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Editorial AS WE SEE IT

At just the time that repeated reports from Russia strongly indicate that the Kremlin is finding it exceedingly and increasingly difficult to make an economic system work in which all key decisions must await upon government, a member of the Kennedy Administration blithely announces that Washington has become convinced that government in this country must now take another long, long step in the direction of overall public control of business. This and all of this seems to us to be implied in what the Secretary of Labor recently said about the part the Administration will play in current and future labor disputes. To the unthinking, the full import of the Secretary's words may not be wholly evident, but their disturbing import can hardly escape him who gives them the careful study they deserve.

"I have the conviction," he says, "that the plain fact is that our destiny as a free nation depends as never before in history on achievement of a greater sense of national unity. For the country that is the world's foremost industrial power, the building of a stronger and more durable industrial peace is clearly a precondition of national unity. The government has got to give more help to the collective bargaining process." According to credible news dispatches from the spot, the Secretary went on to say that the role of the Federal Government in the future in labor disputes would be much greater and of a different kind from that of the past when the only interest lay in promoting a settlement of some kind.

The Kennedy Administration, so the statement continues, has the courage to supply "guide lines" to suggest the nature of settlements which would be, according to the political authorities in Washington, in the national interest. The government would, moreover, define and assert the national interest, not just try to mediate the immediate issues. He apparently speaks for the Administration when he says that labor management relations have become "far too complex, far too potent and far too influential on the rest of society to (Continued on page 18)

How Population Rise Can Affect Housing and Our Economy's Pace

By Dr. Philip M. Hauser,* *Professor and Chairman, Department of Sociology, University of Chicago*

Anticipated population increase of almost 80 million by 1980 would mean a 260 population and could double our GNP if we sustain a 3.5% per year economic growth rate. A marked shift of housing demand into rentals is expected to accompany the projected 30 million population rise in the 1960's, particularly in the first half before changing back to owned home units. Ramified effects of appreciable urban renewal and other changes in assumptions made are, also, indicated.

Long-term demand for housing continues, as in the past, to be greatly affected by population changes. Changes in size and composition of population have an impact on the demand for housing both in direct and indirect ways. Indirectly, housing will be influenced by the extent to which population factors influence the level of total economic activity. Directly the demand for housing will be affected by resurgent national population growth, by the changing age structure and accompanying changes in household formation, by the metropolitan area "explosion," by the decentralization of population within metropolitan areas, and by the changing structure of metropolitan areas. Facts about some of these forces are highlighted below:

Prof. P. M. Hauser

Economic growth in the United States during the sixties will be stimulated by population increase that could reach a total of over 30 million or about 19%. Should the present birth rate continue to operate throughout the decade, the population of the nation may number some 214 million in 1970, as compared with some 180 million in 1960. By 1980, under the same conditions, the population could number some 260 million.

Thus between 1960 and 1980 the operation of the postwar birth rate could produce a population increase of almost 80 million persons. That is, within a 20-year period, the United States with its present birth rate could add to the national market as many people as in all of the United Kingdom, Canada, Sweden, Denmark and Norway combined. Moreover, if the nation were able to sustain economic growth at the rate of 3.5% per year, Gross National Product could double within the same period.

Despite the setback of the recent recession and the possibility of similar fluctuations in the years which lie ahead, the general outlook during the next 20 years is one of relatively great national growth as measured both by population and Gross National Product.

Should the birth rate sharply decline during this decade — an eventuality which cannot be completely discounted — it is possible that total population growth would not exceed 203 million by 1970 and 230 million by 1980. Even with this outlook, the nation stands to add to its numbers at least 22 million persons by 1970, and at least 50 million persons, as many as in the United Kingdom, between 1960 and 1980.

Metropolitan Growth

In 1960 the 212 Standard Metropolitan Statistical Areas in the United States contained about 113 million persons, 63% of the total. Should the trend in total population growth and in concentration of population in metropolitan areas continue, population in the United States could increase by about 30 million persons during the decade 1960-1970. That is, metropolitan growth during this decade may, as between 1950 and 1960, absorb virtually the entire population increase of the United States. Continuation of the trend could mean that there would be as many people in metropolitan areas of the nation by 1980 as there (Continued on page 34)

SECURITIES NOW IN REGISTRATION—Underwriters, dealers and investors in corporate securities are afforded a complete picture of issues now registered with the SEC and potential undertakings in our "Securities in Registration" Section, starting on page 38.

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.

TOBIAS GRUEN

Investment Analyst, McFetrick & Company, Montreal, Canada

El Paso Natural Gas Convertible Preferred Shares

The convertible preferred shares of El Paso Natural Gas appear attractively priced at their current level of $106. The share affords an annual dividend of $5 which works out to a handsome yield of 4.7%. Besides, the convertible feature of this stock offers the investor the opportunity to participate in the long-term capital appreciation prospects of the common shares of the company. This convertible feature enables the holder of El Paso Natural Gas preferred shares to convert them, if he so chooses, into common stock of the same company at the rate of 3.75 common shares per one preferred share, up to April 30, 1967.

Tobias Gruen

At present the common shares are selling at around $25.75. This makes the conversion value of the preferred share approximately $97 (3.75 x 25.75), which is only about 9% lower than its current market price of around $106. This situation holds attractive possibilities. Should the price of the common shares register a substantial improvement, this will naturally be reflected in higher prices for the convertible preferred shares. To illustrate, if the price of the common share goes up to $35, the convertible preferred shares must increase in price to around $131 (3.75 x 35=131.25). If the common share increases to around $50, the convertible preferred shares have to increase to around $187 (3.75 x 50=187.5).

On the other hand, in the event of a substantial fall in the price of the common share, the convertible preferred share will not register a corresponding decline. Instead, it will still hold at a reasonably high level, its investment value acting as a brake against undue downward movement of its price. Enjoying the protection that the law affords to preference - shareholders, the holder of the El Paso Natural Gas preferred shares must be paid by the company a dividend of $5 per share before anything is paid on the common shares. Be it noted further, that this preferred share is of high quality. In view of these factors, it has an estimated *investment value* of around $98.

What capital appreciation these preferred shares will record in the period ahead, will naturally depend on the performance of the common shares of El Paso Natural Gas. We may, therefore, briefly review the latter security.

The statistical record speaks well of the common shares of El Paso Natural Gas. The price of the common shares has increased from a low of $8.60 in 1950 to their present level of around $25.75, an increase of about 200%. Again, the earnings per share in 1960 were $1.92 compared with 92 cents in 1950—an improvement of over 109%. The dividend payout has also shown remarkable growth. In 1950 the company paid 50 cents per share while in 1960 the payment was about $1.11; in 1961 this was further increased to $1.30 per share. Between 1950 and 1960 the dividend rose by over 160%.

El Paso Natural Gas is one of the largest natural gas transmission companies in the world. It operates 18,012 miles of natural gas pipelines in the United States. As at Dec. 31, 1960, the gross investment of the company amounted to $1,649,000,000 compared with about $241,000,000 in 1950—a rise of around 580%. The increase in the total operating revenue registered by the company during the same period was even more striking—from a mere $41,302,457 in 1950 it zoomed to over $504,634,163 in 1960, an increase of about 1120%.

The following table sets forth the growth recorded by the company during the same period in terms of a few relevant categories:

	1950	1960	% Change
Gross inc.	$12,136,948	$116,056,415	856
Net inc. bef're income tax	8,655,956	72,411,617	736
Net inc. after income tax	6,322,097	50,909,378	709
Gas sold in MCF	264,219,229	1,270,779,327	380

In view of the excellent past record of the company, so well attested to by the facts and figures provided above, El Paso's long-term prospects are bright. As a result of the steady expansion of the company, further long-term growth in terms of earnings and dividends is likely to occur, and the common shares could show substantial gains during the years that lie ahead.

I recommend, however, that investors should buy only the convertible preferred shares, in view of their better resistance to downward pressures in the event of a temporary or long-term decline of the market.

The common shares are listed on the New York Stock Exchange, while the convertible preferred shares are traded on the Over-the-Counter market.

It is my opinion that the convertible preferred shares of El Paso Natural Gas deserve the attention of the conservative investor who is interested in a security affording long-term capital appreciation prospects.

FREEMAN NAPIER JELKS, JR.

Vice-President,

Johnson, Lane, Space & Co., Inc.
Member New York Stock Exchange,
Savannah, Ga.

Southern Nitrogen Company

Southern Nitrogen Company is a young, aggressively-run chemical fertilizer company whose excellent management has plans for making the company an important factor in various chemical fields.

Freeman N. Jelks, Jr.

Present production includes ammonia, nitric acid, ammonia nitrate, and urea. Management expects to make use of its knowledge and experience in high pressure, high temperature chemical processing for expansion and diversification of its product mix.

A majority of Southern Nitrogen's present products are sold in Georgia, Florida, North Carolina and South Carolina. These states comprise one of the largest nitrogen fertilizer markets in the United States. The demand for nitrogen materials continues to grow in this area.

The Savannah works came on stream in 1957. The company has a tax loss carried forward from 1957 and prior years which has resulted in tax free earnings through 1961. Something less than $600,000 of 1962 earnings will also be free of income taxes.

The company has 1,250,000 shares outstanding (approximately 39% owned by management).

	Net Sales	Earns. Per Sh. (Tax Free)
1957	$2,770,000	*$2.56
1958	7,950,000	0.63
1959	9,470,000	0.67
1960	11,690,000	1.00
1961	14,000,000	1.72

*Loss.

Depreciation added $1.03 per share to 1961 cash flow. Southern Nitrogen has paid off $8,000,000 in debt in the last four years, and expects to pay off the last of the $3,500,000 in subordinated debt outstanding (plus the annual $800,000 first mortgage payment due) out of 1962 cash earnings. Retirement of the debentures would free funds for the initial payment of dividends, although management would prefer to use any surplus funds for continued expansion, if this seems proper at the time.

Southern Nitrogen now has a sales break-even point of roughly $8,000,000. On sales above this figure, the company presently enjoys a pretax profit margin of approximately 40%.

Management anticipates that 1962 sales will increase to $17,500,000 or more. Virtually full capacity sales, approaching $20,000,000, are expected in 1963. Earnings estimates, which follow, are based only on facilities already financed, either completed or under construction. They do not give allowance for the profitable reinvestment of the company's substantial cash flow, either in new products or in continued expansion of present production facilities.

	Earnings Per Share (Before Tax)	Earnings Per Share (After Tax)
1962	$2.55	$1.40
1963	3.60	1.60
1964	3.90	1.75

Depreciation is expected to increase cash flow by $1.20 per share in 1962; $1.35 in 1963; and $1.40 in 1964.

Management hopes, and the writer expects, that before 1964 Southern Nitrogen will have acquired other companies or entered new fields which will make the above earnings per share figures sharply understated. While what we are anticipating beyond 1962 may correctly be called a "management play," we think the "play" will prove to be a most rewarding one.

Southern Nitrogen stock is traded in the over-the-counter market, currently around $20 a share. We look for substantial price appreciation as earnings develop as anticipated.

The 1961 annual report graphically illustrates how the company's intelligently planned sales program, on top of its aggressively leveraged financial structure operates to the benefit of the investor seeking capital gains. Copies are available from the writer on request.

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

This Week's Forum Participants and Their Selections

El Paso Natural Gas Conv. Pfd.—Tobias Gruen, Investment Analyst, McFetrick & Co., Montreal, Canada. (Page 2)

Southern Nitrogen Co.—Freeman Napier Jelks, Jr., Vice-President, Johnson, Lane, Space & Co., Inc., Savannah, Ga. (Page 2)

Changing Retail Scene And What Lies Ahead

By Malcolm P. McNair,* *Lincoln Filene Professor of Retailing, Harvard Graduate School of Business Administration*

Retailing expert anticipates a good year for the economy and the nation's department stores—assuming certain misgivings held about the second half of the year do not materialize. Turning to our prospects of realizing our long-run rosy economic goals, Professor McNair outlines six hurdles which, he says, must be surmounted. As for the "changing retail scene," the well known Harvard business professor describes the general problems retail business must cope with and then looks specifically at the challenging changes confronting the traditional department stores — i. e., the problem of downtown, and the problem of how to meet new competition. Department stores are said to be in a period of great ferment and excitement calling forth great opportunity for new generation's best talents.

I

A year ago the question uppermost in most minds was, "How serious and deep a recession do we face?" The answer turned out to be, "Not very serious and not very deep." Most of the crystal ball gazers at that time were putting a finger on mid-1961 as a probable date of beginning upturn. My own views as then expressed were that, in view of all the uncertainties, I would not be greatly surprised if the turn came later than midyear, but that, on the other hand, I would not be overly surprised if it came earlier and if the first quarter of 1961 marked the low point, just at it did in the 1957-1958 recession. The latter turned out to be the case, and by the middle of the year we were all asking ourselves, "How rapid will the recovery be?" Again the answer proved to be on the side of moderation—"Not very rapid."

Prof. M. P. McNair

Thus 1961 was only a rather mediocre year in general business performance. To be sure, the Gross National Product of about $521 billion somewhat exceeded many of the estimates of a year earlier (including my own), but in terms of constant dollars this was an increase of only about 2%. Detroit built and sold only about 5½ million cars as against the 7½ million figure of 1955; steel output at 98 million tons was 20 million below the peak of 1957; capital outlay for plant and equipment was some 3% under 1960; housing starts fell below the 1959 peak; unemployment remained around 7% of the civilian labor force and only at the end of the year dropped to 6%; and business profits after taxes were scarcely any greater than they had been eleven years earlier in 1950.

In retailing, much to the puzzlement of the economists, consumer spending for the greater part of the year failed to play its usual role in pulling the economy out of recession; and it is only during the last three months that it has come up to a level consistent with the increase in consumer incomes. Because of the strong holiday business, department store sales for the calendar year were approximately 3% greater than in 1960, and I will venture the guess that, when the full record is in, department store earnings in 1961 will be seen measurably to have surpassed the 1960 performance, according with the expectation that I expressed a year ago.[1]

The fourth-quarter rise in retail sales, particularly the strong upward trend in automobile sales, the gratifying recent improvement in business profits, the sustained high level of new orders for durable goods, and the first significant downturn in the unemployment figures all give rise to the question for 1962—"How big will the boom be?"

II

Business Outlook for 1962

With regard to the outlook for general business in the first half of 1962 the crystal ball gazers all exhibit a marked degree of unanimity — business will be good. Sometimes in the past I have been suspicious of such a high degree of unanimity among forecasters; and sometimes, as in 1960, my suspicions have proved to be warranted. But in the instance I concur in the almost unanimous concensus of the business prognosticators that for the first half of 1962 business will be good. For that reason I am not going to take a lot of your time scrutinizing and weighing the various elements which enter into the total spending flow of our economy — the various components of our Gross National Product. Instead, let me quickly summarize the highlights.

(1) Federal Government spending, particularly for defense purposes, will be a powerful stimulus, since by far the larger part of spending to which the Federal Government is already committed for this governmental fiscal year will fall in the first half of calendar 1962. At the same time the steady advance of state and municipal spending will continue at the usual annual rate of increase of some $3½ to $4 billion. For the full year total government spend-

1 EDITOR'S NOTE: The Federal Reserve reported country-wide department store sales were up 8% for the week ending Dec. 30, 1961, compared to 1960's week, and were 12% higher in the Dec. 23 week. Sales in the four-week period ended Dec. 30 advanced 8% over the 1960 period.

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OBSERVATIONS...

BY A. WILFRED MAY

CURBING THE AMEX— Rout or Stategic Retreat?

The officialdom of the American Stock Exchange (*nee* The Curb) has certainly been acting with great promptness and depth in moving toward its required purge. Importantly contributing to the taking-up of the gauntlet laid down by the SEC, publicly in its fully documented master report as well as via direct ". . . or else" indications, have been both the Exchange's governing authorities and the three-section thorough and statesmanlike reports coming from its self-generated *Special Committee for Study* (generally known as "the Levy Committee" after its chairman, Gustave Levy, investment banker).

The Market's officials have set the reform movement in motion by speedy and drastic disciplinary action; and its Committee by publicly promulgating highly constructive and practical recommendations. In fact, in a major phase of the Little Board's composition, the unlisted issues enjoying trading privileges, the Levy Committee now recommends the needed clean-up regarding which the SEC itself has been procrastinating during its entire 28-year life. The framers of the Securities Exchange Act of 1934 and the Congress acting on the legislation, were faced with a dilemma posed by the long-time existence on the then named "Curb" of 800 of the issues which had been enjoying so-called unlisted trading privileges. These issues had been brought on to the Exchange without action by the respective managements who assumed no listing obligations, and would presumably, therefore, prefer delisting to submission to the pending Act's Sections 13, 14 and 16 (embodying the so-called corporate provisions concerned with fiscal reporting, proxy solicitation, and insiders' transactions).

A Hobson's choice was thus posed between giving those managements exemption from their responsibilities, or stripping the existing shareholders of these issues of their Exchange market.

After extended two-year study and report back to the Congress by the Commission, along with the broker-dealer segregation and corporate reorganization questions,* it was decided that the greater evil would be to deprive the shareholders of the unregistered issues of the "great liquid" Curb market. Consequently, these issues were given a stay continuing their status of exemption from the corporate obligations.

*The Reorganization Study was conducted by William O. Douglas, the Broker-Dealer one by Kemper Simpson, and the Unlisted Trading one by the writer.

Serving so to persuade the Congress was the assumed prospect of the disappearance of the information withholding† group within a reasonable time; and that, meanwhile, the public's recognition of the distinction between the two groups of issues would be enhanced.

A Quarter Century "Pause"

But after the passage of a quarter century neither of these prospects has been realized. There are still 206 issues enjoying the Exchange's trading privileges despite their exemption from the listing requirements. These issues, as the second Levy Report points out, although accounting for only 12% of the Exchange's total share volume, have an aggregate market value about 50% greater than the fully listed "law abiding" common stocks.

On the public enlightenment promise, the situation has actually deteriorated further, and to a major extent. Now the only indicated distinction between the listed and unlisted issues exists on the ticker tape where the letter "U" is inserted before symbols of the latter issues. Whereas in the pre-SEC days most newspapers carried a distinguishing symbol, now this has been universally discontinued, as well as in all other quotation records, including the Fitch "daily sheets."

Since the late 1940's, stalling on this situation has been rationalized by citing "prospective" passage of the Frear Bill—whose proposed extension of the Securities Exchange Act's obligations to *all* unlisted issues including the over-the-counter market, would automatically resolve the cited anomaly on the American Exchange (and sharply swell its issue population with defectors from the hitherto exempt over-the-counter market). But here we are in 1962, and the Frear-ish legislation is still pigeon-holed — with the new ex-Senator Frear presumably waiting frustratedly to take up the cudgels from the wings as an SEC Commissioner.

According to American Exchange sources, the Commission has, in dragging its feet, actually pigeonholed proxy material and other reporting data which some of the unlisted managements have voluntarily submitted to it for distribution. All the more credit is due the Levy Committee recommendations for cancelling the unlisted privileges after a one-year grace period for compliance with some of the listing obligations, and a 2-year ultimatum in the case of the reporting and proxy requirements.

†This would be accelerated by the compulsion on all corporations registering a new issue under the Securities Act of 1933, to undertake compliance with the information requirements of Section 13 of the Securities Exchange Act.

The Crucial Decisions Ahead

Significant as indicating the Exchange's entire attitude on its genuine willingness to take the needed reform steps, in more than a public-relations show, will be the Board's action at its crucial March 15 meeting on this proposal from its own Committee—unpalatable as it may be.

Significant also will be the Exchange's reaction to many other of the recommendations coming up for its disposition within the next few weeks.

These will cover: establishment of the board as a policy-making body, centralization of administrative authority in the President with an adequate staff responsible directly to him; elimination of the standing committee system; reconstitution of the board including a geographic board representation for the first time; establishment of a Steering Committee of Governors; and other matters.

Even more important, to the Exchange members' good conduct, over the long pull, than the adoption of codified rules, including constitutional amendments, will lie with the informal self-disciplining by the individual members. The successful outcome of the prospective "nudging" to good conduct by the governing body and the enlarged staff, as on the specialists and floor members, will in the last analysis rest on the personal cooperation of all the membership and governors (both the "public" and "private" ones). Not only must there be continued sound *ad hoc* decisions about floor practice but also a host of matters, as for example, which disciplinings to publicize for the public interest.

As "Honest Ed" Posner, the Exchange's current "probation officer" (actually the interregnum Board Chairman) has said, "You can't legislate honesty."

Both the SEC's master report on the Amex and the Levy documents seem to underline the conclusion that there is no dearth of regulations; the deficiency rather lies in their implementation and observance. (It would be fortunate to keep the Levy Committee permanently around on a standby watch-dog basis).

Mr. Posner, in an interview this week, viewed his Exchange as getting on an "even keel." We hope that this is so, and that this Utopian state will last at least until the next speculative boom—even without any further "or else's" from the SEC.

Speer V.-P. of Shumate & Co.

DALLAS, Texas — Howard J. Speer has become a stockholder in the investment firm of Shumate & Company, Inc., First National Bank Building, according to Gaston A. Shumate, President. Continuing as manager of the company's trading department, Mr. Speer has been named Vice-President and has been elected to the Board of Directors.

Shumate & Company, Inc., operates as underwriter, dealer, and distributor of public utility, industrial and municipal issues, bank and insurance stocks, and oil stocks. The company's brokerage affiliate is Shumate & Company.

Joins Hogan, Ashford

(Special to THE FINANCIAL CHRONICLE)

BOSTON, Mass.—Allan L. Martin has joined the staff of Hogan, Ashford & Co., 141 Milk Street. He was formerly with Burgess & Leith.

FROM WASHINGTON ...Ahead of the News

BY CARLISLE BARGERON

Col. Glenn's three-time orbit of the globe should have a tremendous effect on this country. It lifted the spirits of millions of people and kindled their imagination. But what it served mostly to do, I think, is to put an end to those politicians who are always talking about our loss of prestige. If we don't give away money, if we don't enact certain reforms, if we don't this or that, we will lose prestige in the eyes of other countries. President Kennedy talked a lot about our loss of prestige during the campaign. We will always have prestige as long as we have Col. Glenns and there will always be a lot of Col. Glenns.

If Col. Glenn's flight has done nothing more than to stop this demagoguery, it will have served its purpose.

* * *

As this observer wrote when Mr. Kennedy was trying to force his Department of Urban Affairs Bill through Congress, his honeymoon seems at an end. That he suffered a crushing defeat is self-evident. What is more, he hasn't put the dissenters on the spot, he has not succeeded in making them stand up and be counted, and thereby lose the Negro vote.

In the Senate he didn't get a roll call. The vote there was to bring the bill, without disapproval or approval, before the Senate without the usual order. It didn't affect the bill because, as long as it stayed in committee, Mr. Kennedy won. The Senate had to take positive action on the bill, otherwise it was approved insofar as that body was concerned. But he insisted on a Senate vote. For one thing, he thought the Senate would approve it and this action might have some effect on the House.

But the Senate, with every Senator voting for the first time that this writer can remember, refused to bring the bill up. As a result, no Senator can be accused of voting against the bill. The House then, notwithstanding the Negro threat, voted on the bill and killed it almost two to one

The Republicans are now insisting that if Mr. Kennedy wants a Negro in the cabinet, Robert C. Weaver, the head of the housing agency whom Mr. Kennedy had announced he intended to appoint as Cabinet head of the new agency, be named to succeed Secretary Ribicoff, of Health, Education and Welfare. Mr. Ribicoff is to resign soon to run for Senator from Connecticut, against Prescott Bush who has served two terms as a Republican.

Mr. Kennedy obviously does not want to do this. In the first place, Weaver's experience has all been in housing, and secondly, Mr. Kennedy wants to name a woman to the post. In the third place, the Southern Democrats in the Senate would probably filibuster against Weaver's nomination. This would show that Mr. Kennedy's own party thwarts the Negroes rather than the Republicans.

In his inaugural address, Mr. Kennedy made an utterance that has been widely quoted: "Think not what your government can do for you, but think what you can do for your country."

It was a phrase that has been quoted almost as much as Churchill's classic statement: "Never in all history do so many owe so much to so few." He was talking about the British airmen's fight for the protection of England.

But Mr. Kennedy's famous statement has turned sour after his tactics in the Urban Affairs fight. He showed clearly in this fight that he was more concerned in what could be done to help Mr. Kennedy's Democratic party than in what it would do for the country. He made it clear that it was a fight for the city vote, a fight between the urban and the rural voters and that the votes lay with the urbanites.

Magid, Ehrlich Opens in N.Y.C.

Formation of D. H. Magid, Ehrlich & Co. Incorporated is announced by David H. Magid and Harold B. Ehrlich. The firm, located at One Chase Manhattan Plaza, New York, will conduct a general investment business as brokers, dealers and underwriters.

David H. Magid

Mr. Magid was formerly Vice-President of Hill, Thompson & Co., Inc. Mr. Ehrlich was previously associated with Neuberger & Berman, members of the New York Stock Exch.

Growth Programs Formed in N.Y.C.

Growth Programs, Inc. has been formed with offices at 535 Fifth Avenue, New York City, to engage in a securities business. Officers are Sidney Shiff, President; Nathan D. Lobell, Vice-President; and Seymour Hertz, Secretary and treasurer. Mr. Schiff was formerly with Shearson, Hammill & Co. Mr. Lobell was with Arthur Wiesenberger & Co.

Administration's Economic Program and Objectives

By Hon. Henry H. Fowler,* *Under-Secretary of the Treasury, Treasury Department, Washington, D. C.*

In factual terms, Mr. Fowler outlines the principal unsatisfactory facets of our Post-World War II economic record; and reviews the economic goals found in the President's Economic Report and the newer and more important fiscal-monetary policies to serve these goals. The compelling fact to consider, the Administration's spokesman declares, is not our internal material and financial interests. "The primary underlying fact," he warns, "for U. S. economic and financial policy of the Sixties is the Soviet challenge and its threat to our security and freedom." Spelled out are several aspects of the Federal budget and other measures in terms of their effect upon business and the "cold war."

My comments on the government's policies in the fiscal and monetary area, and their effect on business will be divided into two parts: First, an identification of the broad economic goals current fiscal and monetary policies are designed to serve and some of the more significant underlying facts giving rise to these goals; and, second a brief description of a few of the more important fiscal and monetary policies of especial interest to business and how they are designed to serve those goals.

I take time to underscore the goals of economic policy and a few of the facts to which they are responsive because, in these years of change, challenge and danger, it is important for business to know not only what the government is doing, but why.

The goals of economic policy as described in the President's Economic Report are four:

(1) The achievement of full employment and sustained prosperity without inflation,
(2) The acceleration of economic growth,
(3) The extension of equality of opportunity, and
(4) The restoration of balance of payments equilibrium.

There are many detailed facts bespeaking support for these goals. I shall cite a few basic ones.

Recessions 23% of the Time Since World War II

In the past 15 years four recessions have arrested growth in the U. S. economy—in a period when the economies of other major industrial countries in the West have moved steadily ahead—with only a occasional pause. Approximately 14 quarterly periods, or 23% of the total, have been periods of recession. The economy has spent a total of seven years (out of the 15) regaining previous peaks of industrial production.

In two months out of three during this 15 year period, 4% or more of those able, willing and seeking to work have been unable to find jobs. The peak of each of the last three recoveries has been marked by a higher rate of unemployment than the previous one. 26 million young people will enter the labor force in the Sixties, representing a net addition in excess of 13 million, at a rate far in excess of that of the Fifties. In addition to the current unemployed, large numbers of the existing labor force may lose both their employment and opportunities for reemployment with existing skills through automation or technological or other forms of competition.

The highest standard of living and the wide sharing of prosperity provided by our national economy has not adequately extended equality of opportunity. Thirty per cent of all families and unrelated persons have less than $1 thousand of money income per person. In 1960, seven million families and individuals had personal incomes lower than $2 thousand.

During the Fifties, while the United States—in Gross National Product — was growing at less than 3½% per annum, Free Continental Europe was growing at nearly 5%, the Soviet Union at nearly 7%, and West Germany and Japan at between 7 and 9%.

During this same period, the U. S. economy became subject to persistent deficits in our international balance of payments and gold outflows, resulting finally in 1960 in an over-all accumulation of short-term dollar liabilities to foreigners in excess of gold reserves. In the three years 1958-60, the over-all deficit in the United States' balance of payments averaged $3.7 billion annually. Preliminary estimates for 1961 show a decline of $2.5 billion. Gold reserves declined $1.7 billion in 1960 and just under $900 million in 1961 — some improvement but not enough.

These dry figures on balance of payments take on added meaning in view of the role of the dollar as the key reserve currency for the Free World trade and payments system and the following long-term factors:

(1) The establishment of external currency convertibility by most of the European countries at the end of 1958 removed an important barrier to international capital flows.

(2) The establishment of the European Economic Community has provided a large, rapidly growing, tariff-free market to those associated with it, holding out much the same investment opportunities as the tariff-free internal market of the United States, with no current assurance concerning external barriers to those outside it.

(3) Intercontinental ballistic missiles and restoration of political stability in Western Europe have reduced the special attractions of the United States as a haven for funds and as a location for capital investment.

(4) The large overseas military expenditures and extensive foreign aid programs of the United States have come to be clearly recognized as long-term requirements for an effective national security and foreign policy.

(5) The decline of the U. S. trade surplus, from $6 billion in 1957 to a postwar low of $1 billion in 1959, despite improvements in the last two years, has focused attention on the long-run improvement in the competitive position of Western European countries and Japan relative to the United States — an improvement caused mainly by remarkable advances in output and productivity in those countries.

(6) In addition, a sharp rise in certain key prices in the United States relative to those of major competitors has weakened the competitiveness of some U. S. products in world markets.

Added to these factors are the following facts concerning our national plant and equipment stocks upon which our productivity, efficiency, and competiveness largely depend:

(a) a diminishing percentage of our gross national product has been devoted to business fixed investment and, particularly important, producers' durable equipment.

(b) increases in our stock of plant and equipment have proceeded at a substantially receding rate in recent years in relation to other factors.

(c) the rate of increase in the production of business equipment has fallen far behind the rate of increase in industrial production.

(d) there has been a startling rise in the proportion of our machinery and equipment which is over 10 years old.

(e) since 1954 there has been a sharp decline in the rate of increase of productivity per worker and per hour from that of the postwar period.

Yet, a sharply contrasting pattern and trend has prevailed in Western Europe and Japan during the last decade, as marked in the last few years as in the early years of replacement of war damage.

The Compelling Fact

It is most important for American business to appreciate that the President's economic goals serve more than our internal material and financial interests—they also undergird our freedom and security.

Indeed, the compelling fact is not one related to materialism, social welfare or "keeping up with Western Europe" financially and economically. The primary underlying fact for U. S. economic and financial policy of the Sixties is the Soviet challenge and its threat to our security and freedom.

The hostility of leaders of the Sino-Soviet Bloc to our way of life, the growing technological resources at their command, the options of hot or cold war, brushfires or penetration, and the increasing capability with which rates of growth in the U. S. S. R. (about twice those prevailing in the United States in the last decade) may enable them to carry out their hostile intentions — these elements now sharply focus the connection between the vigor and character of the U. S. economy and our national security particularly as it involves our ability to continue to discharge our military, economic and financial commitments at home and abroad.

Against this factual background of our national economic goals, let us review briefly some of the newer and more important fiscal and monetary policies of direct interest to business which are designed to serve these goals.

Perhaps, the dominant feature of new policies in this area is the determination they embody to utilize more effectively fiscal measures to achieve full employment and growth without inflation — to coordinate a vigorous fiscal policy with monetary and credit policies, avoiding a dependence solely on monetary policy —thereby permitting monetary policy to play a much needed role in minimizing short-term capital outflows that could seriously impair our balance of payments.

A major step this year was the submission of a budget to the Congress, appropriately paced to the expected rate of economic expansion, which will balance in fiscal 1963 as our present prosperity and expansion generates sharply rising tax revenues.

Budget's Effect Upon Business

It is estimated that budget revenues will rise 13% between the fiscal years 1962 and 1963. The rise in revenues of 14½% between 1959 and 1960 in the previous upswing lends support to this estimate, which would see our gross national product rising to $570 billion for calendar 1962 as a whole, compared with approximately $520 billion for calendar 1961.

Several aspects of this budget are of particular interest because of their effect on business. Should economic expansion follow its estimated pattern, the budget will provide a surplus of revenues over expenditures during fiscal 1963, whether calculated on the traditional administrative budget basis or as a national income accounts budget — a budget specially constructed to measure the direct impact of Federal expenditures on the flow of total spending.

This surplus, should it occur with private demand showing anticipated strength, provides a challenge and an opportunity to private business. A government surplus is a form of saving — an excess of income over expenditure. Like other forms of saving, it releases labor and productive resources which can be used to create new investment goods. If the necessary investment demand is present, the surplus will make possible the acceleration of economic growth.

Related to this policy of budgeting for a balance or a surplus in times of prosperity, the government is seeking to help American industry take advantage of any opportunities so provided by establishing new incentives to investment through such measures as the 8% investment tax credit and revision of depreciation guidelines, to be discussed later.

Therefore, if the economy expands, the budget, through a diminishing excess of Federal expenditures over tax receipts, will give less stimulus to business activity as private demand for goods and services increases, thereby allowing fiscal policy to assume some share of the burden of forestalling inflationary excesses in demand. But the shift will be moderate and gradual in order to avoid the disappointing 1959-60 experience when an abrupt and excessively large swing from deficit to surplus in a short span of time drained the vigor of the private economy, which many believed contributed to halting its progress.

Budget outlays will rise by $3½ billion from fiscal 1962 to fiscal 1963, with more than three-fourths of the increase accounted for by national security and space activities, and the bulk of the remainder by fixed interest charges. The budget fell by more than that

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TAX-EXEMPT BOND MARKET

*BY GEORGE HAMILTON**

Although the past week has been a short one timewise due to the celebration of Washington's Birthday and the worldwide attention focused on Spaceman John H. Glenn, Jr. and his Project Mercury orbital flight, the municipal bond market has experienced the busiest week to date for the year 1962.

During three business days this week (Monday, Tuesday and Wednesday) there have been 10 issues of note sold at competitive bidding involving a total of just over $250,000,000 tax - exempt bonds.

New York Thruways Quickly Marketed

The happiest event of the week was the offering on Tuesday by the Lehman Brothers group of $72,000,000 New York State Thruway Authority Series "D" general revenue (28-year average) bonds after their successful bid of a 3.64% net interest cost. The $24,000,000 serial bonds, due 1967-1985, were priced to yield from 2.50% to 3.50%, while the $48,000,000 term issue, due 1996, was offered at a 3.70% yield. The bonds drew immediate response from banks, individuals and insurance companies across the country. The term bonds were an immediate sellout and, after a four hour order period, all but $1,800,000 of the serial bonds were sold. The term bonds are quoted 99 to 99½ as we go to press and the balance of the serial bonds have been sold.

Market Down Slightly

Prior to the sale of the New York State Thruway bonds the municipal bond market was experiencing some difficulty and growing pains. The *Commercial and Financial Chronicle's* 20-year high grade bond yield Index taken at the offered side of the market has moved off about one-quarter of a point since last week. Whereas the average yield on selected offerings was 3.123% a week ago, it was 3.142% on the same offering on Feb. 28.

The decline in our average marks the first time since Dec. 13, 1961, that the market has lost ground. Through 11 consecutive weeks the averages have moved from a low of 3.334% to last week's high of 3.123%. In terms of dollars, this amounts to a gain of over four points.

A negative factor which had crept into the market during the past four weeks and still exists was the rapid build-up in the *Blue List* float. The total of bonds advertised for sale therein on Feb. 1, was $260,000,000 and this total has risen daily to yesterday's figure of $523,927,823.

Price Concessions Needed

This rapid increase in the Street float has been the direct result of unsold syndicate balances which remain from issues of the past few weeks. They consist of such unsold balances as $9,695,000 Delaware; $12,035,000 New Jersey; $14,680,000 Public Housing Authority; $5,914,000 San Francisco, Calif.; $6,556,000 Jefferson County, Colo.; $16,768,000 Chicago, Ill.; $3,715,000 Wayne County, Mich.; $9,558,000 New York State; $26,620,000 New York, N. Y.; $18,073,000 Oregon and $7,702,000 Philadelphia, Pa.

Some slight price cutting in these issues would seem to be the answer to attract buyers and get these balances into the hands of investors and out of the way. In the case of the San Francisco, Calif. syndicate balance a small concession last week resulted in the sale of $11,000,000 of bonds and, in our opinion, similar concessions would attract other block buyers rather than let the bonds remain stagnant in the *Blue List*.

The supply of new issues for the next 30 days is one of the bright spots and is very moderate for this time of year. Through April 1 the new issues presently on the calendar total only $325,000,000. The largest issue scheduled is only $35,000,000 Georgia State Highway Authority (Highway Revenue) 1963-1991 bonds set for today, March 1). This will as usual be a competitive sale with at least three groups scheduled to submit bids.

Puerto Rican Issue Canceled

The negotiated issue calendar is at present in a state of flux. The First Boston Corp. and associates had planned to bring an issue of $35,000,000 Puerto Rico Water Resources Authority (Electric Revenue) 1963-1989 bonds to market this week but this offering has been canceled.

A spokesman for the Governmental Development Bank for Puerto Rico said that the decision to cancel was made because a dealer whom he identified as William S. Morris & Co. (of California fame) had not been admitted to the negotiated group and offered to submit a competitive bid of his own. The bank further reported that a smaller issue of bonds (about $15,000,000) will be offered via competitive bidding in the near future. There are no other negotiated flotations presently close to market.

Other Bond Markets Acting Well

Another stabilizing factor for the tax-exempt market has been the steady tone of the U. S. Treasury and Corporate bond market. The new American Telephone & Telegraph Co. 4⅝% debenture offering has continued to move at a good pace and the latest educated guess as we go to press is that over 95% of this $300 million issue has been sold. The $60,000,000 Duke Power 4½% loan has also been in demand, with the bonds selling at a premium of approximately half a point. In addition, the calendar of corporate offerings continues to be of modest proportions and no undue pressure should be exerted on this market.

U. S. Treasury issues have steadied after the advance refunding announcement and have shown modest gains over the last three sessions.

Recent Awards

This week, which has been dominated by new issues, has seen the tax-exempt market give a relatively good account of itself and a number of issues are worth a word of mention. Monday (Feb. 26) saw the sale of $3,500,000 Columbus, Ga. Water & Sewer 1963-1991 revenue bonds to the Halsey, Stuart & Co., Inc. group at a net interest cost of 3.445%. The second bid of a 3.468% net interest cost was made by the syndicate headed by Wertheim & Co. Scaled to yield from 1.80% to 3.55%, the account reports an unsold balance of $2,165,000.

Massachusetts Issue Distributed In Short Order

Tuesday was a hectic day with six issues of importance, in addition to the previously mentioned New York State Thruway Revenue issue, selling at competitive bidding. The largest general obligation issue consisted of $40,000,000 Commonwealth of Massachusetts various purpose 1963-1982 bonds which were bought by the group managed jointly by the First National City Bank, The First National Bank of Chicago, Bankers Trust Co. and The First Boston Corp. as 3.10s. Other major members of this account include Continental Illinois National Bank & Trust Co., Harris Trust & Savings Bank, C. J. Devine & Co., Glore, Forgan & Co., Kidder, Peabody & Co. and Mellon National Bank & Trust Co.

Reoffered to yield from 1.70% to 3.20%, this issue met with excellent demand and all of the bonds have been sold.

The State of Maryland awarded $27,702,000 construction 1965-1977 bonds to The First Boston Corp.-Bank of America N. T. & S. A. and Mellon National Bank & Trust Co. at a net interest cost of 2.7569%. The second bid of a net interest cost of 2.836% was made by the group headed by Harris Trust & Savings Bank and Drexel & Co. Scaled to yield from 2% to 100 for a 2⅞% coupon, this issue to date has not generated too much investor demand, with the present balance being $16,100,000.

Another Fast Mover

Prince George's County, Md., sold $11,500,000 various purpose 1963-1985 bonds to the syndicate headed by the First National City Bank at a net interest cost of 3.2066%. Other major members of this syndicate include Chemical Bank New York Trust Co., Bankers Trust Co., Harris Trust & Savings Bank, Merrill Lynch, Pierce, Fenner & Smith Inc., Mellon National Bank & Trust Co., Wertheim & Co., A. G. Becker & Co. and Dominick & Dominick. Scaled to yield from 1.75% to 3.45%, this issue was well received with all but $1,875,000 of the bonds sold.

The triumvirate of The First Boston Corp. - Bank of America N. T. & S. A. and Mellon National Bank & Trust Co. were the successful bidders for $4,300,000 State of Rhode Island highway and education 1963-1992 bonds as 3¼s. Reoffered to yield from 1.70% to 3.45%, about $2,180,000 of the bonds have been sold.

A smaller issue of $1,700,000 State of Rhode Island 1963-1982 general obligation bonds was purchased by The Morgan Guaranty Trust Co. and associates as 3.10s. Reoffered at prices scaled to yield 1.70% to 3.30%, all of the bonds have been sold.

Wednesday (Feb. 28) saw two general obligation issues offered for competitive bidding. The State

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***Pinch-hitting for Donald Mackey.**

MARKET ON REPRESENTATIVE SERIAL ISSUES

	Rate	Maturity	Bid	Asked
California (State)	3½%	1982	3.50%	3.35%
Connecticut (State)	3¾%	1981-1982	3.20%	3.10%
New Jersey Highway Auth., Gtd.	3%	1981-1982	3.25%	3.15%
New York (State)	3¼%	1981-1982	3.10%	2.95%
Pennsylvania (State)	3⅜%	1974-1975	2.90%	2.75%
Delaware (State)	2.90%	1981-1982	3.15%	3.00%
New Housing Auth., (N. Y., N. Y.)	3½%	1981-1982	3.20%	3.05%
Los Angeles, Calif.	3¾%	1981-1982	3.50%	3.35%
Baltimore, Md.	3¼%	1981	3.30%	3.15%
Cincinnati, Ohio (U. T.)	3½%	1981	3.25%	3.10%
Philadelphia, Pa.	3½%	1981	3.35%	3.25%
Chicago, Ill.	3¼%	1981	3.40%	3.25%
New York, N. Y.	3%	1980	3.50%	3.40%

February 28, 1962 Index = 3.142%

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.

March 1 (Thursday)			
Colonie School District No. 1, N. Y.	1,700,000	1963-1991	11:00 a.m.
Columbus, Ohio	11,237,240	1964-1998	Noon
Corpus Christi Sch. Dist., Texas	2,000,000	1962-1981	4:00 p.m.
Georgia Highway Authority, Ga.	35,000,000	1963-1991	11:00 a.m.
Shawnee-Mission H. S. D. 6, Kan.	2,850,000	1963-1982	11:00 a.m.
Stamford, Conn.	4,932,000	1963-1982	11:00 a.m.
Taylor Township Sch. Dist., Mich.	3,500,000	1965-1990	7:30 p.m.
University of Tennessee	2,000,000	1963-2000	11:00 a.m.
March 2 (Friday)			
University of Miami, Fla.	2,871,000	1964-2001	10:00 a.m.
March 5 (Monday)			
Rockford, Ill.	4,000,000	1964-1981	1:00 p.m.
San Luis Obispo Sch. Dist., Calif.	1,385,000	1963-1982	2:00 p.m.
Victoriaville Sch. Comm, Que.	1,070,000	1963-1982	7:30 p.m.
March 6 (Tuesday)			
Alabama (State of)	8,500,000	1963-1982	11:00 a.m.
Albion, New York	1,837,000	1962-1991	2:00 p.m.
Antioch Unified Sch. Dist., Calif.	1,000,000	1963-1982	10:30 a.m.
Attleboro, Mass.	2,230,000	1963-1982	11:00 a.m.
Gates & Chili, Cen. S. D. #1, N. Y.	1,645,000	--------	--------
High Point, N. C.	3,000,000	1963-1985	11:00 a.m.
Lorain, Ohio	3,500,000	1963-1982	Noon
Marion Co. Spec. Tax S D 1, Fla.	3,165,000	1963-1981	10:00 a.m.
Ramapo High Sch. Dist., N. J.	2,865,000	1964-1983	8:00 p.m.
Ramapo, Reg. High S. D., N. J.	2,865,000	1964-1983	8:00 p.m.
Ventura Junior College Dist., Calif.	6,716,000	1963-1983	11:00 a.m.
March 7 (Wednesday)			
Bloomington Ind. S D #271, Minn.	1,820,000	1965-1992	7:30 p.m.
Clarkstown Central SD #1, N. Y.	4,712,000	1962-1991	2:00 p.m.
DeWitt, Pompey, Onondaga, Lafayette & Manlius, N. Y.	1,480,000	1963-1981	--------
Kenowa Hills Sch. Dist., Mich.	1,750,000	1963-1988	7:30 p.m.
Los Angeles, California	16,000,000	1963-1992	11:00 a.m.
March 8 (Thursday)			
Abilene, Texas	1,420,000	1963-1984	2:00 p.m.
Gustavus Adolphus College, Minn.	1,200,000	1964-2001	10:00 a.m.
Hazelwood Sch. Dist. R-1, Mo.	1,100,000	1963-1982	--------
Iona College, N. Y.	1,060,000	1962-1999	10:00 a.m.
Noble School District, Ohio	1,050,000	1963-1984	Noon
Vestal Central S. D. No. 1, N. Y.	1,278,000	1963-1983	2:00 p.m.
West Bend, Addison etc. Joint School District No. 1, Wis.	1,330,000	1963-1982	7:30 p.m.
March 12 (Monday)			
Dallas, Texas	10,800,000	1963-1982	1:45 p.m.
Dickinson, Indep. Sch. Dist., Texas	1,135,000	--------	7:30 p.m.
Fort Pierce, Fla.	1,000,000	1964-1988	2:00 p.m.
Hidalgo County Road Dist., Texas	1,000,000	1963-1982	10:00 a.m.
Highland Park, Ill.	1,245,000	1964-1981	1:00 p.m.
North Little Rock, Ark.	3,000,000	1962-1991	7:00 p.m.
March 13 (Tuesday)			
Aldine School District, Texas	1,700,000	--------	--------
Allegheny County, Pa.	7,710,000	1963-1992	11:00 a.m.
Bethany, Orange, Woodbridge, Reg. High School S. D. No. 5, Conn.	1,750,000	1963-1980	11:30 p.m.
Denver, Colo.	15,000,000	1972-1999	11:00 a.m.
Henry Hudson Reg. S. D., N. J.	1,245,000	1963-1987	8:00 p.m.
Laurel SD No. 7 & No. 7-70, Mont.	1,217,000	1963-1982	8:00 p.m.
Northridge School District, Ohio	1,021,000	1963-1982	Noon
Omaha, Neb.	5,700,000	1964-1978	11:00 a.m.
Pennsylvania General State Auth.	25,000,000	1965-1989	Noon
St. Louis Co., Lindberg S. D., Mo.	2,500,000	1964-1982	8:00 p.m.
Washington Public Power Supply System, Wash.	10,500,000	--------	--------
March 14 (Wednesday)			
Geddes & Camillus S. D. 2, N. Y.	1,850,000	1963-1981	--------
Malden, Mass.	1,314,000	--------	--------
Pascack Valley Sch. Dist., N. J.	2,900,000	1963-1989	8:00 p.m.
Rothschild, Hatley, Schofield etc., Joint Sch. Dist. No. 1, Wis.	1,125,000	1963-1982	2:00 p.m.
March 15 (Thursday)			
Board of Education, West Va.	1,400,000	1963-1990	2:00 p.m.
Franklin County, Tenn.	1,000,000	1963-1974	10:00 a.m.
Louisiana Bond & Bldg. Comm.	15,000,000	1963-1987	11:00 a.m.
Osseo Ind. S. D. No. 279, Minn.	1,000,000	1965-1992	8:00 p.m.
March 16 (Friday)			
Lycoming Col. Williamsport, Pa.	1,400,000	1964-2001	12:15 p.m.
March 19 (Monday)			
Alexandria, La.	2,200,000	1964-1992	11:00 a.m.
Atlanta, Ga.	3,000,000	1964-1992	Noon
Glasgow, Ky.	1,550,000	1963-1982	1:30 p.m.
Pasadena, Indep. S. D., Texas	4,500,000	1962-1995	7:30 p.m.
Taylor Township Sch. Dist., Mich.	3,500,000	1965-1990	7:30 p.m.
March 20 (Tuesday)			
Chatham County Sch. Dist., Ga.	2,000,000	1957-1991	11:00 a.m.
Denton, Texas	1,500,000	1963-1990	10:30 a.m.
St. Bernard Parish, La.	1,000,000	1965-1987	11:00 a.m.
Spokane County S. D. 81, Wash.	3,000,000	--------	--------
March 21 (Wednesday)			
Lebanon, Tenn.	1,500,000	1964-2001	10:00 a.m.
St. Cloud Indep. S. D. 742, Minn.	1,375,000	1967-1985	1:30 p.m.
March 26 (Monday)			
Parma City Sch. Dist,, Ohio	1,200,000	--------	--------
Sioux City, Iowa	2,225,000	--------	--------
March 27 (Tuesday)			
Crawfordsville, Ind.	2,500,000	1965-1986	--------
Detroit City Sch. Dist., Mich.	10,000,000	--------	--------
Detroit, Michigan	15,345,000	--------	--------
March 28 (Wednesday)			
Orange Co. Sanitary Dist. # 7, Cal.	3,700,000	1964-1992	--------
Plaquemines Parish, La.	2,500,000	1963-1982	11:00 a.m.

New Issues

$40,000,000

Commonwealth of Massachusetts

3.10% Various Purpose Bonds

Dated April 1, 1962. Due April 1, as shown below. Principal and semi-annual interest (April 1 and October 1) payable at the State Treasury in Boston, Massachusetts, at Bankers Trust Company in New York, N. Y., or at The First National Bank of Chicago in Chicago, Ill. Coupon Bonds in denomination of $1,000, exchangeable for fully registered Bonds in multiples of $1,000, but not interchangeable.

Interest Exempt from Federal and Massachusetts Income Taxes under Existing Statutes and Decisions

Eligible, in our opinion, as Legal Investments for Savings Banks and Trust Funds in New York and certain other States, and for Savings Banks in Massachusetts and Connecticut

*

AMOUNTS, MATURITIES AND YIELDS OR PRICE

$2,002,000 due each April 1, 1963-66, inclusive
$2,003,000 due each April 1, 1967-80, inclusive
$1,975,000 due each April 1, 1981-82, inclusive

Due	Prices to Yield	Due	Prices to Yield	Due	Yields or Price
1963	1.70%	1969	2.60%	1975	2.95%
1964	1.90	1970	2.70	1976-77	3.00
1965	2.10	1971	2.75	1978	3.05
1966	2.25	1972	2.80	1979-80	100
1967	2.40	1973	2.85	1981	3.15
1968	2.50	1974	2.90	1982	3.20

(Accrued interest to be added)

The above Bonds are offered, subject to prior sale before or after appearance of this advertisement, for delivery when, as and if issued and received by us, and subject to the approval of legality by the Attorney General of the Commonwealth of Massachusetts.

First National City Bank New York — Bankers Trust Company — The First National Bank of Chicago — The First Boston Corporation

Continental Illinois National Bank and Trust Company of Chicago — Harris Trust and Savings Bank — C. J. Devine & Co. — Glore, Forgan & Co. — Kidder, Peabody & Co.

Mellon National Bank and Trust Company — Drexel & Co. — Merrill Lynch, Pierce, Fenner & Smith Incorporated — L. F. Rothschild & Co.

F. S. Moseley & Co. — Stone & Webster Securities Corporation — Paine, Webber, Jackson & Curtis — The First National Bank of Oregon — United California Bank

Bache & Co. — A. G. Becker & Co. Incorporated — Braun, Bosworth & Co. Incorporated — Alex. Brown & Sons — Coffin & Burr — Dominick & Dominick

First National Bank in Dallas — Hayden, Stone & Co. — E. F. Hutton & Co. Incorporated — Industrial National Bank of Rhode Island — The Marine Trust Company of Western New York — Reynolds & Co., Inc.

Roosevelt & Cross Incorporated — Wood, Struthers & Co. — Laidlaw & Co. — Baker, Watts & Co. — Branch Banking & Trust Company

First National Bank in Saint Louis — Granbery, Marache & Co. — The National Shawmut Bank of Boston — Rand & Co. — State Street Bank and Trust Company

Chas. E. Weigold & Co. Incorporated — Robert W. Baird & Co. Incorporated — George P. Fogg & Co. — A. M. Kidder & Co., Inc. — Lyons, Hannahs & Lee, Inc.

Third National Bank in Nashville — Wachovia Bank and Trust Company — Robert Winthrop & Co. — Loker, Sparrow & Co.

February 28, 1962.

DEALER-BROKER INVESTMENT LITERATURE AND RECOMMENDATIONS

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

Canadian Market—Review—Equitable Securities Canada, Ltd., 60 Yonge St., Toronto 1, Ont., Can.

Dairy Products Companies—Report with particular reference to **National Dairy Products, Borden Company** and **Beatrice Foods**—H. Hentz & Co., 7 Wall Street, New York 5, N. Y. Also available is a report on **New York Air Brake Company.**

Counterfeit Stock Certificates — and how to spot them—By Chauncey P. Foote, Jr.—In March issue of "The Exchange" Magazine — The Exchange Magazine, Dept. 7, 11 Wall Street, New York 5, N. Y. 20¢ per copy, $1.50 per year. Also in the same issue are articles on **Price Trends, Outlook For Steel,** and the stock the experts have been buying and selling.

Food Chains — Discussion with particular reference to **Kroger Co., Grand Union** and **Stop & Shop** —F. S. Moseley & Co., 50 Congress Street, Boston 2, Mass.

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

Japanese Market — Review — Yamaichi Securities Co. of New York, Inc., 111 Broadway, New York 6, N. Y. Also available is a report on the Japanese **Electrical Equipment Industry,** with particular reference to **Hitachi Ltd., Mitsubishi Electric Manufacturing Co., Ltd.,** and **Tokyo Shibaura Electric Co.,** and comments on **Mitsubishi Chemical Industries, Ltd., Hokushin Electric Works, Shimadzu Seisakusho Ltd., Yamatake Honeywell Keiki Co.,** and **Yokogawa Electric Works.**

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

Japanese Stocks — **Handbook for investment, containing 20 essential points for stock traders and investors** — **The Nikko Securities Co., Ltd., Tokyo, Japan — New York office 1 Chase Manhattan Plaza, New York 5, N. Y.**

Machine Tool Industry — Revised study of prospects, with briefs on **Cross Company, Giddings & Lewis, Kearney & Trecker, Seneca Falls Machine** and **Warner & Swasey** — Troster, Singer & Co., 74 Trinity Place, New York 6, N. Y.

Metals—Review—A. M. Kidder & Co., Inc., 1 Wall Street, New York 5, N. Y. Also available are reports on **S. H. Kress & Co., Swank Inc., Pacific Petroleums, American Bosch Arma, H. Warshow & Sons** and **Royal School Laboratories.**

New York City Bank Stocks — Bulletin giving breakdown on Government bond portfolio and source of income—Laird, Bissell & Meeds, 120 Broadway, New York 5, N. Y.

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

Petroleum Situation — Report — Chase Manhattan Bank, 1 Chase Manhattan Plaza, New York 15, N. Y.

Portfolio for % plus—Bulletin—Bache & Co., 36 Wall St., New York 5, N. Y.

Railroad Income Bonds — Comparison — Vilas & Hickey, 26 Broadway, New York 4, N. Y.

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Savings and Loan Shares—Analysis of outlook — Dean Witter & Co., 45 Montgomery Street, San Francisco 6, Calif.

Steels—Bulletin—Mackay & Co., 524 Washington St., Reading, Pa.

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ABC Vending Corp.—Memorandum—Weston Smith Associates, 52 Broadway, New York 4, N. Y.

A. C. F. Industries—Data—Dreyfus & Co., 2 Broadway, New York 4, N. Y. Also available are data on **Burlington Industries, J. P. Stevens, R. H. Macy & Co., Carnation Co., Reliance Insurance Co., North American Van Lines, Veeder Root Inc., Hayes Industries, Electrolux Corp., Ex-Cell-O Corp., Interstate Finance Co., United Carbon Co., Orkin Exterminating Co., Standard Oil of Indiana** and **Socony Mobil Oil Co.**

Abbey Rents — Memorandum—William R. Staats & Co., 640 South Spring Street, Los Angeles 14, Calif.

Abitibi Power & Paper Co. Ltd.—Review—McFetrick & Co., 132 St. James St., West, Montreal, Que., Canada.

Amerada Petroleum Corp. — Analysis—Laird, Bissell & Meeds, 120 Broadway, New York 5, N. Y.

American Air Filter Co.—Analysis A. G. Edwards & Sons, 409 North Eighth Street, St. Louis 1, Mo.

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Behlen Manufacturing Company—Analysis—H. B. Shane & Co., Inc., 111 Pearl Street, N. W., Grand Rapids 2, Mich.

Benson Lehner Corp.—Memorandum — Taylor, Bergen, Lynn & Lee, 1830 West Olympic Blvd., Los Angeles 6, Calif.

Berman Leasing Corp. — Memorandum—Yarnall, Biddle & Co., 1528 Walnut St., Philadelphia 2, Pa.

Blackman Merchandising Corp. — Memorandum—Midland Securities Co., 15 West 10th Street, Kansas City 5, Mo.

Bloomfield Industries—Analysis—Westheimer & Co., 326 Walnut Street, Cincinnati 2, Ohio. Also available is an analysis of **Cle-Ware Industries, Inc.**

British American Oil — Memorandum — Isard, Robertson, Easson Co., Limited, 217 Bay St., Toronto, Ont., Canada.

Canada Iron Foundries — Memorandum — Thomson Kernaghan & Co., Ltd., 67 Richmond St., West, Toronto 1, Ont., Canada.

Canadian Utilities, Ltd. — Review —James Richardson & Sons, Inc., 14 Wall Street, New York 5, N. Y. Also available is a report on the outlook for Canadian Oils.

Carborundum Company—Analysis —Evans & Co., Inc., 300 Park Ave., New York 22, N. Y.

Caribbean Cement Company Ltd. — Analysis — Annett & Co., Ltd., 220 Bay Street, Toronto, Ont., Canada. Also available is an analysis of **Dominion Tar & Chemical Company, Ltd.**

Clark Equipment — Analysis — Colby & Co., Inc., 85 State Street, Boston, Mass. Also available is a report on the **Garrett Corp.**

Combined Insurance Co. of America — Memorandum — Walter C. Gorey Co., Russ Building, San Francisco 4, Calif.

Commerce Clearing House, Inc.—Review — Vanden Broeck, Lieber & Co., 125 Maiden Lane, New York 38, N. Y. Also available are reviews of **Chicago Title & Trust Co., Title Insurance & Trust Co.,** and **Security Title Insurance Co.**

Consolidation Coal Co.—Report—Walston & Co., Inc., 74 Wall St., New York 5, N. Y.

Cowles Magazines and Broadcasting, Inc. — Analysis — Conway Brothers, 904 Walnut Street, Des Moines 9, Iowa.

Dresser Industries — Review—Thomson & McKinnon, 2 Broadway, New York 4, N. Y.

Dunham Bush Inc. — Analysis—Cooley & Co., 100 Pearl Street, Hartford 4, Conn.

Dunlop Rubber Co. Ltd.—Review —Winslow, Cohu & Stetson, Inc., 26 Broadway, New York 4, N. Y. Also available are reviews of **Lintafoam Industries** and **Ultra Electric.**

Fireco Sales Ltd.—Memorandum —Hayden, Stone & Co., Inc., 25 Broad Street, New York 4, N. Y.

Florida Capital Corporation—Study—A. C. Allyn & Co., 122 So. La Salle St., Chicago 3, Ill. Also available is a bulletin on **Dorchester Gas Producing Co.** and a memorandum on **Philips Lamp Works.**

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

Glasrock Products—Memorandum —J. C. Bradford & Co., Bank of Georgia Bldg., Atlanta 3, Ga.

Goodyear Tire & Rubber—Analysis—Colby & Co., Inc., 85 State Street, Boston, Mass. Also available are data on **Royalite Oil** and **Transitron.**

M. J. Greene — Memorandum—Hess, Grant & Remington Inc., 123 South Broad Street, Philadelphia 9, Pa.

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

Harcourt, Brace & World—Memorandum — McDonnell & Co., Inc., 120 Broadway, New York 5, N. Y. Also available are memoranda on **Avco, Sanders Associates, Aerojet General, A. C. Nielsen** and **Cluett-Peabody.**

Imperial Tobacco Co. of Canada—Memorandum — W. C. Pitfield & Co., Inc., 30 Broad Street, New York 4, N. Y.

Indiana General Corp.—Review—Fahnestock & Co., 65 Broadway, New York 6, N. Y. Also available is a review of **Rockwell Standard Corp.**

Kalvar Corporation — Analysis—L. H. Rothchild & Co., 52 Wall St., New York 5, N. Y.

E. J. Korvette — Memorandum—Paine, Webber, Jackson & Curtis, 25 Broad Street, New York 4, N. Y.

Latrobe Steel — Memorandum—First Citizens Corporation, 3850 Santa Barbara Ave., Los Angeles 8, Calif. Also available are memoranda on **U. S. Truck Lines, North American Refractories** and **Pacific Intermountain Express.**

Lawyers Title Insurance Corporation—Analysis—J. C. Wheat and Company, 1001 East Main Street, Richmond 19, Va.

Lockheed Aircraft Corporation—Review—L. F. Rothchild & Co., 120 Broadway, New York, 5, N. Y.

Lusk Corp.—Memorandum—Norris & Hirshberg, Inc., Bank of Georgia Building, Atlanta 3, Ga.

Mattel — Memorandum — Clayton Securities Corporation, 147 Milk Street, Boston 9, Mass.

McLouth Steel Corp.—Discussion in current issue of "Investors Reader" — Merrill Lynch, Pierce, Fenner & Smith Incorporated, 70 Pine Street, New York 5, N. Y. Also in the same issue are discussions of **Miles Laboratories, Inc., General Telephone, Duffy - Mott, Lockheed Aircraft, Longchamps Polaroid Corp., Bayuk Cigars, Inc., Restaurants, Fluor Corp., Ltd.,** and **Rohm & Haas.**

Miehle Goss Dexter Inc.—Memorandum—R. W. Pressprich & Co., 80 Pine Street, New York 5, N. Y.

Movielab Film Laboratories—Memorandum — Bacon, Stevenson & Co., 25 Broad Street, New York 4, N. Y.

Naegele Advertising Companies—Memorandum — Craig - Hallum,

Continued on page 12

LETTER TO THE EDITOR:

More on the 1962 Earnings Outlook For Heinicke

Editor, Commercial and Financial Chronicle:

I would like to refer you to the Feb. 15 issue of *The Commercial and Financial Chronicle* in which you published my earnings estimates of some 18 companies. At the time I wrote the article, all the earnings estimates seemed justified, but recent developments suggest a revision in the probable earnings of Heinicke Instruments to the 50 cents per share area for the year 1962 instead of the previous estimate of possibly $2 a share.

At the time my paper was prepared I expected the company to get going on certain developments at an earlier date and these apparently have not yet materialized. However, over a period of time I hope higher levels of earnings may be developed than the current 50 cents estimate.

The projections of the other companies still seem reasonable at this time.

N. LEONARD JARVIS,
Senior Vice-President,
Hayden, Stone & Co.,
New York City.

Feb. 26, 1962.

New Issue of Market Guide

The New York Security Dealers Association has announced the publication of a new revised 1962 edition of "Guide to Success in the Stock Market." Over 250,000 copies of the first edition were published and distributed, and to meet the continued demand the new edition has been published, again sponsored by the New York Security Dealers.

The book will be on sale throughout the country at a price of 50 cents per copy. However, brokers, dealers and institutions can obtain copies, in minimum orders of five, at a cost of 30 cents each. Orders should be mailed to Samuel Weinberg, President of the New York Security Dealers Association, c/o S. Weinberg, Grossman & Co., 40 Exchange Place, New York City, with a check to cover made payable to International Circulation Distributors.

Hill, Thompson Adds Miss Magid

The investment firm of Hill, Thompson & Co., Inc., 70 Wall St., New York City, has announced today that Miss Joan M. Magid has joined the company in the Syndicate Department.

Lance Zeaman Opens

HUNTINGTON VALLEY, Pa. — Lance Zeaman is engaging in a securities business from offices at 1802 Pine Road.

Continental Insurance Co.

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

A salute to our largest fire and casualty insurance company, which has favored five generations of investors by paying uninterrupted cash dividends since 1853.

In the past three months, it appears that the market has lost some of its ardor for glamor stocks, and instead, is according favorable market recognition to more traditional "blue chips." Where a quality stock holds forth the prospect of substantially higher earnings in 1962, and sells, currently, at a modest appraisal of its net worth and net earnings, there is excellent reason to consider it, particularly if its name happens to be Continental Insurance Company.

There are many attractive features about this distinguished company. It, with its nine subsidiaries, is the largest company in America exclusively in fire and casualty insurance; it is the only insurance company stock listed on the New York Stock Exchange; it is, in effect, a magnificent closed-end investment trust, with $1.6 billion in marketable securities, roughly 70% in common stocks. Here is a company of stature and prestige, whose only significant defect in the past few years has been that it hasn't made any money in the business for which it was founded—the underwriting of fire and casualty risks. The particular basis for attractiveness of Continental Insurance at current levels, is that it should shortly be substantially supplementing its golden flow of investment income (and capital gains) with underwriting profits.

Problems in Underwriting

What are the difficulties in the underwriting business that have created, for Continental, operating losses in this department for the past six years? (Underwriting loss is defined as the amount by which earned premiums come short of covering claim costs and operating expenses.) Automobile liability insurance and workmen's compensation have been the toughest risks. In both instances, risk elements have been under continuous study. As a result, certain unprofitable motor coverage in big cities has been discontinued, and "safe drive" automobile policies are putting better policies on the books. In compensation, the ratio of loss has been significantly reduced.

For 1961, just three disasters, hurricanes Carla and Esther, and the Los Angeles fire, alone, cost Continental some $8.5 million in claim payouts. Hopefully, these are non-recurrent. Even with these debits, just recited, Continental, for 1961, was able to reduce its underwriting loss to $11,742,420 against $33,935,435 for the year earlier. Without the earthquakes and the fire, this loss would only have been $3 million. (This adverse underwriting experience was not peculiar to Continental—it was industry-wide.)

On the optimistic side, it is apparent that the higher cost of all new construction and a long range inflation trend points to the need for constantly larger insurance coverages—and higher premiums. The new building of 1,300,000 homes a year, of high cost office buildings, factories, shopping centers, urban redevelopments, recreational centers, power plants, plus costly transportation elements, such as bridges and tunnels (which also must be insured) create a constantly rising demand for increased coverage, not only here, but all over the world. Continental does business in all of our 50 states, and in most foreign nations.

In 1961, Continental made a major change in its accounting practices. Under the method adopted the first of the year, the premiums on three or five year policies are now prorated and recorded, for income purposes, in the year in which they fall due. Further, costs of putting (and keeping) the business on the books (agents' commissions, etc.) are now not fully charged in the initial year, but spread over the life of the policy. These changes resulted, for 1961, in an actual reduction of $110 million in premium income (to $440.9 million against $550.9 million in 1960).

As you know, insurance companies are swamped with "paper work." The writing and handling of policies, recording, processing and settlement of claims, and the attendant correspondence create high clerical and accounting costs. At Continental, integration and centralization of these operations and the employment of the most modern office machines in computing, accounting and data-processing are steadily increasing efficiency and reducing operating costs.

Excellent Investment Management

Moving from underwriting to investments, we view, at Continental a magnificent security portfolio, continuously managed with high professional skill and competence—and with excellent results. Realized capital gains alone, in the past five years, have ranged from $4.9 million in 1957, to $31,812,810 in 1961. The fact is that investment income alone, provided earnings, last year, equal to about $3.75 per share, which revenues were reduced by the underwriting losses to an official $2.81 net per share. This was a considerable gain over $.84 a share for 1960.

The investment portfolio of Continental is a choice collection of some of the finest debt securities and equities in the world. It included, at the 1961 year-end, $462,135,021 in bonds, and $23,347,712 in preferred stocks. Common stocks standing on the books at $1,085,683,072, included major holdings in chemical, utility, bank, drug, oil and office equipment shares. Book value at the year-end was about $84.00 a share, with market valuation today at least 15% higher.

The capitalization of Continental Insurance couldn't be simpler. It consists of 11,998,290 capital shares listed on the New York Stock Exchange and trading under the symbol CIS. Present dividend is $2.20, providing, at current quoting of 70, a 3.2% current yield. In the immediate offing is a 5% stock dividend payable in early May, to shareholders of record on or about March 28.

The special attractions of CIS at this time would seem to be (1) a high quality equity selling at some 25% below its real value, (2) the fair prospect of an underwriting profit in 1962 (against losses for several years) and a per share net of $3.50 or more, (3) the steadily expanded demand for company lines of coverage, and (4) the excellent record of investment management in production of income and of capital gains (which are not included in operating profits).

There is another plus factor in the offing. The trend in insurance today is for comprehensive coverage—fire, casualty and life—all to be sold under one corporate roof. Continental presently sells no life insurance. With its network of offices and international sales agencies, Continental could, no doubt, do a large business in life insurance. Accordingly, should the company acquire or create a life company, some exciting new dimensions in earning power and corporate growth would be in prospect. We believe management has under consideration entry, in due course, into life underwriting.

Continental Insurance is not going to launch rockets or open a branch office on the moon. But, in the more mundane matter of intelligent underwriting and consistently prudent management of a king-size investment fund, the company appears to deserve, at this time, the attention of prudent investors, not averse to gleaning capital gains from an elite equity.

Opens White Plains Branch

WHITE PLAINS, N. Y.—Kurz-Liebow & Company Inc. has opened a branch office at 171 East Post Road.

Sanders V.-P. of Foster & Marshall

SEATTLE, Wash. — Foster & Marshall Inc., Norton Building, has announced that Sidney J. Sanders has been elected a Vice-President of that firm and has become associated with the firm effective March 1st.

Sidney J. Sanders

Foster & Marshall Inc., do a general investment Banking business in municipal and corporate underwritings. The firm originated in 1938.

Mr. Sanders has been in the securities business since 1929 and is well known in investment circles. He is serving a second term as Treasurer of the National Security Traders Association.

Haven Securities Formed

Haven Securities, Inc. has been formed with offices at 192 Lexington Avenue, New York City, to conduct a securities business. Officers are Hartley Lord, Chairman; Philip Gustin, President; Robert S. Feigen, Executive Vice-President, and Irving Jacobs, Secretary and Treasurer.

Attractive Opportunities In Foreign Securities

By Robert H. Craft,* *President, Paribas Corp., New York, N. Y., and Formerly Vice-Chairman, Chase International Development Corp, New York, N. Y.*

Expert and professional investors are advised not to overlook investment prospects abroad in view of the overshadowing domination of international economic success on the U. S. economy. Briefly sketched are: (1) magnitude and types of American investments abroad to date; (2) foreign countries offering the most attractive investment opportunities and likely growth industries; (3) various investment sources of information and the mechanics of investment participation; and (4) the negative aspects. Mr. Craft opines it is incumbent upon trust officers who have unrestricted funds to take a good hard look at the E.C.M., Great Britain, Japan and Australia. He admits painting a glowing picture of the miracle of free-enterprise-propelled West European growth. Foresees, however, an even more prosperous rise and a more integrated Free World surpassing Soviet capability. Also, foresees the use of the same security evaluation yardsticks as more uniform accounting and disclosure practices are adopted.

There was a time — and not so long ago—when the mere mention of foreign securities would offend our sense of prudence. Unstable currencies, tense political situations, and the recollections so many of us had of defaulted obligations were but a few of the factors that made investment abroad unattractive except for the most adventurous. But to allow the

Robert H. Craft

memory of past difficulties — we have had our own in this country —to discolor judgment and shut the door on oppotrunity would be unsound. Not all currencies are stable, but there are some that are now harder than the dollar. Not all governments are secure, but in those areas to which our attention will be principally directed in this paper political stability is firmly entrenched. The problems of free convertibility and repatriation of principal and profit which once plagued the Free World are now largely a thing of the past. Instead, the Free World, particularly Western Europe, has been enjoying an upsurge of economic vitality that will be recorded as one of the miracles of modern history.

Overshadowing International Influence

In more fundamental terms, contemporary events, which are moving quickly and inexorably toward a profound realignment of international relationships, have redefined America's place in the world as it is and in the shape of things to come. The principal characteristic of this transformation is that the chief determinant of public policy and of our fate and economic future is what happens internationally.

I do not mean to minimize the many other factors which must be taken into account in gauging the outlook for the domestic economy: the Federal budget with its thin margin of balance hanging on the realization of a number of assumptions — the outcome of the steel wage negotiations and its effect on the general wage pattern; the threat of wage settlements that would bring in their wake a further wage-price squeeze as a prelude to a new round of inflation, a type of inflation that would further seriously weaken our competitive position in world markets—all these can be formidable pressures with great effect on our domestic growth and progress.

At this juncture in history, however, even a casual examination reveals that international influences have assumed an importance that overshadows the most severe of our domestic pressures.

For example, two-thirds of our domestic budget is for military and space spending. The enormity of this expenditure is largely determined not by us but by the Soviet Union. Our program of foreign economic and military aid can be blamed for our critical balance-of-payments position. The development of the European Economic Community has affected capital spending of American companies and has brought about profound reassessment of our trade and tariff policies. Even Federal Reserve and debt management policies have been adjusted to produce a domestic interest rate structure designed to encourage foreigners to invest their short-term assets here rather than to convert them into gold and thus aggravate the outflow.

Some of these influences have been good, some bad. The balance-of-payments problem, for example, may prove to be a blessing in disguise. It may sharpen our focus on the need to restore and maintain confidence in the dollar and perhaps bring about some restraint on unnecessary domestic spending in an effort to produce a badly needed balance in the budget. On the other hand, tinkering with interest rates represents a step backward from the achievement of a free market in government securities in March, 1953, when the pegs were abandoned. The introduction of artificialty into the market place for government securities, I believe, has been mainly responsible for the contraction of that market. Intervention in any market tends in the direction of control and restricts the free market process.

With both good and bad results the point is that wherever we turn we find international considerations increasingly dominating domestic decisions. It is appropriate, therefore, that expert and professional investors also turn their attention to an examination of the international scene.

At the outset I think we should dismiss from our appraisal of foreign investments the eventuality of war. I am unaware of the existence of any investment program or formula which will insure the protection of capital in the event of a nuclear holocaust. While it is not inconceivable that Europe and some other parts of the Free World could escape the degree of devastation that in all probability would be borne by the United States, this must be brushed aside as a factor of little or no consideration.

Total U. S. Investments Abroad

Before turning to a discussion of the areas of the world that offer the most attractive investment opportunities, let me briefly sketch the magnitude and types of American investment abroad to date. Our assets abroad in one form or another are close to $90 billion as against our international liabilities of approximately $45 billion. The fact that our private direct investment abroad has a book value of about $35 billion—a much lower figure than its replacement value—should lay to rest any misapprehension of the importance of foreign investment. Our economy—and therefore American business— is massively involved in developments beyond our borders. Not only has this huge commitment already been made by American business management, but further investment continues at an accelerating pace.

The Marshall Plan provided the all-important initial funds for the rehabilitation of the Free World and particularly for the reconstruction of Europe. International and national lending agencies, notably the World Bank and Export-Import Bank, soon began extending credit to foreign borrowers unable to finance the foreign exchange costs of much needed development projects and capital goods. Other United States agencies, such as the Development Loan Fund, were subsequently established. As recently as about a year ago, the Inter-American Development Bank made its first loans to Latin American borrowers. Some indication of the magnitude of the role of the various lending agencies can be measured by the program of the World Bank alone, which has to date granted loans aggregating over $6 billion.

Following soon after Marshall Plan aid, American corporations began to expand their direct investments abroad. Our commercial banks reactivated their foreign branches and expanded their international banking services, and our investment banks began preparations for the eventual flotation of foreign government securities in this market.

Direct and Portfolio Investments

The popularity of direct investment abroad by American companies has been almost epidemic. Over 3,000 United States companies are now established in one form or another in foreign countries, and I am told that of the 300 largest American corporations almost all derive at least a portion of total income from operations abroad.

Private investors were somewhat slower to move. In fact, portfolio investors actually divested themselves on balance of foreign stocks and bonds in the immediate postwar period. It was not until about 1950 that new private portfolio acquisitions exceeded sales, but in subsequent years annual net purchases began to grow rapidly, reaching a temporary peak in 1958 when they amounted to $1.362 billion net. From 1958 through 1960, portfolio investment began to taper off; but for the first nine months of 1961 it rose again to a figure of $517 million net, with the figure for the full year expected to approach a much larger total.

In Europe the most important sources of supply to American investors have been the United Kingdom; West Germany; France; and, of course, the Netherlands by virtue of its giant international companies—Royal Dutch, Philips Lamp, and Unilever.

Of course Canada for a good many years has attracted more American capital than any of the European countries. In 1959 American investment in Canada was greater than that for all of the balance of the world combined. Investment opportunities in Canada are so well known that for practical purposes they can be categorized as domestic investments and require no special treatment in this discussion.

What the Investor Seeks Abroad

I would like now to turn to the questions of: What is the American investor seeking abroad? Where is he likely to find what he is looking for? How does he go about acquiring an interest in foreign securities providing they meet the standards of criteria he has established?

In answer to the first question, it seems to me that what the American investor is seeking, or should be seeking, in investments abroad is essentially what he seeks or should seek here—safety of principal, income, growth, appreciation, liquidity, marketability —and I think we will find that the opportunities to obtain these investment objectives are available in many parts of the world although not always in the same degree. In searching for the areas in which he is most likely to find these attributes, I want to return to Europe but only after a kind of global space-flight examination of other areas of interest.

Japan, for example, cannot be overlooked. Industrial progress there since the war and particularly during the past few years has been little short of spectacular as demonstrated by a 16% increase in Gross National Product in fiscal year April, 1960, and an 11% increase in fiscal year 1961. Japan remains one of the world's lowest cost producers. Its industrialists have been alert to establishing joint ventures and exchange of know-how with some of our most prominent American corporations, and there are a number of Japanese equity issues that are deserving of attention. Exclusive of Canadian issues, the largest portion of new foreign dollar borrowing in the New York market during 1961 was accounted for by Japanese dollar bonds. There have recently been issued a number of Japanese-American depositary receipts. In addition, Japanese yen securities can be purchased with facility; but, as is commonly known, repatriation of proceeds is subject to a two-year waiting period. Included in our Administration's tariff-cutting proposals to the Congress, Japan would be accorded "the most favored nation treatment" in any arrangements that are worked out, but Japan's competitive position in world markets could be seriously affected if onerous tariff barriers are imposed on Japanese goods.

Australia is a country that must be thought of in the context of a small economy, but it has many attributes. Its people are hardy and industrious, its economy is dynamic and fast-growing, and it enjoys a high degree of political stability. The country has a great reservoir of untapped resources, and under the stimulus of an aggressive immigration program is enjoying a rapid rate of growth. Australia dollar bonds command a good credit rating. Furthermore, while the number of interesting equities because of limited size of most of the companies is rather small, there are some that should prove interesting to professional investors.

We move now to Latin America;

but for reasons that are obvious, at present the opportunities there remain more in the direct investment than the portfolio area. Many American companies have had bases of operations in Latin America for a good many years, and many others have recently set up ventures there. In certain countries and in highly selected industries there are opportunities for risk capital, but generally the opportunities for portfolio investment are still quite limited. In general, the same can be said of most of the underdeveloped or developing countries of the Free World: India, Pakistan, Iran, Turkey, and the emerging nations of Africa. In these areas, as in Latin America, the pressing needs for capital must on balance be met by the various international and national lending agencies and by direct rather than portfolio investments. With these brief references to vast chunks of the globe, we return to Europe and continue our process of elimination.

Examines Europe

For reasons of mixed ownership of industry, some currency restrictions, or the size of their economies and the industries within them, Norway, Sweden, Finland, Austria, Portugal, and Spain are not generally of interest to portfolio equity investors at this stage of the development of Europe's economy. However, these European Free Trade member nations and Spain, which has applied for associate membership in the Common Market, should become of more interest as they move closer to and eventually into the Common Market. Of course, many of them afford excellent opportunities for the investment of fixed-income-bearing funds. The other Outer Seven country, Denmark, falls into the same general category; but here we find perhaps a handful of equities that might be of some interest.

We now find ourselves left with the United Kingdom, Switzerland, and the Common Market countries; and it is in these countries that we find increasingly the opportunities that come closest to meeting our investment purposes and standards.

The economic growth of the Common Market countries has been so dramatic and firmly rooted that it has fed back to us an immediate need to reshape our foreign economic policies. The major share of the growth of the Common Market comes from the dynamic drive toward economic integration and the conversion of a pan-European ideal into an instrument of practical necessity. The new force is community effort; as time goes on, it will embrace more and more of the economic life of the area. The prospect for continuing removal of tariff barriers, further integration of transportation facilities and mobility of labor have brought about closer working relationships between businessmen in Common Market countries. A by-product of this further economic integration — following the lines of the traditional cartel system — will be the trend toward amalgamation of existing companies with a prospect of larger industrial combines in the future than exist at present.

The latest manifestation of the demonstrable urge to get on with the job was the Common Market agricultural agreement announced several weeks ago. Agreement on so difficult a problem as this is bound to make community solutions of other problems easier in the years ahead.

E. C. M. Miracle

To all of us who view the area for its investment potentials, a fact of supreme importance is that the Common Market is an achievement of the private enterprise system. At one time in the recent history of Europe, this triumph of freedom was at best a doubtful prospect. Between World Wars I and II, Europe fell into stagnation. Unemployment and poverty were rampant. Socialism, Facism, and Communism were on the rise. The period saw a wave of nationalization of industry, confiscatory taxes, and inflation, all forcing a greater degree of statism.

Immediately after World War II, Europe for a time floundered. Extremism seemed on the rise again, and there was indecision as to the choice of the form of government. But the massive injection of American Marshall Plan aid into the European Community brought with it a powerful force of political and economic stability, and with incredible swiftness the capitalistic and free enterprise system firmly established its roots.

It is hard to describe the miracle of the E.E.C. in all its ramifications. But one of its most salutory achievements is that it anchored Europe to the right while it infused Europe with its own vitality. Between 1953 and 1960 per capita Gross National Product in Europe in real terms was up 30% as against 6% in the United States. Private consumption rose by 35% and public consumption by 18%; total fixed investment was up 65%, and exports to the outside were up 80%.

But if this record is impressive, the achievement of the E.E.C. nations, responding to the impact of the Common Market, was even more startling. A few statistics will show what I mean. In the years 1958-1960 internal trade among the six nations jumped 44%. During the same three-year period, world trade increased by $12.5 billion; of this the Common Market accounted for $7.5 billion or 60% of the overall expansion. Industrial growth within the Common Market has averaged 7% a year since 1955. For all of Europe the corresponding growth was 5% and for the United States 2%. In 1960 the Inner Six accounted for about 25% of the world's trade. They had gold reserves totaling $9.4 billion compared with $16.8 billion for the United States and an estimated $9 billion for the Soviet Union.

During the second half of 1961, economic activity in most of the Common Market countries began to taper off. The superboom was replaced by a boom; some slow-up was bound to happen if for no other reason than that Europe had temporarily reached the limit of its manpower and other resources. At worst, this is considered to be a temporary hesitation. Even the slower pace, however, resulted in a relatively high level of growth. Last year industrial production rose by about 6 or 7% as against a 12% increase the year before, and Gross National Product by about 5½% in terms of constant prices as against 7% in 1960. Despite the leveling off, total output during 1962 is estimated to be at a rate of 4 to 5% above 1961.

Over the long range, the Common Market possesses the underlying forces for a rate of growth substantially in excess of that projected for the United States, particularly in the decade of the 1960s. The greatest stimulus to the Common Market in the decade ahead will come from the consumer buying explosion as Europe moves to mass production for mass consumption in the development of a one-class society. There is inherent in the development of the European economy an almost unlimited demand for consumer goods. Even now we are witnessing the broad-based conversion from bicycles and motorbikes to automobiles, the replacement of flats with houses accompanied by rising consumption of new household appliances and clothing and the emergence of a distribution system geared to supplying a one-class market. The big consumer buying push should be greatly stimulated by the development of consumer credit facilities along the lines known in this country.

Foreign Growth Industries

What industries are likely to benefit most? They run the full gamut. Certainly consumer goods of all kinds will be in heavy demand. In automobiles it is estimated that the capacity for new cars in 1965 will exceed 8 million as against less than 4 million in 1960. Chemicals are expected to grow at even a more rapid rate, with emphasis on petrochemicals, the raw materials for plastics, synthetic fibers, and other products. An enormous expansion in steel production is forecast, one estimated running to 90 million metric tons by 1965 and over 100 million metric tons by 1970 as against the present level of about 73 million tons. In the face of the very large projected industrial expansion and substantially rising household demands, far more primary energy will be needed to serve Europe's requirements. O.E.C.D. estimates a 1970 demand for energy at about 1.2 billion tons of coal equivalent compared with an estimated 900 million tons in 1960. This obviously will require vast increases in imports of fuel.

Looking ahead at Europe 10 years hence, it is logical to believe that the Outer Seven including Great Britain will be integrated in the Common Market community. If this enlarged integrated group continued to expand at its present growth rate of three times ours, it would become in short order the most powerful economic bloc in the world.

I am aware that I have painted an exceptionally glowing picture of economic conditions, present and future, in Western Europe; but that is the way it looks to me; and I would be less than frank if I diluted my enthusiasm. In looking for those areas of the world which are likely to experience the greatest economic growth in the period ahead, therefore, the Common Market countries together with Japan, Australia, and England clearly stand out.

Investment Climate

But what about these areas in terms of a climate for investment? How far can the American investor expect to benefit from this rising prosperity? What are the restraints and what are the inducements? Traditionally Europe has been accustomed to the cartel system. There are antitrust laws; but attitudes there in this respect are much more liberal than at home as for example, antitrust laws do not apply to agreements, practices, or merger decisions which contribute to improve the production or distribution of goods or to promote technical or economic progress, so long as the consumer receives a fair share of the benefits.

Tax rates on corporate earnings differ from country to country, ranging, for example, from about 38% in Switzerland to 47% in Holland, 51% in Germany, 50% in France, and 53.75% in Great Britain; but on the whole they are less onerous than those to which business is subjected in this country, and, significantly, depreciation and depletion allowances are more liberal.

Wage scales in Europe are much lower than in the United States and this has been one of the chief motivations for United States corporations to establish plants abroad. Although hourly wage rates in Europe, which vary from country to country, have been rising faster than in the United States since 1953, the gap is still so wide that the catching up process has much further to go.

The currencies of Western Europe are freely convertible and are either as strong as or stronger than the dollar, a factor which cannot be overlooked in the proper diversification of investments. Where there are deficits in balance of payments, such as ours and Great Britain's, there must be offsetting surpluses. Many of these are to be found in Western Europe.

Negative Aspects

Now on the negative side, I do not want to create the impression that national boundaries have been completely eliminated or that it is no longer necessary to think in terms of national policies with respect to such factors as taxes and regulation of industries. The economies of some countries are much more robust and give prospect of more rapid development than others, if for no other reason than that some are starting from a lower base. Similarly, there are political questions to be considered: the question of West Germany after Adenauer, France after de Gaulle, and the deepening Algerian crisis—but it is unlikely that successor governments would adopt policies inimical to private industry. On the contrary, it is more likely that steps will be taken to encourage privae investment further. One must furthermore take into account that European accounting and disclosure practices leave much to be desired. However, many European companies seeking broader markets for their shares and listings here have been willing to conform with Stock Exchange and S.E.C. requirements. It seems certain that this trend will gain momentum as consciousness rises of the need to attract outside capital.

In the Common Market countries, and one must include Great Britain in these evaluations, the climate for American investment is about as healthy as one could prescribe. What matters beyond this are the mechanics of investment. What are the means available to professional investors for participating in the rise of Western Europe or in the other strategic areas of the world?

Thus far the greatest flow of capital has been in the form of direct investments. This process will continue as American companies join the rush to gain the benefits of the Common Market either by the establishment of direct subsidiaries, joint ventures, or licensing agreements. Not all of this is unilateral, for recently many European companies have been coming here and entering into arrangements for manufacturing facilities and exchange of know-how.

Mechanics of Investment Participation

This suggests the first means of participating in foreign investment. Recently a leading statistical service[1] published a list of some 160 large American corporations that derive anywhere from 10 to 80% of their total earnings from sources abroad; and in ex-

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[1] Standard Statistics Co., New York City.

Should I. C. I. Be Listed on The NYSE at This Time?

By Paul Einzig

Reporting on the possible filing of I. C. I. ADR's on the New York Stock Exchange, Dr. Einzig urges the Exchange not to consider the application while the take-over merger conflict with Courtaulds remains unresolved. Moreover, he advises American investors not to buy I. C. I. stock so long as present uncertainties pertaining to its future status remain unsettled. Courtauld's stockholders are briefed on the disadvantages of the proposed merger, of the possibility of still better terms being offered later, and of the "absurdity" of unofficial dealings in 6½% convertible stock which may never be issued.

LONDON, Eng.—Since my last article on the subject of the I. C. I.—Courtaulds conflict, it is reported that I. C. I. plans to apply formally for the listing of its common stock on the New York Stock Exchange. Moreover, informal dealings have been initiated in New York in the proposed 6½% convertible stock which is offered to Courtauld stockholders. For this reason there is now even more direct American interest in the conflict than there was when I was writing about it a few weeks ago.* feel justified, therefore, in returning to the subject once more.

I need hardly say that I. C. I. is a first-rate concern, so that its stocks are eminently qualified for being listed in Wall Street. The question is whether this particular moment is appropriate for their admission. Feelings are running high in Britain about the way in which I. C. I. is trying to gain control of Courtaulds. A great many people feel very strongly about it and would resent it if at this critical stage the listing of I. C. I. common stock in Wall Street were to tip the balance in favor of I. C. I. by increasing American demand for I. C. I. stock and by restoring some of the prestige I. C. I. has lost as a result of the undignified attitude it has adopted in its determination to secure control over Courtaulds.

Should I. C. I. stock come to be listed before the outcome of the struggle is decided one way or another it would be widely felt in London that the American interests concerned took an active hand in assisting I. C. I. in its aggressive action against Courtaulds. In any case, since the position and prospects of I. C. I. is bound to be affected considerably by the outcome of this fight it would be expedient for the New York Stock Exchange authorities to adopt a "wait and see" attitude.

Sees Stockholder's Disadvantage

At the present moment Courtauld shareholders are entitled to choose between the two offers made by I. C. I. They can accept common stock in exchange for their holdings, or they can accept 6½% convertible stock. It is impossible to form an idea to what extent the increase in the capital of the I. C. I. in case of a success of the take-over bid would take the form of an increase in ordinary shares and to what extent 6½% convertible stock would be created. The interest on the latter would constitute prior change on the corporation's net profits. Since at present dividends on ordinary shares are only covered by profits 1.4 times, the safety margin is none too wide. A moderate fall in earnings might create a situation in which the interest charge on the 6½% convertible stock would wipe out the safety margin and the dividend would have to be cut.

It is true, Courtaulds' dividends are covered more comfortably, so that, other things remaining the same, the merger would tend to increase the cover for I. C. I. dividends. But it would be unwise to take it for granted that other things would necessarily remain the same. Owing to the circumstances of the proposed change, dealt with in detail in my two previous articles, a decline in the profits of Courtaulds as a result of a merger with I. C. I. would be well on the cards. For one thing, the employees of Courtaulds would owe no loyalty to the new owners, and the circumstances of the take-over bid would arouse their appetite for substantial wage increases.

On the face of it it might appear that the fate of the struggle would be decided quite soon, when the time limit for accepting I. C. I.'s offer expires March 3. But I am convinced that Mr. S. P. Chambers, head of I. C. I., will not accept defeat very easily. If the extent of assents to the exchange should not be sufficient he is widely expected to make a bigger and better offer, so that it may take months before the outcome of the fight would become finalized.

Meanwhile the New York Stock Exchange authorities would be well advised to await developments, not only because its intervention in a British domestic quarrel would cause strong resentment but also because in view of the uncertainty of the outcome it would not be fair to American investors to encourage them to buy I. C. I. stock by listing them.

Those upon whom the responsibility of deciding on the application rests should bear in mind the possibility that in the fever of bids and counterbids I. C. I. might well increase the price for Courtaulds to an extent that would affect the future value of its own stocks. Another consideration that should not be overlooked is that the nationalization risk attached to investment in I. C. I. stocks has greatly increased as a result of the present display of power politics by I. C. I. The chances that after a Socialist victory I. C. I. would be the first concern to be nationalized have become much stronger. It is true, holders would receive compensation. But whether the compensation would be adequate is anybody's guess.

Having regard to all circumstances American investors should be discouraged from buying I. C. I. stock rather than encouraging them by a decision to list the stock so long as the present uncertainty continues.

As for the unofficial dealings in 6½% convertible stock, they are an absurdity, considering that the stock may never be issued.

*Feb. 8, 1962, p. 5, and Dec. 28, 1961, p. 16, *Chronicle*.

Porter to Join Shearson, Hammill

Robert C. Porter will become a general partner of Shearson, Hammill & Co., 14 Wall Street, New York City, on April 2, the investment banking and brokerage firm has announced. Mr. Porter will be associated with the firm's investment banking department in charge of corporate underwritings.

Robert C. Porter

Mr. Porter has been a partner of F. Eberstadt & Co. since 1956 where he has been in charge of the new business department. This week the Eberstadt firm announced that it is curtailing certain of its investment banking activities.

Mr. Porter is a member of the New York State Bar and formerly practiced with the New York law firm of Cravath, Swaine & Moore, and was a Vice President of the Chemical Bank and Trust Co. He also served as general counsel and secretary of Chas. Pfizer & Co., Inc.

E. F. Henderson Adds to Staff

Donald H. MacGregor, formerly associated with Hill, Darlington & Grimm and Jacques Coe & Co.,

Donald H. MacGregor

has become associated with Edward F. Henderson & Co., Inc., 15 William Street, New York City, as Vice-President in Charge of Research.

T. A. Du Mont, Jr. has also become associated with the firm.

Premium Syndications

FOREST HILLS, N. Y.—Premium Syndications, Inc. has been formed with offices at 1 Continental Avenue to engage in a securities business. Officers are Jack Z. Greenberg, President, and Mary Greenberg, Secretary and Treasurer.

Joins M. H. Bishop

(Special to The Financial Chronicle)

MINNEAPOLIS, Minn. — David L. Doying has become connected with M. H. Bishop & Co., Northwestern Bank Building, members of the Midwest Stock Exchange. He was formerly with Reynolds & Co. and Jamieson & Co.

Joins Gunn, Carey

(Special to The Financial Chronicle)

CLEVELAND, Ohio—Howard M. Baer has become affiliated with Gunn, Carey & Roulston, Inc., Union Commerce Building, members of the Midwest Stock Exchange. He was formerly with Curtiss, House & Co.

Joins Sutro Bros. & Co.

HUNTINGTON, L. I., N. Y.—Sutro Bros. & Co., 417 New York Ave., have announced that Emanuel Bloom has joined them as Assistant Manager.

Dealer-Broker Literature

Continued from page 8

Kinnard, Inc., 133 South Seventh Street, Minneapolis 2, Minn.

Oxford Paper Company—Report—Schweickart & Co., 29 Broadway, New York 6, N. Y.

Palomar Mortgage Company—Bulletin — De Witt Conklin Organization, Inc., 120 Broadway, New York 5, N. Y.

Petrolane Gas Service Inc.—Analysis—Bateman, Eichler & Co., 453 South Spring Street, Los Angeles 13, Calif.

Pittsburgh Plate Glass Company—Report — Herzfeld & Stern, 30 Broad Street, New York 4, N. Y.

Products Research Company — Analysis—Schwabacher & Co., 100 Montgomery Street, San Francisco 4, Calif.

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

Radiation Instrument Development Laboratory — Analysis — Dempsey-Tegeler & Co., Inc., 1000 Locust Street, St. Louis 1, Mo.

Raytheon — Memorandum — J. W. Sparks & Co., 120 Broadway, New York 5, N. Y.

Ronson Corporation — Report—Halle & Stieglitz, 52 Wall Street, New York 5, N. Y.

Ross Products—Bulletin—Purcell & Co., 50 Broadway, New York 4, N. Y. Also available is a bulletin on **Swank, Inc.**

Royal Dutch Petroleum Company—Analysis—Hornblower & Weeks, 1 Chase Manhattan Plaza, New York 5, N. Y.

Royal Dutch Petroleum Company—Memorandum—Pershing & Co., 120 Broadway, New York 5, N. Y.

Southern Materials — Survey—Shields & Company, 44 Wall St., New York 5, N. Y. Also available is a report on **Radio Corporation of America.**

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

State Loan & Finance — Memorandum — E. F. Hutton & Company, 1 Chase Manhattan Plaza, New York 5, N. Y.

Technical Information Corporation — Analysis — Suburban Investors Corporation, 560 Jerusalem Avenue, Uniondale, N. Y.

Telautograph — Chart Analysis—Auchincloss, Parker & Redpath, 2 Broadway, New York 4, N. Y.

Texas American Oil Corporation—Analysis—Daniel Reeves & Co., 398 South Beverly Drive, Beverly Hills, Calif.

Tom Huston Peanut Co.—Memorandum—Courts & Co., 11 Marietta Street, Atlanta 1, Ga.

Uarco Inc. — Report — Sidney Jacobs Co., 40 Exchange Place, New York 5, N. Y.

U. S. Freight — Memorandum—Garvin, Bantel & Co., 120 Broadway, New York 5, N. Y.

Westcoast Transmission—Analysis — Jackson, McFadyen Securities Limited, 11 Adelaide Street, West, Toronto 1, Ont., Canada.

Youngwood Electronic Metals Inc.—Analysis—Lenchner, Covato & Company Inc., Bigelow Building, Pittsburgh 19, Pa.

Rieger & Co. Opens

LORAIN, Ohio—Rieger & Company has been formed with offices at 108 Eighth Street to engage in a securities business. Partners are David C. Rieger and Richard L. Rieger.

Opens Branch Office

HUNTINGTON STATION, N. Y.—Island Planning Corp. of America has opened a branch office at 30 Westhills Road under the direction of Maxwell Koch.

Independent Sales Finance Companies' Profitability

By Ray H. Matson,* *Vice-President, The First National Bank of Chicago, Chicago, Ill.*

Chicago banker predicts well managed companies in the instalment sales finance industry should expect materially improved results in 1962. Moreover, their eagnings prospects are compared favorably with other sectors of American industry. The events of 1960 and 1961 are held to be no more typical of what to expect than the lush profits of some long past years. Mr. Matson shows the independent sales finance firms how to improve their operating methods and procedures, and how to survey realistically areas of possible diversification. With reference to the latter, Mr. Matson cautions against entering the commercial financing business.

The three separate industries which make up what is sometimes loosely referred to as the "finance business" had rather widely differing degrees of success in the year just ended! (1) The instalment sales finance industry, which is engaged principally in the financing of automobiles, had a relatively poor year from both the standpoints of volume and net income. (2) The consumer finance or small loan industry, engaged principally in the direct lending of cash to the consumer, had a quite satisfactory year with volume and average net income running at levels comparable to the satisfactory levels of the preceding year. (3) The commercial financing industry, engaged largely in secured lending to businesses that do not qualify for bank credit, enjoyed an excellent year with earnings running in excess of the very satisfactory levels reported in 1960. Due to the scope of the problems faced by the instalment sales finance companies in 1961, combined with the limitations of this paper, I shall confine my remarks to this sector of the finance industry.

Ray H. Matson

In the course of my remarks I shall refer to the composite ratios of the instalment sales finance industry as prepared by The First National Bank of Chicago. I feel quite sure that many are familiar with these ratios which have been prepared over the past 25 years from the statements of a group of selected well managed national, regional, and local companies who do business with us. The instalment sales finance industry lends itself well to statistical analysis; and the use of questionnaires, plus complete annual and semiannual audit reports, gives us good information as a basis for comparisons. The ratios calculated for the individual companies are averaged arithmetically so that no weight is given to size of company — the local company in the composite having as much weight as the large national company. While I believe these ratios are useful as a guide, they should not be regarded as a fixed criterion, for local and other conditions affecting the operations of an individual company must be considered in analyzing the credit.

1961's Depressing Factors

Despite the improvement in business activity during 1961, one major disappointment was in the level of automobile sales, the predominant source of instalment sales finance company volume, so that the decline here had a most important depressing effect on their operations. The companies in our composite group showed a decline in aggregate volume of 22% for the first six months of 1961 as compared with the same period in 1960. This, of course, resulted in a decline in total receivables outstanding, both as compared with the level one year previous and at the close of 1960.

An additional depressing influence on their operations for the first half of 1961 was further deterioration in credit experience. Net losses of the composite companies — that is, charge-offs less recoveries—equalled 2.26% of instalment receivables liquidated. This is by far the highest level over the 25 years we have prepared these ratios and substantially above the 1.71% reported for the year 1960 and 1.75% for the first six months of 1960. The principal reasons for this record consist of: a combination of high advances, a weak used car market, and spotty employment conditions which caused poor collections in some areas. For some few years now a substantial portion of retail automobile paper has not been properly collateralized by the value of the automobile being financed. For a time this was not reflected in significantly greater losses, so it did not seem to be too serious a matter. However, in 1960 when the impact of the compacts was really felt and the used car market—particularly on the later models — showed a serious decline, heavy losses were sustained whenever repossessions occurred. This problem carried over into 1961—particularly in the early months of the year — and brought about the very unfavorable credit experience which was recorded in the first six months.

In the light of the credit losses which were sustained in 1960, one might expect that retail paper purchases in 1961 would show a significant curtailment in the proportions of paper with high advances as related to dealers' cost in the case of new cars and wholesale values in the case of used cars. For the first six months of 1961, a decline was shown in the percentgae of new car paper with advances over 100% of dealers' cost, while the heavy advance paper—that having advances of over 110% of dealers' cost—showed a modest increase. In the used car sector of the business no restraint was shown in the first six months of 1961. Both the percentage of used car paper purchases with advances over 100% of wholesale value and over 110% of wholesale value increased very significantly. Even after giving full consideration to the competitive pressures which I know these companies are subject to, I am at a loss to understand why this trend was permitted to continue. I have no question but that some banks in their instalment credit operations may be just as guilty as the instalment sales finance industry. When competition brings about unsound credit practices resulting in heavy credit losses, everybody loses—not only the financing agency and the consumer, but also the dealer, the manufacturer, and the economy of the country. It is axiomatic that everybody extending credit must take risks, and it is recognized that the granting of credit is an art and is not an exact science. However, credit risks should be limited to those that are reasonable and where consumer equities are established before an extended period has elapsed. In this way losses are minimized when the used car market suffers a decline. For many years the representative companies in our composite group only occasionally exceeded a loss to liquidation experience of over 1%. The year 1961 will mark the fourth straight year in which this percentage has been exceeded; and when reports for the full year 1961 are available, the all-time high, on an annual basis, undoubtedly will be recorded.

Loss Reserve Found Too Low

In the face of this unfavorable credit experience, the loss reserves of the composite companies remained practically unchanged with the level shown for the past two years, and lower than in preceding years. While, generally speaking, a loss reserve in the area of 1.93% of total instalment receivables is at too low a level for reasonable protection, I am fully aware of the fact that the Internal Revenue Service has restrained many of these companies from building up this reserve. It is to be hoped that the credit losses incurred in the past two years will serve some useful purpose by convincing the tax authorities that more sizable provisions are justified. While the percentage of the longer-term paper purchases by the composite companies — on both new and used cars — has remained fairly constant for the past several years, the deferred income reserve has declined, standing at 9.08% of the related paper at June 30, 1961. This average reserve includes deferred income for precomputed small loan paper, where this operation is engaged in. I have long urged companies in this business to build up this reservoir of income wherever possible—it is the best possible insurance against a decline in volume and profits in future periods.

As might be expected, the decline in volume and outstandings during the six months ended June 30, 1961, resulted in a lower average debt ratio for the composite group—the ratio declining to the conservative level of 3.38 to 1. The average composite company thus is in a strong position to handle an increase in outstandings if and when this develops.

It seems to me that the debt ratio permitted an individual company should be set at a level consistent not only with the size of the operation but also the type of the operation, the quality and the maturity spread of the paper purchased, and the character of management. While an increase in leverage makes it possible for a company to increase profits, it can also bring about burdensome losses when credit judgment has not been good or when serious weakness develops in the used car market. The average liquidity period — that is, the number of months' collections required to pay net debt — showed a nice improvement: from 12.54 months at June 30, 1960, and 12.44 months at the end of 1960 to 11.76 months at June 30, 1961. This improvement occurred, of course, largely because of the lower debt ratio and came about despite a lower level of wholesale paper at the close of 1960 and a particularly lower level as compared with June 30, 1960. We have always considered the liquidity position of an instalment sales finance company as a highly significant criterion of their operations. We feel that, other things being equal, a company purchasing the shorter-term paper and maintaining a relatively strong cash position is entitled to consideration for more latitude in permissible debt ratio. Conversely, the instalment sales finance companies that tie themselves up with long-term receivables and show an extended liquidity position should be restrained in their permissible debt ratio.

Future Profitability

In the past year or so a number of finance company executives have expressed to me some concern over the future profitability of the independent sales finance company. Net profits as a percentage of the average net worth of the well managed companies in the composite group have declined annually since 1951 and for the first six months of 1961 were at a rate materially lower than that reported for 1960. In 1950 the return on average net worth was at the fantastically high level of 17.37%; by 1955 this had declined steadily to 12.17% and by 1960 to 8.19%. Net profits of these companies for the first six months of 1961 indicate an annual return for this year of around 7%. Our statistics indicate that, generally speaking, the larger units average a better return on net worth; and a number of the mergers that have occurred in the past several years undoubtedly were prompted by this belief. Very frankly, this industry over the years has experienced something similar to that which many American industries have gone through — a reduction in profitability as competitive forces have entered the field. However, I do not believe that 1960 and 1961 results—because of the unusual problems that occurred during these years—should be regarded as typical of what may be expected in the future. While I do not believe it likely that well managed independent sales finance companies can expect the lush profits of some long past years to return, I do believe that these companies should over the years earn profits that will compare favorably with other sectors of American industry. In order to accomplish this, I believe that the management of each company should make studies of their operations on two major fronts: (1) a hard-nosed appraisal of the efficiency of present operating methods and procedures; and (2) a survey of areas of possible diversification.

Improving Efficiency

Unless a company's credit experience is significantly better than that shown by the composite ratios, I believe that this sector of their operating methods and procedures probably should have first attention. Until a relatively few years ago the instalment sales finance industry enjoyed excellent credit experience. Then many companies, along with some other operators in the instalment sales finance field, discarded or watered down the adequate collateral theory which for many years was

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Some Current Problems Of Money and Credit

By J. Howard Laeri, Chairman, Credit Policy Committee, The American Bankers Association and Executive Vice-President, First National City Bank of New York, New York City*

Reflections on matters of concern to bank credit officers note that banks have a sufficient supply of credit to meet near future demands, but have been slipping not only as depositories but also as sources of funds. Bankers are reminded of the importance of term loans to the economy and the ease with which they can be increased, of the need to increase deposits to pace-growing needs, and of the challenge to P and L accounts by higher rates now allowed on time deposits and savings accounts. Also depicted are the structural changes in the economy, and the balance-of-payments and gold problem which could trip off a tightening of money policy.

We live in a troubled world; and, so far as I can see, it is going to stay that way. But it is also a world that is dynamically changing, striving for progress. Special responsibilities rest with us as lending officers, for in doing our daily jobs skillfully, we act as catalysts to economic progress: society expects us to channel bank credit where it can be used most efficiently and productively. Annual credit conference meetings sponsored by the American Bankers Association serve the essential purpose of helping us keep our thinking in perspective. Lending is an applied art—it lacks the exactness of a science. We look at a lot of figures and ratios; but the final decision must be framed in larger terms, of intuitive understanding of the borrower, on the one hand, and of the changing world in which we live, on the other.

J. Howard Laeri

* * *

Compositional Changes in Bank's Assets and Liabilities

During the postwar period since 1946, influences bearing on day-to-day credit decisions have been working overtime. Let's review a few of them. For example, take the changes in our own balance sheets. A bank's resources are mainly constituted out of its deposits. To expand loans, it must get more deposits; but postwar trends have stirred concern over the ability of the commercial banking system to enlarge its deposits sufficiently to pace growing needs. Since 1946, there has been a 54% increase in bank deposits, but loans have quadrupled—commercial and industrial loans are up 360%, real estate loans 441%, and consumer loans 810%. Investment portfolios, cut back to meet loan demand, are now slightly below what they were at the end of the war. In 1946, holdings of U. S. Governments were more than 3 times as large as loans; now loans are twice as large as governments.

The deposit mix has changed dramatically too. In 1946, demand deposits were over 3 times greater than time deposits: today, they are only twice as large. One big reason is the change in corporate financial habits; our position as depositories for business has been eroded by the lure of an interest rate. "Fortune Magazine" put it this way: "Though there is no agreement on the total liquid assets a company needs, there is a growing consensus that it should keep no more cash in the bank than is absolutely required to keep its checks from bouncing." Another factor has been the impact of monetary policy which, in the postwar inflationary era, restricted growth of the money—mainly represented by demand deposits. In order to grow, we have had to buy deposits. By assuming added expense for interest paid, we have managed to improve our deposit growth over the past year or two.

Position Found Slipping

If we go back over the whole postwar period, we find that banks have been slipping not only as depositories but also as sources of funds. We have held our proportion of the consumer instalment credit business, but we have given up ground in the mortgage market to mutual savings banks, savings and loan associations, and life insurance companies. Business corporations naturally rely on current depreciation allowances, retained earnings, and new security issues for long term capital requirements; but some of us are concerned about the relative decline in business usage of short term bank lines. Maybe, with the speeding of transportation and closer inventory controls, there are not today the needs for seasonal credit of times past. Beyond this, it is clear that our business loan volumes have been hurt by a new vogue of financing through the open market for commercial and finance company paper as well as through banker's acceptances. According to the latest reports, outstanding commercial paper was up to $1.9 billion, sales finance paper $3.5 billion, and banker's acceptances $2.6 billion. These figures are of course dwarfed by the total of $43 billion commercial loans held by all commercial banks, but the rate of increase is certainly something to think about.

Since the end of 1948, the outstanding volume of commercial paper, sales finance paper, and banker's acceptances has increased eightfold to a total of $7.9 billion. While banks themselves hold some of this open market paper, the bulk of the funds supplied to corporations through this channel comes from other corporations investing surplus funds, from life insurance companies, and from foreign investors.

I do not need to remind bankers how business loan demands rise with inventories and receivables in periods of business expansion and decline as inventories are liquidated in recession. But, over the years, our customers require more money for working capital to finance inventories, payrolls, and receivables. Needs for money for brick and mortar investments are covered to the extent of about two-thirds by depreciation allowances, with the rest, in the main, raised by new security issues. If means can be found, as President Kennedy desires, to spur the U. S. economy to higher rates of utilization of manpower and plant resources and to stimulate larger expenditures for modernization, American business will need more intermediate and long term capital, and banks will have a vital role to play in working out sound financing arrangements with term loan participation, where appropriate.

Opportunities Found in Term Loans

The easiest place for banks to increase their business loans has been in the term category. Term

Continued on page 36

Overlooked Opportunities In Railroad Mortgage Bonds

By Howard C. Morton, Partner, McMaster, Hutchinson & Co., Chicago, Illinois.

Chicago investment banker's short report directs attention to what he believes are outstanding attractive investments generally overlooked. Appended to the paper is a sample listing and brief description of railroad bonds offering 4¾% to 6¼% yields with first mortgage protection.

Good quality railroad mortgage bonds, in my opinion, offer outstanding values to investors.

Investment officers of banks and other financial institutions as well as individual investors have been diligently searching for income. Investment income is extremely important today for most casualty insurance companies. For many banks who now pay 3½% to 4% on time deposits, higher income is vital and individual investors can no longer get satisfactory yields from common stocks.

Howard C. Morton

Investors generally tend to buy in the same areas, the same types of securities, those issues everyone else is buying. However there is a segment of the market where it is possible to obtain 4¾% to 6¼% yields with secure first mortgage protection. Imagination, courage and a knowledge of values should be a rewarding venture; perhaps this is possible in a much overlooked area of the market.

No industry should be ignored nor be looked upon with complete disfavor. Within every industry there are investment opportunities and I believe 1962 will be a far better year for the railroad industry than 1960 or 1961. There are many signposts.

(1) Shipping boards, railroad managements and analysts forecast increased car loadings of perhaps 10% in 1962. January and February figures confirm this; income could be 25% to 30% higher.

(2) Possible legislation in this session of Congress to improve the rails competitive position.

(3) Liberalized depreciation allowances.

(4) The 15-man Presidential Committee will shortly report on their study of work rules. Modification of some of these archaic rules surely will be recommended such as eliminating the firemen on freight and switching diesels; longer mileage as a basis for a day's pay; savings could be substantial.

(5) Mergers. Fourteen applications are now on file at the Interstate Commerce Commission with well publicized savings in all instances.

(6) The awareness at long last of Congress, state, county and city officials that the railroads are vital, provide a low cost mass transportation and must be supported.

In addition to the above, within this industry are many railroads earning fixed interest charges with a handsome margin today. For the investor and investment manager who has been striving for higher income and safety, who have imagination and a belief that this country will continue to grow and prosper the following railroad mortgage bonds should be appropriate.

	Coup. %	Maturity	Recent Price	Yld. %	Range 1961-1962	Times Fixed Charges 1960	Times Fixed Charges 1961
Chicago R. I. & Pac. RR. 1st	5½	2/1/1983	102	5.34	97¼-103½	3.15	3.26
Denver & Rio Grande Western RR 2nd income	4½	1/1/2018	86½	5.25	83 - 87½	3.46	3.50*
Lake Shore & Mich. So. Ry. 1st	3½	6/1/1997	60	6.35	54 - 62¼	1.02	0.67
Missouri Pacific RR. 1st	4¼	1/1/1990	75	6.15	68⅜- 77¾	2.52	2.37
North'n Pac. Ry. Ref. & Imp.	4½	7/1/2047	95	4.75	88¼-105	2.88	2.43
St. Louis & San Fran. Ry. 1st	4	1/1/1997	71	5.98	66⅜- 74	2.53	2.30
Southern Pacific Co. 1st	5¼	10/1/1983	103	5.02	101 -104¼	3.32	3.50
South'n Pac. & Ore. Lines 1st	4½	3/1/1977	97	4.78	91 - 97½	3.32	3.50
Wabash RR 1st	3¼	2/1/1971	85	5.40	77 - 85	2.41	2.71

*Times fixed and contingent interest charges.

The State of TRADE and INDUSTRY

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

The underlying trend of demand is upward but January economic activity presented a mixed picture, partly because of the weather, according to the February issue of the *Survey of Current Business*, the monthly magazine of the Office of Business Economics. New orders received by durable goods manufacturers and steel production both registered good-sized increases over the month, but employment, income, retail sales and industrial production showed small reductions. Gains over a year ago, when business activity was at a low point, were generally large.

The advance in new orders for durable goods was an extension of the unbroken rise that has occurred in this important indicator since early 1961.

Personal income was at a seasonally adjusted annual rate of $430 billion in January, down somewhat from December but above the fourth quarter 1961 average rate. There was a drop of about $500 million, on an annual basis, in labor income as both employment and hours were off somewhat. In addition, the December figure was augmented by a nonrecurring special life insurance dividend to veterans and an unusually large year-end corporate dividend payment. Income was 6½% higher than a year ago.

Nonagricultural employment showed a slightly more than seasonal decrease, with the bulk of the decline occurring in manufacturing and construction and in part reflecting unfavorable weather in some parts of the country. Gains in primary metals and electrical machinery, after seasonal adjustment, were more than offset by declines in transportation equipment, nonelectrical machinery and fabricated metals. Nondurable goods manufacturing industries showed either no change in employment or small declines. Increases in government and trade were insufficient to offset reductions in other sectors.

The seasonally adjusted unemployment rate fell to somewhat less than 6% of the civilian labor force in January, continuing the decline of late 1961. The current rate is about one full percentage point below the figure that prevailed throughout most of last year.

Retail sales in January after seasonal adjustment were 1% below those of December, with the decline mainly in non-auto durable goods. Consumer purchases of automobiles in January were about the same as in December, seasonally adjusted, but somewhat below the fourth quarter 1961 rate. For the model-year run to date—from last October to the present—auto sales have been at an annual rate in excess of six million cars.

Steel users have been ordering steel at a very high rate to support advancing levels of steel fabricating activity and as a hedge against a possible steel strike this summer. New orders received by steel mills rose very sharply in December and continued at that high rate in January. Production rose more than seasonally from December to reach a total of 10.4 million tons last month. In early February the steel industry was producing at an annual rate of 125 million tons, the best showing since April, 1960.

The 3% pickup in new orders for durable goods from December to January confirms the current advance in capital formation, earlier forecast by the regular quarterly survey of businessmen's anticipations. The annual survey for 1962 will be reported early in March.

Bank Clearings 1.1% Higher Than in 1961 Week

Bank clearings this week will show an increase compared with a year ago. Preliminary figures compiled by the *Chronicle*, based upon telegraphic advices from the chief cities of the country, indicate that for the week ended Saturday, Feb. 24, clearings for all cities of the United States for which it is possible to obtain weekly clearings will be 1.1% above those of the corresponding week last year. Our preliminary totals stand at $25,311,373,113 against $25,042,212,564 for the same week in 1961. Our comparative summary for some of the principal money centers follows:

Week End. Feb. 24—	1962 (000s omitted)	1961 (000s omitted)	%
New York	$13,352,469	$13,461,843	— 0.8
Chicago	1,139,145	1,131,956	+ 0.6
Philadelphia	*1,060,000	1,001,000	+ 5.9
Boston	734,947	707,341	+ 3.9
Kansas City	487,539	457,527	+ 6.6

Early Wage Contract Will Mean A Good Steel Production Year

Favorable reports on steel labor negotiations have had only a small impact on the market, *Steel* magazine said on Feb. 26

Users are not ordering as heavily as they were six weeks ago because they have covered near term requirements. In the few cases where they are canceling or deferring orders, it is to balance inventories with consumption. The pushbacks do not suggest a trend.

Shipments are climbing to the highest level in two years. Steel made in February for shipment during March has to go out on schedule because the mills have no place to store it.

Production dropped last week for the first time this year, but *Steel* points out the drop was less than 1%. It estimates the nation's ingot output was 2,435,000 tons and looks for production to be about the same tonnage this week.

An early steel wage contract will mean a good production year—perhaps 110 million tons (the fifth best year on record), *Steel* says.

If contract signing is delayed until midyear, users will have substantial stockpiles of finished steel and be anxious to liquidate them during the second half. Forced liquidation might reduce the year's output. Reasons:

(1) Historically, the inventory pendulum swings too far; stocks are reduced below normal levels.

(2) The psychological effect of summer layoffs due to low operating rates in the steel industry would dampen other segments of the economy.

Sources behind the locked doors at the steel negotiations tell *Steel* that the talks are going AOK. Although snags could develop as bargaining gets down to cases, the signing date should come sometime in March.

Steel expects a new contract to grant eight to 12 cents per man-hour per year over a two or three year period; four to five cents will come in wages; four to seven cents in fringes, chiefly in supplemental unemployment benefits, insurance, and pensions.

The 11 steel companies bargaining with the United Steelworkers hope to meet the job security problem with a three level plan. Briefly, it provides for:

(1) Creation of plant labor pools for lower job classifications (unskilled).

(2) Establishment of a seniority area preference plan for the middle job classes.

(3) Setting up regional transfers, chiefly for the higher ranking job groups.

The USW has a job security proposal that may also be accepted. It would increase pensions for those already retired and for those about to be. The idea is to encourage early retirements and increase job opportunities for younger men.

Inventory pressures are largely responsible for the speed in bargaining. Neither steel management nor labor wants stockpiling to go wild as it did in 1959.

A *Steel* survey of 139 steel buyers indicates that the inventory gains thus far are on a planned and orderly basis. More orderly building is planned over the next three months.

Despite active steelmaking, the scrap market lacks strength. *Steel's* steelmaking scrap price composite stayed at $35.67 a gross ton last week.

Higher Wages and Increase in Steel Prices Forecast

A new steel labor contract will probably cost the steel industry from 10c to 11c a year in total wage costs, *The Iron Age* reports.

This is more than the industry feels it can absorb in productivity gains, and could be followed by an increase in the price of steel. This increase will be between $3.50 and $4.00 a ton, the magazine says.

This settlement will be hard to come by. Many steel leaders oppose any package over 8c. Some oppose any increase. Opposition to a 10c to 11c package is centered on conviction that prices should not be raised at this time.

Reluctance to raise prices is based on two major factors. One is the opposition of the Kennedy Administration to any boost in steel prices. While the President cannot control prices, the Administration can exert its influence in many ways.

Of equal importance: Threats of lower priced imports and competing materials invading steel markets are a real factor in the industry's desire for price stability.

In narrowing the range of the wage-cost outlook, *The Iron Age* points out that the industry would not go for anything costing 12c or over — regardless of how much pressure is exerted by the White House.

On the other hand, David McDonald, President of the United Steelworkers, could not be expected to agree to a package of 8c, presumably the limit which the industry could grant without outside pressure and/or resulting price relief.

Mr. McDonald has internal problems within his own union which make it virtually impossible for him to give in without a more costly package. These problems center around rank-and-file demand for more job security. Security measures will probably absorb more than half of the total cost of the package.

The magazine points out that talk of higher prices is likely to set off a new wave of hedge buying, this time as a hedge against higher prices, augmenting the considerable amount of strike hedging which has already led to accumulation of inventories.

Steel Production Data for the Week Ended Feb. 24, 1962

According to data compiled by the American Iron and Steel Institute, production for the week ended Feb. 24, 1962, was 2,405,000 tons (*129.1%), as against 2,454,000 tons (*131.7%) in the week ended Feb. 17.

Production this year through Feb. 24, amounted to 19,076,000 tons (*128%), or 59.1% above the period through Feb. 25, 1961.

The Institute concludes with index of Ingot Production by Districts for week ended Feb. 24, 1962, as follows:

	*Index of Ingot Production for Week Ended Feb. 24, 1962
North East Coast	125
Buffalo	137
Pittsburgh	121
Youngstown	132
Cleveland	158
Detroit	155
Chicago	132
Cincinnati	134
St. Louis	117
Southern	107
Western	123
Total	129.1

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

One Millionth Car Produced Month Earlier Than Was the Case in 1961

The nation's auto industry produced 1,000,000 passenger cars from Jan. 1 to Feb. 21, nearly a month ahead of the same milestone a year ago, *Ward's Automotive Reports* said.

The statistical agency said that 1962 auto output is currently 46% above last year and that more than 3.4 million '62 model cars have been assembled, compared with 2,957,000 '61 models made by the same time last year.

Ward's estimated factory output in the week ended Feb. 24 would include 134,671 passenger car units, only slightly below 135,085 in the preceding week and

Continued on page 35

TAX-EXEMPT BOND MARKET

Continued from page 6

of Tennessee sold $12,275,000 state improvement 1963-1982 to The First Boston Corp. and the Bank of America N. T. & S. A. at a 2.961% net interest cost. The second best bid for the bonds, setting an annual net interest cost of 2.965%, came from a group headed by the First National Bank of Memphis and Glore, Forgan & Co. The securities are priced to yield from 1.65% to 3.10%. As we go to press a balance of $6,100,000 remains in account.

The final important sale of this week involved $10,000,000 Orleans Parish School Board, La. 1962-2001 bonds which were awarded to the group managed jointly by Halsey, Stuart & Co., Inc., Smith, Barney & Co. and Harriman Ripley & Co. at a net interest cost of 3.55%. The runner-up bid of a 3.57% net interest cost was made by the First National City Bank and associates. The bonds were offered to yield from 1.50% to 3.70% and initial sales amounted to $4,408,000.

Toll Bonds Continue in Favor of Investors

The dollar quoted long-term revenue issues were under slight selling pressure last Friday and earlier this week but they have rebounded sharply after the success of the New York State Thruway issue and many are at or near their highs for this year. The Florida Turnpike 4¾s, Kentucky Turnpike 4.80s, Maryland Expressway 4⅛s and Delaware Turnpike 4⅛s have all made substantial gains and are at their highs. As a group, the toll road issues appear cheaper than the general tax-exempt bond market.

Fordham Society To Hold Seminar On Communism

The Libertarian Society of Fordham University announces that it will sponsor a seminar entitled *A Discussion of Communism* on Saturday, March 10, 1962, in the University Gymnasium on Fordham's Bronx Campus. The day will begin at 10 a.m. and will conclude at 4:45 p.m.

Featured speakers will be Congressman Walter H. Judd; Frank S. Meyer, editor of *National Review;* A. Wilfred May, executive editor of *The Commercial and Financial Chronicle;* and others.

The society's members believe that the young person of today does not possess an adequate knowledge of International Communism, and in their efforts to correct this situation, they are presenting a thoughtful nonpartisan study. The discussion will cover the nature and operation of, and the approaches to Communism. The society aims to motivate the attending students to seek the truth about the potent threat we all face. A minimum of 1,500 students are expected from colleges in the New York area.

The event promises to be one that will inform, and also, one that will kindle the fire of American idealism in each. Admission tickets are $2 each.

Maxam, Inc. Common Sold

McDonnell & Co., Inc., New York City, and associates are offering today (March 1) 200,000 common shares of Maxam, Inc., common stock at $20.50 per share.

Of the total, the company is selling 100,000 and four shareholders the rest.

The company will use $417,000 of the proceeds to repay loans and the balance for working capital to finance an expansion program.

Headquartered in Roslindale, Mass., the corporation operates through nine wholly-owned subsidiaries, eight of which operate self-service discount department stores. The ninth is a service company providing centralized administration.

Dempsey-Tegeler Branch

AUSTIN, Tex.—Dempsey-Tegeler & Co., Inc., has opened a branch office in the Capitol National Bank Building under the management of R. L. McLeod.

Fifth Avenue Cards, Inc. Stock Sold

Hardy & Co., and Filor, Bullard & Smyth, New York City, are making initial public sale of Fifth Avenue Cards, Inc. class A stock through the offering of 115,000 shares at $4 per share.

Net proceeds from the financing together with other funds, will be used by the company to pay an outstanding bank loan, provide additional working capital and to implement its plan for expansion of its retail chain.

The company of 18 W. 34th St., New York, N. Y., operates greeting card stores in the metropolitan New York area. These stores sell a variety of merchandise, including greeting cards, office supplies, party goods, gift wrappings, paper back books, souvenirs, gifts and other articles. The company presently has four stores, the largest of which is located in the Empire State Building on 34th St., and is believed to have the largest greeting card store in the country. Other outlets are located in the Socony-Mobil Building on East 42nd St., at Green Acres Shopping Center, Valley Stream, Long Island; and at the Mid-Island Shopping Plaza, Hicksville, L. I.

The company intends to establish a chain of new, large stores in such major cities as Philadelphia and Chicago, at least three smaller stores to be located in suburban shopping centers of minor cities.

McDaniel Equip. Common Offered

California Investors, 3544 West Olympic Blvd., Los Angeles, is offering 100,000 no par common shares of McDaniel Equipment, Inc., at $3 per share. Net proceeds will be used by the company for equipment, debt repayment, inventory, expansion and working capital.

The company of 516 Seventh Ave., San Diego, Calif., is engaged in the sale, service and installation of dry cleaning and laundry equipment.

P & H Tube Corp. Units Offered

Public offering of 120,000 common shares and 60,000 common stock purchase warrants of P & H Tube Corp., is being made by Howard, Weil, Labouisse, Friedrichs & Co., New Orleans and Clark, Landstreet & Kirkpatrick, Inc., Nashville. The securities are being offered in units, each consisting of two shares and one warrant, at $12 per unit. The warrants entitle the holder to purchase one common share, initially at $6 per share, during a five year period.

The company of 413 Hamilton Rd., Bossier City, La., is engaged in the manufacture and sale of electric resistance welded steel tubing. It will use the proceeds from this financing for repayment of debt and working capital.

Now Corporation

NEWARK, N. J.—James & Co., Inc. is continuing the investment business of James & Co., 744 Broad Street. Officers are James A. Mingo, President and Treasurer, and E. A. Mingo Vice-President and Secretary.

Form Kenan Co.

BROOKLYN, N. Y.—Kenneth W. Angevine and Albert Alloro have formed The Kenan Company with offices at 983 East 103rd Street to engage in a securities business. Both were formerly with the Marshall Company.

THE MARKET . . . AND YOU

BY WALLACE STREETE

The stock market coasted for the most of this week with interest centering on selected specialties for various reasons and group action largely meaningless. The low state of interest in market affairs was reflected in volume dipping below the three million share line. It had dropped under the line before this year only on the semi-holiday trading of Feb. 12.

The lack of overall direction was best illustrated by one session when the difference between plus and minus signs was only four items, a case of 517 advances and 513 declines.

Some of the stock split items were able to make a good showing occasionally, Warner Lambert where the split became official bolstering the new highs list which, more times than not, held a comfortable lead over the new lows.

No Danger Signals

The critical points under the various market theories were well out of range, so there were no danger signals apparent. With the industrial average in particular hovering in a trading range, the big hunt was for some spark that could shake off the doldrums but little in the daily news was found to inspire any different market action.

The manned orbit shot, stimulating as it was in other spheres, served to spark the defense issues only momentarily and they were back to a desultory pattern quickly. The electronic items, which are supposed to be "space age" ones were, in fact, irregular more times than not.

Many individual moves were erratic. Amerada, which had had a good climb on speculation over its value as a sellout candidate, but then had run into profit-taking, was able to show a couple of rebounds to give it a somewhat violent see-saw pattern. Barber Oil seems to have been pinpointed by the rumor mills as the latest of the items that could prosper by selling its reserves. It was enough in any case to place it on the new highs list. Other oil issues were not overly conspicuous.

Broadening Its Market

The item on the periphery of the oil business, Dresser Industries, an oil company supplier, had its followers but to some of them the greater attraction in this case was that it is lessening its dependence on the domestic oil and gas industries. The company has been expanding its electronic division and is active in equipment to detect nuclear explosions; it recently acquired a company that is a prominent supplier of equipment for the water and sewage industries, and is aggressively expanding its foreign operations.

Internally, Dresser has been stepping up its efficiency and that was apparent when it reported for its last fiscal year a 10% earnings increase despite a 5% decline in total sales. For the current fiscal year, the company's management anticipated an improvement in sales, so naturally its profit outlook is a bright one. The indicated yield runs to 4%, which is above average, and the price-earnings ratio is low, under 14-times the 1961 earnings. Marketwise, the shares of Dresser have been mundane, holding for 14 months in a range of nine points and available recently at only a bit more than its equity per share of almost $27.

New Vistas

Also a mundane item with a price tag high enough to almost guarantee its appearance on a list of possible stock split candidates is Pittsburgh Plate Glass. But it held through 1961, and so far this year, in a range of less than a score of points. Helping keep it restrained last year was a disappointing earnings showing which was due in part to the fact that the auto industry ran at a reduced pace until the final quarter. In that quarter it made its best showing for the period since 1957 as a hint that the company had turned a corner in its fortunes.

As one of the two leading producers of safety glass for the auto industry, Pittsburgh Plate has been considered a staid, unglamorous, old-line glass company. But in its quiet way the company has been changing its nature significantly. It, like many another domestic company, is meeting the import challenge and participating in the economic growth overseas by expanding its international operations.

In Europe it is constructing a window glass plant and setting up a chemical subsidiary while a Dutch subsidiary is building a textile yarn plant to serve the common market. Its domestic products range from paints, chlorine and soda ash to fiber glass. Its glass business is now down to around 40% of sales so its other activities already produce the bulk of its business. And with the auto business poised for a good year approaching its record operations of half a dozen years ago, the outlook is bright for Pittsburgh Plate this year.

Some projections around indicate that Pittsburgh Plate could chalk up a record year for sales in 1962 and as far as profits are concerned the estimates are that it will snap back to at least the 1960 results and some give it a good chance of exceeding the showing of that year. Its dividend is well covered and offers an average yield of 3.3% but the cash payment in the last several years has been larded with 2% stock dividends which are the minimum expectations for this year.

Still Moving Ahead

Investors generally have been blowing hot and cold over Korvette in the discount field which once had a big role in popularizing discount store shares with the public. But there is no sign in the actions of Korvette's management that the rapid expansion of the past is over. The company's goal is to add half a dozen stores each year and to constantly expand to new trade areas as well as spread out in areas now served. One is planned for exclusive Fifth Ave. in New York this Spring.

Since Korvette is not on a dividend basis, it has no standing where income is required. But for long-term capital appreciation, when discount stores come back to public favor, Korvette would seem in line to participate fully. Its earnings projection for the current fiscal year, which ends in July, runs to an improvement of around 30% over the preceding year which is still concrete growth that not too long back was so greatly admired with cold cash.

Good earnings growth is also apparent in Ronson, with some of it helping give the shares a good market appreciation. As a matter of fact, for three years the earnings gain of Ronson has run 25% or more over the previous report.

Lighters, and accessories for them, which are most generally recognized with Ronson, are still the major items for generating sales but significant diversification has been made to where electrical appliances now account for about 22% of sales and aircrafts and missile parts as well as rare earth metals are contributing a good portion to overall results. A decade ago Ronson depended completely on lighters. The latest announced spread of the company to different fields is a combination knife sharpener, mixer and can opener being readied for spring distribution and, while public acceptance of this item is still vague, it could well help the company continue to show the ever-increasing growth pattern of the past several years.

[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.]

Eastman Dillon To Admit Partners

On March 1, Eastman Dillon, Union Securities & Co., 15 Broad St., New York City, members of the New York Stock Exchange, is admitting William H. Salisbury to partnership. On March 8, Robert M. Evans of San Diego, Thomas A. Kenny and Bernard G. Vigurs, will become general partners in the firm, and Alice H. Elmer will become a limited partner.

N. Y. Securities Co. Forming

The firm of F. Eberstadt & Co., 65 Broadway, New York City, has announced that it intends to curtail its activities in certain fields

F. Eberstadt Nelson Loud

of investment banking and to devote its principal attention to management of Chemical Fund and distribution of its shares and of other investment companies which it may organize or acquire, to participation in, and sale of, public issues of institutional grade securities and to investment of its own capital in special situations.

"Certain of the partners of the firm of F. Eberstadt & Co., principally concerned with the fields of business in which the firm intends to curtail its activities, will withdraw from the firm on or before March 31, 1962, and a new firm, formed by them, New York Securities Co., will occupy itself with originating and syndicating new issues, private placements, mergers, participations and institutional sales.

"The two firms will work together on pending and future investment banking matters."

It is understood that Nelson Loud will be senior partner of New York Securities Co.

Lawrence, Overall, Harper

WASHINGTON, D. C.—Lawrence & Overall & Harper, Inc. is conducting a securities business from offices at 919 Eighteenth Street, N. W., as successors to Lawrence & Overall. Officers are John C. Lawrence, President; John Harper, Jr., Vice-President and Treasurer; and Sidney S. Overall, Jr., Sec.

North Shore Assoc. Formed

North Shore Associates has been formed with offices at 212 Fifth Avenue, New York City, to engage in a securities business. Partners are Roy E. Berg, Ted Cane and Joseph J. LoBrutto.

Texas I. B. A. Group 1962 Officers

SAN ANTONIO, Tex.—The Texas Group of the Investment Bankers Association has elected the following officers for 1962:

Wm. A. Beinhorn, Jr. Lewis F. Lyne Tom Ball, Jr. Edward H. Austin

Chairman: William A. Beinhorn, Jr., Russ & Company, Inc., San Antonio.

First Vice-Chairman: Lewis F. Lyne, Mercantile National Bank, Dallas.

Second Vice-Chairman: Tom Ball, Jr., Brown, Wareing, Ball & Co., Houston.

Secretary-Treasurer: Edward H. Austin, E. H. Austin & Co., San Antonio.

Committeemen: Richard O. Arneson, Dittmar & Company, Inc., San Antonio; John Jay Fosdick, Eddleman, Pollok & Fosdick, Inc., Houston; Robert R. Gilbert, Jr., Sanders & Company, Dallas; B. Franklin Houston, Dallas Union Securities Co., Inc., Dallas; Frank R. Newton, Jr., Lentz, Newton & Co., San Antonio; and Russell R. Rowles, Rowles, Winston & Co., Houston.

Chairmen of the working committees of the Texas Group are Charles C. Pierce, Rauscher, Pierce & Co., Inc., Dallas, Legislative; Robert H. Baker, Rowles, Winston & Co., Houston, Education & Public Relations; W. Wallace Payne, First of Texas Corporation, San Antonio, Municipal; B. Franklin Houston, Nominating; William A. Beinhorn, Jr., Savings Bond; H. H. Dewar, Dewar, Robertson & Pancoast, San Antonio, Membership; and Harry Newman, Dittmar & Company, Inc., San Antonio, Meetings and Entertainment.

Committee Chairmen for the Texas Group Investment Bankers Association meeting to be held at the St. Anthony Hotel, San Antonio, April 8-10 are: Harry E. Newman, General Chairman; Col. Jack E. Finks, Transportation; Elmer Dobbins, E. H. Austin & Co., San Antonio, Hospitality; John T. Thornton, San Antonio, Golf; Leslie L. Lentz, Lentz, Newton & Co., San Antonio, San Antonio Investment Dealers Cocktail Party; John Gatti, Dempsey-Tegeler & Co., Inc., San Antonio, Treasurer.

NEWS ABOUT BANKS AND BANKERS

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

William Rodman Parvin, a Vice-President of the **Morgan Guaranty Trust Company of New York** and President and Director of the **Morgan Guaranty Safe Deposit Company**, died Feb. 23 at the age of 64.

Mr. Parvin's first assignment was in the foreign exchange department, of which he was appointed Manager in 1922. In 1934 he was named Assistant Treasurer and was transferred to the Fifth Avenue office, where he remained until his death.

Mr. Parvin became a Second Vice-President in 1936 and a Vice-President in 1943.

* * *

A. Joseph McKay and Fred G. Pfeiffer, formerly Trust Officers, have been elected Personal Trust Officers of **Chemical Bank New York Trust Company, New York,** it was announced Feb. 23 by Chairman Harold H. Helm. John A. Mears, Walter A. Shoebridge and James Van Dyk have been named Trust Officers. All are with the bank's Personal Trust Department.

* * *

Transfer of two of its largest banking offices was made on Feb. 26 on by **Chemical Bank New York Trust Company, New York,** Chairman Harold H. Helm announced.

The new locations are 67 Broad Street for the office formerly at 30 Broad Street, and 20 Pine Street for the banking quarters formerly at 165 Broadway.

Vice-President Huntington M. Turner, who has supervised the bank's commercial banking business in the Downtown Manhattan area, will make his headquarters at 20 Pine Street. Associated with him will be Vice-President Robert L. Cushing. Vice-President George I. King will transfer from 30 Broad Street to the new office at 67 Broad Street where he will be in charge.

* * *

Morgan J. Murray has been named an Assistant Vice President in the Controller's Department of **Bankers Trust Company, N. Y.**

Joseph W. Kelly was elected Assistant Secretary in the Trust Operations Division; and Jerome H. Grassi an Assistant Treasurer in the Branch Administration Division.

* * *

The Amalgamated Bank of New York, New York, N. Y. received approval from the New York State Banking Department on Feb. 19 to increase its capital stock from $2,000,000 consisting of 200,000 shares of the par value of $10.00 each, to $2,500,000 consisting of 250,000 shares of the same par value.

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Kings County Trust Co., Brooklyn, N. Y. elected John R. H. Blum, a Trustee.

* * *

Hamburg Savings Bank, Brooklyn, N. Y. has elected Robert D. Wagner a Trustee.

* * *

By a stock dividend the common capital stock of the **Middlesex County National Bank, Everett, Massachusetts** was increased effective Feb. 9 from $2,000,000 to $2,500,000

* * *

The Waterbury National Bank, Waterbury, Connecticut increased its common capital stock effective Feb. 14 from $800,000 to $900,000 by a stock dividend.

* * *

The Hillsdale National Bank, Hillsdale, New Jersey, with common stock of $525,000 was converted into a State bank under the title **"Pascack Valley Bank and Trust Co., Hillsdale, New Jersey"** effective as of Jan. 22, in accordance with the applicable provisions of Federal and State Statutes.

* * *

The Western Pennsylvania National Bank, McKeesport, McKeesport, Pennsylvania and **West End Bank, Pittsburgh, Pennsylvania,** consolidated under the charter and title of "Western Pennsylvania National Bank, McKeesport", with capital stock of $7,068,140, divided into 706,814 shares of common stock, $10.00 par value.

* * *

The First National Bank of Sharpsville, Sharpsville, Pennsylvania increased its common capital stock from $100,000 to $200,000 by a stock dividend effective Feb. 9.

* * *

The Wyoming National Bank of Wilkes-Barre, Pa. has purchased and assumed the liabilities of the **First National Bank of Exeter, Pa.,** and opened it as a branch.

* * *

The common capital stock of the **Maryland National Bank, Baltimore, Maryland** was increased Feb. 13 from $8,855,420 to $9,740,960 by the sale of new stock.

* * *

National Bank of Washington, Washington, D. C. elected W. A. Boyle, a Director. He succeeds the late A. D. Lewis.

* * *

By the sale of new stock **The Peoples National Bank & Trust Co. of Lynchburg, Lynchburg, Virginia,** increased its common capital stock effective Feb. 14 from $840,000 to $1,050,000 and from $1,050,000 to $1,071,000 by a stock dividend.

* * *

First National Bank of Goshen, Goshen, Indiana increased its common capital stock from $100,000 to $200,000 by a stock dividend and from $200,000 to $300,000 by the sale of new stock effective Feb. 15.

* * *

The common capital stock of **The Union National Bank of Macomb, Macomb, Illinois** was increased effective Feb. 9 from $130,000 to $260,000 by a stock dividend.

* * *

The Oklahoma National Bank of Chickasha, Chickasha, Oklahoma changed its title to **Oklahoma National Bank & Trust Company of Chickasha.**

* * *

By a stock dividend the common capital stock of **The First National Bank of Kansas City, Kansas City, Missouri** was increased from $9,000,000 to $10,000,000 effective Feb. 14.

* * *

The First National Bank of Jackson, Jackson, Tennessee increased its common capital stock from $300,000 to $400,000 by a stock dividend and from $400,000 to $500,000 by the sale of new stock effective Feb. 15.

* * *

The common capital stock of the **Southern National Bank of Houston, Houston, Texas** was increased effective Feb. 9 from $800,000 to $2,000,000 by the sale of new stock.

* * *

The National Bank of Commerce of Dallas, Dallas, Texas increased its common capital stock effective Feb. 13 from $600,000 to $750,000 by a stock dividend and from $750,000 to $1,250,000 by the sale of new stock.

* * *

By the sale of new stock the common capital stock of **The National State Bank of Boulder, Boulder, Colorado** was increased from $400,000 to $500,000 effective Feb. 13.

* * *

Ned Winder and Oscar Hanson, Jr., have been elected to the Board of Directors of **First Security State Bank in Salt Lake City, Utah.**

* * *

A. F. Peterson and A. P. Kibbe, were elected to the board of **First Security Bank of Utah, N. A., Salt Lake, Utah.**

* * *

The First National Bank of Great Falls, Great Falls, Montana increased its common capital stock from $1,200,000 to $1,500,000 by a stock dividend effective Feb. 13.

* * *

Century Bank, Los Angeles, Calif. elected Alvin U. Leibsohn, Chairman, as President succeeding Robert A. Moffitt who will continue as Secretary.

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The Hon. Leslie M. Frost, has been appointed a Director of the **Bank of Montreal, Montreal, Canada,** according to an announcement Feb. 28 by G. Arnold Hart, President and Chief Executive Officer.

* * *

Bank of Nova Scotia, Toronto, Canada, elected Sir Denys Lowson a Director.

Oceanic Instr. Stock Offered

Globus, Inc., 660 Madison Ave., New York City, is offering publicly 140,000 common shares of Oceanic Instruments, Inc., at $1 per share. Net proceeds will be used to complete the financial organization of the company and to finance the acquisition and construction of equipment.

The company, whose address is 1515 Norton Bldg., Seattle, Wash., plans to design and construct scientific marine instruments and to offer, under contract, consultation services to government and industrial laboratories and commercial manufacturers. It expects to engage in the fields of water quality control, sports fishing research, evaporation and precipitation research, beach erosion control and ocean weather prediction.

Form Combined Plans

NASHVILLE, Tenn. — Combined Plans Inc. has been formed with offices in the Third National Bank Building, to engage in a securities business. Officers are Crittenden Currie, President; E. B. Currie, Secretary and Treasurer.

Forms Christopher Inv.

EAST ELMHURST, N. Y. — Christopher Litras is engaging in a securities business from offices at 2364 Ninety-eighth St., under the firm name of Christopher Investments.

Form Gold-Slovin Co.

Gold-Slovin Company, Inc. is conducting a securities business from offices at 1271 Sixth Avenue, New York City. Officers are Roy E. Gold, President, and Samuel Slovin, Secretary and Treasurer.

Roney Admits

DETROIT, Mich. — On Feb. 15, Wm. C. Roney & Co., Buhl Bldg., members of the New York and Detroit Stock Exchanges, admitted Yetta M. Weickgenant to limited partnership.

W. C. Heckman Opens

HAMBURG, Pa.—Walter C. Heckman is engaging in a securities business from offices on Hazel St., Yoker Heights.

AS WE SEE IT

Continued from page 1

be resolved on the resting ground of clash of selfish interests."

On more than one occasion in the past the influence of government has been exerted in behalf of settlements which fitted neatly into political preconceptions of what ought to be done. These have more often than not been much more nearly what the unions were demanding than what management thought proper — and they have succeeded in bringing "peace" to the industry, chiefly if not solely, because it was evident to practical management that government had, at its disposal, weapons which made avoidance of defiance of it the better part of valor. The steel strike of 1960 and its conclusion is an excellent case in point.

Never before, though, has the Federal Government, at least in peacetime, announced its intentions in advance to tell both management and labor what it thought they ought to do about new contracts or renewals of old contracts — or so pointedly said that it intended to do whatever is necessary to see that its opinions are respected. Neither has any previous Administration intimated so broadly that it intends to tell organized labor what it may and may not do. The Secretary is undoubtedly well aware of what went on at the big labor convention in Florida some months ago. Within the past few days these same union leaders have not only differed with the Administration but shouted defiance at it. One must wonder what the Administration would feel warranted in doing if one of the giant unions, whose size government has itself sponsored, simply declined to take orders. Of course, the Secretary declares himself — and presumably the Administration—to be opposed to compulsory arbitration and wage or price controls, but the challenge has been issued to both organized labor and management of all levels. We shall have to see what we shall see.

Would Favor Labor

Now the unfortunate fact of the matter is that there is very much less likelihood of the Administration differing with the labor unions as with management. The pressure is all but certain to be in one form or another mostly upon employers in any case that may arise. The Administration again and again and again has laid out its general wage philosophy in terms that are all but identical in many respects with that of the labor leaders of the country. There is little likelihood that there will arise any one in Washington to dispute the notion that higher and ever higher wages, so long as they do not bring higher and higher prices, are one of the keys to permanent and vigorous prosperity. The Administration, too, is an avowed follower of the so-called productivity philosophy—even if at times it seems to differ in detail with the concepts of some of the labor leaders of the country.

In any case, however, individual disputes almost inevitably turn on facts which either are in dispute or which can not be had at all. At times the Administration has appeared to believe that the criterion of wage changes should be changes in productivity, so-called, not in any one industry which may be involved in any particular dispute, but in all industry of the country. Now it is well enough known to all who have cut their eyeteeth that any very meaningful figure for the change in productivity, even in any of the rather simple industries, is difficult enough to come by, and that an over-all-figure covering industry in its entirety is apparently beyond the reach of the knowledge and skill of man. Neither is there available anywhere accurate accounts of what any given gains in productivity cost in areas remote from wages.

Other Issues, Too

Again, all labor disputes now invariably involve much more than mere wage rates. Invariably there is wide difference of opinion and in claims about what any demand made by labor would cost the employer. Numerous and possibly differing concepts of cost figuring arise, and we can but wonder if the Administration which now says it is planning to provide the factual background and basis for suitable settlements —in advance, and not in retrospect as so often in the past —is prepared to enter such a difficult and disputed area— and if it did whether it could hope to emerge time after time with an untarnished reputation. It is one thing to talk in glittering generalities about such things; it is quite another to get down to hard facts in any specific situation.

The cold fact of the matter is that these questions are far too complex and far too difficult for any public authority, no matter how able or wise, to undertake to manage. The trouble, or one of them, is that we have been at great pains to remove or greatly to reduce the role of the one factor which can be trusted to deal with such situations— **competition.**

PUBLIC UTILITY SECURITIES

BY OWEN ELY

Pennsylvania Power & Light Company

Pennsylvania Power & Light supplies electricity to a population of 2,210,000 in eastern Pennsylvania important cities served including Scranton, Allentown, Wilkes-Barre, Harrisburg, Lancaster, Bethlehem and Williamsport. Residential sales account for 43% of revenues, commercial 24%, industrial 29% and miscellaneous 4%. Anthracite mining, formerly a major industry in the area, now accounts for only about 11% of industrial kwh sales. Many new customers have been located in the area including New Jersey Zinc, Alcoa, Merck, Air Products, Allied Chemical, RCA and Armstrong Cork. The area is also important for metal and metal products, textiles and cement.

In connection with a recent talk by President Jack Busby before the New York Society of Security Analysts, the company prepared a 45-page "Review and Forecast" covering the two decades 1950-70. A number of maps and charts were presented, including projected estimates for the decade 1961-70. While the company's growth rates were low in the past four years, as compared with earlier years of the past decade, the company expects a healthy rebound in the coming decade as indicated by the following percentages taken from the charts:

	Annual Kwh Growth Rates		
	1950-58	1959-61	*1962-70
Sales	%	%	%
Residential	9.5	6.1	7.5
Commercial	7.3	8.1	7.4
Industrial	1.9	2.4	4.6
Total kwh	4.7	4.6	6.2

*Estimated

The anthracite region, which represents 25% of kwh sales, has been undergoing a difficult period of transition. Anthracite coal production has declined from 44 million tons in 1950 to 17 million tons currently, and as a result 65,000 workers in anthracite mining lost their jobs, and there was a population loss of 100,000 or 12%. However, many steps have been taken to remedy this loss, such as setting up industrial parks, community investment in new buildings for industry, urban renewal programs, zoning, regional planning, new schools and hospitals, and expanded colleges and universities. Since 1950, the communities in the anthracite region have raised more than $12½ million of local funds for industrial expansion, and additional amounts were obtained through other financing and industry's own investment in plant and equipment. Thus some 450 new plants have been set up, bringing in thousands of new jobs.

It is estimated that the anthracite region should obtain net additional employment of 28,000 by 1970. The PP&L service area as a whole is expected to show a population increase of 10% over 1960, although 1960 was only 4% over 1950. Regarding industrial kwh sales the past, current and projected trends for individual industries are estimated by the company as follows:

	% of Industrial Sales		
	1950	1961	1970
	%	%	%
Anthracite	33	9	3
Cement	10	9	6
Textiles	11	10	7
Steel	12	8	7
Metal products	12	24	31
Other indust'l	22	40	46
Total	100	100	100

Pennsylvania Power & Light, because of the retarded population growth in its area has made special efforts to increase residential usage of electricity. The more than doubled average annual use per customer, from 1,551 kwh in 1950 to 3,507 kwh in 1961, indicates the progress made; and 1970 the annual use per customer is expected to be 5,910 kwh. The company is actively promoting electric space heating. Last September a special heating rate of 1.65c per kwh was fixed (a reduction of 13%) and in February this was reduced again to 1.5s for the all-electric home. Based on the new rate the estimated annual cost of heating a typical six-room home of 1,200 square feet, with approved insulation, is estimated at only about $200 per annum.

There are over 1,000 electrically-heated home units on the company lines, and about this same number is expected to be added in 1962. Several all-electric housing developments are well along and have met with a good reception. By 1970 the company expects to be selling over 600 million kwh annually for electric heating in homes.

Regarding the trend of operating expenses, the number of employees decreased from around 5,900 in 1955 to about 5,000 currently and is expected to show a further decline to well below 5,000 by 1970. Fuel costs are expected to decline due to increased generating efficiency and fuel expense per kwh is estimated at 2.5 mills in 1970 vs. 2.9 mills currently.

The company has ample generating capacity, about 9% being hydro. (It also obtains some hydro power from Safe Harbor Water Power under a long-term contract.) Utility plant is expected to increase about 40% in the period 1962-70 to around $912 million. The construction program during this period (plus $17 million bond maturities) will require total cash of $354 million. However, of this amount, $261 million will be generated internally leaving a balance of $93 million to be raised by new debt financing. The company does not expect to issue any common or preferred stock during this period, but despite this the equity ratio is projected at 35% in 1970 compared with 32% currently.

Regarding regulation, a fair value rate base was upheld by the State Supreme Court late last year. The company's rate of return on capitalization (averaged for beginning and end-of-year) approximated 6.4% last year. In November, 1956, the State Commission announced that it would investigate the company's earnings to determine if rates should be reduced, but there have been no further announcements; the company feels that any adjustments that might be required would not be material.

The company's earnings have been somewhat irregular, but have increased from $1.30 in 1950 to $1.75 in 1961, the past three years showing little variation. With improved prospects for future growth, together with absence of equity financing, the outlook for moderate future gains in share earnings appears promising. The stock has been selling recently around 37 (1961-2 range 40-27). The dividend rate is $1.32, indicating a yield of 3.8%; and the price-earnings ratio is 21.1.

Dominick Fund Elects G. Stout

Gardner D. Stout, a vice-president and director of The Dominick Fund, Inc., has been elected President, it has been announced. He succeeds A. Varick Stout. Both Messrs. Gardner and Varick Stout are general partners of Dominick & Dominick, 14 Wall Street, New York City.

Gardner D. Stout

In addition, Mr. Gardner Stout is a director of American Bank Note Co., New York Air Brake Co., Pallas Corp., U. S. Polymeric Chemicals Corp. and Arvida Corp.

The Dominick Fund, Inc. is a closed-end investment company managed by Dominick & Dominick whose shares are listed on the New York Stock Exchange.

MUTUAL FUNDS

BY JOSEPH C. POTTER

Filling a Large Order

Organized in 1926 as an investment vehicle for a small group of investors, Mutual Investment Fund altered its structure a quarter century later. In 1950 it was designated as the underlying fund of periodic and single-payment plans, sponsored and distributed by First Investors Corp.

In its 36th annual report, covering results for 1961, the company makes much of the fact that it is a fully managed fund. According to the people at Mutual, this means "a greater degree of flexibility than that usually found in either a 'balanced' or an 'equity' fund." Under Mutual's policy, diversification of assets between common stocks, preferreds and bonds is determined by management's interpretation of economic conditions, business trends and the level of securities prices.

When the time seems ripe to management, investments are substantially concentrated in common shares. These will be largely replaced by defensive-type holdings when such action appears prudent. Shareholders are told:

"While this policy cannot eliminate the market risk inherent in stock investments, your management, through this flexible policy, seeks to reduce these risks and to conserve investment capital in declining markets without eliminating possible opportunities for long-term growth of capital and income through common stock investment during favorable periods."

John P. Sullivan, President of Mutual, had cheering words for stockholders in the latest report. He noted that net asset value per share at the close of 1961 was a record $10.72. During the year, the fund (assets reached a peak $37,562,470 at the close of the 12-month) paid dividends from ordinary income amounting to 30 cents a share and declared an additional 30 cents at the year's end from capital gains, which was paid early this year.

It was a year in which the company, following its "fully managed" policy, increased holdings of common stocks from about 76% at the beginning of 1961 to roughly 90%.

The results for 1961 are cause for cheer, for net asset value per share did rise to $10.72 from $9.30. It must have been consoling too to management, coming as it did after two successive setbacks: per share value slipped from $9.98 at the end of 1958 to $9.91 at the end of 1959 and to $9.30 at the finish of 1960.

Indeed, per share value was $9.83 at the end of 1955, so the $10.72 level reached six years later would indicate that the way of the fully managed fund manager is hard. Still, Mutual fulfills the three objectives set for itself.

First objective, as it notes, is producing profits. It has paid modest profit distributions to shareholders for the past 14 straight years and for 21 years of its existence.

Second: providing regular income. In this connection, it can (and does) cite 145 quarterly dividends, in varying amounts, over the 36 years.

Third is the conservation of capital. On this score it has done reasonably well.

If Mutual Investment Fund is to enjoy a continued upturn in its fortunes, then such groups as electrical equipment—electronics, chemicals and electric utilities probably will have to be standout performers, since well over one-fourth of its common stockholdings are concentrated in those divisions. It has all but given up on such groups as mining, smelting and paper (it still clings, however, to Federal Paper Board).

Mutual also has developed a growing appetite for the harried transportation industry. From nothing in 1960, it raised its stake in air transport to over $1,200,000, picking up American Airlines, Pan American and United. Meanwhile, railway holdings rose to over 4%, from little better than 3% a year earlier.

The Funds Report

B. C. Morton Fund reports gains in total assets and per-share value of its three share classes during the 12 months ended Dec. 31, 1961. Top performer was the **Insurance Series**, whose net asset value per share rose to $17.17 from $10.97. **B. C. Morton Growth Series** advanced to $15.30 during the period from $12.17. The fund's **Income Series** went to $8.30 from $7.72.

* * *

Putnam Growth Fund reports for quarter ended Jan. 31 net assets at a new high of $246,270,000, compared with $207,361,000 at Oct. 31, 1961, close to the fiscal year. Assets per share declined during the latest quarter to $9.68 from $9.78. During the quarter there were these new additions to the fund: Denver & Rio Grande Western Railroad, Duffy-Mott, W. R. Grace & Co., E. J. Korvette, Olivetti, Ralston Purina and Del E. Webb. Meanwhile, it eliminated Air Reduction and Interstate Department Stores.

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Total net assets of **Television-Electronics Fund** at the close of its first fiscal quarter of 1962 amounted to $439.8 million, compared with resources of $443.8 million on Oct. 31, 1961, but up from the $388.2 million shown a year earlier. Net asset value per share at Jan. 31, 1962, was $8.56, against $8.92 on Oct. 31 and $8.05 on Jan. 31, 1961. Principal portfolio changes during the quarter included additions to existing holdings in Clevite, General Motors, Hercules Powder, International Business Machines, Loral Electronics, Union Carbide and United Aircraft. Holdings of ACF Industries and International Nickel were reduced. The fund's holdings of $264,000 Lockheed convertible subordinate 3¾% of 1980 bonds were eliminated at a profit. Only new addition during the quarter was $335,000 FMC Corp. convertible bonds.

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Trust Securities Corp. announced these appointments: Arthur P. Parker of New Rochelle, N. Y., is representative for the New York City, Westchester, Long Island and New Jersey areas. Joseph C. McMahon becomes representative for Florida, with headquarters in St. Petersburg. Tom Byron Conerly, Jr., is representative in Los Angeles and Southern California.

* * *

United Funds, Inc., in its 22nd annual report puts total net assets at the close of 1961 at $1,221,902,696, compared with $863,519,211 a year earlier. Its **United Accumulative Fund** showed a gain in value per share to $15.38 from $12.57. **United Continental Fund** advanced to $7.98 from $7.21, **United Income Fund** to $13.41 from $10.93 and **United Science Fund** to $7.89 from $6.90.

* * *

Westminster Fund in its first semi-annual report, which covers five months of operation, reports net asset value per share rose to $13.20 by Dec. 31 from $12.50 at inception. The "tax-free exchange" fund began operations July 28. Total net assets increased from $85,908,338 to $90,784,518.

At the outset of operations it sold individual holdings of less than $25,000 each in securities of 261 companies. Other eliminations during the reporting period included holdings of Chock Full O'Nuts, General Dynamics, Honolulu Oil, Mesabi Iron, Monarch Mills, Raymond International, Universal Match and Young & Rubicam.

John Wheeler Forms Own Firm On Coast

(Special to THE FINANCIAL CHRONICLE)

LOS ANGELES, Calif.—John E. Wheeler, member of the Pacific Coast Stock Exchange, has formed Wheeler & Co. with offices at 618 South Spring Street to engage in the securities business. Mr. Wheeler, who has been in the investment business for many years, was formerly an officer of Wheeler & Cruttenden, Inc.

Barret, Fitch Office

OTTAWA, Kan. — Barret, Fitch, North & Co., Inc., has opened an office at 425 South Main St. in charge of Robert M. Dillon, a registered representative of the firm.

Howard, Weil Branch

JACKSON, Miss.—Howard, Weil, Labouisse, Friedrichs and Company has opened an office in the Deposit Guaranty Bank Building under the management of John B. McMullan.

Misconceptions Regarding the True Meaning of the Word "Yield"

Editor of "Brevits" directs attention to the different meanings of yield and the unreliability of using current yield as the basis for selecting a stock. An example provided by two stocks in the D-J index is used by Mr. Hale to show that other factors should be considered besides "what does it yield."

Edward E. Hale, editor of *Brevits*, a bi-weekly news letter put out by Vance, Sanders & Co., Boston, Mass., writes in a recent issue on the misleading results apt to arise when current yield is the sole consideration in evaluating stocks.

According to Mr. Hale:

"Of the words used to describe investments, it has always seemed to us that the term 'yield' has led more investors astray than any other. The trouble we suspect develops because some people use it interchangeably with every type of investment they own.

"To a person who confines his investing to bonds or simple savings, for instance, the word has a clear meaning. When he is told that the yield on a bond is 4%, he knows that his income will be a fixed amount this year, next year and every year until the bond matures. He does not expect, or seek, income growth.

"If however, this man inquires about a common stock yielding 4%, he will be seriously misled unless he places a completely different perspective on the word. Instead of a percentage based on a known annual payment in the future, the stock's yield is classically defined as the ratio of its dividends *during the past* 12 months (or calendar year) to its current market price. Thus because there is no precise indication of what future income will be, an investor must know a lot more about a stock than its 'yield' if his investment is to prove a wise one. The following table which we have constructed will perhaps illustrate this thought more clearly.

Two Stocks

"At the end of 1956, stocks A and B were selling at prices to yield 7% and 4% respectively based on their 1956 dividends. Considering yield alone, Stock A was obviously the best buy. Now look at their subsequent records based on a $1,000 investment in each stock on Jan. 1, 1957.

Annual Income on $1,000 Investment

	*Stock A	‡Stock B
1957	$52	$46
1958	28	53
1959	35	60
1960	35	64
1961	35	71
Total Income	$185	$294
	†$675	†$4,430

*Anaconda Co.
‡General Foods Corp.
†Value of $1,000 investment five years later on 12-31-61.

"The investment in Stock A has declined in value from $1,000 to $675, and its dividend has been reduced. It now brings the investor only 3½% on his original investment made in 1957. (Interestingly, however, the *current* yield on this stock still looks generous —note that a dividend of $35 on a $675 price is a yield of over 5%.)

"The investment in Stock B, on the other hand, increased in value from $1,000 to $4,430, and its annual dividends increased from $46 the first year to $71 in 1961. And although its yield based on its present price is very low—its 1961 dividends represent a return of 7% on an investment made five years ago. Moreover, it has actually paid more dollars per $1,000 investment during the period than has Stock A. (Total dividends of $294 versus $185 for Stock A.)

"To all of this, we hasten to add that we deliberately chose these particular companies from the Dow-Jones Industrials list to dramatize the problems that can develop when an investor relies too much on current yield as a basis for judging the attractiveness of a common stock. We do not mean to imply that a high yield is necessarily unfavorable — for it may turn out that investors have simply overlooked the improving value of a stock. Nor is a low yield always a favorable sign.

"On the other hand, a high yield, dollar protection and growth potential rarely are combined in one security. A low yield generally indicates that investors are willing to accept a modest current return on their investment because the prospects for increasing dividends and earnings over the years are better than average. In fact, the typical growth company retains and reinvests a large portion of its earnings to build up future earning power—and its shareholders prefer this to receiving the earnings in the form of higher cash dividends on which they would be taxed.

"All this boils down to the fact that 'yield' is a word which varies greatly in its significance to the investor, depending on his requirements and the type of investment account he has created. The question 'What does it yield?' is a good question to ask about any prospective investment —but it is by no means the most important one."

Phila. Bond Club To Hear Miller

PHILADELPHIA, Pa.—The Honorable Jack R. Miller, U. S. Senator from Iowa, will be guest speaker at a luncheon meeting of The Bond Club of Philadelphia to be held on Wednesday, March 7, 1962, at The Union League in Philadelphia.

Senator Miller's topic will be: "How to Cross the New Frontier Without Losing Your Scalp."

Albert A. R. Wenzel, resident manager of Francis I. du Pont & Co., is in charge of arrangements.

The Bond Club at the same time is "testing the sentiment" of its membership as to the type of program they would like presented at the Annual Field Day to be held in late Summer. A questionnaire asks whether they would like a program similar to last Summer when all activities were held in the morning, climaxed by a "long Luncheon," or a return to a late morning, luncheon and dinner affair, or third, a combination of the two.

Watling, Lerchen Branch

LANSING, Mich.—Watling, Lerchen & Co. has opened a branch office at 234 South Capital Ave. under the management of James H. Robinson.

Walston Adds to Staff

(Special to THE FINANCIAL CHRONICLE)

LOS ANGELES, Calif.—Pierre B. Arrateig is now affiliated with Walston & Co., Inc., 731 Wilshire Blvd. He was previously with Fairman & Company.

2 With Dempsey-Tegeler

(Special to THE FINANCIAL CHRONICLE)

SAN DIEGO, Calif.—Joe Barreras Jr. and Garrison E. Murphy are now with Dempsey-Tegeler & Co., Inc., 239 A Street. Both were formerly with Currier & Carlsen, Incorporated.

Heads N.Y. Group Inv. in America

Wilfred Wottrich, Chairman of the Board and Chief Executive Officer, The Lincoln Savings Bank, has accepted appointment as General Chairman for 1962 of the Invest-in-America New York Council, Inc. Invest-in-America emphasizes the role of savings and investment in the American economy.


Wilfred Wottrich

Founded in 1949, the nationwide Invest-in-America movement stresses the principle that "money at work means men at work." The program in 1962, as in former years, will be highlighted by observance of Invest - in - America Week, April 29-May 5.

Sponsors of the New York Council include the Savings Banks Association of the State of New York, Institute of Life Insurance, Real Estate Board of New York, New York Board of Trade, Security Traders Association of New York, U. S. Savings Bonds Division of the Treasury Department, Edison Electric Institute, Investment Company Institute, Association of Stock Exchange Firms, Investment Bankers Association, New York Stock Exchange, and American Stock Exchange.

Dreyfus Gift for Lehigh Students Investment Fund

BETHLEHEM, Pa. — A gift of $20,000 to Lehigh University has created a student investment fund that will provide undergraduates in the College of Business Administration with a laboratory experience similar to those gained by students in engineering and the sciences. Announcement of the gift was made by Dr. Harvey A. Neville, President of the university.

Jack J. Dreyfus, Jr., a Lehigh graduate in 1934 and senior partner in the New York investment firm of Dreyfus and Company, has made the gift to provide Lehigh with the new teaching tool. The University will establish a program to give interested students practical experience in handling investments, but the donor has stipulated that no transactions be made with Dreyfus and Company.

Junior and senior students with outstanding records in the College of Business Administration, and others with the necessary qualifications, shall comprise a Board of Investment Counsel. One of their number will be elected Chairman, and the Board shall make all investment decisions including the purchase and sale of securities, and shall also keep accurate accounts, file the necessary tax returns, and make regular reports on the status of the Fund.

Faculty members of the fund's Board of Trustees will include Dr. Carl H. Madden, Dean of Lehigh's College of Business Administration; Professor Frederick A. Bradford, head of the Department of Finance and the faculty advisor to the Board of Investment Counsel; Leon E. Krouse, Assistant Professor of Finance; and Elmer W. Glick, University Treasurer. The Trustees will give advice on the overall investment policy of the student board, but will not have the power to veto particular investment decisions.

Dean Madden, in commenting on the gift, called it "an ingenious educational tool, one which is the best kind of simulation of the real world of business and finance, especially when used as a laboratory in courses that study the underlying principles involved. Lehigh is most grateful to Mr. Dreyfus for his generous gift."

An interesting by-product of the program is the competition that may develop between students and faculty to increase the assets of the fund. The student board will be responsible for all transactions during the academic year, but in the summer months a group of faculty members will manage the fund. An annual report will determine whether the students or faculty received the higher "final grade" for the year's work.

During an initial three-year period, the donor has agreed to maintain the Fund at the $20,000 level in the event that its value decreases. After that time, Lehigh University may use the income from the fund to grant scholarships to qualified students, or for the general purposes of the university.

With First California

(Special to The Financial Chronicle)

LOS ANGELES, Calif. — Edward T. Cronin has become affiliated with First California Company, Incorporated, 647 South Spring St. Mr. Cronin, who has been in the securities business for many years, was formerly with Morgan & Co. and in the past conducted his own investment firm in Los Angeles.

Heads Div. in Legal Aid Drive

William H. Miller, Senior Vice-President of the Manufacturers Hanover Trust Company, is heading the Commercial Banks Division of The Legal Aid Society's 1962 Campaign for funds.

He is in charge of the National Division, with responsibility for commercial and correspondent bank business throughout the United States, outside of New York City. He is a director of the Transcontinental Insurance Company of Hartford, Legal Aid Society, and a member of the Association of Reserve City Bankers, the Union League, Madison Square Garden, and the Economic Club.

This is the fifth consecutive year that Mr. Miller has raised funds for the Society, which provides legal services and court representation to New Yorkers who can not pay a private lawyer. The work is supported by voluntary contributions, and an intensive drive is planned to raise $725,000 to cover greatly expanded services in 1962.

Form Fifth Ave. Assoc.

Fifth Avenue Associates, Ltd. has been formed with offices at 475 Fifth Avenue, New York City, to engage in a securities business. Officers are Edward D. Prodis, President and Treasurer, and Spero D. Prodis, Vice-President and Secretary.

Our Reporter on GOVERNMENTS

BY JOHN T. CHIPPENDALE, JR.

The junior and senior advance refunding operation of the Treasury had considerable attraction for the holders of relatively near-term and intermediate-term issues which were involved in this maturity extending exchange, and the figures which will be made public shortly are expected to show that approximately $6.5 billion or about 35%, of the total amount involved took advantage of this offer.

The most popular issue in the exchange operation is expected to be the 4% due 1971, followed by the 4% due 1980. The exchanges into the 3½s due 1990 and 1998 should also be quite favorable since insurance companies and pension funds reportedly moved from the 2½s due 1967-72 into the long-term 3½s. There was also a certain amount of self-refunding done by owners of the 3s of 1964 and the 2⅝s due 1965 since they went into other selected intermediate Government maturities or into tax-exempt bonds that fitted into the maturity schedule of these institutions. The favorable tone in the capital market also had a constructive influence on this latest advance refunding offer of the Treasury.

Despite the fact that the short-term area of the bond market is getting its usual amount of attention because the level of rates in this sector is very important to our currency unit and the movement of gold, the long-term sector or capital market is garnering a growing amount of attention since the need and desire to obtain income is bringing additional investors into the more distant maturities of fixed income bearing obligations. It is evident that the purchases of bonds, whether they be Governments, state and municipals or corporates is making the market action of these securities outstanding, especially under existing circumstances.

Because of the current upward movement in economic conditions, there should generally be a lessening in the demand for long-term fixed income bearing issues, since it was through the purchase of short-term securities that one hedged against the higher interest rates and decreasing availability of credit which has in the past been used to keep a business recovery from generating into a boom. This time, however, there has been no appreciable lessening in the demand for bonds, it being evident that, in spite of past experience, investors have been and still are going into bonds having a long maturity date with not that much attention being paid to the short-term issues.

Corporate Bonds Attracting Heavy Interest

This movement into long-term corporate bonds is being done mainly by pension funds, both the private and public ones, with the latter group the larger buyers at this time. Saving banks have also been making commitments in these bonds from time to time but only when the yield is high enough to make it worth while in face of the higher rates which are being paid on savings deposits. Present yields on corporates are in many instances too low for these institutions to make commitments in them.

How much farther down corporate bond yields can go before other buyers will not be interested in them as they were in the not too distant past will depend upon what the monetary authorities do to keep the capital market buoyant, the amount of new offerings and the income which will be available in other investments.

Municipals at Peak?

As for the tax-exempt bonds, the demand for these obligations is going to slow down when the need for loans becomes large enough so that the commercial banks will be putting the bulk of their funds into them. The real test for tax-exempt issues does not appear to be too far away since there are already some straws in the wind which could indicate that the peak may have already been passed in the demand for the tax protected obligations. One thing is quite definite about the tax-exempt bonds. There are no signs yet that the new offerings of these securities are going to slow down in the foreseeable future.

Treasury Bonds Also in Favor

The demand for Government bonds is on the improving side even though the recent senior advance refunding operation has added a bit to the floating supply of these securities. The indications are that investors with need for income are making larger commitments in selected Government bonds with the passage of time. The attraction of Treasury bonds is now fanning out to include those buyers who have in the past been largely purchasers of common stocks. It seems as though the toning down of the inflation fear, if only for a limited time, is having a constructive effect on all fixed income bearing obligations, with the Governments now coming in for a growing amount of this buying.

In spite of the advance refundings of the Treasury, the indications are that these debt lengthening operations have not now, nor have they in the past been a depressing force in the long-term Government bond market.

Form Halcase Associates

Halcase Associates, Inc. has been formed with offices at 50 Broad Street, New York City, to engage in a securities business. Officers are Thomas H. Casey, President; Milton Edelheit, Vice-President; and V. E. Casey, Secretary.

Money Velocity To Decrease

National Bureau of Economic Research study researched by Professor Selden of Columbia University traces phenomenal post-World War II rise of the turnover of money. Study anticipates a halt to the rise may soon occur.

Money has been circulating through the economy at an increasingly rapid rate since World War II, a report issued recently by the National Bureau of Economic Research indicates. This finding is in sharp contrast to the experience of the century preceding the war, in which the trend of money turnover had been downward.

The study, "The Postwar Rise in the Velocity of Money: A Sectoral Analysis," examines the shift in the trend of money turnover—called velocity of circulation by economists — by sectors of the economy: geographic, business, household, government. The author is Richard T. Selden, Associate Professor of Banking at Columbia University and a member of the National Bureau's research staff.

Professor Selden finds that the rise in money turnover has been pervasive throughout the economy, although the various sectors have experienced differing degrees of increase. Velocity has risen sharply in New York City and other large centers, but more slowly elsewhere. Sharper than average increases in money turnover have been the case also for large nonfinancial corporations, particularly in manufacturing and public utilities.

Corporate money turnover, Professor Selden points out, has far exceeded that in noncorporate business, government, and household sectors. Small firms tend to have higher rates of money turnover than large, although the difference has become progressively less marked during the postwar period.

Foresees Halt in Turnover Rise

In Dr. Selden's view, the upward movement of money turnover may soon come to a halt, and perhaps even be succeeded by a resumption of the prewar downtrend. His reasons are twofold. First, he attributes most of the velocity rise to the rising trend of interest rates, which has made the holding of idle cash balances increasingly costly. If further rises in these rates are not as large as those that have already occurred, the rise in velocity is not likely to be as large either. Second, the tendency for velocity to decline in the century before the war was owing largely to increased money demand from households, caused by improved living standards. Higher income levels in the future, he reasons, will work in a similar direction — toward a slowing down in the turnover of money.

Yeaman Incorporates

MARTINSVILLE, Va.—John W. Yeaman, Incorporated has been formed to continue the securities business of John W. Yeaman, 10 East Church Street. Officers are John W. Yeaman, President and Treasurer, C. P. Yeaman, Vice-President; and Wanda M. Cassell, Secretary.

H. & F. Imp. Bond Co.

SAN FRANCISCO, Calif.—H. & F. Improvement Bond Co., Inc., has been formed as a subsidiary of Hooker & Fay, Inc., 221 Montgomery Street. Officers are Raymond M. Young, President; H. Hodge Davidson and Lawrence H. Easterling, Vice-Presidents; and Harold J. Samson, Secretary and Treasurer. All the officers are also officers of Hooker & Fay, Inc.

BANK AND INSURANCE STOCKS: This Week — Bank Stocks

CHICAGO BANKS—

Although the percentage breakdown in deposits by class of bank in the banking system shows a gradual decline for both New York and Chicago banks (Central Reserve City) over the long run there seems to be a tapering off in this trend. In 1940, Chicago banks had 6.6% of the deposits in the banking system when looking at all member banks. This had declined to 4.2% in 1960, and remains at this level currently.

When looking at the Chicago Federal Reserve District for the same period, its percentage of total deposits of member banks remained constant. This reflects the growth elsewhere in this District which encompasses lower Michigan, lower Wisconsin, Iowa, and the bulk of the State of Indiana. Obviously, even though the city may not have kept pace in deposit growth, the area is a vital economic one which has enjoyed some growth. This, in time, should reflect itself in deposits in Chicago, which has the largest banking facilities in the seventh district. For the past year, deposits of the major Chicago banks showed an increase of 15% over 1960. This substantial increase was in keeping with banks in the other large commercial center—New York.

Although Chicago has not been regarded as an international money center, many developments have occurred to place the city in the position of attracting foreign funds, i. e., deposits. The opening of the New York Seaway has generated development of port facilities in the city, and thereby has opened up foreign trade. Also, the major banks have been active in development of international banking departments.

The one factor which is possibly detrimental to growth of these institutions is the law prohibiting branch banking, and many people cite the improbability of new legislation at the present time in Illinois. In the recent report of the Commission on Money and Credit, it was suggested that the National Banking Act be revised to allow national banks to establish branches within "trading areas" regardless of state laws. It was also suggested that state laws be revised to allow the same privileges to state-chartered banks. In addition, other states, such as New York, have liberalized branching privileges, and further legislation in New York to allow state-wide branching is now proposed. Also, other states are considering similar moves.

The four banks listed below are by far the largest in the city and account for close to 90% of the deposits of the commercial banks in Chicago. Also, they represent the institutions with the greatest number of shares, and therefore have more ready marketability.

The Continental Illinois National Bank and Trust Company merged with the City National Bank and Trust Company in 1961, and is now the largest bank in Chicago. It has recently received approval of a branch in London. The First National Bank of Chicago enjoys an excellent earnings and dividend record, with periodic sizable stock dividends. The Harris Trust and Savings Bank absorbed the Chicago National Bank in 1960. Recent stock dividends have increased the number of shares. The Northern Trust Company has been expanding its location and effectively developing a large program of automation.

As to the banks below, time deposits do not represent the threat to earnings to the same extent as on the West Coast. Although earnings multiples are high, they are still within reasonable limits. In spite of low yields, dividend payout is extremely low, and further increases may be anticipated in the cases where the capital account is substantial.

	Continental Illinois	First National	Harris Trust	Northern Trust
Deposits in millions $ 12/31/61	$3,313	$3,142	$1,057	$828
Percent time	18.5	25.5	17.2	30.9
Perc't incr. in tot. deposits 1956-61	15.7	18.6	20.8	14.0
Cap. as a perct. of Depos. 12/31/61	10.0	10.3	6.3	6.9
Net oper. earn./sh. 1961	$9.80	$4.67	$6.03	$9.65
Current market	$172	$96	$120	$190
P/E ratio	17.6x	20.6x	19.9x	19.7x
Dividend	$4.00	$1.60	$2.00	$3.00
Yield	2.32%	1.66%	1.67%	1.58%
No. of shares	3,742,500	7,500,000	1,365,000	750,000
Percent increases 1956-61—				
Net oper. earn/sh.	42.0%	70.4%	16.9%	56.2%
Dividends/sh.	15.9	49.5	28.2	87.0

SECURITY SALESMAN'S CORNER

BY JOHN DUTTON

Planning Your Activities

There are many reasons why a good salesman should plan his work but above all else, planning is important because without it time can be consumed doing non-essential tasks that lead nowhere. It is easy for a salesman to work at loafing. Unless a man learns how to discipline his time and his actions, energy is often spent on trivialities. This wears him down. Disorganized activity is enervating — organized work is energizing. In other fields of endeavor work is often laid out, planned, and set before you so that there is no question as to what is to be done.

But what can happen to a salesman? It is natural to jump from one thing to another, to make unproductive contacts, to do things that do not contribute to clientele building and sales but are wasteful and meaningless activities. The hours fly by and unless we spend our productive time doing the work that is important that day is lost, and this tends to become habitual and cumulative. Often the difference between success and failure in sales work is not in the degree of intelligence, effort expended, personality, and knowledge, but in the ability of some men to properly organize their time and expend their energies effectively.

A Planning Schedule

Below are a few guidelines in scheduling your activities:

(1) **Decide Upon Your Course Before You Attempt to Plan It.** For example: You are a security salesman starting out in this business. It is your third year and you have acquired considerable experience in handling accounts. Last year you doubled the first year's business. Now you want to increase your production by another reasonable percentage; let us assume it is an extra 50% more business. You can do this in many ways. You can add more small accounts, you can go after some larger accounts, or you can do both.

So analyze your present production. How much are you obtaining from small accounts that take up more time than you can afford to spend on them? If this is the case, gradually drop some of these accounts or turn them over to junior men, or work out some other plan that is not so time consuming. Study your accounts and see if you can obtain more business from some of your larger potentials. Look for radiation among your present accounts. Check your acquaintances, or your active prospect file for some larger investors. Then lay out your plan of action. Who to see, when to see, where to see, what to say. Keep building toward your goal day by day, month by month. Plan your campaign and follow through. This is the way a general does it. This is the way to build a business, or win a war. Set up your goal and know what IT IS THAT YOU WANT.

(2) **Don't Expend Your Time on Unnecessary Work.** Do only that which is connected with your major objective, such as increasing your business, your effectiveness as a salesman, your good-will among prospects and clients, and your service to those who do business with you. If you are spending time on clerical work that should be done by an assistant, stop being a clerk and use your time doing what you are best suited to do—selling. Read inspirational, helpful, and educational material and don't spend time fretting about things you can't change.

Unless you can read for education or recreation, use your time more fruitfully. There are some men who read a headline that is disturbing to them emotionally and it upsets them. If you are sensitive to your surroundings and the morning paper does this to you — stick to the funnies, the sports, the financial page, and the local gossip while you are sitting in your bus, subway, train, or trolley on the way to your office. Eliminate the disturbing and the non-essential.

(3) **Be Satisfied But Not Content.** As you progress day by day, and week by week, remember that there are set-backs in every planned campaign. There are days when things go smoothly and there are times when you seem to make no headway. But as you forge ahead and watch the progress that comes from effectively planned and organized effort expended where and when it will do the most good, don't sit back on your laurels. Keep raising your goal. The man who coasts soon loses his momentum. A well earned rest is useful and that is the beneficial reason for taking time to play, to enjoy a change, recreation and vacation. But never should a satisfied state of mind be allowed to dominate your course. When you play, do it completely but never be satisfied with your work. It can always be improved. We never learn all there is to know about selling or living —and tomorrow we can improve on today.

(4) **Put Everything in Its Place.** This is so simple, it is academic, yet millions of people clutter up their lives, waste their time and effort, and never seem to know where to find a letter, a prospect card, a pair of shoes, or last year's tax returns just because they have not learned that one of the easiest things to do, one of the greatest time savers, and one of the best ways to start to accomplish anything is to put things back where they belong at the time we are through using them.

(5) **Never Overdo It.** There are some men who have not learned that every human being has certain limitations. Some of us can do mental work, others can expend greater physical effort, some of us are better at detail and others in creating situations that require imagination. All of us have a point of stress wherein we begin to slip backward if we push ourselves too hard. Set up goals that are sensible and reasonable. And never worry what the other fellow is doing—everyone has his place in life. The man who is emotionally happy and pleased with his efforts is the one who knows he has done his best.

(6) **Don't Become Satisfied Too Soon.** The man who thought he could orbit around the world three times just completed the trip. There were a few moments during the latter part of his great feat when he was in doubt as to whether or not he should attempt the landing at the end of the second orbit or continue on to the third. Sound planning and his contact with his base at Canaveral assured him that it was safe to make the third orbit. If Col. Glenn had only been satisfied with the two orbits, he would not have checked and made the decision to try number three and it worked. Now I am sure he has more ambitious plans. A man with a fainter heart would have never done this—he was not satisfied too soon. Of such things is victory fashioned in every walk of life.

TV Shares Mgmt. Promotes Two

CHICAGO, Ill. — William H. Cooley, President of Television Shares Management Crop., 120 South La Salle St., investment manager and principal underwriter for Television-Electronics

William D. Heer, Jr. William G. Chorn

Fund, Inc., announced two executive promotions this week.

William D. Heer, Jr. and William G. Chorn were made Vice-Presidents of the firm.

Mr. Heer was also made Chairman of the Corporation's Investment Committee on which he has served since he joined the firm in November, 1959.

Mr. Chorn has been associated with the Management Corporation for several years and has been Assistant Secretary since 1952 and also Assistant Secretary of Television-Electronics Fund, Inc. since 1960.

Mellon Bank N. Y. Office

Mellon National Bank and Trust Company, Pittsburgh, Pa., in order to serve its needs as an underwriter and dealer in state and municipal bonds, has opened a representatives' office in New York City at 20 Exchange Place, according to Frank R. Denton, Vice-Chairman of the Board.

N. Y. Bond Club To Hear Ball

George W. Ball, Under Secretary of State, will speak before members of The Bond Club of New York at the club's annual dinner on Tuesday, March 6, at the Starlight Roof of the Waldorf Astoria Hotel, it was announced by W. Scott Cluett, Harriman Ripley & Co. Incorporated, President of the club.

Form Overaa & Co.

RICHMOND, Calif.—C. Overaa & Co. has been formed with offices at 520 Sixteenth Street, to engage in a securities business. Officers are Clarence P. Overaa, President and Treasurer; Julia Overaa, Vice-President; and Virginia K. Overaa, Secretary.

Manna Financial

WASHINGTON, D. C. — Manna Financial Planning Corporation is engaging in a securities business from offices at 1725 Eye Street, N. W. Officers are Richards E. Smith, President; Thomas R. Rampy, Vice-President; and Henry T. Adams, Jr., Secretary and Treasurer.

F. H. Miller Opens

FLUSHING, N. Y.—Francis H. Miller is conducting a securities business from offices at 71-25 171st Street under the firm name of F. H. Miller and Company.

Massachusetts Bonds Offered To Investors

First National City Bank, New York; Bankers Trust Company; The First National Bank of Chicago, and The First Boston Corporation and associates on Feb. 27 purchased $40,000,000 Commonwealth of Massachusetts, 3.10% various purpose bonds, due April 1, 1963 to 1982, inclusive. The group bid 100.8843999 for the bonds, setting a 3.0156% net interest cost.

Reoffering prices are scaled to yield from 1.70% to 3.20%, according to maturity.

Associates in the offering group include:

Continental Illinois National Bank and Trust Company of Chicago; Harris Trust and Savings Bank; Glore, Forgan & Co.; C. J. Devine & Co.; Kidder, Peabody & Co.; Mellon National Bank and Trust Company; Bank of America N. T. & S. A.; Drexel & Co.

Merrill Lynch, Pierce, Fenner & Smith Inc.; L. F. Rothschild & Co.; F. S. Moseley & Co.; Stone & Webster Securities Corporation; Paine, Webber, Jackson & Curtis; The First National Bank of Oregon, and United California Bank.

Now Corporation

ORLANDO, Fla.—John H. Harrison and Co., Inc. has been formed to continue the investment business of John H. Harrison & Co., First National Bank Building. Officers are John H. Harrison, President; G. G. Harrison, Vice-President; and Ann Bradbury, Secretary-Treasurer.

A Cautionary Appraisal of Our Economy's Prospects

By Dr. Reuben E. Slesinger, *Professor of Economics, Department of Economics, University of Pittsburgh, Pittsburgh, Pa.*

Sectoral analysis of likely changes in the economy adds up to an increase of $38-$39 billion GNP over 1961, or 7.5%, assuming no price level rise or other upsetting factors. The average for the year is put at $558.9 billion with a more moderate growth in the year's second half reaching an annual rate of $575 billion. A less hesitant consumer could push personal consumption about 5.3% over 1961 to $358 billion with a 10.5% increase in durables and 6% gain in non-durables. Price level is depicted as advancing 2 to 2.5%—becoming a greater problem than in 1961. A 4% rise is anticipated for private plant-equipment outlays, and net inventory change is put at a plus $4.8 billion. Total Federal-State-local outlays are seen rising $10.5 billion over 1961's figure of $109 billion. The balance of payments deficit is figured to continue at a $3 billion deficit.

Just as it is customary to have seasonal bulges in economic activity so is it usual to have an increase in business forecasts at this time of the year. The one which follows attempts to look at the economy in an aggregate manner, viewing the possible reactions in 1962 of the major sectors of the Gross National Product (GNP), the market value of the nation's annual production of goods and services. We begin with the sector that constitutes the greatest absolute and relative percentage—personal consumption outlays.


Dr. R. E. Slesinger

Personal Consumption Expenditures. One of the disappointing components of GNP during 1961 was the behavior of personal consumption expenditures which are estimated at about $340 billion for the year, an increase of about $11 billion over the $328.9 billion for 1960, but for an increase of less than 4%. Actually, in view of the sluggishness of much of the economy during 1961 it is not so surprising that consumption outlays did not show unbounded vigor. The consumers acted in 1961 much the same way that they have in other recessions since World War II. Postwar experience has demonstrated a rather typical behavior for consumption expenditures; they hold up well during the decline and act as almost a built-in stabilizer, but they do not respond to the upturns in the same degree that business is recovering.

The pattern is explained in part by the fact that it takes a while for consumer disposable income to feel the effects of the decline in GNP, and employment lags the upturn in the recovery. During the recovery, industry also introduces more labor-saving devices and other cost reduction programs that were stimulated during the decline. With a minimum of optimism about reducing unemployment throughout most of 1961, consumers did not evidence real confidence until late in the year.

Less Reluctant 1962 Consumer

The reluctant consumer still will be somewhat reluctant during much of 1962, although he should be less hesitant. During the last few months of 1961 a sharp upturn in consumer spending appeared, and it is likely that this increase will carry through 1962 to a level of about $358 billion, or an increase of about $18 billion or 5.3% over 1961, but at a rate of increase of only about three-fourths of that estimated for GNP itself. Although all segments of consumption outlays — durables, non-durables, and services — should increase, the rate of advance will be uneven. Of the $358 billion total for consumption, the breakdown might appear as follows: for durables $47 billion or about 10½% in excess of the $42.5 billion for 1961 which was some $2 billion under the 1960 comparative total; for non-durables, approximately $162 billion for a gain of about 6% over the $156 billion of 1961; and for services, about $149 billion or an approximate gain of 5% over 1961's preliminary figure of $142 billion.

The higher relative gain for durables reflects the optimistic picture for the automobile industry. Autos should experience their second best year as domestic sales reach about 6-7 million units, some 1.5 million units above 1961. Some highly optimistic estimates, in fact, place auto sales at 7.2 million vehicles. The impact of the improvement in automobiles should have many repercussions on other related derived demand industries such as steel and glass. Other durables, particularly appliances, show a less vigorous picture with advances of between 4 and 6% probable in most lines. The outlook for the appliance industry as a whole is somewhat spotty and is not being helped by a slackening off in the pace of home construction. The pickup will, to an appreciable extent, represent replacement demand as consumers who hesitated in 1961 may enter the market in 1962. A disturbing factor in this whole area is t e amount of inventories possessed by many appliance dealers, which should result in intense price competition. Price concessions may keep down the dollar volume of sales even though the number of units sold increases.

The non-durables such as food and clothing items too will benefit from increased purchasing power but will not have the advantage of a major advance such as the automobiles will provide for the durables. The pressure of rising costs in general, and in particular of many of the services, and a lack of a disposition to borrow as well as added costs of education, housing, medicine, travel, and personal services, hamper the consumer when it comes to making purchases of non-durable and durable items.

Gains in retail trade during the last quarter of 1961 should continue through 1962. Retail sales, which had been about $220 billion in 1960, dropped to a low annual rate of $214 billion earlier in 1961 before recovering to about $216 billion by the end of the year. For 1962, the sales figure should approximate $232 billion. Retail sales are helped by the fact that consumers tend to spend more when income and prospects of income are up. The number of household units, too, will increase in 1962 and this will add to total retail sales. Longer hours and higher wage rates along with an increase in total employment should help consumer spending.

Greater Inflation Problem in 1962

The net gain in consumption spending will be offset to some extent by a rise in consumer prices. In spite of a determined effort on the part of the Federal government to keep inflationary forces in check, it is possible for the consumer price level to rise between 2 and 2.5% during 1962. Inflation—creeping and not galloping—will be more of a problem in 1962 than in 1961 as the economy reaches nearer to full employment, industry expands its output, goverments increase their outlays, and business improves generally. Even wholesale prices which have been comparatively stable for the last few years should be affected and could advance about 2% also during the year.

Gross Private Domestic Investment. Although it constitutes a smaller proportion of GNP than either personal consumption or governmental purchases, gross private domestic investment is the most sensitive of the triad. Changes in this sector of only a few billion dollars up or down develop tremendously significant repercussions throughout the entire economy. Thus it is private investment that becomes the key to the health of the economy. It is possible for GNP to advance because of increase in the other components such as in 1961 but unless private investment also increases, an uneasiness and tone of caution persists; it is not until investment outlays begin to rise that general optimism prevails. Further, it should be recognized that private investment is calculated as a gross figure which includes investment for both replacement and new capital but that it is the latter which generates the greater degree of activity. This is so because replacement investment usually can be handled through the existing facilities whereas new or net investment may require expansion in the producer goods plants, and accordingly stimulate more total activity.

Private Construction

The total of gross private domestic investment reflects spending for construction (residential, commercial, industrial), producers' durable equipment, and rise or fall in business inventories. It is important to note that residential construction is included within this category since the nature of the industry and its spending take on more of the characteristics of investment multiplication than of the more typical types of consumer outlays.

Let us begin in this classification with a look at housing. A total of about 1.4 million units, homes and apartments, can be expected in 1962. That means a gain of about 8% or 100,000 units over 1961. Housing is becoming more and more a disturbing element. Although 1962 should be better than 1961, there is much opinion in the industry that it might not do as well as 1961, dropping to as low as 1.2 million units. The uncertain situation in housing stems from the reduced rate of family formation that will be with the economy for the next few years. There is a long way to go to reach the more than 1.5 million units of 1959, a record year. Increased costs of construction in addition to the projected increase in actual construction should give a total expenditure for residential housing of about $23.1 billion in 1962, compared to $21.1 billion in 1960 and a probable $22 billion for 1961.

In addition to the concern stemming from the foregoing reasons, increased interest costs may place a damper on housing commitments. Time will tell to what extent increased interest and dividend rates paid by banks and savings and loan associations will result in increased mortgage interest charges. A decline in the occupancy rates of apartments acts as a further deterrent to this

Continued on page 30

Mining and Earthmoving Investment Opportunities

By Hugh H. McGregor, *Director of Production-Engineering, Ltd. International Management Consultants*

Private investors and American manufacturers of earthmoving equipment are advised to look beyond the scary headlines and to examine the cold facts of profitable, long run opportunities in specific undeveloped regions not afflicted with strife. Mr. MacGregor briefly reviews the vital importance of mining and earthmoving industries to undeveloped countries, the problems, and the steps that must be taken to assure the success of the investment and machinery sales.

The vital keys to the development of many areas throughout the world, now classified as "undeveloped" or "partially developed" are the industries of mining and earthmoving — the latter used in its broader sense to encompass all activities related to highway, rail and airport construction, the building of dams and stripper mine operations.


Hugh H. McGregor

Without prosperous growth of both the mining and earthmoving industries, the potential market these undeveloped countries offer for goods and services from highly developed countries, such as the United States, Canada and the United Kingdom, never can materialize.

The prime requisite for continuing healthy development of these two key industries in undeveloped areas is investment by private capital sources emanating from the economically advanced countries.

To attract successfully the required amounts of capital needed to develop these essential industries, of course, reasonable incentive must be offered the private investor. Any prospective private investor asks for detailed basic facts about the country seeking foreign loans.

Going Beyond the Scary Headlines

It is unfortunate that dramatic violence more often furnishes the basis for news headlines than cold economic facts and trends. And, sometimes, even informed investors confuse the geography and economic climate of a whole continent with that of a limited region where strife makes scary daily headlines. This is particularly true in the continent of Africa.

I am going to report here briefly on general problems connected with the development of mining and earthmoving industries in these regions and techniques.

Mining traditionally is associated with investment hazards. Certainly, substantial sums have been lost in many ill planned mining ventures. It should be noted, however, that, in mining, it is very easy to cover up mistakes of faulty planning and management. It is easy to plead that the venture was overcome by circumstances beyond the control of the enterprise. Many projects have floundered hopelessly, when a positive program of efficient planning and firm, competent management could have produced a profitable enterprise with the same investment.

Because of the well publicized hazards of mining enterprises, mining managements who seek investors in undeveloped or underdeveloped countries are especially in need of demonstrating that they can make forecasts on production and stick to them, if the needed capital is to be forthcoming.

Evaluating Operating Prospects

For instance, consider a gold mining property in Central Africa. An investor should know its problems of remoteness from the Head Office, the difficulty of getting good men on the job, the complications of remote control, complicated by such local problems as labor relations, politics, gold thefts, and so on.

Knowledge of the following basic steps are necessary in appraising the capacity to build an organization, which is sufficiently strong and potent, to make forecasts and stick to them:

(1) By work study, the labor component of all underground and surface operations must be established, and methods set up along the soundest lines.

(2) Ore reserves must be built up carefully and controlled as to their exploitation—such as: mine call factor, ore reserve factor, block plan factor—to prevent over or under mining.

(3) Administrative machinery must be set up so that expenditure is related to standard for all work at every management level.

(4) Capital forecasts must be analyzed in detail and accepted first by the management and then by the head office.

(5) Regular monthly and annual reporting to the Board must be in terms of the relationship of achievement to plan all along the line, and explanation must accompany automatically when the plan has been departed from.

(6) To a lesser extent, the Board can report to its shareholders an achievement against plant, both in retrospect and forecast—but, only, if it knows that the necessary machinery exists, to stick to the forecast, so that they don't have to eat their words.

If these standards of operation were more widely accepted by mining companies in backward areas, it is submitted that capital would be much more readily forthcoming than at present and that the companies, their shareholders, countries supplying them and the territories in which the mines are situated would all benefit immeasurably.

Vital Importance of Management

Mining is a vital industry in any undeveloped territory, and the rate at which such a region develops entirely depends on the rate at which mining investment can be attracted, which again is dependent entirely on the competence of the management of such projects and the effectiveness with which they overcome the difficulties incurred by distance and the lack of good communications.

Earthmoving is essential to opening up undeveloped territories before mining can be started. Therefore, earthmoving machinery and its efficient operation are required for highway construction, quarrying, plant construction, railroad building, and even in airplane transportation, where a suitable airport must be built before planes can land.

Africa's undeveloped countries, for example, offer a broad marketing opportunity for American makers of earthmoving machinery. This is a fast expanding multi-million dollar market which could be increased substantially, if American manufacturers provided utilization service to the governments of undeveloped countries.

Earthmoving equipment in undeveloped countries — 75% of it American made—is out of operation at least 25% of the time, due to mechanical problems or planning failures. This waste inhibits more extensive government appropriations for road systems, which African countries desperately need as a prerequisite to further economic progress and is, a needless waste of capital investment.

Roadmaking costs can be reduced very substantially when higher standards of physical control have been achieved. Often there is little or no standard for the measurement of output, either of the road construction unit as a whole, or of the individual components of it. Neither is there a standard against which the cost of road construction can be compared. Often there is no clearly defined and uniform procedure in force for planned maintenance of plant and machinery to ensure reduction to a minimum of breakdown time.

Therefore, a comprehensive report is required on proposals for procedures to be installed in order to maintain and achieve a uniformly high standard of output. This report would cover such main classifications as: Planned maintenance of all plants; the setting up of output standards for all plant and machinery under the commonly encountered operating conditions; and the use of these standards for: daily control, works planning, and cost control procedures.

American suppliers of earthmoving machinery to undeveloped territories should consider making available to buyers of their products: service training in operation keyed to local conditions, maintenance and output control. By being prepared to shoulder the cost of such measures for a period, they would enhance substantially the long term opportunities for profitable sales to these markets.

Industrial Expansion in South Africa as Living Standards Rise

Since there is surprisingly little information reaching the United States relative to economic development in South Africa—and considerable misinformation — perhaps there would be interest in a current report on general industrial expansion in this area. I hasten to say that I have no official connection with that country and speak only as a citizen—businessman.

Indication of South Africa's advanced industrial development is the fact that there are 12.9 persons (European and non-European) per registered motor vehicle. This is not nearly as high as in the United States; but it is substantially higher than in many European countries. For example, Italy has about 21 persons per vehicle. The ratio of autos to inhabitants is far higher than anywhere else in Africa and greatly in excess of the per person auto ratio in the USSR which, I believe, is a ratio of 370 persons per vehicle. Even the proportion of non-whites per vehicle in South Africa is around 120 persons to each auto—much higher than the Soviet ratio.

Another measure of the high degree of industrial development in South Africa is the electrical generating capacity now around five million kw. Power consumption per total head of population, around 1300 units per year, rates about half way up the scale of nations. Power consumption per head of population in the U. S. is about 4,400; in Great Britain, around 2,300; France, 1,500 and in Belgium, 450.

National income per total head of population in South Africa is about $500 per annum, which compared with the U. S. is low. This figure, nevertheless, compares well with some European countries and is substantially higher than elsewhere in Africa and the Eastern countries.

A very important economic trend in South Africa today is the rapid rate of increase in incomes of non-Europeans. This is estimated by the Bantu Wage and Productivity Council at between 16 and 20 million pounds per year; the total emolument for non-Europeans at this rate is expected to double within five years.

This rising wage trend already is having a marked effect on markets. The non-European market for goods and services is expected to emerge shortly as a potent, if not dominating, commercial force.

New McClain Branch

SAN MARINO, Calif. — McClain & Co. has opened a branch office at 2459 Huntington Drive, under the supervision of Harold A. McClain, senior partner of the firm.

IBA Releases School Bond Data

In view of the wide public interest in the issue of Federal Aid to Education and the question of whether local governments are continuing to provide needed elementary and secondary school classrooms, the Investment Bankers Association of America has released the following figures. Over $119,560,000 of new issues of school bonds for public elementary and secondary schools were sold during the week ending Feb. 16, 1962. Forty-eight issues were sold in 23 states representing every geographical area of the country. The largest single issue was for $26,200,000 in New York City. The Los Angeles School District had the second largest issue of $20,500,000 followed by the Philadelphia, Pa. School District with $12,000,000. The two smallest issues were for $80,000 by the McKinley-Roosevelt Union School District, California, and the Norway Consolidated School District, Iowa.

New records were set with the construction of over 72,000 elementary and secondary classrooms in the school year 1960-61 and the sale of over $2.4 billion of new issues of school bonds for elementary and secondary schools in 1961.

E. G. Holan Opens

CLEARWATER, Fla. — Elmer G. Holan is conducting a securities business from offices at 2011 Magnolia Drive.

Three With Reynolds

CHICAGO, Ill. — Amos Alonzo Stagg, Jr., Jerry Berez and Robert Love have become fully registered representatives with the investment firm of Reynolds & Co., 111 West Jackson Boulevard, it has been announced by John G. White, resident partner in Chicago.

Mr. Stagg was formerly professor at Susquehanna University and Chairman of the Department of Health and Physical Education for 26 years. He was also head coach of Susquehanna's football team for 21 years.

Mr. Berez was previously associated with Metropolitan Life Insurance Company. Mr. Love has been an executive in the advertising field in Chicago.

Eximbank's New Programs To Stimulate U. S. Exports

By Harold F. Linder,* *President and Chairman, Export-Import Bank of Washington*

Eximbank head describes highlights achieved by the Bank last year; two new major programs designed to encourage commercial banks' participation in nonrecourse financing and the extension of direct export credit insurance to exporters by U. S. insurance companies who join the new Foreign Credit Insurance Assn. (FCIA); and the basis on which the Bank will operate in relation to the new Agency for International Development (AID). Since President Kennedy's Oct. 27th announcement of the Eximbank's new programs, 20 approved nonrecourse participations have occurred and 55 private insurance companies have joined the FCIA. Mr. Linder stresses the desirability of getting small- and medium-sized U. S. firms into the export business, of flexibly lowering the amount of cash payments to be made to exporters by the foreign buyer to meet competitive arrangements of foreign exporters supported by their governments, and of barring AID loans that could be made by the Bank.

The Export-Import Bank is in business to finance and facilitate United States overseas trade. We are required by our statute to make loans on which there is reasonable promise of repayment in dollars; and we are enjoined to supplement and encourage and not compete with private capital interests. Perhaps to oversimplify our operations: we lend to foreign purchasers of U. S. goods who repay in dollars plus interest and on terms appropriate for the types of goods sold in the international markets. We borrow our funds from the Treasury, and we pay the Treasury interest on the money borrowed. As is the case with all lending bankers, the difference between the interest we charge and the interest we pay enables us to pay a dividend to the Treasury and add to our own reserves. We are now paying an annual dividend of $30 million and adding to our reserves at the rate of approximately $63 million per year. In addition to the Bank's prime function of assisting the U. S. exporter, the obvious and happy by-product is that we who work at the Bank are in the fairly unique position of making a profit for Uncle Sam, without competing with private interests, and of contributing to our national objectives.

Harold F. Linder

$1,114 Million Transacted in 1961

Since we have just closed out the calendar year 1961, I am happy to release here, *for the first time*, a figure on the year's activity. During 1961, Eximbank approved 907 loan and guarantee transactions representing a total of $1,114 million. Of possible interest to the many bankers who finance exports to Latin America, $490 million of the total authorizations by the Bank were for Latin American countries. In addition, loans and guarantees were authorized for all major geographical areas of the world, with Asia receiving the next largest amount after Latin America.

But aside from the relatively cold dollar totals of Bank business conducted, when we look at the year 1961 in retrospect, we must call it a year of adjustment to new patterns in world trade. It has been a period in which we set in motion programs for greatly enlarged assistance to U. S. manufacturers who wish to export more of their goods; this in the hope of improving the balance of payments position of the United States.

A recurrent theme at the National Foreign Trade Convention in New York last November was the plea to recognize realistically the fact that Europe and Japan are back on their industrial feet as able competitors in the world market place. Another was the plea to recognize the fact that the lush post-World War II years of the American sellers' market are no more. The world market is once again a competitive market. Within two years it will be a fiercely competitive market. In the words of one of General Jeb Stuart's troopers, it will be a matter of "Git or git got." To respond correctly and imaginatively to the reality of this new trading world will test the fiber and ingenuity of the American industrial, banking, export, and insurance communities as well as that of the government. And respond correctly and imaginatively we must, for it is we as Americans who have so long been the world's dedicated proponents of the principles of free competitive trade. Not to accept the challenge now would be inconsistent with our tradition as well as our preaching.

What *will* win for us in a competitive world market is the heavy application of the initiative, inventiveness, and drive which made our industrialists great in the first place.

No one can doubt that the need to keep the United States competitive in world markets is crucial. With this in mind, Eximbank has devised new measures to assist U. S. foreign trade; and I should like to describe them.

Getting Small-Medium Firms To Export

One salient point we have kept before us is the desirability of getting small and medium-sized U. S. firms into the export business. And the converse is true: we are equally interested to sell U. S. equipment to small and medium-sized firms abroad. To help accomplish this, we are utilizing a type of credit known as an "Industrial Bank Loan." To illustrate, last February we authorized a $25 million credit to the Industrial Bank of Japan, and I might say we've done similar operations in three other countries. This bank in turn made the money available, through Japanese commercial banks, to small and medium-sized manufacturers for the purchase of U. S. equipment. Within a few months, the credit was completely allocated to a good many small buyers—in fact, applications were more than three times the amount made available. We place a ceiling of a few hundred thousand dollars on the amount of any individual loan and reserve the right to approve allocations above $100,000. Literally hundreds of U. S. suppliers are receiving orders as the result of this kind of transaction.

A major effort of Eximbank during the past year has been to comply with President Kennedy's directive to assure that our government provide assistance to American exporters at least equal to any such assistance to be found abroad. Two new programs have been initiated which we think will be of prime importance to U. S. foreign trade in the competitive years ahead. One is broadening of our guarantee system offered directly to commercial banks. The other is a plan to provide export credit insurance directly to exporters.

Our program with commercial banks and other financial institutions consists, essentially, of the offer of a combination of Eximbank guaranties on medium-term export transactions. It is designed to encourage nonrecourse commercial bank participation in export sales and to facilitate the buying of export paper from commercial banks by other financial institutions should they and the banks so desire. Eximbank will offer a political risk guaranty on that part of each medium-term transaction for which a commercial bank assumes the credit risk, provided an Eximbank guaranty covering both political and credit risks is taken on the balance of the commercial bank's participation.

Joint Eximbank and Commercial Bank Participation

To put it succinctly, if the commercial bank is prepared to take the credit risk for its own account on the early maturities—and by early I mean the first 18 months of a 3-, 4-, or 5-year credit or 50% of a 1- or 2-year credit — an Eximbank guaranty of the political risk on those early maturities is offered, provided the commercial bank agrees to carry or resell the later maturities on which the Eximbank will issue a comprehensive guaranty including both the political and the credit risks. If, on the other hand, the commercial bank elects to ask us to carry the later maturities, then no political risk guaranty will be offered on the early ones. It is our purpose, through the offering of these guaranties, to make commercial bank participation more attractive. It follows that this will result in both an increase in commercial bank participation and a decrease in the volume of direct financial participation on the part of the Export-Import Bank. Moreover, if the commercial bank determines to take all maturities under our guaranties and wishes at any time to sell the paper which it is holding, our guaranties are assignable, the only restriction being that, in respect of the early maturities on which the credit risk is taken by the originating commercial bank, it must offer recourse on one-half of such early maturities.

The amount of cash payments to be made to the exporter by the foreign buyer in connection with medium-term credits also has been under review. This is a point which is basic alike to export credit insurance, nonrecourse financing by banks, and exporter credits granted directly by Eximbank. The 20% cash payment formerly required of the foreign buyer has now become more flexible and may be reduced in appropriate cases to as little as 10%. This step was taken to allow United States exporters to offer terms which in this respect are as advantageous as those sometimes offered by foreign exporters with the support of their governments.

We are trying to make this program known in the commercial banking world on as wide a scale as possible. In addition to press releases and the sending of technical instructions to commercial banks, we are holding seminars at Eximbank in Washington for your foreign department personnel. These conferences should be of great educational value both to the people who will actually process the paper in the commercial banks and those concerned at Eximbank. At them, "give and take" discussion is the order of the day; and the first meetings have been most successful. It is of interest, I think, to report that since President Kennedy made the initial announcement of the new Bank guarantee program on Oct. 27 nearly 30 nonrecourse participations by commercial banks have been approved by Eximbank.

Direct Export Credit Insurance

The second new major program of Eximbank, as I mentioned, is in the area of direct export credit insurance to exporters. Since the spring of 1960, Eximbank had provided political risk insurance on short-term export transactions. But U. S. exporters, with varying degrees of heat, had been calling for a comprehensive insurance plan which would cover both political and credit risks, and which could include the medium-term field as well as the short-term. A great deal of our energy has been addressed to meeting this demand during the past year.

We concluded that if comprehensive political and credit risk insurance was to be offered in this country, then, both in accordance with our mandate from the Congress and our own desires, we should do our utmost to bring in the private insurance companies and certainly to avoid competition with them. I might say it took us a bit of time to persuade those companies that this is a field into which they should enter, but once we were successful in so doing, we have had a very full measure of cooperation. We explored throughout the spring and all last summer, through studies and frequent negotiation, and with the aid of consultants from outside the Bank, the possibility of creating an association of private insurance companies who would be prepared to issue a comprehensive policy to interested exporters. We now have an agreement with a considerable number of the leading insurance companies of this country under the terms of which Eximbank will underwrite 100% of the political risk and the credit or commercial risks will be shared between the insurance association and our Bank. We hope that the time will come in the not too distant future when the private insurance companies will be prepared to take for their own account the whole of the credit risk.

Foreign Credit Insurance Ass'n

On Oct. 27 President Kennedy announced that the Export-Import Bank would soon inaugurate such a program. Initially, 20 private U. S. insurance companies formed the Foreign Credit Insurance Association.[1] They are engaged in casualty, property, and marine insurance. At the present time, 35 additional companies have joined the Association, making a total of 55. The FCIA has entered into a partnership with Eximbank for the issuance of comprehensive export insurance policies to U. S. exporters. This plan accomplishes two important things in addition to the issuance of policies. It brings about, as I indicated, desirable private participation; and we believe it will solve a mechanical problem of issue. Since insurance agents and brokers throughout the country will be placed in a position to accept applications for insurance policies at or near the exporters' places of business, it will not be necessary for exporters to negotiate the policies with us in Washington. You will appreciate that the task of preparation and installation of this system, as well as the gathering of staff, is one of considerable magnitude. Nevertheless, we believe that the Foreign Credit Insurance Association will be issuing policies before the end of February.

In the beginning, at least, we anticipate that most of these will be in the short-term field; that is, for credits up to, say, one year. When banking customers come in with such insured credits, we believe that the banks, in turn, will be prepared to buy this paper from them with or without recourse and, most importantly, without regarding such purchases as impairing of their normal credit lines.

As with the program for guarantees to commercial banks, we expect to make the availability of comprehensive export insurance known throughout the land. Once the FCIA is in business, we shall send Bank officials to all regions of the country to appear at prearranged meetings of exporters to discuss the program in detail.

The two new programs are complementary. Hence, Eximbank obviously will not offer guaranties to commercial banks on transactions for which an exporter has purchased FCIA insurance; and conversely, of course, FCIA insurance will not be wanted or needed for transactions on which Eximbank has given guaranties to commercial banks.

The New Agency for International Development

I should like to touch upon one other development of the past year, that of the creation of the new Agency for International Development, now called AID; and because many businessmen may be confused by the Washington jungle, I would like to explain our Bank's working relationship with AID. Their activities and ours in a large measure impinge on one another in the area which has been and still is, from the point of view of dollars involved, the most important business of the Bank. I refer, of course, to our long-term project lending. Let me start out by saying that the Executive Order of the President setting up the AID organization provided for a Development Loan Committee, the chairman of which is the AID Administrator and on which I have the honor to serve, along with the Assistant Secretary of the Treasury for International Affairs, the Assistant Secretary of State for Economic Affairs, and the Deputy Administrator of the AID. In addition to this Committee, there will continue to be a liaison mechanism which I confidently expect will insure that conflicts between the Bank's and the new organization's lending policy will not arise. I rely for my confidence not only on the inherent logic of such an approach, but also upon the fact that I know we have excellent working relationships with the senior as well as the staff people in AID.

Obviously, project loans made by the Bank must be counted in the tally of development lending and aid; and it is necessary that the prospects of Bank loan authorizations be considered in settings levels for AID commitments. These two sources, together with a number of others, are elements of a country program. It is important, then, that in developing such programs there be early and continuous consultation with the Bank on what may reasonably be considered within our range of lending operations. This means that dollar exchange requirements for the more economically productive investments, in countries which have adequate repayment capacity, should be initially thought of as a possible subject for Bank consideration. In this way, the Bank's resources may sensibly be woven into many country programs.

Indeed, maximum use of all United States Government (and Free World) financial resources clearly implies that AID should avoid making loans that could be made by the Bank; that is to say,

[1] The new Association began operations Feb. 5.—Ed.

AID should neither make "hard" loans which the Bank was willing to make, nor authorize on "soft" terms transactions that could be financed or normal terms. On any other basis, AID loses its chief *raison d'etre*. Conversely, if the Bank were to make loans moved primarily by an aid philosophy rather than "to facilitate exports and imports" of the United States and "for specific purposes," then the Bank loses its character and strength.

In conclusion, I would like to revert to the importance of United States export trade, not only to our domestic economy but to the balance of payments position of our country. As the leading power in the Free World, not only does our self-interest dictate, but we have a moral obligation, as well, to make every effort to provide for long-term loans and even grants, where necessary, to the less developed countries. For our own protection we need to maintain troops and bases at key points throughout the world. These things can be done only if our balance of payments situation is improved. Bankers are not the exporters, but are the counselors of their customers. I believe that they have an obligation to do whatever lies in their power to encourage and stimulate the export business of our country.

*An address by Mr. Linder before the 14th National Credit Conference sponsored by the Credit Policy Committee of the American Bankers Association, Chicago.

With Jennings, Mandel

BOSTON, Mass.—Rosario Novello has become affiliated with Jennings, Mandel & Longstreth, 50 Franklin Street. He was formerly with Hill, Darlington & Grimm and Reynolds & Co.

Aberdeen Inv. Branch

SALT LAKE CITY, Utah—Aberdeen Investors Programs, Inc. has opened a branch office in the Continental Bank Building, under the management of Trent Parker.

B. C. Morton Branch

COVINGTON, Tenn.—B. C. Morton & Co. has opened a branch office at 18 East Court under the management of Bennett G. Buford, Jr.

United Financial Branch

NEWPORT, R. I.—United Financial Planning Corporation has opened a branch office at 144 Bellevue Avenue under the direction of Ralph Stermer.

New Waddell, Reed Office

WHITE PLAINS, N. Y.—Waddell & Reed, Inc. has opened a branch office at 199 Main Street under the management of Theodore G. Walker.

Form New Era Inv.

EAST ELMHURST, N. Y.—New Era Investors Corporation is conducting a securities business from offices at 94-01 Astoria Boulevard. Officers are Percy E. Waite, President and Treasurer, and Mary Harris, Vice-President and Secretary. Both were formerly with Columbian Financial Corp.

Pierce, Proctor Opens

PHOENIX, Ariz.—Pierce, Proctor, Schuette and Taranton Securities Company, has been formed with offices at 1807 North Central Avenue, to engage in the securities business. Officers are Carroll J. Pierce, Chairman of the Board; Edwin E. Proctor, President; William E. Schuette, Vice-President; Alman J. Taranton, Vice-President, Secretary and Treasurer, and Alvin G. Olsen and James T. Milliken, Assistant Secretaries. Mr. Pierce and Mr. Proctor were formerly with O'Malley Securities Co.

The Basic Six and Seven Do's and Don'ts in Europe

By Jere Patterson, Jere Patterson & Associates, New York City*

There is an "inner six" and an "outer seven" in Europe today and, coincidentally, Mr. Patterson's enumeration of advice to American businessmen contemplating marketing abroad, on what to do and not to do, matches those numbers. The marketing practitioner contends that marketing is more important than finance and production in building a business in Europe; cautions against the tendency to underestimate the European ability and to add unnecessarily to costs though they may be lower than here; and suggests not going there if unprepared to meet tougher competition than here.

Can the United States meet worldwide marketing competition? Of course we can if we really get down to the business of marketing abroad. But what about the European Common Market and United States business? How well will United States companies do in the inner six and the outer seven? Many will do Many will do quite well indeed if they do all possible to manage and market as well there as they do right here. For the simple fact is most United States international businesses aren't really marketing abroad—in fact, many aren't right here. But to be specific let's look at the six and the seven in further detail. Not the six and the seven countries in the European Common Market and the European Free Trade association, most of whom will soon be regrouped in a still larger Common Market—a Market that we, too, may become more closely tied to. But let's look at the six do's and seven don'ts for marketing in Europe.

Jere Patterson

To start with, here are the six do's.

(1) *Do have a sense of proportion, a sense of humor, the right attitude.* Europe is sophisticated, civilized—maybe more so than we are! Europeans are not a bunch of unwashed natives awaiting United States annointment. Your company may be big here, but it's often small and unheard of over there. Your cash isn't always needed, your know-how may or may not be unique. You may know marketing better but you don't know the markets as well as the local fellow. Make sure that you are not just massaging your corporate ego and kidding yourself with a token effort that sounds great at cocktails but amounts to little. Then look at yourself. Are you impatient or critical of what you don't understand? Be able to laugh at yourself, and take the other fellow in stride. Meet him half way. Your way may be right, but it's just possible his might be as good or better.

(2) *Do do a real marketing job.* The problem of building a business in Europe is less and less one of finance and production — it's one of marketing. Don't just call someone a director or vice-president of marketing and let it go at that. Market in depth—do basic research having first defined objectives and thought through what you will do with a study once you have it. Look into potential, properly design the product, price it right, push it hard, sell, advertise, promote, publicize in a hard hitting, well planned way. Remember the other guy is often on home ground so overcome his advantage. Make the investment required in men, money and marketing. Concentrate efforts especially on consumer goods. If you can't succeed in one market, you won't in all. Go for the milk as well as the cream. But realize you are playing checkers—square to square, market to market and look ahead. Plan, budget, program. Timing, tie-it-all together, push. The Europeans know marketing terms. Theoretically, they know all about it, but practically many still don't have a basic ingrained understanding. If you do, use your marketing edge as long as you have it.

(3) *Do retain your United States approach — especially in marketing.* Obviously, study the market and adapt to it — that's good sense. Take into account differences in time, customs, buying habits, etc. They are there and can be important. But chances are what built your business here will with variations build it in Europe. At least that's what you know, so stick to it within reason. Above all, insist on and bring to bear a U. S. domestic level of know-how and performance. Don't suffer from export departmentitis or international divisionitis. Good men with overseas experience definitely have a vital role to play. Meld their know-how with domestic know-how. Naivete isn't called for but neither is a false veil of mystery. Get top management involved and blend United States marketing abilities with European savvy.

(4) *Do select and nurture good men who can market and manage —the right man is the key.* Europe is not a burial ground for U. S. duds or has beens. Choose well. Then back your men, don't excessively quarterback them. Rely on their judgment vs. long distance theory. Yet guide them, establish checks and procedures. Don't let them get spoiled or think they are bigger than you are for lack of overall direction. Earn and keep their respect. Most people want leadership and support and are really lost without it.

(5) *Do co-ordinate between countries.* Don't let differences develop just for differences sake. Have common planning, budgeting and review procedures. Dovetail on market research. Set up necessary co-ordination procedures—exchange of information, periodic meetings. Travel, see, talk with your people abroad. Keep in personal touch.

(6) *Do build a common name and mark.* A Common Market will not long permit unrelated company identities and brand names. Guard, control and enhance your name and market. Barring a few businesses, an international identity will generally carry more prestige and help sales more than a strictly local identity. Set up separate marketing companies if need be to inject a common name and mark. If you now have many names and marks, straighten out the situation. It limits effectiveness, increases advertising costs, and also limits overall marketing success.

These then are the six dos.

(1) A sense of proportion.
(2) A real marketing job.
(3) A United States approach.
(4) Selecting and backing good men.
(5) Co-ordinating.
(6) Building a common name and mark.

Seven Don'ts

Now let's look at the seven don'ts.

(1) *Don't suffer from corporate constipation or internal politics.* If most companies, especially big ones, spent half as much time marketing as they do squabbling or politiking among themselves, they would overrun the Common Market in nothing flat. Get wise fast to the politics of international business. Know what your British marketing director is very understandably up to when he starts telling you how much narrower the Channel is than the Atlantic. And don't be surprised when your international company or division head overextols the tax or other advantages of Geneva or Brussels. He's probably trying to gently outflank your British managing director in his former pet —and often a neglected—continental preserve. Expect civil war or at least polite misunderstanding between the export or international side and the domestic side — but don't put up with it. Look for excess Americanism in some of the men you send abroad and count on undue nationalism at the other end. Such nationalism often takes the form of excessive insistence on autonomy and overemphasis on local differences — e. g., the French will be French— Vive la difference! In short, realize that your international business has all the internal human and political problems of your domestic business multiplied by distance and differences — but don't let them lick you.

(2) *Don't try to direct your business out of three or four places — e. g., domestic headquarters, international headquarters, regional headquarters, local headquarters.* Cultivate a global, integrated approach. Choose two, maybe, three at most. Preferably in the long pull domestic and local or domestic and regional depending on your type of business and its history. If you direct from too many points, you will be overstaffed and suffer from acute paperitis. The tendency to set up regional or international headquarters in places like Geneva or Brussels, while often valid for tax and other reasons, has tended to magnify the problem.

(3) *Don't get too fancy.* Stay lean, hungry, hard-hitting. Don't hire three to do the work of one. Don't lift all that United States staff structure and pomp and circumstance abroad. Don't get too complicated for tax reasons. Don't use an elephant gun to kill a mouse—e. g. undue emphasis on market research, constant meetings, etc. Don't get too soft. Keep expense accounts in line. Avoid "Wine listitis" or "Big officitis." And because it may still cost less to do business in Europe than in the U. S., don't spend more than you should and let your costs get out of line vs. European competition.

(4) *Don't think you're going to do it in a day.* After all, it took ten, twenty, fifty years to develop your U. S. business to its present level. Allow at least two or three years to conquer a European market that is just as large as the U. S. and a lot more complicated. It takes time to build a real share of the market if you've been asleep on the ground for years or are a late comer.

(5) *Don't make a bunch of half-cocked arrangements.* Often no two arrangements can be alike. But too many companies end up with a crazy quilt of licensing deals, ill chosen partners, and unworkable relationships. Figure out what built your business here and follow the same route abroad. Tax aspects sometimes seem more important than sound business principles and common sense. They aren't. You can't save money on taxes or reinvest earnings after paying low tax rates until you've made profits and if Washington has its way, you may not even be left with some good, valid tax motivations.

(6) *Don't go to Europe if you don't belong there.* Many companies don't. Their managements haven't the conviction or capacity. They aren't ready to play in the international major league where the competition can be even tougher than here. When you go, go all the way—to stay. And do well so that you protect your position here and siphon off the foreign competitors' firepower.

(7) *Don't neglect other markets in your new found fascination with Europe.* Your European competitors won't. World markets constantly shift. Tomorrow's opportunities won't be in Europe alone—so don't let your competition, be it Western European, Japanese or Russian, use worldwide weight against you — in Europe or right here.

Yes, today in Europe, you're playing in a rough, tough league and sometimes you won't even know what hits you. So remember the seven don'ts.

(1) Don't suffer from corporate constipation.
(2) Don't direct your business from too many places.
(3) Don't get too fancy.
(4) Don't think you'll do it in a day.
(5) Don't make a bunch of half-cocked arrangements.
(6) Don't go if you don't belong.
(7) Don't neglect non-European markets.

These then are six dos and seven don'ts for United States business in the European Common Market. If they make it sound tough, it's because it is— it's no league for boy scouts or companies that are not playing for keeps. But if you're serious, you won't find Europe so mysterious. Can you meet world-wide competitions in Europe? Of course you can, if you conduce your business with the same calibre of management and the same intensity of marketing effort that have made you successful right here.

*An address by Mr. Patterson before the American Marketing Association Winter Conference, New York City.

Phila. Secs. Ass'n to Hear at Meeting

PHILADELPHIA, Pa. — Milton J. Wolk, President of Goodway Printing Company, will be the principal speaker at a luncheon meeting of the Philadelphia Securities Association on Friday, March 2 at The Barclay Hotel.

Other speakers at the luncheon will be Beryl J. Wolk, Treasurer, and Donald L. Wolk, Secretary of the company.

Edwin J. Pearson of Smith, Barney & Co., is in charge of arrangements.

With Granbery, Marache

(Special to THE FINANCIAL CHRONICLE)

SAN FRANCISCO, Calif.—Stanley Z. Parker is now connected with Granbery, Marache & Co., 120 Montgomery Street. He was formerly with Paine, Webber, Jackson & Curtis and Stewart, Eubanks, Meyerson & Co.

Two With Blair

(Special to THE FINANCIAL CHRONICLE)

BOSTON, Mass.—Berton M. Krinsky, and Geno L. Neri have joined the staff of Blair & Co. Incorporated, 10 Post Office Square. They were previously with Goodbody & Co.

P. W. Brooks Adds

(Special to THE FINANCIAL CHRONICLE)

BOSTON, Mass.—Michael A. Harris has been added to the staff of P. W. Brooks & Co. Incorporated, 31 Milk Street. Mr. Harris was formerly President of Hanover Management Corp. and prior thereto was with Coburn & Middlebrook, Inc. and Blair & Co. Incorporated.

Attractive Opportunities in Foreign Securities

Continued from page 11

amining these, there will be found among them a number of our most prominent growth stocks.

A second means of participation for those who have funds available for this type of investment is the private placement area. During the past year or so, a substantial increase has taken place in private placements of securities in this market of overseas companies seeking financing for the purchase of dollar goods. Some commercial banks have been engaging in these transactions, as have a number of private funds and foundations seeking diversification and a considerably higher rate of return on investments than is available here. Of course, there has been in addition an accelerated flow of dollar borrowings by European companies and countries in the public offering category.

In the field of foreign equities, a small but growing number of international companies have already listed their shares on the stock exchanges in the U. S. Together with those traded over-the-counter, there are shares of roughly 200 foreign companies available in the form of American depositary receipts. For the smaller investor there are several dollar mutual funds that are solely invested in foreign securities.

Looking now at the foreign currency equities, England provides the largest list and by far the most active and broadest market. Out of approximately 4,000 stocks traded in London, there are at least 100 that should be interesting for examination by the American investor. These run a broad range of industries: chemicals, business machines, electronics, retail companies, steel, and automobiles. In short, the list is about as diverse as those available to the investor here.

West German has three major stock exchanges-Frankfort, Dusseldorf, and Hamburg—with reasonably active trading in perhaps 500 different stocks. Of these, certainly 25 or 30 of the larger companies should be of interest to the American investor. These fall in such categories as chemicals, steels, electronics, business machines, automobiles, and insurance.

In Holland there is an active market in Amsterdam. Of the 1,000 stocks traded there, probably no more than 25 would be of interest to American investors because of the size of the companies and the limited markets.

Switzerland has active exchanges in Geneva and Zurich, but American investment interest in Swiss stocks has been dampened because of the high prices to which they have been driven by the urge of foreign exchange speculators seeking a call on Swiss francs. A number of Swiss stocks, nevertheless, are eminently qualified for purposes of conservative investments; and Swiss obligations are among the world's premier investments.

There are about 600 French stocks traded in Paris. Volume is small but there are between 20 and 25 companies that deserve examination. These include banks, chemicals, steels, business machines, mining, and petroleum.

In Italy the only real market is Milan, where shares of several hundred companies are dealt in; of these, perhaps 20 should be interesting to the American investor.

The Belgian market is extremely small, and stocks that might be of interest there do not exceed a handful.

The mechanics for purchasing European stocks are not at all complicated. Ordinarily, orders flow either through the larger U. S. banks to investment banking firms specializing in foreign shares, or directly to these firms from customers. The orders are placed directly with branches or correspondents abroad to be executed within the country of origin. A number of foreign stocks are traded in small lots on a net basis in this market, but the usual practice in the case of any sizable order is for the American specialist to execute orders in the markets abroad and to charge a small commission. Usually over-all costs of purchases and sales are comparable to the cost of buying and selling an American stock; these costs generally vary between ¼ and 1½% depending on total value.

Thinner Market Abroad

In the approach to the purchase of foreign equities, it is important to have a sense of scale and to realize that markets abroad or markets here for European stocks are very much thinner than those for American shares. For this reason, it is wise to place orders in the hands of specialists of well known and reputable investment banking firms, particularly since the mechanics of executing orders differ considerably in one country from another. Furthermore, it is necessary to handle orders of any size with extreme care in order to have a minimum influence on price. Both accumulation and sale of large blocks require a much longer period to execute than is true of a comparable transaction here.

With a sharper focus developing on European securities and the growing interest of American investors, there is a growing need for clear sources of information. An intelligent approach to European investment requires a good deal more research because of the unavailability of authentic information. One of the largest reservoirs of research is available through our domestic banks which tap the information-gathering facilities of their branches and correspondents abroad. In addition, some have established separate study groups for the specific purpose of researching Common Market investments.

Another important and valuable source of information has been built by investment banking firms in this country specializing in foreign securities. Many of these firms have long-established relationships with private bankers throughout the world for the exchange of research facilities and have available a steadier flow of daily information than is available from any other source. Private investment banking firms are equipped to follow closely developments affecting a broad list of foreign securities and are well qualified to provide current information about technical market conditions, the execution of orders, and the most effective manner to carry out transactions.

Paribas Corporation's Role

With the objective of encouraging the flow of more information and improving the quality of research on Common Market securities, our firm recently joined a group comprising important banks in the Common Market countries, England, and Switzerland. This group has established a separate research organization headquartered in Paris to serve as a clearing house for the exchange and correlation of information about companies in the countries of the participating members. We intend to make available the results of these studies to institutional investors in this country.

I am quite aware that many trust officers have been sophisticated in the foreign investment field for some time and have been more or less continuously directing their attention to the opportunities afforded. But for those who have overlooked this area of investment, I believe it is incumbent upon them in the proper discharge of their responsibilities to clients who have funds of an unhard look at the Common Market and Great Britain and to other areas such as Japan and Australia. One simply cannot fail or refuse to recognize the growth that has taken place or the forecasts for the future development in these areas and particularly of Europe under the impetus of the Common Market stimulation. Already many professional investors are comparing the relative merits of Common Market chemicals, automobiles, electronics, steels, etc., with their counterparts in American industries. As some of the barriers between our country and the rest of the world are gradually broken down (as they inevitably will be) and as more uniform accounting and disclosure practices are adopted, we will be able increasingly to apply the same yardsticks in evaluating securities abroad as those we use here.

Perhaps the most compelling reason for an aroused interest in investment abroad is the overriding importance to us and the entire Free World of the strong undercurrent which points to an even larger area of economic integration. It seems inevitable that the Common Market eventually will embrace the United Kingdom, the nations of the Outer Seven, and some others. It seems equally inevitable that a *modus vivendi*, if not an outright partnership, between the United States and an integrated Western Europe **must** come into being. Even now our government is undertaking a difficult reshaping of our foreign trade policies for reasons of sheer necessity to accommodate ourselves to the vitality of Western Europe. An Atlantic Community may seem remote at present, but so far it is the Free World's best proposal to meet the challenge of our time. The Common Market was the turning of the tide as it reestablished for Europe the supremacy of free enterprise. As its growth continues, its capital needs will rise; and this is the opportunity for us as investors to participate in its sure advance ahead.

In the final analysis, the capitalistic West, which must include Japan, Canada, and the other nations of the Commonwealth, is on the road to becoming one economic entity. This has many implications, the most important of which is that it will have the capacity to surpass any capability of the Soviet bloc.

*An address by Mr. Craft before the 43rd mid-winter trust conference sponsored by the Trust Division of the American Bankers Association, New York City, Feb. 5, 1962.

Apfelbaum Forms Co.

BROOKLYN, N. Y.—Apfelbaum Mutual Funds Sales Incorporated has been formed with offices at 134 Broadway to engage in a securities business. Mayer D. Apfelbaum is a Principal of the firm.

Form N. B. Tonalli Co.

WASHINGTON, D. C.—N. Blair Tonalli & Co., Incorporated, has been formed with offices at 1500 Massachusetts Ave., N. W., to engage in a securities business. Nelson B. Tonalli is a Principal of the firm.

Eatherton Opens Branch

ST. PAUL, Minn.—Hersh Eatherton & Associates, Inc. has opened a branch office at 3040 North Asbury Ave. under the direction of William A. Thurston.

WASHINGTON, D. C. SECURITY DEALERS & TRADERS ASSOCIATION

The Board of Governors of the Washington, D. C. Security Dealers and Traders Association, announce the election of the following to serve as officers and governors for 1962:

Stephen M. Smith

Landrum Allen

President: Stephen M. Smith, Arden Perin & Co., Inc.
Vice-President: Thomas M. Garey, Best & Garey Co. Inc.
Treasurer: Landrum Allen, Landrum Allen & Co.
Secretary: Theodore R. Haseltine, Citizens Mutual Securities Co.

In addition, the following were elected to the Board of Governors:

John Collins, Combined Investing Co.; Thomas J. McDonald, T. J. McDonald & Co.; R. Adm. (ret.) George E. Peckham, J. P. Clay Investment Co., and Maj. Gen. (ret.) L. P. Whitten, Washington Planning Corp.

The program committee announced that the speakers for the monthly meetings will include officials of local corporations, whose stocks are actively traded in the area.

SECURITY TRADERS ASSOCIATION OF NEW YORK

The 26th Annual Reception and Dinner of the Security Traders Association of New York, Inc., will be held on Friday, April 27, at the Waldorf-Astoria Hotel. Subscription is $17.50. Dinner will begin at 7:30 p.m.; dress is informal and the gathering will be strictly stag.

Robert M. Topol

Michael J. Heaney

Saul Golkin

Bernard J. Clancy, Jr.

Members of the Arrangement Committee are Michael J. Heaney, Michael J. Heaney & Company, Chairman; John E. DeMaye, Sutro Bros. & Co.; J. George Frings, Sterling, Grace & Co.; Vincent Gowen, Goldman, Sachs & Co.; Walter Kane, Shearson, Hammill & Co.; John M. Mayer, Merrill Lynch, Pierce, Fenner & Smith Incorporated; Peter E. Molloy, White, Weld & Co.; Charles S. Offerman, Troster, Singer & Co.; David Wittman, Mallory Securities, Inc.; Edward Zinna, Smith, Barney & Co.; and Lewis H. Serlen, Josephthal & Co., Liaison.

Entertainment: Saul Golkin, Golkin, Bomback & Co.
Dinner Reservations: Robert M. Topol, Greene & Company.
Hotel Reservations: Bernard J. Clancy, Jr., Burke & Co., Inc.

Central States IBA Conference

The 26th Annual Conference of the Central States Group of the Investment Bankers Association of America will be held at The Drake in Chicago on Wednesday, March 14 and Thursday, March 15.

Reservations may be made with William A. Noonan, Jr., c/o Continental Illinois National Bank and Trust Company of Chicago.

Consumer Banking School in Aug.

WASHINGTON, D. C. — The 11th Annual Session of the School of Consumer Banking will be held Aug. 5-17, 1962 at the University of Virginia, Charlottesville, it is announced by Robert A. Fischer, the School's Director.

The enrolment is more than half filled for the first-year class which is limited to 100 students.

The school, sponsored by the Consumer Bankers Association in cooperation with the McIntire School of Commerce at the University, provides a three-year course in all phases of consumer banking. The curriculum includes courses of five divisions: credits, management, operations, human relations, and business development.

The 1962 catalog, which contains information on admission, curriculum, fees, and other details, may be obtained by writing Robert A. Fisher, Director, School of Consumer Banking, 840 Washington Building, Washington 5, D. C.

Craig-Hallum Branch

ST. CLOUD, Minn.—Craig-Hallum, Kinnard, Inc. has opened a branch office at 805 St. Germain Street under the direction of Leonard Knier.

Form Pioneer Securities

CHARLOTTE, N. C.—Pioneer Securities Inc. has been formed with offices at 1628 East Morehead Street, to act as dealers in common and preferred stocks and bonds. Officers are Ernest W. Azer, President; Paul W. Houser, First Vice-President; William Azer, Second Vice-President; and Melvin A. Clippard, Secretary and Treasurer.

Comptroller of the Currency Initiates Comprehensive Study

Agent of the Treasury Department charged with the regulation of Federally-chartered banks asks country's bankers to submit their thoughts on improving the National Banking System. The Comptroller of the Currency establishes an Advisory Committee comprising mostly National Bankers under the Chairmanship of Frank E. McKinney, head of American Fletcher National Bank & Trust Co., Indianapolis.

Text of a letter sent to the presidents of all National and District Banks, dated Feb. 1, 1962, by James J. Saxon, Comptroller of the Currency, follows:

As I am certain you are aware, it is one of the vital goals of our national economic policy to seek the best and fullest use of our productive resources, and a rate of balanced economic growth which realizes our highest potential for advancing the national well-being. We cannot fully attain these aims unless our commercial banking system responds promptly and sensitively to the growing and changing needs of our industry and commerce, and of our government.

This Office has responsibility for insuring the effective performance of our National Banks, and we have decided to undertake a comprehensive study of the functioning of our National Banking System. In making this study, we should like to draw upon your broad experience and thought. We are asking you, as we are the head of each National Bank, to aid us in identifying and appraising the shortcomings of our National Banking System, and in developing measures to overcome them. Our inquiry will be centered on those laws, policies, practices and procedures which no longer serve, and indeed may obstruct, attainment of the requirements of today and of the future.

Suggests Topics

It would be most helpful to us if you would submit to my Office any recommendations for change which your knowledge and experience persuade you are needed. We intend to cover in our inquiry all existing applicable law, regulation, interpretative opinion, policy, and procedure (including forms), and we urge you to consider all of these matters in developing your recommendations. Solely as an illustrative check list of problem areas, we suggest:

(1) Articles and by-laws
(2) Edge Act and Agreement Corporations
(3) Regulation Q, including reserve required against savings deposits
(4) Lending powers
(5) Investment powers
(6) Borrowing powers
(7) Capital-adequacy ratios
(8) Authorized but unissued capital stock
(9) Sec. 5219, relative to state taxation of national banks
(10) Revenue bond underwriting
(11) Stock option plans
(12) Proxy regulations
(13) Preferred stock
(14) Trust powers
(15) Branch powers
(16) Basic lending limits
(17) Stock dividend policy and procedure
(18) Notice, voting, and all other corporate procedural requirements relating to shareholders and directors and the like under all applicable statutes
(19) Mandatory membership of national banks in the Federal Reserve System
(20) Digest of opinions

In submitting your recommendations relating to these suggested topics, will you please provide a separate statement for each title covered, indicating the title and number and bearing your name. Other topics should occur to you based on your experience, and in these instances you should supply your own titles with a separate submission for each additional topic covered. Wherever feasible, your recommendations should be accompanied by supporting factual evidence or hypothetical illustrations, together with an indication of the manner in which you believe your proposals for change would meet the problems you have encountered. Your recommendations should be presented in writing, should be as specific as possible, and should be mailed to this Office not later than March 15.

Frank E. McKinney to Head Committee

I am today establishing an Advisory Committee consisting chiefly of National Bankers, under the Chairmanship of Mr. Frank E. McKinney, to assist me in examining and appraising the proposals which are submitted. I have also included officers of two state banks on the Committee so that we may explore more fully the problems of our dual banking system, and three attorneys whose specialized experience in banking law will be helpful to us. The Comptroller of the Currency, the Chief Counsel of the Office, and the Economist to the Comptroller each will serve as an *ex officio* member of the Committee. The Chief of Staff of the Senate Banking and Currency Committee, and the Clerk and Chief Counsel of the House Banking and Currency Committee have been authorized to participate as observers at sessions of the Advisory Committee, and will be kept apprised of the progress of the Committee's work.

The Committee shall serve as an independent advisory body to the Comptroller of the Currency, and each non-governmental member shall be asked to act in his personal capacity without regard to his affiliation with any association or organization. Each member of the Committee shall bear his own expenses. The Committee shall meet in this Office or otherwise at the call of the Chairman or of the Comptroller of the Currency. It shall continue in existence until the inquiry now begun is completed, when and as determined by the Comptroller of the Currency.

It is our hope, on the basis of the proposals submitted, and the work of the Advisory Committee, that we shall be able to determine the modifications of policy, procedure and practice which properly should be made within administrative discretion, and those which require the submission of recommendations for legislative action by the Congress. This job done, we shall seek the cooperation of the Congress in a recodification of the National Bank Act.

We sincerely hope that the head of each National Bank will give to the Advisory Committee and to this Office the benefit of his intimate understanding of the operation of our National Banking System, and his views concerning the changes which are essential to its most effective performance in the national interest.

A list of the non-governmental members of the Advisory Committee is attached.

Signed: James J. Saxon
Comptroller of the Currency

Non-Governmental Members of the Advisory Committee

Frank E. McKinney (Chairman), Chairman of the Board American Fletcher National Bank & Trust Co., Indianapolis, Ind.

Reed H. Albig, President, The National Bank of McKeesport, McKeesport, Pa.

S. Clarke Beise, President, Bank of America National Trust & Savings Association, San Francisco, Calif.

W. C. Blewster, President, First National Bank of Magnolia, Magnolia, Ark.

H. W. Bourgeois, President, Union National Bank of Lowell, Lowell, Mass.

Frank M. Browning, President, Bank of Utah, Ogden, Utah, and Chairman, Bank of Ben Lomond, Ogden, Utah.

Goodwin Chase, Chairman and President, National Bank of Washington, Tacoma, Wash.

John D. Chisholm, President, Olmsted County Bank & Trust Co., Rochester, Minn.

Frank R. Denton, Vice-Chairman, Mellon National Bank & Trust Co., Pittsburgh, Pa.

Donald M. Graham, Vice-Chairman, Board of Directors Continental Illinois National Bank & Trust Co., Chicago, Ill.

Sherman Hazeltine, Chairman, First National Bank of Arizona, Phoenix, Ariz.

Joseph F. Hogan, Senior Vice-President, Crocker-Anglo National Bank, San Francisco, Calif.

H. J. Humpert, President, First National Bank & Trust Co. of Covington, Ky.

Jay G. Larson, Executive Vice-President (Retired) Seattle First National Bank, Seattle, Wash.

Robert E. McKean, Law Firm of Dickinson, Wright, McKean & Cudlip, Detroit, Mich.

Tom Miller, Jr., Vice-President, American Naitonal Bank of Austin, Austin, Texas.

George S. Moore, President, First National City Bank, New York, N. Y.

Robert Neill, Law Firm of Thompson, Mitchell, Douglas & Neill, St. Louis, Mo.

E. H. Ould, President, The First National Exchange Bank of Roanoke, Roanoke, Va.

Joseph Pulvermacher, President, Sterling National Bank of New York

Edwin J. Reutz, Chairman and President, Kenosha National Bank, Kenosha, Wis.

John A. Seliskar, Vice-President. Central National Bank of Cleveland, Cleveland, Ohio.

Frank Smathers, Jr., President, Miami Beach First National Bank, Miami Beach, Fla.

Carroll R. Wetzel, Law Firm of Barnes, Dechert, Price, Myers & Rhoads, Philadelphia, Pa.

With Powell, Kistler

(Special to THE FINANCIAL CHRONICLE)

FAYETTEVILLE N. C.—Kenneth C. Wible has become associated with Powell, Kistler & Co., 110 Old Street, members of the New York Stock Exchange. In the past Mr. Wible was an officer of McDaniel Lewis & Co., Inc.

Now With Westheimer

(Special to THE FINANCIAL CHRONICLE)

CINCINNATI, Ohio—Daniel J. O'Connor has become connected with Westheimer & Company, 326 Walnut Street, members of the New York and Cincinnati Stock Exchanges. He was previously with Bache & Co.

New Kohlmeyer Branch

JACKSON, Miss.—Kohlmeyer & Co. has opened a branch office in the First National Bank Building under the management of James E. Allen.

Buckner Co. to Admit

Buckner & Co., 122 E. 42nd Street, New York City, members of the New York Stock Exchange, have admitted Patricia J. Carry to Partnership effective March 1.

NASD Promotes Clearance Corp.

WASHINGTON, D. C.—Establishment of the first clearing house corporation for over-the-counter securities transactions, limitations on underwriting profits on unseasoned issues, and maintenance of higher standards for those entering the securities business are among major features of 1962 activity of the National Association of Securities Dealers, Inc.

These were cited by Wallace H. Fulton, NASD Executive Director, in releasing the 1961 Annual Report of the self-policing arm of the over-the-counter securities business.

William H. Claflin, III, retiring Chairman of NASD's Board of Governors, told members that they must share the responsibility for raising standards of ethical conduct in the securities business. Such action, he said, has been called for by the Securities and Exchange Commission to avoid unduly restrictive regulation.

In the field of underwriting compensation, for example, Mr. Fulton said, NASD is entering a new area. The Board of Governors of NASD has authorized review of offerings of issues of unseasoned companies in advance of offering to determine whether compensation to underwriters is fair and consistent with just and equitable principles of trade.

The decision to review was made, Mr. Fulton said, after a study of prospectuses and offering circulars indicated that in some of these arrangements compensation received by underwriters was unfair and unreasonable.

A special "Committee on Underwriting Arrangements" has been appointed to review offerings and to furnish guidance to members and their counsel. In addition, the Committee will furnish guidance on that part of the Board's interpretation on free-riding and withholding covering sales to persons not normally considered public purchasers.

In connection with the free-riding and withholding interpretation, NASD is investigating the distribution of 66 "hot issues." Some 3,000 questionnaires have been completed by underwriters and selling group members. These questionnaires, which disclose the disposition of the issues, have been referred to the appropriate District Committees for determination of compliance with the interpretation, Mr. Fulton said.

The NASD report showed that in the disciplinary area, District Committees filed 486 complaints against members last year for violations of the Association's Rules of Fair Practice. During the year 41 members were expelled and 46 registered representatives lost their right to do business, while 10 firms and 10 individuals were suspended for various periods. NASD assessed fines against 139 firms and 41 individuals, and censured 182 firms and 70 registered representatives for failure to observe high standards of commercial honor.

In 1960, 348 complaints were filed; 23 firms were expelled and 36 individuals had their registrations revoked; 16 members and 13 registered representatives were suspended; 189 firms and 44 individuals were fined, and 152 members and 36 registered representatives were censured.

Mr. Fulton said NASD had registered 102,305 individuals as of Jan. 1, 1962, and membership had reached 4,750, both all-time highs.

Establishment of the over-the-counter clearing house, expected to be operational in 1962, Mr. Claflin said, will aid in promoting growth of the securities business and simplify its operations. Initially, the clearing house activity will be confined to transactions between clearing members in metropolitan New York. Ultimately, it is expected that small and large dealers throughout the nation will participate. NASD is financing the setting up of the facility, Mr. Claflin said, and will be represented on its board of directors, but the clearing corporation will be an entity separate from NASD, owned by the Association members who use its facilities.

The NASD's new, more difficult qualifying examination for registered representatives became effective Jan. 2, this year. It requires those entering the securities business to have broad knowledge of fundamentals and laws governing the business. It is a two-hour test composed of questions based on an extensive study guide. All examinations are being given under controlled conditions at 63 examination centers spotted about the country, mainly in universities and other educational institutions.

Chicago Board of Trade Elects

CHICAGO, Ill. — At its annual election the Board of Trade of the City of Chicago elected James P. Reichmann, Chairman of the Board; Bernard P. Carey, Vice-Chairman; and James J. Coughlin, Second Vice-Chairman.

Robert L. David, Robert L. Martin, Robert L. Raclin, Carson H. Varner and Fred J. Watts, Jr., were named directors for three year terms.

Elected to the Nominating Committee were Ardin P. Buell, George E. Booth and George J. McKerr, Raymond A. Comenzo, Thomas E. Herr, Edmund J. O'Connor, Sidney C. Hamper, Clarence W. Swaby and Earle M. Combs, III, were named to the Committee of Appeals; and John O. Epeneter, William P. Fanning, Thomas A. Geldermann, Sherman L. Levin and Paul F. McGuire were elected to the Committee of Arbitration.

Fred Yager Adds

(Special to THE FINANCIAL CHRONICLE)

DAYTON, Ohio—Charles S. Thomas has joined the staff of Fred C. Yager, Inc., Gas & Electric Building. He was formerly with Wagner & Co.

E. Gottlieb to Admit

On March 1 John W. Rendon was admitted to partnership in Ernest Gottlieb & Co., 61 Broadway, New York City, members of the New York Stock Exchange.

E. I. Dick Opens

Edward I. Dick is conducting a securities business from offices at 145 Central Park West, New York City.

Gilder, Lax Formed

David Gilder and Burton Lax have formed Gilder, Lax Co. with offices at 55 Grand Street, New York City, to conduct a securities business.

Eastman Dillon Branch

SAN JOSE, Calif. — Eastman Dillon, Union Securities & Co., have opened a branch office at 368 Town and Country Village under the management of William E. Cardwell. Mr. Cardwell will also direct a new sales office opened by the firm at 2 Midtown Lane, Salinas, California.

Form S. Snyder Co.

S. Snyder Co., Inc. has been formed with offices at 545 Fifth Avenue, New York City, to engage in a securities business. Officers are Sheldon Snyder, President and Treasurer; Peter A. Orloff, Secretary; and Albert H. Schnaars, Vice-President.

A Cautionary Appraisal Of Our Economy's Prospects

Continued from page 24

type of building. Thus, the 1.4 million unit estimate is volatile and could be cut easily by adverse conditions culminating at the same time—interest rates, building costs, reduced family formations, and increased vacancy rates.

Other construction which includes the non-residential types (industrial, commercial, religious, educational, and similar buildings, public utilities, farm and miscellaneous) should be about $22 billion, a gain of between one and one and a half billion over 1961 and about $2.5 billion over the $19.6 billion total for 1960. Within the components of this type of construction, commercial building may experience a moderate change, but industrial construction should advance by 8 to 10%.

Plans of business for spending for other types of producer durable equipment may total to about $29.0 billion and advance about $1.5 billion over 1960 and about $2.5 billion over 1961. As indicated, a key factor in the total picture of GNP is the spending on new plant and equipment. This means adding the outlays for new producer durable equipment and construction to give a total of about $36 billion. This would represent an advance of about 4% over the 1961 estimate of about $34.5 billion and only slightly over the actual $35.7 billion for 1960. This figure may be on the low side due to the fact that business outlays for this purpose tend to be on the low side during a recovery period as well as being on the high side during a decline.

The improved picture in this area still will not reach the prior peak of 1957. Several factors, however, are contributing to the spark of optimism generated by this sector, especially the improved rates of operation of many industries. Steel, for example, may operate at an 80% level for 1962 as an average, as contrasted to only 50% in January, 1961. The overall of industrial capacity should be between 80 and 83%. The drive for increased productivity will stimulate modernization outlays and increased operations should act as a spur to increased replacements that have been postponed for a while in the last few years. Inducements stemming from favorable tax depreciation treatment such as in textiles will help in this area too, and more can be expected in this vein.

Net Inventory Change

A final item that affects private investment is the net change in the inventory position. This may add as much as $4.8 billion of output, compared to $4.2 billion in 1960 and possibly $3 billion in 1961. The increase in inventories is not to be unexpected during a recovery period, but a complication arises in connection with a possible steel strike during the summer of 1962. Some steel users already are stepping up inventory buying to hedge against this potentiality and steel mills are producing inventory. Although the picture will be disturbing, and especially for the steel industry, many of the gyrations should balance themselves during the year. But strikes such as a steel strike often have a more permanent effect in causing businessmen to re-examine their entire inventory policies, wtih the ultimate hope of reducing the number of days of supply carried and shifting part of the burden back to the ultimate producer. Improved inventory control methods also have shortened the amount of stock required by many firms.

Adding the various components of gross private domestic investment, we arrive at a total of $78.9 billion for 1962 as compared to $72.4 billion for 1960 and an estimate of about $70 billion for 1961.

Government Purchases of Goods and Services. Of increasing importance as a sector of GNP is government purchases of goods and services. It must be kept in mind that this does not represent the total monetary outlays of governmental units since transfer payments are not included in GNP — only actual purchases of goods and services are counted—but they are a part of the budget. Thus, this component is not a complete picture of the influence of government on the economy. Even at this it is startling to keep in mind that about one-fifth of the total GNP is generated in the governmental sector of the economy.

The early indications are that the Federal government will continue to increase its outlays, especially for defense purposes. These may reach $56 billion in 1962, rising from $45.5 billion in 1960 and about $49.0 billion in 1961. Other Federal outlays will be responsible for pushing the national government spending for current production to about $63.5 billion, up from slightly under $53 billion in 1960 and a projected $57.5 billion in 1961.

State and local governmental unit purchases should be up in 1962 to about $56.0 billion from $47.2 billion in 1960 and about $51.6 billion in 1961. The combined contribution of all governmental units to GNP should reach about $119.5 billion for 1962 in comparison to just slightly over $100 billion in 1960 and about $109 billion in 1961.

Continuing Balance of Payments Deficit

Foreign Trade. The foreign trade sector measures the net balance of exports over imports since this is what affects the flow of production and employment and is not to be confused with the balance of payments. It is highly probable that exports will show much the same picture in 1962 as in 1961, and so it is unlikely that exports will increase much over 1961 which was an unusually good export year, spurred on by an intensive campaign to raise exports. Exports, in 1962, may reach $27.5 billion as compared to $27 billion for 1961. Imports will probably rise as business improves and could reach $25 billion or an increase of less than a billion dollars over 1961. Thus, the net balance of exports over imports will probably not exceed $2.5 billion for 1962. This creates problems since the balance of payments includes a number of other items of capital flow that far exceed the $2.5 billion surplus on this account. In fact, the balance of payments deficit may be another $3 billion.

Other Measures. The foregoing has reviewed what the component parts of GNP might look like in 1962. Let us now pay some attention to some of the aggregate measures that affect the levels that we have been describing.

Unemployment will constitute one of the major worrisome areas during 1962 and probably will average around 6% of the labor force, or about 4.5 million. During 1961, the rate ranged from about 6.5 to 6.9%. The sluggish reaction of unemployment as business improves results from the normal lag of employment as recovery gets under way plus special considerations today. Many of these are associated with cost-saving and capital substitution effects of competition and automation in the short run at least. Emphasis on research and development is evidenced through the expenditure of over $10 billion in this area by industry in 1960 and at least a 20% addition by the end of 1962. Productivity—measured in terms of man-hour output per unit of input—rose substantially during the second half of 1961, perhaps by as much as 8-10% on an annual rate basis. The "hard core" unemployed—those out of work for six months or more—may decline from about 800,000 to 500,000. These plus others structurally unemployed continue to be sore spots in the economy as well as an uneven distribution of the unemployed throughout various sectors of the nation, particularly in the derived demand and consumer durable industries.

Another unhappy item is the increasing number of business failures, although some of these may represent the repercussions of intense competition in an increasingly cost conscious market atmosphere.

Industrial production as measured by the Federal Reserve index should show an increase of about 10% in 1962, averaging to about 120 but reaching as high as 125-128 in the last quarter against an average of about 109 for 1961. Increased activity in many industries will provide this boost, but especially in automobiles, steel, aircraft, electronics, chemicals, building materials, military items, appliances, paper, machinery, drugs, containers, non-ferrous metals, textiles, tobacco, and petroleum.

The Gross National Product. Now that we have reviewed the possible reactions of the components of GNP for 1962, what does the total look like? — $558.9 billion. The probable level for 1961 should be between $520 and $521 billion. Thus, an increase of between $38 and $39 billion may be expected for a gross rate of increase of about 7.5%. However, if consumer prices should rise by as much as 2% during the year, this could depreciate about $11 billion of the increase. If a secular or long run rate of growth is to be continued in GNP of some 2.5-3% annually this would mean an expected increase of about $15 billion. Hence, the gross increase of about $38-39 billion becomes a net advance of about $12 billion for a less exaggerated rate of increase of about 2% in GNP in contrast to the gross rate of 7.5%.

All things considered, thus, business will move to new highs during the year, but with a note of caution at all times. Precarious conditions may be upset easily and may lead to a less glowing condition at any time during the year. The international situation is an uncertainty that can influence the governmental sector. Monetary and fiscal policy too may be counted on to introduce more uncertainties should business advance at an unusually rapid pace. History has shown that there is a tendency to tighten the reins of credit and expansion rather quickly and that the resulting moral suasion can stimulate a decline. It is far more difficult to stir up a recovery than to thwart a rise. Consumers are still holding back and uncertainties are prevalent among businessmen. Therefore, it is urgent that public policy refrain from becoming a deterrent. The anticipations for the first half of 1962 are very good, but may be distorted by the steel strike situation. The second half should continue to demonstrate moderate growth and GNP might reach an annual rate of $575 billion during that period. This means that once more expansion will cause uneasiness and bring on a turning point crisis so that another year of decision might be 1963. Many uncertainties must be resolved before that time, however. Thus, 1962 will be a prosperous year, but one characterized by optimism of a cautious and volatile nature.

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ing—federal, state, and local—is likely to go up about $9 billion to a total of more than $150 billion, with the greater part of the impact coming in the first half.

(2) Consumer expenditures will more nearly keep pace with rising income, now running at an annual rate of some $430 billion as against the 1960 figure of $402 billion, than was the case during the first three quarters of 1961; and these total personal consumption expenditures will probably increase some $19 billion during the full year, particularly if, as seems to be indicated, consumer credit resumes its expansion following the general flattening out which was evident during most of 1961.

(3) Inventory change, always a primary factor in the fluctuations of business activity, has been running strongly on the plus side for the last two quarters of 1961 and will continue to rise in the first half of 1962, particularly if there are enhanced expectations of a steel strike. Increases at an annual rate of at least $5 to $6 billion can be expected in the first and second quarters.

(4) Plant and equipment expenditures by business are clearly on the uptrend and will probably exceed the rather drab performance of the 1961 first half by something like 8%.

(5) For the construction industry a rise also is indicated, but home building is unlikely to be a big expansionary factor in 1962. A conservative estimate of new housing starts for the year is a little under 1,400,000, some improvement over 1960 but markedly below 1959. Current relatively high vacancy rates suggest the absence of a robust demand for housing. For nonresidential building some moderate increases are in prospect. On the whole, the construction industry may fare better in the first half of 1962 than in the second half.

(6) The only sector of the economy for which a probable decline is indicated for the first half of 1962 is the balance of exports over imports. A drop here will not make much of a dent in the total economy, but the long-run implications of the current $3 billion deficit in our international balance of payments are disturbing.

(7) Finally, to round out the picture, there will be substantial price stability in the first half of 1962, with the tendency running, if anything, possibly a little to the up side. At the same time a slight strengthening of interest rates appears to be in prospect.

Dubious About the Second Half

Note that I have confined the foregoing comments principally to the first half of 1962. This is because I am one of those who surmise that there may possibly be some question marks about the second half. A year ago I suggested that beginning perhaps with the year 1960 our economy had moved definitely out of the postwar period and was entering a sort of "in between" period in which the pattern of business fluctuations might well be different from that which had characterized the postwar years; and I devoted some time to an enumeration of some of the basic changes which I thought had occurred and were likely to influence the trend in the early 1960s. Some observers think that it might be consistent with these changes to expect business cycles of shorter duration for the present and immediate future. Hence a possible question mark can be hung on the second half of 1962. The recovery from the depression of 1958 was aborted in the second half of 1959; and it is conceivable that the same circumstances, particularly the same kind of experience with a steel strike, could repeat themselves in the latter half of this year. Certainly any very marked inventory buildup in the first half of 1962 ought to be regarded as a bad omen for the second half.

A more tangible question mark is projected by the practical certainty that Federal Government spending in the latter half of 1962 will fall off substantially from the rate in the first half. In order to protect the value of the dollar the Administration almost certainly will need to cut back spending in its fiscal year beginning July 1, 1962; and although the budgetary swing may not be nearly of so great proportions as that which took place during the latter years of the Eisenhower Administration, there might be some unfavorable consequences if a decline in government spending should not be offset by equal or greater advances in other sectors of the economy.

This speculation brings us to the significant question whether a business capital spending boom will get under way in 1962. We are all aware that business spending for plant and equipment has not been particularly robust in recent years. The high point was reached in 1957, with an expenditure of $37 billion. The four years from 1958 through 1961 all fell below this figure; and the estimated outlays for the first quarter of 1962 at the annual rate will not quite reach the $37 billion level, though the second and third quarters should at least equal it. But what happens then? Will capital expenditures taper off toward the year-end and in the early part of 1963, or shall we enter on the general capital goods boom that is essential if we are to achieve an adequate growth rate in our economy and make any real reduction in the rate of unemployment? The answer is bound up with some of the longer-run problems of our economy, and I shall speculate briefly on these a little later. For the time being, in reference to our concern with the 1962 outlook, it is sufficient to indicate the nature of the question marks that may be applicable to the second half-year.

All this adds up to a good year, almost certainly a better year than 1961, but not a boom year.

III

Department Store Outlook

Against this background of the general business situation, what is the outlook for the department store business? As in the past, I confine the estimate primarily to the first six months of the normal department store year, February through July.

Ability to buy will be substantial. Currently, disposable income is running at an annual rate of $375 billion. This figure constitutes a new high in per capita income; and also, as might be expected discretionary income, which is highly important to the department store business, has reached a new peak. Economic observers are practically unanimous in forecasting the trend of consumer income in the first half of 1962 as rising by some 6%. Also it is significant that the savings rate is already dropping from the high level of last summer and can plausibly continue this decline somewhat further. At the same time consumer credit is now expanding, following the slacking off which was in evidence during most of 1961.

Pricewise the prospect is for stability; consumer prices moved up only about 1% in 1961 and are not likely to go up any more than that in the first half of 1962. The various surveys of consumer attitudes toward spending, particularly for big-ticket merchandise, indicates a somewhat greater readiness to buy than was the case early in 1961. (Always, of course, a caveat must be entered with respect to the general international situation. Unquestionably the Berlin crisis last year was not conducive to a good buying attitude on the part of the public, and when other crises are precipitated by the Communists in 1962, as almost surely will happen, consumer buying attitudes may again reflect caution.)

In general, consumer buying in the first half of 1962 may be expected to follow the trend of rising income and probably to follow it somewhat more closely than was the case during most of 1961. Durable goods stand to gain most from this increased liberality of consumer buying, and this will be especially true in the case of the automobile industry. Total retail store business, which does not have the benefit of the rapidly growing expenditures for services, will show a somewhat lower rate of increase than total consumer spending. Also, as just suggested, soft goods will exhibit less advance than hard goods. The entire retail soft goods industry is in the throes of very strong competition, arising from a generally overstored condition — and note also, incidentally, that there is no particularly big fashion excitement this spring. Therefore when we are speaking of the traditional, or NRMA, type of department store and weighing its strengths as well as its weaknesses, a somewhat conservative estimate is that sales will rise 4% in the period from February to July 1962, with variation above this level perhaps more likely than variation below it.

With respect to gross margin, it seems reasonable to expect little change in the percentage. Competition may tend to lower the initial markon, but inventories are in good shape, inventory management is improving, and the price trend, if anything, may be slightly up, a combination which should result in a lower markdown percentage than in the spring of 1961. I look, consequently, for little or no change in the gross margin percentage; but with increased sales the dollar amount of gross margin will of course be higher. (Parenthetically, I believe that those stores which exploit their strengths effectively can improve their gross margin performance.)

Notwithstanding careful management and control, dollar expenses wil still be tending to rise this spring. But with rising sales it may prove possible to hold the expense percentage constant or even pull it down a little.

Profit Outlook

The profit outlook, therefore, is better for the spring of 1962 than it was for the spring of 1961. Dollar earnings certainly should be notably better.

With regard to earnings for the year as a whole, obviously if the few misgivings that have been voiced with respect to the general business trend in the second half prove to be erroneous, and if business investment picks up speed in the second half, then 1962 will go down in the records as one of the better department store years. On the other hand, if the business pace should slow somewhat in the second half, then department store profits for the year might not be much better than in 1961, because of the great importance of second-half earnings to the showing for the year as a whole.

IV

Taking a Longer Outlook View

So much for 1962. Now in keeping with the theme of this paper, "The Challenge of Change," let us give our speculations a somewhat longer time span. Just as retailing has some critical problems to face in the years immediately ahead, so also does the general business community have to meet the challenge of change, a challenge more urgently presented, perhaps, than at any time since the end of World War II.

It is not difficult to enumerate the ingredients of a prospective period of strong business growth. There is, for instance, a substantial business growth factor implicit in the present makeup of our population. The great crop of war babies now in their latter teens will greatly boost the marriage rate beginning in the mid-sixties and extending for several years thereafter. Then the sequence of babies, homes, and increased spending for food, apparel, and home furnishings is a practically inevitable one. At the same time, increased employment, technological advance, and accelerated productivity not only should produce rising incomes but should create the necessity for greater capital expansion. Then all this culminates in a great world boom based on the combination of the United States and the European Free Market.

But before any such rosy goals can be achieved, there are some tricky hurdles to be overcome. Let us try to look realistically at some of these hurdles.

Hurdles to Overcome

(1) There is a current situation which differs substantially from the postwar period in that industrial capacity is ample, inventory management has improved, sales and orders run closely together, and there are no longer any big order backlogs. And with current price trends, there is no money to be made in inventory speculation. In other words, this is a buyer's market, and how do we get it off dead center? And it is important that we should get it off dead center because currently we have the very pressing problem of absorbing about twice as many entrants to the workforce as during the 1950s, again a built-in consequence of our population distribution. And failure to achieve this absorption can create some serious difficulties for our economy by way of upsetting that expected sequence of early marriages, babies, and homes.

(2) We all agree that increased capital investment is an indispensable foundation for business growth; but investment will not be robust if business profits languish, and in the United States business profits have stood still for eleven years. In 1950, corporate earnings after taxes were about $23 billion, and in 1961 the figure was about the same. Yet in 1950 the Gross National Product was $285 billion, whereas in 1961 it was $521 billion. We seem to be in a situation where as soon as corporate earnings begin to show an appreciable rise during the upswing of the business cycle, they are promptly hit on the head by higher costs (principally wages) and by taxes. Hence the upward swing of the cycle falters before a high rate of investment has been achieved and before unemployment has declined to what we should like to regard as a normal level. Contributing also to some slowdown in investment is the current trend of consumer spending toward services rather than commodities. The furnishing of services, as contrasted with the production of commodities, requires less capital investment and affords less opportunity to increase productivity.

(3) Because capital investment is not more vigorous (for instance, no so vigorous as in Europe's new Free Market), we are tending to develop a hard core of unemployment. Contributory causes are the growing use of automation and electronic data processing (likely to increase rapidly as the necessity grows of meeting the lower prices of foreign goods), the politically supported monopolies of organized labor, and the high statutory minimum wage—all these increase the category of the unemployables.

(4) There is the vital necessity of adjusting ourselves to the European common market. It is critical for us to develop our export markets, particularly at this juncture, because since the early 1950s we have not developed any major new consumer products and industries in this country. But we cannot develop the export markets without increasing our imports. (This is what the Administration currently is driving at.) And then we come squarely up against the question of comparative costs. Consider these figures (cited recently by Edson Smith in his column in the *Boston Herald*. As far back as 1952 steel industry employment costs per hour were as follows:

Belgium	$ .82
France	.72
United Kingdom	.64
Netherlands	.53
Japan	.32
United States	3.82

Eight years later, in 1960, the largest rise in these costs in any foreign country was 55 cents, in the Netherlands; but the rise in the United States over this same eight-year period was $1.50 per hour. This stark comparison is symptomatic of the problems we face in surrendering an economic isolation that is no longer tenable in the world we live in.

(5) It goes without saying, of course, that inextricably bound up with this problem of adjusting to the world we live in is the critical need to protect the value of the dollar and to adjust our budgetary and fiscal practices accordingly.

(6) Equally there is a need to abandon our disastrous farm subsidy program and seek some other means of dealing with the social problem of marginal farmers which will permit adjustment of our agricultural output to demand in world markets.

These are a few of the hurdles which must be surmounted if we are to realize fully the rosy economic goals that it is so easy to project as potentials of our system. To get over these hurdles we must be sufficiently tough to do some politically unpalatable things, such as revising the tax system, stopping the farm subsidy nonsense, balancing the federal budget over the cycle, and curtailing the monopoly power of organized labor. But if we are going to continue to preach the virtues of our economic system to others in the world, we must ourselves be more willing to accept the principles of the marketplace. This is the broad economic challenge of change in the United States in the 1960s.

V

Retailers' General Problems

Now turning from the general business scene more specifically to the challenge of change in the retailing of consumer goods for the years that lie ahead in the 1960s, we may note first some general problems that will affect almost all retailers.

(1) First, there is the general problem of overcapacity. Currently the country is seriously overstored. Around the end of 1961 *Women's Wear* reported that at least 28 million square feet of store space was opened in 1961 by the low-markup, self-service, mass-merchandising industry and at the same time estimated that physical expansion of this discount-type industry in 1962 would be at least as great as in 1961. This expansion is in addition to the continued growth of conventional department store branches and food supermarkets. Currently the estimated volume of the discounters is from $4 to $4½ billion, and projected expansion in 1962 might well raise this total to some $7 billion. This figure is to be compared with a total general merchandise, apparel, appliance, and furnture retail business of some $49 billion in 1961.

A manifest consequence of overcapacity is going to be lower retailing profits (and I would remind the retailer that department store profits after taxes averaged only 2.6% of sales for the entire decade of the 1950s and finished the decade at the low point). Another consequence will probably be a marked increase in the number of retail failures. A shake-out appears to be inevitable; but who is going to be shaken out, old ones or new ones?

(2) The changing pattern of consumer spending is currently somewhat adverse to retail business. The marked increase of consumer spending on services has caused retail store sales over a ten-year period to decline from two-thirds to only about three-fifths of disposable income. The shift to a greater ratio of spending on services is no doubt a concomitant to a high standard of living, but it also suggests some failure on the part of manufacturers and retail merchandisers to develop enough attractive new consumer merchandise.

(3) An all-too-familiar problem affecting practically all retailers is the cost squeeze. For some ten years retail wages have been rising notably faster than retail prices, and at the same time improvement of productivity in retailing seems to come more slowly than is the case in manufacturing or agriculture. The result is that a rising cost of doing business puts the squeeze on profits.

(4) The technological revolution has finally come to retailing. For years we used to quip that goods were manufactured by horsepower but distributed by manpower. But rapidly this wisecrack is becoming obsolete. Increasingly, large-scale retailing, at least, will be utilizing electronic data processing, automation of materials handling, and logistics of inventory management. Competition will force the pace. The transformation poses important and critical problems of organization and education.

(5) The great changes in living habits, in transportation, and in urban evolution have affected and will continue to affect the geography of retail location. The urge of customer convenience becomes greater, but the nature and the concepts of convenience also undergo change. Mistakes in retail location can be exceedingly serious, and hit-or-miss methods of selecting retail sites are no longer good enough.

(6) The changing consumer presents a problem for all retailers. With increased discretionary income and with increased leisure time, consumer demand not only has expanded but has become far more complex, variegated, and unpredictable. The segmentation of demand, the growth of self-expression and individuality, the indulgence in hobbies and amateur activities, such as photography, hi-fi, water sports, bowling, and so on, the increased emphasis on time and convenience factors, the shift in shopping-hour preferences, the increased sway of fashion—all these present increasingly critical problems for retail management to deal with. Nobody owns today's complicated and sophisticated consumer.

VI

Specific Challenging Changes

Turning from these more general problems of all retail business, let us look somewhat more specifcally at the challange of change which confronts the traditional, or NRMA, type department store. This type of enterprise which in the past has played so large a part not merely in the physical distribution of merchandise but in the enhancement of the American standard of living and in the development of retail store management methods, for the years immediately ahead faces two major challenges: (1) the problem of downtown and (2) the problem of how to meet the new competition.

Urban evolution proceeds apace, and it is a mistake to indulge in wishful thinking that a state of equilibrium is near at hand. The movement of people and business to the suburbs and beyond is by no means completed, and further shrinkage of downtown activity is indicated. Increasingly it becomes necessary to re-think the appropriate economic functions of the downtown central core area in the megalopolis of the not-so-distant future. In such a re-thinking of economic functions quite conceivably the retail distribution of many types of consumer goods will not be found to rank high in priority. But for the time being the central city needs the department store almost more than the department store needs the central city, and this is a mutuality of interests that should be more actively recognized.

Recommended Study

To department store management I recommend the following:

(1) An analysis should be made of the present makeup of the downtown store's clientele, dividing it into such groups as nearby downtown residents, downtown working population who shop as an incident to their presence in the city for employment reasons, strictly out-of-town transients, and suburban residents who have to make a special trip to visit downtown stores. Appropriate income and racial breakdowns of these groups should be made where possible. This analysis should then proceed to examine the trends in purchasing by these various groups over the last few years.

(2) A realistic appraisal should then be made, utilizing all the statistical material that is now available for most large cities, of the probable trends in place of residence, employment, mode of transportation, and so on, for each of these groups and subgroups, with a view to projecting the probable volume of sales that will be available from each to the downtown store over the next several years.

(3) Next, the situation of each of these groups should be studied with the purpose of determining how best the trade of that group with the downtown store may be maintained or enhanced. For that objective all possible avenues of promotion and contact should be explored, including improved telephone service, catalogue-office selling, in-the-home selling, more extensive use of TV, and improved delivery.

(4) Then a long-range plan should be made to adjust the downtown floor space to the realities revealed by this survey, and to arrange for the most remunerative nonretailing use of the remainder. At the same time, unless a complete abandonment of downtown is contemplated, improvements should be budgeted to make the downtown store a glamorous and exciting place in which to shop. To let the downtown store become shabby and unattractive can accelerate the decline of central-city shopping.

(5) In the meantime all possible collaboration should be pushed with the other business and civic interests having a stake in downtown in order to make a concerted drive on all the problems—occupational, fiscal, cultural, and transportational—whose solution might lead more people to frequent the downtown area.

Obviously what I have outlined is a major undertaking, not merely a two-week assignment for some recent college graduate. On the contrary, it should be a full-

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time assignment for a principal store executive.

New Competition

Turning to the second major problem of the conventional department store, namely, that of meeting the new competition, I venture to inquire first, "What is new about it?" On other occasions I have commented that there seems to be a sort of revolving wheel in retail distribution. Repeatedly we have seen innovators in retailing start on a low-price, limited - service, fast - stockturn, low - operating - cost basis, frequently in unattractive surroundings; and then, as they catch on and their public acceptance grows, they trade up — better goods, more services, nicer stores, more promotion, higher costs, higher margins, slowdown in stockturn, increased investment, declining rate of return on investment—all leading to ultimate vulnerability to the next innovator who catches on with the public. Sometimes the wheel revolves slowly, as I think has been the case in the department store field; sometimes it revolves quite rapidly, as obviously has been the case in retail food distribution over the last half century. But essentially, when the early food supermarkets in the 1930s started in old carbarns and when the first of the soft-goods supermarkets started in New England in old mill buildings in the mid-1950s, they were only repeating the same economic maneuver that John Wanamaker performed when he bought an old freight depot at 13th and Market Streets in Philadelphia in 1975.

This revolving wheel concept of competition in retail distribution is simply one way of describing the inevitability of change and suggesting that change in retail distribution frequently follows a certain recognizable pattern. The emphasis is on change. As my friend Professor Barnet of Michigan State has described it, "The law of mass merchandising is, 'Innovate or perish'."

Change and innovation are always uncomfortable for the established institutions. And when a pattern of change begins to unfold, there are always cries of "No fair," "Foul," "Illegitimate," and so on. But let it be remarked in passing that only through innovation in distribution does a real opportunity arise to reduce distribution costs. There is ample evidence that, notwithstanding the best of intentions and the steadily growing emphasis on analysis, budgeting, and control of expense, a condition of *status quo* in retailing almost inevitably lends itself to a creeping inflation of distribution costs. Only through innovation is the balance restored.

So to the extent that the so-called new competition simply reflects the typical turn of the wheel in retail distribution it is not wholly a new phenomenon. But this is not the whole story. Although the present innovations reflect an old pattern, they are taking place in a different context from any that we previously have experienced. By context I mean a certain conjuncture of retailing methods and social and economic trends, and it is in this sense that perhaps we are warranted in speaking of the new competition.

Let me try to explain what I mean. For years we have bandied-about the term "mass distribution," applying it to such organizations as Sears, Roebuck, J. C. Penney, W. T. Grant, F. W. Woolworth, and so on. I suggest, however, that only now is an important segment of retail trade beginning to move into real mass merchandising. (Parenthetically I think it is significant that Professor Barnet of Michigan State University, to whom I referred to above, has recently changed the name of the program for which he is responsible at that school from "Food Merchandising" to "Mass Merchandising.") For a number of years past it has been evident that the three most significant concepts in retailing have been the department store concept, the chain store concept, and the supermarket concept. The department store concept, embracing a great range, selection, and variety of goods all under one roof, now characterizes not only department stores but discount houses, what used to be variety stores, and what used to be food supermarkets. Almost all sizable stores today are department stores in this sense. Next, the chain or multi-store concept now clearly applies to practically all retail businesses of any significant size. Except for a few very high-prestige specialty stores, almost all important retail concerns are multi-unit operations. Finally, the supermarket or self-service concept, starting with food stores, has spread widely through many other commodity types that have been found to be susceptible to this kind of selling. So these three retail concepts are dominant today; and furthermore, increasingly, all three of them may be found exemplified in the same organization. This coming together of the department store concept, the multi-unit concept, and the supermarket concept is one aspect of today's mass merchandising.

Even more significant is the way in which today's mass merchandising fits into the general social environment, into the way in which people live, into their buying behavior. There is a marriage of the way of doing business with a way of life, a way in which quite a lot of people want to behave for at least part of the time. Perhaps I can make clear what I mean by reviewing briefly the factors which various surveys have revealed as motivating the existing consumer acceptance of the soft-goods discounter.

Consumer Motivating Factors

Price is clearly an important appeal for a considerable segment of the population. After all, there are still 42% of the family units in the United States with incomes under $5,000. Fully as significant is the fact that even for income groups at higher levels the current costs of educating children in large families and of meeting rent, interest, installment payments, and other fixed charges promote a strong desire to economize in certain directions, as for instance, children's clothing, which in any event is likely to be outgrown rapidly. The universality with which the price appeal is emphasized by the new mass merchandisers is unmistakable, and it is plausible that the simplicity and even crudity of fixtures and decor, and the almost studied disarray of merchandise, contribute to customer confidence in low prices.

Nevertheless I am not persuaded that price is necessarily the most important appeal of the mass merchandiser. I think convenience bulks fully as large. It is noteworthy that catering to convenience has been the major key to most marketing successes in the postwar period. Convenience today embraces far more than merely the old notion of simple geographic convenience, i. e., convenience of place of residence, though that is still part of it, and the suburban location of most discount operations is a factor in their success. But there is more to convenience. The time factor is today probably more important than the geographic factor: shopping hours, especially evening hours and Sunday hours (except where there are "never on Sunday" laws), easy automobile access, quick offstreet parking, speed of locating merchandise (facilitated by single-floor layout) and making selection, speed of consummating the transaction —all these fall into a pattern of appeal for people who are in a hurry, who have a great many other things to do with their time, and for whom a shopping trip is no longer a treat or a big production, who want to dress casually, and who may want to take children or even the entire family into the store. So this kind of mass merchandising peculiarly fits living habits of large segments of the population. It is not a matter of service versus self-service or non-service. That is largely a false distinction, and actually the so-called self-service or lack of service may be offering the customer a greater service by providing more convenience. Some of the present acceptance of the new mass merchandisers indeed seems to be a reaction triggered by disappointment and dissatisfaction with the "service" of department stores.

Thus with its combination of price and convenience appeals fitting so well into the current social scene, the low-markup, self-service, mass-merchandising organization is indeed the "new competition," and I believe this new mass merchandising is going to be part of the retail distribution scene for a considerable time to come (always recognizing, of course, that no pattern has any finality and that eventual change is inevitable). This is a turn of the wheel that seems to be catching up at the same time with both department stores and food chains. Doubtless a considerable shake-out of the inept will take place, and doubtless those who survive —and there will be many—will as the wheel revolves find themselves trading up, incurring higher costs, competing heavily with each other, and encountering eventually a diminished rate of return. Nevertheless the mass merchandisers will retain for a long time the low-price image which most department stores today have lost. Conditioned by long experience with self-service supermarkets, housewives are now likely to make a considerable vogue of patronizing this kind of store operation.

The impact of this new competition is not solely, and perhaps not even principally, on the traditional department store business. Today discounters represent probably not much over 10% of the total retail general merchandise, apparel, appliance, and home furnishings business. (Since food also frequently is involved, exact comparison is difficult.) It is possible that the inroads of the discounters on variety stores, junior department stores, and low- and medium-class specialty apparel stores will be greater than on department stores. Much depends on the type of department store and much depends on what department store management does.

Discount Environment

Many people do not wish to buy merchandise in discount house surroundings. Many kinds of merchandise require a different kind of presentation and selling. These new mass merchandisers do not have a fashion image, and in many instances surveys indicate that their reputation for quality is not yet fully estabilshed in the minds of consumers. Clearly when a retail organization has a high prestige image of quality and fashion, the new competition is not likely to be felt very much. Bergdorf Goodman, Neiman-Marcus, and Lord & Taylor have little to fear. Also, the store that has built an image of complete stocks and very wide range of selection —"the store that has everything" —the Marshall Fields, the Jordan Marshes, the John Wanamakers— are not likely to be very hard hit, at least until the evolution of the new mass merchandisers has proceeded considerably further. But the just so-so, more or less "faceless" department store, the just-another-price-appeal store, may find the going considerably tougher. The new mass merchandising competition is going to get quite a lot of that kind of business.

For a time during the past year it seemed, as one read the headlines of *Women's Wear*, as if the general sequence of department store attitudes toward the discounters had been one of, first, ignore them, next, denounce them, and finally, join them. No doubt there are some conventional department stores that should become discounters, but there are more that should not, more that should re-assess their strong points and then lead from strength rather than from weakness. I have been somewhat disappointed over the past year not to see more instances of stores taking this approach.

Convenience—Competition

The foregoing comments have to do primarily with the policies of stores in meeting the price aspect of the new competition, but meeting the convenience aspects of this competition is another story; and here I feel that almost all department stores must take some lessons to heart. They must embark on a thoroughgoing program of making it easier for customers to buy, whatever this may involve by way of changes in hours, organization, layout, fixturing, or by way of adoption of more flexible management concepts. Catering more to the convenience instinct of customers is a must.

How will the new mass merchandiser himself evolve? That he will evolve we may be certain and that some of the trading-up phenomena will come into evidence which we have so often seen accompanying the revolution of the wheel is highly probable. Already, financial respectability has been largely achieved; already can be seen general acceptance by a great majority of manufacturers of these new mass merchandise outlets as a regular channel of distribution. Also can be foreseen their eventual acceptance into most shopping centers. Otherwise the direction of the evolution is problematical. Possibly several different patterns will emerge: as, for instance, a strictly convenience goods store, bringing together all the kinds of merchandise in the food, household, drug, apparel, gift, hardware, and allied lines that can be handled on a fast-moving mass convenience basis, perhaps making convenience even more of an appeal than price; or, for instance, perhaps a strictly price appeal operation covering a wider variety of goods, including big - ticket merchandise, with sharply limited lines, a store offering a few of everything for the strictly price buyer. These are only surmises. Certainly it would be reasonable to expect some more or less differentiated patterns to emerge.

Closed-Door Operation

There are of course many other questions. What is the future of the closed-door operation? Is it a passing phase or will it survive by taking on some aspects of consumer cooperatives? What about leased departments? A plausible view might regard this device as primarily an expedience to enable stores to get started quickly without large capital investment, and might envisage a decline in this form of operation as capital resources are developed and as control problems become paramount. On the other hand, the advantages of merchandise management specialization afforded by leased - department operation must not be overlooked. The late Edward A. Filene frequently argued that the department store of the future would consist of a huge chain of leased operations.

Only time can provide the answers to such questions as these. Meanwhile, the challenge of change is emphatic; this is a period of great ferment and excitement in retail distribution, a period of great opportunity that hopefully will call forth the best talents of the new generation.

*An address by Mr. McNair before the NRMA Convention, New York City.

Graniteville Co. Common Offered

An underwriting group headed by Shearson, Hammill & Co., New York City, is offering 796,716 treasury shares of Graniteville Co., at $16.875 per share. Net proceeds, together with other funds, will be used to by the company to acquire all the outstanding stock of McCampbell & Co., Inc., a New York textile commission agent.

The company, incorporated by Special Act of the South Carolina Legislature in 1845, is one of the oldest manufacturers of cotton fabrics in the southern U. S. It operates six cotton mills, three finishing plants, a waste plant and various service facilities and other properties, all located in or near Graniteville, S. C., where its head office is located. The Gregg plant, largest and newest of the company's facilities, was completed in 1950 and is a modern and versatile cotton dyeing and finishing plant.

Knickerbocker Toy Company Stock Offered

Offering of 100,000 common shares of Knickerbocker Toy Co. Inc., at $7.50 per share is being made by Netherlands Securities Co., Inc.; Seymour Blauner Co., and Herbert Young & Co., Inc., New York City, and associates. Net proceeds will be used by the company for additional working capital.

The company of 401 Butler St., Brooklyn, N. Y., designs and manufactures toys, which it markets throughout the U. S. Its principal items are stuffed animals and dolls. The company's products also include such toys as vinyl banks and dolls, stuff and lace kits and hand puppets.

With Financial Programs

CASPER, Wyo.—Chester P. Sorensen, former Executive Director of the Wyoming Employment Security Commission has been named a representative of Financial Programs, Inc., from offices at 416½ South Kimball Street, the firm's District Manager, Gordon MacManus, has announced.

Financial Programs, Inc. was formerly called FIF Associates, Inc.

R. J. Buck Branch

KEY WEST, Fla.—Richard J. Buck & Co. has opened a branch office at 423 Front Street under the management of S. Candler Dobbs. Mr. Dobbs will also direct the activities of the firm's new branch in the Sombrero Club, Sombrero Beach Road, Marathon, Fla.

Lieberbaum to Admit

On March 2, Stuart M. Diamond will become a partner in Lieberbaum & Co., 50 Broadway, New York City, member of the New York Stock Exchange. Mr. Diamond, a member of the American Stock Exchange, was formerly a partner in Herman Diamond Bassock Arnold & Easton.

Administration's Economic Program and Objectives

Continued from page 5

amount from fiscal 1959 to fiscal 1960. In short, the 1963 budget starts from a much smaller deficit and, accompanied by a moderate increase in expenditures, should move to a moderate surplus as the recovery strengthens.

If private demand for goods and services should prove weaker in 1962 than now anticipated, less private purchasing power will flow into taxes and the budget revenues will fall short of expenditures, giving an added demand from the excess of public spending.

Contra-Cyclical Weapons Needed

Of equal significance to the budget proposals in the fiscal area is the President's request for additional tools to strengthen our defenses against recession. With three recessions in the past seven years, we cannot assume that there is some magic in the current expansion movement that assures its permanence. There will always be economic fluctuations and changes in rhythm and pace of advance.

Already built into the Federal fiscal system are several automatic defenses against recession and inflation. As has been implied, the tax revenues change proportionately more than gross national product on both the up and down side. Certain Federal expenditures such as unemployment compensation payments serve as automatic or built-in stabilizers. These existing tools have moderated the severity of cyclical swings in the economy since World War II, giving a better opportunity to the basic recuperative powers in the private economy to produce a recovery.

But, recent experience proves beyond a doubt that they need to be reinforced. The President's proposals will be prudent additions to the tools of fiscal policy. If they are provided by the Congress and carefully used by the Executive Branch along with the existing stabilizers, the nation can do a more effective job in combatting recession, sustaining prosperity and high employment and promoting an increase in our long-term rate of economic growth.

The basic elements of this new program of fiscal policy for waging an effective attack on any new or threatened recession are:

(1) Presidential stand-by authority for prompt temporary income tax reductions to combat a recession, subject to a legislative veto should Congress not concur in the temporary act by the President;

(2) Stand-by authority to the President to accelerate and initiate up to $2 billion of appropriately timed capital improvements when unemployment is rising at a rate to be stipulated by Congress; and

(3) A permanent strengthening of our Federal and State system of unemployment insurance to include an extension of unemployment benefit periods, give wider coverage, and provide increased benefit amounts.

The enactment of these three measures will enable Federal fiscal policy to respond firmly, flexibly and swiftly to oncoming recessions. They parallel similar recommendations of the Commission on Money and Credit, a private group of leading citizens representing diverse economic interests and viewpoints, which presented a report last summer under the auspices of the Committee for Economic Development and the Ford Foundation. These Measures constitute a far-reaching innovation in discretionary fiscal policy, but they are moderate proposals carefully defined and limiting increases in authority.

Monetary-Crediting Policy Measures

Of course, these tools of fiscal policy do not stand alone. Monetary and credit policy play an important role in assuring that degree of utilization of existing supplies of manpower and capacity which invites further increases in output potential. The powers and responsibilities inherent in the Federal Government, exercised through the Federal reserve control of the volume of bank reserves, the Treasury management of the public debt, and the administration of a variety of lending and credit guarantee programs have and will continue to affect significantly the adequacy of demand on a rising scale. The effective utilization of these monetary powers in coordination wth Federal fiscal activity is the very essence of any program for sustained prosperity.

This coordination can be effectively enhanced by the provision of the new fiscal tools stipulated in the President's program, particularly in a period, such as the present one, when an imbalance of our international payments places additional constraints on the use of monetary policy to effect recovery from recession or promote growth. Therefore, it is particularly important at this time to provide the tools for more effective fiscal action which the President has recommended.

New Tax Policy Designed

A third significant policy designed to relate fiscal activity to the President's economic goals is represented in the effort to develop a tax policy to encourage investment in productive machinery and equipment. There is a fundamental relationship between increasing investment levels in machinery and equipment and sustaining economic growth and providing more productive efficiency and effective competitiveness in the export and import industries in aid of our balance of payments. For these reasons, the Treasury Department, supported by the President, is giving a first priority in its tax policy to a tax depreciation reform program consisting of two steps.

The first is the issuance of a realistic and modernized set of depreciation schedules for productive equipment, along the lines of those already announced for the textile industry, taking into account economic life and recent and prospective technological advances. On Jan. 18, 1962, Secretary Dillon informed the Joint Committee on Internal Revenue Taxation that "It is my firm intention to announce new guidelines for depreciation during the course of the spring of this year. These guidelines will cover all major assets for all industries." It is planned to provide for subsequent changes to keep this process up to date with technological change.

That step, helpful though it will be, will not put American producers on a fair footing with their European competitors. To achieve that goal and accelerate economic growth, the President, in his State of the Union Message, requested the enactment of an 8% tax credit for investment in machinery and equipment which represented a modification of an earlier proposal he made in his first Tax Message in April 1961. That proposal is the main thrust of the tax bill presently pending before the House Ways and Means Committee.

One of the most important policy goals of this Administration is to complete this two-phased depreciation reform and thereby encourage the increase in productive private investment, for both growth and balance of payments reasons. We need to make sure that our tax laws are fostering a strong flow of funds into investment in new productive facilities. We believe that this depreciation reform, including both the administrative revision of depreciation guidelines and the legislated investment credit, is not only the best way to bring about a higher investment level, but is absolutely necessary if the nation is to grow at a more rapid rate and correct the imbalance of our international payments.

Let me make it clear that these are not proposed as temporary measures. They are long-term in their outlook and consequences. Their sponsors hope and intend for them to become a permanent part of the economic structure for attaining over the long pull a higher rate of economic growth in the U. S. fed by an expanding technology. Through their effects on cash flows, higher rates of return, and shortened period of capital risk, they are expected to stimulate investment — and the need to stimulate investment is a long-term need in our society.

But this depreciation reform program alone may not be the ultimate answer to growth through tax policy. Certainly, it does not exhaust the possibilities of utilizing changes in the present tax structure to encourage a higher rate of capital formation through the private incentives which will translate our expanding technology into new or improved products and services at a much more rapid rate than has characterized the economy in recent years.

Re-Examining the Whole Tax Structure

In announcing his submission to Congress later this year of a major program of tax reform, President Kennedy said in his Economic Report:

"This broad program will examine tax rates and the definition of the income tax base. It will be aimed at the simplification of our tax structure, equal treatment of equally situated persons, and the strengthening of incentives for individual effort and for productive investment."

These few illustrative fiscal and monetary policies developed to promote the economic goals announced by the President leave unexplored many recently announced economic programs which fill out a grand design—for example, an entire battery of measures and disciplines to deal with our imbalance of payments—by striving for increase in the U. S. commercial trade surplus, by staying competitive, by vigorously promoting exports and reducing credit risks, by enacting a trade program to retain and enlarge opportunities for U. S. exports in the rapidly expanding European Common Market, by actions to reduce, offset or restrain our overseas expenditures, by monetary measures to prevent "hot money" flows seeking advantageous short-term interest rates, by the working out of new arrangements for Free World consultation and cooperation in strengthening its trade and payments system.

Perhaps more important to men and women engaged in private business than any one government policy or related series, is the spirit and attitude on which the entire program is grounded. On this, may I be permitted a bit of personal testimony?

It is my observation and conviction that the program contained in the President's Budget, State of the Union Message and Economic Report, has been designed to provide a groundwork for meeting the challenges of the years ahead in the context of a free market and competitive system, with voluntary action by management and labor, and the vigorous discharge by government of its responsibilities for well-coordinated monetary and fiscal policies.

Keeping the Private Economy Private

Analysis will show that the President's program is based squarely on the premise that the achievement of growth and our related economic goals in the Sixties must come primarily from private market forces bolstered by investment in increased capacity, productivity and efficiency. These are preferred to the artificial responses to war-induced shortages, inflation or a steady diet of unbalanced budgets or excessive price and wage increases exacted from the economy without regard to our position in world markets.

The President's program seeks to rediscover normal, vigorous, but not easily attainable, incentives for productivity, efficiency and growth that are in keeping with our free enterprise system. Its goal is to have the Nation accept the competitive challenges with which we are confronted overseas in a manner that will repulse our enemies and conjoin us more firmly with our friends. The program would provide financial conditions and tax incentives that would encourage private business to seize the investment opportunities opened by an expanding technology, but it does not fail to insist upon public investment in programs such as education and health that spur our growth and fortify our strength—or the maintenance of an adequate national security and effective foreign policy.

Unlike the Thirties, much of the threat to our national welfare arises from sources outside our borders. Of course, the great venture of increasing opportunity and meeting unsatisfied needs at home is never ending in a nation dedicated to the dignity of the individual and the pursuit of happiness. But, looming large in the Sixties is the external threat to life and liberty. In a hot war, government and business are drawn naturally together by the obvious peril. In the cold war to which we have been challenged, coordination of private business interest with the national interest requires vigorous mutual pursuit. It is particularly important for government and business to put aside the antagonisms engendered in the adjustment of the Thirties and shoulder together, wisely and proudly, with labor as a third and equal partner, the enormous responsibilities the Sixties present for free men and free nations, and most of all for the United States.

The clear and unmistakable existence of this attitude on the part of this government is the most important message I can bring you today concerning the fiscal and monetary policies of the government and their effect on business.

*An address by Mr. Fowler before the Business Outlook Luncheon, Metropolitan Washington Board of Trade, Washington, D. C., Feb. 20, 1962.

H. D. Tallmadge Opens

BELLEVUE, Wash. — Henry D. Tallmadge is conducting a securities business from offices at 10843 Northeast Eighth, under the firm name of Henry D. Tallmadge Co.

Opens Phelps & Co.

BERKELEY, Calif. — Ralph L. Phelps, Jr. has opened offices at 3124 Eton Avenue, to engage in a securities business under the firm name of Phelps & Co.

With Penington, Colket

READING, Pa.—Penington, Colket & Co., 12 North Fifth Street, have announced that Mary Steinbergh Wilson is now associated with them as a registered representative.

Nat'l Stock Exch. Names Joseph

Alfred J. Joseph has been appointed Vice-President of The National Stock Exchange, it has been announced by Lawrence H. Taylor, Sirota, Taylor & Co., Chairman, Mr. Joseph will direct floor trading and clearing at The National Stock Exchange, which inaugurates trading March 7. He was for seven years a senior accountant and supervising auditor in the New York office of the accounting and auditing firm of Ernst and Ernst.

Alfred J. Joseph

De Groot Joins E. F. Hutton Co.

SAN FRANCISCO, Calif.—Niels de Groot has joined E. F. Hutton & Company as Assistant Vice-President of the national brokerage firm's underwriting affiliate, E. F. Hutton & Co., Incorporated, and manager of the industrial department.

Mr. De Groot will assist in handling underwritings, private placements, and acquisitions out of the San Francisco office, 100 Montgomery Street, according to Robert M. Bacon, Vice-President of this E. F. Hutton & Company affiliate.

Mr. De Groot was born in Hamburg, Germany. After schooling at Berlin and Zuoz, Switzerland, and advance studies with the University of Freiburg, Germany, he joined the Allied Intelligence Service in 1943. He was later imprisoned by the Nazi Authorities and was liberated by the United States Army.

Mr. De Groot served as a correspondent and editor with U. S. Government newspapers from 1945 until 1952 when he became associated with the Ford Motor Company's German subsidiary, Ford Werke in Cologne. With Ford he became Area Manager, U. S. Product Sales.

In 1956, Mr De Groot joined the Bank of America in San Francisco. After training in various phases of corporate finance, he was assigned to form a new department, Corporate Investment Service, of which he was Manager.

Goldman, Sachs Names in Phila.

PHILADELPHIA, Pa.—Goldman, Sachs & Co. announce the appointment of Carl T. Necker as Manager of the Municipal Bond Department in the firm's Philadelphia office, Philadelphia National Bank Building.

Three With Adams

(Special to THE FINANCIAL CHRONICLE)

LOS ANGELES, Calif. — Murray Barrett, Albert R. Gulbin and John Kaufman have been added to the staff of Adams & Co., 5455 Wilshire Boulevard. Mr. Barrett was formerly with Costello, Russotto & Co. Mr. Gulbin and Mr. Kaufman were with Sellgren, Miller & Co., Inc.

A. M. Kidder & Co. Names Two Officers

Robert W. Bachelor has become a Vice-President, and Hans Ege, an Assistant Vice-President of A. M. Kidder & Co., Inc., 1 Wall St., New York City.

How Population Rise Affects Housing and Economy's Pace

Continued from page 1

were in the entire country in 1960, that is, approximately 180 million persons. The combination of resurgent national growth and the accelerating concentration of population in the metropolitan areas has the greatest significance for the demand for housing in requiring tremendous expansion of the housing plant in metropolitan U. S. A. Particularly significant in influencing the demand for housing has been the population increase in large metropolitan areas—that is those with a million or more persons. Between 1950 and 1960, the increase in the large metropolitan areas accounted for 60% of the total population increase of the United States. Should this trend continue, then it is possible that of a total increase of 30 million persons between 1960 and 1970, about 18 million would be absorbed by metropolitan areas with one million or more inhabitants. That is the demand for housing is becoming increasingly concentrated in metropolitan U. S. A. and especially within metropolitan areas containing one million or more inhabitants.

Suburban Population

Although the population is becoming increasingly concentrated in metropolitan areas, it is becoming decentralized within such areas. That is, disproportionate parts of total increase in metropolitan population is occurring in suburban United States, rather than in the central cities of these areas.

If central city boundaries are held constant between 1950 and 1960, central city populations increased by only 1.5%, whereas suburban population increased by 62% during the decade. With allowance for annexations, central city population between 1950 and 1960 increased by 11%; and that in suburbia by 49%. Moreover, and highly significant in indicating trend, perhaps, is the fact that 70 cities, or over one-quarter of the 257 central cities in metropolitan areas, experienced some population loss between 1950 and 1960. Of the five largest cities in the United States only one, Los Angeles, reported a population increase during the decade. Of the 12 largest cities at the beginning of the decade, 11 had lost population by 1960.

Should the trend continue, it is clear that most of the population increase anticipated during the sixties and the seventies will be concentrated in the suburban ring of metropolitan areas, and especially the large metropolitan areas. The demand for new housing will, therefore, tend to be concentrated in suburbia over the next two decades, and especially in the suburban areas of the large metropolitan areas.

Households

Demand for housing will, of course, be more closely related to changes in number of households than in total population. Over time households have increased more rapidly than population in the United States reflecting, of course, the decreased number of persons per household. The decrease in the average size of households is the result in part to the long-run decline in the birthrate and, in part, to the transition from the large family to the small family system, that is, the tendency for the household to become a two generation, rather than a three generation, unit. It is significant that between 1950 and 1960, even though the number of persons per family—that is persons related by blood, marriage or adoption—increased somewhat from 3.54 to 3.68 persons, the number of perons per household continued to decrease from 3.53 to 3.38.

During the sixties the number of households is likely to increase from 52.6 million to a minimum of 60.8 million and an upper limit of 63.4 million. Thus the increase in households is likely to average from approximately 800,000 per year to 1.1 million per year during the sixties. The continuation of the trend would result in the higher figure. Moreover, net household formation should be greater during the second half of the decade than during the first, averaging perhaps a million or less during the first half of the decade and over 1.1 million during the second half. The full impact of the postwar baby crop on household formation will be felt during the seventies as well as the later sixties. Between 1970 and 1980, continuation of trend would increase households in the U. S. by approximately 14 million units. Thus, net household formation could run about 1.4 million units per year during the seventies. Decline in growth rate, however, could produce a net increase of only 11 million units during the seventies or net household formation of 1.1 million units per year.

Households by Age of Head

The increase in total number of households obscures important differences in the stage of the family cycle of households being added during the next two decades, and therefore their influence on housing demand. The increase in household formation which lies ahead will be the result of the postwar resurgence in birth rate, and will reflect the reaching of maturity by the postwar baby crop. In consequence, the rate of growth of households will be much greater for young and for old households than for households of intermediate age. The relatively rapid growth of older households will follow from the long time trend in the aging of the population of the United States. Since households with heads under 25 years of age, and those with heads 55 years of age and over will constitute a relatively small part of the demand for home ownership, the anticipated great increase in household units will not result in a corresponding increase in the demand for home ownership units and, therefore, for mortgages.

Between 1960 and 1970 while total household units increased by 20.5%, households with heads under 25 years of age are likely to increase by 92%; and households with heads 55 years of age and over by 29.6%. In contrast, households with heads of intermediate age, 25-54 years, where the predominant proportion of the mortgage market lies, will increase by only 9.6%.

Between 1970 and 1980 the situation from the home ownership and mortgage standpoint are likely to be considerably improved. In the seventies, total households are likely to increase by 22.2% under present trends. Households with heads under 25 will increase by 30.5% and those with heads 55 and over by 24.2%. Households with heads of intermediate age would, during the seventies increase by 19.6%. Thus, households with heads of intermediate age, will improve their relative growth position during the seventies as compared with the sixties.

The rates of increase viewed alone, however, do not tell the whole story. During the sixties, of the total increase of about 10.8 million household units, if present trends continue, 2.3 million units would be households with heads under 25 years of age; 5.3 million units would be households with heads 55 years of age and over; and 3.1 million units would be households with heads of intermediate age. Thus, during the sixties increase of households with heads of intermediate age would constitute less than one-third of total household increase.

During the seventies, of the total increase of 14 million households, only 1.5 million would be households with heads under 25, and 5.6 million units would be households with heads 55 and over. Households with heads of intermediate age would increase by a total of 6.9 million during the seventies and make up about one-half of the total.

Thus, it would seem that during the sixties, and especially during the first half of the sixties, demand for dwelling units by new households will be largely made up of demand for rental units. Not until the latter half of the sixties and during the seventies may a relatively great increase be anticipated in household units among which the demand for housing will represent largely demand for owned home units.

Concluding Observations

The projections set forth above are, of course, dependent on the continuation of the observed trends. Sharp changes in the birth rate which could affect total population growth, sharp decline in rate of economic growth which could influence household formation, or the catastrophe of hydrogen bomb war would, of course, completely alter the picture. Moreover, the trends projected do not take into account a new and administered factor in the demand for housing, namely, that occasioned by urban renewal activities. An appreciable increase in urban renewal activity could, of course, greatly influence the demand for housing units. It is, also, possible that any greatly increased activity in respect to "urban maintenance" could also affect the entire construction industry, including financial institutions. Greatly stepped up expenditures for urban maintenance could affect the replacement market for new housing units, on the one hand, and greatly increase the need for financing of renovation and modernization of housing on the other. Finally, the interpretation of the population data must be tempered with awareness of possible changes in home-financing practices.

*From a talk by Dr. Hauser before the 7th annual senior executive conference, co-sponsored by the Mortgage Bankers Association of America and the School of Business Administration of Southern Methodist University, Jan. 22, 1962, Dallas, Texas.

Cairns, Campbell Branch

LOS ANGELES, Calif.—Cairns & Campbell has opened a branch office at 8631 Truxton Avenue, under the direction of Robert K. Shellaby.

George Gilligan Office

SOUTHAMPTON, N. Y.—George Gilligan and Co., Inc. has opened a branch office at 61 Main St., under the management of Roman Swiderski, Jr.

Joins Ira Haupt

(Special to THE FINANCIAL CHRONICLE)

BEVERLY HILLS, Calif.—Robert Kaye has joined the staff of Ira Haupt & Co., 166 North Canon Drive. He was formerly with Hayden, Stone & Co.

With Dempsey-Tegeler

(Special to THE FINANCIAL CHRONICLE)

LOS ANGELES, Calif.—Raymond J. Redares and Harold Stein have become affiliated with Dempsey-Tegeler & Co., Inc., 210 West Seventh Street. Both were formerly with Hayden, Stone & Co.

Businessman's BOOKSHELF

Analysis of the Economic Impact of the Change in the Savings and Loan Tax Law as voted tentatively by the House Ways and Means Committee—United States Savings and Loan League, 221 North La Salle Street, Chicago 1, Illinois.

Appraisal of Management for Executives and Investors—Jackson Martindell—Harper & Brothers 49 East 33rd Street, New York 16, N. Y. (cloth), $4.75.

Background Briefings—Report on the developing Japanese economy from the point of view of U. S.—Japan trade—Japan Trade Center, 393 Fifth Avenue, New York, New York.

British Affairs—A Quarterly Review—British Information Services, 45 Rockefeller Plaza, New York 20, N. Y. (paper).

Business Performance Abroad: Case Study of Aluminium Limited in India—National Planning Association, 1606 New Hampshire Avenue, N. W., Washington 9, D. C. (paper), $1.

Business Representative in Washington—A report on the roundtable discussions of 19 Washington representatives on their job as they see it—Paul W. Cherington and Ralph L. Gillen—The Brookings Institution, 1775 Massachusetts Avenue, N. W., Washington 6, D. C. (paper).

Economics of Unemployment Compensation—Richard A. Lester—Industrial Relations Section, Princeton University, Princeton, N. J. (cloth), $3.75; (paper), $3.00.

Federal Reserve Bank of New York—47th annual report—Federal Reserve Bank of New York, New York 15, N. Y. (paper).

Government Expenditures for Construction, Operation and Maintenance of Transport Facilities by Air, Highway, and Waterway, and Private Expenditures for Construction, Maintenance of Way, and Taxes on Railroad Facilities—Bureau of Railway Economics, Association of American Railroads, Washington 6, D. C. (paper).

Guide to Success in the Stock Market, Revised 1962 Edition—Sponsored by the New York Security Dealers Association and Edited by Ira U. Cobleigh—Avon Book Division, Hearst Corporation, 959 Eighth Avenue, New York 19, N. Y. (paper), 50¢.

Industrial Development Bank: A Source of Financing for Canadian Business—Industrial Development Bank, 250 University Avenue, Toronto, Canada (paper).

Investigation and Study of the Federal Home Loan Bank Board (Part 1A—Alice, Texas)—Hearrings before a Subcommittee on Government Operations of the House of Representatives—Superintendent of Documents, U. S. Government Printing Office, Washington 25, D. C. (paper).

Italian Affairs—July-August, 1961 containing articles on Austrian Demands over Alto Adiga; Anglo-Italian Relations; and Italian Enterprises throughout the World—Italian Affairs, 7 Via Liguria, Rome, Italy—15¢ per copy, $1 per year.

Major Activities in the Atomic Energy Programs—January, December, 1961—Superintendent of Documents, U. S. Government Printing Office, Washington 25, D. C. (paper), $1.75.

Managing Your Money—Revised edition with new information on recent income Tax laws, expanded social security benefits, deferred payment plans, and mutual funds —J. K. Lasser and Sylvia F. Porter—Holt, Rinehart & Winston, Inc., 383 Madison Avenue, New York 17, N. Y. (cloth), $4.95.

Move Toward Railroad Mergers: A Great National Problem—Railway Labor Executives' Association, 400 First Street, N. W., Washington 1, D. C. (paper).

New Professional Corporation Laws Explained—Commerce Clearing House, Inc., 4025 West Peterson Avenue, Chicago 46, Ill. (paper), $2.

Niagara-St. Lawrence Waterway —Annual report—Power Authority of the State of New York, New York, N. Y. (paper).

1961 Proceedings of the National Association of Business Economists—National Association of Business Economists, P. O. Box 3575, Grand Central Station, New York 17, N. Y. (paper).

Packaging's Future, 1961 Series of Lectures sponsored by the Interchemical Corporation—New York Society of Security Analysts, 15 William Street, New York 5, N. Y. (paper).

Postwar Rise in the Velocity of Money—A Sectoral Analysis—Richard T. Selden—National Bureau of Economic Research, Inc., 261 Madison Avenue, New York 16, N. Y. (paper), $1.

Puerto Rico: Report on Finances and Economy for 1961—Department of Treasury, Office of Economic and Financial Research, San Juan, Puerto Rico (paper).

Science Against Cancer—Pat McGrady—Public Affairs Pamphlets, 22 East 38th Street, New York 16, N. Y. (paper), 25¢.

Seminar on Recruiting College Graduates—225 questions and answers—Institute of Occupational Research, 104-4 Webster Avenue, Manhasset, N. Y.—$2.50 (less 20% for cash).

Soviet Economic Offensive: A Report on Ruble Diplomacy—Time, Time & Life Building, New York 17, N. Y. (paper).

Sources of Economic Growth in the United States and the Alternative Before Us—Edward F. Denison—Committee for Economic Development, 711 Fifth Avenue, New York 22, N. Y., $4.

State Pension Funds: Digest of Authorized Investments and Actual Investments—Investment Bankers Association of America, 425 13th Street, N. W., Washington 4, D. C. (paper), $1.50.

Steel's Competitive Challenge—Reference material on Steel's present competitive position, how it came about and the steps being taken to meet the challenge—American Iron and Steel Institute, 150 East 42nd Street, New York 17, N. Y.

Surplus—The Riddle of American Agriculture—Alan R. Bird—Springer Publishing Company, (hard cover), $3.75; (soft cover), $2.25.

Taxes, Puts & Calls—John D. Cunnion — Showing how taxes can make trading in stock options profitable at minimum risk—Business Reports, Inc., Dept. C-1, Larchmont, N. Y., $2.

Towards European Integration—British Information Services, 45 Rockefeller Plaza, New York 20, N. Y. (paper).

Treasury Bulletin, January, 1962 —Superintendent of Documents, U. S. Government Printing Office, Washington 25, D. C., $7 per year (single copy price varies with the monthly issue).

Vanderbilts and Their Fortunes—A Family Biography—Edwin P. Hoyt—Doubleday & Company Incorporated, 575 Madison Avenue, New York 22, N. Y. (cloth), $4.95.

Variability of Private Investment in Plant and Equipment—Part II: Some Elements Shaping Investment Decisions — Superintendent of Documents, U. S. Government Printing Office, Washington 25, D. C. (paper), 20 cents.

Your Investments: 1962 Edition—Dr. Leo Barnes—American Research Council—Citadel Press, 222 Park Avenue South, New York 3, N. Y., $3.95.

Independent Sales Finance Companies' Profitability

Continued from page 13

the keystone of their excellent credit experience. Competition in rates has forced down materially their net income per deal purchased; and with higher operating and money costs, they cannot afford the luxury of the losses that go with too liberal credit granting. While I do not want to imply that advances can be so restricted as to always have a margin of collateral over investments, I do insist that most companies have been too liberal in their advances. In stressing the importance of obtaining adequate security, I do not want to belittle the importance of determining the credit goodness of the individual consumer, for this, of course, is basic to satisfactory credit experience. In their dealer relationships many companies could, I believe, benefit from a realistic appraisal of the profitableness of the retail paper they obtain, after counting the cost of wholesale financing furnished, as well as the cost of making capital loans and extending other services. Making periodical cost analyses would enable them to cull out those dealer relationships which are not earning their way. Similarly, the operations of each branch should be closely analyzed in order to determine if it is making its proper contribution to the company's overall profits. Another area which I believe many companies could profitably explore pertains to their efficiency in routine office operations. In recent years a number of office machines and methods have been developed which are adaptable to the industry and have been found to be helpful not only in furnishing information but also in counteracting constantly rising labor costs.

Turning now to a consideration of the areas of possible diversification, it seems to me that two steps should be taken by the companies: (1) Explore areas other than established territories to determine their profit possibilities; and (2) Diversify operations into other fields.

Warning on Diversification

Many instalment sales finance companies have for years practiced geographical diversification and recognize the importance of keeping alert to changes in the territories operated in, as well as to opportunities which might exist elsewhere. While the degree of competition that the instalment sales finance companies meet with is not uniform over the country, there are some areas where rates and competitive conditions are such that even the most efficient operators find it difficult to make a reasonable profit. Constant vigilance regarding the territories being served, or which might be served, should be encouraged. Considerable diversification into new financing fields has already occurred in the instalment sales finance industry. Our composite statistics show that in the middle 1930's nonautomobile paper made up about 15% of the average portfolio of receivables, and that while some wide swings occurred in the late 1940's and 1950's the trend generally has been up—reaching 31% at the close of 1960 and 36% at June 30, 1961. Many of the instalment sales finance companies went into the small loan or consumer finance business some years ago and have found this a profitable field, as it ties in very well with their sales financing activities. Others have gone into various instalment sales financing activities such as marine financing, major appliance financing, as well as in the financing of mobile homes and shell housing. Many have enjoyed very satisfactory results in these diversified activities, while some have run into problems. If a significant volume of mobile home and shell housing paper is purchased, the extended terms of this paper may make it necessary for the instalment sales finance company to give consideration to increasing its capital base in order to maintain a reasonable liquidity position.

In their diversification programs some companies have gone into the commercial financing business. It might be well to express a word of caution in connection with this trend. The commercial financing business is almost an entirely different business than the instalment sales finance industry. After all, its principal activity is the extension of various forms of secured commercial credit to companies that do not qualify for bank credit. It is a business where highly skilled technicians are essential and where greater concentrations of risk exist, so that when losses occur they can be both sizable as well as explosive in character. A high degree of management ability is necessary, and it is most important that a company be thoroughly acquainted with the capabilities of the men operating the division. It does not lend itself to chain operation. Properly conducted, it can be very profitable—as it has been during the past few years—and, of course, fast turning receivables make it a very liquid type of operation.

Despite the problems the instalment sales finance companies had in 1960 and 1961, resulting in reduced earnings, I am convinced they will show materially improved results for the year 1962, for the following principal reasons:

(1) The consumer is in a strong financial position. Consumer spending for some time has lagged behind consumer income, which is running at all-time peaks, so that debts have been reduced and savings have accumulated. Consumer automobile instalment debt oustanding declined for nine consecutive months through September, 1961, and turned up only slightly in October, with November showing a good increase.

(2) The low level of consumer confidence in 1961, as expressed in the desire to purchase, seems to be changing. Reports of automobile sales for the past several months have been encouraging, as have reports from major appliance producers. New car sales in December were the highest for that month since 1955. Estimates of increases in new car unit sales for 1962 have ranged generally from 10% to 28% over the 1961 total of approximately 5,850,000 cars.

(3) With the expectation that the level of the economy will move higher during the year, employment should improve, which should be reflected in improved credit and collection experience. A steel strike could, of course, adversely affect this.

(4) The used car market, which was weak for extended periods during 1960 and for a good part of 1961, has shown comparative strength for some months. Despite the anticipated increase in the available supply of used cars generated by the increase in new car sales, it seems reasonable to expect that used car prices will show comparative stability in contrast to the severe declines that have occurred in the past two years.

(5) It may be wishful thinking (and I have no statistics to prove it), but I believe that many instalment sales finance companies have, in the last six months, been more conservative in their advances so that if and when a decline takes place in used car values, they will not be slugged as they were early in the year 1961.

(6) Most of the instalment sales finance companies are also engaged in the cash lending or consumer finance business; and this sector, which had a good year in 1961, is expected to have an even better one in 1962.

There is one possible fly in the profit ointment for these companies, and that is the prospect for higher money costs in 1962. I am sure you and I won't mind that, if it should develop!

The instalment sales finance industry has a rich heritage of accomplishment over the years, despite the many problems that have had to be faced, including increasingly difficult competition. Changing conditions, make it necessary for these companies to be alert to making changes in their operations wherever and whenever this is indicated by a careful appraisal of their profit picture. I have every confidence that well managed companies in this field will go forward with a continuation of their fine record.

*An address by Mr. Matson before the 14th National Credit Conference sponsored by the Credit Policy Committee of the American Bankers Association, Chicago, Ill.

STATE OF TRADE AND INDUSTRY

Continued from page 15

persisting well above 100,331 in the corresponding period a year ago.

Chrysler Corp. announced it planned to operate all six of its car plants in the week beginning Feb. 26, indicating a possible increase in industry output. Chrysler has not had all of its plants in operation at the same time since mid-December.

Of the 134,671 cars expected to be assembled in the week ended Feb. 24, General Motors was expected to account for 57.0%; Ford Motor Co. 28.6%; American Motors 6.9%; Chrysler Corp. 5.7% and Studebaker-Packard 1.8%.

Carloadings Show 7.2% Rise Over 1961 Week

Loading of revenue freight in the week ended Feb. 17, totaled 538,373 cars, the Association of American Railroads announced. This was a decrease of 4,042 cars or seven-tenths of one per cent below the preceding week.

The loadings represented an increase of 36,039 cars or 7.2% above the corresponding week in 1961, but a decrease of 31,726 cars or 5.6% below the corresponding week in 1960.

There were 12,565 cars reported loaded with one or more revenue highway trailers or highway containers (piggyback) in the week ended Feb. 10, 1962 (which were included in that week's over-all total). This was an increase of 2,067 cars or 19.7% above the corresponding week of 1961 and 2,354 cars or 23.1% above the 1960 week.

Cumulative piggyback loadings for the first six weeks of 1962 totaled 70,984 cars for an increase of 12,016 cars or 20.4% above the corresponding period of 1961, and 11,833 cars or 20.0% above the corresponding period in 1960. There were 57 Class I U. S. railroad systems originating this type traffic in this year's week compared with 55 one year ago and 51 in the corresponding week in 1960.

Intercity Truck Volume Tops 1961 Week by 9.6%

Intercity truck tonnage in the week ended Feb. 17, was 9.6% ahead of the volume in the corresponding week of 1961, the American Trucking Associations announced. Truck tonnage was 1.5% behind the volume for the previous week of this year.

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

Electric Output 11.2% Higher Than in 1961 Week

The amount of electric energy distributed by the electric light and power industry for the week ended Saturday, Feb. 24, was estimated at 16,110,000,000 kwh., according to the Edison Electric Institute. Output was 156,000,000 kwh below that of the previous week's total of 16,266,000,000 kwh, but 1,620,000,000 kwh, or 11.2% above that of the comparable 1961 week.

Lumber Shipments Were 10.3% Higher Than in 1961 Week

Lumber shipments in the United States in the week ended Feb. 17, totaled 215,678,000 board feet compared with 218,410,000 in the prior week, according to reports from regional associations. A year ago, the figure was 195,463,000 board feet.

Compared with 1961 levels, output rose 13.2%, shipments were 10.3% higher, and orders advanced by 22.2%.

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

	Feb. 17, 1962	Feb. 10, 1962	Feb. 18, 1961
Production	222,689	227,063	196,718
Shipments	215,678	218,410	195,463
Orders	241,233	241,828	197,443

Business Failures Down in Holiday Week

Commercial and industrial failures dropped sharply to 309 in the holiday week ended Feb. 22 from the peak of 412 in the preceding week, reports Dun & Bradstreet, Inc. Casualties fell short of the 348 occurring in the similar week a year ago, although they remained above the 277 in 1960 and exceeded by 16% the pre-war level of 267 in 1939.

The number of failures with losses of $100,000 or more fell to 30 from 54 in the previous week and 40 last year. Casualties involving losses under $100,000 also took a holiday downswing, declining to 279 from 358 a week earlier and 308 a year ago.

Canadian failures edged up to 52 from 48 in the prior week but were slightly below the 59 in the comparable week a year earlier.

Wholesale Commodity Price Index Continues to Slip

Reflecting marked declines in steel scrap, silver and oats, the general wholesale commodity price level edged down on Feb. 23 to 271.33, a new low for the year, reports Dun & Bradstreet, Inc. While it had eased up to 271.42 on Feb. 26, the index remained below any other day, except last Friday, so far in 1962. The prevailing persistent downtrend is narrowing the margin above comparable year-ago levels although the index continues to exceed slightly its 1961 counterpart.

On Feb. 26, the daily wholesale commodity price index stood at 271.42, slipping from 272.94 a week ago and 274.27 a month ago but remaining higher than the 269.67 registered on the comparable day last year.

Wholesale Food Price Index Slips Back to Year's Low

The Wholesale Food Price Index, compiled by Dun & Bradstreet, Inc., eased down again on Feb. 27 to $5.89, the year's low, from $5.90 in the preceding week. Running below comparable year-ago levels for the 23rd consecutive week, the index this week dipped 3.3% from $6.09 on the corresponding day of 1961.

Marked declines in the prices quoted at wholesale for bellies, lard and eggs combined with slight dips in wheat, coffee, cottonseed oil and lambs outweighted the price increases chalked up for flour, corn, rye, oats, barley, hams, cocoa and potatoes.

The Index represents the sum total of the price per pound of 31 raw foodstuffs and meats in general use. It is not a cost-of-living index. Its chief function is to show the general trend of food prices at the wholesale level.

Retail Trade Maintains Edge Over Year Ago

Consumer buying in the week ended Feb. 21 flourished in the West and South but foundered in bad weather in the East. Over-all volume, however, remained above last year's comparable level by a moderate margin. Women's spring apparel began to move in warmer areas, and slight gains were registered in men's clothing. Home furnishings, particularly furniture, continued to sell at a good pace, while new car sales remained strong.

The total dollar volume of retail trade in the week under review ranged from even to 4% higher than a year ago, according to spot estimates collected by Dun & Bradstreet, Inc. Regional estimates varied from comparable 1961 levels by the following percentages: New England —10 to —14; Middle Atlantic —3 to —7; Mountain —1 to +3; East South Central +2 to +6; West North Central +3 to +7; East South Central +4 to +8; South Atlantic and Pacific +5 to +9; West South Central +6 to +10.

Nationwide Department Store Sales Up 6% From 1961 Week

Department store sales on a country-wide basis as taken from the Federal Reserve Board's index reported a 6% increase for the week ended Feb. 17, 1962, compared with the like period in 1961. For the week ended Feb. 10, sales were likewise higher by 6% over the corresponding 1961 week. In the four-week period ended Feb. 17, 1962 sales advanced 8% over the corresponding period in 1961.

According to the Federal Reserve System department store sales in New York City for the week ended Feb. 17, were 3% below the same period in 1961. For the week ended Feb. 10, an increase of 9% (revised) was registered when compared with the same week in 1961. For the four weeks ending Feb. 17, 1962, a similar increase of 9% was reported above the comparable period in 1961.

Burns Now V.-P. Of Hutton Corp.

James F. Burns, 3rd, has been elected a Vice-President in the Syndicate Department of E. F. Hutton & Co. Incorporated, 1 Chase Manhattan Plaza, New York City, it has been announced by Sylvan C. Coleman, President of the underwriting and private placements affiliate of E. F. Hutton & Company, New York Stock Exchange member firm.

With Kidder, Peabody

PHILADELPHIA, Pa. — Kidder, Peabody & Co., Fidelity Philadelphia Trust Building, have announced that M. Roy Jackson, Jr. has become associated with them as a registered representative.

Joins Olmstead, Allen

(Special to THE FINANCIAL CHRONICLE)

LOS ANGELES, Calif. — Andrew A. Brichant has become affiliated with Olmstead, Allen & Co., 5455 Wilshire Blvd. He was formerly with Cantor, Fitzgerald & Co.

Some Current Problems Of Money and Credit

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loans to business in 1946 were $4.6 billion or 34.5% of the total. By 1957 they had grown to three times that figure or 38% of the total. These loans serve a real economic function. They help middle-sized and small businesses which lack access to the security market. They help large corporations whose requirements are intermediate and not permanent. Term loans form a kind of counterpart to consumer instalment lending; if they are properly written, the money comes back in regular payments. Certainly, it is sounder banking to put a term loan on the books than to write a six-months' note that you know is going to have to be renewed, perhaps indefinitely.

Improving Deposit and Loan Resources

Forecasters today predict that in 12 months hence we will be facing a higher GNP plateau. The present recovery began in February, 1961. The prior setback had been the mildest of the four postwar recessions we have experienced. While until just recently we have been disappointed with the failure of business loan demands to develop more strongly, I think we should remember that the paydown of business loan volume during the recession was very modest. Meanwhile, banks have prepared themselves for stronger loan demands by building their deposits, mainly in interest-bearing categories. Loan-deposit ratios at the present time are somewhat higher than in previous postrecession periods of rising loan demand, but the supply of bank credit appears adequate to meet prospective demands without a serious credit squeeze developing in the foreseeable future. The Federal Reserve's easy money policy has given some help to demand deposit volumes; but many banks, particularly those in major money centers, have had to rely on the offer of an interest rate to build deposits and loan resources. Our own decision to introduce negotiable certificates of deposit was undertaken reluctantly, but it represented no more than a recognition of realities. Faced with sharpened competition from other savings institutions, we have also found it competitively necessary to increase savings account rates to assure continued deposit growth. Along with many other banks, we had been concerned about the possibility of losing large amounts of deposits, with the old Regulation Q limits in effect, under conditions of tight money and large credit demands from valued customers. We were relieved to see additional leeway provided for rate adjustments under the new Regulation Q schedule which became effective the first day of January.

The banks have used deposit growth to improve their liquidity in the thought that, before the present business upswing has run its course, we may be confronted once again with a tight money policy. That, at least, was the experience after the 1949, 1954, and 1958 business recessions. No one should be deceived by the fact that the authorities, so far, have been content to maintain an easy money posture. This time there is a special factor in the equation; namely, the balance-of-payments and gold problem which could trip off a tightening of money policy. The President and the Secretary of the Treasury are deeply concerned with this problem. We hope, with them, that the imbalance of our international payments may be redressed within the framework of the free market economy and with special accent on putting a closer rein on government expenditures. The general expectation, to which I would subscribe, is that interest rates will tend to firm up as business activity expands and rising inventories and increased plant and equipment spending lead to more credit demands This is the familiar pattern, in a period of business expansion.

Let me take the opportunity of offering reflections on a few other matters of concern to credit officers.

Consequences of Higher Deposit Rates

Upstaging all other topics, for the moment at least, is the challenge to our P & L accounts introduced by higher rates on time deposits and savings accounts. The urge to produce more income is going to be great. It is axiomatic that greater risk goes with greater return. I hope we shall be able to resist the temptation to compromise on good credit standards for the sake of momentary earning opportunities.

One of our inheritances from the depression and World War II is a shortage of seasoned personnel. In an effort to catch up, we have had to develop lending talent in a hurry. Unintentionally, and under stress of time, attention to the training of lending personnel may have been abbreviated and haphazard. In the process of catching up, official titles have been downgraded but loan authorities have been left unchanged. No one can say with certainty; but in the postwar prosperity, probably more mistakes have been made than have ever come to the surface. The times demand more than the traditional bank credit officer. Nowadays he must be alert to and sophisticated in the subtleties of economic data and trends. There exists a cultural lag in economic understanding, and it is up to us to see that our officers are qualified to interpret, in clear terms, significant economic developments so confusing to many. These are compelling reasons for building an inventory of qualified men, and I am sure you will agree that, with the increasing complexity of business and the need for officers with broad horizons, this task is not easy. But training efforts pay off in reduced loan losses.

Corporate Merger Trend

Recent years have seen corporate merging reach fever pitch. Of special concern to lending officers have been mergers bringing together odd bedfellows of unrelated industries. In seeking diversification there has been a tendency to venture into unfamiliar areas. In other words, mergers often produce more problems than profits at the outset even though the eventual benefits turn out to be important.

Without precedent are the tremendous outlays now being made by American industry for research and development. R & D expenditures in 1961 reached $10.5 billion; for 1969 a figure of twice that has been projected. This, together with increased population, is a basic ingredient of economic growth. We must look to R & D for new jobs, new products, and new industries.

What does this mean to a credit man? A report not too long ago mentioned that 40% of the products in being today didn't exist 10 years ago. This would almost lead us to think that all a company needs to succeed is a new product. But, as it went on, the report revealed the heart of the credit problem. It stated that 95% of the new products developed in the past 10 years had faded away and were lost forever. The thing to remember about R & D is that failure to get into new areas can spell the downfall of old established companies.

We are witnessing basic changes in the structure of our economy. For one thing, it is broadening out. Manufacturing is declining in importance relative to other areas of the economy. We no longer depend upon a handful of key industries for our prosperity. Steel, for example, accounts for less than 2% of our GNP, automobiles 1.7%. You would be seriously fooled if, as was once the accepted thing to do, you took freight car loadings as a significant indicator of what's going on in the economy. R & D has risen as a power in creating new products and new industries to move in as old products and old industries fade. We're in the midst of an income revolution, with more and more families moving into the middle and upper brackets. Government has become the biggest single customer for many lines of business.

At the same time, competition is intensifying, domestically and internationally. The pent-up demands of the depression and World War II periods have been satisfied. The resulting environment demands adjustment on the part of both bank officer and borrower. The profits squeeze on our customer is a threat to ourselves. As credit officers we need to concern ourselves with the efforts being made to put the brakes on wage inflation in the United States and to gain changes in the tax structure that can raise the horizons for all of us.

*An address by Mr. Laeri in opening the 14th National Credit Conference sponsored by the Credit Policy Committee of the American Bankers Association, Chicago.

F. I. DuPont Opens Seattle Office

SEATTLE, Wash. — Francis I. duPont & Co. has opened an office in Seattle with a sales headquarters in Tacoma, absorbing the Seattle and Tacoma offices and business of Hill, Darlington & Grimm, it is announced by A. Rhett duPont, Senior Partner.

S. W. Frederick, Sr.

Stanton W. Frederick, Sr. will be Resident Manager of the Seattle office at 1411 Fourth Ave. He was formerly partner in Seattle for Hill, Darlington & Grimm.

Edwin M. Badgley and Gordon A. Zwiebel, both formerly partners in Hill, Darlington & Grimm, will be Associate Managers of the Francis I. duPont & Co. office. Stanton W. Frederick, Jr. will be Assistant Manager.

Durdle With Clayton

(Special to The Financial Chronicle)

BOSTON, Mass.—Warren E. Durdle has become associated with Clayton Securities Corporation, 147 Milk Street, members of the Boston Stock Exchange. He was formerly with Goodbody & Co. and prior thereto was Assistant Treasurer of Harkness & Hill Incorporated.

Bache & Co. Names

WASHINGTON, D. C. — Max Gross has been appointed assistant manager of Bache & Co.'s Washington, D. C. office, 1000 Sixteenth Street, N. W.

Last week E. Bates McKee was named Resident Partner of Bache's Capitol City branch. Alexander I. Heckman is manager.

NSTA NOTES

BOND CLUB OF DENVER

The Bond Club of Denver has elected the following officers for 1962:

Charles L. Warren

James A. Hill

President: Charles L. Warren, Merrill Lynch, Pierce, Fenner & Smith Incorporated.

Vice-President: James A. Hill, Boettcher and Company.

Treasurer: Wilson C. Birkenmayer, Birkenmayer & Co.

Secretary: Robert F. Gerwin, Coughlin and Company, Inc.

Directors: Richard H. Burkhardt, Boettcher and Company; Russell Chatlain, Bosworth, Sullivan & Company, Inc.; John F. Coughenour, Jr., Peters, Writer & Christensen, Inc.; and Raymond C. Robinson, Hornblower & Weeks.

Markus & Stone Opens in N. Y.

Announcement has been made of the formation of the New York Stock Exchange firm of Markus & Stone, with offices at 120 Broadway, New York City. The new organization will conduct a domestic and international securities brokerage, trading and investment banking business.

General partners of the firm are Frits Markus, Herman H. Stone, Hendrik J. Sindram and Milton Wasserman; Albert A. Andriesse is a limited partner. Also associated with the new company are Richard A. Kane, director of research, and Hans Heinemann, economic consultant.

Mr. Markus, has been engaged in the securities business since 1926 when he joined the Amsterdam stock exchange firm of Leidner & Co. as an apprentice. He later became a partner in the brokerage firm of Jacques Cohen & Co. From 1945 to 1948, he was director of the foreign department of Hallgarten & Co. in New York. In 1948, he became a partner in Model, Roland & Stone, New York, and continued there until Jan. 31, 1962.

Mr. Stone, who started in Wall Street in 1923 as a messenger for Lehman Bros., was for many years associated with Wertheim & Co. and became a partner in Model, Roland & Stone in 1945. He was associated with the latter firm as a partner from 1957 until Jan. 31, 1962.

Mr. Sindram began his financial career in Amsterdam with the banking firm of Theodore Gilissen & Co., specializing in international arbitrage. In 1928, he joined the Amsterdam Stock Exchange firm of Jacques Cohen & Co., and became a partner two years later. Mr. Sindram came to the U. S. in 1949, joined the firm of Model, Roland & Stone as international arbitrageur, and continued in that capacity until November 1961.

Mr. Wasserman, a member of the New York Stock Exchange for 13 years, has been a partner in Wasserman & Co. for the past nine years.

H. A. Riecke & Co. Names Reg. Reps.

PHILADELPHIA, Pa. — H. A. Riecke & Co., Incorporated, 1433 Walnut Street members of the New York Stock Exchange and other leading exchanges, have announced that Louis E. Myers, Alfred L. Sellman and Frederick E. Vogel are now associated with them as registered representatives.

The firm also announced that the following have also been named registered representatives: Fred J. Hoffer in the Gainesville, Florida office; Robert Brinin in the New York office and William Levin in the Pottstown, Pa. office.

Joins G.E.C. Securities

NEWARK, N. J.—Robert Michael Mischek, former West Point All-American and All-Pro guard with the New York Football Titains, has joined the Newark branch of G.E.C. Securities, Inc., 744 Broad Street, as an account executive, it was announced by Leonard I. Axelrad, President of General Economics Corporation, publicly-held investment banking organization which is the parent company.

Named to Bullock Board

General Thomas D. White, USAF (Ret.), has been elected to the boards of Bullock Fund, Ltd. and Carriers & General Corporation, two investment companies under the supervision of Calvin Bullock, Ltd., 1 Wall Street, New York City.

General White retired in July having served four years as Chief of Staff of the Air Force following a distinguished military career which began with his graduation from the United States Military Academy in 1920. General White is a director of Eastern Air Lines and Military Adviser to the magazine *Newsweek*.

With Wheeler, Cruttenden

(Special to The Financial Chronicle)

LOS ANGELES, Calif.—John P. Guerin, Jr. has become connected with Wheeler & Cruttenden, Inc., 618 South Spring Street, members of the Pacific Coast Stock Exchange. Mr. Guerin was previously with Dempsey-Tegeler & Co., Inc.

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)	Feb. 24	82.5	84.0	82.0	54.0
Equivalent to—					
Steel ingots and castings (net tons)	Feb. 24	2,405,000	2,454,000	2,390,000	1,582,000
AMERICAN PETROLEUM INSTITUTE:					
Crude oil and condensate output—daily average (bbls. of 42 gallons each)	Feb. 16	7,471,060	7,479,010	7,387,960	7,168,960
Crude runs to stills—daily average (bbls.)	Feb. 16	8,582,000	8,586,000	8,246,000	8,447,000
Gasoline output (bbls.)	Feb. 16	30,313,000	29,512,000	27,898,000	28,689,000
Kerosene output (bbls.)	Feb. 16	3,811,000	3,726,000	2,938,000	2,917,000
Distillate fuel oil output (bbls.)	Feb. 16	14,800,000	14,736,000	14,600,000	15,935,000
Residual fuel oil output (bbls.)	Feb. 16	6,488,000	6,932,000	6,707,000	6,170,000
Stocks at refineries, bulk terminals, in transit, in pipe lines—					
Finished and unfinished gasoline (bbls.) at	Feb. 16	213,528,000	212,157,000	202,264,000	187,759,000
Kerosene (bbls.) at	Feb. 16	26,036,000	25,985,000	28,647,000	22,326,000
Distillate fuel oil (bbls.) at	Feb. 16	106,484,000	*112,010,000	129,376,000	83,738,000
Residual fuel oil (bbls.) at	Feb. 16	40,539,000	*41,293,000	44,805,000	30,157,000
ASSOCIATION OF AMERICAN RAILROADS:					
Revenue freight loaded (number of cars)	Feb. 17	538,373	542,415	532,929	502,334
Revenue freight received from connections (no. of cars)	Feb. 17	512,927	522,639	489,669	492,804
CIVIL ENGINEERING CONSTRUCTION—ENGINEERING NEWS-RECORD:					
Total U. S. construction	Feb. 22	$388,300,000	$433,400,000	$417,000,000	$397,200,000
Private construction	Feb. 22	231,700,000	248,600,000	245,300,000	225,100,000
Public construction	Feb. 22	156,600,000	184,800,000	171,700,000	172,100,000
State and municipal	Feb. 22	109,000,000	150,400,000	130,100,000	145,200,000
Federal	Feb. 22	47,600,000	34,400,000	41,600,000	27,000,000
COAL OUTPUT (U. S. BUREAU OF MINES):					
Bituminous coal and lignite (tons)	Feb. 17	8,430,000	8,170,000	8,540,000	7,330,000
Pennsylvania anthracite (tons)	Feb. 17	335,000	420,000	411,000	430,000
DEPARTMENT STORE SALES INDEX—FEDERAL RESERVE SYSTEM—1947-49 AVERAGE=100	Feb. 17	122	118	125	115
EDISON ELECTRIC INSTITUTE:					
Electric output (in 000 kwh.)	Feb. 24	16,110,000	16,266,000	16,686,000	14,490,000
FAILURES (COMMERCIAL AND INDUSTRIAL) — DUN & BRADSTREET, INC.	Feb. 22	309	412	389	348
IRON AGE COMPOSITE PRICES:					
Finished steel (per lb.)	Feb. 19	6.196c	6.196c	6.196c	6.196c
Pig iron (per gross ton)	Feb. 19	$66.44	$66.44	$66.44	$66.44
Scrap steel (per gross ton)	Feb. 19	$34.83	*$36.83	$37.50	$33.50
METAL PRICES (E. & M. J. QUOTATIONS):					
Electrolytic copper—					
Domestic refinery at	Feb. 21	30.600c	30.600c	30.600c	28.600c
Export refinery at	Feb. 21	28.650c	28.675c	27.850c	26.900c
Lead (New York) at	Feb. 21	9.500c	9.500c	10.000c	11.000c
Lead (St. Louis) at	Feb. 21	9.300c	9.300c	9.800c	10.800c
‡Zinc (delivered) at	Feb. 21	12.500c	12.500c	12.500c	12.000c
Zinc (East St. Louis) at	Feb. 21	12.000c	12.000c	12.000c	11.500c
Aluminum (primary pig, 99.5%) at	Feb. 21	24.000c	24.000c	24.000c	26.000c
Straits tin (New York) at	Feb. 21	121.375c	121.000c	120.500c	100.500c
MOODY'S BOND PRICES DAILY AVERAGES:					
U. S. Government Bonds	Feb. 27	87.56	87.06	86.02	89.15
Average corporate	Feb. 27	86.38	86.11	86.11	87.99
Aaa	Feb. 27	89.92	89.92	90.06	92.64
Aa	Feb. 27	88.13	87.99	88.13	90.63
A	Feb. 27	85.85	85.59	85.59	87.45
Baa	Feb. 27	81.78	81.42	81.29	81.66
Railroad Group	Feb. 27	83.91	83.53	83.40	84.55
Public Utilities Group	Feb. 27	87.18	87.05	87.32	89.37
Industrials Group	Feb. 27	88.13	87.86	87.86	90.06
MOODY'S BOND YIELD DAILY AVERAGES:					
U. S. Government Bonds	Feb. 27	3.94	4.01	4.13	3.66
Average corporate	Feb. 27	4.68	4.70	4.70	4.56
Aaa	Feb. 27	4.42	4.42	4.41	4.23
Aa	Feb. 27	4.55	4.56	4.55	4.37
A	Feb. 27	4.72	4.74	4.74	4.60
Baa	Feb. 27	5.04	5.07	5.08	5.05
Railroad Group	Feb. 27	4.87	4.90	4.91	4.82
Public Utilities Group	Feb. 27	4.62	4.63	4.61	4.46
Industrials Group	Feb. 27	4.55	4.57	4.57	4.41
MOODY'S COMMODITY INDEX	Feb. 27	365.7	367.6	375.1	365.4
NATIONAL PAPERBOARD ASSOCIATION:					
Orders received (tons)	Feb. 17	331,537	352,402	323,390	282,504
Production (tons)	Feb. 17	345,363	343,811	333,652	298,124
Percentage of activity	Feb. 17	95	95	94	87
Unfilled orders (tons) at end of period	Feb. 17	464,077	470,157	470,553	389,973
OIL, PAINT AND DRUG REPORTER PRICE INDEX—1949 AVERAGE=100	Feb. 23	110.62	112.02	117.67	110.97
ROUND-LOT TRANSACTIONS FOR ACCOUNT OF MEMBERS, EXCEPT ODD-LOT DEALERS AND SPECIALISTS					
Transactions of specialists in stocks in which registered—					
Total purchases	Feb. 2	2,580,870	2,513,340	2,397,580	3,573,940
Short sales	Feb. 2	515,460	416,580	333,880	830,810
Other sales	Feb. 2	2,306,840	2,250,450	2,402,110	2,826,300
Total sales	Feb. 2	2,822,300	2,667,030	2,735,990	3,657,110
Other transactions initiated off the floor—					
Total purchases	Feb. 2	281,460	276,490	390,290	427,730
Short sales	Feb. 2	31,300	19,100	51,300	74,800
Other sales	Feb. 2	264,610	274,830	476,960	396,000
Total sales	Feb. 2	295,910	293,930	528,260	470,800
Other transactions initiated on the floor—					
Total purchases	Feb. 2	943,986	854,153	724,729	1,060,020
Short sales	Feb. 2	131,450	96,170	67,320	251,860
Other sales	Feb. 2	969,882	974,217	921,256	1,096,680
Total sales	Feb. 2	1,101,332	1,070,387	988,576	1,348,540
Total round-lot transactions for account of members—					
Total purchases	Feb. 2	3,806,316	3,643,983	3,512,599	5,061,690
Short sales	Feb. 2	678,210	531,850	452,500	1,157,470
Other sales	Feb. 2	3,541,332	3,499,497	3,806,326	4,318,980
Total sales	Feb. 2	4,219,542	4,031,347	4,252,826	5,476,450
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	Feb. 2	2,041,422	1,960,278	1,904,246	2,699,047
Dollar value	Feb. 2	$116,188,056	$106,428,180	$101,294,266	$138,631,125
Odd-lot purchases by dealers (customers' sales)—					
Number of orders—customers' total sales	Feb. 2	1,905,241	1,820,771	1,668,190	2,502,156
Customers' short sales	Feb. 2	21,169	21,656	13,088	11,576
Customers' other sales	Feb. 2	1,884,072	1,799,115	1,655,102	2,490,580
Dollar value	Feb. 2	$100,606,739	$95,157,415	$90,258,217	$118,594,515
Round-lot sales by dealers—					
Number of shares—Total sales	Feb. 2	550,238	525,130	503,360	686,100
Short sales	Feb. 2	------	------	------	------
Other sales	Feb. 2	550,238	525,130	503,360	686,100
Round-lot purchases by dealers—Number of shares	Feb. 2	696,650	654,650	659,860	912,700
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	Feb. 2	902,480	710,300	552,860	1,326,570
Other sales	Feb. 2	18,459,020	17,684,700	15,751,450	24,159,030
Total sales	Feb. 2	19,361,500	18,395,000	16,304,310	25,485,600
WHOLESALE PRICES, NEW SERIES — U. S. DEPT. OF LABOR — (1947-49=100):					
Commodity Group—					
All commodities	Feb. 20	179.3	119.4	119.6	119.8
Farm products	Feb. 20	89.3	89.7	89.6	89.3
Processed foods	Feb. 20	109.1	109.4	109.6	109.9
Meats	Feb. 20	94.9	95.1	96.2	96.9
All commodities other than farm and foods	Feb. 20	127.5	127.6	127.8	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.

	Latest Month	Previous Month	Year Ago
AMERICAN HOME LAUNDRY MANUFACTURERS ASSOCIATION—Month of Jan.:			
Total home laundry appliance factory unit sales (domestic)	385,923	386,712	338,460
Washers	263,923	252,374	228,919
Automatic & semi-automatic	213,143	207,813	187,052
Wringer & others	50,780	44,561	41,867
Combination washer-dryers	4,332	5,296	6,383
Dryers	116,953	131,042	103,158
Electric	75,138	85,631	66,190
Gas	41,815	45,411	36,968
BANK DEBITS—BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM—Month of January (000's omitted)	$294,600,000	$286,258,000	$257,700,000
BANKERS' DOLLAR ACCEPTANCES OUTSTANDING — FEDERAL RESERVE BANK OF NEW YORK—As of Jan. 31:			
Imports	$477,185,000	$485,448,000	$399,981,000
Exports	945,645,000	968,604,000	677,006,000
Domestic shipments	15,632,000	17,844,000	11,936,000
Domestic warehouse credits	255,169,000	275,404,000	287,107,000
Dollar exchange	74,380,000	116,809,000	118,245,000
Based on goods stored and shipped between foreign countries	853,448,000	819,134,000	534,881,000
Total	$2,621,459,000	$2,683,243,000	$2,029,156,000
BUSINESS FAILURES—DUN & BRADSTREET, INC.—Month of January:			
Manufacturing number	213	232	228
Wholesale number	140	121	151
Retail number	749	606	685
Construction number	231	215	219
Commercial service number	114	104	121
Total number	1,447	1,278	1,404
Manufacturing liabilities	$44,289,000	$19,723,000	$26,111,000
Wholesale liabilities	10,777,000	7,209,000	11,362,000
Retail liabilities	28,886,000	18,361,000	28,688,000
Construction liabilities	19,017,000	16,743,000	11,231,000
Commercial service liabilities	8,858,000	3,453,000	4,128,000
Total liabilities	$111,827,000	$65,489,000	$81,520,000
COMMERCIAL PAPER OUTSTANDING—FEDERAL RESERVE BOARD OF NEW YORK—As of Jan. 31 (000's omitted)	$1,762,000	$1,711,000	$1,465,000
FABRICATED STRUCTURAL STEEL (AMERICAN INSTITUTE OF STEEL CONSTRUCTION)—Month of January:			
Contracts closed (tonnage)—estimated	313,869	373,376	307,560
Shipments (tonnage)—estimated	284,068	295,699	261,629
LIFE INSURANCE BENEFIT PAYMENTS TO POLICYHOLDERS — INSTITUTE OF LIFE INSURANCE—Month of November:			
Death benefits	$292,700,000	$286,700,000	$283,100,000
Matured endowments	60,800,000	62,300,000	57,500,000
Disability payments	10,900,000	11,600,000	10,100,000
Annuity payments	62,700,000	65,700,000	59,300,000
Surrender values	140,700,000	151,700,000	135,000,000
Policy dividends	143,500,000	145,100,000	115,700,000
Total	$711,300,000	$723,100,000	$660,700,000
LIFE INSURANCE PURCHASES — INSTITUTE OF LIFE INSURANCE—Month of December (000's omitted):			
Ordinary	$4,981	$4,889	$4,905
Industrial	529	595	480
Group	1,930	1,187	1,370
Total	$7,440	$6,671	$7,255
MONEY IN CIRCULATION—TREASURY DEPT. As of December 31 (000's omitted)	$33,900,000	$33,500,000	$32,900,000
NEW YORK STOCK EXCHANGE— As of Jan. 31 (000's omitted):			
Member firms carrying margin accounts—			
Total customers' net debit balances	$4,144,000	$4,294,000	$3,330,000
Credit extended to customers	34,000	35,000	77,000
Cash on hand and in banks in U. S.	433,000	430,000	413,000
Total of customers' free credit balances	1,222,000	1,219,000	1,269,000
Market value of listed bonds	105,515,622	104,634,320	107,980,508
Market value of listed shares	375,203,217	387,841,207	326,598,425
Member borrowings on U. S. Govt. issues	347,000	618,000	670,000
Member borrowings on other collateral	2,984,000	3,121,000	2,069,000
NONFARM REAL ESTATE FORECLOSURES—FEDERAL SAVINGS AND LOAN INSURANCE CORPORATION—Month of Sept.	6,214	6,348	4,814
PERSONAL INCOME IN THE UNITED STATES (DEPARTMENT OF COMMERCE)—Month of January (in billions):			
Total personal income	$430.3	*$431.8	$403.6
Wage and salary receipts, total	290.1	*290.7	296.6
Commodity producing industries	114.3	*115.6	106.2
Manufacturing only	90.6	*91.4	83.8
Distributing industries	75.7	*75.4	71.8
Service industries	45.2	*45.1	41.6
Government	54.9	54.6	50.0
Other labor income	11.8	11.7	11.0
Business and professional	37.4	37.4	36.0
Farm	13.3	13.5	12.8
Rental income of persons	11.5	11.5	11.6
Dividends	14.9	15.5	14.2
Personal interest income	29.5	28.2	26.8
Transfer payments	33.1	33.4	31.1
Less employees' contribution for social insurance	10.2	10.1	9.6
Total nonagricultural incomes	412.3	*413.6	386.8
PRICES RECEIVED BY FARMERS — INDEX NUMBER — U. S. DEPT. OF AGRICULTURE—1910-1914=100—As of Jan. 15:			
All farm products	242	240	241
Crops	224	224	218
Commercial vegetables, fresh	252	213	212
Cotton	257	269	233
Feed, grain and hay	152	150	146
Food grains	218	219	207
Fruit	209	217	254
Oil-bearing crops	250	250	231
Potatoes	127	130	178
Tobacco	538	544	508
Livestock	256	255	261
Dairy products	266	273	271
Meat animals	304	299	304
Poultry and eggs	149	146	165
Wool	231	229	221
RAILROAD EARNINGS CLASS I ROADS (ASSOCIATION OF AMERICAN RRs.)—Month of December:			
Total operating revenues	$770,822,962	$799,611,458	$845,662,161
Total operating expenses	614,165,948	601,095,542	654,579,411
Taxes	68,196,342	91,282,488	88,788,597
Net railway operating before charges	57,162,874	71,492,167	76,587,943
Net income after charges (estimated)	70,000,000	58,000,000	94,000,000
UNITED STATES EXPORTS AND IMPORTS BUREAU OF CENSUS—Month of December (000's omitted):			
Exports	$1,826,900	$1,817,700	*$1,805,500
Imports	1,278,500	1,319,900	*1,157,700

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.

• Acro Electronic Products Co. (3/12-16)
July 17, 1961 filed 155,000 class A common. **Price**—$2. **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**—119 St. Mihiel Dr., Riverside, N. J. **Underwriter**—Roth & Co., Inc., and Janov & Co., Philadelphia.

Admiral Automotive Products, Inc. (3/26-30)
Jan. 11, 1962 filed 100,000 common. **Price**—$4. **Business**—A warehouse distributor of automobile equipment accessories and supplies. **Proceeds** — For expansion and working capital. **Office**—3294 Steinway St., Astoria, N. Y. **Underwriter**—Baruch Brothers & Co., Inc., N. Y.

Aero-Dynamics Corp.
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.

Aerodyne Controls Corp.
Jan. 29, 1962 ("Reg. A") 90,000 common. **Price**—$2. **Business**—Design, manufacture and sale of systems, controls and assemblies for the missile, rockets and aircraft industries. **Proceeds**—For equipment, debt repayment, expansion and working capital. **Office**—90 Gazza Blvd., Farmingdale, N. Y. **Underwriter**—Robbins, Clark & Co., N. Y.

Agency Tile Industries, Inc. (3/26-30)
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. **Underwriters**—Richard Bruce & Co., Inc., and Reuben Rose & 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.

• Airtronics International Corp. of Florida (3/14)
July 29, 1961 filed 186,625 common, of which 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 late-March.

Alaska All American Petroleum Corp.
Feb. 15, 1962 filed 2,000,000 common. **Price**—$1. **Business**—Acquiring, exploring and developing oil and gas properties. **Proceeds**—For debt repayment and other corporate purposes. **Office**—715 Midland Savings Bldg., Denver. **Underwriter**—None.

Alaska Pacific Lumber Co. (3/12-16)
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. (3/12-16)
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. (3/26-30)
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.

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. (3/19-23)
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.

Allied Entertainment Corp. of America, Inc.
Jan. 23, 1962 ("Reg. A") 125,000 common. **Price** — $2. **Business**—Music publishing; the manufacture and distribution of phonograph records, and the development and production of TV jingles. **Proceeds**—For debt repayment and working capital. **Office**—9171 Wilshire Blvd., Beverly Hills, Calif. **Underwriter** — Ellis Securities, Inc., Great Neck, 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. (3/19-23)
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.

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.
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. (3/26-30)
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. (3/5-9)
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 Cardboard & Packaging Corp. (3/26-30)
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.

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.
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 corporate purposes. **Office** — Warner Bldg., Washington, D. C. **Underwriter**—None.

• American Micro Devices, Inc. (3/8)
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 Mortgage Investors
Feb. 8, 1962 filed 1,300,000 shares of beneficial interest. **Price**—$15. **Business** — A newly-formed business trust which plans to invest in first mortgages. **Proceeds**—For investment. **Office**—305 S. County Rd., Palm Beach, Fla. **Underwriter**—Hayden, Stone & Co., N. Y. **Note**—This company was formerly named American First Mortgage Investors. **Offering**—In May.

American Phoenix Corp.
Jan. 24, 1962 filed 315,000 class A shares. **Price**—$10. **Business**—General real estate. **Proceeds**—For corporate purposes. **Office**—320 Park Ave., N. Y. **Underwriter**—Interamerica Securities Corp., 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**—A. C. Allyn & Co., Chicago and Goodbody & Co., N. Y. **Offering**—In April.

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. (3/12-16)
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 Southwest Realty Trust**
Feb. 12, 1962 filed 1,000,000 common. **Price**—$11. **Business**—A real estate investment company. **Proceeds**—For investment. **Office**—800 Hartford Bldg., Dallas. **Underwriters**—Kidder, Peabody & Co., N. Y. and Rauscher, Pierce & Co., Inc., Dallas. **Offering**—Expected in May.

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., Denver. **Offering**—In April.

Anchor Coupling Co., Inc.
Jan. 26, 1962 filed 488,000 common. **Price** — By amendment. **Business**—Manufacture of pressure hydraulic hose and metal tube assemblies. **Proceeds**—For selling stockholders. **Office**—342 N. Fourth St., Libertyville, Ill. **Underwriter**—Paine, Webber, Jackson & Curtis, N. Y. **Offering**—Expected sometime in April.

● **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.

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. (3/5-6)**
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.

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., Denver. **Offering**—Expected sometime in April.

Armstrong (A. J.) Co., Inc.
Feb. 12, 1962 filed 279,000 common, of which 150,000 are to be offered by the company and 129,000 by stockholders. **Price**—By amendment. **Business**—General commercial financing and factoring. **Proceeds**—For working capital. **Office**—850 Third Ave., N. Y. **Underwriter**—Dean Witter & Co., New York.

Argus Financial Fund, Inc.
Feb. 12, 1962 filed 800,000 capital shares to be offered in exchange for certain securities acceptable to the Fund. **Price**—Net asset value (expected to $12.50 per share). **Business**—A diversified open-end investment company which plans to participate in the long-term progress of savings and loan associations, and allied financial businesses. **Proceeds**—For investment. **Office**—1118 Torrey Pines Road, La Jolla, Calif. **Dealer-Manager**—Argus Financial Sales Corp. (same address).

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.

Art Packaging, Inc.
Jan. 26, 1962 ("Reg. A") 70,000 class A. **Price**—$2. **Business**—Design, manufacture and sale of clear plastic, vacuum formed "blisters" for packaging. **Proceeds**—For equipment, inventory and working capital. **Office**—126 Greenpoint Ave., Brooklyn, N. Y. **Underwriter**—Bernard L. Madoff, N. Y.

Artlin Mills, Inc. (3/19-23)
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. (3/12-16)**
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.

Ascot Publishing Co., Inc.
Jan. 29, 1962 ("Reg. A") 103,000 common. **Price**—$2. **Business**—Publishing of a bowling magazine. **Proceeds**—For general corporate purposes. **Office**—14 W. 55th St., N. Y. **Underwriter**—Dana Securities Co., Inc., 258 Broadway, N. Y.

★ **Ascot Textile Corp.**
Feb. 23, 1962 filed 100,000 common. **Price**—By amendment. (max. $7.50). **Business**—Converter of linings and interfacings used in the manufacture of clothing. **Proceeds**—For expansion, debt repayment and working capital. **Office**—335 W. 35th St., N. Y. **Underwriter**—Rittmaster, Voisin & 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. **Offering**—Expected sometime in April.

Astro-Science Corp. (3/19-23)
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.

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.

Atlantic Capital Corp. (3/19-23)
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.

Atlantic Utilities Corp.
Jan. 26, 1962 filed 200,000 common. **Price**—$6. **Business**—Construction and operation of water-treatment and sewage-disposal plants. **Proceeds**—For construction, plant expansion, and a loan to a subsidiary. **Office**—17850 N. 29th Court, Opa Locka, Fla. **Underwriter**—Hardy & Co., N. Y.

● **Atmosphere Control, Inc.**
Feb. 5, 1962 ("Reg. A") 86,000 common. **Price**—$3.45. **Business**—Manufacture and sale of Mist-I-Cone humidifiers. **Proceeds**—For equipment, advertising and working capital. **Office**—668 Jenks Ave., St. Paul. **Underwriter**—Pewters, Donnelly & Jansen, St. Paul.

● **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 early April.

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.

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 sometime in April.

Bacharach Industrial Instrument Co. (3/26-30)
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. **Offering**—Indefinitely postponed.

★ **Barr Corp.**
Feb. 27, 1962 filed 150,000 common. **Price**—$4. **Business**—Manufacture and sale of quilted and laminated vinyl sheeting. **Proceeds**—Expansion and working capital. **Office**—127-09 91st Ave., Richmond Hill, N. Y. **Underwriter**—Michael G. Kletz & Co., Inc., N. Y.

● **Barry (R. G.) Corp. (3/5-9)**
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. (3/5-9)**
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. (3/12-16)
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. (3/26-30)
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.

Bebell & Bebell Color Laboratories, Inc.
Jan. 29, 1962 ("Reg. A") 75,000 common. **Price** — $4. **Business** — Production of color photographic prints, slides, transparencies and photo-animations. **Proceeds**—For equipment, sales promotion, leasehold improvements, a new product, and working capital. **Office**—108 W. 24th St., N. Y. **Underwriter**—Stevens, Hickey & Co., N. Y. **Offering**—Expected in late March.

● **Bechtold Engineering Co. (3/15)**
Nov. 30, 1961 filed 135,000 common, of which 95,000 are to be offered by the company and 40,000 by a selling stockholder. **Price**—By amendment. **Business**—Manufacture of specially designed thermosetting plastic fabricating machinery. **Proceeds**—For debt repayment and other corporate purposes. **Office**—631 N.E. 45th St., Fort Lauderdale, Fla. **Underwriter**—Roman & Johnson, Fort Lauderdale, Fla.

Becton, Dickinson & Co. (3/26-30)
Jan. 26, 1962 filed 480,000 common, of which 200,000 are to be offered by the company and 280,000 by stockholders. **Price**—By amendment. **Business**—Manufacture of products used in the medical profession. **Proceeds**—For expansion and working capital. **Office**—East Rutherford, N. J. **Underwriter**—F. Eberstadt & Co., N. Y.

Bede Aircraft, Inc.
Feb. 14, 1962 ("Reg. A") 259,272 common. **Price**—$1. **Business**—Design and development of an aircraft incorporating radical concepts in design and construction. **Proceeds**—For debt repayment and general corporate purposes. **Office**—201 N. Federal Highway, Deerfield Beach, Fla. **Underwriter**—Consolidated Securities Corp., Pompano Beach, Fla.

Begley Drug Co.
Feb. 5, 1962 ("Reg. A") 19,900 common. **Price**—$15. **Business**—Operation of a chain of drug stores. **Proceeds**—For debt repayment. **Office**—201 E. Irvine St., Richmond, Ky. **Underwriter**—J. J. B. Hilliard & Son, Louisville, Ky.

Bell Color Lithographers, Inc.
Feb. 5, 1962 filed 130,000 common. **Price**—$4.50. **Business**—Engaged in commercial offset lithography. **Proceeds**—For debt repayment and working capital. **Office**—225 Varick St., N. Y. **Underwriter**—Market Values, Inc., N. Y.

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 re-

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payment 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.

Berkshire Gas Co.
Feb. 20, 1962 filed 26,500 common to be offered for subscription by stockholders. **Price**—By amendment (max. $24.50). **Proceeds**—For debt repayment. **Office**—20 Elm St., Pittsfield, Mass. **Underwriter**—Smith, Barney & Co., N. Y.

● **Bernalen, Inc.**
Jan. 12, 1962 ("Reg. A") 70,000 common. **Price**—$2.62½. **Business**—Design, manufacture and installation of photographic equipment. **Proceeds**—For general corporate purposes. **Office**—9821 Foster Ave., Brooklyn, N. Y. **Underwriter**—Amber, Burstein & Co., Inc., N. Y.

Berne of California, Inc. (3/19-23)
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.

Beryllium International, Inc.
Feb. 1, 1962 filed 1,000,000 common. **Price**—$5. **Business**—Company plans to manufacture various type beryllium products. **Proceeds**—For land and buildings, equipment, and working capital. **Office** — 528 Union Trust Bldg., Washington, D. C. **Underwriter**—None.

Besco Enterprises, Inc. (3/5-9)
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. (3/5-9)
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.

★ **Bestform Foundations, Inc.**
Feb. 23, 1962 filed 185,000 common, of which 36,500 are to be offered by the company and 148,500 by stockholders. **Price**—By amendment (max. $20). **Business**—Design and manufacture of popular priced foundation garments. **Proceeds**—For working capital. **Office**—38-01 47th Ave., L. I. C., N. Y. **Underwriter**—Smith, Barney & Co., N. Y.

Big "C" Stores, Inc.
Jan. 22, 1962 ("Reg. A") 18,000 common. **Price**—At-the-market. **Business**—Company plans to operate supermarkets in Washington and Oregon. **Proceeds**—For selling stockholders. **Office**—1845 S. E. 3rd Ave., Portland, Ore. **Underwriters**—J. Barth & Co. and First California Co., San Francisco; Hill, Darlington & Grimm, Seattle.

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. (3/19-23)**
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.

Bison Manufacturing Corp.
Jan. 26, 1962 ("Reg. A") 25,000 common. **Price**—$5. **Business**—Design, manufacture and sale of merchandising equipment for outdoor use. **Proceeds**—For inventory, working capital, debt repayment and equipment. **Office**—35 Roetzer St., Buffalo, N. Y. **Underwriter**—S. D. Lunt & Co., Buffalo, N. Y.

Blane Chemical Corp.
Jan. 29, 1962 filed 120,000 common. **Price**—$3. **Business**—The processing of plastic raw materials into compounds for extruding and moulding into plastic products. **Proceeds** — For debt repayment, equipment and working capital. **Office**—35 Pequit St., Camden, Mass. **Underwriter**—Godfrey, Hamilton, Taylor & Co., Inc., N. Y. **Offering**—Expected sometime in May.

Blue Haven Pools (3/5-9)
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.

Bolsa Chica Oil Corp.
Jan. 29, 1962 filed $1,000,000 of 6% conv. subord. debentures due 1977. **Price**—At par. **Business**—Prospects for, develops, produces, and markets oil and gas. **Proceeds**—For debt repayment, exploration, and development. **Office**—612 S. Flower St., Los Angeles. **Underwriter**—Bregman, Cummings & Co., N. Y.

Bolsa Chica Oil Corp.
Jan. 29, 1962 filed $1,024,700 of 6% convertible subordinated debentures due 1977, to be offered for subscription by stockholders at the rate of $100 of debentures for each 65 shares held. **Price**—At par. **Business**—Prospects for, develops, produces, and markets oil and gas. **Proceeds**—For debt repayment, exploration and development. **Office**—612 S. Flower St., Los Angeles. **Underwriter**—Bregman, Cummings & Co., N. Y.

★ **Bonanza Air Lines, Inc.**
Feb. 14, 1962 ("Reg. A") 40,000 common. **Price** — At-the-market. **Business**—Air transportation of persons, property and mail. **Proceeds**—For selling stockholder. **Office**—McCarran Field, Las Vegas, Nev. **Underwriter**—Crowell, Weedon & Co., Los Angeles.

● **Bowey's, Inc. (3/5-9)**
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.

Brach (E. J.) & Sons (4/9)
Feb. 7, 1962 filed 210,000 common. **Price**—By amendment. **Business**—Manufacture of popular priced candies. **Proceeds**—For selling stockholders. **Office**—4656 W. Kinbie St., Chicago. **Underwriter**—Goldman, Sachs & Co., N. Y.

● **Brentwood Financial Corp. (3/22)**
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** — 12001 San Vincente Blvd., Los Angeles. **Underwriter**—Hayden, Stone & Co., N. Y.

★ **Breskin Publications Inc.**
Feb. 28, 1962 filed 150,000 common. **Price**—By amendment. **Business**—Publishing of trade magazines. **Proceeds**—For the selling stockholders. **Office**—770 Lexington Ave., N. Y. **Underwriter**—A. G. Becker & Co., Inc., N. Y.

Bridge Electronics Co., Inc.
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. **Underwriter**—Roth & Co., Inc., Philadelphia. **Offering**—Expected in April.

Briggs Leasing Corp.
Feb. 8, 1962 filed $650,000 of 6¾% convertible subordinate debentures due 1972 and 65,000 common to be offered in 6,500 units, each consisting of $100 of debentures and 10 shares. **Price**—By amendment (max. $150). **Business**—Long-term leasing of automobiles. **Proceeds**—For possible acquisitions and working capital. **Office** 130 Cuttermill Rd., Great Neck, N. Y. **Underwriter**—D. H. Blair & Co., 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.

● **Buckingham Corp.**
Feb. 19, 1962 filed 500,000 class A common. **Price**—By amendment (max. $25). **Business**—The importing and sale of Cutty Sark Scotch Whiskey. **Proceeds**—For debt repayment and working capital. **Office**—620 Fifth Ave., N. Y. **Underwriter**—Lehman Brothers, N. Y. **Offering**—Expected in early May.

● **Building Ventures, Inc.**
Oct. 27, 1961 ("Reg. A") 62,500 common. **Price** — $4. **Business**—Real Estate. **Proceeds**—For working capital. **Office**—309 Main St., Islip, N. Y. **Underwriters**—Albion Securities Co., Inc., N. Y., R. E. Investors Corp., Levittown, N. Y., and Great Eastern Investment Co., Queen's Village, N. Y. **Offering**—Imminent.

● **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 April.

● **Burton Mount Corp. (3/19-23)**
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. (3/9)
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 75,000 class A shares and a like number of class A warrants. **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**—Darius Inc., N. Y. **Offering**—Expected in late April.

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.

★ **C T S Corp.**
Feb. 21, 1962 filed 125,000 common, of which 35,000 are to be offered by the company and 90,000 by stockholders. **Price**—By amendment (max. $28). **Business**—Manufacture of electronic and electro-mechanical components. **Proceeds**—For prepayment of 4% notes and working capital. **Office**—1142 W. Beardsley Ave., Elkhart, Ind. **Underwriter**—Goldman, Sachs & Co., 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. **Note** — This offering was indefinitely postponed.

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.**
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. **Offering**—Expected in April.

Calev Photolabs, Inc.
Jan. 29, 1962 filed 93,000 common. **Price**—$3.25. **Business** — Company processes black and white and color photographic film, and sells photographic supplies and equipment. **Proceeds**—For sales promotion, equipment and repayment of loans. **Office**—21-20 45th Rd., L. I. C., N. Y. **Underwriter**—Amber, Burstein & Co., Inc., N. Y.

● **Calumet Industries, Inc. (3/5-9)**
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.
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. **Offering**—Expected sometime in May.

Cameo Lingerie, Inc.
Feb. 12, 1962 filed 190,000 common, of which 120,000 are to be offered by the company and 70,000 by stockholders. **Price**—$5. **Business**—Manufactuer of women's and children's tailored panties. **Proceeds**—For debt repayment, inventory and working capital. **Office**—Fajardo, Puerto Rico. **Underwriter**—Schweickart & Co., N. Y.

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.

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.

Caprico International, Inc.
Jan. 22, 1962 ("Reg A") 52,000 common. **Price** — $3. **Business**—Design, manufacture and wholesaling of a proprietary line of sporting goods. **Proceeds**—For general corporate purposes. **Office**—76 Madison Ave., N. Y. **Underwriter**—Douglas Barr, Zrike, Hart & Alkazin, Inc., New York.

● **Carmer Industries, Inc. (3/6)**
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**—$3. **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. (3/5-9)
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.

● Carolina Telephone & Telegraph Co. (4/15)
Feb. 16, 1962 filed 195,039 common to be offered for subscription by stockholders on the basis of one new share for each 10 held. **Price**—$20. **Proceeds**—For repayment of bank loans. **Office**—122 E. St. James Street, Tarboro, N. C. **Underwriter**—None.

★ Carrols, Inc.
Feb. 21, 1962 filed 688,375 common to be offered for subscription by stockholders of Tastee Freez Industries, Inc., parent company on the basis of one such share for each two shares of Tastee Freez held. **Price**—$6. **Business**—Franchising and supplying of stores and mobile units selling a soft ice product and certain selected food products. **Proceeds**—For expansion. **Office**—176 W. Adams St., Chicago. **Underwriter**—Bear, Stearns & Co., N. Y.

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.

Central Acceptance Corp. of Delaware
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**—To be named.

Century Brick Corp. of America (3/5-9)
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. (3/12-16)
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.

Champion Parts Rebuilders, Inc.
Feb. 2, 1962 filed 150,000 common, of which 90,000 are to be offered by company and 60,000 by stockholders. **Price**—By amendment. **Business**—Rebuilding functional parts for motor vehicles. **Proceeds** — For equipment, working capital and other corporate purposes. **Office**—4301 W. 69th St., Chicago. **Underwriter**—Straus, Blosser & McDowell, Chicago.

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.

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NEW ISSUE CALENDAR

March 5 (Monday)
American Book-Stratford Press, Inc. — Common
(Bear, Stearns & Co.) 430,000 shares
Arizona Biochemical Co. — Common
(Globus, Inc.) $800,000
Barry (R. G.) Corp. — Common
(Arnold Malkan & Co.) $500,000
Basic Inc. — Preference
(First Boston Corp.) 70,000 shares
Besco Enterprises, Inc. — Capital
(Kleiner, Bell & Co. and Rittmaster, Voisin & Co.) 150,000 shares
Best Plastics Corp. — Common
(S. B. Cantor Co.) $375,000
Blue Haven Pools — Capital
(Pacific Coast Securities Co.) $300,000
Bowey's, Inc — Common
(Cruttenden, Podesta & Co.) 80,000 shares
Calumet Industries, Inc. — Units
(Cruttenden, Podesta & Co.) $1,600,375
Carolinas Capital Corp. — Common
(R. S. Dickson & Co.) $5,000,000
Century Brick Corp. of America — Common
(Sandkuhl & Co., Inc.) $300,000
Fleetwood Securities Corp. of America — Common
(General Securities Co., Inc.) $500,000
Hydra-Loc, Inc. — Common
(McLaughlin, Kaufman & Co.) $120,000
International Stretch Products Inc. — Common
(Burnham & Co.) 300,000 shares
Kine Camera Co., Inc. — Common
(Underhill Securities Corp.) $375,000
Melnor Industries, Inc. — Common
(Francis I. duPont & Co.) 152,500 shares
Miss Elliette, Inc. — Common
(F. L. Rossman & Co.) 100,000 shares
National Bowling Lanes, Inc. — Capital
(Edward Lewis & Co., Inc.) $825,000
National Real Estate Investment Trust — Common
(Lee Higginson Corp.) $15,000,000
Olympia Mines, Inc. — Capital
(Gaumont Corp., Ltd.) $405,000
Oxford Finance Cos., Inc. — Common
(Blair & Co., Inc.) 200,000 shares
Papekote, Inc. — Common
(Edward Lewis Co., Inc.) $300,000
Paramount Foam Industries — Common
(Fialkov & Co., Inc.) 137,500 shares
Pir-O-Wood Industries, Inc. — Common
(Arnold Malkan & Co., Inc.) $310,000
Southeastern General Corp. — Common
(Irwin Karp & Co., Inc.) $300,000
Technibilt Corp. — Common
(Frank Karasik & Co.) $600,000
Texas Tennessee Industries, Inc. — Common
(S. D. Fuller & Co.) 175,000 shares
Univend Corp. — Common
(Ezra Kureen Co.) $287,500
Valley Metallurgical Processing Co. — Common
(McDonnell & Co., Inc.) 70,000 shares
Voron Electronics Corp. — Class A
(John Joshua & Co., Inc.) $300,000
West Penn Power Co. — Bonds
(Bids 12 noon EST) $30,000,000
World Scope Publishers, Inc. — Common
(Standard Securities Corp.) 300,000 shares
Youthcraft Creations, Inc. — Class A
(Paine, Webber, Jackson, & Curtis) 130,000 shares

March 6 (Tuesday)
Carmer Industries, Inc. — Common
(Godfrey, Hamilton, Taylor & Co., Inc.) $555,000
Southwestern Public Service Co. — Common
(Offering to stockholders—underwritten by Dillon, Read & Co.) 442,362 shares

March 7 (Wednesday)
Chicago & North Western Ry. — Equip. Trust Ctfs.
(Bids noon CST) $1,200,000
DeLuxe Homes, Inc. — Common
(Alessandrini & Co., Inc.) $300,000
Economy Food Enterprises Corp. — Common
(Sentinel Securities Planning Corp. and Bassior & Co.) $300,000
Griesedieck Co. — Common
(Offering to stockholders—underwritten by Edward D. Jones & Co.) 99,288 shares
Kann-Ellert Electronics, Inc. — Common
(Rubin, Rennert & Co., Inc.) $702,000
Potomac Electric Power Co. — Common
(Offering to stockholders—underwritten by Dillon, Read & Co., Inc.) 536,221 shares
Stokely-Van Camp, Inc. — Common
(Reynolds & Co., Inc.) 100,000 shares
Stokely-Van Camp, Inc. — Debentures
(Reynolds & Co., Inc.) $15,000,000
Tri-Point Industries, Inc. — Common
(Hill, Darlington & Grimm) 160,000 shares

March 8 (Thursday)
American Micro Devices, Inc. — Common
(Naftalin & Co., Inc.) $1,725,000
Oklahoma Gas & Electric Co. — Common
(Offering to stockholders—underwritten by Merrill Lynch, Pierce, Fenner & Smith Inc.) 328,912 shares
Sportsmen, Inc. — Units
(William, David & Motti, Inc.) $300,000

March 9 (Friday)
Bush Terminal Co. — Common
(Offering to stockholders—no underwriting) 92,320 shares

March 12 (Monday)
Acro Electronic Products Co. — Common
(Roth & Co., Inc. and Janov & Co.) $310,000
Alaska Pacific Lumber Co. — Common
(Dempsey-Tegeler & Co., Inc.) 250,000 shares
Albert Voigt Industries, Inc. — Common
(David Barnes & Co., Inc.) $320,000
American Realty & Petroleum Corp. — Debentures
(Troster, Singer & Co.) $2,000,000
Arnav Industries, Inc. — Units
(Gianis & Co., Inc.) 600 units
Arwood Corp. — Common
(Bear, Stearns & Co.) 230,000 shares
Baxter Laboratories, Inc. — Common
(Lehman Brothers and Merrill Lynch, Pierce, Fenner & Smith Inc.) 120,000 shares
Baxter Laboratories, Inc. — Debentures
(Lehman Brothers and Merrill Lynch, Pierce, Fenner & Smith Inc.) $10,000,000
Certified Industries, Inc. — Units
(Singer, Beane & Mackie, Inc.) $750,000
Cinema Studios Inc. — Capital
(Dalen Investments & Funds, Inc.) $75,000
Concors Supply Co., Inc. — Common
(Roth & Co., Inc.) $400,000
Cryplex Industries, Inc. — Common
(Herbert Young & Co., Inc.) $300,000
Family Record Plan, Inc. — Common
(Bache & Co.) 200,000 shares
Fidelity America Financial Corp. — Common
(Netherlands Securities Co., Inc.) $500,000
Franklin Realty Trust of Philadelphia — Ben. Int.
(A. G. Becker & Co., Inc.) $10,000,000
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
Haltone Rental Corp. — Common
(B. G. Harris & Co., Inc.) $300,000
Hanna-Barbara Productions, Inc. — Capital
(Carl M. Loeb, Rhoades & Co., Inc.) 200,000 shares
Honig's-Parkway, Inc. — Common
(Richard Bruce & Co., Inc. and Reuben Rose & Co., Inc.) $300,000
House of Westmore, Inc. — Common
(Brand, Grumet & Seigel, Inc. and Kesselman & Co., Inc.) $600,000
Industry Capital Corp. — Common
(A. C. Allyn & Co.) $7,500,000
Jaylis Industries, Inc. — Units
(D. E. Liederman & Co., Inc.) $1,700,000
Johnson Electronics, Inc. — Capital
(Jennings, Mandel & Longstreth) 125,000 shares
Maul Bros. Inc. — Common
(Kidder, Peabody & Co.) 100,000 shares
PCS Data Processing, Inc. — Common
(Harry Odzer Co. and Lenchner, Covato & Co., Inc.) $375,000
Power Industrial Products Co. — Class A
(S. D. Fuller & Co.) 160,000 shares
Printing Corp. of America — Common
(Goldman, Sachs & Co.) 454,000 sharese
Puerto Rico Capital Corp. — Common
(Hill, Darlington & Grimm) $3,000,000
Ripley Industries, Inc., and Jomar Plastics, Inc. — Units
(Paine, Webber, Jackson & Curtis and American Securities Corp.) 100,000 units
Servonuclear Corp. — Common
(Rothenberg, Heller & Co., Inc.) $200,000
Spiral Metal Co., Inc. — Common
(Flomenhaft, Seidler & Co.) $250,000
Steel Plant Equipment Corp. — Common
(Joseph W. Hurley & Co.) $208,980
Struthers Scientific & International Corp. — Com.
(Hirsch & Co., Inc.) 150,000 shares
Tech-Torch Co., Inc. — Common
(Scott, Harvey & Co., Inc.) $325,000
Tidewater Lumber Co. — Common
(Rubin, Rennert & Co., Inc.) $1,000,000
Tyson Metal Products, Inc. — Common
(Arthurs, Lestrange & Co.) 70,000 shares
World Toy House, Inc. — Common
(Laren Co.) 150,000 shares

March 13 (Tuesday)
Citizens Life Insurance Co. of New York — Common
(A. G. Becker & Co.) 147,000 shares
Pacific Gas & Electric Co. — Bonds
(Bids 11:30 a.m. EST) $65,000,000
Recco, Inc. — Class A
(Midland Securities Co., Inc.) 75,000 shares

March 14 (Wednesday)
Airtronics International Corp. of Florida — Common
(Stein Bros. & Boyce and Vickers, McPherson & Warwick, Inc.) 199,000 shares
Denver & Rio Grande Western RR. — Eq. Tr. Ctfs.
(Bids 12 noon MT) $4,830,000
Orion Electronics Corp. — Common
(A. D. Gilhart & Co., Inc.) $350,000
Spartan International Inc. — Common
(M. H. Woodhill, Inc.) $700,000

March 15 (Thursday)
Bechtold Engineering Co. — Common
(Roman & Johnson) 135,000 shares
Continental Mortgage Investors — Ben. Int.
(Hemphill, Noyes & Co. and Paine, Webber, Jackson & Curtis) 1,700,000 shares
Diamond Mills Corp. — Common
(Drexel & Co.) 250,000 shares
Filon Plastics Corp. — Common
(White, Weld & Co.) 200,000 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 Manufacturing Co. — Common
(Lehman Brothers) 349,590 shares
Hayden Publishing Co., Inc. — Common
(Carl M. Loeb, Rhoades & Co.) 150,000 shares
King Louie Bowling Corp. — Common
(George K. Baum & Co.) $975,000
Medex, Inc. — Common
(Globus, Inc.) 110,000 shares
Milo Components, Inc. — Class A
(T. M. Kirsch Co., Inc. and I. R. E. Investors Corp.) $150,000
Municipal Investment Trust Fund, Pa. Series — Ints.
(Ira Haupt & Co.) $6,375,000
National Equipment & Plastics Corp. — Common
(Cortlandt Investing Corp.) $525,000
North Atlantic Industries, Inc. — Common
(G. A. Saxton & Co., Inc.) 131,500 shares
PneumoDynamics Corp. — Common
(Hemphill, Noyes & Co. and Estabrook & Co.) 150,000 shares
Precision Instrument Co. — Capital
(Lehman Brothers and J. Barth & Co.) 125,000 shares
RF Interonics, Inc. — Common
(Arnold Malkan & Co.) $200,000
Ridge Tool Co. — Class A
(White, Weld & Co. and McDonald & Co.) 284,586 shares
Rockower Brothers, Inc. — Common
(Drexel & Co.) 150,000 shares
Shenk Industries, Inc. — Common
(Rodetsky, Walker & Co., Inc. and Boenning & Co.) $900,000
South European Pipeline Co. — Debentures
Morgan Stanley & Co. and Lazard Freres & Co.) $40,000,000
Universal Lighting Products, Inc. — Common
(Globus, Inc.) $175,000

March 16 (Friday)
Long Island Lighting Co. — Common
(Offering to stockholders—underwritten by Blyth & Co., Inc., First Boston Corp., and W. C. Langley & Co.) 421,472 shares

March 19 (Monday)
Allied Capital Corp. — Common
(Allen & Co.) 213,427 shares
Alson Manufacturing Co. — Common
(Albion Securities Co., Inc.) $300,000
Artlin Mills, Inc. — Common
(Mortimer B. Burnside & Co., Inc.) $675,000
Astro-Science Corp. — Common
(W. C. Langley & Co.) 232,500 shares
Atlantic Capital Corp. — Common
(Paine, Webber, Jackson & Curtis) $6,250,000
Berne of California, Inc. — Common
(Pacific Coast Securities Co.) $255,000
Bilnor Corp. — Class A
(A. C. Allyn & Co.) 100,000 shares
Burton Mount Corp. — Common
(Reiner, Linburn & Co.) $600,000
Chez Milhet, Inc. — Units
(Street & Co.) $200,000
Conductron Corp. — Class A
(McDonnell & Co. and Halle & Stieglitz) 125,000 shares
Cosnat Corp. — Common
(Van Alstyne, Noel & Co.) 165,000 shares
District Photo, Inc. — Common
(Auchincloss, Parker & Redpath) 100,000 shares

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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.

Chez Milhet, Inc. (3/19)
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.

Cinema Studios Inc. (3/12-16)
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.

Citizens Life Ins. Co. of New York (3/13)
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. (3/26-30)
Dec. 21, 1961 filed 110,000 common. **Price**—By amendment. **Business**—Engaged in the consumer loan and finance buisness in Maryland. **Proceeds**—For general corporate purposes. **Office**—307 N. Eutaw St., Baltimore. **Underwriter**—Stein Bros. & Boyce, Baltimore.

● **Clute (Francis H.) & Son, Inc. (4/2-6)**
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.

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Hannett Industries, Inc. — Common
(Albion Securities Co., Inc.) $300,000

International Airport Hotel Systems, Inc. — Units
(Bache & Co. and Robinson-Humphrey Co., Inc.) 17,000 units

Interworld Film Distributors, Inc. — Common
(General Securities Co., Inc. and S. Kasdan & Co., Inc.) $425,000

Kay Foods Corp. — Class A
(Auchincloss, Parker & Redpath) $616,000

Kiddie Rides, Inc. — Units
(Paul C. Kimball & Co.) 1,000 units

Krylon, Inc. — Common
(Eastman Dillon, Union Securities & Co.) 250,000 shares

Lithoid, Inc. — Common
(Godfrey Hamilton, Taylor & Co., Inc.) $360,000

Macco Realty Co. — Common
(Kidder, Peabody & Co. and Mitchum, Jones & Templeton) 150,000 shares

Macco Realty Co. — Debentures
(Kidder, Peabody & Co. and Mitchum, Jones & Templeton) $4,000,000

Mathias (A. L.) Co. — Common
(Stein Bros. & Boyce) 200,000 shares

Motor Parts Industries, Inc. — Class A
(Street & Co., Inc.) 120,000 shares

Narrows Premium Corp. — Common
(Pearson, Murphy & Co.) $400,000

Orlando Paper Corp. — Common
(Professional & Executive Planning Corp. and E. J. Roberts & Co.) $200,000

Seg Electronics Co., Inc. — Common
(Searight, Ahalt & O'Connor, Inc.) 100,000 shares

Sperti Products, Inc. — Common
(Blair & Co., Inc.) 230,000 shares

Trygon Electronics Inc. — Common
(William, David & Motti, Inc.) $600,000

Ultra Plastics Inc. — Class A
(Edward Hindley & Co.) 157,500 shares

Wade, Wenger ServiceMaster Co. — Capital
(Laren Co.) 140,000 shares

Wiatt (Norman) Co. — Common
(Schwabacher & Co.; J. Barth & Co. and Bear, Stearns & Co.) 135,000 shares

Widmann (L. F.), Inc. — Common
(Godfrey, Hamilton, Taylor & Co.) $486,000

Wiggins Plastics, Inc. — Common
(Investment Planning Group, Inc.) $300,000

March 20 (Tuesday)

First Hartford Realty Corp. — Common
(Putnam & Co.) 500,000 shares

Kollmorgen Corp. — Common
(Putnam & Co.) 100,000 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

Wham-O Mfg. Co. — Common
(To be named) 145,000 shares

March 22 (Thursday)

Brentwood Financial Corp. — Common
(Hayden, Stone & Co.) 150,000 shares

March 26 (Monday)

Admiral Automotive Products, Inc. — Common
(Baruch Brothers & Co., Inc.) $400,000

Agency Tile Industries, Inc. — Common
(International Services Corp.) $300,000

Ainsbrooke Corp. — Capital
(Richard Bruce & Co., Inc. and Reuben Rose & Co., Inc.) $2,000,000

Alberto-Culver Co. — Common
(Shields & Co.) 68,000 shares

American Bolt & Screw Mfg. Corp. — Common
(S. D. Fuller & Co.) 150,000 shares

American Cardboard & Packaging Corp. — Common
(Milton D. Blauner & Co., Inc.; M. L. Lee & Co., Inc. and Hallowell, Sulzberger, Jenks, Kirkland & Co.) $525,000

Bacharach Industrial Instrument Co. — Common
(Arthurs, Lestrange & Co.) 60,000 shares

Bay State Electronics Corp. — Common
(S. D. Fuller & Co.) 160,000 shares

Becton, Dickinson & Co. — Common
(F. Eberstadt & Co.) 480,000 shares

City Finance Co., Inc. — Common
(Stein Brothers & Boyce) 110,000 shares

Computer Control Co., Inc. — Common
(Kidder, Peabody & Co.) 157,500 shares

Delford Industries, Inc. — Common
(I. R. E. Investors Corp.) $332,500

Fastline Inc. — Units
(G. Everett Parks & Co., Inc.) $460,000

Fastpak, Inc. — Common
(Arnold Malkan & Co., Inc.) $625,000

First Republic Corp. of America — Units
(Morris Cohon & Co. and Lieberbaum & Co.) 47,000 units

First Scientific Corp. — Class A
(Netherlands Securities Co., Inc.; Seymour Blauner Co. and Sprayregen, Haft & Co.) $600,000

General Leasing Corp. — Common
(Midland Securities Co., Inc.) $279,000

Glass-Tite Industries, Inc. — Common
(Hemphill, Noyes & Co.) 185,000 shares

Happy House, Inc. — Common
(No underwriting) $700,000

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

Interstate Vending Co. — Common
(Bear, Stearns & Co.) 53,829 shares

Japan Fund, Inc. — Common
(Bache & Co.; Paine, Webber, Jackson & Curtis and Nikko Securities Co., Ltd.) $25,000,000

Kogel, Inc. — Common
(Globus, Inc.) $100,000

Kraft Planned Homes, Inc. — Common
(Best & Garey Co., Inc.) $1,000,000

L. L. Drug Co., Inc. — Common
(Stevens Investment Co.) $450,000

Michaels (J.), Inc. — Common
(L. F. Rothschild & Co.) 103,000 shares

Morse Electro Products Corp. — Debentures
(Standard Securities Corp.) $1,250,000

Nationwide Bowling Corp. — Capital
(Jennings, Mandel & Longstreth) 100,000 shares

New World Laboratories, Inc. — Common
(T. J. McDonald & Co., Inc.) $300,000

Nigeria Chemical Corp. — Common
(Scott, Harvey & Co., Inc.) $450,000

Parker Finance Corp. — Common
(D. E. Liederman & Co., Inc.) $810,000

Product Research of Rhode Island, Inc. — Common
(Investment Planning Group) $676,500

Publishers Co., Inc. — Common
(Roth & Co., Inc.) 541,000 shares

Puerto Rico Land & Development Corp. — Units
(Lieberbaum & Co. and Morris Cohon & Co.) $5,000,000

Pyramid Publications, Inc. — Common
(Milton D. Blauner & Co., Inc.) 115,000 shares

Southern Growth Industries, Inc. — Common
(Capital Securities Corp.) $600,000

Sun City Dairy Products, Inc. — Common
(Finkle & Co.) $440,000

Thomasville Furniture Industries, Inc. — Common
(Hornblower & Weeks) 343,551 shares

Tork Time Controls, Inc. — Common
(Godfrey, Hamilton, Taylor & Co. and Magnus & Co.) 150,000 shares

Trans-Alaska Telephone Co. — Common
(Milton D. Blauner & Co., Inc.) $1,590,000

Trans-Pacific Research & Capital, Inc. — Common
(Hill, Darlington & Grimm) 47,000 shares

Welcome Baby, Inc. — Common
(Globus, Inc. and First Philadelphia Corp.) $150,000

Western Casualty & Surety Co. — Capital
(Offering to stockholders—underwritten by Kidder, Peabody & Co.) 187,500 shares

March 28 (Wednesday)

National Cash Register Co. — Common
(Offering to stockholders—underwritten by Dillon, Read & Co., Inc.) 319,090 shares

National Cash Register Co. — Debentures
(Dillon, Read & Co., Inc.) $50,000,000

March 30 (Friday)

Consolidated Edison Co. of New York, Inc. — Pref.
(Offering to common stockholders—underwritten by First Boston Corp. and Morgan Stanley & Co.) 947,924 shares

April 2 (Monday)

Clute (Francis H.) & Son, Inc. — Common
(Stone, Altman & Co., Inc.) $1,500,000

Lincoln Fund, Inc. — Common
(Horizon Management Corp.) 951,799 shares

National Vended Ski Insurance Corp. — Common
(Pacific Coast Securities Co.) 550,000 shares

Tyler Pipe & Foundry Co. — Common
(First Southwest Co.) 120,000 shares

Vassar Corp. — Common
(J. R. Williston & Beane) 124,900 shares

April 4 (Wednesday)

New Orleans Public Service Co. — Bonds
(Bids to be received) $8,000,000

April 5 (Thursday)

Pacific Power & Light Co. — Common
(Offering to stockholders—bids 11 a.m. EST) 670,000 shares

April 6 (Friday)

Government Employees Corp. — Debentures
(Offering to stockholders, no underwriting) $2,675,000

April 9 (Monday)

Brach (E. J.) & Sons — Common
(Goldman, Sachs & Co.) 210,000 shares

Dialight Corp. — Common
(Burnham & Co.) 367,000 shares

Molecular Dielectrics, Inc. — Common
(Street & Co., Inc. and Irving Weis & Co.) $750,000

Presidential Realty Corp. — Class B
(Burnham & Co.) 260,000 shares

Towers Marts International, Inc. — Capital
(W. C. Langley & Co.) 550,000 shares

Turbodyne Corp. — Common
(Sandkuhl & Co., Inc.) $637,500

21 Brands, Inc. — Common
(A. C. Allyn & Co. and Hornblower & Weeks) 800,000 shares

Vitamin Specialties Co. — Capital
(Woodcock, Moyer, Fricke & French, Inc.) $300,000

April 10 (Tuesday)

First Lincoln Financial Corp. — Common
(White, Weld & Co.) 320,000 shares

Pepsi-Cola General Bottlers, Inc. — Common
(White, Weld & Co.) 250,000 shares

April 11 (Wednesday)

Pacific Power & Light Co. — Bonds
(Bids 11:00 a.m. EST) $35,000,000

April 12 (Thursday)

Mississippi Power Co. — Bonds
(Bids to be received) $6,000,000

April 13 (Friday)

Carolina Telephone & Telegraph Co. — Common
(Offering to stockholders—no underwriting) $3,900,780

April 16 (Monday)

Producers Cotton Oil Co. — Common
(Kidder, Peabody & Co. and Dean Witter & Co.) 200,000 shares

Seashore Food Products, Inc. — Common
(Terrio & Co., Inc.) $300,000

April 17 (Tuesday)

Appalachian Power Co. — Bonds
(Bids 11 a.m. EST) $25,000,000

Futura Airlines — Common
(Raymond Moore & Co., Inc. and Pacific Coast Securities Co.) $300,000

Missouri Pacific RR. — Equip. Trust Ctfs.
(Bids to be received) $5,925,000

April 18 (Wednesday)

Transcontinental Gas Pipe Line Corp. — Bonds
(White, Weld & Co. and Stone & Webster Securities Corp.) $10,000,000

April 23 (Wednesday)

Duro Pen Co., Inc. — Common
(Godfrey, Hamilton, Taylor & Co.) $500,000

Jiffy Steak Co. — Common
(Arthurs, Lestrange & Co.) 65,000 shares

Lee Fashions, Inc. — Common
(Godfrey, Hamilton, Taylor & Co. and Penzell & Co.) 166,666 shares

Western Pioneer Co. — Capital
(Kidder, Peabody & Co.) 371,750 shares

April 24 (Thursday)

Appalachian Power Co. — Debentures
(Bids 11 a.m. EST) $20,000,000

May 1 (Tuesday)

Southern Bell Telephone & Telegraph Co. — Debs.
(Bids to be received) $75,000,000

Wiley (John) & Sons, Inc. — Capital
(White, Weld & Co., Inc.) 150,022 shares

May 2 (Wednesday)

Control Dynamics, Inc. — Common
(Brandtjen & Bayliss, Inc.) $575,000

May 15 (Tuesday)

Mercury Books, Inc. — Common
(Meade & Co.) $247,500

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

May 29 (Tuesday)

New England Electric System — Common
(Offering to stockholders—bids to be received) 872,876 shares

May 31 (Thursday)

Alabama Power Co. — Bonds
(Bids to be received) $17,000,000

November 7 (Wednesday)

Georgia Power Co. — Bonds
(Bids to be received) $23,000,000

Georgia Power Co. — Preferred
(Bids to be received) $7,000,000

November 28 (Wednesday)

Southern Electric Generating Co. — Bonds
(Bids to be received) $6,500,000

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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.

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.

★ **Columbia Bancorporation**
Feb. 23, 1962 filed $30,000,000 of convertible subordinated debentures due 1987 and 1,500,000 common to be offered in units. **Price**—By amendment. **Business**—A bank holding company recently formed to acquire stock of First Western Bank & Trust Co., Los Angeles. **Proceeds**—For acquisition of First Western stock, and working capital. **Office**—1000 Vermont Ave., N. W., Washington, D. C. **Underwriters**—Bear, Stearns & Co. and Allen & Co., N. Y.

● **Columbus Plastic Products, Inc.**
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, O. **Offering**—Imminent.

Commerce Drug Co., Inc.
Feb. 9, 1962 filed 100,000 common. **Price**—By amendment (Max. 22). **Business**—Manufacture, packaging and distribution of proprietary drugs. **Proceeds**—For selling stockholders. **Office**—505 Court St., Brooklyn, N. Y. **Underwriter**—Shearson, Hammill & Co., N. Y. **Offering**—Expected sometime in April.

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.

● **Computer Control Co., Inc. (3/26-30)**
Jan. 24, 1962 filed 157,500 common, of which 62,500 are to be offered by the company and 95,000 by stockholders. **Price**—By amendment. **Business**—Design and manufacture of digital equipment. **Proceeds**—For debt repayment. **Office**—983 Concord St., Framingham, Mass. **Underwriter**—Kidder, Peabody & Co., N. Y.

★ **Computer Oriented Research & Engineering, Inc.**
Feb. 23, 1962 filed 135,000 common, of which 100,000 are to be offered by the company and 35,000 by a stockholder. **Price**—$4. **Business**—Electronic data processing. **Proceeds**—For computer systems development, additional personnel, and working capital. **Office**—119 Federal St., Pittsburgh. **Underwriter** — Arthurs, Lestrange & Co., Pittsburgh.

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. (3/12-16)
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. (3/19-23)
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.

★ **Construction Design, Inc.**
Feb. 12, 1962 ("Reg. A") 60,000 common. **Price**—$5. **Business**—Remodeling, modernizing and expanding residential and commercial properties. **Proceeds**—To make construction loans to customers. **Office**—451 N. La Cienega Blvd., Los Angeles. **Underwriter**—Thomas Jay, Winston & Co., Inc., Beverly Hills, Calif.

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 Investment & Mortgage Co.
Jan. 26, 1962 filed 130,000 common, of which 100,000 are to be offered by the company and 30,000 by stockholders; also $600,000 of 6½% convertible subordinated debentures due 1974. **Price**—For stock: $5; for debentures: at par. **Business**—Company was formed to hold the stocks of a mortgage company, an insurance agency and a real estate development company. **Proceeds**—For debt repayment and working capital. **Office**—44 Forsyth St., N. W., Atlanta, Ga. **Underwriters**—Joseph Walker & Sons, N. Y. and Clark, Landstreet & Kirkpatrick, Inc., Nashville, Tenn.

Continental Leasing Corp.
June 19, 1961 ("Reg. A") 75,000 [illegible]ommon. **Price** — $4. **Proceeds**—For purchase of new [illegible]tomobiles, advertising and promotion, and working [illegible]tal. **Office**—4 Gateway Center, Pittsburgh, Pa. **Under[illegible]r** — Cambridge Securities, Inc., N. Y.

Continental Mortgage Inv[illegible]ors (3/15)
Dec. 21, 1961 filed 1,700,000 sha[illegible]s 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. **Note**—This firm was formerly named Federal Mortgage Investors.

★ **Continental Security Investment Co. of Mo. Inc.**
Feb. 15, 1962 ("Reg. A") 29,500 class A common and 18,000 class B common. **Price**—For class A: $10; class B: 10 cents. **Business**—An investment company. **Proceeds**—For acquisition of stock of Continental Security Life Insurance Co. **Office**—Jefferson City, Mo. **Underwriter**—None.

● **Control Dynamics, Inc. (5/2-6)**
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.

Coral Ridge Properties, Inc.
Feb. 5, 1962 filed $5,000,000 of 6¼% s. f. subord. debens. due 1977 (with attached 10-year warrants to purchase 1,100,000 class A common). **Price**—By amendment. **Business**—Development and sale of land. **Proceeds**—For construction, possible acquisitions and working capital. **Office**—716 N. Federal Hwy., Fort Lauderdale, Fla. **Underwriters**—Cruttenden, Podesta & Co. and A. C. Allyn & Co., Chicago, Ill., and J. R. Williston & Beane, N. Y. **Offering**—Expected in late April.

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.

Cosmetically Yours, Inc.
Jan. 29, 1962 ("Reg. A") 80,000 common. **Price**—$3. **Business**—Manufacturer of cosmetics. **Proceeds**—For debt repayment, working capital and other corporate purposes. **Office**—15 Clinton St., Yonkers, N. Y. **Underwriter** — Underhill Securities Corp., N. Y. **Offering**—Sometime in April.

Cosnat Corp. (3/19-23)
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.

Coyle's Voting Machine Co.
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. **Offering**—Imminent.

Credit Department, Inc.
Jan. 26, 1962 filed $1,200,320 of 7% conv. subord. debentures due 1974 and 54,560 common shares to be offered in 2,728 units, each consisting of $440 of debentures and 20 common shares. **Price**—$550 per unit. **Business**—A consumer sales finance company. **Proceeds**—For debt repayment. **Office**—1775 Broadway, N. Y. **Underwriter** — Bernard M. Kahn & Co., Inc., N. Y. **Offering**—Expected in late April.

Cryplex Industries, Inc. (3/12-16)
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.
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. **Offering**—Imminent.

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.

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.

★ **Decorative Interiors, Inc.**
Feb. 26, 1962 ("Reg. A") 52,000 class A common. **Price**—$2.50. **Business**—Manufacture of draperies, furniture and bed spreads for hotels and institutions. **Proceeds**—For expansion and other corporate purposes. **Office**—1191 N. W. 22nd St., Miami, Fla. **Underwriter**—Bayes, Rose & Co., Inc., 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.

Delford Industries, Inc. (3/26-30)
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 Airlines, Inc.
Feb. 7, 1962 filed 203,687 common. **Price**—By amendment (Max. $45). **Business**—The transporting of persons, property and mail by air. **Proceeds**—For general corporate purposes. **Office**—Atlanta Airport, Atlanta, Ga. **Underwriter**—Courts & Co., Atlanta.

● **DeLuxe Homes, Inc. (3/7)**
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.

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Deuterium Corp.
Sept. 28, 1961 filed 140,000 common with attached warrants to purchase an additional 140,000 shares to be offered for subscription by stockholders in units (of one share and one warrant) on the basis of 3 units for each 5% preferred share held, 2 units for each 5% preferred A stock held and one unit for each 10 class B shares held. **Price**—$20 per unit. **Business**—Company plans to manufacture and utilize all kinds of chemical materials. **Proceeds**—For start-up expenses for a laboratory and small plant. **Office**—360 Lexington Ave., New York. **Underwriter**—None.

Devco, Inc.
Jan. 18, 1962 ("Reg. A") 10,000 common. **Price**—$12.50. **Business**—Design and manufacture of boats, marine equipment and related products. **Proceeds**—For equipment and working capital. **Office**—Stark Industrial Park, Charleston County, S. C. **Underwriter**—Johnson, Coleman, Manning & Smith, Inc., Charleston, S. C.

● **Developers Small Business Investment Corp.**
—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. **Offering**—Imminent.

Device Seals, Inc.
Feb. 2, 1962 ("Reg. A") 100,000 common. **Price**—$2.25. **Business**—Manufacture of hermetic seals for the electronic and missile industry. **Proceeds**—For debt repayment, equipment and working capital. **Office**—7235 Radford St., North Hollywood, Calif. **Underwriter**—Costello, Russotto & Co., Los Angeles.

Dialight Corp. (4/9-13)
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.

Diamond Mills Corp. (3/15)
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. (3/19-23)
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. **Offering**—Expected in early April.

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.

★ **Donaldson Co., Inc.**
Feb. 26, 1962 filed 80,000 common, of which 35,500 are to be offered by the company and 44,500 by stockholders. **Price**—By amendment (max. $25). **Business**—Design, manufacture and sale of air cleaners. **Proceeds**—For working capital. **Office**—1400 W. 94th St., Minneapolis. **Underwriter**—Paine, Webber, Jackson & Curtis, N. Y.

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 March.

★ **Donmoor-Isaacson, Inc.**
Feb. 26, 1962 filed 150,000 common, of which 50,000 are to be offered by the company and 100,000 by stockholders. **Price**—By amendment (max. $12). **Business**—Design and manufacture of boys knit shirts, sweaters, and pajamas. **Proceeds**—For working capital. **Office**—1115 Broadway, N. Y. **Underwriter**—Goodbody & Co., N. Y.

★ **Donnkenny, Inc.**
Feb. 20, 1962 filed 90,000 common. **Price**—$9. **Business**—Design, manufacture and sale of misses' sportswear and casual dresses. **Proceeds**—For selling stockholders. **Office**—1407 Broadway, N. Y. **Underwriter**—Brand, Grumet & Seigel, Inc., N Y

★ **Doughboy Industries, Inc.**
Feb. 23, 1962 filed $4,000,000 of convertible subordinated debentures due 1977. **Price**—By amendment. **Business** — Manufacture of formula feeds for livestock and poultry, semolina and durum flour for spaghetti making, swimming pools and inflatable toys, and machinery for heat sealing and labeling plastic containers. **Proceeds**—For debt repayment, equipment and working capital. **Address**—New Richmond, Wis. **Underwriter**—Kalman & Co., Inc., St. Paul, Minn.

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.

★ **Dulany Industries, Inc.**
Feb. 26, 1962 filed 400,000 common. **Price**—By amendment (max. $6.25). **Business**—The canning and freezing of foods. **Proceeds**—For debt repayment. **Office**—850 Third Ave., N. Y. **Underwriter**—Blair & Co., Inc., N. Y.

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. (4/23-27)
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.

Dyna-Mod Electronics Corp.
Jan. 22, 1962 ("Reg. A") 143,000 common. **Price**—$2. **Business**—Design, development and production of "packaged" electronic circuits and sub-systems. **Proceeds**—For new products and working capital. **Office**—317 Main St., East Rochester, N. Y. **Underwriters**—Genesee Valley Securities Co., Inc., Rochester, and H. B. Vesey & Co., Inc., Glens Falls, N. Y.

Dynascan Corp.
Jan. 29, 1962 filed 190,000 common. **Price**—By amendment. **Business**—Design, manufacture, and sale of electronic test equipment, antennas, and microwave devices. **Proceeds**—For selling stockholders. **Office**—1801 W. Belle Plaine Ave., Chicago. **Underwriter**—H. M. Byllesby & Co., Chicago. **Offering**—Expected in April.

Eastern Aluminum Manufacturing Co., Inc.
Feb. 19, 1962 ("Reg. A") 100,000 common. **Price**—$3. **Business**—Manufacture and distribution of screens, windows, doors, etc. **Proceeds**—For debt repayment, plant expansion, and working capital. **Office**—910 Line St., Camden, N. J. **Underwriter**—H. A. Riecke & Co., Inc., Philadelphia.

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.**
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**—To be named.

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. (3/7)**
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., and Bassior & Co., both of 101 Cedar St., N. Y.

Edu-tronics, Inc.
Oct. 27, 1961 filed 80,000 common. **Price**—$4. **Business**—Distribution of electronic parts and equipment. Company also plans to manufacture and sell electronic teaching machines. **Proceeds**—For product development and other corporate purposes. **Office**—136-05 35th Ave., Flushing, N. Y. **Underwriters**—Packer-Wilbur & Co., Inc. (mgr.), and Earle Securities Co., Inc., N .Y.

● **Educational Aids Co., Inc.**
Dec. 26, 1961 filed 100,000 common. **Price**—$5. **Business**—Sale of school supplies, toys and notions. **Proceeds**—For equipment, inventories and working capital. **Office**—1125 Okie St., N. E., Washington, D. C. **Underwriter**—Wright, Myers & Bessell, Inc., Washington, D. C. **Offering**—Sometime in April.

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.

Ehrenreich Photo-Optical Industries, Inc.
Jan. 26, 1962 filed 150,000 common, of which 100,000 are to be offered by the company and 50,000 by stockholders. **Price**—By amendment. **Business**—Wholesale distribution of cameras, lenses, accessories and optical instruments. **Proceeds**—For debt repayment, expansion, and working capital. **Office**—111 Fifth Ave., N. Y. **Underwriter**—Lee Higginson Corp., N. Y. **Offering**—April.

Eldre Components, Inc.
Feb. 5, 1962 filed 100,000 common, of which 75,000 are to be offered by the company and 25,000 by a stockholder. **Price**—$4. **Business**—Manufacture, assembling and processing of metal parts and products. **Proceeds**—For equipment, construction of a building, and working capital. **Office**—187 N. Water St., Rochester, N. Y. **Underwriter**—Charles Plohn & Co., N. Y. **Offering**—Late April.

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**—Indefinitely postponed.

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 purpose. **Office**—67 Southfield Ave., Stamford, Conn. **Underwriter** — Seymour, Bernard & DeBoff, Inc., N. Y. **Offering**—Expected sometime in March.

● **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. **Offering**—Mid-April.

★ **Enviro-Dyne, Inc.**
Feb. 13, 1962 ("Reg. A") 300,000 common. **Price** — $1. **Business**—Research, development, manufacture and sale of enviromental testing equipment. **Proceeds**—For equipment and other corporate purposes. **Office**—24447 Hawthorne Blvd., Torrance, Calif. **Underwriter** — Garat & Polonitza, Los Angeles.

Equitable Credit & Discount Co.
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. **Offering**—Imminent.

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. **Offering**—Expected sometime in April.

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.

Fabco, Inc.
Jan. 23, 1962 ("Reg. A") 86,000 common. **Price**—$3.45. **Business**—Manufacture of fiber glass and other plastic products. **Proceeds**—For equipment, inventories, and working capital. **Address**—Stillwater, Minn. **Underwriter**—Pewters, Donnelly & Jansen, Inc., St. Paul.

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. (3/12-16)**
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.

● **Fastline Inc. (3/26-30)**
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. (3/26-30)
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.

Fidelity America Financial Corp. (3/12-16)
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.**
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.

Filon Plastics Corp. (3/15)
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. (3/20)**
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 Lincoln Financial Corp. (4/10)
Jan. 26, 1962 filed 320,000 common, of which 13,250 are to be offered by the company and 306,750 by stockholders. **Price**—By amendment. **Business**—The company owns the stock of a savings and loan association, operates an insurance agency, holds conditional sales contracts on real estate and acts as trustee under deeds of trust. **Proceeds**—For debt repayment and other corporate purposes. **Office**—628 W. Sixth St., Los Angeles. **Underwriter**—White, Weld & Co., N. Y.

First National Television Distributing Corp.
Jan. 29, 1962 filed 200,000 class A capital shares. **Price**—$2. **Business**—Production, distribution and sale of TV motion pictures and tapes. **Proceeds**—For debt repayment, working capital and other corporate purposes. **Office**—505 Park Ave., N. Y. **Underwriter**—International Services Corp., Paterson, N. J.

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 (3/26-30)**
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. (3/26-30)
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**—Imminent.

● **Fleetwood Securities Corp. of America (3/5-9)**
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.

Fleres (A. J.) Mfg. Corp.
Feb. 2, 1962 ("Reg. A") 80,000 common. **Price**—$3. **Business**—Manufacture and sale of metal frames for ladies handbags. **Proceeds**—For debt repayment, equipment and working capital. **Office**—2024 Montieth St., Brooklyn, N. Y. **Underwriters**—Professional & Executive Planning Corp., Long Beach, N. Y. and E. J. Roberts & Co., East Orange, N. J.

Florida Palm-Aire Corp. (3/15)
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 & Cantwell, N. Y.

● **Fluke (John) Mfg. Co., Inc.**
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. **Offering**—Imminent.

Folz Vending Co., Inc.
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. **Offering**—Imminent.

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.

Fortune Electronics, Inc.
Feb. 6, 1962 ("Reg. A") 46,150 capital. **Price**—$6.50. **Business**—Sale of electronic components and equipment. **Proceeds**—For debt repayment, inventories and working capital. **Office**—2280 Palou Ave., San Francisco. **Underwriter**—Stewart, Eurbanks, Meyerson & Co., San Francisco.

Franklin Discount Co.
Feb. 9, 1962 filed $500,000 of 8% subordinated debentures due serially 1969 to 1973 and $500,000 of 8% subordinated capital notes due about 1970. **Price**—At par. **Business**—A consumer finance company. **Proceeds**—For debt repayment and expansion. **Office**—105 N. Sage St., Toccoa, Ga. **Underwriter**—None.

● **Franklin Manufacturing Co. (3/15)**
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.

Franklin Realty Trust (3/12-16)
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.

Frazier-Walker Aircraft Corp.
Jan. 26, 1962 filed 140,000 common. **Price**—By amendment. **Business**—Company plans to produce its Gyrojet FW-4, a four-passenger amphibious autogiro. **Proceeds**—To produce prototype models, and finance general overhead and operating expenses. **Office**—10 E. 52nd St., N. Y. **Underwriter**—None.

Frouge Corp.
Jan. 26, 1962 filed 700,000 common. **Price**—By amendment. **Business**—Construction and operation of various type apartment, industrial and office buildings. **Proceeds**—For an acquisition, construction, and working capital. **Office**—141 North Ave., Bridgeport, Conn. **Underwriter**—Van Alstyne, Noel & Co., N. Y. **Offering**—In April.

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**—To be named.

● **Futura Airlines (4/17)**
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. (3/12-16)
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. (3/12-16)
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 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.

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 Devices, Inc.
Jan. 29, 1962 filed 140,000 common, to be offered for subscription by common stockholders. **Price**—By amendment. **Business**—Development and manufacture of electronic and electromechanical components and systems for multiple telemetering. **Proceeds**—For inventory, debt repayment, sales promotion, and working capital. **Office**—Ridge Rd., Monmouth Junction, N. J. **Underwriter**—Hess, Grant & Remington, Inc., Philadelphia.

● **General Leasing Corp. (3/26-30)**
Jan. 29, 1962 ("Reg. A") 62,000 common. **Price**—$4.50. **Business**—General leasing of equipment. **Proceeds**—For working capital. **Office**—1719 Gage Blvd., Topeka, Kan. **Underwriter**—Midland Securities Co., Inc., Kansas City, Mo.

General Mortgage Trust
Feb. 8, 1962 filed 35,000 non-voting shares of beneficial interest. **Price**—$10. **Business**—A real estate investment trust. **Proceeds**—For investment. **Office**—1221 Harney St., Omaha. **Underwriter**—General Investor's Services Corp. (same address).

Geriatric Research, Inc.
Feb. 12, 1962 filed 162,500 common, of which 12,500 are to be offered by the company and 150,000 by stockholders. **Price**—By amendment (max. $8.50). **Business**—Direct mail selling of vitamin mineral products to elderly customers. **Proceeds**—For working capital. **Office**—179 N. Michigan Ave., Chicago. **Underwriters**—Bacon, Whipple & Co. and Freehling, Myerhoff & Co., Chicago.

Glass-Tite Industries, Inc. (3/26-30)
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.

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**—To be named.

Gould Properties, Inc.
Jan. 26, 1962 filed 200,000 class A shares. **Price** — $10. **Business**—General real estate. **Proceeds**—For debt repayment and general corporate purposes. **Office**—370 Lexington Ave., N. Y. **Underwriter**—Stanley Heller & Co., 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** — Com-

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pany 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.

Graham Chemical Corp.
Jan. 22, 1962 ("Reg. A") 100,000 common. **Price**—$2.25. **Business**—Manufacture of dental anesthetic cartridges and related products. **Proceeds**—Production, advertising and promotion of disposable needles. **Office**—129-21 Merrick Blvd., Springfield Gardens, N. Y. **Underwriter**—Paul Eisenberg Co. Inc., N. Y.

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. **Offering**—Expected sometime in April.

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.

Grayson-Robinson Stores, Inc.
Jan. 26, 1962 filed $10,000,000 of 5% senior subord. debentures due 1985. **Price**—By amendment. **Business**—Retail sale of women's and children's apparel and photographic and audio equipment. **Proceeds**—For expansion, diversification, and working capital. **Office**—550 W. 59th St., N. Y. **Underwriter**—To be named.

● **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., Washington, D. C. **Note**—This firm formerly was known as Continental Real Estate Investment Trust.

Great Eastern Foods Corp.
Jan. 29, 1962 filed 150,000 common. **Price**—$4. **Business**—Retail distributing of food freezers, frozen foods, groceries, etc. **Proceeds** — For general corporate purposes. **Office**—3325 Keswick Rd., Baltimore. **Underwriter**—Switzer & Co., Inc., Silver Spring, Md.

Great Lakes Homes, Inc.
Dec. 26, 1961 filed 93,000 common. **Price**—By amendment. **Business**—Manufacture of custom-designed, factory built "house packages" consisting of basic carpentry for houses, and construction of shell homes. **Proceeds**—For debt repayment and for working capital. **Office**—Sheboygan Falls, Wis. **Underwriter**—The Milwaukee Co., Milwaukee.

Great Southern Real Estate Trust
Nov. 30, 1961 filed 320,000 shares of beneficial interest. **Price**—By amendment. **Business**—Real estate investment. **Proceeds**—For general purposes of the Trust. **Office**—200 First National Bank Bldg. Annex, Atlanta. **Underwriter**—Courts & Co., Atlanta.

Greater New York Box Co., Inc.
Dec. 29, 1961 filed 100,000 common. **Price**—By amendment ($7 max.). **Business**—Manufacture of corrugated board and containers. **Proceeds**—For general corporate purposes. **Office**—149 Entin Rd., Clifton, N. J. **Underwriter**—D. H. Blair & Co., N. Y.

Greater Pittsburgh Capital Corp.
Nov. 14, 1961 filed 250,000 common. **Price**—$11. **Business**—A small business investment company. **Proceeds**—For investment. **Office**—952 Union Trust Bldg., Pittsburgh. **Underwriters**—Moore, Leonard & Lynch and Singer, Dean & Scribner, Pittsburgh.

Green Acres Funtown Inc.
Jan. 23, 1962 filed 225,000 common to be offered for subscription by stockholders of Bowling Corp. of America, parent. **Price**—$3. **Business**—Company will operate an indoor amusement and recreation area in Green Acres Shopping Center, Valley Stream, L. I. **Proceeds**—For general corporate purposes. **Office**—120 Broadway, N. Y. **Underwriter**—R. L. Warren Co., St. Louis.

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. (3/7)
Sept. 11, 1961 filed 99,288 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.

Growth Management & Development Corp.
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). **Note**—This company formerly was named Growth Consulting & Financing, Inc.

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.

Gulf American Fire & Casualty Co. (3/12-16)
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. (3/12-16)**
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.

Hampden Fund, Inc.
Jan. 24, 1962 filed 500,000 common. **Price**—$10. **Business**—A closed-end investment trust which plans to become open end. **Proceeds**—For investment. **Office**—2100 East Ohio Bldg., Cleveland. **Underwriter**—Fulton, Reid & Co., Inc., Cleveland.

Hanna-Barbara Productions, Inc. (3/12-16)
Dec. 29, 1961 filed 200,000 capital shares. **Price** — By amendment. **Business**—Production of television cartoons and commercials. **Proceeds** — For a new building and working capital. **Office**—3501 Cahuega Blvd., Los Angeles. **Underwriter**—Carl M. Loeb, Rhoades & Co., Inc., N. Y.

Hannett Industries, Inc. (3/19-23)
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. (3/26-30)**
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.

Hardlines Distributors, Inc.
Jan. 26, 1962 filed 200,000 common, of which 100,000 are to be offered by the company and 100,000 by a stockholder. **Price**—By amendment. **Business**—Retail sale of housewares, hardware, lighting fixtures, automotive accessories, etc. **Proceeds**—For debt repayment, expansion and working capital. **Office**—1416 Providence Highway, Norwood, Mass. **Underwriter**—McDonnell & Co., N. Y. **Offering**—Expected sometime in April.

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.

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.
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. **Offering**—In early April.

Harwyn Publishing Corp.
Jan. 29, 1962 filed 300,000 class A common. **Price** — By amendment. **Business** — Publishes illustrated encyclopedic works for children and operates an advertising agency for sale of TV and radio spot time. **Proceeds**—For working capital. **Office**—170 Varick St., N. Y. **Underwriter**—Van Alstyne, Noel & Co., N. Y. **Offering**—Expected in early April.

Hayden Publishing Co., Inc. (3/15)
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. **Offering**—Imminent.

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**—To be named. **Offering**—Expected in late April.

Hill Aircraft & Leasing Corp.
Jan. 29, 1962 ("Reg. A") 100,000 capital shares. **Price**—$3. **Business**—General aviation. **Proceeds**—For working capital, equipment, advertising and inventory. **Office**—Fulton County Airport, Atlanta, Ga. **Underwriter**—First Fidelity Securities Corp., Atlanta.

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. (3/26)
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.

Holiday Mobile Home Resorts, Inc.
Jan. 31, 1962 filed 3,500,000 common and 5-year warrants to purchase 700,000 shares, to be offered in units of 5 shares and one warrant. **Price**—$50 per unit. **Business**—Development and operation of mobile home resorts. **Proceeds** — For debt repayment, expansion and working capital. **Office**—4344 E. Indian School Road, Phoenix. **Underwriter**—None.

● **Home Builders Acceptance Corp.**
Feb. 9, 1962 refiled 800,000 common. **Price**—$1. **Business**—Company makes home improvement, construction and subdivision loans and buys, sell and trades in mortgages and real estate. **Proceeds**—For working capital. **Office**—409 North Nevada St., Colorado Springs, Colo. **Underwriter** — J. W. Kim & Co., 11 Broadway, N. Y. **Offering**—Expected in early April.

Honig's-Parkway, Inc. (3/12-16)
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. **Underwriters**—Richard Bruce & Co., Inc., and Reuben Rose & Co., Inc., N. Y.

● **Honora, Ltd. (3/26-30)**
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.

House of Westmore, Inc. (3/12-16)
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.

Hudson Wholesale Groceries, Inc.
Jan. 23, 1962 filed 100,000. **Price**—$8. **Business**—Procurement, storage and wholesaling of groceries and non-food items. **Proceeds**—For debt repayment and working capital. **Office**—Lyndhurst, N. J. **Underwriter**—J. R. Williston & Beane, N. Y. **Offering**—In April

● **Hydra-Loc, Inc. (3/5-9)**
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.

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.

Index & Retrieval Systems, Inc.
Jan. 29, 1962 filed 125,000 common. **Price**—By amendment. **Business**—Publishes "The Financial Index" and other indexes and abstracts. **Proceeds**—For equipment, promotion, office relocation, and working capital. **Office**—19 River St., Woodstock, Vt. **Underwriter**—Searight, Ahalt & O'Connor, Inc., N. Y.

Industrial Finance & Thrift Corp.
Oct. 30, 1961 filed $2,000,000 of 6% subordinated debentures due 1974. **Price**—At par. **Business**—A consumer finance firm. **Proceeds**—For repayment of debt and expansion. **Office**—339 Carondelet St., New Orleans, La. **Underwriter**—None.

● **Industry Capital Corp. (3/12-19)**
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.

● **International Airport Hotel Systems, Inc. (3/19-23)**
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. (3/5-9)
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.

Interstate Vending Co. (3/26-30)
Jan. 10, 1962 filed 53,829 common. **Price** — By amendment. **Business**—Sale of products through coin-operated vending machines, and operation of industrial catering facilities in the New England area and Brass Rail restaurants in New York City. **Proceeds**—For selling stockholders. **Office**—251 East Grand Ave., Chicago. **Underwriter**—Bear, Stearns & Co., N. Y.

Interworld Film Distributors, Inc. (3/19-23)
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.

● **Investors Funding Corp.**
Feb. 19, 1962 filed $6,000,000 of 10% registered subordinated debentures, of which $1,000,000 will mature 1966 and $5,000,000 from 1971 through 1975 (with warrants). **Price**—$1,000 per unit. **Business**—Purchase, sale and investment in real estate. **Proceeds**—For investment. **Office**—630 Fifth Ave., N. Y. **Underwriter**—IFC Securities Corp., N. Y.

Iona Manufacturing Co.
Jan. 26, 1962 filed 140,000 common, of which 125,000 are to be offered by the company and 15,000 shares by a stockholder. **Price**—$6. **Business**—Manufacture of household electric appliances and electric motors. **Proceeds**—For new products and working capital. **Office**—Regent St., Manchester, Conn. **Underwriters**—Richard Bruce & Co., Inc., and Reuben Rose & Co., Inc., N. Y.

Iowa Beef Packers, Inc.
Jan. 24, 1962 filed $1,500,000 of 6½% subord. s. f. debentures, series A, due 1977 (with attached warrants). **Price**—$1,000. **Business**—Meat packing. **Proceeds**—For debt repayment, plant construction, and equipment. **Office**—Denison, Iowa. **Underwriter**—First Nebraska Securities Corp., Lincoln, Neb.

Jaap Penraat Associates, Inc.
Jan. 30, 1962 filed 100,000 common. **Price**—$3. **Business**—Industrial designing, the design of teaching machines and the production of teaching programs. **Proceeds**—For expansion, new facilities and working capital. **Office**—315 Central Park W., N. Y. **Underwriter**—R. F. Dowd & Co., Inc., N. Y.

(The) Japan Fund, Inc. (3/26-30)
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**—Sometime in April.

Jaylis Industries, Inc. (3/12-16)
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.

Jefferson Stores, Inc.
Jan. 25, 1962 filed 110,000 capital shares. **Price**—By amendment. **Business**—Operation of discount appliance stores. **Proceeds**—For expansion. **Office**—3700 N. W. 62nd St., Miami, Fla. **Underwriter** — Bregman, Cummings & Co., N. Y.

Jiffy Steak Co. (4/23-27)
Feb. 5, 1962 filed 65,000 common. **Price**—By amendment. **Business**—Processing, packaging and sale of frozen meat and meat products. **Proceeds**—For redemption of 2,910 $50 par preferred shares, expansion, and working capital. **Address** — Route 286, Saltsburg, Pa. **Underwriter**—Arthurs, Lestrange & Co., Pittsburgh.

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.

● **John's Bargain Stores Corp.**
Feb. 14, 1962 filed 160,000 common. **Price**—By amendment (max. $10). **Business**—Operation of a chain of retail stores selling low priced housewares, toys, etc. **Proceeds**—For redemption of all outstanding 6% preferred shares and working capital. **Office**—1200 Zerega Ave., Bronx, N. Y. **Underwriter**—Hayden, Stone & Co., N. Y. **Offering**—Expected sometime in May.

Johnson Electronics, Inc. (3/12-16)
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**—Jennings, Mandel & Longstreth, Phila.

Jomar Plastics, Inc.
See Ripley Industries, Inc., below.

● **Kann-Ellert Electronics, Inc. (3/7)**
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. (3/19-23)
Dec. 29, 1961 filed 88,000 class A common shares, of which 44,000 are to be offered by the company and 44,000 by stockholders. **Price**—$7. **Business**—Packing and sale of fruit juice products. **Proceeds**—For general corporate purposes. **Office**—241 N. Franklintown Rd., Baltimore. **Underwriter** — Auchincloss, Parker & Redpath, Washington, D. C.

Keeko, Inc.
Dec. 1, 1961 ("Reg. A") 100,000 common. **Price**—$3. **Business**—Company plans to establish service stations and vending machine outlets in the Denver area. **Proceeds**—For debt repayment and general corporate purposes. **Office**—4970 Jackson St., Denver. **Underwriter**—Amos C. Sudler & Co., Denver. **Offering**—Expected in April.

Kiddie Rides, Inc. (3/19-23)
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.

Kine Camera Co., Inc. (3/5-9)
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.

King Island Cosmetic Co.
Feb. 13, 1962 ("Reg. A") 100,500 common. **Price**—$2. **Business**—Company plans to market a therapeutic clay for use in manufacturing cosmetics. **Proceeds**—For debt repayment and other corporaet purposes. **Office**—734-17th St., Denver. **Underwriter**—Birkenmayer & Co., Denver.

● **King Louie Bowling Corp. (3/15)**
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.

King Pharr Canning Operations, Inc.
Jan. 23, 1962 ("Reg. A") $300,000 of 15-year 6½% subordinated convertible debentures. **Price**—At par. **Business**—The canning and shipping of fruits and vegetables. **Proceeds**—For acquisition of land and working capital. **Address** — Cullman, Ala. **Underwriter** — Hendrix & Mayes, Inc., Birmingham, Ala.

● **Kogel, Inc. (3/26-30)**
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.

● **(H.) Kohnstamm & Co., Inc.**
Feb. 21 1962 filed 160,000 common. **Price** — By amendment. **Business**—Manufacture of colors and flavors for food, drugs and cosmetics; also industrial chemicals. **Proceeds**—For general corporate purposes. **Office**—161 Avenue of the Americas, N. Y. **Underwriter** — Kidder, Peabody & Co., Inc. **Offering**—Expected in May.

● **Kollmorgen Corp. (3/20)**
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. (3/26-30)**
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.

● **Krylon, Inc. (3/19-23)**
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. (3/26-30)
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.

★ **Lab-Line Instruments, Inc.**
Feb. 23, 1962 filed 142,860 common, of which 122,168 are to be offered by the company and 20,692 by stockholders. **Price**—By amendment (max. $9). **Business**—Manufacture of an extensive line of industrial, hospital and clinical laboratory instruments. **Proceeds**—For debt repayment, construction, and working capital. **Office**—3070-82 W. Grand Ave., Chicago. **Underwriter**—R. W. Pressprich & Co., N. Y

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-April.

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. **Offering**—Expected sometime in April.

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. (4/23-27)
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.

Lehigh Industries & Investing Corp.
Dec. 29, 1961 filed 2,000,000 class A common. **Price** — By amendment. **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.

★ **Lily Lynn, Inc.**
Feb. 23, 1962 filed 150,000 common, of which 86,000 are to be offered by the company and 64,000 by the stockholders. **Price**—By amendment (max. $12). **Business**—Design, manufacture and sale of women's casual dresses. **Proceeds**—For debt repayment, working capital and expansion. **Office**—Herman L. Bishins Bldg., Riverside Ave., New Bedford, Mass. **Underwriter** — J. R. Williston & Beane, N. Y.

Lincoln Fund, Inc. (4/2-6)
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.

Lithoid, Inc. (3/19-23)
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.

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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.

Littelfuse, Inc.
Jan. 26, 1962 filed 100,000 common, of which 50,000 are to be offered by the company and 50,000 by stockholders. **Price**—By amendment. **Business**—Manufacture of various products for the electronic, automotive and electrical industries. **Proceeds**—For equipment, and working capital. **Office**—1865 Miner St., Des Plaines, Ill. **Underwriter** — Cruttenden, Podesta & Co., Chicago. **Offering**—Expected in April.

● 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 in some time in Early April.

★ Livestock Financial Corp.
Feb 23, 1962 filed 245,000 common. **Price**—$10. **Business** —An insurance holding company whose subsidiaries insure the lives of all types of animals. **Proceeds**—To form new subsidiaries. **Office**—26 Platt St., N. Y. **Underwriter** —Shearson, Hammill & Co., N .Y.

★ Livingston Oil Co.
Feb. 26, 1962 filed $6,359,900 of convertible sinking fund debentures to be offered for subscription by stockholders on the basis of $100 debenture for each 34 common shares held. **Price**—By amendment. **Business**—Exploration and development of oil and gas properties. **Proceeds** —For debt repayment, expansion and working capital. **Office** — Mid-Continent Bldg., Tulsa. **Underwriter**— Shearson, Hammill & Co., N. Y.

Lockfast Mfg. Co., Inc.
Jan. 11, 1962 ("Reg. A") 85,000 common. **Price** — $3.50 **Business**—Manufacture of furniture hardware for sale to furniture manufacturers. **Proceeds**—For debt repayment, steel inventories nad plant expansion. **Office**— 3006 Boarman Ave., Baltimore. **Underwriter**—R & D Investors Corp., Port Washington, N. Y.

Lockwood Grader Corp.
Feb. 20, 1962 filed $900,000 of 6% sinking fund debentures series B, (with warrants). **Price**—$1,000 per debenture. **Business**—Design, manufacture, sale and repair of machinery and equipment used in agriculture. **Proceeds** —For debt repayment, equipment and general corporate purposes. **Office**—7th & S Sts., Gering, Neb. **Underwriter** —First Nebraska Securities Corp., Lincoln, Neb.

Long Island Lighting Co. (3/16)
Feb. 16, 1962 filed 421,472 common, to be offered for subscription by stockholders on the basis of one new share for each 20 held of record March 16, with rights to expire April 2. **Price**—By amendment (max. $55). **Proceeds**—For a new plant. **Office**—250 Old Country Rd., Mineola, N. Y. **Underwriters**—Blyth & Co., Inc., First Boston Corp., and W. C. Langley & Co., N. Y.

★ Loral Electronics Corp.
Feb. 28, 1962 filed 56,225 common. **Price** — By amendment. **Business**—Research, development and production of electronic military products. **Proceeds**—For selling stockholders. **Office**—825 Bronx River Ave., N. Y. **Underwriters**—Lehman Brothers, Kidder, Peabody & Co., and Model, Roland & Co., N. Y.

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.
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. Offering—In April.

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.**

★ Mac-Allan Co., Inc.
Feb. 23, 1962 filed 130,260 of class A common, of which 65,130 are to be offered by the company and 65,130 by stockholders. **Price**—$5. **Business**—Sale and distribution of costume jewelry, ladies' handbags, and accessories. **Proceeds** — For working capital. **Office** — 1650 Broadway, Kansas City, Mo. **Underwriter**—George K. Baum & Co., Kansas City .

● Macco Realty Co. (3/19-23)
Dec. 21, 1961 filed $4,000,000 of conv. subord. debentures due 1977; also 150,000 common shares. **Price**—By amendment. **Business**—Construction and sale of homes. **Proceeds**—For debt repayment and general corporate purposes. **Office**—7844 E. Rosecrans Ave., Paramount, Calif. **Underwriters**—Kidder, Peabody & Co., N. Y. and Mitchum, Jones & Templeton, Los Angeles.

Magazines For Industry, Inc.
Aug. 2, 1961 filed 100,000 common, of which 80,000 will be offered by the company and 20,000 by stockholders. **Price**—$5. **Business**—The publishing of business periodicals. **Proceeds**—For promotion, a new publication and working capital. **Office**—660 Madison Ave., New York. **Underwriter**—Arnold, Wilkens & Co., Inc., N. Y. **Offering**—In late April.

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.

● Maric Design & Mfg. Corp.
Nov. 14, 1961 ("Reg. A") 55,000 common. **Price**—$4. **Business** — Manufacture of waste water filters and filtering systems. **Proceeds** — For debt repayment and working capital. **Office**—610 W. 18th St., Hialeah, Fla. **Underwriter**—Terrio & Co., Inc., Washington, D. C. **Offering** —Imminent.

Marine & Animal By-Products Corp.
Jan. 26, 1962 filed 90,000 common. **Price**—$5. **Business** —Distributes fishmeal and animal by-product proteins. **Proceeds**—For expansion, machinery, and working capital. **Office**—233 Broadway, N. Y. **Underwriter**—Arnold Malkan & Co., Inc., N. Y. **Offering**—Expected in late April.

★ Marinus Real Estate Investment Trust
Feb. 15, 1962 ("Reg. A") 30,000 shares of beneficial interests. **Price**—$10. **Business** — Real estate investment company. **Proceeds**—For investment. **Office**—205 Ave. I, Redondo Beach, Calif. **Underwriter**—None.

Marks Polarized Corp.
June 27, 1961 filed 95,000 common shares. **Price** — By amendment. **Proceeds** — For expansion, acquisition of new facilities and other corporate purposes. **Office**—153-16 Tenth Ave., Whitestone, N. Y. **Underwriters**—Ross, Lyon & Co., Inc. (mgr.), Glass & Ross, Inc., and Globus, Inc., N. Y. C.

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.

Marsh & McLennan, Inc.
Feb. 7, 1962 filed 673,215 common, of which 225,000 will be offered by the company and 448,215 by stockholders. **Price**—By amendment. **Business**—Insurance brokerage. **Proceeds**—For general corporate purposes. **Office**—231 So. LaSalle St., Chicago. **Underwriter** — Morgan Stanley & Co., N. Y. **Offering**—Expected in late March.

Marshall Electronics Co.
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. **Underwriters**—Richard Bruce & Co., Inc., and Reuben Rose & Co., Inc., N. Y. **Offering**—Imminent.

Mastan Co., Inc.
Feb. 9, 1962 filed $5,000,000 of 5½% senior notes due 1977 and 170,000 common. **Price**—By amendment (max. Notes: 105%; Stock: $12). **Business**—A commercial and industrial finance company. **Proceeds**—For general corporate purposes. **Office**—350 Fifth Ave., N. Y. **Underwriter**—F. Eberstadt & Co., N. Y.

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. (3/19-23)
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.

● Maul Bros. Inc. (3/12-16)
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.

McWood Corp.
Feb. 8, 1962 filed $3,100,000 of 6% subordinated convertible debentures due 1974 and 310,000 common to be offered in 31,000 units, each consisting of $100 of debentures and 10 shares. **Price**—By amendment (max. $160). **Business** — Company buys crude oil from producers, transports it to own storage areas and sells it to refiners. **Proceeds**—For debt repayment and working capital. **Office**—Oil & Gas Building, Abilene, Tex. **Underwriter**— Dempsey-Tegeler & Co., Inc., St. Louis.

Medex, Inc. (3/15)
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.

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. (3/5-9)
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.

● Mercury Books, Inc. (5/15)
Feb. 14, 1962 filed 55,000 common. **Price**—$4.50. **Business**—Publishing of newly written popular biographies. **Proceeds**—For working capital. **Office**—**1512 Walnut** St., Philadelphia. **Underwriter**—Meade & Co., N. Y.

Metallurgical International, Inc.
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. **Offering**—Imminent.

Metatronics Manufacturing Corp.
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. **Offering**—Imminent.

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.

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.

Michaels (J.), Inc. (3/26-30)
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.

Micro-Dine Corp.
Feb. 13, 1962 filed 200,000 common. **Price**—$3.50. **Business**—Manufacture, sale and operation of vending machines. **Proceeds**—For debt repayment, inventories and general corporate purposes. **Office**—6425 Oxford St., St. Louis Park, Minn. **Underwriter**—Irving J. Rice & Co., Inc., St. Paul.

● 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. **Offering** — Expected in April.

★ Midwest Technical Development Corp.
Feb. 26, 1962 filed 561,500 common to be offered for subscription by stockholders on the basis of one share for each two shares held. **Price**—By amendment (max. $7). **Business** — A closed-end management investment company. **Proceeds** — For general corporate purposes. **Office** — 2615 First National Bank Bldg., Minneapolis. **Underwriter**—None.

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.

★ Midwestern Mortgage Investors
Feb. 26, 1962 filed 500,000 shares of beneficial interests. **Price**—$10. **Business** — A real estate investment company. **Proceeds**—For investment and operating expenses. **Office**—1630 Welton St., Denver. **Underwriter**—Boettcher & Co., Denver.

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.

★ Miller Pharmacal Co.
Feb. 15, 1962 ("Reg. A") 15,000 class A voting common and 10,000 class B non-voting common. **Price**—$5. **Business**—Development and sale of pharmaceutical specialties. **Proceeds**—For sales promotion, research and other corporate purposes. **Office**—461 Indian Knoll Rd., West Chicago, Ill. **Underwriter**—None.

● 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. **Offering**—April.

Milo Components, Inc. (3/15)
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. (3/5-9)
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., Denver. **Offering**—In April.

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.

Molecular Dielectrics, Inc. (4/9-13)
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.

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.

★ Moore (E. R.) Co.
Feb. 23, 1962 filed 150,000 common, of which 60,000 are to be offered by the company and 90,000 by stockholders. **Price**—By amendment ($14 max.). **Business**—Manufacture, sale or rental of girls' gym suits, academic caps and gowns, and choir robes. **Proceeds**—For debt repayment and general corporate purposes. **Office**—932 Dakin St., Chicago. **Underwriter**—A. G. Becker & Co., Chicago.

Morse Electro Products Corp. (3/26-30)
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.

Morse Shoe, Inc.
Jan. 26, 1962 filed 630,000 common. **Price**—By amendment. **Business**—Retail sale of popular-priced foot wear. **Proceeds**—For selling stockholders. **Office**—1047 Commonwealth Ave., Boston. **Underwriters** — Blyth & Co., Inc. and Lehman Brothers, N. Y. **Offering**—In April.

Motor Parts Industries, Inc. (3/19-23)
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 (3/15)
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.

Music Fair Enterprises, Inc.
Jan. 24, 1962 filed 100,000 common. **Price**—$5. **Business**—A theatrical holding company. **Proceeds**—For construction, equipment, and working capital. **Office**—124 S. 18th St., Philadelphia. **Underwriter**—Suplee, Yeatman, Mosley Co., Philadelphia.

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. (3/19-23)
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. (3/5-9)
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.

★ National Cash Register Co. (3/28)
Feb. 21, 1962 filed $50,000,000 sinking fund debentures due 1987 to be offered publicly; also 319,090 common to be offered for subscription by stockholders on the basis of one new share for each 25 shares held. **Price**—By amendment (max. $115 per share for common). **Business**—Production, distribution and servicing of business machines. **Proceeds**—For expansion and working capital. **Office**—Main & K Sts., Dayton, Ohio. **Underwriter**—Dillon, Read & Co., Inc., N Y

National Equipment & Plastics Corp. (3/15)
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 Real Estate Investment Trust (3/5-9)
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 Semiconductor Corp.
May 11, 1961 filed 75,000 shares of capital stock. **Price**—To be supplied by amendment. **Business**—The design, development, manufacture and sale of quality transistors for military and industrial use. **Proceeds** — For new equipment, plant expansion, working capital, and other corporate purposes. **Office**—Mallory Plaza Bldg., Danbury, Conn. **Underwriters**—Lee Higginson Corp., N. Y. C. and Piper, Jaffray & Hopwood, Minneapolis (mgr.). **Note**—This registration has been indefinitely postponed.

★ National Tele-Systems, Inc.
Feb. 27, 1962 filed 82,000 common, of which 65,000 are to be offered by company and 17,000 by stockholders. **Price**—$3. **Business**—Manufacture of closed circuit TV systems. **Proceeds**—For inventory, debt repayment and working capital. **Office**—718 Atlantic Ave., Brooklyn, N. Y. **Underwriter**—Ezra Kureen Co., N. Y.

National Vended Ski Insurance Corp. (4/2-6)
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.

Nationwide Bowling Corp. (3/26-30)
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**—Jennings, Mandel & Longstreth, Philadelphia.

Nebraska Boiler Co., Inc.
Dec. 29, 1961 filed $400,000 of first mortgage sinking fund bonds due 1977 (with warrants) and 15,000 shares of 6% series A convertible preferred (par $10). **Price**—At par. **Business**—Design and manufacture of steam and hot water boilers. **Proceeds**—For construction and debt repayment. **Office**—235 N. 9th St., Lincoln, Nebr. **Underwriter**—First Nebraska Securities Corp., Lincoln.

New Campbell Island Mines Ltd.
Oct. 13, 1961 filed 475,000 common, of which 400,000 are to be offered by the company and 75,000 by a stockholder. **Price**—50c. **Business**—Exploration, development and mining. **Proceeds**—General corporate purposes. **Office**—90 Industry St., Toronto, Canada. **Underwriter**—A. C. MacPherson & Co., Toronto.

New 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 Orleans Public Service (4/4)
Feb. 20, 1962 filed $8,000,000 of first mortgage bonds due 1992. **Proceeds**—For construction. **Office**—317 Barrone St., New Orleans, La. **Underwriters** — (Competitive). Probable bidders: Equitable Securities Corp.-Eastman Dillon, Union Securities & Co. (jointly); First Boston Corp.; White, Weld & Co.; Halsey, Stuart & Co. Inc.; Kidder, Peabody & Co. - Stone & Webster Securities Corp. (jointly). **Bids**—April 4 at 2 Broadway (28th floor), New York City.

New Plan Realty Corp.
Jan. 24, 1962 filed 150,000 class A shares. **Price**—$11. **Business**—A real estate management company. **Proceeds**—For debt repayment, working capital, and general corporate purposes. **Office**—369 Lexington Ave., N. Y. **Underwriter**—None.

New World Laboratories, Inc. (3/26-30)
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.

New York Testing Laboratories, Inc.
Jan. 29, 1962 filed 50,000 common. **Price**—$5. **Business**—Analyzing and testing of electronic, chemical and other materials. **Proceeds**—For plant relocation, equipment, and working capital. **Office**—47 West St., N. Y. **Underwriter**—Robbins, Clark & Co., Inc., N. Y.

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.

Nigeria Chemical Corp. (3/26-30)
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. (3/15)
Sept. 26, 1961 filed 131,500 common, of which 120,000 will be sold by the company and 11,500 by a stockholder. **Price**—By amendment. **Business**—Manufacture of precision electronic instruments. **Proceeds**—Repayment of debt, new product development, inventory and working capital. **Office**—Terminal Dr., Plainview, N. Y. **Underwriter**—G. A. Saxton & Co., Inc., N. Y.

Northern Wood Products Corp.
Nov. 29, 1961 filed 78,000 common. **Price**—$5. **Business**—Manufacture of wooden kitchen cabinets and related appliances. **Proceeds** — For debt repayment, expansion, and working capital. **Office**—201-221 Godwin Ave., Paterson, N. J. **Underwriter**—United Planning Corp., Newark, N. J.

Northwestern Glass Co.
Jan. 24, 1962 filed 95,000 common, of which 60,000 are to be offered by the company and 35,000 by stockholders. **Price**—By amendment. **Business**—Manufacture, warehousing and distribution of a diversified line of glass containers. **Proceeds**—For debt repayment, plant expansion, and equipment. **Office**—5801 East Marginal Way South, Seattle, Wash. **Underwriter**—Dean Witter & Co., San Francisco and Pacific Northwest Co., Seattle.

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

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to be exempted from Federal income taxes. **Proceeds**—For investment. **Office**—Chicago, Ill. **Sponsor**—John Nuveen & Co., 135 So. La Salle St., Chicago.

Oklahoma Gas & Electric Co. (3/8)
Feb. 8, 1962 filed 328,912 common, to be offered for subscription by common stockholders on the basis of one share for each 20 held of record about March 8, with rights to expire March 27, 1962. **Price**—By amendment ($41 max.). **Proceeds**—For construction. **Office**—321 N. Harvey St., Oklahoma City. **Underwriter**—Merrill Lynch, Pierce, Fenner & Smith Inc., N. Y.

Olympia Mines, Inc. (3/5-9)
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.

Operations Research, Inc.
Feb. 14, 1962 filed 100,000 common. **Price**—By amendment (max. $9). **Business**—Furnishes research and development services in the field of operations research. **Proceeds**—For debt repayment and working capital. **Office**—8605 Cameron St., Silver Spring, Md. **Underwriter**—Auchincloss, Parker & Redpath, Washington, D. C.

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. (3/14)
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. (3/19-23)
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. **Underwriters**—Professional & Executive Planning Corp., Long Beach, N. Y., and E. J. Roberts & Co., East Orange, N. J.

Oxford Finance Cos., Inc. (3/5-9)
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. (3/12-16)
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.

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.

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 Gas & Electric Co. (3/13)
Feb. 19, 1962 filed $65,000,000 of first and refunding mortgage bonds, series HH, due 1994. **Proceeds**—For expansion. **Office**—245 Market St., San Francisco. **Underwriters**—(Competitive). Probable bidders: First Boston Corp.; Halsey, Stuart & Co. Inc.; Blyth & Co., Inc. **Bids**—Expected March 13 at 11:30 a.m. (EST)

★ **Pacific Power & Light Co. (4/5)**
Feb. 27, 1962 filed 672,299 common to be offered for subscription by stockholders on the basis of one new share for each 20 held of record Mar. 26 with rights to expire May 1. **Price**—By amendment (max. $30). **Proceeds**—For debt repayment and construction. **Office**—920 S. W. Sixth Ave., Portland, Ore. **Underwriters**—(Competitive). Probable bidders: Ladenburg, Thalman & Co.; Kidder, Peabody & Co.; Lehman Brothers-Eastman Dillon, Union Securities & Co.-Bear, Stearns & Co.-Dean Witter & Co. (jointly). **Bids**—Scheduled for April 5 (11 a.m. EST) in Room 2033, 2 Rector St., N. Y.

★ **Pacific Power & Light Co. (4/11)**
Feb. 27, 1962 filed $35,000,000 of first mortgage bonds due 1992. **Office**—920 S. W. Sixth Ave., Portland, Ore. **Underwriters**—(Competitive). Probable bidders: Halsey, Stuart & Co., Inc.; Lehman Brothers; Eastman Dillon, Union Securities & Co.; Blyth & Co.-White, Weld & Co. (jointly). **Bids**—Expected April 11 (11 a.m. EST). **Information Meeting**—April 2 (3:30 p.m.) at 2 Rector St., 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.

● **Pacific Westates Land Development Corp.**
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. **Note**—This company was formerly named Westates Land Development Corp. **Offering**—Expected in April.

Pal-Playwell Inc.
Nov. 28, 1961 filed 100,000 common. **Price**—$4. **Business**—Design, assembly and manufacture of toys. **Proceeds**—For debt repayment and working capital. **Office**—179-30 93rd Ave., Jamaica, N. Y. **Underwriter**—Tyche Securities, Inc., N. Y.

Palmetto Pulp & Paper Corp.
June 28, 1961 filed 1,000,000 common. **Price**—$3.45. **Business**—The growth of timber. **Proceeds**—Working capital and the possible purchase of a mill. **Address**—Box 199, Orangeburg, S. C. **Underwriter** — Stone & Co. c/o E. Lowitz & Co., 29 Broadway, N. Y.

Pan-Video Productions, Inc.
Dec. 15, 1961 filed 100,000 common. **Price**—$3. **Business**—Production of films. **Proceeds** — For general corporate purposes. **Office**—200 W. 57th St., N. Y. **Underwriter**—R. J. Curylo Co., 2166 Broadway, N. Y.

Papekote, Inc. (3/5-9)
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 (3/5-9)**
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. (3/26-30)**
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.

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.

Patent Research & Development, Inc.
Feb. 15, 1962 filed 150,000 common. **Price**—$5. **Business**—Design, manufacture and sale of new products in various fields. **Proceeds**—For general corporate purposes. **Office**—35 Third Ave., Long Branch, N. J. **Underwriter**—Louis R. Dreyling & Co., Inc., New Brunswick, N. J.

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.

★ **Pennsylvania Real Estate Investment Trust**
Feb. 21, 1962 filed 500,000 shares of beneficial interest. **Price**—$10. **Business**—A real estate investment company. **Proceeds** — For debt repayment and acquisition and working capital. **Address** — 2220 Philadelphia Saving Fund Bldg., Philadelphia. **Underwriter**—Stroud & Co., Inc., Philadelphia.

● **Pepsi-Cola General Bottlers, Inc. (4/10)**
Feb. 16, 1962 filed 250,000 common. **Price**—By amendment (max. $17). **Business**—Bottling and distributing Pepsi-Cola in Chicago and three neighboring cities. **Proceeds**—For selling stockholders. **Office**—1745 N. Kolmar Ave., Chicago. **Underwriter**—White, Weld & Co., N. Y.

● **Perfect Photo, Inc.**
Feb. 14, 1962 filed 154,800 common. **Price**—By amendment (max. $20). **Business**—Photofinishing and the distribution of photographic equipment and supplies. **Proceeds**—For selling stockholders. **Office**—4747 N. Broad St., Philadelphia. **Underwriter**—Bear, Stearns & Co., N. Y. **Offering**—Expected in late May.

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.

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. (3/5-9)**
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.

Plasticon Chemicals, Inc.
Feb. 7, 1962 filed 150,000 class A capital shares. **Price**—$3.50. **Business**—Manufacture of a plastic protective coating and a water proofing solution. **Proceeds**—For inventory, equipment, sales promotion, and other corporate purposes. **Office**—507 Fifth Ave., N. Y. **Underwriter**—Arden Perin & Co., N. Y.

Plasto-O-Tron, Inc.
Jan. 26, 1962 ("Reg. A") 84,666 common. **Price**—$3. **Business**—Design and manufacture of vacuum thermoforming machinery for production of plastic packaging materials. **Proceeds**—For inventory, equipment, expansion and working capital. **Office**—60 Park Pl., Newark, N. J. **Underwriter**—To be named.

● **Plymouth Discount Corp.**
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.

PneumoDynamics Corp. (3/15)
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.
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. **Offering**—Imminent.

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.

Potomac Electric Power Co. (3/7)
Feb. 15, 1962 filed 536,221 common to be offered for subscription by stockholders on the basis of one new share for each 15 held of record March 7, with rights to expire March 21. **Price**—By amendment (max. $45). **Proceeds**—For debt repayment and expansion. **Office**—929 E St., N. W., Washington, D. C. **Underwriters**—Dillon, Read & Co. Inc.; N. Y. and Johnston, Lemon & Co., Washington, D. C.

Power Industrial Products Co. (3/12-16)
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. (3/15)
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.

Presidential Realty Corp. (4/9-13)
Jan. 29, 1962 filed 260,000 class B common, of which 250,000 are to be offered by the company and 10,000 by stockholders. **Price**—By amendment. **Business**—Acquisition and development of real estate projects. **Proceeds**—For debt repayment and the purchase of stock in subsidiaries. **Office**—180 S. Broadway, White Plains, N. Y. **Underwriter**—Burnham & Co., N. Y.

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**—To be named.

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 (3/12-16)
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. (4/16-20)**
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. (3/26-30)
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.

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.

★ **Prom Motor Hotel, Inc.**
Feb. 19, 1962 filed 50,000 class A common. **Price** — By amendment (max. $10). **Business** — Company owns and operates a motor hotel. **Proceeds**—For expansion. **Office**—6th and Main Sts., Kansas City, Mo. **Underwriter**—Barret, Fitch, North & Co., Inc., Kansas City.

● **Prosper-Way, Inc.**
Feb. 7, 1962 filed 85,500 common. **Price**—$3. **Business**—Development and promotion of "one stop dry cleaning and laundry" establishments, and the sale and maintenance of dry cleaning and laundry equipment. **Proceeds**—For real estate, sales promotion, acquisitions, and working capital. **Office**—2484 W. Washington Blvd., Los Angeles, Calif. **Underwriters**—Crosse & Co., Inc., V. S. Wickett & Co., Inc. and Thomas, Williams & Lee, Inc., N. Y.

Publishers Co., Inc. (3/26-30)
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. **Underwriter**—Roth & Co., Inc., Philadelphia.

Puerto Rico Capital Corp. (3/12-16)
Sept. 13, 1961 filed 300,000 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. (3/26-30)
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. **Note** — This offering was temporarily postponed.

Pyramid Publications, Inc. (3/26-30)
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. (3/15)
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.

Radio Electric Service Co. of New Jersey, Inc.
Jan. 23, 1962 ("Reg. A") 75,000 common, of which 67,500 will be offered by the company and 7,500 by stockholders. **Price**—$4. **Business**—Wholesaling of electronic parts, supplies and equipment and the retailing of high-fidelity and stereophonic equipment and components. **Proceeds**—For debt repayment, expansion, moving expenses and working capital. **Office**—513-15 Cooper St., Camden, N. J. **Underwriter**—D. L. Greenbaum & Co., Phila.

Raiford's, Inc.
Feb. 6, 1962 ("Reg. A") 75,000 common. **Price**—$4. **Business**—Operation of stores which sell prescription shoes. **Proceeds**—For debt repayment and working capital. **Office**—62 Monroe Ave., Memphis. **Underwriter**—M. A. Saunders & Co., Inc., Memphis.

★ **Ramsey Controls, Inc.**
Feb. 16, 1962 ("Reg. A") 3,600 class A common and $27,000 of 6% 5-year convertible debentures to be offered in units of four shares common and $300 of debentures. **Price**—$500 per unit. **Business**—Distribution and sale of measuring, recording and regulating instruments and devices. **Proceeds** — For working capital. **Office**—1853 W. County Rd., St. Paul. **Underwriter**—None.

Recco, Inc. (3/13)
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.

Regulators, Inc.
Jan. 29, 1962 filed 75,000 common, of which 50,000 are to be offered by the company and 25,000 by Electronic Specialty Co., parent. **Price**—$5. **Business**—Design and manufacture of regulating and control devices used in the electric and electronic fields. **Proceeds**—For debt repayment and working capital. **Office**—455 W. Main St., Wyckoff, N. J. **Underwriter**—Myron A. Lomasney & Co., N. Y.

Republic-Franklin Life Insurance Co.
Feb. 15, 1962 filed 266,667 class A common. **Price**—$7.50. **Business**—A legal reserve life insurance company. **Proceeds**—For debt repayment, operating expenses and investment. **Office**—12 N. Third St., Columbus, Ohio. **Underwriter**—Robinson-Humphrey Co., Inc., Atlanta.

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., and Elmaleh & Co., Inc., N. Y.

★ **Reserve Oil Corp.**
Feb. 16, 1962 ("Reg. A") 29,750 common. **Price** — $10. **Business** — Acquisition and operation of oil wells and properties. **Proceeds** — For general corporate purposes. **Office**—1300 Salem Rd., Mt. Vernon, Ill. **Underwriter**—None.

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. 3/12-16)
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. **Offering**—Expected sometime in April.

Rite Electronics, Inc.
Jan. 29, 1962 filed 62,000 common. **Price**—$6. **Business**—Sale and distribution of receiving tubes, television picture tubes, and electroinc components, parts and equipment. **Proceeds**—For an acquisition, equipment and working capital. **Office**—1927 New York Ave., Huntington Station, N. Y. **Underwriter**—Robbins, Clark & Co., Inc., N. Y.

Roadcraft Corp.
Dec. 26, 1961 filed 400,000 common. **Price**—By amendment. **Business**—Design, manufacture and sale of mobile homes and office trailers. **Proceeds**—For general corporate purposes. **Office**—139 W. Walnut Ave., Gardena, Calif. **Underwriter** — Vickers, MacPherson & Warwick, Inc., N. Y.

Roberts & Porter, Inc.
Nov. 20, 1961 filed 80,200 common, of which 16,680 are to be offered by the company and 63,520 by stockholders. **Price**—By amendment. **Business**—Sale of specialized photographic, plate making and press room supplies and equipment to the graphic arts industry. **Proceeds**—For working capital. **Office**—4140 W. Victoria Ave., Chicago, Ill. **Underwriters**—Blunt Ellis & Simmons, Chicago., and Schmidt, Roberts & Parke, Philadelphia.

Rochester Capital Leasing Corp.
Oct. 30, 1961 filed $625,000 of 6% convertible subordinated debentures due 1972 and 100,000 class A to be offered in 12,500 units each consisting of $50 of debentures and eight shares. **Price**—$90 per unit. **Business**—Manufacture and sale of furniture, equipment, and supplies to schools, hotels, hospitals and industrial companies. **Proceeds**—For working capital. **Office**—8 Jay St., Rochester, N. Y. **Underwriter**—Saunders, Stiver & Co., Cleveland.

Rockower Brothers, Inc. (3/15)
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.

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.

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.

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.

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.

Rucker Co.
Feb. 16, 1962 filed 129,000 common, of which 43,000 are to be offered by the company and 86,000 by stockholders. **Price**—By amendment (max. $13). **Business**—Design, development, manufacture and sale of electronic, electric, hydraulic and pneumatic control systems. **Proceeds**—For repayment of bank loans. **Office**—4700 San Pablo Ave., Oakland, Calif. **Underwriter**—Schwabacher & Co., San Francisco.

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.

● **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. **Note**—This letter was withdrawn.

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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.

★ **Schenuit Rubber Co.**
Feb. 26, 1962 filed 240,000 class A common. **Price** — By amendment (max. $17). **Business**—Manufacture of tires and tubes. **Proceeds**—For selling stockholders. **Office**—Railroad & Union Aves., Baltimore. **Underwriter**—Robert Garrett & Sons, Baltimore.

School Pictures, Inc.
Feb. 7, 1962 filed 60,000 common and 40,000 class A common, of which 41,864 common are to be offered by the company; the entire class A and 18,136 common will be offered by stockholders. **Price**—By amendment ($35 max.). **Business**—Company develops, prints, and finishes "school pictures." **Proceeds** — For plant and equipment, acquisitions, and working capital. **Office**—1610 N. Mill St., Jackson,, Miss. **Underwriters**—Equitable Securities Corp., Nashville, and Kroeze, McLarty & Duddleston, Jackson, Miss.

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. (4/16-20)
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.

★ **Season-All Industries, Inc.**
Feb. 26, 1962 filed 100,000 common, of which 50,000 are to be offered by company and 50,000 by stockholders. **Price**—By amendment (max. $30). **Business**—Manufacture and distribution of aluminum combination storm screen windows, doors, railings and handrails. **Proceeds**—For debt repayment and expansion. **Office**—Route 119, Indiana, Pa. **Underwriter** — Moore, Leonard & Lynch, Pittsburgh.

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**—Janov & Co., Philadelphia.

Security Aluminum Corp.
Jan. 26, 1962 filed 200,000 common. **Price**—By amendment. **Business**—Manufacture of alumnium sliding windows and doors. **Proceeds**—For equipment, moving expenses and working capital. **Office**—503 E. Pine Ave., Compton, Calif. **Underwriter**—Vickers, MacPherson & Warwick, Inc., N. Y.

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. (3/19-23)
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.

Servonuclear Corp. (3/12-16)
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.

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. (3/15)**
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.

Signalite Inc.
Jan. 29, 1962 filed 126,000 common. **Price**—$4.50. **Business**—Manufacture, sale and development of glow lamps for use as indicators and circuit components. **Proceeds**—For debt repayment, equipment and working capital. **Office**—1933 Heck Ave., Neptune, N. J. **Underwriter**—Milton D. Blauner & Co., N. Y.

Solid State Products, Inc.
Feb. 1, 1962 filed 110,000 common. **Price**—By amendment. **Business**—Development, manufacture and sale of semiconductor devices. **Proceeds**—For a new plant, debt repayment and working capital. **Office**—1 Pingree St., Salem, Mass. **Underwriter**—Tucker, Anthony & R. L. Day, N. Y.

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.

South European Pipeline Co. (3/15)
Feb. 1, 1962 filed $40,000,000 of sinking fund debentures due March 1, 1982. **Price**—By amendment. **Business**—Company is constructing a 474-mile 34-inch crude oil pipeline from Marseilles, France to refining centers near Strasbourg, France and Karlsruhe, Germany. **Proceeds**—For construction, interest costs, and working capital. **Office**—Paris, France. **Underwriters**—Morgan Stanley & Co., and Lazard Freres & Co., N. Y.

★ **Southeastern General Corp. (3/5-9)**
Jan. 3, 1962 ("Reg. A") 75,000 common. **Price**—$4. **Business**—A building contractor, specializing in the erection of Municipal buildings. **Proceeds**—For bonding fees, debt repayment and expansion. **Office** — 555 W. 49th St., Hialeah, Fla. **Underwriter**—Irwin Karp & Co., Inc., N. Y.

Southeastern Propane Gas Co.
Jan. 30, 1962 filed 75,000 common. **Price**—By amendment. **Business**—Sale of liquefied petroleum gas and related products. **Proceeds**—For general corporate purposes. **Office** — 617 du Pont Plaza Center, Miami, Fla. **Underwriters**—A. C. Allyn & Co., Chicago and Bioren & Co., Philadelphia. **Offering**—Expected sometime in April.

● **Southeastern Towing & Transportation Co., Inc.**
Nov. 29, 1961 ("Reg. A") 100,000 common. **Price**—$3. **Business**—Construction and operation of towing boats. **Proceeds**—For debt repayment, conversion of a boat, and working capital. **Office**—3300 N. W. North River Drive, Miami, Fla. **Underwriter**—Irwin Karp & Co., Inc., 68 William St., N. Y.

Southern Growth Industries, Inc. (3/26-30)
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.

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.

Southwestern Public Service Co. (3/6)
Jan. 30, 1962 filed 442,362 common shares to be offered for subscription by stockholders on the basis of one new share for each 20 shares held of record March 6. **Price**—By amendment. **Business**—Generation, transmission and distribution of electric energy in the Texas Panhandle area. **Proceeds**—For debt repayment and working capital. **Office**—720 Mercantile Dallas Bldg., Dallas, Tex. **Underwriter**—Dillon, Read & Co., N. Y.

● **Spartan International Inc. (3/14)**
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.

Spencer Gifts, Inc.
Jan. 29, 1962 filed 135,000 common, of which 15,000 are to be offered by the company and 120,000 shares by a selling stockholder. **Price**—By amendment. **Business**—Mail order, sale of general merchandise. **Proceeds**—For debt repayment and working capital. **Office**—1601 Albany Blvd., Atlantic City. **Underwriter**—Carter, Berlind, Potoma & Weill, N. Y.

Sperti Products, Inc. (3/19-23)
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. (3/12-16)
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. (3/8)**
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.

Sportsways, Inc.
Feb. 20, 1962 filed 175,000 common, of which 50,000 are to be offered by company and 125,000 by a stockholder. **Price**—By amendment. (max. $7). **Business**—Manufacture and distribution of skin diving equipment and accessories. **Proceeds**—For working capital. **Office**—7701 E. Compton Blvd., Paramount, Calif. **Underwriters**—Troster, Singer & Co., and Federman, Stonehill & 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 Tank & Boat Co., Inc.**
Feb. 28, 1962 filed 307,000 common, of which 27,000 are to be offered by the company and 280,000 by stockholders. **Price**—By amendment. **Business**—Manufacture of aluminum and fiberglass pleasure boats. **Proceeds**—For working capital. **Office**—Goshen, Ind. **Underwriter**—A. G. Becker & Co., Inc., Chicago.

● **Steel Plant Equipment Corp. (3/12-16)**
Oct. 2, 1961 ("Reg. A") 69,660 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., Richard Bruce & Co., Inc., and Reubin Rose & Co., Inc., N. Y.

★ **Sternco Industries, Inc.**
Feb. 21, 1962 filed 115,000 class A, of which 40,000 are to be offered by the company and 75,000 by stockholders. **Price**—$6. **Business**—Manufacture, sale and distribution of fish foods and distribution of various types of fish and aquarium supplies for hobbyists. **Proceeds**—For a new plant and working capital. **Office**—52 Cottage Plaza, Allendale, N. J. **Underwriter**—Andresen & Co., 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.

● **Stokely-Van Camp, Inc. (3/7)**
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. (3/12-16)**
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. (3/26-20)
Oct. 27, 1961 filed 110,000 common. **Price**—$4. **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.

Sunset House Distributing Corp.
Feb. 14, 1962 filed 120,000 common. **Price**—By amendment (max. $20). **Business**—Mail order sale of general merchandise and operation of two retail stores. **Proceeds**—For selling stockholders. **Office**—3485 S. La Cienega Blvd., Los Angeles. **Underwriter**—Crowell, Weedon & Co., Los Angeles.

★ **Symington Wayne Corp.**
Feb. 23, 1962 filed $5,005,700 of convertible subordinated debentures due 1982, to be offered for subscription by common stockholders (and warrant holders) at the rate of $100 of debentures for each 38 common (or warrants) held. **Price**—By amendment. **Business**—Manufacture of gasoline dispensing pumps, service station equipment, specialty steel castings for railroads, and mechanics hand tools. **Proceeds**—For debt repayment and working capital. **Office**—Salisbury, Md. **Underwriter**—Paine, Webber, Jackson & Curtis, N. Y.

Taylor Publishing Co.
Dec. 21, 1961 filed 152,000 common. **Price**—By amendment. **Business** — Production and distribution of school year-books and commercial printing. **Proceeds**—For selling stockholders. **Office**—6320 Denton Dr., Dallas. **Underwriter**—Dallas Rupe & Son, Inc., Dallas, Tex.

● **Taylor Wine Co., Inc.**
Feb. 15, 1962 filed 210,312 common, of which 170,000 are to be offered publicly by stockholders, and 40,312 shares for subscription by the stockholders for the account of the company. **Price**—By amendment (max. $25). **Business**—Production of various type wines. **Proceeds**—For plant expansion and working capital. **Office**—Hammondsport, N. Y. **Underwriter**—First Boston Corp., N. Y. **Offering**—Expected in mid-May.

Technibilt Corp. (3/5-9)
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.

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. (3/12-16)
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.

Tellite Corp.
Jan. 29, 1962 filed 125,000 common. **Price**—$3. **Business**—Manufacture of "Tellite," a new material used in connection with electronic circuits. **Proceeds**—For expansion, research and development, acquisition a technical library, and working capital. **Office**—200 S. Jefferson St., Orange, N. J. **Underwriter**—Magnus & Co., N. Y.

Ten-Tex Corp.
Jan. 31, 1962 ("Reg. A") 128,000 common and $24,000 7% series B subordinated convertible debentures to mature Jan. 1, 1968-72. **Price**—$20 per unit. **Business**—Manufacture of a machine for production of tufted textile products. **Proceeds**—For debt repayment and working capital. **Office**—4813 Tennessee Ave., Chattanooga. **Underwriter**—Irving J. Rice & Co., Inc., St. Paul.

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. (3/5-9)
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. (3/26-30)
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. (3/12-16)
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.

● **Tomorrow's Industries, Inc.**
Feb. 16, 1962 filed 300,000 common, of which 100,000 are to be offered by the company and 200,000 by stockholders. **Price**—$6. **Business**—Design, manufacture and sale of women's and children's footwear. **Proceeds**—For debt repayment, equipment, leasehold improvements and working capital. **Office**—703 Bedford Ave., Brooklyn, N. Y. **Underwriter**—Godfrey, Hamilton, Taylor & Co., Inc., N. Y. **Offering**—Expected sometime in May.

Torch Rubber Co., Inc.
Jan. 26, 1962 filed 110,000 common. **Price**—$3.50. **Business**—Manufacture of waterproof rubber footwear. **Proceeds**—For equipment, moving expenses, expansion and working capital. **Office**—1302 Inwood Ave., N. Y. **Underwriter**—Carroll Co., N. Y.

Tork Time Controls, Inc. (3/26-30)
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.

Towers Marts International, Inc. (4/9-13)
Feb. 1, 1962 filed 550,000 capital shares. **Price** — By amendment. **Business** — Company builds and operates retail discount department stores. **Proceeds**—For expansion. **Office**—41 E. 42nd St., N. Y. **Underwriter**—W. C. Langley & Co., N. Y.

Traid Corp.
Feb. 12, 1962 filed 150,000 common. **Price**—By amendment (max. $9). **Business**—Design and sale of special cameras for scientific photography. **Proceeds**—For general corporate purposes. **Office**—17136 Ventura Blvd., Encino, Calif. **Underwriter**—J. A. Hogle & Co., Salt Lake City.

Trans-Alaska Telephone Co. (3/26-30)
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. (3/26-30)
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.

★ **Transport Industries, Inc.**
Feb. 16. 1962 ("Reg. A") 75,000 common. Price — $4. **Business**—Design and manufacture of truck and automobile brake systems. **Proceeds**—For inventories, advertising and working capital. **Office**—Pearl & Elk Sts., Albion, Pa. **Underwriter**—A. J. Davis Co., Pittsburgh.

★ **Tremco Manufacturing Co.**
Feb. 26, 1962 filed 150,000 class A common. **Price** — By amendment (max. $15). **Business**—Producer of protective coatings, sealants, mastics, paints, etc. **Proceeds** — For selling stockholders. **Office**—10701 Shaker Blvd., Cleveland. **Underwriter**—McDonald & Co., Cleveland.

Trenton Foods, Inc.
Jan. 26, 1962 filed 100,000 common. **Price**—By amendment. **Business**—Preparation and packaging of meat food products for other firms and the large scale breeding of pigs. **Proceeds**—For debt repayment, plant expansion and working capital. **Office**—4733 Belleview, Kansas City, Mo. **Underwriter** — Scherck, Richter Co., St. Louis.

Tri-Department Stores Associates
Feb. 9, 1962 filed $2,436,000 of limited partnership interests. **Price**—$6,000 per interest. **Business**—Company was formed for the purpose of acquiring for investment the fee title to three discount department stores. **Proceeds**—For debt repayment. **Office**—30 E. 42nd St., N. Y. **Underwriter**—Adler Securities Corp., N. Y.

● **Tri-Point Industries, Inc. (3/7-8)**
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.

Trygon Electronics Inc. (3/19-23)
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.

Turbodyne Corp. (4/9-13)
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.

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. (4/9-13)**
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.

Tyler Pipe & Foundry Co. (4/2-6)
Jan. 25, 1962 filed 120,000 common. **Price**—By amendment. **Business**—Design, development and manufacture of cast iron products. **Proceeds**—For selling stockholders. **Office**—Lindale Rd., Swan, Texas. **Underwriter**—First Southwest Co., Dallas.

Tyson Metal Products, Inc. (3/12-16)
Oct. 26, 1961 filed 70,000 common, of which 21,000 shares are to be offered by the company and 49,000 by stockholders. **Price**—By amendment. **Business**—Manufacture of food and beverage service equipment. **Proceeds**—For working caiptal. **Office**—6815 Hamilton Ave., Pittsburgh. **Underwriter** — Arthurs, Lestrange & Co., Pittsburgh.

● **Ultra Plastics Inc. (3/19-23)**
Sept. 19, 1962 filed 175,000 class A common. **Price**—$4. **Business**—Manufacture of urethane foam board and the production of new patented plastic signs. **Proceeds**—For equipment, debt repayment, inventory and working capital. **Office**—875 North 28th St., Philadelphia. **Underwriter**—Edward Hindley & Co., N. Y.

● **Westates Land Development Corp.**
See Pacific Westates Land Development Corp.

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.

★ **Unishops, Inc.**
Feb. 28, 1962 filed 275,000 common, of which 25,000 are to be offered by the company and 250,000 by stockholders. **Price**—By amendment. **Business**—Retailing of men's and boys' clothing. **Proceeds**—For working capital. **Office** — 15 Linden Ave., East, Jersey City, N. J. **Underwriter**—Hornblower & Weeks, N. Y.

United Camera Exchange, Inc.
Jan. 29, 1962 filed 105,000 common. **Price**—$3. **Business**—Operation of retail camera stores. **Proceeds**—For expansion and general corporate purposes. **Office**—25 W. 43rd St., N. Y. **Underwriter**—M. G. Davis & Co., Inc., N. Y.

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. **Underwriters**—Waddell & Reed, Inc., Kansas City, Mo., and Kidder, Peabody & Co., N. Y. **Offering**—Expected in late April.

● **United Packaging Co., Inc. (3/20)**
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**—Darius, Inc., N. Y.

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.

● **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 late April.

Univend Corp. (3/5-9)
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 Foods Corp.
Jan. 25, 1962 filed 104,196 common, of which 47,248 are to be offered by the company and 56,948 by stockholders. **Price**—By amendment. **Business**—Production of yeast and other food products. **Proceeds**—For possible diversification and acquisitions. **Office**—221 E. Buffalo St., Milwaukee. **Underwriter**—Smith, Barney & Co., N. Y. **Offering**—Expected in late March.

Universal Lighting Products, Inc. (3/15)
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.

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Urethane of Texas, Inc.
Feb. 14, 1962 filed 250,000 class A and 250,000 common to be offered in units of one share of each class. **Price**—$5.05 per unit. **Business**—Manufacture of urethane foams. **Proceeds**—For equipment, working capital, leasehold expenses and other corporate purposes. **Office**—2300 Republic National Bank Bldg., Dallas. **Underwriter**—Rowles, Winston & Co., Houston.

Utah Concrete Pipe Co.
Feb. 8, 1962 filed 110,000 common. **Price** — By amendment (max. $10). **Business** — Manufacture and sale of concrete pipe, masonry products, corrugated metal pipe, telephone conduit and miscellaneous concrete products. **Proceeds**—For debt repayment and working capital. **Office**—379 17th St., Ogden, Utah. **Underwriter**—Schwabacher & Co., San Francisco. **Offering**—In May.

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**—Imminent.

Vacco Valve Co.
Feb. 12, 1962 filed 100,000 common. **Price**—$5. **Business**—Production of valves, and regulators for oil, chemical and missile industries. **Proceeds**—For acquisition of land, equipment and working capital. **Office**—1445 Lidcombe Ave., El Monte, Calif. **Underwriter** — California Investors, Los Angeles.

Vahlsing, Inc.
Jan. 29, 1962 filed 100,000 common. **Price**—By amendment. **Business**—Grows, packages, and ships fresh frozen potatoes. **Proceeds**—For inventory, and working capital. **Office**—Easton, Maine. **Underwriter**—Pistell, Inc., N. Y.

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. (3/5-9)
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.

Vapor Corp.
Feb. 2, 1962 filed 156,762 common. **Price** — By amendment. **Business**—Manufacture of steam generators for diesel locomotives; temperature control systems for rail cars, buses and aircraft; and door control devices for rail passenger cars. **Proceeds**—For selling stockholders. **Office**—80 E. Jackson Blvd., Chicago. **Underwriter**—William Blair & Co., Chicago.

Vassar Corp. (4/2-6)
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.

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. **Offering**—Expected sometime in April.

Victor Electronics, Inc.
Jan. 23, 1962 filed 150,000 common. **Price**—$5. **Business**—Manufacture, lease and sale of an amusement 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.

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.

Vitamin Specialties Co. (4/9-13)
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.

★ Voi-Shan Industries, Inc.
Feb. 28, 1962 filed 100,000 common. **Price**—By amendment. **Business** — Design and manufacture of specialty engineered industrial components. **Proceeds**—For selling stockholders. **Office**—650 So. Grand, Pasadena, Calif. **Underwriter**—A. G. Becker & Co., Inc., Chicago.

Volt Technical Corp.
Jan. 29, 1962 filed 190,000 class A shares. **Price**—$10.25. **Business**—Preparation of technical publications. **Proceeds**—For selling stockholders. **Office**—241 Church St., N. Y. **Underwriter**—Andresen & Co., N. Y.

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.

Voron Electronics Corp. (3/5-9)
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. (3/19-23)
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.

Wallace Investments, Inc.
Feb. 12, 1962 filed 400,000 common. **Price**—By amendment (max. $22). **Business**—Company makes short-term real estate loans, acquires, develops and sells land, and engages in the mortgage loan correspondent business. **Proceeds**—For selling stockholders. **Office**—1111 Hartford Bldg., Dallas. **Underwriter**—Harriman Ripley & 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.

Warlick Press, Inc.
Jan. 25, 1962 filed 180,000 common. **Price**—By amendment. **Business**—Printing of legal and financial documents. **Proceeds**—For debt repayment, equipment, and working capital. **Office**—2263 Valdina St., Dallas. **Underwriter**—Eppler, Guerin & Turner, Inc., Dallas.

● 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 late May.

Weinkles Liquor Stores, Inc.
Dec. 27, 1961 filed 165,000 common, of which 80,000 are to be offered by the company and 85,000 by stockholders. **Price**—$4.50. **Business**—Retail sale of liquor in and about Miami, Fla. **Proceeds**—For working capital. **Office**—2305 N. W. 12th Ave., Miami, Fla. **Underwriter**—Charles Plohn & Co., N. Y. **Offering**—In April.

Welcome Baby, Inc. (3/26-30)
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.

● West Falls Shopping Center Limited Partnership (3/20)
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.

Western California Telephone Co.
Dec. 18, 1961 filed 84,000 common, being offered for subscription by preferred and common stockholders on the basis of one right for each two common shares and one-fifth right for each preferred share held. Record date for the offering is Feb. 15 and the rights expiration date March 12. Two rights are required to subscribe for one common share. **Price**—$25. **Proceeds**—For construction. **Office**—15900 San Jose-Los Gatos Rd., Los Gatos, Calif. **Underwriters**—Dean Witter & Co., Blyth & Co., Inc., and Schwabacher & Co., San Francisco.

● Western Casualty & Surety Co. (3/26-30)
Feb. 16, 1962 filed 187,500 capital shares to be offered for subscription by stockholders on the basis of one new share for each four held. **Price**—By amendment (max. $58). **Business**—Writing of automobile, general liability and other types of insurance. **Proceeds**—To increase capital funds. **Office**—916 Walnut St., Kansas City, Mo. **Underwriter**—Kidder, Peabody & Co., N. Y.

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 Pioneer Co. (4/23-27)
Feb. 19, 1962 filed 371,750 capital shares of which 175,000 are to be offered by the company and 196,750 by stockholders. **Price**—By amendment (max. $42). **Business**—The making of loans secured by first liens on real estate. **Proceeds**—For debt repayment. **Office** — 3243 Wilshire Blvd., Los Angeles. **Underwriter** — Kidder, Peabody & Co., N. Y.

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.

Wham-O Mfg. Co. (3/20)
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**—To be named.

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. (3/19-23)
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. (3/19-23)
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. (3/19-23)
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.

● Wiley (John) & Sons, Inc. (5/1)
Feb. 21, 1962 filed 150,022 shares of capital. **Price** — By amendment. **Business**—Publication of text books for college, post-graduate and adult education courses, and professional books, encyclopedias, handbooks, etc. **Proceeds**—For selling stockholders. **Office**—440 Park Ave., N. Y. **Underwriter**—White, Weld & Co., Inc., N. Y.

★ Winters Pharmaceuticals, Inc.
Feb. 19, 1962 ("Reg. A") 303 preferred and 190 common. **Price**—For preferred, $100; for common, $10. **Business**—Development and sale of pharmaceuticals. **Proceeds**—For inventory and reserves. **Office**—525 Argyle Bldg., 306 E. 12th St., Kansas City, Mo. **Underwriter**—None.

Wolf Corp.
Jan. 26, 1962 filed $4,500,000 of 6.5% convertible subordinated debentures due 1977 (with attached warrants) to be offered for subscription by stockholders of class A stock on the basis of $500 debentures for each 100 class A shares held. **Price**—$500 per unit. **Business**—Real estate. **Proceeds**—For debt repayment and realty acquisitions. **Office**—10 E. 40th St., N. Y. **Underwriter**—S. E. Securities, Inc., N. Y.

World Scope Publishers, Inc. (3/5-9)
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. (3/12-16)
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.

● Wulpa Parking Systems, Inc.
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. **Offering**—Expected sometime in April.

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. (3/5-9)
Dec. 6, 1961 filed 130,000 class A shares, of which 20,000 are to be offered by the company and 110,000 by stock-

holders. **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.

Prospective Offerings

Alabama Power Co. (5/31)
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 May 31.

Appalachian Power Co. (4/17)
Feb. 14, 1962 it was reported that this company plans to issue $25,000,000 of first mortgage bonds due 1992. **Office**—Roanoke, Va. **Underwriters**—(Competitive). Probable bidders: First Boston Corp.; Halsey, Stuart & Co. Inc.; Harriman Ripley & Co. Inc.; Kuhn, Loeb & Co.-Eastman Dillon, Union Securities & Co. (jointly). **Bids**—April 17 (11 a.m. EST) at 2 Broadway, New York City. **Information Meeting**—April 12 (3 p.m. EST) at same address.

Appalachian Power Co. (4/24)
Feb. 14, 1962 it was reported that this company plans to issue $20,000,000 of debentures due 1992. **Office**—Roanoke, Va. **Underwriters**—(Competitive). Probable bidders: First Boston Corp.; Halsey, Stuart & Co. Inc.; Harriman Ripley & Co. Inc.; Kuhn, Loeb & Co.-Eastman Dillon, Union Securities & Co. (jointly). **Bids**—April 24 (11 a.m. EST)) at 2 Broadway, New York City. **Information Meeting**—April 12 (3 p.m. EST) at same address.

★ **Chicago & North Western Ry. (3/7)**
Feb. 27, 1962 it was reported that this road plans to sell $1,200,000 of equipment trust certificates due April 1, 1963-77. **Office**—400 West Madison St., Chicago. **Underwriters** — (Competitive). Probable bidders: Halsey, Stuart & Co., Inc., and Salomon Brothers & Hutzler. **Bids**—Mar. 7 (12 noon) in Chicago.

● **Consolidated Edison Co. of New York, Inc. (3/29)**
Feb. 28, 1962 it was reported that this utility plans to offer stockholders the right to subscribe to about 947,924 convertible preference shares on the basis of one new share for each 17 common shares held of record Mar. 29 with rights to expire Apr. 16. This is the first step in the company's program to raise some $262,000,000 in 1962 and $168,000,000 in 1963 by outside financing. Previously, the company stated that any equity financing would be followed very promptly with a debt issue. **Office**—4 Irving Place, N. Y. **Underwriters**—First Boston Corp., and Morgan Stanley & Co., N. Y.

Denver & Rio Grande Western RR (3/14)
Jan. 31, 1962 it was reported that this road plans to sell $4,830,000 of equipment trust certificates. **Office**—1530 Stout St., Denver. **Underwriters**—(Competitive). Probable bidders: Salomon Brothers & Hutzler; Halsey, Stuart & Co. Inc. **Bids**—March 14 (12 noon MT) in Denver.

★ **Devoe & Raynolds Co., Inc.**
Feb. 28, 1962 it was reported that 400,000 shares of this firm's stock would be offered publicly, of which 100,000 shares would be sold by the company and 100,000 by Merritt-Chapman & Scott Corp., which now holds 96.9% of the total outstanding. **Business**—Manufacture of industrial finishes and paints. **Office**—401 W. Main St., Louisville, Ky. **Underwriter**—To be named.

★ **Florida Power Corp.**
Feb. 28, 1962 it was reported that the company plans to sell $25,000,000 of first mortgage bonds in May, and additional common stock in the fall. Stockholders have preemptive rights. **Office**—101 Fifth St., South St. Petersburg, Fla. **Underwriters**—To be named. The last sale of bonds on Oct. 21, 1960 was made through Halsey, Stuart & Co. Inc. Other bidders were: Kidder, Peabody & Co.-Merrill Lynch, Pierce, Fenner & Smith, Inc. (jointly); Lehman Brothers-Blyth & Co. (jointly); Eastman Dillon, Union Securities & Co.-Harriman Ripley & Co. (jointly); First Boston Corp. The last rights offering of common on May 14, 1959 was underwritten by Kidder, Peabody & Co., and Merrill Lynch, Pierce, Fenner & Smith, N. Y.

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.

★ **Illinois Power Co.**
Feb. 28, 1962 it was reported that this utility expects to sell $25,000,000 of debt securities in late 1962 or early 1963. **Office**—500 South 27th St., Decatur, Ill. **Underwriters**—To be named. The last sale of bonds on May 21, 1958 was made through First Boston Corp. Other bidders were: Halsey, Stuart & Co. Inc.; White, Weld & Co.-Merrill Lynch, Pierce, Fenner & Smith, Inc. (jointly); Eastman Dillon, Union Securities & Co.; Harriman Ripley & Co., Inc.-Glore, Forgan & Co. (jointly).

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.

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.

★ **Missouri Pacific RR (4/17)**
Feb. 21, 1962 it was reported that this company plans to issue $5,925,000 of equipment trust certificates due annually Mar. 15, 1963-77. **Office**—Missouri Pacific Bldg., St. Louis. **Underwriters**—(Competitive). Probable bidders: Halsey, Stuart & Co. Inc.; Salomon Brothers & Hutzler. **Bids**—Expected Apr. 17.

★ **Nevada Northern Gas Co.**
Feb. 28, 1962 it was reported that this subsidiary of Southwest Gas Corp., plans to sell $2,000,000 of common stock publicly in May. **Office**—2011 Las Vegas Blvd., South, Las Vegas, Nev. **Underwriter**—Eastman Dillon, Union Securities & Co., N. Y.

New England Electric System (5/29)
Feb. 13, 1962 it was reported that this company plans to offer stockholders in June the right to subscribe for an additional 872,876 common shares on a 1-for-15 basis. **Office**—441 Stuart St., Boston, Mass. **Underwriters**—(Competitive). Probable bidders: Blyth & Co.-Lehman Brothers-Bear, Stearns & Co. (jointly); Carl M. Loeb, Rhoades & Co.-Ladenburg, Thalmann & Co.-Wertheim & Co. (jointly); Merrill Lynch, Pierce, Fenner & Smith Inc.-Kidder, Peabody & Co.-White, Weld & Co. (jointly). **Bids**—May 29. **Registration**—Scheduled for April 12.

★ **Northern Illinois Gas Co.**
Feb. 28, 1962 it was reported that the company expects to raise $125,000,000 to finance its 1962-66 construction program. About $25,000,000 of this, in the form of a debt issue, will be sold in the second half of 1962. **Office**—615 Eastern Ave., Bellwood, Ill. **Underwriters**—To be named. The last sale of bonds on July 14, 1960, was handled by First Boston Corp. Other bidders were: Halsey, Stuart & Co., Inc.; Blyth & Co., Inc-Equitable Securities Corp. (jointly); Glore, Forgan & Co.

★ **Northern Natural Gas Co.**
Feb. 28, 1962 it was reported that the company's 1962 expansion program will require about $40,000,000 of external financing to be obtained entirely from long or short term borrowing. **Office**—2223 Dodge St., Omaha, Neb. **Underwriter**—To be named. The last sale of debentures on Nov. 16, 1960 was handled on a negotiated basis by Blyth & Co., Inc., N. Y.

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.

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.

Panhandle Eastern Pipe Line Co.
March 8, 1961 it was reported that this company expects to sell about $72,000,000 of debentures sometime in 1962, subject to FPC approval of its construction program. **Office**—120 Broadway, New York City. **Underwriters**—Merrill Lynch, Pierce, Fenner & Smith Inc., and Kidder Peabody & Co., both of New York City (managing).

★ **Pennsylvania Power & Light Co.**
Feb. 20, 1962 Jack K. Busby, President and C. E. Oakes, Chairman, stated that the company will require about $93,000,000 in debt financing in the period 1962 to 1970. **Proceeds**—For construction and the retirement of $17,000,000 of maturing bonds. **Office**—9th and Hamilton Sts., Allentown, Pa. **Underwriters**—To be named. The last sale of bonds on Nov. 29, 1961 was won at competitive bidding by White, Weld & Co., and Kidder, Peabody & Co. Other bidders were Halsey, Stuart & Co. Inc.; First Boston Corp.-Drexel & Co. (jointly).

Playboy Clubs International, Inc.
Feb. 7, 1962 it was reported that this company plans to file a registration covering its first offering of 270,000 common shares. **Price**—About $7. **Business**—Operation of membership "key" clubs in Chicago, Miami and New Orleans. **Proceeds**—For expansion. **Office**—232 E. Ohio St., Chicago, Ill. **Underwriter**—To be named.

Public Service Co. of Colorado
Aug. 22, 1961 it was reported that the previously announced plan to sell about $20,000,000 of common stock to stockholders through subscription rights had been postponed until about June 1962. **Office**—900 15th St., Denver, Colo. **Underwriter** — To be named. The last equity financing was handled on a negotiated basis by First Boston Corp.

Resin Research Laboratories, Inc.
Dec. 20, 1961 it was reported that a full filing will be made covering 105,000 common. **Price**—$3.50. **Business**—Company is engaged in applied research and development in field of resin's polymer chemistry and plastics technology. **Proceeds** — For expansion, diversification and working capital. **Office**—400-06 Adams St., Newark, N. J. **Underwriter**—Keene & Co., Inc., N. Y.

San Diego Gas & Electric Co.
Sept. 12, 1961 it was reported that this company plans to sell about 500,000 common to stockholders in mid-1962 to raise some $17,500,000. **Office**—861 Sixth Ave., San Diego, Calif. **Underwriter**—Blyth & Co., Inc., N. Y.

(Jos.) Schlitz Brewing Co.
Dec. 20, 1961 it was reported that a full filing will be made covering about 692,000 outstanding common shares. **Price**—About $31.75. **Business**—Production and distribution of beer. **Proceeds** — For the selling stockholders. **Office**—Milwaukee, Wis. **Underwriter**—Glore, Forgan & Co., Chicago.

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 Bell Telephone & Telegraph Co. (5/1)**
Feb. 27, 1962 it was reported that this A. T. & T. subsidiary plans to sell $75,000,000 of debentures due May 1, 2001. **Proceeds**—For construction. **Office**—67 Edgewood Ave., S. E., Atlanta, Ga. **Underwriters**—(Competitive). Probable bidders: Morgan Stanley & Co., and Halsey, Stuart & Co. Inc. **Bids**—Expected May 1. **Registration**—In late April.

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).

● **Transcontinental Gas Pipe Line Corp. (4/18)**
Feb. 28, 1962 it was reported that this company plans to issue $40,000,000 of first mortgage pipeline bonds due 1982. **Proceeds**—For expansion. **Office**—3100 Travis St., Houston, Tex. **Underwriters**—White, Weld & Co., and Stone & Webster Securities Corp. **Registration**—Expected March 13.

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.

WASHINGTON AND YOU

BEHIND-THE-SCENES INTERPRETATIONS FROM THE NATION'S CAPITAL

WASHINGTON, D. C. — As the week came to an end a long time and high ranking member of the Senate got Senator Michael J. Mansfield of Montana on the telephone to ask him a question.

The "unnamed" senator asked his Senate majority leader: "Mike, is there any chance the UN bond issue might come up for a vote next week?"

Assured there would be no vote on the $100 million United Nations bond issue, the Senate member told his leader he had some personal business to attend to back home. He left for home a short time later.

Defeat of the Urban Affairs Bill

The biggest legislative action on Capitol Hill during the week was the killing of the Kennedy Administration measure that would have created a Cabinet level Department of Urban Affairs and Housing. It had been a foregone conclusion for weeks that the House would tear this bill apart.

The Urban Affairs bill was definitely and positively a political bill. The White House let it be known in advance that if and when this Cabinet level Department was created, President Kennedy would appoint the first Negro in history to a Cabinet post in the United States government. The position was to go to Administrator Robert C. Weaver of the Housing and Home Finance Agency.

After Republicans and Southerners voted against the Urban Affairs bill, there was some gleeful speculation in Democratic circles that the Republicans had been put on the spot this election year for having voted in effect "against" Dr. Weaver.

Four Negroes in the House

A heart-to-heart, off the record talk with some Republican congressmen dispel the "on the spot" theory. The hard, cold facts are Republican Congressmen are not getting the Negro vote anywhere. The Negroes in the United States are voting overwhelmingly for Democratic candidates — local, state and national.

The Negro vote is a substantial one in many Congressional districts. They control the election in more than 50 districts. There are four members of the Negro race in the United States House of Representatives. Each is a Democrat.

If one looks beneath the surface, he can find politics motivating numerous bills on Capitol Hill. The pending measure to increase the present membership of the House from 435 to 438 is a good example.

Helps Speaker McCormack

Presumably the proposed three-member increase is to provide for the seats allocated to our two newest states, Alaska and Hawaii. But there is a lot more to the bill than that announced purpose.

The State of Massachusetts, from whence House Speaker John W. McCormack hails, has its redistricting problems like several other states. The problem may result in all the candidates for Congress running from the state at-large this year as they will in a few other states.

Speaker McCormack would be affected. He is absolutely safe in running from the South Boston district, but if he is forced to run at-large he could encounter difficulties.

Under the proposal pending before the House Judiciary Committee, one additional seat would go to Massachusetts, and one each to Pennsylvania and Missouri. States like New York, which loses two seats this year; Oklahoma, Alabama, Arkansas and Mississippi to name some of them, who are scheduled to lose one or more seats, would not get anything from the legislation.

In Massachusetts, the proposed increase by one seat, would mean that the Bay State would still have one seat less, because as it now stands—as a result of the 1960 census of population—the state loses two seats. It has been reported that if Massachusetts loses but one seat it would be that of Representative Laurence Curtis, a Republican who has announced his candidacy for the Senate.

A Look at the Record

Under the Constitution, Congress has the authority to fix the size of the House. *The Congrssional Quarterly* says the original size of the House which first met in 1789 was 65 members, pending the first census in 1790.

After the 1790 census, the House membership was increased to 106 and the seats were apportioned. With the exception of 1840, regular increases followed every decade until 1911, when the current 435-seat figure was reached. Thus there has been no increase in the membership of the House since 1911.

When Alaska and Hawaii were admitted to statehood, the legislation provided for the temporary addition of one Congressman each. The 1960 census apportionment provides that Alaska is entitled to one House seat, and Hawaii two seats within the permanent 435-seat total for the United States.

There were a series of House and Senate committee hearings when Congress reconvened after the traditional "Lincoln Week" to allow Republicans to make speeches. Democrats take advantage of the lull too. Congress will remain in action now until the Easter recess.

Actually, there is no real urgent legislation pending but there are many important and far-reaching proposals.

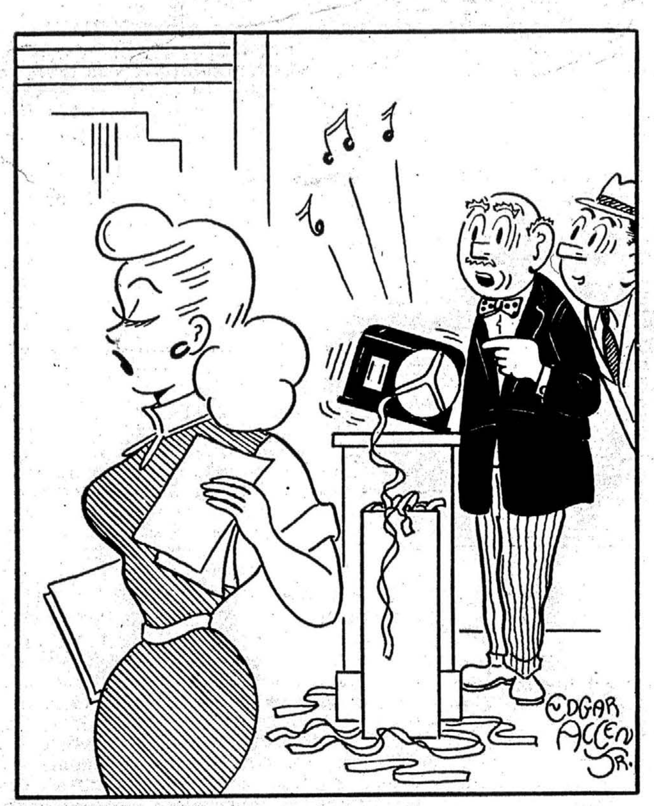
Pending and Prospective Proposals

These include the House-passed postal rate increase now on the Senate side; the farm program where hearings have been conducted in both the Senate and House agriculture committees; the foreign trade or reciprocal trade program.

The various appropriation measures involving a record peacetime figure will come up later, along with foreign aid. Congress also will extend the corporate and excise taxes, and there is a good chance that the travel taxes may be repealed because of the financial difficulties that are confronting the transportation systems, particularly the railroads and airlines. The White House is expected to send to Congress an important Transportation Policy report and a series of recommendations.

A Federal pay reform bill is also pending. President Kennedy recently sent a message to Congress asking that the pay of Federal workers be raised comparable to pay of those doing similar work in private industry. The Federal payroll, already tremendous, would be increased by 10% over the present payroll which amounts to about $10 billion a year. In other words the Federal payroll would be upped by $1 billion a year.

[This column is intended to reflect the "behind the scene" interpretation from the nation's Capital and may or may not coincide with the "Chronicle's" own views.]



"Everytime she walks by it stops ticking and starts whistling!"

COMING EVENTS

IN INVESTMENT FIELD

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 14-15, 1962 (Chicago, Ill.)
Central States Group of the Investment Bankers Association of America 26th annual conference at the Drake Hotel.

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.

May 19-23, 1962 (Detroit, Mich.)
Financial Analysts Federation 15th Annual Convention at the Statler Hilton Hotel.

June 1-2, 1962 (Miami Beach, Fla.)
Spring Conference of the National Association of Investment Clubs at the Seville Hotel.

Sept. 11-12, 1962 (Chicago, Ill.)
Investment Bankers Association Municipal Conference at the Pick Congress Hotel.

Sept. 13-14, 1962 (Chicago, Ill.)
Municipal Bond Club of Chicago outing.

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.

Chicago Inv. Analysts Change Midwest Forum

CHICAGO, Ill. — The Investment Analysts Society of Chicago has announced that the date for the Midwest Forum has been changed from Thurs., March 8 to Wednesday, April 4.

The Society is also asking members whether they would be interested in forming a Public Utility Security Group to arrange monthly meetings with managements of the various utilities.

With Ira Haupt

(Special to THE FINANCIAL CHRONICLE)

BEVERLY HILLS, Calif. — Kenneth Schachter has joined the staff of Ira Haupt & Co., 166 North Canon Drive. He was formerly with Bache & Co.

With Shearson, Hammill

(Special to THE FINANCIAL CHRONICLE)

CORONA del MAR, Calif. — F. Dwight Leslie has become associated with Shearson, Hammill & Co. Mr. Leslie who has been in the investment business for many years was formerly with J. A. Hogle & Co.

Francis I. duPont Co. Appoints James Cody

FT. WORTH, Texas — James L. Cody has been appointed Manager of the Fort Worth, Texas, office of Francis I. duPont & Co., 265 West 10th Street, it has been announced by A. Rhett duPont, Senior Partner of the firm.

Mr. Cody was previously manager of the A. G. Edwards & Sons office in Laurel, Miss.

Harrison Co. to Admit

CINCINNATI, Ohio—Harrison & Company, Fifth Third Bank Building, members of the New York and Cincinnati Stock Exchanges have admitted Gordon E. Pape to limited partnership in the firm effective March 1.