International Airport Hotel Systems, Inc.—Units
(Bache & Co. and Robinson-Humphrey Co., Inc.) 17,000 units

March 13 (Tuesday)

Pacific Gas & Electric Co.—Bonds
(Bids 11:30 a.m. EST) $65,000,000

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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porate purposes. **Office**—307 N. Eutaw St., Baltimore. **Underwriter**—Stein Bros. & Boyce, Baltimore.

Ciute (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.).

★ **Coleman Cable & Wire Co.**
Jan. 18, 1962 filed 120,000 class A common. **Price**—By amendment. **Business** — Distribution of special types of electric wire and cable, and the manufacture of insulated wire and cable for electronic and electrical use. **Proceeds**—For equipment, possible acquisitions and working capital. **Office**—1900 N. River Rd., River Grove, Ill. **Underwriter**—Divine & Fishman, Inc., N. Y.

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.

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.**
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. **Offering**—Imminent.

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.

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 electronic 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. (1/30)**
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 Corp.**
May 26, 1961 filed 231,444 common, of which 165,000 are to be offered for public sale by the company and 66,444 outstanding 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**—Van Alstyne, Noel & Co., N. Y. **Note**—This firm was known formerly as the Cosnat Record Distributing Corp. **Offering**—Sometime in February.

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.**
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. **Offering**—Imminent.

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. (2/5-9)**
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 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. (1/30)**
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

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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. **Offering**—In April.

★ Diamond Mills Corp.
Jan. 23, 1962 filed 250,000 common, of which 150,000 are to be offered by the company and 100,000 by stockholders. **Price**—By amendment. **Business**—Manufacture of women's nylon hosiery. **Proceeds**—For debt repayment and working capital. **Office**—417 Fifth Ave., N. Y. **Underwriter**—Drexel & Co., Philadelphia.

● District Photo, Inc. (2/19-23)
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.
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. **Note**—This letter was withdrawn.

● 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. **Offering**—Expected in April.

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. **Note** — This letter has been withdrawn.

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-Nite Engineering Co.
Jan. 8, 1962 ("Reg. A") 100,000 common. **Price** — $3. **Business**—Design, manufacture and sale of disposable thermocouple lances. **Proceeds**—For equipment, debt repayment and general corporate purposes. **Office**—5619 Tulip St., Philadelphia. **Underwriter**—Harrison & Co., Philadelphia.

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 purposes. **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. (2/13-16)
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.

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.
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. **Note**—This statement became effective Jan. 24. **Offering**—Imminent.

● Eon 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**—Lending and insurance. **Proceeds**—For working capital. **Office**—674 N. Broad St., Philadelphia. **Underwriter**—Paul C. Kimball & Co., Chicago.

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.

★ Evans, Inc.
Jan. 23, 1962 filed 130,000 common, of which 20,000 are to be offered by the company and 110,000 by stockholders. **Price**—By amendment. **Business** — Retail sale of wearing apparel. **Proceeds**—For working capital. **Office**—36 S. State St., Chicago. **Underwriter**—Allen & Co., N. Y.

★ Evergreens, Inc.
Jan. 9, 1962 ("Reg. A") 106,200 common. **Price** — $1. **Business**—Production of Christmas trees and other agricultural products. **Proceeds**—For debt repayment and general corporate purposes. **Office**—3145 Lyndale Ave., S., 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. **Offering**—In March.

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. (2/26-3/2)
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. (2/19-23)
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.

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.
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. **Offering**—Expected in mid-February.

● Fleetwood Securities Corp. of America (1/29-2/2)
Aug. 8, 1961 filed 50,000 common. **Price**—$10. **Business**—Distributor of Electronics Investment Corp., Contractual Plans and 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.

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. (2/19-23)
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.

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.

★ Further Processing, Inc.
Jan. 11, 1962 ("Reg. A") 150,000 common. **Price**—$2. **Business**—Rendering of various services to the poultry industry and to food preparation companies. **Proceeds**—For working capital and general corporate purposes. **Office**—1800 West C St., Russellville, Ark. **Underwriter**—Armstrong & Co., Inc., N. Y.

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.

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. **Offering**—Expected in late March.

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.
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.

★ Grand Bahama Development Co., Ltd.
Jan. 23, 1962 filed 250,000 common. **Price** — By amendment. **Business**—Sale and development of land on Grand Bahama Island for residential and resort purposes. **Proceeds**—For general corporate purposes. **Office**—250 Park Ave., N. Y. **Underwriter**—Allen & Co., N. Y.

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.

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
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. **Offering**—Imminent.

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.

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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 Acres Funtown Inc.**
Jan. 23, 1962 filed 225,000 common to be offered for subscription by stockholders of Bowling Corp. of America, parent. **Price**—By amendment. **Business**—Company will operate an indoor amusement and recreation area in Green Acres Shopping Center. **Proceeds**—For general corporate purposes. **Office**—120 Broadway, N. Y. **Underwriter**—R. L. Warren Co., St. Louis.

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. **Offering**—Expected sometime in March.

● **Hannett Industries, Inc. (2/26-3/2)**
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.

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. (2/19-23)**
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.

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.**
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. **Offering**—Expected in late February.

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 (2/13-16)**
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. (2/5-9)**
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. **Offering**—Imminent.

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. (2/26-3/2)**
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.

★ **Idaho Mining & Milling, Inc.**
Jan. 16, 1962 ("Reg. A") 10,000 common. **Price**—Three cents. **Business**—Operation of mines. **Proceeds**—For general corporate purposes. **Office**—407 Main St., Lewiston, Idaho. **Underwriter**—None.

★ **Imperial Vending Co.**
Jan. 9, 1962 ("Reg. A") 100,000 common. **Price** — $3. **Business**—Manufacture of a vending unit which provides thermostatically controlled hot water. **Proceeds**—For debt repayment and other corporate purposes. **Office**—920 E. Walnut, Fullerton, Calif. **Underwriter**—Marache & Co., Los Angeles.

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. (2/5-9)**
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.

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 March.

● **Interstate Hosts, Inc. (2/5-9)**
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. **Offering**—Late Mar.

● **Interworld Film Distributors, Inc. (2/26-3/2)**
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.**
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. **Note**—This letter was withdrawn.

(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.

● **Jaylis 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.

● **Jefferson Diversified Industries, Inc.**
Dec. 29, 1961 filed 200,000 common. **Price**—$3.50. **Business**—Company plans to acquire and operate concerns engaged in diversified business activities. **Proceeds**—For general corporate purposes. **Office**—161 E. 42nd St., New York. **Underwriter**—To be named.

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. (2/19-23)**
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.

★ **Johnson Manufacturing Corp.**
Jan. 17, 1962 ("Reg. A") 70,000 common. **Price** — $4. **Business**—Company plans to develop an adjustable hacksaw, a C-clamp and a new type spinning fishing reel. **Proceeds**—For patents and working capital. **Office**—70 Piedmont St., Worcester, Mass. **Underwriter**—None.

Jomar Plastics, Inc.
See Ripley Industries, Inc., below.

● **Jorn's Greeting Card Co., Inc. (1/30-31)**
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. (2/15)**
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.

● **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. **Offering**—Expected in mid-March.

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.

● **Keller Corp.**
June 29, 1961 filed $1,200,000 of 6½% convertible subord. debentures due 1968. **Price**—At 100%. **Business**—Development of land, construction of homes and related activities in Florida. **Proceeds**—Repayment of debt, acquisition of Yetter Homes, Inc., and general corporate purposes. **Office**—101 Bradley Place, Palm Beach, Fla. **Underwriter**—Casper Rogers & Co., Inc., N. Y. **Note**—This registration has been withdrawn.

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. (2/6)**
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. (2/5-9)**
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 which 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. (2/5-9)**
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.**
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. **Offering**—In mid-Feb.

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.

Leader-Durst Corp.
Dec. 1, 1961 filed 405,000 class A common. **Price**—$5. **Business**—Real estate. **Proceeds**—For repayment of debt. **Office**—41 E. 42nd St., N. Y. **Underwriter**—None.

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. (2/5-9)**
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.**
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. **Offering**—Expected in March.

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.

★ **Lockfast Mfg. Co., Inc.**
Jan. 11, 1962 ("Reg. A") 65,000 common. **Price** — $3.50. **Business**—Manufacture of furniture hardware for sale to furniture manufacturers. **Proceeds**—For debt repayment and general corporate purposes. **Office** — 3006 Boarman Ave., Baltimore. **Underwriter**—R & D Investors Corp., Port Washington, N. Y.

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.

Lustig Food Industries, Inc.
Dec. 29, 1961 filed 100,000 common. **Price**—$6. **Business**—Processing and packaging of frozen foods and the canning and bottling of fruits and vegetables. **Proceeds**—For debt repayment and working capital. **Office**—48 High St., Brockport, N. Y. **Underwriter**—None.

MRM Co., Inc.
Nov. 29, 1961 ("Reg. A") 150,000 common. **Price**—$2. **Business**—Design and manufacture of automatic filling 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.

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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**—To be named.

Magazines For Industry, Inc.
Aug. 2, 1961 filed 135,000 common shares. **Price** — By amendment. **Business**—The publishing of business periodicals. **Proceeds**—For promotion, a new publication and working capital. **Office**—660 Madison Ave., New York. **Underwriter**—To be named.

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.

Manhattan Drug Co., Inc.
Dec. 29, 1961 filed 72,000 common, of which 58,000 are to be offered by the company and 14,000 by stockholders. **Price**—$3.50. **Business**—Manufacture of a diverse line of proprietary drug products. **Proceeds**—For additional equipment, product development and general corporate purposes. **Office**—156-158 Tillary St., Brooklyn, N. Y. **Underwriter**—To be named.

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. (1/29-2/2)**
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. (1/31)**
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. (2/13-16)**
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. (2/5-9)**
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.

★ **Mississippi-Red River Transport Co.**
Jan. 22, 1962 filed 200,000 common. **Price** — By amendment ($2.50 estimated). **Business** — A motor carrier of petroleum products. **Proceeds**—For purchase of tugs and barges and construction of docking facilities. **Office**—2809 N. Main St., Fort Worth, Tex. **Underwriter**—William N. Edwards & Co., Fort Worth, Tex.

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 Rentals Corp. (2/5-9)**
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. (2/13-16)**
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 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. (2/13-16)
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.

★ Multronics, Inc.
Jan. 5, 1962 ("Reg. A") 100,000 capital shares. **Price**—$3. **Business**—Production of electronic parts and components and the furnishing of consulting services in the radio-engineering field. **Proceeds**—For debt repayment, equipment, and working capital. **Office**—2000 P St., N. W., Washington, D. C. **Underwriter** — Switzer & Co., Inc., Silver Spring, Md.

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.

N. T. W. Missile Engineering, Inc.
Dec. 29, 1961 filed 250,000 common. **Price**—$8. **Business**—Engaged in the aircraft and missile industries. **Proceeds**—For debt repayment, inventories and research and development. **Office**—4820 Alcoa Ave., Los Angeles. **Underwriter**—None.

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.
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. **Offering**—Imminent.

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 Family Insurance Co.
Dec. 26, 1961 filed 200,000 common. **Price**—$5. **Business**—Writing of automobile insurance. **Proceeds**—For additional capital and reserves. **Office**—2147 University Ave., St. Paul, Minn. **Underwriter**—None.

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 (2/26-3/2)
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 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 Semiconducter Corp.
May 11, 1961 filed 75,000 shares of capital stock. **Price**—To be supplied by amendment. **Business**—The design, development, manufacture and sale of quality transistors for military and industrial use. **Proceeds** — For new equipment, plant expansion, working capital, and other corporate purposes. **Office**—Mallory Plaza Bldg., Danbury, Conn. **Underwriters**—Lee Higginson Corp., N. Y. C. and Piper, Jaffray & Hopwood, Minneapolis (mgr.). **Note**—This registration has been indefinitely postponed.

● National Tel-Tronics Corp.
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. **Offering**—Imminent.

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.
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. **Offering**—In late February.

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.

★ Newark Electronics Corp.
Jan. 17, 1962 filed $2,000,000 of convertible subordinated debentures due 1982 and 110,000 class A shares. **Price**—Debentures: At par; Stock: By amendment. **Business**—Distribution of electronic parts and equipment and electrical supplies. **Proceeds** — For general corporate purposes. **Office**—223 W. Madison St., Chicago. **Underwriter**—H. M. Byllesby & Co., Chicago.

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 Hope Academy of the Arts, Inc.
Jan. 17, 1962 filed 150,000 common. **Price**—$10. **Business**—Operation of a school of performing arts for children and young adults. **Proceeds**—For general corporate purposes. **Office**—152 Whitemarsh Rd., Philadelphia. **Underwriter**—Mayo & Co., Philadelphia.

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 America Real Estate Trust
Nov. 13, 1961 filed 2,000,000 shares of beneficial interest. **Price**—$10. **Business**—Real estate investment trust. **Proceeds**—For acquisition of property and working capital. **Office**—475 Fifth Ave., N. Y. **Underwriter**—None.

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.

★ North Star Chemicals, Inc.
Jan. 8, 1962 ("Reg. A") 185,000 common to be offered for subscription by stockholders on the basis of 18⅕ of a share for each share held. **Price**—$1.20. **Business**—Manufacture and sale of sulfuric acid. **Proceeds**—For expansion and debt repayment. **Address**—P. O. Box 28, S. St. Paul, Minn. **Underwriter**—White, Weld & Co., First National Bank Bldg., Minneapolis.

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. **Note**—This registration was withdrawn.

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. (2/5-9)
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.

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.

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.

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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 (1/31)**
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.

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. Offering—Expected sometime in April.

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.

Pellegrino Aggregate Technico, Inc.
Aug. 10, 1961 filed 130,000 class A common shares. Price—$5. Business—The manufacture of building materials. Proceeds—For payment of income taxes and loans and for working capital. Office—Woodbridge-Carteret Road, Port Reading, N. J. Underwriter—Mortimer B. Burnside & Co., Inc., N. Y. Offering—Temporarily postponed.

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. (1/31)**
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.

★ **Pictronics Corp.**
Jan. 18, 1962 filed 80,000 common. Price—$5. Business—Manufacture of professional audio visual and sound recording equipment. Proceeds—Debt repayment, equipment and working capital. Office—236 E. 46th St., N. Y. Underwriter—Bayes, Rose & Co., Inc., N. Y.

Pierce Proctor Schultte & Taranton Investment Co., Inc.
Dec. 20, 1961 filed $465,000 of 10-year 8% debentures. Price—$15,000 per debenture. Business—The company plans to organize and sell real estate syndicates. Proceeds—For general corporate purposes. Office—1807 N. Central Ave., Phoenix. Underwriter—None.

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 March.

● **Plasticrete Corp. (2/13-16)**
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. (2/13-16)**
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.

Polytronic Research, Inc.
June 7, 1961 filed 193,750 common shares, of which 150,000 will be sold for the company and 43,750 for stockholders. Price—By amendment. Business—Research and development, engineering and production of certain electronic devices for aircraft, missiles, oscilloscopes, electronic vending machines and language teaching machines. Proceeds—For expansion, repayment of debt and working capital. Office—7326 Westmore Rd., Rockville, Md. Underwriters—Jones, Kreeger & Co. and Balogh & Co., Washington, D. C. Note—This offering was postponed indefinitely.

● **Popular Library, Inc. (1/29-2/2)**
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.

Primex Equities Corp.
Nov. 27, 1961 filed 400,000 shares of 60c cumulative convertible preferred, and 400,000 of class A common, to be offered in units of one share each. Price—By amendment. Business—A real estate investment firm. Proceeds—For property acquisitions and working capital. Office—66 Hawley St., Binghamton, N. Y. Underwriter—None.

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.

★ **Producers Cotton Oil Co.**
Jan. 18, 1962 filed 200,000 common. Price—By amendment. Business—Growing cotton, operating cotton gins, processing cottonseed and selling raw cotton and cottonseed products. Proceeds—For expansion. Office—2907 S. Maple Ave., Fresno, Calif. Underwriters—Kidder, Peabody & Co., N. Y. and Dean Witter, San Francisco.

● **Product Research of Rhode Island, Inc.**
July 28, 1961 filed 330,000 common shares. Price—$2.05. Business — The manufacture of vinyl plastic products used in the automotive, marine and household fields. Proceeds—For repayment of debt, new equipment and working capital. Office — 184 Woonasquatucket Avenue, North Providence, R. I. Underwriter—Investment Planning Group, East Orange, N. J. Offering—In late Feb.

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.

● **Puerto Rico Capital Corp. (2/13-16)**
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.

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.

● **RF Interonics, Inc. (2/26-3/2)**
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.

Racing Inc.
Oct. 16, 1961 filed 1,250,000 common. Price—Up to $4. Business—Company plans to build and operate an automobile racing center. Proceeds—General corporate purposes. Office—21 N. 7th St., Stroudsburg, Pa. Underwriter—None.

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.

● **Realty Equities Corp. of New York (1/30)**
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.

Red Wing Fiberglass Products, Inc.
July 28, 1961 ("Reg. A") 260,000 common. Price—$1.15. Proceeds — Debt repayment, building improvements, equipment, research and development, and working capital. Office—Industrial Park, Red Wing, Minn. Underwriter—York & Mavroulis, Minneapolis. Note—This letter was temporarily postponed.

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.

★ **Rising's Inc.**
Jan. 18, 1962 filed 100,000 capital shares. **Price** — $3. **Business**—Distribution of electrical and electronic parts, components and equipment. **Proceeds**—For debt repayment and working capital. **Office**—151 N. Vermont Ave., Los Angeles. **Underwriter**—Garat & Polonitza, Inc., Los Angeles.

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.

★ **Rockower Brothers, Inc. (2/26-3/2)**
Jan. 19, 1962 filed 150,000 common, of which 50,000 will be sold by the company and 100,000 by stockholders. **Price**—By amendment. **Business**—Retail sales of men's and boys' clothing. **Proceeds**—For additional inventory and working capital. **Office** — 160 West Lehigh Ave., Philadelphia. **Underwriter**—Drexel & Co., Philadelphia.

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.

● **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. **Offering**—Expected sometime in April.

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.

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.**
Dec. 5, 1961 filed 320,435 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. **Offering**—Imminent.

● **Sav-Mor Oil Corp.**
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.**
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. (2/19-23)**
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.

Selective Financial Corp.
Dec. 8, 1961 filed 500,000 common. **Price**—$6. **Business**—Engaged in real estate mortgage field, and the financing of intangibles and chattels. **Proceeds**—For general corporate purposes. **Office**—830 N. Central Ave., Phoenix. **Underwriter**—None.

● **Servonuclear Corp. (1/30-31)**
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.

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.

Siconor Mines Ltd.
Sept. 18, 1961 filed 250,000 common. **Price**—By amendment. **Business**—The exploratory search for silver in northern Ontario. **Proceeds**—For general corporate purposes. **Office**—62 Richmond St., West, Toronto, Canada. **Underwriter**—None.

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**—To be named.

Solon Industries, Inc.
Dec. 28, 1961 filed 75,000 common. **Price**—By amendment. **Business**—Installation of its coin operated laundry equipment at designated residential locations. **Proceeds**—For selling stockholders. **Office**—115 L St., S. E. Washington, D. C. **Underwriter**—None.

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.**
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. **Offering**—Imminent.

● **Southeastern Towing & Transportation Co., Inc. (2/13-16)**
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 Growth Industries, Inc. (2/19-23)**
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 Ink & Lacquer Co., Inc.**
Jan. 15, 1962 ("Reg. A") 5,000 common. **Price**—$10. **Business**—Manufacture of printing inks and related products. **Proceeds**—For equipment, inventory and working capital. **Office**—5560 E. Ponce de Leon Ave., Stone Mountain, Ga. **Underwriter**—None.

● **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** — Note—Hirsch & Co., and Lee Higginson Corp., N. Y. have withdrawn as underwriters. The company reports that this will be a private placement.

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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. (2/13-19)**
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 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. (2/5-9)**
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. **Note**—This registration was withdrawn.

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. (2/1)**
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. (2/13-16)**
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. (2/13-16)**
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.

● **Sun City Dairy Products, Inc. (2/26-3/2)**
Oct. 27, 1961 filed 120,000 common. **Price**—$5. **Business**—Distribution of eggs and dairy products in Florida and other southeastern states. **Proceeds**—General corporate purposes. **Office**—3601 N. W. 50th St., Miami, Fla. **Underwriter**—Finkle & Co., N. Y.

★ **Sylvan Life Insurance Co.**
Jan. 8, 1962 ("Reg. A") 9,600 common. **Price**—$25. **Business**—Writing of insurance in Utah, Colorado and Nevada. **Proceeds**—For capital and surplus accounts. **Office**—410 Utah Savings Bldg., Salt Lake City. **Underwriters**—Peters, Writer & Christensen, Inc., Denver and Ure, Davis & Co., Salt Lake City.

Szemco, Inc.
Dec. 29, 1961 filed 66,666 common. **Price**—By amendment ($1.50 max.). **Business**—Design and manufacture of ordnance, automotive, aircraft and guided missile parts and components. **Proceeds**—For selling stockholders. **Office**—4417 Okechobe Rd., West Palm Beach, Fla. **Underwriter**—None.

Taylor Publishing Co.
Dec. 21, 1961 filed 152,600 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.

★ **Temptron Electronics Corp.**
Jan. 9, 1962 ("Reg. A") 60,000 common. **Price**—$5. **Business**—Design, development and sale of heating and air conditioning equipment. **Proceeds** — For equipment, working capital and general corporate purposes. **Office**—1645 Broadway, Paducah, Ky. **Underwriter**—None.

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 Tennessee Industries, Inc. (2/5-9)**
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. (2/26-3/2)**
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.
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. **Offering**—Imminent.

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. (2/19-23)
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 capital. **Office**—6815 Hamilton Ave., Pittsburgh. **Underwriter** — Arthurs, Lestrange & Co., Pittsburgh.

● Ultra Plastics Inc.
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.

★ Unicycle Corp. of America
Jan. 5, 1962 ("Reg. A") 50,000 common. **Price**—$1. **Business**—Manufacture, assembly and sale of unicycles. **Proceeds**—For debt repayment and general corporate purposes. **Office**—235 San Pedro Ave., N. W., Albuquerque, N. M. **Underwriter**—None.

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. (1/30)
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.

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. (2/5-9)
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. (2/5-9)
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. (2/5-9)
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.
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. **Offering**—Expected sometime in February.

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.

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.

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.

★ Vendex, Inc.
Jan. 12, 1962 ("Reg. A") 300,000 common. **Price** — $1. **Business**—Manufacture of coin operated vending machines. **Proceeds**—For an acquisition and general corporate purposes. **Office**—1290 Bayshore Blvd., Burlingame, Calif. **Underwriter**—Pacific Coast Securities Co., San Francisco.

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. (2/5-9)
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.

★ Victor Electronics, Inc.
Jan. 23, 1962 filed 150,000 common. **Price**—$5. **Business** —Manufacture, lease and sale of a device known as Golfit. **Proceeds**—For debt repayment and general corporate purposes. **Office**—1 Bala Ave., Bala-Cynwyd, Pa. **Underwriter**—D. L. Greenbaum Co., Philadelphia.

● Virginia Dare Stores Corp. (1/30)
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 Industries, 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. (2/5-9)
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

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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 bidders: Halsey, Stuart & Co. Inc.; W. C. Langley & Co.-Stone & Webster Securities Corp. (jointly); 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) 55 Wall St. (5th fl.), 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 Land Corp.
Oct. 24, 1961 filed 400,000 common. **Price**—$2.25. **Business**—Acquisition, construction and leasing of shopping centers. **Proceeds**—For general corporate purposes. **Office**—2205 First National Bank Bldg., Minneapolis. **Underwriter**—None.

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.

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**—835 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 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.**
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. **Offering**—Imminent.

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.

● **World Scope Publishers, Inc. (2/13-16)**
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.

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.

Zim Israel Navigation Co., Ltd.
Oct. 5, 1961 filed 20,000 of 7% participating preferred. **Price**—$500. **Business**—Furnishing of passenger and dry-cargo freight services. **Proceeds**—For construction and working capital. **Office**—Haifa, Israel. **Underwriter**—None.

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.

● **Atlantic Coast Line RR. (2/13)**
Jan. 22, 1962 it was reported that this road plans to sell $4,155,000 of equipment trust certificates in February. **Office**—220 E. 42nd St., N. Y. **Underwriters**—(Competitive). Probable bidders: Salomon Brothers & Hutzler; Halsey, Stuart & Co. Inc. **Bids**—Feb. 13 (12 noon EST) in Room 3112, 220 E. 42nd St., N. Y.

Baltimore Gas & Electric Co.
Aug. 30, 1961 it was reported that this company plans to issue about $25,000,000 of first mortgage bonds in the first half of 1962. **Office** — Lexington and Liberty Streets, Baltimore 3, Md. **Underwriters**—To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; White, Weld & Co., and First Boston Corp. (jointly); Harriman Ripley & Co., Inc., and Alex. Brown & Sons (jointly).

Bebell & Bebell Color Laboratories, Inc.
Nov. 6, 1961 it was reported that a "Reg. A" will be filed shortly covering 75,000 common. **Price**—$4. **Business**—Operates a color photo processing laboratory. **Proceeds**—For expansion, equipment and other corporate purposes. **Office**—108 W. 24th St., N. Y. **Underwriter**—Stevens, Hickey & Co., N. Y.

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.

★ **Consolidated Natural Gas Co. (2/27)**
Jan. 22, 1962 it was reported that the company plans to sell $25,000,000 of sinking fund debentures due March 1, 1987. **Proceeds**—For construction. **Office**—30 Rockefeller Plaza, N. Y. **Underwriters**—(Competitive). Probable bidders: Morgan Stanley & Co.- First Boston Corp. (jointly); Halsey, Stuart & Co. Inc.; White, Weld & Co.-Paine, Webber, Jackson & Curtis. **Bids**—Feb. 27 (11:30 a.m. EST) at above address. **Information Meeting**—Feb. 23 (10:30 a.m. EST) at Bankers Club, 120 Broadway, N. Y. **Registration**—Expected about Feb. 1.

★ **Delaware County National Bank**
Jan. 24, 1962 it was reported that this bank is offering stockholders the right to subscribe for an additional 24,200 capital shares on the basis of one new share for each five held of record Jan. 23 with rights to expire Feb. 8. **Price**—$45. **Proceeds**—To increase capital funds. **Office**—Chester, Pa. **Underwriter**—Drexel & Co., Philadelphia.

Diversified Vending, Inc.
Sept. 13, 1961 it was reported that a registration statement will be filed shortly covering 100,000 common. **Price**—$4. **Business**—The servicing of vending machines and coin operated kiddy-rides. **Proceeds**—For equipment, inventory and general corporate purposes. **Office**—Philadelphia, Pa. **Underwriter**—T. Michael McDarby & Co., Inc., Washington, D. C.

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.

Florida Power & Light Co.
Sept. 18, 1961, it was reported that the company may issue $25,000,000 of bonds in the second half of 1962. **Office**—25 S. E. 2nd Ave., Miami, Fla. **Underwriter**—To be determined by competitive bidding. Probable bidders: Merrill Lynch, Pierce, Fenner & Smith Inc. and Kidder, Peabody & Co. (jointly); Halsey, Stuart & Co., Inc.; White, Weld & Co.; First Boston Corp.; Blyth & Co., Inc.

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.

★ **Groos National Bank of San Antonio**
Jan. 22, 1962 it was reported that this bank is offering stockholders the right to subscribe for an additional 22,500 common shares on the basis of one new share for each four held of record Jan. 16 with rights to expire Jan. 30. **Price**—$35. **Proceeds**—To increase capital and surplus. **Office**—143 W. Commerce St., San Antonio, Texas. **Underwriters**—Dittmar & Co., and Russ & Co., Inc., San Antonio.

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.

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.

Laclede Gas Co.
Nov. 15, 1960 Mr. L. A. Horton, Treasurer, reported that the utility will need to raise $33,000,000 externally for its 1961-65 construction program, but the current feeling is that it will not be necessary to turn to long-term securities until May 1962. **Office** — 1017 Olive St., St Louis, Mo.

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.

● **Mercantile 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. **Price**—$36. **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.

New England Electric System
Oct. 2, 1961 it was reported that this company plans to sell additional common stock to stockholders through subscription rights, early in 1962. **Office**—441 Stuart St., Boston, Mass. **Underwriters**—To be named. The last rights offering in April 1956 was underwritten by Carl M. Loeb, Rhoades & Co., Ladenburg, Thalmann & Co., and Wertheim & Co., 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)
Jan. 17, 1962 it was reported that this company plans to offer stockholders the right to subscribe for an additional 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.

★ **Overnite Transportation Co.**
Jan. 25, 1962 it was stated that Harwood Cochrane, President, plans to offer publicly about 140,000 shares of his common stock holdings, after giving effect to the proposed 100% stock dividend payable Feb. 15 to holders of record Feb. 1. It is expected that the offering would be made in late March, subject to approval of the ICC. **Business**—Company is motor carrier of freight in Virginia, the Carolinas, Georgia and Tennessee. **Office**—1100 Ninth St. Rd., Richmond, Va. **Underwriters**—Hornblower & Weeks, N. Y., and J. C. Wheat & Co., Richmond.

★ **Pacific Gas & Electric Co. (3/13)**
Jan. 22, 1962 it was reported that this company plans to sell $65,000,000 of first and refunding mortgage bonds due 1994. **Proceeds**—For expansion. **Office**—245 Market St., San Francisco, Calif. **Underwriters**—(Competitive). Probable bidders: First Boston Corp.-Halsey, Stuart & Co. Inc. (jointly); Blyth & Co., Inc. **Bids**—Expected March 13 at 11:30 a.m. (EST).

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.

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.

● **Seaboard Air Line RR.**
Jan. 23, 1962 it was reported that this company plans to sell $5,565,000 of 1-15 year equipment trust certificates later this year. This is the final installment of a $11,130,000 issue 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.; Salomon Brothers & Hutzler.

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 Natural Gas Co.
Oct. 17, 1961 it was reported that the utility is contemplating the sale of $35,000,000 of 20-year first mortgage bonds early in 1962. **Proceeds** — To retire bank loans. **Office**—Watts Bldg., Birmingham, Ala. **Underwriter**—(Competitive). Probable bidders: Halsey, Stuart & Co. Inc.; First Boston Corp.; Blyth & Co. and Kidder, Peabody & Co. (jointly).

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 2117, 165 Broadway, N. Y.

★ **Transport Industries, Inc.**
Jan. 22, 1962 it was reported that a "Reg. A" will be filed covering 75,000 common. **Price**—$4. **Business**—Design and manufacture of truck and automobile brake systems. **Proceeds**—For expansion and research. **Office**—Pearl and Elk Sts., Albion, Pa. **Underwriter**—A. J. Davis Co., Pittsburgh. **Filing**—Expected in early Feb.

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.

Virginia Electric & Power Co.
Oct. 2, 1961 it was reported that this company plans to sell $30,000,000 to $40,000,000 of securities in mid-1962 but no decision has been made yet as to type. **Office**—Richmond 9, Va. **Underwriters**—To be named. The last sale of bonds in June 1961 was handled by Halsey, Stuart & Co., Inc. and associates.

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.

Wall St. Cashiers Elect '62 Officers

Anthony J. Kahwaty of P. F. Fox & Co., Inc. has been elected President of The Cashiers Association of Wall St., Inc. for the year 1962, it was announced following the annual meeting at the Railroad Machinery Club.

The following also were elected: Charles B. Webber of The First Boston Corp., to serve as first Vice-President; John A. Nevins of Model, Roland & Stone, as second Vice-President; Raymond A. McAuley of Halsey, Stuart & Co., Inc., as Treasurer; and Francis J. Kenney of M. A. Schapiro & Co., Inc., as Secretary.

The following were elected directors of the association: Frederick Bock of John J. O'Kane Jr. & Co.; George Boggiano of R. S. Dickson & Co., Inc.; Frank A. Flaherty of A. C. Allyn & Co., Inc.; John J. Kelly, National Association of Securities Dealers, Inc.; James A. McCorkell of F. Eberstadt & Co.; Herbert L. Nicolson of The Chase Manhattan Bank; Christian W. Rossworn, Union Pacific Railroad Co.; Henry Tovar of Carlisle Jacquelin; Raymond B. Vreeland of Blair & Co., Inc.; and Chester F. Ward of Cities Service Co.

Black Opens Inv. Office

(Special to The Financial Chronicle)

STOCKTON, Calif.—Charles C. Black has opened offices at 735 South Sutter Street to engage in a securities business.

J. C. Hoover Opens Office

(Special to The Financial Chronicle)

ARCADIA, Calif.—John C. Hoover is conducting a securities business from offices at 40 North First Avenue.

Balanced Estate Planning

WHITE PLAINS, N. Y.—John P. DiPrima is conducting a securities business from offices in the Churcham Building, under the firm name of Balanced Estate Planning Company.

R. I. Baron Opens

KINGSTON, N. Y. — Robert I. Baron is engaging in a securities business from offices at 12 John St., under the firm name of Robert I. Baron Investments.

Inv. Management

OGDEN, Utah — Theodore E. Galovan is engaging in a securities business from offices at 267 Chimes View Drive, under the firm name of Investors Management Services.

WASHINGTON AND YOU

BEHIND-THE-SCENES INTERPRETATIONS FROM THE NATION'S CAPITAL

WASHINGTON, D. C.—The Securities and Exchange Commission created by Congress to protect the interests of the public and investors against malpractices in the securities and financial markets is a comparatively small agency when measured with some in the Nation's Capital.

The five-member Commission, not more than three of whom may be members of the same political party, are appointed by the President with the approval of the Senate, for five-year terms, one term ending each year.

The Commission is assisted by a staff of professional and expert employees comprised of attorneys, accountants, engineers, security analysts, examiners, and by administrative and clerical people.

A few days ago President Kennedy in his record peacetime budget message to Congress asked the lawmakers to appropriate $12,800,000 to operate the agency the next fiscal year starting June 30. The amount compares with $11,000,000 for the current fiscal year.

Why More Money?

Why the increase of $1,800,000 for such a small agency? The Commission declares that the extra funds are needed for a series of reasons.

It is expected there is going to be a continued expansion of activity in the securities market, an increasing volume of security issues the next fiscal year, and greater participation by the investing public which will result in an increase of the examining workload by 11.3%, and an investigating workload by 14.1%, plus more supervision and regulation activity.

The program of activities and the estimated cost of operation of each activity for the 1963 fiscal year by the SEC follows:

(1) Full disclosure provisions $3,742,000; (2) prevention and suppression of fraud $5,012,000; (3) supervision and regulation of securities markets $270,000; (4) regulation of investment and public utility holding companies $805,000; (5) corporate reorganizations $373,000; (6) operational and business statistics $264,000; (7) executive and staff functions $1,149,000; (8) administrative services $848,000; (9) special study and investigation of national securities exchanges and national securities associations, $337,000.

The SEC is spending in the current fiscal year an estimated $386,000 for the special investigations of the securities exchanges and national securities associations.

The Securities Act call for public disclosure of pertinent information pertaining to the security offerings to the public and securities listed on the exchanges, and securities offered in over-the-counter markets. It also provides for punishment and sanctions against persons guilty of securities frauds, manipulations and other violations.

Because there has been a seemingly increasing number of frauds, the SEC is stepping up its investigations. It is seeking nearly $700,000 more for this specific area than at anytime in history.

More Broker-Dealers

Under the full disclosure provisions, some of the selected workload data of the SEC is of importance. As an example the SEC examined 1,650 registration statements in 1961 (fiscal year), as compared with an estimated 2,100 for the current year, and an estimated 2,400 for the next fiscal year.

In fiscal 1961 the SEC closed 401 investigations, but in the next fiscal year it expects to close 640.

The officials expect more registered broker-dealers in the coming year. The records show that the number is increasing. For instance in 1960 there were 5,288 registered; in 1961 (fiscal year) 5,500; 1962 (estimated) 5,750 and in fiscal 1963 the estimated number will be 6,000.

The number of investor advisers is likewise increasing with about 1,000 in 1961, an estimated 1,200 in 1962, and an estimated 1,250 in 1963.

Growing Space Industry

As to be expected the most publicized item in the President's $92.5 billion budget, was the record $51.6 billion for the Department of Defense. A continued rise in the economy of our country is expected to continue into the next fiscal year.

A study of the President's recommended budget, which weighs several pounds, shows that the space industry is unquestionably the fastest growing of all industries. The National Aeronautics and Space Administration, established in 1958 to plan, develop and conduct our exploration of space program is growing by leaps and bounds.

The White House is asking Congress to appropriate some $3 billion for the next fiscal year in a stepped up program designed to send during this decade a team of American astronauts to the moon and bring them back safely.

More Federal Loans

One of the things that has gone practically unnoticed since the budget was sent to Capitol Hill, but is bound to be debated pro and con in the future, is the tremendous proposed increase in direct loans for the various agencies.

The agencies include, to name a few, Federal National Mortgage Association, Urban Renewal Administration, Community Facilities Administration, Federal Housing Administration, Public Housing Administration, Area Redevelopment Administration, Small Business Administration, and the Agency for International Development.

The budget records show new commitments of $8.1 billion is recommended. This is an increase of 60% above the actual commitments of 1961. Practically all of the major programs will share in the expanded direct loan program. The greatest growth in commitments would be the Agency for International Development, for loans for developing countries, and by the Federal National Mortgage Association to buy insured mortgages to finance housing construction.

The Bureau of the Budget says the new commitments for Federal guarantees and insurance of private loans in 1963 for the first time are expected to exceed $20 billion. The major loans cover housing loans insured by FHA or guaranteed by the Veterans Administration.

Other major programs with substantial increases in expenditures include the college housing and other loan programs of the Community Facilities Administration, and the business lending operations of the Small Business Administration.

The largest single program in terms of disbursements is the agricultural price support program of the Commodity Credit Corporation.

A special analysis prepared by the Bureau of the Budget makes this pertinent observation: "The best index of the level of Federal credit programs over a period of years is provided by the outstanding direct and guaranteed loans. By the close of 1963, these will total $115 billion for major programs, and with numerous smaller programs nearly $116 billion."

[This column is intended to reflect the "behind the scene" interpretation from the nation's Capital and may or may not coincide with the "Chronicle's" own views.]

"Your face looks familiar—Yale Club?—Stock Exchange?—The Peppermint Lounge?"

Yook Fan Chin Opens

Yook Fan Chin is conducting a securities business from offices at 218 Canal Street, New York City. Mr. Chin was formerly a partner in Hua Hsing Investors.

Irvin Berzon Opens

(Special to THE FINANCIAL CHRONICLE)

BEVERLY HILLS, Calif.—Irvin Berzon is conducting a securities business from offices at 225 South Beverly Drive.

COMING EVENTS

IN INVESTMENT FIELD

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.

June 1-2, 1962 (Miami Beach, Fla.)
Spring Conference of the National Association of Investment Clubs at the Seville Hotel.

Sept. 19-21, 1962 (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. 4-9, 1962 (Boca Raton, Fla.)
National Security Traders Association Convention at the Boca Raton Hotel & Club.

Nov. 25-30, 1962 (Hollywood, Fla.)
Investment Bankers Association Annual Convention at Hollywood Beach Hotel.

April 27-May 1, 1963 (Boston, Mass.)
National Association of Mutual Savings Banks 43rd annual conference at the Hotel Statler.

Iron & Steel Inst. Elects

Thomas F. Patton, President and Chief Executive Officer of Republic Steel Corporation, has been elected Chairman of the Board and chief executive officer of American Iron and Steel Institute. Max Don Howell, since 1953 Executive Vice-President of the Institute, was elected President and Chief Administrative Officer. Mr. Patton continues as President of Republic Steel.

Thomas F. Patton

The actions were taken by the Institute board of directors to re-align management of the Institute following the recent death of Benjamin F. Fairless, who had served as President since 1955.

At the same meeting the board recognized the "outstanding services of Mr. Fairless to the Institute, to the iron and steel industry, to his country and to the world community" in a resolution acknowledging his leadership in the industry for nearly half a century.