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EDITORIAL

As We See It

The U. S. Attorney General has returned from an extended tour of populous countries of the East, impressed and apparently somewhat distressed by what appeared to him to be the ignorance of the people concerning us and our policies, or perhaps it would be better to say by the misinformation and misunderstanding about us. Robert Kennedy finds it all but imperative that there be more visitation by responsible people of this country in such lands as these and a greater and more systematic effort to "explain" ourselves and our intentions. He found a great deal of interest—and emotion—in the subject of "colonialism" and "imperialism" and soon discovered that the communists and their followers had made good use of their time and energy in convincing these peoples that we definitely were of colonial leanings and, in fact, were imperialists at heart. Naturally, he found when questioning these critics that their notions of such terms as these were elementary to say the least, but such terms are essentially labels in these former colonial dependencies and it is all but useless to expect these colonials to remain unemotional and rational concerning them.

What's the Answer?

Here is a situation which exists in one form or another and in one degree or another almost everywhere in the world—even here among ourselves—and one that can be definitely damaging to the cause of human welfare. The question is what can best be done about it. "Explanations" usually—as was the case with the Attorney General—are very likely to develop quickly into some form of Marxist dialectics and, accordingly, are quite ineffective and useless. The truth of the matter is that our own thinking, our own governmental philosophy and the rationale of our public policies are all but hopelessly engulfed in confusion of thought and differences of opinion, to say nothing of plain misunderstanding of elementary sociological and eco- (Continued on page 13)

Unwarranted Pessimism in Today's Forecast of the Business Outlook

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

Well known forecaster fears that the attainment of the prevailing forecast of $576 billion GNP rate for 1962's last quarter will constitute an abortive and weak recovery. He urges liberalizing depreciation and reducing corporate tax by five percentage points. Sees spurred investments raising GNP by $6-8 billion to a more satisfactory prosperity level by early 1963. Present excess capacity is blamed on past excessive demand which had caused costs to rise faster than productivity and, thus, caused price rise, profits squeeze and falling demand. Special action recommended is seen not only aiding the economy but, also, our exports.

I propose to do two things in this paper. First, I'll set forth the standard business forecast by which I mean the one now being used by most of the competent practitioners of the art. Then, I propose to consider some of the implications of this standard forecast and what might happen to change it. The standard forecast calls for this to be a good year, a year of general prosperity and advance, but not as good a year as is implied in the Administration forecast of a $570 billion GNP. Our current projections are well in line with what I take to be the standard forecast of a $560-$565 billion GNP. As I shall explain more fully later, that's a good performance—but not good enough.

William F. Butler

To see how we arrive at this projection, consider how trends are shaping up in major areas of the economy. In each case, I shall compare the projection for the fourth quarter of this year, in annual rates, with the fourth quarter of 1961. I'll discuss the more volatile areas first.

Business investment in new plant and equipment has been increasing since last spring. The annual rate reached $35.9 billion in the fourth quarter of 1961. A recent SEC-Commerce survey of business plans to make such investment showed a rise of 8% for the year as a whole over last year. These surveys have been quite close to the mark in the past. However, a review of past experience shows that they may tend to underestimate actual investment by 2-3% in periods of general expansion. Thus, we are projecting an increase of almost 11% for the year — on the high end of what would appear to be consistent with the survey. We have business capital expenditures reaching an annual rate of $39.5 billion in the fourth quarter, an increase of $3.6 billion. Increases in other fixed investment not covered by the SEC-Commerce survey boost the gain in total business capital investment to $5 billion.

Changes in *business inventories* have been the most volatile, and the hardest to forecast sector of GNP in the postwar period. We operate under the handicap of not knowing quite where we are at the moment. Obviously, steel consumers were, at least until the steel settlement, building inventories at a good clip as a hedge against a possible steel strike. But business in general has been less inclined to add to inventories than was the case in similar periods of past recoveries. Just why this is so is not completely clear — I'm sure that the modest charges that banks make for loans shouldn't be a deterrent. In any case, our projections show the rate of inventory building going from $5.3 billion in the fourth quarter of last year to a peak of $6½ billion in the first quarter of this year, and then dropping off to $5½ billion in the second half of the year. That's a modest movement — those in similar past periods have been far more upsetting.

On *housing*, we project a moderate rise of a billion dollars over this year. This may be too low in a period when incomes are rising and mortgage money is available. How- (Continued on page 34)

COMING SOON — The only comprehensive quarterly analysis of the stocks purchased and sold by mutual and closed-end funds will be published in our May 17 issue.

The Security I Like Best...

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

This Week's Forum Participants and Their Selections

Hammermill Paper Co.—David A. Baker, Security Analyst, Jesup & Lamont, New York City. (Page 2)

Univis, Inc. — Eugene F. Gerwe Research Dept., Quail & Co., Inc., Davenport, Iowa. (Page 2)

DAVID A. BAKER
Security Analyst, Jesup & Lamont, New York City

Hammermill Paper Company

Hammermill Paper Company is a soundly managed, conservative enterprise which appears to be on the threshold of a rapid expansion in earning power. It is completing the final stages of a well-conceived six-year growth program which has radically altered the company's cost structure and provided a solid base for further development.


David A. Baker

Established in 1898, Hammermill paper is the country's premier manufacturer of fine writing papers. Extensive brand advertising, excellent paper merchant relations, and an unequaled reputation for the quality of its specialized products protect the company somewhat from the competitive pressures besetting most paper makers. Of course, Hammermill has shared the problems of the paper industry in recent years. However, the company also experienced difficulties of a non-repetitive nature peculiar to its own situation.

In 1955, Hammermill formulated a comprehensive and ambitious blueprint for the long-range expansion of the business. The program's objectives were to modernize facilities, increase capacity, broaden the product line, and reduce costs. These goals have now been largely attained. The enhancement of earning power has been obscured by unsettled industry and general economic conditions as well as the heavy non-recurring expenses of the transition period.

From a high cost, one city, limited line producer in 1955, Hammermill has become a diversified, integrated, and efficient industry leader. Now the company produces fine paper, coated and uncoated book paper, cotton fiber content paper, and industrial specialty papers. It has mills located in Pennsylvania, New York, Michigan, Ohio, Washington and Massachusetts; and envelope converting plants in Massachusetts, Virginia, Alabama, Illinois, and California.

Since the inception of the growth plan, Hammermill has added more new plant relative to its size than any other major paper firm except Scott. Its rate of sales increase has been the highest among the sixteen largest companies. Of even more importance, development of a new pulping process enabled the company to shift its raw material source from Canadian softwoods to mixed domestic hard and softwoods. This move substitutes pulpwood costing an average of $20 per cord for that previously imported at about $60 per cord.

Introduction of the new pulping process involved extensive alteration of the Erie mill. The mill was kept in production, but it incurred inordinately high expenses while the changes were underway. Artificially depressed profits of the past several years began receiving a double-barreled impetus in the fourth quarter of 1961 as (1) operating expenses approached a more normal level and (2) the last of the higher cost Canadian wood was consumed.

This resulted in fourth quarter earnings almost doubling those of each of the three previous quarters. Gains continued in early 1962 with net income of 64 cents per share reported for the first twelve weeks versus 34 cents per share for the comparable period a year ago. For the full year earnings could rise 60% or more to a level above $2.50 per share, the best year-to-year gain among major paper makers.

Outstanding as this performance would be, it does not represent achievement of Hammermill's full potential. Conversion of a paper machine at Oswego, New York, entailed start-up expenses of more than 20 cents per share last year. Ultimate earning power of this installation will not be attained before 1963 because of the lengthy adjustment process necessary on high quality fine paper machines. In contrast to 1961's losses, however, Oswego should make a nominal profit in 1962.

The operating margins of Hammermill's two recently acquired subsidiaries, Western Newspaper Union, a wholesaler, and Strathmore Paper, a fine paper maker, should improve, and therefore contribute more to earnings over the next few years.

Since most of Hammermill's large-scale plant expansion is completed, management can now devote more attention to basic paper making. For instance, a more efficient production schedule plan is to be installed.

Hammermill Paper common stock has been selling at about 33 recently on the New York Stock Exchange. The company's indicated dividend of $1.20 affords a 3.6% yield. With a price earnings ratio of 13 times 1962's expected net income and $3.50-$4.00 net per share possible by 1964, I believe Hammermill Paper common stock to be an appropriate investment for institutions and individuals seeking reasonable current income and well-defined capital enhancement potential.

EUGENE F. GERWE
Research Dept., Quail & Co., Inc., Davenport, Iowa
Members: NYSE; ASE (Associate) and Midwest Stock Exchanges

Univis, Inc.

I believe the common stock of Univis, Inc. offers the prospect of worthwhile capital gain over the next 12-18 months with only a minor risk of price decline.

This opinion is based on the following reasons:


Eugene F. Gerwe

(1) The Company is the 4th largest in the opthalmic industry (eyeglasses, lenses, etc.). This industry has experienced only minor cyclical fluctuations and appears to have well-defined prospects for above-average future growth.

(2) Since 1955 UNIVIS has experienced rapid sales growth averaging 13.3% annually, a rate more than double that of any comparable company. Prospects indicate that this growth rate could accelerate over the next several years.

(3) Non - recurring expenses have obscured the company's rapid development for the past two years. These charges, which reduced 1960 and 1961 earnings by approximately 40¢ per share after taxes, are now behind the company and should allow earnings to return to a more normal level in relation to sales in the years ahead.

(4) Despite the excellent outlook, UNIVIS Common Stock is currently selling at a reasonable price in relation to the current annual rate of earnings of approximately $1.30. Not only should the stock benefit from sharply higher earnings in the years immediately ahead, but the market should evaluate these earnings at a higher multiple than is presently the case.

UNIVIS was incorporated in Ohio in 1919 and over the years has developed a strong position as a producer of quality lenses for eyeglasses. In the past the Company has specialized in multifocal lenses which, on the average, sell about four times the price of the single vision lens.

Although the Company's record since its inception has been good (dividends have been paid each year since 1928), UNIVIS's rapid development did not begin until 1955, when a leading management consultant firm was instrumental in bringing in a new top management team. The 100% sales gain since that time is due to the efforts of these men in broadening the product line, expanding advertising and merchandising programs, and instituting efficient order and inventory procedures.

In this period UNIVIS's net income also expanded rapidly. However, a decision to move the Company's main plant from Dayton, Ohio to Fort Lauderdale, Fla. caused reduced earnings in both 1960 and 1961 as moving expenses were written off against net income. It is interesting to note that sales records were set in each of these years. With these expenses now behind, and with the benefits of a new and efficient plant, future earnings growth should equal or exceed sales growth.

The Company has long been recognized as a leader in research and development in the opthalmic industry. An exciting area in UNIVIS's present research is in the development of Plastic Lenses for opthalmic use. Plastic has many advantages over glass, being non - breakable, one - half the weight of glass and resisting fogging. Univis has made good progress in developing plastic lenses which are scratch-resistant, can be processed locally, are usable in all types of lenses, and where the price is competitive with glass. The Company has applied for patents on various plastic processes and techniques. Marketing of plastic lenses is expected in 1962. While the immediate impact is hard to estimate, the longer term prospects appear very substantial.

UNIVIS has also made several recent acquisitions for cash which materially broaden the Company's scope. In October, 1961, the Company acquired an 80% interest in American Aerospace Controls, a new company which will be engaged in the design and manufacture of proprietary electro

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

Bond Markets and the Interest Rate Outlook

By Tilford C. Gaines,* *Vice-President, First National Bank of Chicago*

Chicago banker charts influences responsible for this recovery period's unexpected and almost unprecedented bull bond market. Looking ahead, the former N. Y. Federal Reserve officer totes up several forces strongly implying somewhat higher interest rates are in store for most types of obligations in 1962. Moreover, the anticipated heavier credit demands are seen likely to increase pressure on bank lending as the year progresses. The Federal Reserve is expected to pursue a middle course to permit healthy credit growth to support the economy's advance while imposing limits to prevent its misuse.

The bond markets have put on a remarkable performance during the past several months. In spite of a strong and expanding economy and very large demands for credit, bond prices have risen almost without interruption. At the middle of January virtually all of the longer-term Government bonds were quoted to yield about 4% and some issues were pushing toward 4¼%. At this writing, there are no Government issues above 4% and the prices of longer bonds are from three to four points higher than they were only three months ago.

Tilford C. Gaines

The pattern of developments in the tax-exempt bond market has been even more striking than in taxable bonds. In spite of the pronounced price improvement in recent months, yields on taxable Government and corporate bonds are still higher than they were a year ago. But yields on municipal bonds are currently more than 40 basis points below a year ago and are presently at the lowest levels in several years.

Why Bull Market?

What are the circumstances which would explain the bull market in bonds during the first four months of this year? Clearly, the most important single influence has been the permission given to Federal Reserve member banks to increase the rates of interest they pay on time and savings deposits. This permission went into effect in early January, and in a matter of days most of the principal banks around the country had increased the rates offered to their savings and time customers. There have been two direct consequences. First, the time and savings deposits of commercial banks have grown at an unprecedented rate; these deposits increased by fully $6 billion during the first three months of this year. Second, the higher costs involved in paying more interest to their depositors has driven banks to re-examine investment policies and to attempt to increase the rate of return on their investment portfolios.

The first evidence of the emerging bull market in bonds appeared in the tax-exempt market in December, even before the new and higher savings rates went into effect. Commercial bank buying appeared in the market in large size and in longer maturities than most commercial banks customarily had purchased. Avid commercial bank demand for new tax exempts has continued to the present time. A huge volume of new bonds has been absorbed without any apparent limiting effect on the steady upward movement of price and downward movement of yields.

Impact of Sluggish Economy

The markets for taxable bonds did not respond to the strength in the tax-exempt market until the latter part of January. By that time, other influences had entered the picture to help drive bond prices upward. Perhaps the most important influence at this time was the relatively poor performance of the economy in January—relative, that is, to what many businessmen and economists had expected. The standard economic forecast in the closing weeks of 1961 was that the forward momentum of the economy would approach boom conditions in 1962, generating heavy credit demands and rising interest rates. Instead, as the new year opened, activity slackened from the pace maintained in the last quarter of 1961, and buoyant enthusiasm on the economic outlook was replaced by uncertainty as to the economy's ability to sustain its upward movement.

Uncertainty on the economic outlook forced commercial banks to re-examine their investment plans. Many banks had sold intermediate and longer bonds in 1961 and had reinvested in short maturities, expecting rising interest rates to make it possible for them to lengthen out this year at lower prices for bonds. As the prospect of higher rates and lower bond prices ahead become increasingly uncertain, some banks decided to lengthen immediately rather than run the risk that yields would not be higher later in the year. Buying from this source has provided steady upward pressure on bond prices.

Another powerful influence in the opening months of this year was the failure of bank loan demand to extend the strong upward movement that appeared in the closing months of 1961. Particularly in New York and Chicago, the principal money market centers, loan demand became relatively slack, and funds available for investment piled up.

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Bond Markets and the Interest Rate Outlook

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Meanwhile, Federal Reserve policy has remained easy and there has constantly been a sizable supply of bank funds available for investment.

What's Ahead?

The combination of these various influences explains the unexpected and almost unprecedented bull market during a period of economic recovery. Market strength has derived from real investment demand and has not rested upon ephemeral psychological factors. It has grown out of the buying by real investors and not from speculative accumulation of inventory by professionals or free riders. This being the case, may we expect bond prices to continue to rise and interest rates to continue to fall?

In my judgment, there is little if any latitude remaining for further upward price movement in the markets for taxable bonds. Tax-exempt bonds may continue to improve, in spite of their very strong movement during the past four months, since on a taxable equivalent basis yields on municipals are still substantially above yields on taxable bonds. But it seems to me that in the market for corporate and Government securities the pressure of present and prospective demands for credit should soon make itself felt.

Borrowing by the Government, in particular, may be expected to be decidedly heavy during the months ahead. The government debt operation of April 30 will involve refinancing $7.7 billion of securities maturing on May 15 and $4 billion maturing on June 15; both maturities will be refunded simultaneously.[1] In addition to other large maturities in August, November, and December, the Treasury probably will find it necessary to borrow at least $10 billion in new money during the balance of the year. Corporate bond volume also may be expected to increase. Activity in new corporate bonds is almost always light during the first quarter but then picks up significantly in the second quarter. This year should not be an exception. The volume of offerings of tax-exempt bonds has been consistently large and there is no reason to anticipate any reduction in the volume of new offerings. Finally, loan demand at the commercial banks has quite clearly turned upward and, if the pattern of earlier years of business recovery is followed, we may confidently expect a steadily growing pressure upon bank lending capacity as the year progresses.

Monetary Policy

Will it be possible to supply credit in the volume suggested by this outlook without some upward pressure on rates of interest? The answer to this question turns upon Federal Reserve policy. The Federal Reserve System has maintained an easy money environment through the first fourteen months of business recovery; if inflationary pressures do not emerge it is conceivable that Federal Reserve policy might not tighten considerably during the balance of this year. Were the Federal Reserve System to be willing to supply all the reserves needed to finance all prospective credit demands without real pressure upon the credit markets, then interest rates would not rise. In fact, it is even conceivable that they could decline further.

But if business continues its present rate of expansion, it seems unlikely that the Federal Reserve System would be willing to see credit generated at the rate that such economic advance would imply. In spite of the widespread uncertainties on the economic outlook in recent months, the statistics suggest that the economy is performing very well indeed. And there is no apparent reason why a steady rate of increase in industrial production, retail sales, employment and the other major measures of activity should not be in evidence for the balance of 1962. A sustained rate of expansion would, in time, satisfy even our gloomiest critics as to the basic strength and health of the American economy.

Such a rate of expansion almost surely would also generate record demands for new credit of all types. The Federal Reserve System would then find itself facing the old dilemma. If it supplied all of the reserves needed to sustain all of the demands for credit, it would run the risk once again of touching off a credit-based inflationary spiral. But if it took action to limit credit availability, it might also limit economic expansion and would almost certainly bring political lightning down upon its head. Fortunately, this dilemma is not of the either/or type. The Federal Reserve System need not supinely honor all credit demands nor need it go so far as to wring liquidity out of the economy as it did in 1959 and 1960. There are numerous middle courses that would permit healthy growth in money and credit to support a satisfactory rate of economic advance while at the same time imposing limits upon the extent to which credit could be used.

These middle courses do, however, imply some restraint upon credit availability and, as a consequence, somewhat higher rates of interest. In my judgment, this is the pattern we will see during 1962. Federal Reserve policy will not be radically altered—the discount rate may hold steady through the year—but the emerging tendency for credit to expand at a rate more than called for by sound economic growth requirements will lead to growing pressure upon the availability of funds in the commercial banking system. In short, the outlook appears to be for good economic expansion, steadily heavier credit demands and, in time, higher rates of interest on most types of obligations.

[1] The Treasury offered to exchange $11,683 million of securities maturing May 15 and June 15 during April 30 through May 2—ED. NOTE.

*A talk by Mr. Gaines before the Financial Executives Conference of the First National Bank of Chicago, April 24, 1962.

Byllesby Names Elliott to Board

CHICAGO, Ill. — Dr. Martin A. Elliott, a veteran executive of the oil and gas industry, and Vice-President in Charge of academic affairs of Illinois Institute of Technology, has been elected to the Board of Directors of H. M. Byllesby & Company, Incorporated, 135 South La Salle Street.

Dr. Martin A. Elliott

Dr. Elliott is a member of the National Academy of Sciences' committee on the chemistry of coal, and a board member of AutoResearch, Inc., Chicago, and Gas Exhibits, Inc., of the Century 21 Fair, Seattle, Wash.

His activities include committee memberships of a number of industry-wide organizations, including the Petroleum and Gas Industry's Coordinating Research Council, the American Institute of Chemical Engineers, the American Chemical Society, American Society of Mechanical Engineers, American Gas Association, and Society of Automotive Engineers.

He has authored some 50 papers on fuel and gas technology, and is an alumnus of Johns Hopkins University from which he received Bachelor and Doctorate degrees in gas engineering.

Leib, Skloot Co. New Firm Name

CLIFTON, N. J.—The firm name of International Services Corp., 1126 Clifton Avenue, has been changed to Leib, Skloot & Co., Inc. Harold Leib and Marvin Skloot are principals in the firm, which acts as brokers, dealers and underwriters of securities. An open-end phone, LO 4-7560, is maintained to New York City.

T. Rowe Price Opens N. Y. Office

T. Rowe Price and Associates, Inc., investment research and counselling firm, has opened a branch office at 30 Rockefeller Plaza, New York City. Clarance Stanley has become associated with the firm as Vice-President in charge of the new office.

OBSERVATIONS...

BY A. WILFRED MAY

HITTING THE "MORONS" WITH HIGHER CALCULUS

Quite the most significant and basic indictment of the pending tax withholding legislation comes, inadvertently, from the country's Number-One tax collecting authority, the Collector of Internal Revenue. Interviewed on a top TV-Radio program*, Mr. Caplin testified at length that the Treasury's estimated annual tax loss of $850 million through non-reporting of dividends and interest has been largely due to the citizenry's *ignorance*, rather than to evasion ("We have a tremendous loss of revenue in that one area, much of it due to sheer ignorance. I think there is a small percentage who will attempt to evade. . . . I think there is an assumption by many that this [dividends and interest] is not taxable. I have even seen a newspaper editorial to that effect").

And referring to the short-fall in general taxpayer reporting, the Commissioner continued: "Just as there is a great deal of ignorance on the dividends and interest side, I think much of the poor reporting is due to a misunderstanding of the law to the extent of $4.9 billion."

Education Decried

Commissioner Caplin further assumes the fruitlessness of further attempts to educate the taxpayer to understand the simple fact that his dividends and interest receipts are taxable (". . . . This year on the tax return we have big black letters separately labeled for dividends and interest but somehow the message is not getting across, and this is the reason we are asking for withholding").

The Government likewise has no confidence in "education" through wider distribution by dividend disbursing corporations' pinning to the check the Internal Revenue Service's following Document (No. 5219), clearly and simply reminding the shareholder that the accompanying dividend check is taxable.

Have You Reported Your **DIVIDENDS? INTEREST?**

Be sure to report *all* of your income from *all* sources on your income tax return. Some taxpayers, while reporting income from wages and other principal sources, tend to forget to report lesser amounts from sources such as interest on savings accounts and other interest and dividends, particularly when such amounts are credited to their accounts rather than received in cash. Your accuracy in reporting these amounts will benefit both you and your Government, and will avoid expensive enforcement action that might otherwise be necessary.

COMMISSIONER OF INTERNAL REVENUE

U. S. TREASURY DEPARTMENT • INTERNAL REVENUE SERVICE DOCUMENT NO. 5219
GPO : 1961 OF—617180 (Rev. 10-61)

The futility of education attempts has been likewise stated by Secretary Dillon (cf Revenue Act of 1962, Hearings before the Committee on Finance, U. S. Senate, April 2, 1962).

The Crucial Point

If it is true, as is thus so authoritatively asserted, that taxpayers are too dumb to be educated as to the very existence of the obligation to pay the tax on their dividend and interest income, how can they possibly be deemed able to perform the infinitely more complex—and bewildering to almost anyone no matter how expert—functions under *withholding* routine?

New Intricacies

The dependence of the withholding system on the wholesale filing of exemption certificates and claims for refunds by the taxpayer will saddle him with a burdensome and perplexing obligation whose ramifications will make his present "uncomprehensible" duty to report seem as simple as the multiplication table. More important than the existence of many people who would not even be aware of the necessity of filing—and hence paying a tax which they don't owe—will be the intricacies *cum* red tape fastened on those, including the knowledgable, to adjust their account with the Collector for amounts due which aggregate less than the 20% arbitrarily taken away from them in advance.

The "dumb" income recipient, when making out his tax return, with or without a refund claim, will be expected, without the benefit of an information receipt as the W-2 Form for wages now supplied to him by his employer, to report directly the gross dividends and interest payments, total up the withheld items extracted from his varied income distributors to add back the tax withheld, add up the two types of income and his other income, figure out his tax owed, and claim credit, or a refund for the tax withheld.

Important as a frequent "extra" factor in the taxpayer's already so complex certificate filing process

Meet The Press—NBC Television & Radio broadcast, April 1, 1962.

is the occurrence of a change in his status during the year.

Immorality?

Surely it must be conceded that the taxpaying community which allegedly is unable to understand its present obligations, will do no better with the vast intricacies involved in the withholding routine.

If the complex withholding system, with the sabotaging transferred to the innocent taxpayers from the government be cynically condoned because of the latter's need (for a juicy $600-800 million), must we not conclude that the proposal is downright *immoral* as well as unworkable?

* * *

FROM OUR MAILBOX

STOCK OPTIONS AS FIAT MONEY

Dear Mr. May:

I have been very much interested in your articles relating to Stock Options. I am in complete agreement with your views and feel that something should be done about it.

There was a time when I never bothered to sign proxies. Since the Option racket has become common, I now make it a point to vote against every plan which proposes, extends or amplifies stock options granted to officers of corporations of which I am a stockholder.

One of the vicious features of the stock option is that it dilutes the stockholders' equity just as much as the printing of fiat money dilutes the wealth of those who have saved and the incomes of those whose incomes are fixed.

Unfortunately, banks and brokers who hold stocks as custodians or trustees for others are likely, wherever they have the authority, to vote at stockholders' meetings in favor of issues recommended by management.

Too bad that Senator Albert Gore's recent efforts to abolish corporate stock options were not more successful. Unfortunately, there being no stockholders' union, his proposals did not appear to excite his colleagues and he did not get very far. I think he should be encouraged to continue his efforts.

I think, also, stockholders should be encouraged to vote their proxies against proposed stock options. Articles like yours in the public press, if given sufficient prominence, might help.

Faithfully yours,
CHARLES H. MEYER

New York

[*The signer of this letter, author of "The Securities Exchange Act, Authorized and Explained," is a lawyer specializing in corporate affairs.*]

Whether or not the validity of the "fiat money" analogy is agreed to, the value of the Option should be established at its *grant* time, rather than via subsequent fluctuations in the stock's market performance. In this way the value of the *call* and its cost to the stockholders are properly indicated.

This policy now receives a boost by a decision handed down in England. In the case of Abbott vs. Philbin, the time of its grant in lieu of its exercise is established as the proper time for its initial valuation for tax purposes—with the value set as one-tenth of the market price of the stock.

Under the U.K.'s new Revenue Act initiating a capital gains tax, if the holder having exercised his Option sells his shares immediately, he will be additionally liable to full tax assessment, but if he holds the stock for six months plus one day, he escapes further tax entirely.

Under the U. S. Statute (Sec. 421), the "restricted" stock optionee gets taxed for the first time and with favorable capital gains tax treatment, if he holds the exercise time for 2 years after the grant date, and for 6 months after the exercise date.

The Treasury Will Move

Our correspondent Mr. Meyer's plea that "something be done about the option racket" may be fulfilled at the next session of Congress when Treasury Secretary Dillon will propose the elimination from the Statute of the key tax sheltering loophole *(sec. 421)*.

H. N. Bernard With J. H. Goddard Co.

(Special to THE FINANCIAL CHRONICLE)

BOSTON, Mass.—Hubert N. Bernard, Jr. has become associated with J. H. Goddard & Co., Inc., 85 Devonshire Street, members of the Boston Stock Exchange. Mr. Bernard, who has been in the investment business in Boston for many years has recently been with Townsend, Dabney & Tyson. Prior thereto he was in the trading department of Schirmer, Atherton & Co. Gorham D. Hoffses, in the past, Portland manager for Schirmer, Atherton & Co., is also now associated with J. H. Goddard & Co., Inc.

H. N. Bernard, Jr.

Effect of Lower Interest Rates in Great Britain

By Paul Einzig

Commentary on the British Bank rate reduction to 4½% finds the wage restraint policy justifies the step but that, in turn, the lowered interest rate trend would make more difficult the application of wage restraint. Dr. Einzig advises his government to act quickly to reverse the downward interest rate in the event British labor steps above the 2½% wage-increase limit. Other comments note: (1) the stronger position of sterling and the U. K.'s ability to lose gold in the event of a hot-money out-flow resulting from the Rate reduction; and (2) the probable dampening effect on the London Euro-Dollar market.

LONDON, England—Last week's reduction of the Bank rate by ½% has brought it down to 4½% compared with its maximum level of 7% last year, and 6% only a few weeks ago. Even at 4½% it is higher than in most advanced countries. There is undoubtedly ample scope for further reduction provided that sterling remains reasonably firm and that the rise in the domestic price level remains moderate.

There can be no two opinions on the need for this reduction for the sake of relieving the American dollar drain. But British opinion is sharply divided on the question whether the reduction and any future reductions are justified. From the point of view of the British economy, there is a widespread feeling that the basic position does not justify such a reversal of the disinflationary measures taken last year. The fact that the reduction of short-term interest rates is considered to be only temporary is indicated by the reluctance of mortgage interest rates to follow the downward course. On the other hand, the welcome rise of government loans brought down the yield on these securities appreciably, indicating that the gilt-edged market at any rate is more optimistic.

Lowered Rate Warranted

Many people feel that the partial success of the government's wage restraint policy justifies the reduction of the Bank rate. Since sterling is now defended to an appreciable degree by that policy, it is felt that the need for defending it with the aid of high Bank rate has lessened materially. Those who take this view would like to see further reductions even below the 4% which has been the lowest figure in recent years.

As far as the technical position of sterling is concerned there is indeed no reason why the Bank rate should not be reduced. In spite of its moderate weakness in anticipation of the latest reduction, its undertone is reasonably steady and the Exchange Equalization Account was able to buy more gold during April. If the lower short-term interest rates divert some hot money from London, so much the better. If this entails a reversal of the influx of gold it would be no disaster. In fact the swelling of the gold reserve by means of borrowing from the International Monetary Fund and from holders of hot money, has created a purely artificial situation, and its reduction to more realistic figures would be a change for the better. Were the gold reserve to decline below a £1,000 million its psychological effect might even facilitate the government's task of enforcing the pay restraint policy.

To the extent to which that policy is successful, and so long as it is moderately successful, a relaxation of conventional disinflationary measures appears to be justified. The trouble is that lower interest rates and more plentiful credit supply are likely to operate against the successful application of that policy. They will tend to increase the overload on the economy which would mean a rise in the cost of living. This, together with the increased scarcity of labor, would provide too much temptation and too much opportunity for excessive wage demands and the trade unions would be unlikely to resist.

Advises the Government to Act Swiftly

This means that while the success of the wage restraint policy justifies lower interest rates, lower interest rates in turn would make the application of wage restraint more difficult. What matters is that the government should be prepared to reverse the downward trend of interest rates the moment it becomes evident that it jeopardizes the success of the wage pause policy. The government should go out of its way to emphasize its determination to do so the moment the 2½% limit to wage increases comes to be disregarded to a substantial extent.

If only the trade unions could be made to realize that excessive wage demands would be followed by a return to dear money and credit squeeze, it might conceivably influence their attitude to some extent. By threatening with conventional disinflationary devices in a way as to convince the trade unions that it means business, the government might obviate the necessity for implementing its threat. On the other hand, if the trade unions are allowed to have the impression that the policy of dear money has been discarded in favor of the policy of wage pause the latter is bound to fail. Human nature being what it is organized labor is not likely to be impressed by mere exhortations, unless they are backed up with threats of using the big stick of high Bank rate and credit squeeze as in the past.

A dogmatic rejection of the conventional devices would be very foolish and short-sighted. It is wrong to oppose direct government intervention merely because it is contrary to out-dated doctrine of *laissez faire*. But it is at least equally wrong to fall into the other extreme by condemning and repudiating the conventional devices. Government by exhortation cannot produce satisfactory results unless exhortation is reinforced by something that the trade unions could ill afford to try to ignore.

Euro-Dollar Market

It will be interesting to see how a further decline of interest rates in London will affect the Euro-dollar market. Already the interest differential has declined materially and its further reduction would necessarily reduce the scope for transactions in dollar deposits in the London market.

Harriman Ripley Elects Three

The election of David A. Fitzgerald, William C. Bertram and John H. Kramer as Assistant Vice-Presidents of Harriman Ripley & Co., Incorporated, 63 Wall Street, New York City, has been announced. Mr. Fitzgerald, who joined the investment firm in February, 1959, is in the corporate trading department, while Mr. Bertram, with the firm since May, 1946, and Mr. Kramer, who joined in February, 1950, are in the municipal department.

TAX-EXEMPT BOND MARKET

By DONALD D. MACKEY

The state and municipal bond market after all of these months (since early December) continues to flaunt an almost virulent strength with but little evidence of its tiring. As we round out five months of bull market activity, it would appear that the surge may easily carry tax-exempt bonds to even higher prices.

The *Commercial and Financial Chronicle's* 20-year high-grade general obligation bond yield Index, derived from an assortment of preselected offerings, averages out at 2.965% as we near press time. Only a week ago the Index averaged at 2.992%. The weekly gain in dollars is close to half a point. Since mid-December the average market for high-grade tax-exempt bonds has improved about six points; from a 3.33% yield to a 2.965% yield.

Facing Market's Realities

For those bond buyers who have been patiently awaiting the business resurgence and a general tightening up of the money situation, the bond market's more recent upside antics have been almost cruelly tantalizing.

For the dealers that have reluctantly followed the market to recent heights there seems but little comfort in bidding ahead of the market in an effort to purchase new issues; yet this is now the only practical procedure if one is to practically evaluate the symptoms that presently prevail in the state and municipal bond business.

Tempting Yields—And a Backward Glance

This travail, however, does not affect all of those interested in tax exemption or tax-exempt bonds to the same adverse degree. Despite the higher prices, more individual investors are actively interested in municipals than has been the case in several years. Tax-exempt bond prices still make tax sense to the average investor and, with the stock market troubles currently prevailing, the present yield for tax-exempts looks relatively much better than the diminutive taxable returns from many of our late, lamented growth type stocks.

Right now, a 20-year high-grade 3% tax-exempt appears very tempting to many investors even though the same offering would have been 3.70% as of Jan. 1, 1960. However, in January, 1958, the yield would have been but 3.00% and in January, 1956, the yield would have been but 2.50%; and so on back to January, 1951, when the yield would have been closer to 1.60%.

Living for Today

Although many of the dealers are restive about following the market up any further, it would seem that they may likely be compelled to follow along for some little time. Perhaps until summer, at least, and then any reaction is more likely to be corrective than basic. Even though gold continues its outward flow with little indication that the tendency will soon abate, a variety of other factors, not the least of which are important political considerations, tend to more than submerge for the present time at least the long-term deleterious effects of monetary devaluation.

The Treasury has just successfully borrowed over a billion dollars in cash which may cover governmental needs until mid-June, aside from the weekly bill financings. Since this period represents but a mere six weeks, a steady government bond market seems assured in the interim.

More Controls Over Monetary Policy Likely

Since Treasury monetary needs now represent a continuum of borrowing rather than an occasional financing, the advent of progressively stronger sponsorship becomes a day-to-day affair. To many it seems apparent that an even more comprehensive control over the monetary system is inevitable. The recent Administration proposal that the head of the Federal Reserve System be appointed by the current Administration is a solemn indication of what may lie ahead for the country insofar as monetary and currency controls are concerned. These eventuations could in the long run work against the bullish tendency that presently prevails in the bond market.

However, for purposes of practically viewing the near-term future, the bond market seems likely to gain further against the much less than anticipated business activity and credit demands under present purview. A substantial tightening of the credit situation at present seems completely unlikely.

Light Calendar Indicates More Aggressive Bidding

The new issue calendar continues to be light. Offerings currently scheduled between now and June 30 total but little over $450,000,000. Beyond that the total thus far scheduled is only about $16,500,000. For next week dealers will be called upon to underwrite but $106,454,000. This, of course, places less restraint on new issue bidding than is desirable for an orderly, well associated market. A continuance of aggressive new issue bidding may be predicted for the week ahead.

The investors of state and municipal bonds appear to have been altered little since last reporting. According to the *Blue List*, offerings have hovered in the $500,000,000 area during recent weeks. The current total of offerings is $518,714,100. With credit conditions as easy as they are, investment bankers generally have to some extent increased their tax-exempt bond commitments. As profit margins have been squeezed, the business of banking more state and municipal bonds is another manner of covering the overhead.

Recent Awards

In a setting which saw only $165,000,000 of tax-exempt bonds offered for competitive bidding underwriters eagerly sought the dozen issues of general market nature which came to market during the past week. Thursday a week ago, three issues came to market with pricing reaching to a new high level. The City of Tampa, Florida awarded $15,400,000 sewer revenue (1966-2002) bonds to the group managed by Kidder, Peabody & Co. at a net interest cost of 3.4568%. The runner up bid of a 3.513% net interest cost was made by the syndicate headed jointly by Halsey, Stuart & Co., Inc. and Glore, Forgan & Co. Other members of the winning group are Drexel & Co., Phelps, Fenn & Co., Salomon Brothers & Hutzler, F. S. Moseley & Co., A. G. Becker & Co., L. F. Rothschild & Co., Carl M. Loeb, Rhoades & Co., Shearson, Hammill & Co., Goodbody & Co., Weeden & Co. and W. H. Morton & Co. The bonds were reoffered to yield from 2.25% to 3.70% for a variety of coupons and about 30% of the issue has been spoken for.

Last Thursday's only important general obligation issue involved $8,000,000 Santa Clara County, California (1963 - 1982) bonds which were awarded to the account headed by the Bank of America N. T. & S. A. at a net interest cost of 2.7269%. The second bid of a 2.7378% net interest cost was made by the First National City Bank group. Other members of the winning account include the Chase Manhattan Bank, Bankers Trust Co., Morgan Guaranty Trust Co., First Boston Corp., Blyth & Co., Inc., Smith, Barney & Co. and Continental Illinois National Bank and Trust Co. This high powered account offered the bonds to yield from 1.50% to 2.95% and, upon initial offering, all but $2,600,000 of the bonds were sold. On Monday the remaining bonds were sold and the account has been marked closed.

Thursday's final sale of note involved $5,000,000 Lehigh County, Pennsylvania general improvement (1964 - 1983) bonds which were bought by the syndicate jointly managed by Glore, Forgan & Co. and Stroud & Co. on its bid of a 2.6298% net interest cost. The second bid, a 2.637% net interest cost, was

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MARKET ON REPRESENTATIVE SERIAL ISSUES

	Rate	Maturity	Bid	Asked
California (State)	3½%	1982	3.30%	3.15%
*Connecticut (State)	3¾%	1981-1982	3.15%	3.00%
New Jersey Highway Auth., Gtd.	3%	1981-1982	3.00%	2.85%
New York State	3¼%	1981-1982	3.00%	2.85%
*Pennsylvania (State)	3⅜%	1974-1975	2.85%	2.70%
Delaware (State)	2.90%	1981-1982	3.00%	2.85%
New Housing Auth., (N.Y., N.Y.)	3½%	1981-1982	3.00%	2.85%
Los Angeles, Calif.	3¾%	1981-1982	3.30%	3.15%
Baltimore, Md.	3¼%	1981	3.00%	2.85%
Cincinnati, Ohio (U. T.)	3½%	1981	3.15%	3.00%
Philadelphia, Pa.	3½%	1981	3.30%	3.15%
*Chicago, Ill.	3¼%	1981	3.25%	3.10%
New York, N. Y.	3%	1980	3.10%	3.05%

May 2, 1962 Index=2.965%

*No apparent availability.

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.

May 3 (Thursday)			
Fort Wayne, Ind.	1,500,000	1963-1976	1:00 p.m.
Fresno, Calif.	2,000,000	1963-1992	10:00 a.m.
Galveston County, Texas	1,550,000	1964-1990	3:00 p.m.
Rockville, Md.	1,425,000	1963-1987	8:30 p.m.
Shawnee Co. S. D. No. 23, Kansas	1,500,000	1963-1982	10:00 a.m.
Topeka School District, Kansas	1,500,000	1963-1982	10:00 a.m.
Victoria Co. Navigation Dist., Tex.	1,000,000	1963-1985	1:30 p.m.
West Virginia	3,000,000	1963-1989	1:00 p.m.
May 4 (Friday)			
New York (Albany)	21,530,000	-------	-------
May 7 (Monday)			
Clackamas Co. Water Dist., Oregon	1,400,000	1966-1937	8:00 p.m.
Coconino County, Ariz.	1,425,000	1964-1970	2:00 p.m.
Mesquite, Indep. Sch. Dist., Texas	1,000,000	1963-1992	4:00 p.m.
May 8 (Tuesday)			
Forsyth Co., N. C.	4,000,000	1965-1981	11:00 a.m.
Franklin, Ky.	1,180,000	1962-2000	10:00 a.m.
Fremont, Calif.	1,170,000	1964-1992	2:00 p.m.
Mobile Co. Hospital Bd., Ala.	2,000,000	1965-1992	10:00 a.m.
Mt. Kisco Cent. S. D. No. 2, N. Y.	1,159,000	1962-1981	2:00 p.m.
Ormond Beach, Fla.	2,600,000	1966-1997	11:00 a.m.
Portage Tp. Sch. Bldg. Corp., Ind.	1,265,000	1964-1988	2:00 p.m.
Sweetwater Union H. S. D., Calif.	1,085,000	1964-1986	10:30 a.m.
Washington Sub. Sani. Dist., Md.	15,000,000	1964-1993	11:00 a.m.
May 9 (Wednesday)			
Cincinnati, Ohio	10,000,000	1963-1987	Noon
Danbury, Conn.	8,900,000	1964-1982	11:00 a.m.
East Hartford, Conn.	2,000,000	1963-1982	Noon
Fairbanks Indep. S. D., Alaska	3,000,000	1963-1982	8:00 p.m.
Georgia State School Building Authority (Atlanta)	26,500,000	1963-1983	11:00 a.m.
Jefferson County, Ky.	1,260,000	1963-1973	2:00 p.m.
Pawtucket, R. I.	1,300,000	1963-1982	11:00 a.m.
Portsmouth, Va.	1,800,000	1963-1982	11:00 a.m.
Sonoma County, Valley of the Moon County, Water Dist., Calif.	1,150,000	1963-1992	8:00 p.m.
Waterloo Indep. Sch. Dist., Iowa	1,500,000	1965-1977	1:30 p.m.
May 10 (Thursday)			
Austin, Texas	14,000,000	1963-1987	10:00 a.m.
Brick Twp. Sch. Dist., N. J.	1,895,000	1963-1981	8:00 p.m.
Cobb County, Ga.	2,500,000	1963-1992	11:00 a.m.
Golden Valley, Minn.	2,600,000	1964-1983	7:30 p.m.
Humboldt Community S. D., Iowa	1,325,000	1962-1980	2:00 p.m.
Manitowoc, Wis.	1,500,000	1963-1980	10:00 a.m.
Syracuse, N. Y.	4,755,000	1963-1977	11:00 a.m.
West Chester Area Joint School Authority, Pa.	2,000,000	1963-1982	8:00 p.m.
Worcester, Mass.	1,380,000	1963-1982	11:30 a.m.
May 14 (Monday)			
Wauchula, Fla.	1,200,000	1963-1992	7:30 p.m.
May 15 (Tuesday)			
Arizona State University	2,500,000	1964-2001	10:00 a.m.
Brookhaven Union Free SD, N. Y.	2,724,000	1963-1992	2:00 p.m.
Canandaigua City Sch. Dist., N. Y.	1,975,000	-------	-------
Dougherty Co., Co. S. D., Ga.	1,275,000	1963-1982	2:00 p.m.
Edina-Morningside Indep. School District No. 273, Minn.	1,800,000	1965-1988	8:00 p.m.
Eustis, Fla.	1,935,000	1963-1991	Noon
Knox County, Tenn.	2,300,000	1963-1975	11:00 a.m.
Los Angeles Unified S. D., Calif.	7,000,000	1963-1987	9:00 a.m.
Morgan City, La.	1,130,000	1963-1987	7:00 p.m.
Mountain View, Calif.	2,250,000	-------	5:15 p.m.
Nashville, Tenn.	8,850,000	1962-2001	7:30 p.m.
Pittsburgh, Pa.	35,000,000	-------	-------
Port Comm. of New Orleans, La.	25,000,000	1972-1997	2:00 p.m.
Richfield, Minn.	2,750,000	-------	-------
St. Louis Park Ind. S. D. No. 283, Minn.	1,250,000	1964-1981	8:00 p.m.
Salt Lake City, Utah	11,500,000	1965-1980	10:30 a.m.
South Plainfield Sch. Dist., N. J.	2,030,000	1963-1984	8:00 p.m.
Tucson, Arizona	20,390,000	1963-1990	10:00 a.m.
Willoughby-Eastlake City S. D., Ohio	1,000,000	1963-1977	Noon
May 16 (Wednesday)			
Benton, Ill.	1,235,000	1963-1999	2:00 p.m.
Eastern Kentucky State College, Richmond, Ky.	6,875,000	1963-1997	1:00 p.m.
New Castle, Pa.	2,150,000	1964-1988	7:30 p.m.
Warren Woods Sch. Dist., Mich.	2,000,000	1964-1988	8:00 p.m.
Westwood Consol. Sch. Dist., N. J.	2,481,000	-------	-------
May 17 (Thursday)			
Berlin (City) etc., Joint School District No. 1, Wis.	1,200,000	1963-1982	1:00 p.m.
Birmingham Southern College, Birmingham, Ala.	1,487,000	1964-2001	10:30 a.m.
Kettering City Sch. Dist., Ohio	2,550,000	1963-1986	Noon
Metropolitan Seattle, Wash.	16,000,000	1964-2000	11:00 a.m.
Sacramento Mun. Utility D., Calif.	10,000,000	1966-1982	11:00 a.m.
May 21 (Monday)			
Illinois (State of)	95,000,000	-------	-------
Lower Merion Sch. Dist., Pa.	3,800,000	1963-1988	8:00 p.m.
May 22 (Tuesday)			
Denver, Colo. (City & County)	1,170,000	1962-1966	10:30 a.m.
Indianapolis School City, Ind.	1,000,000	1963-1982	7:30 p.m.
Torrance Unified Sch. Dist., Calif.	1,750,000	1963-1982	9:00 a.m.
Washoe County, County S. D., Nev.	3,000,000	1965-1982	8:00 p.m.
May 23 (Wednesday)			
Henrico Co., Va.	4,500,000	1963-1983	-------
New Orleans, La.	2,000,000	1964-1987	10:00 a.m.
North St. Paul-Maplewood Indep. Sch. Dist. No. 622, Minn.	1,000,000	1965-1990	8:00 p.m.
Pierce County Easley - Central Water District, S. C.	2,500,000	-------	10:00 a.m.
Warren, Cons. S. D., Michigan	2,980,000	1963-1987	-------

The Avco Corporation— Flight to New Heights

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

Fulfillment, at long last, of a corporate destiny, following accession to management of an executive team imbued with zest and zeal.

Avco Corporation started out 33 years ago as The Aviation Corp. In the 1930s, as a holding company, it held major interests in the burgeoning air transport industry — in Pan American Airways, and in the enterprise that later became American Airlines. It sold these out and, in its next major phase, became, during World War II, our third largest military contractor — a volume producer of aircraft, ships and jeeps. Its biggest property, then, was Consolidated Vultee.

Military to Civilian Production

At the end of the war, the corporate decision was to swing sharply away from the military, and to concentrate on consumer appliances, through the Crosley and Bendix Divisions. The Consolidated Vultee property was sold (becoming the keystone of General Dynamics Corporation), the corporate name was changed (1947) to Avco Corporation, and by 1952, the company had become, and rather unhappily, a major factor in appliances. Here, again, high profitability and durable success eluded Avco, and by 1954, the company was in a real financial flutter. In 1956, Avco sold off a substantial portion of its household appliance business, and once again reoriented its major effort toward diversified military production (a field it should never have left in the first place). So, here we have a saga of zigzagging corporate direction, with large sales developed but high profitability and solid corporate success eluding, for over 30 years, this large-scale enterprise.

Management

Until his death in 1960, Mr. Victor Emanuel, a legendary figure in Wall Street, guided the corporation, specializing more in "wheeling and dealing" in mergers and sales of properties than in running a "taut ship," and a cost-conscious production line.

When Mr. Emanuel died in 1960, however, he left the company an important legacy—a young, energetic, intelligent and profit-prone management team. Mr. Kendrick R. Wilson, Jr., (now 49) Chairman, and Mr. James R. Kerr (44), President, are giving Avco the pace, progress and profitability that the company seemed destined to achieve on several earlier occasions — but always missed. Mr. Wilson's background is in finance (United States Trust Company and Lehman Brothers), while Mr. Kerr's forte has been sales, coupled with a great zeal for research and development. Working smoothly with this duo, is Col. Earl H. Blaik, renowned as a collegiate football coach, and now Chairman of the Executive Committee at Avco, and particularly effective in topside liaison with the Pentagon.

Documented Progress

But, enough of historic background. Where is Avco today and where is it headed? Avco is a big, diversified enterprise, now making a profit in every division and looking forward to a substantial expansion in sales and net earnings in coming years. Against a gross business of $321 million in 1956, which distilled down to a $16 million loss, for 1931 (fiscal year ends November 30), sales were only $2 million higher ($323.1 million) but a net of $13 million was achieved. Pretax margins have expanded from 3.4% in 1957 to 7.9% last year.

Rewarding Research

Avco has now attained status as a money-maker and a growth company by seeking and getting defense contracts, for which it has special capabilities, and by a most successful and accelerated program of research and development. Its billings for R and D in 1954 were $4 million. For 1961, the figure was $80 million. Probably the most significant technological "break through" at Avco was the development, under the guidance of Dr. Arthur Kantrowitz, of a nose cone that can withstand the fierce temperatures, up to 16,000 degrees, when an intercontinental ballistics missile reenters the atmosphere. Leadership in Re-entry Vehicles, begun in 1955, has led to big contracts, and great technological prestige, for Avco. Avco nose cones are standard on the Atlas, Titan I and Minuteman missiles, and Avco should have a leading part in the Re-entry elements for the moon-reaching Apollo — a long range multi-billion dollar program.

In other scientific fields, too, Avco is a pioneer. In magnetohydrodynamics (the longest word ever appearing in this column!!) the company is experimenting with high temperature gases, which can conduct electricity in a magnetic field. This interaction may provide a new, low cost, method for electric power generation and possible propulsion for space vehicles. Avco developed and produces gas turbine engines for helicopters (which now account for 15% of sales volumes) and is applying gas turbine propulsion to an exciting line of hydro foil boats it is researching — boats that can skim the water at great speeds and instantly convert to land vehicles. Gas turbines and multi-fuel engines are believed to have great potentials as future suppliers of power for marine, aircraft and stationary power uses. The company will probably have a major position in the C 141 jet transport program.

Other Avco projects, in research or production, include radar systems, air traffic control systems, radio receivers, and components for aircraft and missiles fusing and ordinance devices.

Commercial Business

Avco's commercial business accounts for around 40% of sales. The New Idea Division has been a pioneer in the development and production of specialized farm equipment. It has been consistently profitable. Lycoming Division, in addition to producing re-entry vehicles, gas turbines and rocket chambers for the military, turns out the reciprocating engines used in Beech and Piper airplanes.

Moffats' Limited, a wholly owned Canadian subsidiary, makes commercial goods and appliances, and accounts for about 5% of total sales. Another subsidiary, Crosley Broadcasting Corporation, owns and operates an AM radio station in Cincinnati, four VHF television stations in Cincinnati, Dayton and Columbus, Ohio, in Indianapolis, Indiana, and one in Atlanta, Georgia.

A Buoyant Look

Altogether, by sophisticated research, effective cost control, smart selling and bidding on military contracts, which it is uniquely equipped to handle profitably, Avco Corporation has acquired a brand new corporate image. Whereas Avco common was, for years, a tired, "draggy" equity in the market, it now has drive and zest, and even in our new "stable economy," it is attracting new friends.

AV now sells at 23½, and this year, has increased its dividend to 70 cents. Earnings, which were $1.24 for 1961, are expected to reach $1.45 this year and, perhaps $2 per share by 1964. Chairman Wilson has projected sales for 1965 at $500 million.

There are 10,800,000 shares of Avco common listed on NYSE, which amount may be increased 8% by full conversion of the $10.1 million of outstanding 5% debentures, convertible into common at $11.50 per share. These "converts" now sell at 204.

For those casting about for a proven equity with growth potentials, Avco common, operating in the main stream of our expanding space programs, may not seem currently unattractive at a price not quite 20 times 1961 net earnings.

W. C. Langley to Admit Skinner

W. C. Langley & Co., 115 Broadway, New York City, members of the New York Stock Exchange, on May 10 will admit William B. Skinner to partnership in the firm.

Neil I. Woolf Co. Formed

Neil I. Wolf and Co., Incorporated has been formed with offices at 276 Fifth Avenue, New York City, to engage in a securities business. Neil I. Woolf is a principal of the firm.

Walsh Mun. Mgr. For Cruttenden, Podesta & Miller

CHICAGO, Ill. — John J. Walsh has been appointed manager of the municipal department in the Chicago head office of Cruttenden, Podesta & Miller, La Salle Jackson Bldg., members of the New York Stock Exchange, according to an announcement from D. R. Bonniwell, partner (municipals) of the coast-to-coast investment firm.

John J. Walsh

Mr. Walsh began his business career as a trainee and sales engineer with United States Gypsum Co. In 1952, he became associated with the Chicago investment firm of Mullaney, Wells & Company, rising through the ranks to buyer and Assistant Vice-President. He joined the staff of Cruttenden, Podesta & Miller in 1958, as manager of the Chicago buying department (municipals).

S. E. Securities

S. E. Securities Inc. has opened offices at 10 East 40th Street, New York City, to conduct a securities business. Officers are Leon Spilky, President, and Joseph Eckhaus Secretary and Treasurer.

J. W. Loveless Opens

CHICO, Cal.—J. Wayne Loveless is engaging in a securities business from offices at 14 Dean Way.

DEALER-BROKER INVESTMENT LITERATURE AND RECOMMENDATIONS

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

Aerospace Industry — Review — A. C. Allyn & Co., 122 South La Salle Street, Chicago 3, Ill. Also available are reviews of **Charles of The Ritz, Dresser Industries, Inc., North American Life Insurance Company,** and **Talon, Inc.** and data on **Aluminium Ltd., Atchison, Topeka & Santa Fe, Aztec Oil & Gas, Canada Dry, General Telephone & Electronics, Libby, McNeil & Libby, Ryan Aeronautical, Sperry Rand, Sunray Mid-continent Oil** and **Tennessee Gas Transmission.**

Bank Stocks — Earnings comparison of 20 leading banks stocks outside New York—Laird, Bissell & Meeds, 120 Broadway, New York 5, N. Y.

Bank Stocks—Quarterly comparison of leading banks and trust companies of the United States—New York Hanseatic Corporation, 120 Broadway, New York 5, N. Y.

Canadian Base Metal Industry — Review—Equitable Brokers Ltd., 60 Yonge Street, Toronto 1, Ont., Canada.

Canadian Budget — Discussion — Wills, Bickle & Co., Ltd., 44 King Street, West, Toronto 1, Ont., Canada.

Cement Companies—Discussion in current issue of "Investornews"—Francis I. du Pont & Co., 1 Wall Street, New York 5, N. Y. Also available are discussions of **National Lead, Sealright Oswego Falls, Ametex, Emerson Electric, Hiram Walker - Gooderham & Worts, Texas Gulf Sulphur** and **Giannini Controls.**

Education for Investment—Report with particular reference to **Jostens, Inc., Kingsport Press** and **Holt, Rinehart & Winston**—A. G. Edwards & Sons, 409 North Eighth Street, St. Louis 1, Mo. Also available is an analysis of **Pan American Resources.**

First Quarter Results—Analysis of market—David L. Babson & Co., Inc., 89 Broad Street, Boston 10, Mass.

Food Stocks for Growth—Analysis with particular reference to **Beech Nut Life Savers Co., Standard Brands, General Foods,** and **Pillsbury Co.** — Goodbody & Co., 2 Broadway, New York 4, N. Y. Also available are reports on **Black & Decker Mfg. Co., Champion Spark Plug Co., Chicago, Milwaukee, St. Paul & Pacific, General Precision Equipment, Gulf, Mobile & Ohio, Harris-Intertype Corp.** and **New York Bank Stocks** for the first quarter.

Japan—Analysis of financial statements of 149 selected Japanese corporations — Daiwa Securities Co., Ltd., 149 Broadway, New York 6, N. Y.

Japanese Household Electric Machinery Industry — Review — Nomura Securities Co., Ltd., 61 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 **Takeda Chemical Industries Co., Ltd.**

Life Insurance Stocks — Bulletin with particular reference to **Life Insurance Company of Alabama, Nebraska National Life, Coastal States Life,** and **Guaranty National Insurance Co.**—Copley and Company, Inc., 620 North Tejon Street, Colorado Springs, Colo. Also available are reports on **Discount Stores, Inc.,** and **Chase Capital Corp.**

Living Names on the Big Board—Biographical data on founders of companies listed on the New York Stock Exchange, whose names are still displayed on the listing — Current issue of "Investor's Reader"—Merrill Lynch, Pierce, Fenner & Smith Inc., 70 Pine Street, New York 5, N. Y.

Market Trends—Review—Brand, Grumet & Seigel, Inc., 67 Broad Street, New York 4, N. Y.

Oil Company Financial Statements —Comparative Figures — Carl H. Pforzheimer & Co., 25 Broad St., New York 4, N. Y.

Oil Stocks — Review—Hemphill, Noyes & Co., 8 Hanover Street, New York 4, N. Y.

Oil Stocks—Bulletin—Herzfeld & Stern, 30 Broad Street, New York 4, 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.

Plastics Industry — Bulletin — Mackay & Co., 524 Washington Street, Reading, Pa.

San Juan, Puerto Rico—Report—Government Development Bank for Puerto Rico, San Juan, P. R.

Savings & Loan Stocks—Survey—Shields & Co., 44 Wall Street, New York 5, N. Y.

Selected Stocks — Bulletin of issues which appear attractive in the current market—Bell & Farrell, Inc., 119 Monona Avenue, Madison 3, Wis.

Steel — Bulletin — Walston & Co., Inc., 74 Wall Street, New York 5, N. Y.

Textiles in Fashion — Review — A. M. Kidder & Co., Inc., 1 Wall Street, New York 5, N. Y. Also available are reports on **Harvey Hubbell Inc.** and **Massey Ferguson Ltd.**

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Allied Stores — Memorandum — E. F. Hutton & Co., 1 Chase Manhattan Plaza, New York 5, N. Y. Also available are memoranda on **Brunswick, Great Atlantic & Pacific, Gamble-Skogmo, Perfect Circle, American Smelting, Royal Dutch Petroleum** and **Southern Railway.**

Allvac Metals Co. — Analysis — R. S. Dickson & Company, Inc., Wachovia Bank Building, Charlotte 2, N. C. Also available is a memorandum on **Drexel Enterprises Inc.**

American Cyanamid — Data — Bache & Co., 36 Wall Street, New York 5, N. Y. Also available are data on **Columbia Broadcasting, Lane Bryant, Chas. Pfizer, Texaco** and **United Gas Corp.**

American Hoist & Derrick Co. — Analysis — W. E. Hutton & Co., 14 Wall Street, New York 5, N. Y.

American Machine & Foundry — Bulletin — Purcell & Co., 50 Broadway, New York 4, N. Y. Also available is a bulletin on **Eastern Gas & Fuel.**

American Motors — Review — Colby & Co., Inc., 85 State Street, Boston 9, Mass. Also available are reviews of **Fruehauf Trailer** and **Pan American Sulphur.**

American Viscose Co. — Analysis —Halle & Stieglitz, 52 Wall Street, New York 5, N. Y.

Arkansas Louisiana Gas — Report —Smilen & Safian Inc., 61 Broadway, New York 6, N. Y. Also available are data on **Eastman Kodak, Merck** and **Minnesota Mining and Manufacturing.**

Bird & Son—Memorandum—May & Gannon, Inc., 140 Federal St., Boston 10, Mass.

Bird & Son—Memorandum—C. D. Robbins & Co., 744 Broad Street, Newark 2, N. J.

Boeing Company — Report—Reynolds & Co., 120 Broadway, New York 5, N. Y. Also available are reports for **Creole Petroleum Corp., Electronics Associates, G. C. Murphy Co.** and **FMC Corp.**

Book of the Month Club Inc. — Analysis — J. R. Williston & Beane, 2 Broadway, New York 4, N. Y. Also available is an analysis of **Atlas General Industries.**

Browning Arms Company — Report—Loewi & Co., Inc., 225 East Mason Street, Milwaukee 2, Wis. Also available are reports on **Safeway Steel Products, Wisconsin Power and Light Co., Johnson Service Co.** and **Howard W. Sams & Co., Inc.**

Brunswick — Memorandum—Sincere and Co., 208 South La Salle Street, Chicago 4, Ill.

Burlington — Memorandum — Cohen, Simonson & Co., 25 Broad Street, New York 4, N. Y. Also available are memoranda on **Emerson Electric, Swank, General Cable** and **Revere Copper & Brass.**

Burlington Industries — Review—Paine, Webber, Jackson & Curtis, 25 Broad Street, New York 4, N. Y. Also available are reviews of **Celanese, Combustion Engineering, General Motors, International Harvester,** and **Lockheed Aircraft,** and data on **First Mortgage Investors, National Biscuit Co., Manufacturers Hanover Trust Co., Stauffer Chemical** and **Time Inc.**

Christiana Securities Co. — Bulletin—Laird, Bissell & Meeds, 120 Broadway, New York 5, N. Y.

Commercial Solvents — Survey—Hornblower & Weeks, 1 Chase Manhattan Plaza, New York 5, N. Y. Also available is a survey of **American Cyanamid Co.** and data on **Celanese, U. S. Steel, Amsted Industries, General Cable, Cincinnati Milling Machine** and **Clevite.**

Community Charge Plan Inc. — Report—Reuben Rose & Co., Inc., 115 Broadway, New York 6, N. Y.

Continental Insurance — Analysis — Jas. H. Oliphant & Co., 61 Broadway, New York 6, N. Y.

Courtesy Products—Memorandum — Goodman Securities Corp., 80 Wall Street, New York 5, N. Y.

Curtiss-Wright — Review — H. Hentz & Co., 72 Wall Street, New York 5, N. Y. Also available is a report on **Manhattan Shirt.**

Electronics International Capital — Memorandum — Bear, Stearns & Co., 1 Wall Street, New York 5, N. Y.

Fram Corporation — Analysis — Dempsey-Tegeler & Co., Inc., 1000 Locust Street, St. Louis 2, Mo.

Gulf Life Insurance — Memorandum — J. C. Bradford & Co., 414 Union Street, Nashville 3, Tenn.

The Horsey Group — Review of **Salada Foods Ltd., Crush International, General Bakeries, Globe Envelopes, Hardee Farms International** and **Vendomatic Services** —James Richardson & Sons, Inc., 14 Wall Street, New York 5, N. Y. Also available is a detailed report on **Consolidated Mining & Smelting Company of Canada.**

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

Jefferson National Life Insurance Company — Study — Indianapolis Bond & Share Corp., 120 East Market Street, Indianapolis 4, Ind.

Kalvar Corp. — Analysis — D. B. Marron & Co., Inc., 63 Wall Street, New York 5, N. Y.

Kendall Industries—Memorandum — Taylor, Bergen, Lynn & Lee, 1830 West Olympic Boulevard, Los Angeles 6, Calif.

Korfund Inc. — Analytical Brochure — Morris Cohon & Co., 19 Rector Street, New York 6, N. Y.

Longs Drug Stores—Memorandum —Birr & Co., Inc., 155 Sansome Street, San Francisco 4, Calif.

Marine Petroleum Trust—Memorandum — Brown, Allen & Co., Inc., Texas Bank Building, Dallas 2, Tex. Also available is a memorandum on **Tidelands Royalty Trust.**

Massachusetts Protective Association — Memorandum—Walter C. Gorey Co., Russ Building, San Francisco 4, Calif.

Mayfield Engineering Company—Analysis—Amos C. Sudler & Co., 818 Seventeenth Street, Denver 2, Colo.

Metalfab, Inc. — Analysis—Cruttenden, Podesta & Miller, La Salle-Jackson Bldg., Chicago 4, Ill.

National Can—Report—Bregman, Cummings & Co., 4 Albany St., New York 6, N. Y. Also available is a report on **Thiokol Chemical.**

Northwest Airlines — Analysis—Gruntal & Co., 50 Broadway, New York 4, N. Y.

Norwalk Truck Lines, Inc.—Report—First Columbus Corp., 52 East Gay St., Columbus 15, Ohio.

Pacific Air Lines Inc.—Bulletin —Hooker & Fay, Inc., 221 Montgomery St., San Francisco 4, Calif.

Pacific Gas & Electric Company —Annual report—Pacific Gas & Electric Company, 245 Market St., San Francisco 6, Calif.

Phelps Dodge Corp.—Analysis—Auchincloss, Parker & Redpath, 2 Broadway, New York 4, N. Y. Also available is a brief discussion of **Supermarkets,** with particular reference to **All Grocery Chains, Alterman Foods, Borman Food Stores, Giant Food,** and **Pueblo Supermarkets.**

Philadelphia & Reading Corp.—Analysis—Sutro Bros. & Co., 80 Pine Street, New York 5, N. Y.

Radio Corporation of America—Bulletin—Courts & Co., 11 Marietta St., N. W., Atlanta 1, Ga. Also available is a memorandum on **Rudd Melikian.**

Reynolds Metals — Discussion in current issue of "Investment Letter"—Hayden, Stone & Co., Incorporated, 25 Broad Street, New York 4, N. Y. Also in the same issue are data on **Rochester Telephone.**

Sierra Pacific Power Co. — Analysis—First California Company, 300 Montgomery St., San Francisco 20, Calif.

Smith Kline & French Laboratories—Report—Schwabacher & Co., 100 Montgomery St., San Francisco 4, Calif.

Sterling Electronics, Inc.—Data—S. D. Fuller & Co., 26 Broadway, New York 4, N. Y.

Susan Crane Packaging Inc.—Analysis—Parker, Ford & Co., Inc., Vaughn Building, Dallas 1, Tex.

United Fruit Company—Analysis —F. S. Moseley & Co., 50 Congress St., Boston 2, Mass.

United Sheet Metal — Memorandum—R. W. Pressprich & Co., 80 Pine Street, New York 5, N. Y.

Universal Oil Products Company —Review—Carl M. Loeb, Rhoades & Co., 42 Wall Street, New York 5, N. Y.

West Ohio Gas Company — Analysis—A. G. Becker & Co., Incorporated, 60 Broadway, New York 4, N. Y.

Corporate Outlays and the Demand for Term Loans

By Rudolph E. Palluck, Vice-President, Term Loan Division First National Bank of Chicago*

Review of the corporate capital expenditure and financing outlook stresses one item of particular interest to commercial bankers—term loans. Note is taken of today's favorable financial climate for long term debt financing, and the ability of corporations to generate internally most of their capital outlay financing needs. Term loans are expected to continue to be an important source of funds but the anticipated demand is put not much in excess of repayments which would leave the total below the 1955-57 level.

Capital expenditures by business are the major and often the most volatile factor in the growth of the economy. The lag in business capital investment since 1957 and the sharp decline in such expenditures in relation to Gross National Product has been a matter of great concern. While idle plant capacity has contributed to this weakness, of equal importance has been the squeeze in profit margins. Profits are better than they were at the recession trough, but many manufacturers continue to find their margins thinner than they were in other prosperous periods.

Reflecting the broad and diversified uptrend in general business, expenditures by corporations for new plant and equipment are expected to set a new record this year. Government surveys estimate such expenditures will increase 8% over last year to a total of $37.2 billion. This would put capital spending slightly above the previous record year of 1957. However, this is not impressive when it is recalled that business expenditures in proportion to Gross National Product are at their lowest point since 1950. Based upon an estimated Gross National Product of $560 billion, the ratio of business expenditures to Gross National Product would be 6½%. This would compare with 6.9% in the 1959 recovery and 8.4% in the 1956-57 period. For the post war years the ratio averaged 7.3%.

The estimated gains are widespread with non-rail transportation the only major industry planning to reduce spending. The outlays have been rising moderately, but steadily, since the early part of last year and a continuing upward trend is projected.

Most of the new facilities are for cost reducing purposes. This will continue to be the driving force until increased sales narrow the gap that still exists in many industries between domestic manufacturing capacity and demand. In 1955 the ratio between investment for expansion and investment for modernization was 70 to 30 in favor of expansion; now it is 70 to 30 in favor of modernization.

Management decisions are influenced by the attitude of government toward business. Many businessmen feel that a thorough revision of the tax structure at Federal, State and local levels coupled with a liberalization of the present unrealistic depreciation allowances would stimulate capital expenditures and provide the push necessary to sustain the high level of business activity.

The principal sources of funds to finance the projected capital expenditures, rising inventories, receivables, and installment credit will be—

First, internally generated cash from retained earnings and depreciation charges. It is expected that the volume of funds provided from internal sources will rise further this year as a result of continuing advances in depreciation charges and larger retained earnings. Depreciation charges alone in 1962 should run in excess of $24 billion.

Second, flotation of bonds and equities in the public and private placement markets. While the equity market has been erratic recently, the bond market has been strong. Both from the standpoint of the flow of savings into the financial institutions and interest rates, the financial climate is favorable for long-term debt financing. Therefore, it is likely that a large amount of the funds to finance capital expenditures and permanent additions to working capital will be supplied by the flotation of bonds in the public and private placement markets.

Third, short-term credit from banks and trade. The demand for bank loans has been disappointing and recently loan-deposit ratios have declined. The liquidity of the commercial banks, as reflected in the free excess reserves and holdings of short-term governments, is considerable. Therefore, bank credit should be readily available to finance increases in inventories, receivables, and installment credit.

Fourth, term loans from the commercial banks will continue to be an important source of funds to finance capital outlays and permanent working capital requirements. However, the demand for term loans will be substantially less than in 1955-1957, a period of rapid business expansion when the volume of commercial bank term loans outstanding increased 48%. At that time business began to find its liquidity position under pressure as a result of higher working capital requirements and a strong upsurge in plant and equipment outlays. The $37 billion record capital expenditures in 1957 provided tremendous thrust because it hit into an economy whose total output came to $443 billion. The flow of savings was insufficient to meet all needs for investment funds. As a result, long term interest rates started climbing in 1955 and the trend accelerated rapidly after the middle of 1956. A number of corporations financed their capital expenditures through commercial bank term loans with the intention of refinancing later when market conditions were more favorable for bond or equity flotations. In contrast today, the supply of funds — both from internal and external sources—appears ample to finance the business expansion with little pressure on the capital markets. Consequently, the volume of new term loans will probably not be much in excess of the run-off or payments received on the outstanding loans.

Summary

Summing up; first, capital expenditures by corporations for new plant and equipment are expected to increase 8% over last year to a total of $37.2 billion, with a continuing upward trend throughout the year. The staying power in the second half may be stimulated by general tax inducements. However, the major stimuli will have to come from prospective sales and a political climate which will provide an opportunity to earn a fair return on investment.

Second, credit conditions are favorable to business expansion with little pressure on the capital markets. The total volume of term loans outstanding will probably show a small increase during the year.

*An address by Mr. Palluck at the Financial Executives Conference sponsored by his bank, Chicago, Ill., April 24, 1962.

John Kirvin Joins Glore, Forgan Co.

Glore, Forgan & Co., 45 Wall Street, New York City, has announced that John H. Kirvin has joined them as Administrative Vice-President of their corporate subsidiary, Glore, Forgan & Co., Incorporated.

John H. Kirvin

Mr. Kirvin has recently resigned as a partner of Reynolds & Co., whom he has served as Director of Operations since June of 1958. Prior to the Reynolds' association, he had been an officer of the New York Stock Exchange as Vice-President of their stock clearing affiliate. Prior to his financial association, Mr. Kirvin was employed both by government and private industry as a systems and methods analyst.

He has been particularly active in organizational programs in the financial community and has served on several regulatory and association committees. Currently, he is a director of the National Over-the-Counter Clearing Corporation, a member of the Business Procedures Committee of the Association of Stock Exchange Firms, and a member of the District Uniform Practices Committee of the National Association of Securities Dealers, Inc.

Mr. Kirvin will have responsibility for all of the operational functions of the firm, embracing their offices in Chicago, Boston, Los Angeles, and San Francisco as well as in New York.

Hennig Now With Cruttenden, Podesta

SAN FRANCISCO, Calif.—Cruttenden, Podesta & Miller, members of the New York Stock Exchange, and other leading exchanges, have announced that Richard A. Hennig is now associated with them in the trading department of the San Francisco office, Russ Building.

Mr. Hennig was formerly in the trading department of Walter C. Gorey Co. and prior thereto was with Brush, Slocumb & Co., Inc. and First California Company.

Diamond, Steckler Names Trading Managers

Diamond, Steckler & Co., 37 Wall Street, New York City, members of the New York Stock Exchange, have appointed Robert D. Ogden and Robert A. Manghir co-managers of the trading department.

Form Wm. Bones Securities

PHOENIX, Arizona — William W. Bones Securities Co. is conducting a securities business from offices at 2727 North Central Ave. Officers are William W. Bones, President and Treasurer; William D. Nielsen, Vice-President; and M. J. Bones, Secretary.

Officers of Securities Firm

TORRANCE, Calif. — Robert D. Hebard and Robert O. Gose are Vice-Presidents of Western Church Finance Corp., 2034 West 182nd Street. V. R. Hebard is Secretary-Treasurer of the firm. Other officers are Roger D. Hebard, President, and Clarence C. Hunt, Vice-President.

The Common Market and Its Impact Upon Our Trade

By Joseph D. Coppock,* Director, Foreign Economic Advisory Staff, Department of State, Washington, D.C.

Top State Department economist measures the impact of the European Economic Community upon the United States in his skeletonized depiction of that organization's development, successful performance and objectives. Mr. Coppock evaluates the "pro" and "con" effects of developing European economic integration and of U. S. firms establishing themselves there upon our export position, and sees a dubious prospect unless we lower our trade barriers to increase opportunities for trade. In endorsing the President's Trade Expansion Act of 1962, he opines that it will minimize the bad effects of the evolving EEC and probably maximize the good effects. Table provided shows we have more rates in the higher rate and in the duty-free brackets than do the European Common Market countries.

In thinking back over the history of international economic events, it is hard to recall anything which excited as much interest and attention as has the European Common Market. The establishment of the German Zollverein in 1833, Great Britain's repeal of the Corn Laws in 1846, the British-French treaty of 1860 establishing almost free trade, the acceptance of the gold standard by the principal trading countries in the 1870's, the suspension of gold payments by the British in 1931, the establishment of the British Imperial Preference System in 1932, the initiation of the Hull Trade Agreements Program in 1934, the creation of the International Monetary Fund and the International Bank for Reconstruction and Development in 1945, the signing of the General Agreement on Tariffs and Trade in 1947—all of these notable events in the field of international trade and finance seem, at least at present, less important than the European Economic Community. Only an event of great importance would warrant the amount of ink that has been spilled and the amount of woodpulp that has been used up in describing and analyzing it. It has titillated the political mind, the business mind, the financial mind, the academic mind, the military mind. Maybe other minds too!

Joseph Coppock

A treaty was signed at Rome on March 25, 1957 by representatives of France, Germany, Italy, The Netherlands, Belgium and Luxembourg. It was ratified by their governments in the course of 1957 and went into effect on January 1, 1958. The Treaty is of book length. It has 248 articles in the main body and several lengthy annexes. The purposes are expressed vividly in the preamble of the Treaty as follows:

ECM's Purposes

"RESOLVED to establish the foundations of an ever closer union among the European peoples,

DETERMINED to ensure the economic and social progress of their countries by common action in abolishing the barriers which divide Europe,

ASSIGNING to their efforts the main purpose of constantly improving the living and working conditions of their peoples,

REALISING that the removal of existing obstacles calls for concerted action in order to guarantee stable conditions of expansion, balanced trade and fair competition,

ANXIOUS to strengthen the unity of their economies and ensure their harmonious development by reducing differences between the various regions and the backwardness of the less-favoured,

DESIROUS of contributing by means of a common commercial policy to the gradual removal of restrictions on international trade,

PURPOSING to confirm the ties which unite Europe and the overseas countries and territories, and wishing to ensure their increasing prosperity in accordance with the principles of the United Nations Charter.

RESOLVED to strengthen the safeguard of liberty and peace by building up this combination of resources, and calling upon the other peoples of Europe who share their ideal to join in their efforts.

HAVE DECIDED to set up a European Economic Community . . ."

Proposed Procedures

What the EEC proposes to do to pursue these objectives has been concisely stated as follows:

"(1) To remove tariffs, quotas, and other barriers to trade within the Community by gradual stages;

(2) To create a uniform external tariff between the Community and the rest of the world, and to act as a unit in negotiating on external commercial policy with others;

(3) To abolish restrictions on the movement of services, labor, capital, and business enterprises within the Community;

(4) To allow colonies and associated territories of the Six (mainly in Africa) to link themselves to the Common Market, extending the benefits of the Common Market to their exports, while allowing them to maintain restraints on imports;

(5) To prohibit private cartels and other restraints on trade unless they foster the improving of production or distribution or technical and economic progress;

(6) To coordinate monetary and fiscal policies in order to promote balance of payments, high employment, and prices stability in each member country;

(7) To establish a common agricultural policy within the Community;

(8) To create an investment Bank for Europe and a Development Fund for Associated Overseas Territories to transfer capital to the less developed parts of the Community and to dependent or associated areas;

(9) To equalize wages for men and women and harmonize methods of computing overtime; to undertake to improve and harmonize living and working conditions with the Community;

(10) To create a Social Fund to finance retraining, resettling, or otherwise assisting workers harmed by liberalizing trade within the Common Market.

The organizational arrangements are sufficiently complex to warrant description. In order to do this I must refer to two other organizations, embracing the same membership: the European Coal and Steel Community, begun in 1962 under the popular name of the Schuman Plan, and the European Atomic Energy Community, begun in 1958 under the popular name of EURATOM. There is a Council of Ministers of the member countries which serves all three communities. There is a Court of Justice which also serves as legal adjudicator of the three treaties. There is a European Parliamentary Assembly, composed of members elected from and by the national legislatures of the member countries. Then on the executive level are the High Authority of the Coal and Steel Community, the Commission of the Atomic Energy Community, and the Commission of the European Economic Community.

The European Economic Community is expected to be in full effect by 1970.

Eventual Economic and Political Unification

The aspect of the EEC to which we Americans have paid most attention has been the customs union feature, which will eliminate all internal trade barriers and provide a common external trade policy, including a common tariff. As should be evident from the statement of purposes and the planned actions, the EEC involves much more than a customs union. It is a treaty, a plan, a constitution for the gradual but complete integration of the economies of the member countries. Of necessity, such integration calls for much political cooperation, perhaps even confederation or federation.

These are the barebones of the European Economic Community. I should now like to deal with three major questions concerning it. First, What brought it about? Second, How is it doing? Third, How does it affect the United States? I shall be glad to try to answer other questions later.

Origin of ECM

First its origins. It is tempting to review the efforts, through modern European history, to unify Europe, but I shall deal with events and circumstances only since 1945, and with only some of them. The end of World War II left Europe in a weakened condition, unable to defend itself against the aggressive push of the Russians without the military and economic assistance of the United States. The long-run alternative to poverty, internal bickering, and military weakness—if not Communist take-over—was some kind of cooperation. Western Europe responded to the initiative of the United States in establishing the Organization for European Economic Cooperation and in participating in the North Atlantic Treaty Organization. It was essential that some way be found to bring Western Germany—since unification of Germany seemed remote—into close and permanent association with other countries of Western Europe, particularly France. Men of great vision subordinated the long history of Franco-German rivalry to a vision of a cooperative or voluntarily unified Europe. Social invention of the first order was required and many dedicated persons rose to the opportunities. The Schuman Plan for a coal and steel community was the first really strong measure for welding these old enemies together as friends.

Despite these European efforts, it is doubtful if the steps toward European economic union could have progressed without the two strong external pressures—from the U.S.S.R. to the east and from the U.S.A. to the west. The U.S.S.R. maintained its threatening posture; the U.S.A. maintained its encouraging posture. Viewed historically, the Russian attitude is more readily understandable than our own. The Russians have had strong historical reasons to fear a strong unified Western Europe. Napolean, Wilhelm II, and Hitler are bitter reminders to them. Until quite recently Americans have felt insulated from the European power struggles. Only after World War II—after much debate and soul-searching—did the United States conclude that the Soviet and Communist threat was of such a magnitude that a unified Western Europe was not only in the interest of the Europeans but also in our basic interest too. Together, Western Europe and North America would have a preponderance of military and economic power which could deal with the Soviet-Communist menace. We have become convinced that the people of Western Europe share our ideals of freedom and democracy so deeply that there is no risk of a unified Europe throwing in its lot with the Russians against us. Therefore, we want a strong ally, not a lot of weak ones.

Successful Performance

Now the second question: How is the European Economic Community doing? It is doing fine. But let me give some numbers to support this statement. Between 1953 and 1960 the gross national product of the EEC countries rose at a rate of 5.5% per year, the United States GNP grew at a rate of 2.5%. These comparisons remove the influence of price changes. EEC exports increased from $14.1 billion in 1953 to $30.0 billion in 1960, or 113%, compared with a 29% increase in U.S. exports. EEC imports went up by 99% and U. S. imports by 35%. These exports and import figures refer to current dollar values, without adjustment for price changes. Inflation has been brought under control. The EEC countries have built up large enough monetary reserves to allow full convertibility of their currencies on current account and moderately liberal capital movements. Unemployment is not a major problem, except in parts of Italy. Capital investment has been running at 20% or more of GNP, compared with our 15%.

Another sign of success, at least as impressive as the statistical measures, is the application for membership in the EEC by the United Kingdom. The announcement was made in July 1961, and the negotiations have been proceeding since last fall. This is a momentous action by the United Kingdom. Only a half century ago Great Britain was the leading industrial country in the world; she ruled a vast empire, her navy ruled the waves. Now the empire is mostly gone, though cordial bonds link the Commonwealth. British military power, on a relative basis, is now only a fraction of what it was. As of 1960 the Gross National Product of the United Kingdom was $69 billion, compared with $177 billion for the EEC, $225 billion for the Soviet Union, and $504 billion for the United States.

During the discussions of European economic union in the early 1960's, the British took the position that their Commonwealth obligations and their positions with the United States were such that they should not associate themselves as firmly with continental Europe as the developing plans envisaged. When the EEC was consummated, Britain took the lead in organizing a European Free Trade Association, composed of the United Kingdom, Sweden, Norway, Denmark, Austria, Switzerland and Portugal, which called for the gradual elimination of tariffs among the members, but with each maintaining its own tariff with respect to outsiders. By 1961 it became apparent that this organization did not have the vitality that the EEC had. Britain had had a slower rate of economic growth than the EEC and it had been in balance of payments difficulties quite frequently.

It is to the great credit of the British leaders and the British people that they have seen the opportunities available to them in the Common Market. Other countries are also seeking admission. The United States Government has played a sympathetic but detached role in this complicated and sensitive process of negotiation.

Effects of EEC Upon the U.S.A.

This brings me to my third question: How does the Common Market affect the United States? I have already indicated that from a political and military point of view, the position of the United States is clear. We welcome strong allies. Economically, the effects of the EEC on us are complicated. The financial and economic press have vied with the Governmental economists in turning out analyses of these effects, usually with masses of statistics. Let me state right off that I think that there are too many variables involved to make quantitative predictions reliable. Moreover, some of the variables, such as our own trade policy, are unknown.

Some things can be said, however. One is that the increasing European prosperity will tend to increase the demand for U. S. exports. Imports from the outside amounted to about 11% of GNP for the EEC countries in 1960. U. S. exports to them amounted to $2.25 billion, or one-eighth of the total of imports into the EEC. Hence, if the marginal propensity to import approximates the average propensity, a 5% increase in the EEC GNP, about $9 billion with reference to the 1960 figure of $177 billion, would increase total EEC imports by 11% of $9 billion, or $1 billion. The U. S. share of that $1 billion would be one-eighth or $125 billion. I can think of one good reason why the figure might be larger, namely, that the Europeans will want more and more of our consumer gadgetry as they get better off. But I can think of another good reason why the figure might be smaller, namely, that the Europeans—and associated American firms—will produce many of the mass-market consumer goods in Europe instead of importing them. I do not know how you measure these forces, but the way several hundred American companies have rushed to establish subsidiaries or affiliates in Europe in the last four years makes me think that the production in Europe will have the edge. Of course U. S. firms operating there will increase their earnings.

Another effect that can be analyzed pretty well is the so-called discrimination effect. As the tariffs among the members of the EEC move toward zero and the external tariff becomes standardized, American companies selling in Italy, for instance, will be at a disadvantage as compared with, say, German companies, because American imports into Italy will have to pay the tariff while German imports will not. How important this effect will be will depend on the height of the Common Market external tariff. Although the projected Common Market tariff is now known, it is subject to reduction through negotiation. Whatever its height, however, it will discriminate to that degree against American exports—and all other non-EEC exports—and in favor of internal EEC trade. This is the nature of a customs union. Lest this make us feel gloomy, please remember that many other things besides tariffs affect trade.

As I said earlier, people who start analyzing the effects of the EEC like to inject statistics into the picture. I wish to indulge in that game and to present some figures which are seeing the light of day for the first time, as far as I know. This is a frequency distribution of the tariff rates for the United States and for the EEC. The rates are all expressed in *ad valorem* percentage terms and they are the rates in existence prior to the round of negotiations completed in Geneva last month. They are as follows:

Frequency Distribution of United States and European Economic Community Tariff Rates

Rates (or ad valorem equivalent rates) of duty	U.S. Number of Rates	U.S. Percent of Rates	E. E. C. Number of Rates	E. E. C. Percent of Rates
Free	990	20	270	10
0.9 - 9.9	894	18	538	19
10.0 - 19.9	1,510	30	1,624	57
20.0 - 29.9	775	15	358	13
30.0 and above	895	18	45	2
Total	5,064		2,835	

The interesting thing here is not the average of median rates, but rather the spread. 33% of our rates are 20% or above; 15% of the EEC rates are that high. At the other end, 20% of our items are duty-free, while only 10% of theirs are. Now it is a fine parlor game to speculate on the expansionary effects of tariff reductions, but it is not a scientifically dependable exercise. All we can say with confidence is that lower trade barriers increase the opportunities for trade.

Now here is where the President's Trade Expansion Act of 1962 comes into the picture. The Europeans are prepared to negotiate tariff reductions if we are. Therefore, the bill now before Congress asks authority for the President to negotiate reductions of up to 50% of the present levels in return for equivalent concessions by other countries. It also asks for authority to go all the way to zero on items of which we and the EEC export 80% of the total Free World exports. Statistical analysis shows that this has meaning only if the United Kingdom is included in the EEC. There is also a provision for lowering tariffs down to zero on items of particular interest to the less developed countries, provided the Europeans will go along and provided agriculture is not adversely affected. I should point out that U. S. agriculture has a tremendous interest in maintaining access to the European market, but that the European farmers are understandably reluctant to give up their long-standing protective arrangements, many of them similar to our agricultural programs.

The President's bill also has several provisions for overcoming seriously adverse effects on American firms and workers resulting from tariff reductions. Adjustment assistance is the one new element here.

Conclusion

To conclude: The European Economic Community is a fact of life. Its success is of the first order of importance for us in world political terms. Its economic effects on us are difficult to ascertain, but the probably bad effects will be minimized and the probably good effects will be maximized if we equip ourselves—through a clean Trade Expansion Act—to negotiate substantial, gradual reductions in the tariffs which tend to divide the great new common market of Europe and the even greater, older common market of the United States, the common market that the founding fathers of this Republic had the wisdom to establish in 1787.

*An address by Mr. Coppock before the Texas Group, Investment Bankers of America, San Antonio, Tex., Apr. 9, 1962.

S. F. Analysts Elect Officers

SAN FRANCISCO, Calif.—At its annual meeting, April 25, The Security Analysts of San Francisco elected Jack H. Canvin as President for the year beginning July 1, 1962. Mr. Canvin has been a member of its Board of Governors since 1958 and is currently a Director of The Financial Analysts Federation. A native San Franciscan and a graduate of the University of California in 1943, he is a Vice-President of First California Company.

Jack H. Canvin

For its new year the analysts elected as Vice-President, W. Edward Bell (Assistant Vice-President of Crocker-Anglo Bank); as Secretary, Robert B. Johnson (Manager Research Department of Schwabacher & Co.); and re-elected as Terasurer Eugene H. Gray (Vice-President of Bank of California). Also serving on the coming year's Board will be outgoing President George A. Hopiak (Vice-President of Wells Fargo Bank); William K. Bowes, Jr. (Vice-President of Blyth & Co.); Ralph B. Gish (Vice-President of Commonwealth Investment Co.); Frank B. Davis (Director of Research at Sutro & Co.), and P. J. O'Halloran (Vice-President of Walker's Manual, Inc.).

The Security Analysts of San Francisco was founded in 1929 and is the second oldest financial analysts organization. From an original group of 20 members the Society has grown to approximately 300 members today, consisting of representatives of all leading financial institutions in the San Francisco Bay Area as well as some of the chief financial officers of prominent industrial companies with headquarters in this area.

The Society followed an independent course until the many common interests of similar groups resulted in the formation of the Financial Analysts Federation in 1947. The San Francisco group has been prominent in the affairs of the national federation since that time.

Now Philips, Rosen, Appel & Walden

Effective March 26 the firm name of Phillips, Rosen & Appel, 115 Broadway, New York City, members of the New York Stock Exchange, was changed to Philips, Rosen, Appel & Walden.

Advisers Fund Branch

WAYNE, Pa.—Advisers Fund Management Corporation has opened a branch office at 420 Sharon Drive, under the management of John H. Morrell.

Form M. L. Towbis Co.

M. L. Towbis & Co., Inc. has been formed with offices at 165 Broadway, New York City, to engage in a securities business.

Business Outlays Seen Topping 1957's Record

McGraw-Hill survey of U. S. business spending in 1962 forecasts an 11% gain over last year and $1 billion more than the record high in 1957. This more optimistic assessment of spending plans than the one made last January-February by the Government notes that manufacturing plans to spend 13% more this year than last.

United States business is planning to spend a record $38 billion on new plants and equipment in 1962, topping the 1957 all-time high by one billion dollars, the McGraw-Hill Publishing Company's Department of Economics, recently reported.

This is 11% more than was spent last year, and companies intend to continue spending during 1963-65 at an average of nearly $36 billion per year, exceeding the average spending in any three consecutive years in U. S. history, according to the 15th Annual Survey of Business Plans for New Plants and Equipment.

Douglas Greenwald, manager of Economic Services, points out that most business firms have raised their sights significantly since last fall, when the McGraw-Hill preliminary survey indicated a 4% increase in capital investment this year. A U. S. Department of Commerce-Securities and Exchange Commission survey in January and February showed only an 8% increase in over-all capital spending.

Research: $12 Billion

The survey highlights industry's emphasis on modernization, on replacement of obsolete facilities, and on a continuing search for new products, new processes and cost-cutting facilities. Research and development will amount to nearly $12 billion this year and $13.3 billion by 1965.

Manufacturers alone will spend $15.4 billion in 1962, they say, a 13% increase over last year. And during 1963-65, they plan to invest, each year, one billion dollars more than in 1961.

They were operating at an average rate of 83% of capacity at year-end, seven points below their preferred rate. They expect sales volume to rise 7% this year and another 18% by 1965.

McGraw-Hill sees the recovery in business sales and profits favorably influencing capital expenditure decisions in recent budget reviews. Nearly every industry, it reports, has increased its investment plans since last fall, when manufacturers planned a 7% increase. Only the chemical industry plans a lower level of investment than it did then, and this is because of a slight cutback in petrochemical investment. Electrical machinery makers plan to reduce investment 5% this year, but this is less than the 9% cut indicated last fall. Apparel and textile manufacturers, who recently were permitted faster write-offs of their equipment, have taken advantage of this provision and raised their investment plans.

Rubber: 30% Increase

All other manufacturing industries indicate increases of 10% or more, ranging from a 30% increase in the rubber industry to 10% for paper and pulp producers.

In non-manufacturing categories, railroads plan the largest percentage increase—27% after a decline of 35% last year. Freight traffic created by the business recovery is cited as a probable major contributing factor.

Commercial businesses — trade, finance and services, plan an 11% increase, over a record $8.5 billion spent last year.

Most airlines have completed their conversion to jet aircraft and thus expect a lower level of investment this year, but truckers, shippers, buses and pipelines plan substantial increases, as do the telephone and other communications firms.

Electric utilities plan to increase their expenditures every year through 1965. Gas utilities plan an increase this year but taper off in the years ahead. The strength in the electric utility field makes for greater stability in the total investment picture because of the long time required to manufacture generating equipment, the report says.

All segments of the mining industry expect to increase outlays with nonferrous mining showing the largest percentage gain.

Capital Spending Plans of Manufacturing Companies

(billions $)

INDUSTRY	Actual '61	Planned '62	% Ch'g '61-'62	Preliminary '63	Preliminary '64	Plans '65
Iron & Steel	$1.13	$1.30	15	$1.27	$1.05	$ .88
Nonferrous Metals	.26	.32	25	.37	.40	.41
Machinery	1.10	1.32	20	1.29	1.38	1.41
Electrical Machinery	.69	.66	—5	.65	.67	.64
Autos, Trucks & Parts	.75	.90	20	.86	.98	.94
Transportation Equipment (Aircraft, Ships, R.R. Equipment)	.38	.49	28	.50	.44	.42
Fabricated Metals & Instruments	.90	1.07	19	1.03	1.06	1.07
Chemicals	1.88	1.86	—1	1.92	2.00	2.12
Paper & Pulp	.68	.75	10	.68	.67	.68
Rubber	.22	.29	30	.30	.32	.32
Stone, Clay & Glass	.51	.59	16	.56	.55	.58
Petroleum & Coal Products	2.76	3.09	12	3.09	3.34	3.34
Food & Beverages	.98	1.11	13	.98	1.00	.99
Textiles	.50	.56	12	.48	.49	.49
Miscellaneous Manufacturing	1.19	1.33	12	1.19	1.13	1.15
ALL MANUFACTURING*	13.67	15.41	13	14.89	15.15	15.03

* Petrochemicals, included under chemicals and petroleum and coal products, is counted only once in the total.

A. M. Lerner Co. Elects Miller

A. M. Lerner & Co., Inc., 15 William Street, New York City, has elected Stuart A. Miller Secretary-Treasurer of the firm. Mr. Miller has been associated with the firm in the research and trading departments.

J. M. Buchanan Opens

WASHINGTON, D. C.—James M. Buchanan is engaging in a securities business from offices in the Warner Building.

Serious Threat Confronts the Electric Utility Industry

By Jack K. Busby,* *President, Pennsylvania Power & Light Co., Allentown, Pa.*

The acquiescent taxpayer who underwrites the uncovered costs of Government power operations, together with the privileged, subsidized consumer of that power, are blamed for the alarming spread of Federal electric power. Mr. Busby avers such power is unnecessarily costly, and fears the Government's next major step will be the acquisition of transmission lines. In addition to this type of encroachment, Mr. Busby decries the spread of non-electric Government business said to represent at present an investment of $20 billion; the R. E. A.'s extension of subsidized non-electric loans; and the discriminatory tax policies proposed against private utilities. To determine who is more efficient, Mr. Busby asks that the Government consent to applying the same economic ground rules to its businesses as are applied to private business.

It would seem reasonable to expect, on the record of power supply performance, that our industry would have a broad base of public and governmental support. However, at the level of the Federal Government this is certainly not the case. The proposals and studies announced by the Executive Departments of the Federal Government and legislation sponsored in Congress by the administration constitute, in the whole, a serious threat to the future of the investor-owned electric utility industry.

Jack K. Busby

The basis of this general statement of concern is a number of specific situations. I will cite a few.

Examples of Needless Government Power

One current example in Pennsylvania is the Raystown Project. A recent statement by Mr. Roddis, President of the Pennsylvania Electric Company, on this project makes clear that Raystown involves uneconomic electric power and the unnecessary expenditure of some $50 million of public funds.

In the Northeast, on the farther-most northern tip of Maine, remote from any load center, the Federal Government is now seriously proposing government building of a tidal-power, hydroelectric development known as Passamaquoddy. This is the case even though the economic feasibility of power development at Passamaquoddy was just recently rejected, after long and careful study, by an International Joint Commission set up by the United States and Canada.

In the Southeast, General Vogel, Chairman of the Board of Directors of the Tennessee Valley Authority, is reported by the press as openly campaigning to have TVA take over power supply for communities now served by an investor-owned electric utility company. He is urging the creation of a hard-core political action group of Congressmen and Senators who will vote a change in the 1959 federal law which restricts TVA power operations within certain defined territorial limits.

In the Midwest, the Rural Electrification Administration (R.E.A.) has made a $60 million loan of public funds at 2% interest to a group of rural electric cooperatives in southern Indiana to build a large steam generating station and related transmission lines, even though the power needs of these co-ops and the power needs of the region are now being fully met by utility companies. I can easily furnish further information on this subject.

R.E.A. Subsidized Non-Electric Loans

Since practically all the nation's farms are electrified through service by electric companies or cooperatives, it is clear that the many new loans by R.E.A. to finance generation and transmission facilities are actually being used to finance service to non-farm customers, which goes way beyond the original purpose of the R.E.A. act. Also questionable are the new policies of R.E.A. whereby loans of taxpayer funds are made at 2% interest to cooperatives to enable them to re-loan at 4% to their customers for use in their businesses. In effect, R.E.A. is now loaning public funds to cooperatives to place them in a sideline banking business. A recent example is a $30,000 loan to a ski resort in southern Illinois to buy snow-making equipment.

In the Rocky Mountain region, much government action in the electric power field is cloaked by blending it with reclamation projects. In Idaho, for example, the Burns Creek Project has been pressed for, by the Bureau of Reclamation, as a reclamation undertaking even though, admittedly, 98% of the investment is allocated to power, and less than 2% to reclamation purposes.

In the Pacific Northwest, the administration sponsors a proposal calling for hundreds of millions of dollars to build transmission lines down into Southern California and into the Southwest to expand the sphere of influence of the Bonneville Power Administration, a Federal Government power producer and marketer now limited to the Pacific Northwest. At the same time, the administration sponsored building a 700,000 kilowatt nuclear-fueled steam electric station as an adjunct to the Hanford, Washington, plutonium plant. When faced by the fact that such additional capacity did not fit in with the power needs in the Pacific Northwest, the argument was then made that government transmission lines were therefore required to export the power to California. Ultimately, the Hanford plant was rejected by the House of Representatives.

Government Transmission Lines

From this quick review, one can see how government power projects are spotted across the country. The evidence at hand suggests that the next major step by government power advocates will be a proposal for a massive program of nationwide government-owned transmission lines. These will be alleged as necessary to interconnect these government power plants.

I might mention a couple of other sidelights on this matter of government policy in the field of electric power. When the Department of Interior recently issued regulations on payment for right-of-way privileges across government owned lands, it specified that there would be no charge in the case of R.E.A. cooperatives or government agencies, but utility companies would be obliged to pay the fair market value of the right-of-way privilege.

Another sidelight is that, in the administration's tax legislation proposals, utility companies were excluded from a proposal of general application to all business which would reduce corporate income taxes. But electric cooperatives were singled out and confirmed in their status as exempt from income tax liability, even though co-ops generally were being subjected to some measure of income tax responsibility.

Of course, the basic issue is whether government should be in the power business at all, in view of the readiness and willingness of industry to do the job. Yet many disregard this point. It, therefore, becomes important to identify the source of the pressures for government electric power.

Sources Pressuring Government Power

The main source of such pressures is that government electric power is priced very substantially below cost. This is why privileged groups that now get this advantage naturally want more and more. And the more they get the harder it is to change pricing policies and place them on a sound economic basis.

When PP&L requires additional capital to build facilities to serve customers, it must obtain a large part of these funds from selling securities in the competitive money market, and pay the price — the interest and dividends — which competition requires. And PP&L must pay state and federal income taxes and other taxes. These two costs, taxes and cost or rental of money from investors, account for more than 40% of our yearly cost of doing business.

However, under government power operations, all or most of these costs are transferred to others. Herein lies the myth of cheap government power.

If TVA had to operate on the same economic ground rules as utility companies, it would have to raise its rates 46%.

You may well ask, how can this sort of thing exist?

Blames Acquiescent Taxpayers

The answer revolves around the acquiescence of a great majority of taxpayers in picking up the check for the costs which government power operations do not collect. This acquiescence, rooted in apathy and lack of understanding of what is going on, must end. Otherwise, we will see an endless succession of government winning more and more political popularity by concessions to various minority pressure groups which are paid for by the great numbers of the citizenry.

Other Government Enterprises

Already the cost to the taxpayer of government-in-business is staggering, for the federal government is engaged in many activities other than electric power, but involving the same basic problem of unfair competition with existing business concerns. Total federal government investment in such activities is more than $20 billion. In a recent 3-year period, the government undertook to engage in 236 new commercial-industrial type activities. In many cases the government is losing money, adding further to the burden on the taxpayer.

What we need to do is to require that when government is in business it operates under the same economic ground rules as business itself. Otherwise there is no way by which to determine who, indeed, is the efficient or the inefficient.

As stated in a recent decision by the Federal Trade Commission: "Everyone loves, and hopes to find, bargains. It is this universal human trait which is exploited by the practice of fictitious pricing. Fictitious pricing is a tool of decepton to promote the myth that customers are being given a bargain."

And it is fictitious pricing the government engages in when it sells electric power below cost. Millions are being exploited. This process will only stop when the public understands what is going on.

Obviously much more public information and understanding are required. This is a part of the continuing struggle for economic literacy which is so closely tied in with effective functioning of our system of government. In working for economic understanding, the interest and support of all segments of the public is needed, and particularly the interest and support of shareowners in American enterprise. With such support, we can keep intact, and extend to a younger generation, the dynamic and fruitful forces of our free and competitive market economy.

*An address by Mr. Busby to the company's shareholders, Sunbury Steam Electric Station, Sunbury, Pa., April 16, 1962.

Oppenheimer Fund Names Scherl

Oppenheimer Fund, Inc., 5 Hanover Square, New York City, has announced changes in its administrative and investment management structure in a move toward more self-contained operation and greater concentration of portfolio advisory services.

Archer Scherl, Jr.

Archer Scherl, Jr., a Vice-President of the mutual fund, has been elected Executive Vice-President and Chief Administrative Officer.

Mr. Scherl has resigned as research director of Oppenheimer & Co., the fund's underwriter, and as Vice-President of Oppenheimer Management Corp., its investment adviser, to devote full time to his new post.

Extrin Foods, Inc. Common Sold

Offering of 100,000 common shares of Extrin Foods, Inc., at $3.25 per share is being made by Hay, Fales & Co., and McLaughlin, Kaufman & Co., New York City. Net proceeds will be used by the company to engage additional chemists for further development of present products and to do research on new products, and to acquire other companies or products in the food flavor and additive fields.

The company of 70 Barclay St., New York City, is principally engaged in the creation and manufacture of a variety of flavors for use by the baking and confectionary industries. Extrin also produces special cake topping for bakers.

As We See It *Continued from page 1*

nomic truths. There was a time a half-century ago when the broad philosophy of our national conduct was clear and definite at least to those who had given thought to the matter. Adam Smith had long ago laid it out in unmistakable language, and political philosophers of a like mind had broadened the concepts and in a sense popularized them. It was then that we really believed, broadly speaking, that that government was best which governed least, and which left natural forces largely in control of our economic affairs. *Laissez faire* was then a word to conjure with—not a term of disapprobation as seems to be the case at the present time.

It was upon such a base that we built the nation which has since been the continuous envy of the world—and is still so despite our more recent meanderings. We had not become contaminated (in the minds of colonial peoples) with imperialism. We had indeed little or no inclination to look much beyond our own borders — and not very much reason to do so. Such tentative movements made in the direction of imperialism came later and did not last very long. Our record is still fairly clean in that respect even if it is apparently sometimes a little difficult to persuade some of the other peoples of the world that such is the case.

But times change, and we presently began to show the effect of opinions held in countries which never had been followers of Adam Smith and of changes that occurred in the world in general. Little by little our devotion to traditional American views about public policy began to weaken. As is usual in such cases, what actually happened was that at this or that point policies were adopted which were not quite consistent with our presumed national beliefs. The more such programs were adopted the more demand arose for more of them. In point of fact they presently became so general that replacement of one or a few of them with formerly popular and really sound alternatives could not be achieved so long as the general situation in which they would function was so basically altered by modifications in our basic pattern of national policies.

Of course, this movement had gained considerable headway by the time the New Deal came upon the scene, but the changes of this latter era came so thick and fast and were of such far reaching nature that it appears to mark the point of departure from older notions and the adoption of new, half-baked ideas. And such, in point of fact it is, but the ground had been pretty well prepared or else Franklin Roosevelt could not have been as successful as he was in changing almost everything except the tides and the winds.

Not of Very Recent Origin

But let us not forget that long before 1933 we had developed a system of protective tariffs that made a mockery of *laissez faire*. Very little inquiry will further reveal that we had for a very considerable period of time been subsidizing agriculture under the influence of mercantilism, not *laissez faire*. And in various other directions we had been edging more and more toward a national situation that was to be radically different from anything we had ever known in this country. By the time the New Deal was well established our system was so altered from what our fathers had known and so strange even to the professional economist, that there grew up a very substantial number of economists and near-economists who undertook to place this new system upon some sort of solid philosophic basis. They are still at it. Keynes has in part at least been rather badly discredited, but he has followers and near followers who have developed their own ideas about many of these things.

Of course, these newer theorists do not agree among themselves at all points, and many economists and others do not agree with anything that is said on the subject by these special pleaders. One net result is that there is a great deal of division and confusion amongst us about our own course. What the foreigner is likely to get in any "explanation" of us and our programs from any amongst us is very likely to be colored if not governed by political predilections and very quickly brought into controversy. The views and impressions about us that prevail in most of these so-called backward countries today is the product of propaganda largely of communist origin. Counter propaganda is apparently the course that the Attorney General would have us follow. What the outcome of any such venture as that insofar as the U. S. is concerned we hardly feel competent to guess. A diplomacy carefully designed to counteract these false impressions that seem to prevail abroad would appear to be essential.

But for our part, what we should like best of all to see is a real awakening here at home as to where we are in all this and the direction in which we are traveling. It is, of course, obvious that the general world situation has to be taken into account when we are formulating our own policies. It is clear also that the state of affairs around the world now is such that we are all but obliged to make concessions that lead us in part away from strict *laissez faire*, but these deviations should be recognized as such and held to a minimum. They certainly should not be used as examples set for emulation by backward peoples.

Bear, Stearns Admits Partners

Bear, Stearns & Co., 1 Wall Street, New York City, members of the New York Stock Exchange, have announced the admission of three new general partners to the firm's New York office: Lloyd S. Coughtry, E. John Rosenwald, Jr., and Allan Weintraub.

Mr. Coughtry, now research director for the firm is a former Vice-President of the Lehman Corporation where he spent 14 years. Previously, he had been associated with Hornblower & Weeks and with the United States Trust Company of New York as security analyst.

Mr. Rosenwald has been with Bear, Stearns & Co. since 1954.

P. F. Fox Names Kearns Dept. Head

The investment firm of P. F. Fox & Co., Inc., 120 Broadway, New York City, has announced that Richard T. Kearns has been appointed manager of the company's trading department.

Mr. Kearns was previously Assistant Vice-President of the corporate trading department at Harriman Ripley & Co. Incorporated; and prior to that he was associated with Spencer Trask & Co.

Olson Named V.-P. of J. M. Dain

MINNEAPOLIS, Minn. — Harold G. Olson has been named a Vice-President in the Corporate Services Department of J. M. Dain & Co., Inc., 110 South 6th Street, members of the New York Stock Exchange.

For the past 12 years he has been with the Northwestern National Bank of Minneapolis, where he has held the position of Vice-President. From 1949 to 1957 he worked in the Investment Division of the Trust Department of the bank as a security analyst and portfolio manager, and was a commercial loan officer from 1957 to present.

Geist V.-P. of First Chelsea Corp.

Richard L. Geist, former Vice-President of Rockaways' Playland, has been elected Executive Vice-President of First Chelsea Corporation, securities dealers, 50 Broad Street, New York City.

J. W. Redmond Co. To Admit Partner

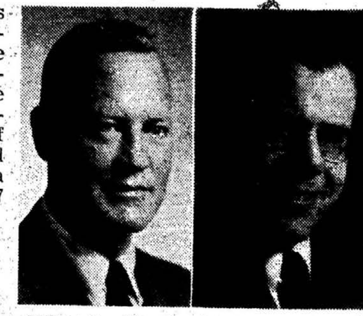
WASHINGTON, D. C.—Robert W. Bogue on May 10 will become a partner in J. W. Redmond & Co., 734 Fifteenth St., N. W., members of the New York Stock Exchange.

Detroit Bond Club To Hold Outing

DETROIT, Mich. — The Annual Spring Outing of the Bond Club of Detroit will be held on Friday, June 1, 1962 at the Essex Golf and Country Club, Windsor, Ontario, Canada.

Hugh W. Long Elects Burr and Fox-Martin

ELIZABETH, N. J. — Edward B. Burr has been elected Chairman and Chief Executive, effective May 15, 1962, and Milton Fox-



Milton Fox-Martin   Edward B. Burr

Martin has been elected President of Hugh W. Long & Co., Inc., Westminster at Parker, national underwriter for Fundamental Investors, Diversified Investment Fund and Diversified Growth Stock Fund.

Mr. Burr was also elected Vice-President of each of these funds and of Westminster Fund, Inc., according to an announcement by Hugh W. Long, President of these funds and Chairman of Anchor Corporation, the parent of the Long Company.

Mr. Burr has been Executive Vice-President and director of The One William Street Fund, Inc., and prior to that, Executive Director of the National Association of Investment Companies, now known as the Investment Company Institute.

Mr. Fox-Martin, before joining Hugh W. Long & Co., Inc. as Vice-President in charge of Sales, was President of Broad Street Sales Corporation and previously, Dealer Relations Manager of The Wellington Company.

The State of TRADE and INDUSTRY

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

Business activity was in a moderately rising trend during the first quarter, with factory output, employment and hours worked, income and trade showing March advances that were indicative of the impressive basic strengths in the economy, says The First National Bank of Boston in the current issue of its *New England Letter*. Continuing, the bank says, April was apparently marked by further modest gains. How much of the recent vigor and optimism is due to better weather and to the effects of buoyant holiday trade — which sometimes borrows from future volume when Easter occurs so late — will remain in question until the strength in consumer buying has been further tested in the second quarter.

In the steel industry, the next few months will likely prove unsettled. Two months of decline in new orders and backlogs for durable goods — in February and March—provide a cautionary note. There was considerable inventory accumulation of steel in the first four months of 1962, and one trade source expects it may take an equivalent period to accomplish appropriate liquidation, bringing production and consumption into line. While industry shipments in May and June are expected to drop markedly, some recovery is anticipated for fall, with the annual tonnage total moderately exceeding last year.

It seems evident that the trend of steel and of the economy depend in large measure upon what happens to investment plans. There are a number of conflicting elements at work, and the outcome is by no means clear. Undoubtedly, the effect of government hostility to price increases, however necessary and justifiable they may be, in addition to shaking confidence will have some adverse effects on profits, and secondarily on expansion. It is officially hoped that this can be offset by the tax credit incentive device and more realistic policies on the useful life of equipment.

The need to cut costs, in view of the squeeze on profit margins and the difficulty of raising prices, and the essentiality of sustaining research and development activities which contribute a flow of new processes and products, remain as powerful reasons for new plant and equipment spending. It is likely, however, that the most potent stimulant of all would be vigorous and sustained consumer buying of durables, nondurables, and services, which would be indicative of strong growth, of effective markets moving closer to or ahead of productive capacity, and of support for a level of sales which would underpin investment expansion through larger total—if smaller unit—profits.

With the upward movement of business now 14 months old, the Federal Reserve has continued a policy of monetary ease, albeit somewhat less "aggressive" since the turn of the year. So far in 1962 the money supply has not shown any growth, although there has been a moderate increase in bank credit. If the expansion in the economy continues to be sluggish, credit demands will likely follow a similar pattern, minimizing the need for any marked shift in monetary policy. But the direction of any change seems rather definitely indicated, if one accepts the estimate of rising activity through 1962.

Bank Clearings Drop 7.6% Below 1961 Week

Bank clearings this week will show a decrease compared with a year ago. Preliminary figures compiled by the *Chronicle*, based on telegraphic advices from the chief cities of the country, indicate that for the week ended Saturday, April 28, data from all cities of the United States from which it is possible to obtain weekly figures will be 7.6% below those for the corresponding week last year. Our preliminary totals stand at $27,800,736,405 against $30,075,755,685 for the same week in 1961. Our comparative summary for some of the principal money centers follows:

Week End. April 28—	(000s omitted) 1962	1961	%
New York	$13,729,284	$16,968,421	—19.1
Chicago	1,517,504	1,311,507	+15.7
Philadelphia	1,329,000	1,230,000	+ 8.0
Boston	903,890	907,834	— 0.4
Kansas City	510,979	500,764	+ 2.0

Steel Production Data for the Week Ended April 28, 1962 Shows 8.5% Decline Against Previous Week

According to data compiled by the American Iron and Steel Institute, production for the week ended April 28, 1962 was 1,957,000 tons (*105.0%), as against 2,138,000 tons (*114.8%), in the week ended April 21.

Production this year through April 28 amounted to 39,702,000 tons (*125.4%), or 46.8% above the period through April 29, 1961.

The Institute concludes with index of Ingot Production by Districts for week ended April 28, 1962, as follows:

	*Index of Ingot Production for Week Ended April 28, 1962
North East Coast	99
Buffalo	80
Pittsburgh	99
Youngstown	97
Cleveland	110
Detroit	117
Chicago	114
Cincinnati	124
St. Louis	112
Southern	114
Western	104
Total	105.0

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

New Orders for Steel Somewhat Offset Cancellations

May steel shipments will fall 10 to 15% below April's as users reduce inventories and revert to buying patterns of a year ago, *Steel* magazine predicted this week.

Users will do more inventory cutting in May than they did in April because most of their April tonnage was in production at the mills before they thought of canceling or deferring it. Result: April shipments, on a daily average basis, were only 5% lower than those of March.

Since the labor settlement, users have reversed their buying patterns. Instead of ordering far in advance, they are ordering for immediate consumption.

Steelmakers will book most of a month's business in the month preceding it, then 20 to 30% of the tonnage after the month has started.

Although backlog orders have shrunk by about one-third in the last four weeks, mill executives are not worried. Says a leading producer: "If our recent bookings reflected market conditions, we would be out of business. We have to figure that some of the stuff that has been canceled will be reinstated."

Eastern mills report that cancellations from automakers and appliance firms have been offset to some extent by reinstatements from smaller customers.

Unlike most large consumers, General Motors Corp. is not planning to liquidate its surplus inventory in a hurry. Its May releases will be only 5 to 10% lower than originally programmed. It will not make any big inventory cutbacks before September.

Warning Foreign Mills May Cut Their Prices

Imports of steel mill products in the first two months of this year totaled 614,325 tons and were more than double those of the like period in 1961 (297,941 tons). The sharp rise undoubtedly reflects some strike hedge buying. Importers warn that the pressure of excess capacity may force foreign mills to cut their prices.

Look for the fifth consecutive decline in the nation's ingot production this week. Output will be less than the 2.1 million tons that Steel estimates the industry poured last week. Weekly production is 13.7% below the rate recorded in the final week of March. Output during April was about 9.4 million tons vs. 10.6 million tons in March.

The scrap market has resumed its decline. Prospects for an early upturn are dim. *Steel's* steelmaking scrap price composite slipped $1 per gross ton to $30.33 after holding unchanged in a slow market for three straight weeks. The composite is based on prices of No. 1 heavy melting grade in Pittsburgh ($31 - $32), Chicago ($26-$29), and Philadelphia ($32).

Cadmium in Short Supply

A major shortage of cadmium has hit the Free World market, *Steel* reports. Cadmium's big use is as a corrosion resistant plating material for iron and steel.

Demand has been outracing production both here and abroad for nearly three years. Western Europe, which used to be a net cadmium exporter, now has to import to fill its needs. The demand upsurge in Europe has been paralleled by increased usage in the U. S.

The outlook for cadmium will be determined partially by the current U. S. stockpile investigation. Some 10 million lb. of the metal have been declared surplus.

Iron Age Sees Hard-Core Signs of Underlying Strength

The steel market is fighting the psychological effects of high inventories, *The Iron Age* reports.

Efforts of steel consumers to work off stocks of steel built up as a possible strike hedge distort the market picture. Underlying strength of demand of many steel users has been overshadowed by cancellations and setbacks.

About the best that can be said of the market on the surface is that new orders are now running ahead of cancellations, and mills are holding their own on tonnage booked for May. The short-term order outlook shows little to cheer about.

But there are some definite, hard-core signs of underlying strength, the national metalworking weekly says. Occasional tonnages that had been set back to July are now reinstated for June. There are rush orders from small consumers. More important, there is a strong suspicion that some major steel users are exceeding their own production forecasts and chewing up steel faster than expected.

This could ease the problem of working off anywhere from two to four million tons of what could be called excess steel in the hands of consumers. The buildup probably totaled a little over four million tons.

Users will liquidate about 500,000 tons of steel in May. Some analysts predict users will liquidate about half of their excess steel. At a rate of 500,000 tons a month, this indicates a trough in steel production through August.

There is little basis for a firm prediction. The order outlook is erratic, and if taken on face value, the short-term prospects are not good.

All this means that mills are back to the point where new orders are going to determine the week-to-week and month-to-month steel production rate. Underlying strength will have to make itself felt if a severe summer letdown is to be avoided.

Second-Highest Auto Level Envisioned for This Quarter

Production increases injected into second-quarter programming will boom U. S. auto output to its second-highest level for the April-May-June period in history, *Ward's Automotive Reports* said.

The statistical agency said that increments in factory output for April point to 617,000 assemblies for the month, best April on record except in 1955, and 38.1% above production for the month last year.

Ward's said that boosts in assembly rates, primarily by Ford Motor Co. and General Motors, will result in the highest weekly output of the year for the session ending tomorrow. ? ? ?

In total, the industry is expected to produce 152,377 cars by the close of the April 28 week, a 4.3% rise from 146,028 last week, and 33.2% above 114,378 in the corresponding week a year ago. Production of cars so far this year amounted to 2,354,252 assemblies whereas last year to the same comparable date it was 1,633,875. Truck production this year to date was 409,374 units and it was 359,683 for the same period last year.

Of this week's output, General Motors was expected to account for 55.2%; Ford Motor Co. 30.1%; Chrysler Corp. 6.8%; American Motors 6.3%, and Studebaker-Packard 1.6%.

Electric Output 5.6% Higher Than in 1961 Week

The amount of electric energy distributed by the electric light and power industry for the week ended Saturday, April 28, was estimated at 15,054,000,000 kwh., according to the Edison Electric Institute. Output was 275,000,000 kwh. less than that of the previous week's total of 15,329,000,000 kwh., and 800,000,000 kwh., or 5.6% above that of the comparable 1961 week.

Carloadings 6.8% Above Volume in 1961 Week

Loading of revenue freight in the week ended April 21 totaled 569,493 cars, the Association of American Railroads announced. This was an increase of 14,548 cars or 2.6% above the preceding week.

The loadings represented an increase of 36,456 cars or 6.8% above the corresponding week in 1961, but a decrease of 55,917 cars or 8.9% below the corresponding week in 1960.

There were 13,644 cars reported loaded with one or more revenue highway trailers or highway containers (piggyback) in the week ended April 14, 1962 (which were included in that week's over-all total). This was an increase of 2,316 cars or 20.4% above the corresponding week of 1961 and 3,030 cars or 28.5% above the 1960 week.

Cumulative piggyback loadings for the first 15 weeks of 1962 totaled 191,352 cars for an increase of 34,414 cars or 21.9% above the corresponding period of 1961, and 35,794 cars or 23% above the corresponding period in 1960. There were 58 class I U. S. railroad systems originating this type traffic in this year's week compared with 58 one year ago and 52 in the corresponding week in 1960.

Truck Tonnage Gains 7.5% Over 1961 Week's Volume

Intercity truck tonnage in the week ended April 21, was 7.5% ahead of the volume in the corresponding week of 1961, the American Trucking Associations announced. Truck tonnage was 2.8% behind the volume for the previous week of this year. The week-to-week tonnage decreases were at least partially attributable to religious holidays observed during the third week of April 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.

Lumber Shipments Rise 3.4% From 1961 Level

Lumber production in the United States in the week ended April 21 totaled 241,810,000 board feet, compared with 236,057,000 in the prior week, according to reports from regional associations. A year ago the figure was 233,426,000 board feet.

Compared with 1961 levels, output rose 3.6%, shipments were 3.4% higher, and orders gained by 18%.

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

	April 21, 1962	April 14, 1962	April 22, 1961
Production	241,810	236,057	233,426
Shipments	259,542	238,865	251,109
Orders	269,451	266,012	228,431

Wholesale Commodity Price Index Turns Down Again in Latest Week

The general wholesale commodity price level, following last week's slight upturn, dropped back to 271.71 last Monday, reports Dun & Bradstreet, Inc. With livestock, tin, steel scrap, butter, sugar and oats all moving lower in wholesale cost, the index returned to the same level as two weeks ago which was the lowest since the beginning of March. While some high prices were registered, notably for wheat, hides, rubber, corn and lard, they were outnumbered and outweighed by the declines.

On Monday, April 30, the Daily Wholesale Commodity Price Index dipped to 271.71 from 272.36 in the preceding week and 272.67 a month earlier. However, it continued to run higher than on the comparable day last year when the index stood at 269.06.

Wholesale Food Price Index Off Fractionally This Week

The Wholesale Food Price Index, compiled by Dun & Bradstreet, Inc., dipped slightly to $5.85 on May 1 after turning up to $5.87 a week ago. In every week so far in 1962, the index has run below comparable 1961 levels. In this latest week, it was down 2.0% from the $5.97 recorded on the similar day of both last year and 1960.

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.

Business Failures Drop From Week-Ago Peak

Commercial and industrial failures ended a three-week rise by dropping down to 335 in the week ended April 26 from the postwar record of 416 set in the prior week, reports Dun & Bradstreet, Inc. While casualties were less numerous than in the similar week last year when 269 occurred, they remained above the 325 in 1960 and exceeded by 3% the prewar level of 326 in 1939.

Failures with liabilities topping $100,000 declined to 37 in the latest week from 53 a week earlier but were not far short of the 42 of this size in the comparable week of 1961. A downturn also appeared among casualties involving liabilities under $100,000 which fell to 298 from 363 in the previous week and 327 a year ago.

Tolls dropped steeply in retailing, down to 173 from 230, and in construction, down to 51 from 77. As well, there was a mild dip in commercial services to 22 from 28. In contrast, casualties among manufacturers held steady at 49, while casualties among wholesalers took an upturn to 42 from 32. Wholesale trade was the only group in which more concerns failed than a year ago.

Easter Buying Ends in Final Surge

A last-minute spurt of holiday shopping, aided by superb weather, boosted retail sales strongly in the week ended April 28. When the combined March-April volume this year is measured against the similar months last year, thus adjusting for different Easter dates, a substantial gain to record levels seems assured. Purchases of children's apparel climbed spectacularly, and there was a final rush to buy women's accessories, shoes, and millinery. An eleventh-hour upsurge also occurred in men's clothing. Home goods took their customary Easter beating. Garden supplies and building materials, however, made a good showing and auto sales continued their steep rise.

The total dollar volume of retail trade in the week surveyed ranged from 15 to 19% 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: West North Central +8 to +12; East South Central +9 to +13; New England and Mountain +10 to +14; West South Central +13 to +17; Middle Atlantic +14 to +18; Pacific +16 to +20; East North Central +18 to +22; South Atlantic +19 to +23.

Nationwide Department Store Sales Up 1%* From 1961 for Week Ending April 14

Department stores sales on a country-wide basis as taken from the Federal Reserve Board's index reported a 1%* increase for the week ended April 21, 1962, compared with the like period in 1961. For the week ended April 14, sales were up 5%* compared with the corresponding 1961 week. In the four-week period ended April 21, 1962, sales were 5%* above the corresponding period in 1961.

According to the Federal Reserve System department store sales in New York City for the week ended April 21, were 19% greater than in the corresponding 1961 week. For the week ended April 14, sales gained 24% when compared with the same week in 1961. For the four weeks ending April 21, 1962, an increase of 16% was reported as against sales in the comparable period in 1961.

*According to the Federal Reserve Board, "Interpretation of the weekly percentage changes during the Easter season is affected by the shifting date of the holiday (this year, April 22 and last year, April 2). Adjustment factors have been developed for this calendar irregularity. For the week ending April 21 the factor is +14%; this yields an 'adjusted' year-to-year change for the United States of 1%."

Knowing When to Buy And to Sell Stocks

By Roger W. Babson

Mr. Babson knows full well of what he speaks when he says "the time to retire from the stock market is when things look good and your friends are all bullish, and you are 'walking on air.'" Those who buy when they should sell, and vice-versa, are cautioned on the "importance of knowing when to stop" and how to use properly their instinct to speculate.

One half of the buyers of the stocks on the New York Stock Exchange buy when they should sell; and sell when they should buy. This is because there cannot be a seller without a buyer; or there cannot be a buyer without a seller.

Even Bankers Are Sometimes Duped

I once knew a Massachusetts bank director who founded a successful machinery company which is now listed on the New York Stock Exchange. He was a very generous man and provided a four-acre golf club in New Hampshire for his friends and summer residents. Many fine homes were built there and are now occupied in the summer by very prominent people. In Boston financial circles this man's opinion on investments was given serious consideration.

When this well-known man died, he left two sealed trunks in his attic. One contained Russian rubles and the other German marks. He left a note stating that he had paid nearly $2,000,000 for this foreign money. As he had always been very kind to his neighbors they took up a collection to pay his debts; his young wife (a second wife) went to work.

How to Lose $45,000,000

A man known world wide in utility circles had ~~a winter~~ home at Mountain Lake, Florida, near ~~where I am writing my~~ column this week. He had a chair and desk which the present generous owners of his late home gave to Webber College. This famous man was written up in the magazines during the 1920's as "America's Richest Man." Well, he told me shortly before he died: "I made $50,000,000 sitting in that chair in 1926-28; then I lost $45,000,000 in 1929-30, sitting in the same chair." He did his business by telephone; never wrote a letter.

I give the above illustrations not to criticize anyone. During my 50 years of active life I have never met any man (or woman, except Hetty Green) who would claim never to have lost money speculating. The lesson, however, which I want to drive home to readers is the **importance of knowing when to stop.** The time to retire from the stock market is when things look good and your friends are all bullish, and you are "walking on air." That is the time to stop. What this stock market will do before 1962 is over no one knows; but I do earnestly advise that you sell enough and take profits enough to pay up all you owe.

Corporation Officials Take Notice

This is an era when corporations are making foolish "splits." After you receive a stock dividend your original stock, plus the new stock, is worth no more than before. Yet the price goes up even on the rumor that such a stock dividend will be paid. Since the Securities & Exchange Commission has been organized, many men with money have refused to be directors of corporations. The officers are given "options" and other incentives to compensate for the risks they are taking.

Surely nothing could have prevented the two men described above from losing their money. Furthermore, I could give many other similar illustrations. These men had economic education, robust health, honest intentions, and were as good men as any reader of this column.

Securities & Exchange Regulations

I fully approve all the steps being taken to make stocks and bonds safer for investors to buy. I advise my clients to co-operate with the SEC. But no laws can eliminate speculation. It is an instinct which seems inherent from birth, and endures through education, marriage, and to death. People will bet on horse races if they cannot bet on Wall Street. Furthermore, if it had not been for this instinct, Columbus would not have discovered America; yes, and the Pilgrims would never have landed at Plymouth Rock.

I believe in the Regulation Statements which the SEC requires to be prepared, printed, and distributed to prospective stock buyers; but there is no way of compelling these prospects to read them. Moreover, they are quite a burden to young and growing companies, as the cost of lawyers and accountants fees, plus printing, amounts to from $25,000 to $50,000. It is even more important that small investors read the annual reports and proxy statements which many stockholders receive free—once a year.

Weil V.-P. of Nat Berger Co.

Charles Weil has been appointed to Vice-President and will head the trading department in a general expansion of Nat Berger Securities Corp., 10 East 52nd St., New York City, it was announced by Nat Berger, President of the corporation.

Charles Weil

Under Mr. Weil, the firm will expand its activities in the general brokerage business, while continuing as a specialist in unlisted real estate securities.

The corporation is affiliated with Nat Berger Associates, a leading broker-dealer in the sale of Real Estate Syndications.

Mr. Weil was formerly Manager of the trading department of Joseph Walker & Sons, stock broker. Prior to that he held the same position with H. Hentz & Co. and was a member of Hayden, Stone & Co., all members of the New York Stock Exchange.

M. Zalta Opens

BROOKLYN, N. Y.—Maurice Zalta is engaging in a securities business from offices at 2136 71st Street.

FROM WASHINGTON ...Ahead of the News

BY CARLISLE BARGERON

The Kennedy family, father and son, is not together on the business of holding the price line. No sooner had the storm about steel's increases of $6 a ton died down, than Joe Kennedy's famous Chicago Merchandise Mart raised rentals on expiring leases by 3 to 5%. At first it denied it—then admitted it.

The Mart which Joe Kennedy bought several years ago for $100,000,000 has a sprawling 92-acres of office space. The building has 7½ miles of corridors, and is the largest office building in the world. Practically every kind of business is represented in it and they run up to several hundred.

The rental on a minimum unit was $200 so it will have its rental jumped $6. Presumably the cost of the increased rentals will be passed on to the consumers.

While son Jack is telling the steel industry to hold the line, his father is putting an inflationary rental increase in the Merchandise Mart.

It is ironic that the steel industry is being investigated for doing what the Kennedy family store has found it necessary to do —raise prices to meet increased costs.

Wallace Ollmann, General Manager of the 18-story Mart, said the rental increases were necessitated by the increased operating costs, principally labor and taxes.

The financal schizophrenia illustrates the double standard which is applied by the Administration. Fortunately for the Kennedys, but unfortunately for their tenants, the Kennedy management did not subscribe to the President's theories and is busily taking steps to protect the profit margins of their business.

President Kennedy is trying to reassure business that the incident of the steel price increase has been forgotten and constituted some unpleasantness at the time which also has been forgotten. He made a conciliatory speech before the United States Chamber of Commerce annual meeting and he sent a telegram of congratulations to Roger M. Blough on the occasion of the latter's receiving an award. But business still has its fingers crossed, at least as long as young Bobby Kennedy is the Attorney General.

* * *

Representative Alger of Texas, has introduced a bill to repeal the wage withholding law. It won't get anywhere but it serves a purpose. Tax withholding has resulted in the employer practically paying the tax.

It was passed in 1942 for the purpose of making the wage earner conscious of taxes. It did for that year only but since that time has served exactly the opposite effect. It was passed on the eve of the Congressional elections. The papers were full of charts showing just what your taxes would be. As a result there was a complete turn-over in Congress, the Republicans picking up 82 seats in the House and a proportionate number in the Senate.

Labor leaders immediately went to work, however, coining the slogan "take home pay." Wage demands were based on take-home pay. The result was that in a few months the taxes had been gradually absorbed by the employer as the take-home pay was increased to what the pay with taxes had been. The tendency of the worker now is never to consider his full pay but only what his take home pay is. He has largely lost any feeling of the tax. Alger wants to get it back to where the wage earner will realize what tax he has to pay.

The Security I Like Best

Continued from page 2

mechanical devices, reflective optical components and thin film transducers for commercial as well as defense applications. In January, 1962, UNIVIS acquired all the stock of the Bishop Company, a well-regarded manufacturer of quality eyeglass frames. Since mid-1960 UNIVIS has been the exclusive marketing agent for Bishop's products. 1961 sales of these products approximated $1 million.

Most important of all, UNIVIS has the financial strength as well as the technical ability to grow. The Company has no debt and no bank loans. Current assets on Dec. 31, 1961 were 5.5 times current liabilities and working capital was approximately $10 per share (roughly, half the recent market price of the stock). Capitalization consists solely of 271,595 shares of common stock.

As mentioned above, the 1961 reported earnings of 98¢ per share are not an accurate gauge of UNIVIS's current earning power since they were reduced by the abnormal expenses. Actually, earnings per share in the past six to nine months have been running at approximately a $1.30 annual rate. Since I expect a 10%-15% sales increase this year, earnings per share for 1962 should be well above this figure. Furthermore, the Bishop acquisition should begin to add importantly to earnings in the last half of 1962. This should make the annual rate of earnings by year-end very substantially above the current figure and speaks well for 1963 prospects.

The present Over-the-Counter Market for UNIVIS stock is somewhat thin. However, the Company management is well aware of this problem and should, when the situation warrants, take action to alleviate this condition.

Visual Art Industries Stock Sold

Globus, Inc., and Ross, Lyon & Co., Inc., New York City, have announced the offering of 95,000 common shares of Visual Art Industries, Inc., at $2 per share.

Net proceeds will be used by the company for the repayment of debt, and working capital.

The company of 68-33rd St. Brooklyn, N. Y., is engaged in the design, assembly and marketing of creative art, craft, hobby and educational toy sets and related articles.

New Hentz Branch

H. Hentz & Co., members of the New York Stock Exchange, have announced the opening of a new branch office at 505 Park Ave., New York City (on the corner of 59th St.). The new facilities, under the managership of Julian H. Wilson, replace the firm's offices situated for the past 15 years in the Sherry Netherland Hotel, 59th and Fifth Ave.

New Viner Branch

NEW HAVEN, Conn. — Edward A. Viner & Co. has opened a branch office at 37 College St., under the management of Justin P. Ruocco and Harry E. Ruocco. Both were formerly co-managers of the local office of John H. Lewis & Co.

THE MARKET . . . AND YOU

BY WALLACE STREETE

The ominous selloffs in the stock market during April were finally interrupted this week by a spirited rally and the best volume of the year. It was, at the very least, a sizable technical rally.

Wide open is the important question of whether the market has made anything approaching a base. The industrial average dipped a shade under 660, while there is some agreement that the more solid support area is in the vicinity of 650. If this contention is right, the selling is not over, merely interrupted.

More importantly, the loss of confidence both in the market itself which has shown a perverse ability to ignore a steady stream of good news and sag dispiritedly, and also in the business attitudes of the Administration leaders, leaves many questions unanswered; the chief one being what it will take to bring back exuberant investor interest to the equity market.

At least as far as the industrial average is concerned, the index is now at levels that don't show the excessive enthusiasm of past years. It was hovering at a level some 16½ times the estimated earnings of its components for 1962. And the 70-odd point decline, around a 10% correction, from the peak definitely indicates that the quality items with favorable business prospects are better bargains at the minute than they were recently when hopes were far higher.

The Technical Aspects

The ease with which the market retreats when selling is persistent and buying support absent, was best illustrated by the fact that nearly 30 points were dropped by the industrial average in only five sessions of continuous selling. In January, when resistance to selling was still around, it took four times as long to exact nearly the same toll.

Neither the rails nor utilities were able to hold out against such pressure and both not only dipped sympathetically when pressure was rampant, but were also unable to make a stand when the belated support moved in.

What investment preferences were apparent were not new—selected utility issues, the traditional "defensive" items, and preferred stocks where the stress is on income and not on intangible "growth" where the emphasis had lain for so long. And a good share of the preferreds were utilities chosen to double the hedge.

Premiere Casualty

The premiere growth issue of them all, high-priced International Business Machines, was one of the definite casualties of the heavy selling. Shares of this highly publicized growth situation for years had seemed impervious to the market seesaws as they moved from 270 to 370 in 1957, on to 550 in 1958 and above 600 in 1959 when they were split 3-for-2.

The new shares ranged from 380 to 488 that year, reached 600 in 1960 and 733 last year prior to another 3-for-2 split. In 1961 the new shares sold from 447 at the low to 607 at the high which was pretty much the end of the run, at least temporarily. The best they saw this year was 578 and that briefly. They were down to 485 to start off this week and in less than two sessions had been cut back to 430 in 20 and 30 point drops per session. They rebounded when the general market rallied but still show one of the more volatile swings for 1962.

There was little to account for the excessive swings, notably a dearth of any significant news. One clue was that the concentrated holdings of IBM in fund portfolios for some time have made it the pet holding for these investors. At the end of last year no less than 1.3 million shares were held by 135 funds, the market value then running in excess of three-fourths of a billion dollars.

The Deflated Steels

The already well-deflated steel issues weren't overly prominent in the selling and were able, when the rallying tendencies showed up, to firm although their investment stature definitely had been impaired first by the price tangle with the government, and then by some spotty earnings reports for what admittedly was a good quarter for the industry. But after the first quarter, operations have dropped off rather persistently to cloud their earnings potentials not only for the second quarter but for the usually slow third quarter as well. Other than for bargain hunters, the steels seem to offer little allure for general investors.

A "Still-Growing" Situation

Even companies that have been immune both to the 1960-61 recession, and current uncertainties, were swept down a bit by the heavy selling, although the superior value was easy to demonstrate. Food Machinery & Chemical Corp., for one, ignored the unfavorable and mixed business conditions of last year to turn in a record performance and cap off a string of 12 years without a break that sales and earnings had increased steadily. But on one day of pressure it was clipped for several points in the general liquidation.

FMC once was best known for its food machinery, but research and development in recent years has reduced this section of its business to 36% of sales. Meanwhile its chemical activities have emerged as the major operative one, accounting for more than two-fifths of its total volume.

So far this year operations of FMC have been running substantially above last year so there is no apparent reversal of its favorable prospects. Research has also placed the company importantly in the freeze-dry processing system which is the newest method of preparing foods for shipment and storage in air-tight containers without the need for refrigeration. Meanwhile the shares, caught in the market's current, have been available at nearly 20 points under last year's high, to make them that much more attractive for representation in a company that is definitely a "growth situation" that hasn't yet bumped into any important hurdles on its way to new records this year.

The Uncertain Aluminums

A different situation is that in the aluminum companies where their troubles have been persistent for several years, overproduction and price problems not the least of them. To some of the students of this field, some of the troubles seem to be resolving with the industry poised on the brink of resuming the traditional growth pattern that it had shown in the immediate postwar days.

Meanwhile the optimistic price tags on aluminum company shares have been cut in half. The more favored ones could be the companies that have gone in for end-products rather than primary aluminum production. In the case of Reynolds Metals, which has been active in this field and in developing new markets for its metal, it could be significant that its latest announced intention to reactivate some 20,000 tons of idle capacity shows that its aggressive merchandising is making inroads. For the first quarter it was able to report record sales although it is still struggling with cost reduction to improve the profit showing. Any better profit margin accomplished could lead to new investor interest in these shares that have been so well deflated.

The Firmer Oils

Oils have held up reasonably well through the recent selling, mostly because they have been no market wonder-workers for many years. Consequently, there was little excessive price action to be corrected. They are, by and large, statistically cheap since in contrast to the excessively high price-earnings ratios that prevailed until recently, most of the domestic and international giants are now available at around 12- to 15-times earnings. Yields run better than 4% for some, notably Socony and Standard Oil of Jersey, which enables them to compare favorably with bank rates and bonds as items offering satisfactory yield.

Royal Dutch, because of some American prejudice against foreign investments, has been available at a shade under 10-times its earnings, and while its earnings last year were comparable with those of Jersey Standard, Jersey's payout and yield are greater.

[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.]

Broy Joins Doremus

Doremus & Company, 120 Broadway, New York City, national advertising and public relations agency, announces the appointment of Anthony Broy as an account executive on its New York public relations staff. Mr. Broy has been associated with two New York public relations firms and was formerly a correspondent for a leading newspaper and magazine syndicate in Australia.

Donner, Kern Formed

Donner, Kern & Co., Inc. has been formed with offices at 516 Fifth Avenue, New York City, to engage in a securities business.

UJA to Honor John D. Revene

One of the most intensive and far-reaching campaigns ever conducted by factors and finance leaders in behalf of the United Jewish Appeal of Greater New York will reach its height on Thursday, May 24 at a testimonial luncheon to be held at the Hotel Plaza. John D. Revene Senior Vice - President of the Chase Manhattan Bank, will be guest of honor at the event.

John D. Revene

The chairmen of UJA's Factors and Finance Division are Ezra J. Denerstein, Standard Financial Corp., and Imre J. Rosenthal, Rosenthal and Rosenthal, Inc.

A record turnout at the forthcoming luncheon was predicted by the chairmen.

The distinguished guest speaker at UJA's Factors and Finance Division luncheon will be F. Kenneth Melis, of F. Eberstadt and Co., Inc.

Some of the foremost men in the factors and finance world are serving on the Division's Executive Committee: William R. Blumberg, General Commercial Acceptance Corp.; Herbert A. Busch, Northern Financial Corp.; David Custage, Rosenthal & Rosenthal, Inc.; Oscar Dane, Inland Credit Corp.; Arthur O. Dietz, C. I. T. Financial Corp.; Moses F. Dworsky, Fidelity Factors; Emanuel Fine, Wormser & Co.; Harry L. Goldstein, Concord Factors Corp.; Monroe I. Katcher, Academy Factors Corp.; Frederick Klein, Fortune Factors, Inc.; Monroe R. Lazere, Lazere Financial Corp.; Emanuel P. Lewis, Shapiro Bros. Factors Corp.; and Herman A. Linde, Linde Factors Corp.

The other outstanding participants are: Abraham S. Mannes, Coleman & Co.; Julius N. Meshberg, Majestic Factors Corp.; Herbert Pechman, Sterling Factors Corp.; Louis Rothstein, New York Factors, Inc.; Samuel S. Salitan, Credit Industrial Corp.; Nathan Schulman, The Mastan Co., Inc.; Jacob J. Schulder, Gibraltar Factors; Walter S. Seidman, Jones & Co.; Jacob M. Seiler, A. J. Armstrong Co., Inc.; Theodore H. Silbert, Standard Financial Corp.; Herbert R. Silverman, James Talcott, Inc.; Wesley W. Simpson, Diners Financial Corp.; Louis S. Stamm, Credit Exchange Service Corp., and David B. Wiltsek, House of Adjustments, Inc.

Texas Tennessee Industries Units Sold

S. D. Fuller & Co., New York City, and Whitman Securities Co., Memphis, head an underwriting group which is making the initial public sale of Texas Tennessee Industries, Inc. class A common stock through the offering of 175,000 shares and 17,500 purchase warrants.

The offering is in immediately separable units consisting of 10 shares of class A common plus one warrant, at a price of $50 per unit.

Of the total 150,000 are being sold for the company and 25,000 for the account of certain stockholders.

The warrants are exercisable from May 7, 1963, to May 5, 1967, and entitle the holder to purchase one share of class A common at $6 per share.

Net proceeds from the sale of its 150,000 shares will be used by the company for the reduction of outstanding debt; the purchase of manufacturing equipment, and the development and market testing of various new products. Proceeds derived from the exercise of the warrants will be used for working capital.

The company of 6502 Rusk Ave., Houston, Texas, formerly known as Production Tooling Co., is engaged in the manufacture of heavy duty, insulated, lightweight water coolers, water cans, and portable hot beverage dispensers sold under the trademarks "Igloo," "Horton" and "Polar King," primarily to industrial and commercial users. The company is in the process of completing tests on a number of products for general consumer use including an enameled steel, polyurethane insulated ice chest, a 40-quart capacity picnic-type all plastic ice chest; as well as an all-stainless steel portable coffee dispenser.

Syndications Funding

Syndications Funding Corporation is engaging in a securities business from offices at 92 Liberty Street, New York City.

MUTUAL FUNDS

BY JOSEPH C. POTTER

Anyhow, It Was a Nice Thought

This is Invest-In-America Week. One of its sponsors is the Investment Company Institute, which is spokesman for the mutual funds.

To most folks in the financial community, April looked pretty much like Dis-Investment Month. Long before the White House staged its own Pearl Harbor on the steel industry, the professionals had shown only a moderate appetite for stocks. Since the surprise attack by Washington, their approach has been akin to a hunger strike.

It remains to be seen, of course, whether people who buy mutual funds also will take this dismal view of equity fare. At least they showed considerable zest during the first two months of this year: they bought over $633 million worth of funds, up sharply from the $456.5 million in the first two months of 1961. And redemptions in January and February of 1962 were down to $183.4 million from $207.6 million in the like period of last year. What's more, new accumulation plans, voluntary and contractual, rose this year to 78,171 from 66,571 in the first two months of last year.

But with the market in retreat on a broad front, a traditional selling point for the funds is apt to lose some of its edge. After all, the people who sell the funds have, as a general rule, been able to point to the steady growth in assets per share. When the Administration imposed its own brand of price controls on the steel industry and followed it up with scarcely veiled suggestions that it would move against other industries, the whole market reacted.

The result: assets per share of the funds, with or without steels in the portfolio, have been in decline.

The fear psychosis induced by a mindless Administration could result in a decline too of interest in investing.

It is all right to reason, in the words of the Prophet, that "This too shall pass." But the prospect who thinks he ought at least to wait until the dust settles before making any new commitment is not likely to be today's first customer.

If the investors of this country—the working man, the merchant, the doctor, the retired couple, the well-to-do—have a common characteristic, it is an impulse to rush in when they are confident and to flee when they are frightened.

Now, "frightened" may be too strong a term to describe the reaction of investors to the events of April, but if they were merely concerned or dejected, then their reflex action was uncontrolled.

In another context, the former Secretary of the Treasury, George M. Humphrey, expressed fear of "a depression that will curl your hair." And it could happen under a government that feeds the fires of inflation, shows little sense of the needs of the business community and, whether it realizes it or not, discourages investment.

Such gimmicks as tax credits for new investment by business, even though they may be too little and too late, encourage the idea that this Administration will not deliberately wage a kind of demagogic class warfare against the business community. The stakes may well be nothing less than national survival. Even the influential men in this government who are something less than friendly to business must understand that.

The idea of an Invest-In-America Week is commendable. It would be even nicer if the members of this Administration could be prevailed on to invest some thought on the consequences of a divided society and a drying up of private capital. They might even come out with greater political profit if they could instead create a time of good will and investor confidence. Oddly enough, the investment would be small and the upside potential enormous.

The Funds Report

Advisers Fund, Inc. announces it has added Eastman Kodak, Polaroid and Virginia Electric & Power Co. It eliminated American Cyanamid.

* * *

Automation Shares, Inc. reports that during the March quarter, the second period of its fiscal year, the net asset value per share dropped to $15.59 from $16.85.

* * *

Record first-quarter sales were reported by **Delaware Fund.** Totaling $8,452,868, representing an 80% increase from the corresponding 1961 period. The fund also recorded its best March with sales of $2,540,220, up 85% from the like 1961 month.

* * *

Eaton & Howard Balanced Fund reports that at March 31 the size of the fund was $224,135,714, putting asset value per share at $12.81. This compares with year-earlier assets of $213,363,006 and share value of $12.22.

* * *

Fidelity Capital Fund reports that at Feb. 28 total net assets were $158,512,180, or $19.07 a share. This compares with assets of $64,870,451, or $18.81 a share, a year earlier. At Nov. 30 value per share was $21.28.

* * *

Fiduciary Mutual Investing Co. discloses that during the initial quarter of this year it bought Beneficial Corp.; McGraw-Edison; Northern Insurance and added to holdings of Borg-Warner; Piedmont Natural Gas and Sealright-Oswego Falls Corp. Over the same period it reduced holdings of Beneficial Finance and eliminated Connecticut General Life Insurance; Martin-Marietta and United Aircraft.

* * *

Financial Industrial Income Fund reports that total net assets at March 31 were $2,957,844, against $2,467,765 at the Dec. 31, 1961, closing and $1,241,542 at the end of March, 1961. Net asset value per share at the end of the latest quarter was $9.7455, little changed from the $9.7498 on Dec. 31 and $9.67 a year earlier.

* * *

Net assets of $74,323,396 of **Institutional Investors Mutual Fund** on March 31 were the highest for any quarterly reporting date. This compares with $72,931,941 on Dec. 31, 1961, and $66,133,683 on March 31, 1961. Net asset value per share of $268.91 on March 31, 1962, compares with $278.80 on Dec. 31, 1961, and $258.79 at the end of last year's first quarter.

* * *

Massachusetts Investors Trust reports that on March 31 total net assets were $1,805,403,722, or $15.11 a share. This compares with assets of $1,688,113,472, equal to $14.60 a share, a year earlier.

* * *

Record quarterly sales of $43,014,100 during the three months ended March 31 were reported by the **B. C. Morton Organization, Inc.** This figure included a new high in mutual fund volume amounting to $15,034,300.

* * *

A new high in total net assets was scored by **Nation-Wide Securities Co.** on March 31, according to its report for the first six months of the fiscal year. On that date, total net assets were $46,769,899, compared with $43,183,454 at Sept. 30, 1961. Net asset value per share rose from $22.02 at the end of the previous fiscal year to $22.91 at March 31, 1962.

* * *

Net assets of **Oppenheimer Fund** at March 31 were a record $16,825,625, or $16.82 a share. Value per share at the close of 1961 was $17.31 and on March 31, 1961, it was $15.68.

During the latest quarter the company established new portfolio positions in Milton Bradley Co., C. B. S., Diner's Club, Pittsburgh & West Virginia Railway, United Financial Corp. of California and Wesco Financial Corp. Eliminations included Frontier Refining, Great Western Financial Corp., Mangel Stores, Merchants Fast Motor Lines, Texas Consumer Finance Corp. and M. Loeb, Ltd.

* * *

Pioneer Fund announces that during the initial quarter of 1962 it eliminated Carter Products and Delta Air Lines while making commitments in Petrolite Corp. and Royal Dutch Petroleum.

* * *

Research Investing Corp. reports assets at March 31 of $2,579,008, or $11.64 a share. This compares with $2,143,385 and $11.54 a share at the end of 1961.

* * *

Southwestern Investors, Inc. reports that at March 31, marking the end of the first half of the fiscal year, total assets were $6,658,698, a record high. Asset value per share during the six months climbed to $8.52 from $8.41.

* * *

Assets of the **United Funds** group were held to a 1% gain in the first quarter, totaling $1,228,606,000 on March 31. This compares with $1,221,902,600 on Dec. 31 and $1,010,475,600 a year ago. Sales in the first-quarter totaled $63,704,500, a 28% increase from a year ago. First-quarter redemptions were equal to 1.5% of assets, compared with 1.8 a year ago.

* * *

United Accumulative Fund assets on March 31 totaled $607,283,100 (equal to $14.92 a share), compared with $601,371,100 ($15.38 a share) on Dec. 31; and $478,454,300 ($14.28 a share) a year ago.

* * *

Assets of **United Science Fund** on March 31, totaled $213,670,900 ($7.58 a share), compared with $211,753,600 ($7.89 a share) on Dec. 31; and $175,047,000 ($7.82) a year ago.

* * *

Assets of **United Income Fund** totaled $353,639,000 ($12.98 a share) on March 31, compared with $353,765,900 ($13.41) Dec. 31; and $304,709,943 ($12.32) a year ago.

* * *

Assets of **United Continental Fund** totaled $54,012,900 ($7.86) March 31, compared with $55,011,900 ($7.98) Dec. 31; and $52,264,200 ($8.04) a year ago.

* * *

Whitehall Fund reports that at March 31 net assets amounted to a record $13,460,045, or $13.56 a share. This compares with assets per share of $13.57 at the close of 1961.

A new investment was made in 2,600 shares of Carpenter Steel common stock and a holding of 1,500 shares of U. S. Steel was eliminated during the quarter.

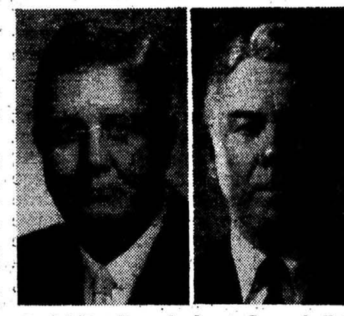
United Inv. Funding

(Special to THE FINANCIAL CHRONICLE)

MINNEAPOLIS, Minn. — United Investors Funding Corporation has been formed with offices in the First National Bank Building to engage in a securities business.

Pattberg, Pres. Of First Boston

Emil J. Pattberg, Jr. has been elected President of The First Boston Corporation, 15 Broad St., New York City, succeeding James



Emil J. Pattberg, Jr. James Coggeshall, Jr.

Coggeshall, Jr., who has retired, George D. Woods, Chairman of the Board, has announced. Mr. Pattberg has been a director since 1951 and Chairman of the Executive Committee of First Boston since 1955 and will continue to hold that post.

Mr. Pattberg joined the corporation in October, 1929 and was elected a Vice-President in 1945. From 1949 to 1955, Mr. Pattberg headed the government bond department of the corporation.

Mr. Pattberg is a member and a former chairman of the Governmental Securities Committee of the Investment Bankers Association of America.

He is also chairman of the finance committee and a director of the Association for the Aid of Crippled Children; and is a director of The Chamber of Commerce of the United States and a member of the finance committee and the economic policy committee of that organization. Mr. Pattberg lives in Ridgewood, N. J.

Mr. Coggeshall, who is retiring after 43 years of service with The First Boston Corporation and a predecessor, has served as President since Jan. 1, 1948 and as a director since 1934. Mr. Coggeshall will continue as a director of the corporation.

Witco Chemical Company, Inc. Common Offered

A secondary offering of 100,000 common shares of Witco Chemical Co., Inc. is being made by an underwriting group managed by Smith, Barney & Co. Inc. and Goldman, Sachs & Co., New York City. The stock is priced at $29 per share.

The shares being offered were among the aggregate of 300,000 shares issued by Witco Chemical in July, 1960, to the stockholders of Sonneborn Chemical & Refining Corp. in exchange for all the outstanding stock of that corporation.

Witco Chemical intends to apply for listing of its common on the New York Stock Exchange. The shares presently are traded in the over-the-counter market.

The company of 122 E. 42nd Street, New York City, manufactures and markets a wide range of products including organic chemicals, detergents and detergent chemicals, and asphalt and asphalt compounds. In 1960 it extended its operations to certain petroleum derivatives and chemical specialties through the acquisition of Sonneborn Chemical, a major manufacturer of such products, and also acquired two small manufacturers of tar products.

Witco's manufacturing operations are carried on at 11 plant locations in the United States, at two in Canada and at one in England. Net sales and other income in 1961 totaled $102,611,000.

P·G and E· 56th ANNUAL REPORT—1961

EXCERPTS

Accelerated economic activity in Northern and Central California in 1961 was reflected in another year of rapid growth and progress for our Company. Continuing an unbroken trend of many years, new high records were established for sales of gas and electricity and for operating revenues.

Expenditures for construction amounted to $228 million in 1961, exceeding those of any previous year. To finance this outlay the Company sold securities from which it received net proceeds of about $123 million, the balance being provided from internal sources. Construction expenditures for 1962 are estimated at $221 million.

The most notable development of the year was the receipt in December of the first Canadian gas into our system through the facilities of the Alberta-California project. Access to the vast reserves of natural gas of Western Canada has thus become a reality for our Company. The project makes available a much needed supplemental source of energy for Northern and Central California, and is of great significance in the future outlook of the Company. This $300,000,000 project represents an outstanding example of economic cooperation, based on the principles of international comity and mutual responsibility, between Canada and the United States, and substantial benefits to the economies of both countries will flow from it.

Electricity, of course, continues to be our principal business. During 1961 our electric generating resources were augmented by the completion of a 330,000 kilowatt unit at Pittsburg Power Plant, which brought the total installed capacity of this plant to 1,320,000 kilowatts. In addition, we have under construction or authorized for completion before the end of 1965, 2,348,000 kilowatts of electric generating capacity in conventional steam, nuclear, geothermal, and hydro plants.

Stockholders have been advised from time to time of the Company's activities, commencing in 1951, in the field of nuclear power. Research and development during this period has, we believe, justified our early conviction that nuclear energy holds great promise as an economic source of electric power, particularly in the relatively high cost fuel area in which we operate.

HIGHLIGHTS OF OPERATIONS

Operating Revenues and Other Income	$ 697,402,000
Taxes and Franchise Payments	$ 159,253,000
Natural Gas Purchased	$ 185,776,000
Operating Payroll	$ 83,244,000
Other Expenses and Charges	$ 166,888,000
Net Income	$ 102,241,000
Earned Per Common Share (on average shares)(a)	$1.52
Total Assets	$2,644,467,000
Construction Expenditures	$ 228,086,000
Sales of Electricity to Customers (KWH)	25,767,858,000
Sales of Gas to Customers (MCF)	387,491,000
Total Customers	3,809,950
Number of Employees	18,383
Number of Stockholders	231,545

(a) *After giving effect to 1961 3-for-1 stock split*

A 60,000 kilowatt nuclear unit is now under construction at our steam plant near Eureka, about 250 miles north of San Francisco, which will be completed this year.

In last year's report it was stated that we were continuing our studies looking to the construction of a large scale nuclear plant close to the San Francisco Bay area. In June 1961 we announced our intention to construct a 325,000 kilowatt nuclear unit at Bodega Bay, about 50 miles north of San Francisco. Construction on this plant will start late in 1962, provided all necessary governmental approvals are obtained. We feel confident this plant will produce power at a cost substantially competitive with that from a conventional steam unit at the same location.

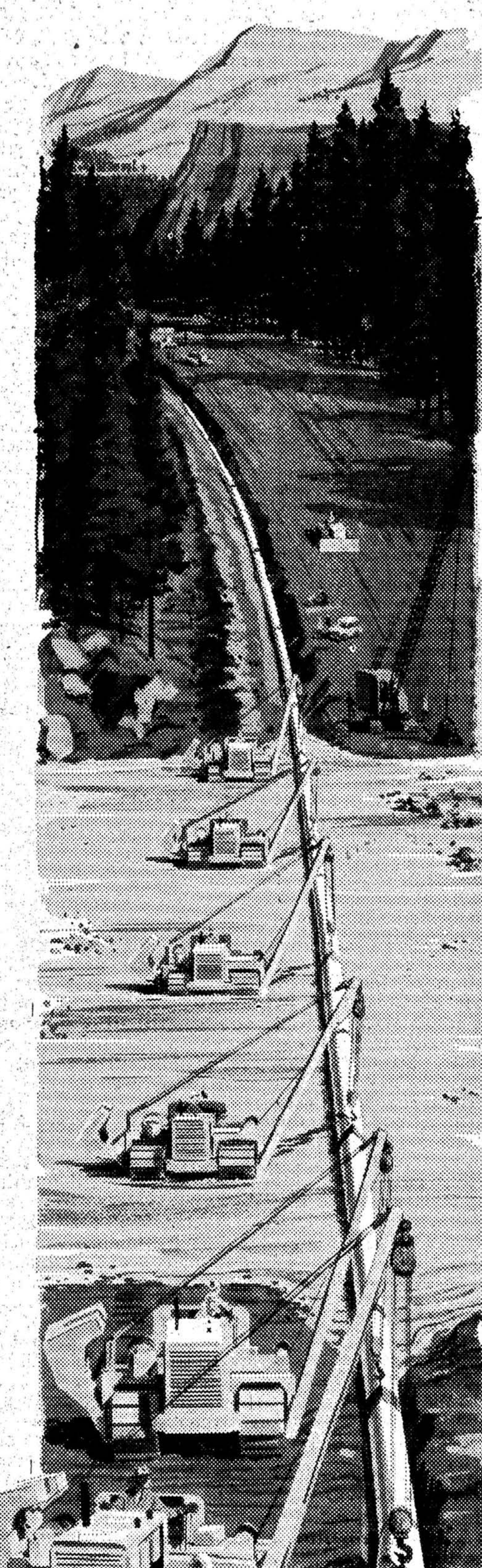
Without in any way minimizing the problems we face, there are reasonable grounds to view the outlook for the Company with optimism. We are privileged to serve a highly diversified area which is growing rapidly and in an orderly manner. We operate a modern and efficient plant which has an average dollar age of about eleven years. We have competent personnel alert to the needs of our customers. Our financial condition is sound and we enjoy the confidence of the public.

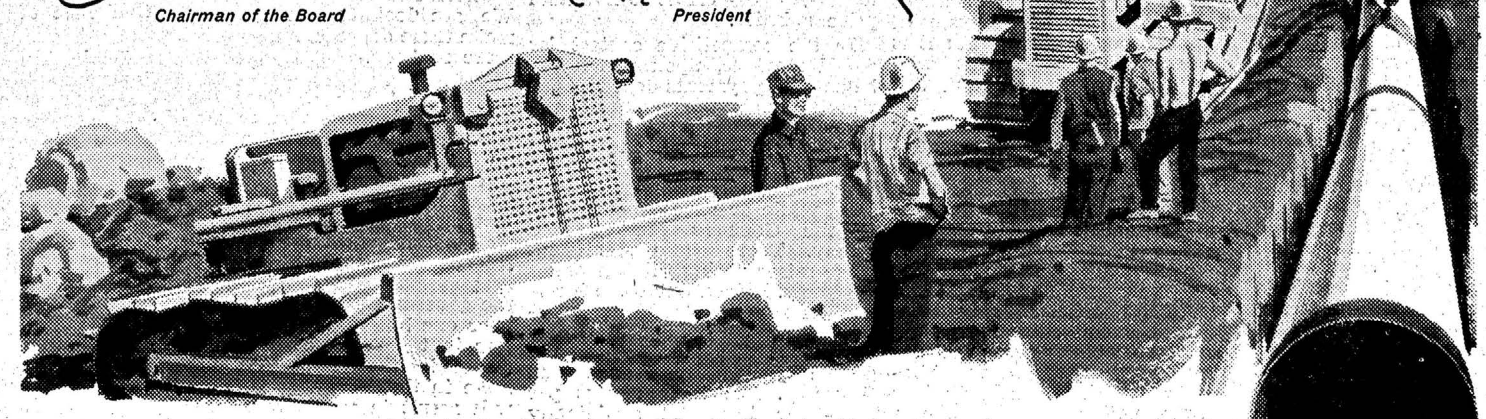
FOR THE BOARD OF DIRECTORS

Chairman of the Board — *President*

N. R. Sutherland

Alberta-California Natural Gas Pipeline— *Side boom tractors lay section of 36-inch steel pipe across British Columbia's Elk River. Natural gas from Canada began moving south into P.G. & E.'s service area in December 1961. Start of operations of the 1,400-mile pipeline climaxed several years of preparation and 14 months of construction.*





PACIFIC GAS and ELECTRIC COMPANY

245 MARKET STREET, SAN FRANCISCO 6, CALIFORNIA

For added information on this company write K. C. Christensen, Vice President and Treasurer, 245 Market Street, San Francisco 6, California, for P. G. & E's 1961 Annual Report.

Government's Relationship With Business and Labor

By Hon. John F. Kennedy,* *President of the United States*

President's address to the nation's business leaders denies his Administration is anti-business or that it seeks to set prices. Quite mindful of the business community's resentment of his recent role in reversing the steel industry's price rise attempt, President Kennedy spells out the Administration's concept of "responsible" business and labor decisions, and the economic climate the Administration is trying to bring about. Business is promised that the fight against price inflation includes dispassionate opposition to wage inflation. It is also briefed on a host of other measures designed to expand production, restore employment, improve our balance of payments, encourage capital formation—all within a non-inflationary environment that obviates the need to raise prices in order to enhance profits and/or to permit wage advances.

I want to convey my thinking about the present and future relationship of government and business, and to penetrate the dust of controversy that occasionally rises to obscure the basic issues and the basic relationships.

Pres. J. F. Kennedy

Almost all of the great nations of the world have their financial and political capitals located in the same city — London, Paris, Rome, Madrid and others. Our founding fathers chose differently, in an effort to isolate political leaders from the immediate pressures of political life and national life, but this has placed a special obligation upon all of us, to speak clearly and with precision, and to attempt to understand the obligations and responsibilities which each of us face.

The foundation of the United States Chamber of Commerce in April of 1912 marked a turning point in the relations between government and business, and there are some who say that the events of April of 1962 have also marked a turning point in the relations between government and business. I hope that this is so, in the sense that both sides will have new emphasis upon the obligation to understand each other's problems and attitudes.

In 1960 I do not think it wholly inaccurate to say that I was the second choice of a majority of business men for the office of President of the United States, and when I approached the White House the cheers of members of the Chambers of Commerce around the country were not overwhelming or deafening.

Parallel Interests of Government And Economy's Sectors

But in almost every major problem that I have encountered since assuming this responsibility, I have been impressed by the degree to which the best interests of the national government and the country are tied to the enlightened best interests of its most important segments.

But I have also been impressed that all the segments, including the national government, must operate responsibly in terms of each other, or the balance which sustains the general welfare will be lost.

As President my interest is in an economy which will be strong enough to absorb the potential of a rapidly expanding population, steady enough to avert the wide swings which bring grief to so many of our people, and non-inflationary enough to persuade investors that this country holds a steady promise of growth and stability.

My specific interest at this time is in maintaining a competitive world position that will not further stir the gold at Fort Knox.

As business men, your interest is profits or the maintenance of an adequate margin of return on your investments. To the extent that you want to protect your profit margins, our interests are identical, for after all we in the national government have a large stake in your profits. To the extent that you must raise your prices to make these profits, our interests at home and abroad stand in delicate balance.

Union leaders interests lie in the rate of return on labor for their members. To the extent that their efforts are devoted to securing equitable wages for their workers, our interests are identical, because we must have consumers to absorb our vast productive capacity, and as this year has reminded you the national government also lives off personal income taxes. To the extent that their efforts take the form of demands which will not upset the balance which has thus far stemmed inflation in this Administration, our interests are in concert. These areas where conflict exists between what I would call private interests and the general welfare must be met, and it seems to me by assumption of responsibility by all of us who care for our country.

Denies Price-Setting Role

We have many burdens in Washington—we do not want the added burden of determining individual prices for individual products. We seek instead an economic climate in which an expanding concept of business and labor responsibility, an increasing awareness of world commerce and the free forces of domestic competition will keep the price level stable and keep the government out of price-setting.

If American business does not earn sufficient revenue to earn a fair profit, this government cannot earn sufficient revenues to cover its outlays. If American business does not prosper and expand, this government cannot make good its pledges of economic growth. Our foreign policies call for an increase in the sale of American goods abroad, but it is business not government who must actually produce and sell these goods.

Our domestic programs call for substantial increases in employment, but it is business not government who must actually perform these jobs. While government economists can point out the necessity of increasing the rates of investment, of modernizing plant and productivity, while Washington officials may urge responsible collective bargaining and responsible wage-price decisions, we also recognize that beneath all the laws and guidelines and tax policies and stimulants we can provide, these matters all come down, quite properly in the last analysis, to private decisions by private individuals.

It is easy to charge an administration is anti-business, but it is more difficult to show how an administration, composed we hope of rational men, can possibly feel they can survive without business, or how the nation can survive unless the government and business and all other groups in our country are exerting their best efforts in an atmosphere of understanding, and I hope cooperation.

We have worked to establish the responsible view that we take of our role in the economy, and I do not think the record of our decisions, taken in totality, has been one to suggest that we are not responsive to the problems of business. I will point to our efforts in the field of inflation, to the balance of payments, to the transportation policy, for example, recently enunciated, as tenders of this concern. I expect to be able to point out soon to more realistic income tax guidelines on the depreciable lives of business assets, and to the 8% tax credit for investment in equipment and machinery, which has been proposed and is now being considered by the Senate.

Anti-Trust Enforcement Not Considered Anti-Business

I do not regard the vigorous enforcement of the anti-trust laws, for example, to be anti-business. These statutes, most of which have a long historic past antedating the life of the Chamber of Commerce, are based on the basic premise that a private enterprise system must be truly competitive if it is to realize its full potential. And it is natural in these important basic industries in which one or two companies may control over 50% of the total national production, that the government should be concerned that the realities of competition exist, as well as their appearance. But this is in the interest of business, and you know quite well that nearly every action taken by this government, and previous administrations, in the field of anti-trust actions, or actions by the Federal Trade Commission have been based upon complaints brought by business men themselves. This is in the interest, therefore, of business, as well as of the general public.

Balance of Payments Problems

When I talk of the public interest in these matters, I am not using a rhetorical phrase. It costs the United States $3 billion a year to maintain our troops and our defense establishment and security commitments abroad. If the balance of trade is not sufficiently in our favor to finance this burden, we have two alternatives—one, to lose gold, as we have been doing; and two, to begin to withdraw our security commitments.

This is the heart of the issue which has occupied the attention of so many of us in recent months, of our efforts to persuade the steel union to accept a non-inflationary wage agreement—and to persuade the steel companies to make every effort to maintain price stability.

In the competitive contest for world markets, upon which the balance of payments depends, our record since the end of the Korean War has not been wholly satisfactory, I am sure, to any of us. From the end of the Korean War, our export prices rose about 11%, while average export prices in the Common Market held steady. There were significant wage raises during this period, as we know. Indeed our wage levels in the large manufacturing industries rose 30% in the United States but they rose 58% in the same period in France and Germany. But their output per man-hour increased sufficiently so that their costs per unit of output rose less than ours. During this period, our gold stocks declined by $5½ billion, and the short-term dollar claims of foreigners, a potential call on our gold stock, rose by an equal amount, $11 billion in the past few years.

I do not mean to say that we have priced ourselves out of world markets. Our merchandise exports of over $20 billion testify that we have not. And our comparative price performance has improved in the last two or three years. But if we are to stem the gold outflow, which we must by one means or another, eliminate the deficit in our balance of payments, and continue as I believe we must to discharge our far-flung international obligations, we must avoid inflation, modernize American industry, and improve our relative position in the world markets.

Wants Prosperity With Profits

Never in the 50-year history of the Chamber of Commerce has its dedication to a vigorous economy been more in the national and international interest than it is today. This Administration, I assure you, shares your concern about the cost-profit squeeze on American business. We want prosperity and in a free enterprise system there can be no prosperity without profit. We want a growing economy, and there can be no growth without the investment that is inspired and financed by profit.

We want to maintain our national security and other essential programs and we will have little revenue to finance them unless there is profit. We want to improve our balance of payments without reducing our commitments abroad, and we cannot increase our export surplus, which we must, without modernizing our plants through profit. We can help through new trade policies that increase the businessman's access to foreign markets, particularly to the expanding markets of nearly 200 million people which we will have in Western Europe.

And I want to salute the United States Chamber of Commerce for its historic endorsement of the new Trade Expansion Bill. We can help by making more realistic the income tax guideline on the depreciable lives of business assets, a move long called for and needed, and now being carried through. I recognize that many of you would like, as I would, to have far more rapid depreciation schedules. I can assure you that we are limited only by the fact, which you must recognize, that these depreciation changes will in their early years, mean a loss of governmental revenues. If we wish to bring our budget as closely as possible to balance as far as the economy permits, we do not feel able to relinquish at this time these sources of revenue in toto. But we should look ahead to the maximum extent possible, as we have already done in textiles, and as we are now examining in steel, and we are quite conscious of the competitive advantages which rapid depreciation gives to the Western European manufacturers. We are looking ahead now to make these depreciation schedules more realistic.

Tax Credit Proposal

We can help, if Congress will pass the pending bill by granting an 8% tax credit for investment in equipment and machinery, and those of you who do not feel that that is sufficient, and it may well not be, must recognize that this particular provision, limited as you may feel it is, will cost the government in the next fiscal year one billion, 800 million dollars in tax revenues if it is accepted by the Senate. And I believe in the form that it is in it will result in far more stimulus to business for every dollar of tax revenue foregone than the more familiar alternatives that many of you might have preferred.

I recognize that some of you are opposed to some of the revenue measures which we have recommended to balance revenue losses which we incur from the tax credit. But we cannot responsibly forego such a large amount of our budget unless we consider alternate means of recouping that loss. We take these steps only for budgetary reasons, and in the case of tax havens abroad in order to make less advantageous the flow of American capital into other countries and to place enterprises there on a fair competitive basis with American companies here which must pay the taxes which they do not.

Views on Wages

We can also help by creating a climate of collective bargaining in which increased wages are held within the appropriate limits of rising productivity, a rising productivity that will also provide for investments in modernization, for profits, and even we hope lower prices, to stimulate increased purchasing.

And may I add at this point that when an administration has not hesitated to seek Taft-Hartley injunctions for national emergencies, has successfully urged moderation on the steel workers and other unions, has expressed a firm and continuing opposition to the 25-hour week, or anything less than the 40-hour week, and has gone on record against featherbedding and racketeering and road blocks to automation, it surely does not need to be asked whether it will invoke the national interest wherever it believes it to be threatened.

In addition, this Administration can help alleviate the businessman's cost-price squeeze through new transportation policies aimed at providing increased freedom of competition at lower cost to the shipper, through fiscal and monetary policies aimed at making more capital available at less cost, and through a whole host of other policies on patents, productivity and procurement.

But perhaps most important of all are our efforts which are aimed at creating conditions of high employment, and what is most important I know to all of you, high capacity utilization. For when the economy is expanding, profits generally are expanding, and not at the cost of the consumer. But when the economy is slack, we not only have unemployment but profits are inevitably slack. Just as there can be no prosperity without profits, so are profits hinged to prosperity. With the high fixed costs of modern production and business organizations, few American business firms can earn an adequate profit on an adequate volume. Profits have been under pressure since early in 1957 because the economy has been operating below capacity since 1957. To restore profits to an adequate level, to maintain an adequate level of employment, we must restore the economy to full activity.

Challenge of a Larger Economic Pie

In short, our primary challenge is not how to divide the economic pie, but how to enlarge it. To fight now over larger slices of the existing pie, by seeking higher margins on lower volume, or higher wages ahead of productivity, can only weaken our effort to expand the economy of the United States.

The recovery of the past year has already raised our total output rate by $50 billion. Corporate profits by 13 billion. Personal income by 32 billion. Employment by one million, 200 thousand. And industrial production by 13%. And this upswing is continuing. Housing starts rebounded vigorously last month. Retail sales are rising. Consumer intentions are encouraging. Business plans an 11% increase in its investment in new plant and equipment. And construction awards are at an all-time high. I am convinced that our economy in 1962 will break all records in production, employment and profits. But we must, of course, always do better.

For had we achieved these goals of full employment and high capacity, I am confident that none of the events which made this last month so memorable would have taken place at all. And if we can now join in achieving these goals, I am confident that they may never need to take place again.

I realize that we shall not reach these goals overnight, nor shall we achieve them without inconvenience, some disagreement, and some adjustments on every side—among labor, business and the government.

But the Bible tells us that "there is a time for every purpose under the heaven . . . a time to cast away stones and a time to gather stones together." And ladies and gentlemen, I believe it is time for us all to gather stones together to build this country as it must be built in the coming years.

*An address by President Kennedy to the United States Chamber of Commerce, Washington, D. C., April 30, 1962.

Foster Chmn. of Foster & Marshall

SEATTLE, Wash. — Albert O. Foster has resigned as a general partner of Harris, Upham & Co., nationwide member firm of the New York Stock Exchange, to accept the position of Chairman of the Board of Foster & Marshall Inc., Norton Bldg. Mr. Foster founded the firm of Foster & Marshall, a Partnership, in 1938. On March 1, 1961, the New York Stock Exchange business was merged with Harris, Upham & Company and the investment banking part of the business was retained in the new corporation. Foster & Marshall Inc. are underwriters and distributors of municipal bonds in Washington, Oregon, Idaho, Western Montana, and Alaska, and provide all types of municipal-financial consulting services to public agencies in those areas.

Albert O. Foster

Mr. Foster said, "I am pleased to rejoin my old firm and look forward with keen anticipation to assisting my associates in expanding the firm's activities."

Sunray Dx Oil Debs. Offered

Eastman Dillon, Union Securities & Co., New York City, heads an underwriting group offering $75,000,000 Sunray DX Oil Co. 4¼% sinking fund debentures due 1987. The debentures are priced at 98.75% and accrued interest to yield approximately 4.33% to maturity.

Of the proceeds, the company will apply about $21,600,000 to the redemption of its outstanding 5½% cumulative convertible second preferred stock, series of 1955; $10,750,000 to the prepayment of a note due in installments to 1965, and $38,481,152 to the redemption of the 1,524,006 outstanding shares of 4½% preferred stock, series A. It will add the balance to working capital.

Commencing May 1, 1971, the company will make semi-annual sinking fund payments calculated to retire 80% of the debentures prior to maturity. The sinking fund redemption price is 100%. The company has an option to increase the sinking fund payment on any date by an amount not in excess of the required payment.

Optional redemption prices range from 103% to the principal amount. The debentures are not redeemable prior to May 1, 1967, from borrowings at an interest cost of less than 4.33%.

On April 27, 1962, the company changed its name from Sunray Mid-Continent Oil Co. to Sunray DX Oil Co. It was merged with DX Sunray Oil Co., its wholly owned marketing and refining subsidiary, on May 1, 1962.

Headquartered in Tulsa, Okla., Sunray is an integrated oil enterprise doing business primarily in the United States. Operations include the exploration for, development and production of, crude oil and natural gas and the refining and transporting of crude oil and its products. The company's production operations are in most of the principal producing areas of the United States and in Venezuela. Substantial exploratory acreage is held in Australia and Alaska.

For the year ended Dec. 31, 1961, the company reported total income of $479,765,000 and net income before provision for income taxes and special items of $51,396,000. Comparative figures for the preceding year were $467,218,000 and $54,233,000.

So. California Edison Company Bonds Offered

Halsey, Stuart & Co. Inc., New York City, is managing an underwriting group which is offering $40,000,000 Southern California Edison Co., 4¼% first and refunding mortgage bonds, series O, due May 1, 1987 at 100% and accrued interest, to yield 4.25%. The group was awarded the bonds in its bid of 99.32%.

Proceeds from the sale will be used in part to retire all short-term bank loans incurred in the company's construction program and the balance will become treasury funds.

The new bonds will be redeemable at prices ranging from 104.25% to 100%. Prior to May 1, 1967, however, none of these bonds may be redeemed through the use, directly or indirectly, of funds borrowed at an effective interest cost to the company of less than the effective interest cost of these bonds.

Headquartered in Los Angeles, the company is a public utility furnishing electricity to an estimated population of 5,120,000 in portions of central and southern California, excluding the City of Los Angeles and certain other cities, but including Long Beach, Santa Barbara, Santa Monica, and San Bernardino.

Philadelphia Bond Club Plans Outing

PHILADELPHIA, Pa. — A night at the ball game is planned by The Bond Club of Philadelphia for Wednesday, May 16, when the Phillies and the Cincinnati Reds will be in town.

The night at the ball park will be preceded by a buffet supper at the Germantown Cricket Club where food will be served from 6:15 p.m. on. A chartered bus will leave the Fidelity-Philadelphia Trust Building for the Cricket Club at 4:45 p.m. sharp. Transportation to and from the game can be by private car or chartered bus.

Phillips B. Street of The First Boston Corporation is in charge of arrangements.

Opens Branch Office

LA JOLLA, Calif.—Sanford, Hanauer & Co. has opened a branch office at 7734 Herschel Avenue under the management of Robert Decker.

Our Reporter on GOVERNMENTS

BY JOHN T. CHIPPENDALE, JR.

The Treasury in its combined refunding of nearly $11,700,000,000 of May and June maturities followed pretty much the pattern which has been used since the present Administration took over. By offering the owners of the maturing obligations a choice of the 3¼s (certificate) due May 15, 1963 at 100, the 3⅝s (note) due Feb.-May 15, 1966 at 99.80 to yield 3.68%, and the 3⅞s (bond) due Dec. 15, 1971 at 99.50 to yield 3.94%, the Treasury made the refunding package an attractive one so that the amount of cash-ins is not expected to be important.

In addition, by following the usual pattern, that is staying away from the long-term area or the capital market the Treasury is continuing to leave this sector for corporate and tax-exempt new offerings. The favorably received refunding operation as well as another reduction in the British bank rate from 5% to 4½%, and the defensive tone of the stock market, have not been unfavorable developments as far as the bond market is concerned.

Bond Markets Strengthened

The business pattern will dictate the kind of monetary policy which will prevail and what the powers that be do will affect the money and capital markets for the foreseeable future. This kind of thinking among money and capital markets followers is not new since the economic trend has always had an important influence on the way the money and capital markets have behaved in the past.

This time, however, it appears as though the opinions are strong and evidently gain strength that the operation "nudge" as well as an over-all open market type of operation for credit control and interest rate level purposes is going to be with us for the foreseeable future. This is taken to mean that the intermediate term area of the Government market as well as the long-term sector are going to be given at least a passing amount of attention in the program which will be used to keep economic conditions on an even keel, while at the same time protection in some measure will be given to our gold holdings and the international position of the dollar.

With most money market and capital market specialists pretty much in agreement that the "bills only" policy is gone, because it does not fit into the current pattern of things, it seems as though there is not going to be any substantial modification of the existing monetary policies unless there is a rebirth of the inflation fears. It is believed that long-term interest rates will continue to remain on the side of ease even though the fairly sharp decline in yields of these bonds has carried prices up to levels where the going from now on is not likely to be as easy, as fast, or as far as it has gone in the immediate past.

Caution Suggested

This does not, however, mean that a good return will still not be available to investors in bonds, but it does appear to indicate that a continued and healthy uptrend in economic conditions will mean more competition for the funds of investors through loans and mortgages so that bonds (yields) might be less attractive to those who could put money into them.

In other words, it is believed in not a few quarters of the financial district that bond yields are approaching levels where it might be advisable to revalue the situation in light of what has taken place and what might happen to bond yields as times goes along. This does not indicate any sizable setback in the bond market yet, but this is a fairly high plateau of bond prices and, although they may stay there for a considerable period of time, it does bring with it just a thought of caution since in the past there have been reactions when bond prices have moved up sharply and nothing but clear sailing weather was predicted as being ahead.

Partial Debt Extension

The current refunding operation of the Treasury, terms of which were just made public last week, is no departure from the program which has been in use right along. The refunding issues were such as to appeal to not only those who owned the maturing obligations, but also to those who had funds to invest. There is no question but what the Treasury, with the use of attractive maturities and coupon rates, can make use of refundings like this one to extend the due date of the Government debt, at least in some measure.

NY Bond Club Receives Slate

H. Lawrence Bogert, Jr., of Eastman Dillon, Union Securities & Co., has been nominated for President of the Bond Club of New York to succeed W. Scott Cluett of Harriman Ripley & Co., Incorporated, who has headed the club for the past year. The election will take place at the Bond Club's annual Field Day to be held early in June.

H. L. Bogert, Jr.

Mr. Bogert was recently named Vice-President of the club following the resignation of Robert C. Johnson of Kidder, Peabody & Co. Nominated to succeed him in that post is Blancke Noyes of Hemphill, Noyes & Co.

The Bond Club slate also includes James F. Keresey of Baker, Weeks & Co. for Secretary and Howard B. Dean of Harris, Upham & Co. for Treasurer.

Two new members of the Board of Governors have been nominated to serve three-year terms. They are Robert A. Powers of Smith, Barney & Co. and H. Virgil Sherrill of Shields & Company.

BANK AND INSURANCE STOCKS

This Week — Insurance Stocks

INSURANCE STOCK PRICES IN 1962

Insurance stock prices have given a relatively good performance to date in 1962 as compared with the popular market averages. While most insurance stocks are currently below the price levels at year-end 1961, the declines have been moderate in proportion, and many insurance stocks, both life and fire and casualty, are at or near their yearend prices. A few have posted new highs in recent weeks.

Investor enthusiasm has continued into 1962 for fire and casualty insurance equities. This is primarily based upon the expectation of improved underwriting earnings this year after the disappointing figures of 1961. Preliminary indications of underwriting results for the first quarter are more encouraging than those of the same period of 1961 despite higher fire losses and heavy windstorm losses in March. Liability lines are believed to have been better than those of the first three months of 1961 and property line results may be roughly comparable to those of a year ago.

Life insurance stocks have posted new highs in 1962 following the unprecedented advances of 1961. Prices have been bolstered by the excellent annual reports of many life insurance concerns. In addition, life sales to date in 1962 are running well ahead of the record pace of 1961 indicating that 1962's total life insurance sales may well reach the forecast of $84 billion compared with $79.5 billion in 1961. This will be fully reflected in earnings reports for the full year.

Insurance stocks have withstood the sharp drop in stock market values of the past few weeks in view of the favorable industry prospects.

	Year End 1961	Recent Price	Estim. Div.	Yield
Aetna Casualty......	$67	$77	$0.88	1.1%
Aetna Life..........	142	133	1.60	1.2
American Insurance..	32	29	1.30	4.5
Boston Insurance....	45	39	1.80	4.6
Connecticut General..	141	132	0.80	0.6
Continental Casualty.	101	99	1.50	1.5
Federal Insurance....	70	72	1.00	1.4
Fireman's Fund	64	68	2.00	2.9
Franklin Life	140	139	0.50	0.4
Great American	59	57¼	2.00	3.6
Hartford Fire	80	74	1.10	1.5
Home Insurance.....	59	55	2.20	4.0
Ins. Co. of No. Am.	105	95	1.80	1.9
Lincoln National Life	174	177	1.00	0.6
Maryland Casualty...	47	51	1.90	3.7
Phoenix Insurance...	134	123	3.00	2.4
St. Paul F. & M....	91	89	1.44	1.6
Travelers Insurance..	168	165	1.60	1.0
U. S. Fidel. & Guar.	71	72	1.20	1.7
U. S. Life..........	78	82	0.20	0.2

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FIRE LOSSES

During the first quarter of 1962, fire losses in the United States were estimated at $363.8 million by the National Board of Fire Underwriters. This amount is 6% greater than the $343 million losses estimated for the first quarter of 1961 and 19% more than the estimated losses of the comparable period of 1960. March losses at $114.4 million were 4.8% greater than those of a year ago, although somewhat more than the amount estimated for February.

The record level of fire losses experienced to date has been heavily influenced by the severe winter weather experienced throughout the nation during the first three months of 1962.

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NATIONWIDE GROUP ACQUISITION

Two companies of the Nationwide Insurance Group, Columbus, Ohio, have announced that they have bought a controlling interest in a group of Texas insurance companies headed by Commercial Standard Insurance Co. The Commercial Standard Group, which includes the parent, a life insurance affiliate, a title insurance company, and a writer of fire and casualty insurance, had gross premiums in 1961 of $16.7 million in nonlife lines and $17.4 million of life insurance on its books at year-end.

The Nationwide companies are among the country's largest automobile insurers and do a large business in all other lines. The group includes a life insurance company, owned by an affiliated holding company, Nationwide Corporation, which owns control of several insurance concerns. The purchase of the Commercial Standard Group is being made by two mutual companies — Nationwide Mutual Insurance Co.— and Nationwide Mutual Fire Insurance Co.—not by the holding company.

Amazeen V.-P. of William St. Fund

Edward S. Amazeen has been elected a Vice-President of The One William Street Fund, Inc., One William Street, New York City, it was announced by Allan B. Hunter, Fund President. He will continue as Sales Manager of the One William Department of Lehman Brothers and Vice-President and Director of William Street Financial Planning, Inc.

Edward S. Amazeen

Long active in investment banking circles, Mr. Amazeen joined Lehman in 1959 as regional Sales Manager for One William sales in its New England territory. He became national Sales Manager in March of 1960 and a Vice-President of William Street Financial Planning earlier this year.

A member and former Chairman of the Investment Companies Committee of the Investment Bankers Association of America, Mr. Amazeen has also held several important committee posts in both the National Association of Securities Dealers, Inc., and the National Association of Investment Companies (now Investment Companies Institute). He is also President and Trustee of Woodlawn Cemetery in Everett, Mass., a Trustee of the South Scituate Savings Bank of Norwell, Mass., and a Director of Loire Imports, Inc.

He is also a member and former Governor of the Bond Club of Boston and a member of the Harvard Club of New York City, the Navy League, Downtown Club of Boston and the Old Colony Harvard Club.

Mr. Amazeen, who holds a master of business administration degree from Harvard Business School and is a graduate of Harvard College, Class of 1931, entered the Navy as an Ensign in 1941. He was discharged in 1947 as a Commander following 39 months of overseas duty in the European and Pacific Theatres of operations.

Junior Analysts To Hold Forum

The New York Society of Junior Security Analysts will hold a Forum on the Discounting Industry on Monday, May 7, 1962, Eliot Black, Abbott, Proctor & Paine, Vice-President announced.

Taking part in the discussion will be: Barney Goldberg, Director of The National Association of Consumer Organizations; Joseph Nellis, legal counselor of NACO; Perry Meyers, with the marketing consultant firm of Perry Meyers, Inc.; Joseph Marcus, Executive Vice-President of Gem International, Inc., Washington, D. C., and Bernard Waltzer, Vice-President of E. J. Korvette, Inc.

The Forum will be broken into two parts, the first part will cover "closed door" or member organization discounting, and the second portion will cover leasing operations.

The Discounting Forum will begin promptly at 4:00 p.m. at the headquarters of The New York Society of Junior Security Analysts, 15 William St., New York.

Littlefield, Adams Common Sold

Andresen & Co., New York City, is offering publicly 150,000 common shares of Littlefield, Adams & Co. at $4 a share.

It is the first public offering of stock in the Paterson, N. J., company, which publishes and sells paperback outlines and reference books for college students and distributes medical, nursing and law books.

Littlefield, Adams will use proceeds to retire loans and for the cost of plates for publication of new titles now in preparation. The balance will be added to working capital.

Net sales in 1961 were $2,600,705, compared with $2,444,292 in 1960. Net income in 1961 was equal to 29 cents a share on 300,000 shares outstanding, compared with 24 cents on 272,867 shares in 1960.

Budget Finance Plan—Debs., Common Offered

Shearson, Hammill & Co., New York City, and associates are offering $3,000,000 6% series A subordinated capital income debentures due 2010 of Budget Finance Plan at 95% plus accrued interest from April 1, 1962, and 62,860 of its common stock at $16.75 per share.

Net proceeds from the financing will be added to the general funds of the company and used initially to reduce short-term indebtedness.

The company of 6434 Wilshire Blvd., Los Angeles, operating mostly through wholly-owned subsidiaries in 15 states, is engaged primarily in the small loan business, and to a lesser extent, in purchasing installment sales contracts originating with retail dealers in automobiles, household furniture, appliances and other merchandise sold on a time payment basis.

NEWS ABOUT BANKS AND BANKERS

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

The Chase Manhattan Bank, New York has become associated in the ownership of **Banco Hipotecario Lar Brasileiro, S. A., Rio de Janeiro, Brazil**, it was announced over the week end by David Rockefeller, Chase Manhattan President.

The Brazilian bank, has 31 branches in the country's principal cities.

In connection with Chase Manhattan's participation, new subscriptions for capital stock will be made, after which Banco Lar will have a capital of 1,570,000,000 cruzeiros.

The Chase Manhattan Bank, New York, May 2 opened a representative's office in Madrid, Spain, at Calle de Alcala, 32.

Manuel I. Prado, who is in charge of the office, has been an Assistant Vice President in the international department at the Bank's head office and from 1957 to 1960 was Chase Manhattan representative in Caracas, Venezuela.

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First National City Bank, New York announced that George C. Scott, Senior Vice President, transferred from the National Division to the Overseas Division on May 1.

In his new assignment Mr. Scott will be associated with Walter B. Wriston, Executive Vice President, in the senior group coordinating the Bank's lending activities abroad and its relationship with the Export-Import Bank and other overseas financial agencies of the Government.

Mr. Scott joined the Bank in 1929. He has served in four of the Bank's major divisions, the Metropolitan, Overseas, National, and the Comptroller's Division where he worked with the Overseas Inspection staff.

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First National City Bank, New York has elected Edward L. Palmer a Senior Vice-President.

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Chemical Bank New York Trust Company, New York has elected Austin R. Zender to its Board of Directors, it was announced by Chairman Harold H. Helm.

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The new Lincoln Square Office of **Bankers Trust Company, New York** opened April 30. Located at Broadway and 66th Street, it will be Bankers Trust's 48th branch office.

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The directors of both **The Gramatan National Bank and Trust Co. of Bronxville, New York,** and **The County Trust Company of White Plains** have approved plans to merge the Gramatan Bank into County Trust, according to an announcement by William L. Butcher, Chairman, and John A. Kley, President of The County Trust Company, and Jackson Chambers, President of The Gramatan National Bank and Trust Company. Dates for stockholders' meetings to vote on the merger will be announced later.

Under the terms ratified by the banks' directors, the merger would be affected through the issue of 1.15 shares of The County Trust Company for each of the 75,000 shares of capital stock of The Gramatan Bank now outstanding.

The merger is subject to the approval of the stockholders of both institutions, the Superintendent of Banks of the State of New York and the Federal Reserve Board. The Gramatan Co., an affiliate of The Gramatan National Bank, will not become an affiliate of the County Trust Company. The Gramatan Bank had $16,000,000 in deposits as of December 31st.

Under the agreement, Jackson Chambers, who for the past 45 years has been the chief executive officer of The Gramatan Bank, will retire from active participation in the affairs of the Bank at the time of the merger, but will continue to serve on the Board of Directors of the combined institutions.

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Thomas J. Langan, Jr., Vice President and Mortgage Officer of The County Trust Company, has been named Officer in Charge of the Bank's mortgage department, replacing Charles H. Robinson, who retired April 30. Mr. Langan previously had been associated with the mortgage department and for three years had served as Officer in Charge of a special mortgage department in White Plains. From 1955 to 1961 he was in charge of the County Trust office at 4 South Division Street in Peekskill.

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First National Bank, Boston, Mass. has made N. John Girbau resident Vice President in New York.

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James A. Balkey was appointed Assistant Manager of the **Braddock Office of Western Pennsylvania National Bank, Pittsburgh, Pa.**

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The merger of **Easton National Bank of Maryland, Easton, Md.** with **Maryland National Bank, Baltimore 3, Md.** has been approved by the Comptroller of the Currency, to become effective at the close of business, May 4, according to a joint announcement by Hooper S. Miles, Chairman of the Board of Maryland National Bank, and J. McKenny Willis, Jr., President of Easton National Bank.

Mr. Willis will become a Director of Maryland National Bank and Chairman of the Advisory Board of Directors of the Easton Office. T. Hughlett Henry, Jr., will become Vice Chairman of the Easton Office Advisory Board and a member of the Trust Committee of Maryland National Bank. All other members of the Board of Directors of Easton National will become members of the Advisory Board of the Easton Office.

Easton National Bank stockholders will receive five shares of Maryland National Bank stock for each four shares of Easton National. Current statements of the two banks indicate that total resources of the merged bank will be in excess of $590,000,000 with capital funds exceeding $44,000,000.

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The Savings Deposit Bank and Trust Company, Elyria, Ohio. has converted into a national bank, under the title of **First National Bank of Elyria**, effective April 16.

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Homer J. Livingston, Chairman of the Board of **The First National Bank of Chicago, Ill.** announced plans to open a representative office in Tokyo. A European office was established in London in 1959.

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Mr. C. Edgar Johnson, Senior Vice President of **The First National Bank of Chicago, Ill.**, who completed 50 years on April 23, retired on April 30.

Mr. Johnson will be retained as a consultant for the bank.

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Empire State Bank, Kansas City, Missouri elected Charles Hipsch President and Chairman.

PUBLIC UTILITY SECURITIES

BY KENNETH HOLLISTER*

Texas Eastern Transmission Corporation

In the period of confusion and disorder that has existed in the natural gas industry in recent years most of the long distance transmission companies have directed at least a portion of their assets to activities that were not so closely regulated. Texas Eastern first acquired an oil and gas production subsidiary (subsequently a division) and then reconverted part of its pipeline for the transportation of petroleum products. More recently it has proposed building (in conjunction with Consolidation Coal Company) a coal pipeline of considerable length. Assuming construction of this facility the company will be a step closer to its goal of being a "Pipeliner of Energy."

Since the purchase of the Little Big Inch pipeline from the Federal Government in 1946 for $143 million, the Texas Eastern system has grown until it now has assets of $840 million. Transmission of natural gas remains the most important facet of the company's business, accounting for 80% of assets and 84% of consolidated revenues. As these sales are expected to increase over the coming years, natural gas is likely to remain the primary source of revenues and income. At the present time the oil pipeline and related operations comprise about 12%-13% of assets and contributes little to earnings, although it may provide some income, after charges, for the first time in 1962. The remaining 6% of the business is in oil production, exploration and refining. Little expansion is foreseen in this activity.

The natural gas pipeline extends from the Mexican border to the New York Metropolitan area and parts of southern New England. It is one of the largest pipeline systems in the country with an authorized daily delivery capacity of 2.5 billion cubic feet. In addition, extensive underground storage facilities are owned and operated to permit greater peak day deliveries during the heating season. Major markets for Texas Eastern gas are central Ohio, eastern Pennsylvania, New Jersey and New York. The four largest customers are the Consolidated Natural Gas System, Columbia Gas, Algonquin Gas Transmission (an affiliate) and United Gas Improvement Co. (serving Philadelphia). In total there are 72 contract customers, excluding special services. The company has filed an application with the Federal Power Commission to further enlarge the pipeline by 275 million cubic feet per day of which facilities for delivery of 168 million have been placed in service pursuant to temporary authorizations. Storage service is also to be increased this year.

Deliveries of petroleum products last year aggregated 61.6 million barrels, up from 49.8 million barrels the previous year. Construction of new terminal facilities both by shippers and the company auger well for further increases in use of the pipeline. In particular construction of larger LPG storage areas in Ohio should permit greater ultimate utilization of the line. A recent interconnection with the Buckeye Pipeline system has extended service into most of Ohio and Michigan which should enhance the company's long term earnings from this division.

Construction costs this year are estimated at $60 million for gas facilities and about $10 million for other operations. Cash generation will be aided by non-recurring refunds from pipeline suppliers and public financing may be limited to about $30 million, about one-half of which may be a convertible preferred. At the present time the capital structure of the company, aggregating $847 million, is fairly heavily leveraged consisting of 62% debt, 17% preferred stock and 21% common stock and surplus. Adjusted for full conversion of outstanding convertible preferreds the common stock and surplus would be 25% of total capitalization. The changing characteristics of the pipeline industry would seem to indicate the desirability of further increasing the equity ratio.

Interest in Texas Eastern has recently been concentrated on a proposed pipeline to carry a coal slurry (60% coal, 40% water) from West Virginia mines to electric generator boilers on the east coast. The project has perhaps been aided by a Presidential recommendation that such a pipeline be authorized to acquire right of way through condemnation proceedings. Until now the proposed line has been held up because of difficulty in crossing railroad owned lands. Assuming the line is built, it will cost approximately $160 million and deliver coal at about a 10% saving under the present delivered rail price.

In 1961 the company settled rate increase applications then pending before the Federal Power Commission. No rate actions currently are contemplated. Restated for this settlement and adjusted for the recent 2 for 1 stock split, earnings for the past several years are as follows:

	Earnings Per Share
*1961	$0.97
1960	1.03
1959	0.74
1958	0.92
1957	1.23

* Adjusted for full conversion 1961 per share earnings would be $0.92.

For 1962 earnings may increase a few cents per share but will also benefit from non-recurring income of 15 cents. Over the longer term prospects for a continuing growth at a moderate rate are good.

At the present price of 17 the shares sell at 17.5 times 1961 reported earnings and yield 4.7% on the recently increased 80 cent annual dividend. Where an above average yield combined with prospects for long term earnings growth is desired, this stock has merit as an addition to a diversified portfolio.

* Pinch-hitting for Owen Ely.

Form Alexander & Co.

WASHINGTON, D. C.—Alexander & Company has been formed with offices at 1028 Connecticut Ave., N. W., to engage in a securities business. Officers are Eric E. Hemming, President and Treasurer; Lila Hemming, Vice-President; and William T. Wirtner, Secretary.

Variable Securities

OAKLAND CITY, Ind.—Variable Securities Corp. has been formed to engage in a securities business. Officers are Cecil H. Gladish, President and Treasurer; John W. Allen, Vice President and Paul S. Carter, Secretary. Mail address is R. R. 3.

Mills Heads Ass'n Of NY Savs. Banks

Alfred S. Mills, President of The Bank for Savings, New York's

Alfred S. Mills

first mutual savings bank, has been elected President of the Savings Bank Association of New York State.

Kingdom Of Denmark Bonds Sold

A public offering of $20,000,000 Kingdom of Denmark 5¼% external loan bonds due May 1, 1977 is being made by an underwriting group managed by Kuhn, Loeb & Co. Inc., Smith Barney & Co., Inc., Harriman Ripley & Co., Inc., and Lazard Freres & Co., New York City. The bonds are priced at 97¾% and accrued interest, to yield 5.47%.

Principal of and interest on the bonds, which are direct, unconditional and general obligations of the Kingdom, are payable in United States currency.

The bonds are not callable for 10 years except through operation of the sinking fund. On and after May 1, 1972 the bonds are subject to optional redemption at prices ranging from 101% if redeemed before May 1, 1973 to par on and after May 1, 1976. The sinking fund will retire 100% of the issue by maturity by annual payments of $1,666,000 in the years 1966-1976 and $1,674,000 in 1977. The sinking fund redemption price is par.

Application will be made to list the bonds on the New York Stock Exchange.

Net proceeds received from the sale of the bonds will be added initially to Denmark's foreign exchange reserves. The Kingdom intends to use the proceeds, to a large extent, to finance part of the cost of electric power projects being carried out in Denmark.

Mountain Electronics Stock Offered

Public offering of 140,000 common shares of Mountain Electronics Co., Inc., at $3.50 per share is being made by Maltz, Greenwald & Co., New York City, Clayton Securities Corp., Boston, and associates.

Net proceeds will be used by the company to repurchase 160,000 of its outstanding shares from Mr. and Mrs. Henry L. Kohn; to repay loans, and increase working capital.

The company of 703 Bigley Ave., Charleston, W. Va., is engaged in the wholesale distribution of radios, television receivers and other consumer products, as well as an extensive line of electronic parts, components and equipment for sale to the service trade and to industrial users.

Howard Kahn Opens

LONG ISLAND CITY, N. Y.—Howard Kahn is engaging in a securities business from offices at 2150 33rd Road.

SECURITY SALESMAN'S CORNER

BY JOHN DUTTON

Selling Bonds to the Smaller Banks

The following suggestions are intended to present a guide to the general security salesman in his approach to commercial banks with total assets of from $10,000,000 to $150,000,000. Savings banks are not included in this discussion. The same principles hold true in servicing commercial bank accounts as with private individuals, as far as the sales policies are concerned. Enumerated briefly, these policies are:

Approach your client from the side of the desk where he is sitting. Every conscientious bank official who has the responsibility of managing a bond portfolio is pressed for time. Many bond salesmen call to see him, and telephone him repeatedly. The larger the bank, the more desirable the account, the more calls upon his time will be made. The salesman who respects this bank officer's need for accurate information, briefly dispensed, will be appreciated.

Every bank has a different problem. Some small banks have accentuated liquidity considerations which are the direct result of limited time deposits and a high proportion of demand deposits to capital funds, plus the status of their general earning assets. A heavy proportion of commercial loans, not too well distributed, due to factors necessitated by the bank's efforts to produce accelerated growth may make it mandatory that such banks lean heavier upon "riskless" securities, both as to quality and market stability. In such cases the only answer is a heavier reliance upon short-term U. S. Government paper, heavily weighted to maturities under one year and running no longer than into what are termed intermediates of two to three years. Other banks ranging in size from $20 million in assets upward to $50 or $75 million, also have these problems, as well as other particular investment needs, that can only be uncovered through an intelligent approach by the salesman. An analysis of the portfolio can be of constructive assistance to the bank officer as well as to the salesman, if during the first interview these problems are openly discussed.

For example, here are certain factors that should be clarified if a security salesman is going to help a bank officer select bonds that meet his requirements. What is the proportion of demand deposits to total capital funds? What is the proportion of demand deposits to short-term riskless investments in governments? Are there any periods when a bank may have a sudden influx of demand deposits and/or a period of sharp decline in these deposits that would distort conclusions regarding the liquidity needs of the bank? What is the ratio of time deposits to capital funds and also to demand deposits? What is the relationship of commercial loans to capital funds? Are there any particularly concentrated commercial loans that are of longer than normal maturity, or where amortization of such loans may be delayed or accelerated in the years these loans approach final repayment?

Finally we come to the portfolio: What is the relationship of "riskless" short-term governments to demand deposits; of longer-term treasuries (intermediates) to total deposits, and of corporate and tax exempt securities to time deposits. Conservatively it is recognized that no commercial bank should look upon its bond portfolio wherein maturities of issues that are classifed as general reserves **against time deposits**, should ever have to be sold to meet problems of liquidity. In other words, no longer-term municipal or corporate security should ever be bought with the idea of selling it before maturity. All needs for liquidity should be provided for by primary and secondary investments in cash, governments, consisting of U. S. Treasury obligations, quasi-risk investments such as Federal Agency issues, and public housing authority obligations. Risk investments consisting of State and local general obligations, tax-exempt authority or revenue obligations, railroad trust equipments and corporate bonds make up the general reserve of a Commercial Bank's portfolio.

Regarding tax-exempts, naturally a very small bank, where taxable income is either under $25,000 or over $25,000, (before non-recurring profits or losses) the Federal normal tax rate of 30% is applicable. On all such fully taxable income in excess of $25,000 there is a 22% surtax in addition, making a total combined rate of 52%. An individual bank may, therefore, be in the 30% bracket on fully taxable income of 0—$25,000, and marginally ($25,000 to about $40,000), but well within the 52% bracket on $40,000 or more.

The portfolio manager of a Commercial Bank in the 30% bracket has nothing to gain by investing in tax-exempts but the situation is entirely changed when the 52% tax rate is charged against operating earnings. The following illustration is pertinent:

	—Tax Bracket—	
Inc. on $100,000 at 4%	30%	52%
Pretax income	$4,000	$4,000
Tax liability	1,200	2,080
Net return	$2,800	$1,920
*Tax return	$2,750	$2,750
Advantage over 10 yrs.	—$500	+$8,300

*On 2¾% municipal bonds.

Stagger Maturities

Since bond markets are unpredictable over the longer-term and subjected to forecasting impossibility with any assurance of accuracy, the bond portfolio should consist of staggered maturities which run off at, or in nearly equal amounts, each year. This affords management the opportunity of reinvesting available funds at rates that will strike an average of the bond market over a period of years; rather than necessitating the reinvestment of large amounts of funds during any one period when the market may be abnormally high.

The bond man who desires to solicit and service the accounts of commercial banks should acquaint himself with the many excellent books that have been written on this subject; also the *Federal Reserve Bulletin*, and such articles as appear in the *Commercial and Financial Chronicle* by recognized authorities on the bond and money markets. The municipal bond market covered every week by Mr. Donald D. Mackey, entitled the "Tax Exempt Bond Market," and the column "Our Reporter on Governments" by John T. Chippendale Jr. have been especially helpful to me in quickly obtaining current information that I could not as readily secure anywhere else. It also saves my time and is written for the general lay reader, and securities salesman, who desires to be of helpful service to his bank clientele; whether it is composed of large or small commercial banks, and also other institutional investors.

Trade With Japan Rests On Economic Grounds

By Philip H. Trezise,* *Deputy Assistant Secretary of State for Economic Affairs, Department of State, Washington, D. C.*

Strong brief by governmental official for trading with Japan emphasizes that this trade is not "another kind of foreign aid." Even if the cold war tensions subsided, Mr. Trezise points out, trade with Japan would exist independently of any political requirements in view of its economic benefits to us. Japan's phenomenal postwar economic growth is reviewed, and its potential for further economic growth is stressed, particularly for those unappreciative of the Japanese market's dimensions for American goods and of the fact that Japan cannot buy our goods unless it earns dollars. In tracing the stimulative beneficial effects, Mr. Trezise does not gloss over the problems bound to be caused by competition and the need to provide adjustment assistance required.

I

The subject I intend to discuss is that of trade between the United States and Japan more particularly and why such trade exists. This is a moderately controversial topic to which I hope I can contribute some light, without heat.

Philip Trezise

II

Probably the most common and most widely accepted justification for trading with Japan is that otherwise Japan might take a neutralist or leftist course or enter into a political accommodation with the Chinese Communists and the Soviet Union.

I believe that this line of argument, although it is necessarily oversimplified, is essentially correct. There is undoubtedly a close causal connection between the state of Japan's external trade and the country's domestic political well-being. One can see readily how a serious blow to trade could lead through a chain of events to a political disaster for the free world in Northeast Asia. Since the United States occupies so dominant a place in Japan's total trade picture, our policies are particularly relevant here. We would be shortsighted indeed if we failed to give due account to this factor in United States-Japanese relations.

Trade Is Not Another Form of Foreign Aid

At the same time, the trade-in-order-to-keep-Japan-on-our-side argument is only a part of the story. In some respects it is a troublesome one. In thus focusing on political considerations, we tend to agree with the proposition that trade is a kind of unavoidable evil. We seem to say that we provide access to our market, reluctantly, as one of the prices for sustaining our political position in the world. Trade becomes another kind of foreign economic aid, closely related to the tensions of the cold war. If those tensions ever were relaxed, presumably we would consider it reasonable and desirable to reduce or abandon some parts of our foreign commerce.

In fact, the political case for trade, although it is certainly not inaccurate or irrelevant, need not stand alone. I think that it is demonstrable that our trade with Japan would exist independently of any political requirements. It would do so because it makes the United States more prosperous, because it creates jobs and wealth, and because it coincides with our interest in promoting our own economic well-being. All of us benefit in one fashion or another from international trade. This applies just as much to trade with Japan as to trade with any other of our commercial partners abroad.

III

Japan's Postwar Growth

In examining our trade with Japan, it is useful to consider what has happened to the Japanese economy in recent years and what the prospects for the future may be. Experience tells us that the volume of our foreign commerce varies directly with the level of economic achievement of other nations. Trade between the industrialized and richer countries is far greater than trade between rich and poor countries or among the poorer countries themselves.

Japan, for the past decade, has been in the process of growing richer at a more rapid pace, probably, than any other country in the world.

It is seldom recalled nowadays that when World War II ended, Japan was as nearly prostrate as a modern industrial nation could be. Its great cities were in ruins; its industries were shattered; the Empire was lost. There was even reason to believe that the very bonds that hold a society together might have been weakened beyond repair. The outlook, at the most optimistic, was for a full generation of hardship, while the Japanese people painfully rebuilt and reorganized their shattered country.

This bleak and despairing prospect lasted only briefly. Within five years after the surrender, it had become clear that Japan could hope to earn its own way in the world. In the 1950's, this hope was more than realized. During this decade, the Japanese people, without Empire or colonies, with unusually scanty domestic natural resources, and without extraordinary foreign aid, built a new economy far more bountiful than any Japan had ever had in the past and one that was expanding at a rate rarely if ever matched under similar conditions anywhere.

Recently the Government of Japan estimated that gross national product for the fiscal year ending April 1 will have grown 10% in real terms over the previous year. The growth rate last year, in turn, was more than 13% and in the year before that nearly 18%. These rates of expansion, under conditions of comparative price stability, and coming after a full decade in which average annual growth rates were in the area of 9%, can only be called phenomenal.

Some of the specific details of the Japanese accomplishments are equally remarkable. In 1950, the Japanese iron and steel industry, which as you know is heavily dependent upon imports of raw materials, produced 4.8 million tons of crude steel. By 1960 this figure was 22.3 million tons. In calendar year 1961 it passed 28 million tons and Japan became the fourth greatest steel producer in the world with only the United States, the Soviet Union, and the Federal Republic of Germany ahead of it.

Another Japanese industry almost completely dependent upon imports for its raw materials is the petroleum refining industry. At the beginning of the last decade, Japan's refining capacity was about 69,000 barrels per day. By 1960 capacity was up more than nine times to 640,000 barrels per day and imports of crude oil, incidentally, were up more than 15 times over 1950.

Consumption of electric power increased by 150% during the 1950's. Textile production, most of it for domestic use, grew by 280%. Whole new industries came into being, as for example, in petrochemicals and in electronics.

Japan was suddenly projected into the durable consumer goods age. Television became a major industry and Japanese consumers bought more television sets than any people outside of the United States and the United Kingdom. Electrical appliances — refrigerators, washing machines, even dishwashers—found an important place in the consumption pattern. Ownership of an automobile, while still uncommon enough, is sufficiently general as to make it an open question whether Japanese cities in their present form can survive.

Capping everything else, and what is seldom remarked upon, the Japanese farmer began producing rice in quantities that now make Japan mainly self-sufficient in this basic cereal grain. This accomplishment, in a land of small farms and in the face of a shrinking farm area, is possibly the most startling of all. It reflects, of course, the possibilities inherent in the application of modern technology to small farm agriculture. The lesson in it for Asia and Africa may well be a revolutionary one.

Credits General MacArthur

Looking back on the postwar period, the wisdom of our occupation policies is more than ever apparent. The occupation under General MacArthur set the stage for Japanese rehabilitation and growth. Where it could have easily restrained or prevented Japanese progress, it fostered and furthered the possibilities for growth and development.

But neither occupation policies nor postwar American economic assistance provided the essential expansive force. The achievement was a Japanese achievement. Its basic ingredients were, I think, hard work, a pattern of frugality in the Japanese community, a general receptivity to change, and an extraordinarily adventuresome business leadership.

I find the story of postwar Japan a very exciting one in itself. The recovery and growth of Japan under democratic institutions bears out better than anyone could have expected our belief that freedom and economic progress are compatible phenomena.

However, my point now is that the ingredients which have made for Japan's performance are still there. So far as one can see, the potential for economic growth has not been exhausted. Unless external factors come into play, the supposition must be that the Japanese economy will continue to expand at a rapid pace for some years to come. This implies a big and a steadily expanding market for somebody's exports.

If the past is any guide, we should have a prominent, probably a dominent, place in that market. We sell Japan about a third of all her imports and this proportion reflects advantages that we should on the whole be able to maintain.

Japanese Market's Dimensions

The dimensions of the Japanese market are not always fully appreciated in the United States. In calendar 1961, we sold to Japan about 1.7 billion dollars worth of commodities. Japan was far and away our largest customer, next to Canada. The data are incomplete, but it seems that after Japan our next largest foreign customer was the United Kingdom which purchased from us goods worth about 1.2 billion dollars.

Within the 1.7 billion dollar figure are some notable individual items. For example, we seem to have sold Japan upwards of 250 million dollars worth of raw cotton, about 100 million dollars worth of soy beans, and 65 million dollars in wheat and other grains. Our coal mines found a market for five million tons of coking coal in the booming Japan steel industry. Our exporters of iron and steel scrap sold to Japanese mills more than 200 million dollars worth of raw material. Machinery exports to Japan ran in excess of 150 million dollars.

1961 was a boom year in Japan, one in which our exports to Japan exceeded our imports from Japan by some 700 million dollars. This level of export surplus was extraordinary, but we do customarily run a favorable trade balance with Japan and the long run curve for our export trade has been consistently upward. During the 1950's, our exports to Japan grew from 416 million to 1.3 billion, or almost 220%. For a comparison, our sales to the most rapidly growing part of Western Europe, the countries now organized in the Common Market, rose from 1.6 billion to 3.4 billion or about 110%.

Outlook for U. S. Goods

The outlook, then, is that Japan will grow as a market for American goods. This will be true for raw materials, for agricultural products, and for industrial producers' goods. It will be increasingly the case also, for a broad range of consumer manufactures and luxury items. As personal incomes rise in Japan, and as restrictions on imports are removed, opportunities for sales of such items as cameras, toys, textiles, and leather and plastic goods—I select these examples advisedly—will increase. I would not wish to exaggerate the immediate prospects, or to understate the advantages that Japanese producers will continue to enjoy in their own market, but I would observe that there is already widespread concern in Japan over the prospective influx of "cheap" American consumer goods. The point, of course, is that even in categories where Japan has in a broad sense a substantial comparative advantage, individual American products will or can be highly competitive.

At all events, any sensible concern for our export trade and for our balance of payments means that we must attend to the Japanese market. Only a policy intended to hurt ourselves would justify measures that would serve to reduce our trade or to diminish our access to the booming and expanding economy of Japan.

IV

Japan Must Earn Dollars for Dollar Imports

Now, of course, if we could go along increasing our sales of goods to Japan, while the Japanese refrained from trying to sell to us, we would have what some people would consider the best of all possible situations. But as the world happens to be constructed, Japan cannot hope to finance its imports in anything like their present volume, to say nothing of a higher future volume, unless it has substantial dollar earnings from sales to the United States.

This is not a matter of crude bilateralism. The American market is so large a part of the world market and Japanese production and trade patterns are of such a character that Japan must continue to look on this country as its largest single customer. If, for any reason, Japan's ability to sell in the United States were to be markedly diminished, the adjustment process would involve a sharp decline in domestic business activity in Japan and, in sequence, a reduction of purchases from abroad, including purchases from the United States.

In short, if we are to sell to Japan we must also buy from Japan. This is a fact of international trade that seems sometimes to sit badly with us. I wonder, however, if it is really as onerous as is sometimes suggested. The proposition that imports are a burden is true in the same sense that the grocery bill is a burden. Still, despite the pain of paying the grocery bill, we find it desirable to have the groceries.

The same thing can be said of imports, including imports from Japan. The American consumer, who is not the most vocal element in our society, has registered his approval of Japan's sales to us with his pocketbook vote, and the volume of our purchases from Japan has increased fairly steadily.

Stimulative Effects of Competition

Furthermore, some imports from Japan have had an evident stimulating effect on U. S. industry and consequently upon the employment of American labor. Postwar Japan has been responsible for a number of innovations which deserve more attention than they have received in this country. Let me cite a few cases.

In the optical field, for instance, Japanese manufacturers have offered us a whole range of fine quality equipment, some of it reflecting highly ingenious improvements on what had existed before.

Has it been a bad thing for our camera addicts that the Japanese industry has offered them cameras, highly competitive with the better European products and with those of our own industry? One would judge that the customers do not think so, for Japanese cameras have had steadily increasing acceptance in this country. Moreover, it seems obvious, that the impact of Japanese cameras has been to give impetus to sales of photographic film and to domestic employment in the film producing and in the film processing industries. In a dynamic society, nothing stands still. Imports can displace domestic production temporarily and locally but they can also lead through a chain of actions to the expansion of domestic industry.

It would be an interesting bit of analysis to examine in detail the effect on the American housebuilding industry, or better still upon the do-it-yourself industry, of commodities such as hardwood, plywood and ceramic tile from Japan. The effect on housing costs, from the consumer's point of view, has surely been favorable. The result almost certainly has been to widen the market and to increase employment in the building trades and in a variety of other activities.

A most impressive case has been the small transistor radio. If I am correctly informed, this product was in the first instance a Japanese innovation, although it was based on technology developed in the United States and licensed to Japanese companies. The astonishing rise in Japanese sales of this item in the United States within a brief period suggests very strongly that the American market was created by the product. This having happened, however, our own industry responded by developing a competitive product. During the first half of 1961, Japanese exports of transistor radios were off by half a million units as against the same period in 1960. During the same period, factory shipments from U. S. firms of directly competitive radios increased by more than a million units. Here there seems to have been an almost classic case of the kind of competitive response that we associate with an enterprise system, and from which we have obtained a new, widely sold product and new jobs as well.

One could run through many more commodities imported from Japan and argue that the American consumer, and often related American industries, have been the gainers for imports. We need not think of our purchases from Japan as acts of political necessity, or even as the unavoidable means of sustaining our exports. Imports are part of a desirable process in which we get from a highly productive and increasingly inventive industrial economy in Japan a great many useful things which make our lives more comfortable and our economy stronger.

Inevitable Problems of Competition

It would be naive, of course, to think, because we gain as a nation from trade, that there are no specific problems in our commercial relations with Japan. I believe that I encountered most of them over a period of four years. I can assure you that they are frequent and difficult.

Basically, I suppose, import competition, from Japan or anywhere else, is looked upon as quantitatively and qualitatively different from ordinary competition. American producers are no different in this respect than other producers, including Japanese producers. Given this universal attitude, we have to recognize that imports, particularly when their impact is concentrated on one industrial sector or a few communities, appear to be an unfair and unreasonable intrusion. Nobody can blame a worker for being aggrieved if he feels that he has been displaced from his job by a product from abroad. Nor can we fail to sympathize with a businessman who finds his sales and profits slipping away in the face of import competition. As a community, we can at least provide in common for assistance where workers, firms, or industries which have enjoyed protection from imports have been injured after that protection has been reduced.

Adjustment Assistance

This is what the President is proposing in the adjustment assistance provisions of the new trade legislation that is being sent forward to the Congress. For the first time in the history of our tariff legislation, the Executive Branch is proposing that we try to deal with the local impact of imports on the basis that the community as a whole has an obligation to assist those who may have been affected by actions taken on behalf of the whole community. We are overdue for such a reform.

Apart from this item of elementary justice that is included in the bill, the new trade legislation promises to focus the country's attention on our import and export business as never before. We can hope that the great debate now shaping up will bring forth a trade policy law suited to the times. Let us also hope that the debate will enlighten and educate us about our interests in trade with other nations. As we come to understand the issues better, most of our unfounded fears, I think, will fall away. The idea will gain more acceptance that in buying — as well as selling — abroad we enrich rather than harm ourselves. Nothing, I think, could do more to smooth over the difficulties and frictions in our trade with Japan than a wider public understanding of this not very revolutionary proposition.

*An address by Mr. Trezise before The Japan Society, Inc., New York City.

Financial Publicists and The S. E. C.'s Complaints

By Weston Smith, President, Weston Smith Associates, New York City*

Experienced financial publicist calls upon his colleagues to "clean house" against the few unethical practitioners in the business before the SEC subjects the trade to a host of unnecessary regulations and restrictions. Mr. Smith commends the application of the Public Relations Society of America's existing code of practices against those few charlatans or quacks who conduct themselves unethically. He explains what must be done to prevent misuse of finacial publicity involving new issue registrations, proxy contents, and acceptance of options or warrants of a client's stock. Otherwise, he warns, all agents, publicists and counsellors who distribute financial news and do financial community liaison will be subjected to Federal control.

Public relations firms and particularly those of us who handle financial publicity, are in a period of grave confusion. As either the directors of public relations for a corporation, or financial publicists, retained as consultants to disseminate financial news for our clients, we are damned if we do and damned if we don't.

Weston Smith

The misuse of financial publicity, particularly during the period of registration of a new offering of securities, may be due in part to the ignorance of the publicists, or it could be a deliberate attempt by an unethical practitioner to boost the price of a "hot issue."

Perhaps, too many Broadway press agents and Madison Avenue public relations consultants have reached beyond their depth in their efforts to handle financial publicity. These publicists may be capable of building up a movie star, broadening a corporate image and promoting a product or service, but they fall flat when they move south of Wall Street.

Ignorance of the law is no excuse, but amateurs must learn the game and its rules before they become professionals. Thus, I would defend to the death any press agent, publicist or public relations practitioner who is trying to operate on a high ethical plane of integrity. By the same token, I would be the first to condemn anyone guilty of employing the legitimate techniques of public relations to deceive, defraud or cheat the investing public.

A great many of us have been concerned by the recent articles in New York newspapers bearing such captions as "Publicity Men in Market to Get SEC Once-Over"; "SEC Target: Gun-Jumping Publicity"; "SEC Seeks Data on Publicity"; "SEC Examines Role of Publicity Concerns in Hot Issue Stock Prices and Proxy Fights"; and "SEC Seeks Publicity Releases Concerning Offerings of Stock."

Thus far, it appears that the SEC study is limited to new offerings in registration, or if the *so-called* public relations firms, their officers or employees, have accepted options on stock, warrants to buy the shares at a price at some future date, or have taken advantage of advance information and bought a stock prior to the offering, or before the publication of what is considered as "good news."

The press comments indicate that the SEC investigation is restricted to unethical practice of public relations in general, and financial publicity in particular. No qualified financial publicists with any experience in Wall Street, would distribute any news release for a client during the period of registration, *except* such normal developments as the annual report, the shareholders' annual meeting, the quarterly earnings and dividend notices. Any dreamed-up publicity stunts or out-of-the-ordinary press releases are taboo during registration, and the ethical professional financial publicist knows it. In his best judgment, he would caution and then prevent his client from issuing a press release with the deliberate intent and purpose of bulling the stock.

Finds Number Small

With my background, and 20 years experience as a financial editor and director of the Annual Report Surveys and Awards, I feel amply qualified to state that the number of publicists involved in unlawful practice in handling financial publicity is very small. The vast majority of experienced public relations consultants conduct an ethical practice, and if any of these have been involved in wrong doing it is through ignorance, OR the public relations counsel has been deceived or misled by his client, who also could be ignorant of the law and the regulations set forth in the SEC Act of 1933.

When Options Or Warrants Are Above Board

So far as the acceptance of options or warrants to buy a client's stock are concerned, there is nothing in the law to prevent such an action by any public relations counsel, press agent or financial publicist. *But,* such options and warrants must be properly explained, first in the prospectus if the client's shares are in registration; and then in either the proxy statement or in the footnotes to the financial statements in the annual report.

In this connection, the SEC has never considered publicity firms as participants in proxy fights. The same applies to lawyers and independent public accountants, but the SEC notes that it does have the power to require publicity firms, attorneys and accountants to file a 14-B form, disclosing their financial interests in the corporation involved in a proxy fight. However, there have been so few requests to publicity firms to file form 14-B, that it has almost been forgotten.

Here, again, only a very few public relations counsel firms, and certainly no Broadway press agents, are involved in proxy fights. Thus, the big majority of ethical practitioners would never come in for criticism for their part in proxy contests. There are just a handful of public relations firms handling proxy work: Georgeson, Dudley King, Kissel, Squires and a couple of others, and I find that they know this highly specialized business. And, as they are engaged in a good many proxy contests every year, I doubt that they would risk their own money in any of the fights.

SEC's Bombshell

To this point, the ethical public relations counsel had no reason to be concerned, but on March 7, 1962, the following letter was sent to a "selected" list of publicity firms from the New York Office of the SEC, signed by Llewellyn P. Young, Regional Administrator; and Ezra Weiss, Chief of the Bureau of Interpretation and Small Issues: "This office is interested in receiving copies of publicity or information releases prepared by representatives firms in the public relations field for distribution to the press, with respect to offerings of securities as to which, at the time of the release, registration statements under the Securities Act of 1933 have been filed or had recently become effective.

"It would accordingly be appreciated if you would forward copies of any such releases which you have prepared or released during the past six months. Your early cooperation will be appreciated."

This was the bombshell. The financial publicists who received this letter were quite upset—but those who did not get it were even more upset. So far as can be determined, this SEC letter was sent to a *random* selection of publicity firms — it was not a carefully stratified selection, according to sizes of firms, or by geographical location. Nor, was the letter sent only to publicists which had been involved in publicizing new offerings. The letter also was received by publicity firms, which had no clients involved in new financing.

Discussions with both financial leaders and lawyers reveals that this letter was in no way a *demand* for sample material, such as news releases and fact sheets. It is simply a courteous request for cooperation, and no publicist receiving this letter need reply or send any material to the SEC. It could be assumed that any firm ignoring this request might be considered as suspect, or perhaps afraid to submit material that could be questioned. It is doubted that the SEC will take any action against any public relations firm not acknowledging the letter or supplying printed matter.

There is nothing in the Securities & Exchange Act of 1933 on public relations counsel, press agents or financial publicists, their conduct, requirements or regulation. One section of the law states, briefly, that any person utilizing publicity with intent to defraud will be subject to prosecution. But the same implication is included in the various State Blue Sky Laws and statutes other than the Securities & Exchange Act of 1933. Thus, as long as the publicist has no intent or purpose to defraud, he is operating within the letter of the law and should have no fear of the SEC or Attorney General.

However, here is the important exception — the trap into which some innocent public relations counsel have fallen and may fall into in the future. The publicist, as the agent of the client corporation, can be a party to a fraud and equally liable to prosecution with the officers, if they ordered him to distribute a *false* news release with the intent to encourage buying of the company's stock. If the publicist's firm, its officers or personnel, know that the press release is based on false information, and the management of the company in question insists on its publication, they had better resign the account, rather than be a party to a fraudulent action.

Of course, in some of the wild bull markets of recent years, a few of the unethical press agents have been involved in spreading rumors to bull the client company's shares. Among the tricks of this trade are false reports of merger negotiations, dividend increases, stock splits and management changes. These announcements were sooner or later denied by the managements of one or both of the companies supposed to be merging; while the predictions of increased dividends or stock splits were overlooked or forgotten.

What the SEC May Do

What are we planning to do about the few charlatans and quacks in our business? If we do not find a way to curb the activities of the market-riggers, the false rumor - spreaders and the fast-buck option-takers, the SEC may well move to have the Act revised to require the registration of all press agents, financial publicists and public relations counsellors who distribute financial news and handle financial community liaison. After all, the brokers, dealers and investment advisors are registered with the SEC for the protection of the investing public.

But do we in public relations want to be registered with the SEC, and subject to a variety of regulations and restrictions, most of which would be aimed at the few unethical practitioners. I say, "NO." We do not want or need any form of governmental supervision. Recent New Frontier attacks on business morality, in reality, may be an attempt to extend Federal control over industry and finance. If there is unethical or immoral conduct in our business, let us clean our own house, and not be goaded into doing it by an agency of the National Government.

The Public Relations Society of America, of which I was the first president of the New York Chapter following its organization, has an excellent "Declaration of Principles," and a rather complete "Code of Professional Standards for the Practice of Public Relations" with an up-lifting Preamble and 16 provisions, which include all possible infractions. It favors "full disclosure of the facts" and "good conduct in all respects" and Section VII has this to say: "A member shall not intentionally disseminate false or misleading information, and is obligated to use ordinary care to avoid disseminations of false or misleading information."

Perhaps many detest, as I do, the designation of *"Press Agent,"* and would prefer "publicist" or "public relations counsel," but we must agree that the techniques and practices of handling publicity came down to us from the theatrical press agents and exploitation promoters who too often resorted to stunts and outright falsehoods to gain headlines and items in the columns for movie stars. You do not have to go too far back in the newspaper morgues to find false reports of kidnappings, jewel robberies, shattered romances, divorce cases and sudden illnesses of stars in soon-to-be released feature motion pictures.

I say that for we who practice public relations in the best interests of our clients, whether they be personalities, industrial corporations, trade associations or governments, honesty is the best policy. My prime purpose in discussing this topic was to do some public relations for public relations. If each one of us, who have an established record of sound and highly ethical practice, would take a little time from our busy schedules to do the same, we would not have to worry about possible SEC registration and regulation.

*From a talk by Mr. Smith before the Publicity Club of Boston, April 4, 1962.

R. A. Hennig Joins Cruttenden, Podesta

(Special to THE FINANCIAL CHRONICLE)

SAN FRANCISCO, Calif.—Richard A. Hennig has become connected with Cruttenden, Podesta & Miller, Russ Building. Mr. Hennig was formerly in the trading department of Walter C. Gorey Co. and prior thereto was with Brush, Slocumb & Co., Inc. and First California Company.

Removing Commercial Bank Savings Deposit Ceilings

By Gaylord A. Freeman, Jr.,* *Vice-Chairman of the Board, The First National Bank of Chicago*

In his introductory remarks to a panel discussion dealing with the "interest rate wrangle," Mr. Freeman asserts the Federal Reserve sets the rate because of its ceiling rate policy. The Chicago banker suggests the removal of ceiling rates so as to allow interest rates to find their own area-wide competitive level. The existence of a maximum standard is said to pressure competitors to go to that specific rate accorded an implied Federal Reserve approval. Mr. Freeman concurs with the CED's Commission on Money and Credit recommendation to convert the present power over interest on savings by commercial banks into a standby authority rather than continuous regulation. Questions are raised as to whether present policy serves the public interest; whether "bankers are so unwise or have so little judgment" that they must be regulated; and whether banks have been protected from competition — or, merely prohibited from competing.

I

The Conflict

Our subject, "Reflections on the Savings Interest Rate Situation," is a very difficult one—difficult because it presents an embarrassing conflict which we might prefer to sugarcoat or hide entirely, that agonizing conflict between what we believe in (or what we say we believe in) and what we really want.

G. A. Freeman, Jr.

Yes, we say — we the bankers particularly say—that we believe in freedom, that is our great goal in the world conflict, freedom. Its highest expression in the economic area of our society is free competition, and we are devoted to it. Each of us throughout the country has said times without number, at the dinner table, to our bridge groups, to the local Chamber of Commerce, Kiwanis and Optimists, Elks, Knights of Columbus or Masonic Lodge, as well as to our communities at the Fourth of July or Armistice meetings, that the basis of our free society is free and unrestricted competition.

And we believe it when we say it. It is true.

But do we really want to face it in our own business—or "is our business different?"

Our business may be different; but in respect of this schizophrenic dichotomy between belief in free competition and our desire to avoid it, we are really representative of virtually all businessmen. Competition imposes a severe discipline — for despite the relative ease of the immediate postwar period, ours is not the "profit" system. It is the "profit and loss" system — a system in which failure is as strong a counterpart of success as death is of life. Success can be guaranteed only in a society (or an industry) which has sacrificed freedom.

We know this well enough; and even as we wish for "the best of both possible worlds," we recognize, as does the rest of American business, that we must pay the price that freedom demands—we must meet competition.

Still, we repeat, "banking is different"; and in a sense it is. For, unlike most of other businesses, profits are not our first goal. They are second. Safety is our first.

But is this fundamentally different from other business? Is not safety, solvency, survival first in the minds of the managers of virtually every other business? If we are in business for 20, 50, or 100 years—and practically all large businesses hope to be—survival or safety must come first.

Yet safety alone is not enough for them—or for us. Our stockholders did not invest merely to be able to regain their initial investment—and they will not commend us if that is all we achieve. Like the heads of other businesses, we hired managers who owe to our stockholders survival and profits. Perhaps in the case of most other businesses, the first goal is taken for granted. In ours, it must be recognized as preeminent.

II

Should the Rate We Pay Be Regulated?

"Yes," we persist, "but our business is different." That is perhaps the most important question that we should examine. Does the public interest in sound banking warrant some limitation on free competition in interest rates payable by commercial banks?

The argument in favor of some limitation might be expressed as follows:

(1) The public has an interest in preventing any action which would lead to the failure of the banks.

(2) If not limited by regulation, the banks would engage in such intense competition that many would fail.

(3) Therefore, rate competition must be regulated.

Let us consider the two premises of that syllogism.

The Public Interest?

First, does the public have such an interest in sound banking as to warrant a prohibition of free competition in interest rates payable by commercial banks?

The traditional answer is "yes" and the reason given is that the public has an interest in:

(a) the preservation of safety of deposits.

(b) The maintenance of the payments' mechanism.

This is true enough, but is the public interest in the banks so unique that they must be protected from free price competition which we not only permit but insist upon for other businesses (and, indeed, in other aspects of commercial banking)?

Let us take what might be fairly typical in many small towns: a community with one bank and a relatively large plant, say a canning plant or lumber mill or a flour mill, which purchases a large part of the product of the surrounding area. Which would be more serious to that community — the failure of the bank or the failure of the canning factory?

Credit Losses. If the bank failed, all of its small creditors (those with deposits under $10,000) would be paid in full (by the FDIC). If the plant failed, all creditors might lose much of what was owing to them. In both cases, the stockholders would suffer.

Inconvenience. If the bank failed, the public might have to go to the next town to get the check cashing, depositing, and lending services which they need. If the canning plant failed, the local farmers would have to go to the next town to sell their product.

Unemployment. If the bank failed, perhaps 10 people would be laid off. If the plant failed, perhaps 100 employees would be laid off.

We have perhaps assumed an extreme case. It might be more plausible to assume that there are two banks and that only one failed, for if there were no local competition, it is unlikely that a bank would raise its rate to a level that would lead to failure. In the event that only one of the two banks failed, the real loss to the community would be the loss suffered by the stockholders, the loss of employment to the employees, and the loss suffered by those few depositors who had in excess of $10,000—a real blow to the community, but perhaps less severe than in the case of the failure of the mill.

Clearly, the public has some interest in preventing the failure of either type of business. But does it have so much greater interest in preventing the failure of the bank that it should fix the price which the bank can pay, but rely on free competition in the case of the plant? Or is the real public interest only in preventing the failure of any substantial number of banks?

Perhaps we bankers should give more thought to these questions and their implications.

Bankers' Weaknesses Under Competitive Pressure?

We might also want to look at the second premise. Do we believe that bankers are so unwise or have so little judgment that they cannot be trusted to pay a "reasonable" rate? Does our past action or reputation suggest an extravagant or spendthrift tendency?

Have we shown a propensity when faced with competition for help to pay wages or salaries at unnecessarily high levels?

Are we so intensely competitive that to get loans we charge interest rates at improvidently low levels?

Do we render services without charging adequate fees?

Have we been extravagant in building too elaborate banking houses or squandered excessive sums in advertising?

Does anyone suggest that our improvident expenditures in any of these aspects have led us to become reckless in our lending?

Do you or I urge that levels of such expenditures should be limited by law, that our salaries, advertising appropriations, investments or expenditures for our quarters or furniture be fixed by statute? I think not.

It is, of course, true that supervisors do look at these expenditures and comment in their reports on any that might seem excessive. But they could not do the same as to excessive rates of interest paid on savings, even in the absence of Regulation Q.

Why, then, should the interest rate be regulated?

These are some of the questions to which we seek the answers, not in the expectation of reaching any general accord, for it isn't a matter of pure philosophy as my questions may seem to imply. It is a hard, practical matter of our earnings and stockholder attitudes. Those of us who, like me, are associated with a bank that has a substantial portion of its deposits in savings and which has raised its rates to the maximum are faced with a very substantial increase in costs. An increase in the rate of interest on our loans of perhaps half a percentage point or so would provide an offset, but that has not yet occurred. By the end of this month a quarter of the year will have passed. Can we raise our income in the next three quarters sufficiently to offset our higher cost for the four quarters? Will we be under pressure to invest in assets which heretofore we were unwilling to take? Will we seek longer term loans, more real estate loans, more medium and long-term municipal bonds—all desirable assets to be sure, but less liquid than those securities from which we have been content to take smaller yields in the past? If we are not willing to sacrifice some liquidity, is there any way we can prevent our earnings from going down in a year when most other business is enjoying increasing earnings? Will the much-heralded interest in bank stocks be short-lived?

Cause of Past Bank Failures

Is there evidence that competition in rates paid for savings was in fact an important contributing cause of bank failures in the depression or some prior period?

Certainly, Regulation Q came into effect as a recognition of the fact that excessive competition for deposits had led many banks to invest in high-yield bonds of low quality.[1] But the abuse may have stemmed from competition for demand deposits and public funds more than savings, for banks were paying an average of 2.35% interest on demand deposits and 2.69% on public funds. The savings interest rate was 3.96,[2] a higher rate it is true, but on a smaller portion of total deposits.

Can we accept the implication that if our price is fixed we will then prosper? This might possibly be so if we commercial banks were the only institutions competing for savings. But obviously this is not the case. Government bonds and corporate securities, insurance, the stock market, mutual funds, credit unions, and, of course, the mutual savings banks, and savings and loan associations have been the real beneficiaries of our interest rate limitations.

We have not been protected from competition — merely prohibited from competing. Since 1945 when we commercial banks had 80.2% of the combined savings in insured commercial banks and savings and loan associations, our share has dropped every year until at the end of 1960 we had approximately only 52.1%.

A case can be made for regulation, but one can also be made against it.

The other question is: If we are to have regulation, what kind should it be?

III

What Kind of Regulation?

It is my impression that last fall, before the Federal Reserve action on Dec. 1, the majority of the banks in the big cities were paying the maximum rate permitted, 3%. With the increase in the authorized rate, most of these banks have now raised their rate to the new maximum.

Almost all large banks in the largest cities have raised their rates and have raised them all the way. I don't know of any bank that raised to 3⅛% or 3¼%, or anything short of 3½%. Nor do I know of any that aren't paying 4% on one-year money, either in regular savings accounts or in certificates.

That is interesting, too, because these same banks are all issuing certificates of deposit to corporations. Because such time deposits evidenced by certificates come in large amounts, they are cheaper to handle. It is easier to change the rate from day to day on such certificates; and the bank, which accepts them, knows just how long they will be with it and hence can invest the funds accordingly. Also, the certificates of deposit customer is usually a large customer with other profitable bank business. Thus, there would be some reason to prefer such deposits to savings. Yet we don't pay as much for them. Indeed, the going rate for one-year c.d.'s is 3½% as against 4% paid on savings by the same banks.

Why do we pay more on savings?

There may be several contributing reasons, but it seems fairly clear that when the Federal Reserve sets a maximum rate for savings, such rate tends to become not only the maximum but also the minimum.

The fact that the Fed *allows* a certain rate is interpreted by the public as implying that the banks can afford to pay that rate. The public expects it, and your competitor may feel that he can profitably pay the rate. As a consequence, this becomes *the* rate. YOU CAN'T PAY MORE BECAUSE THE LAW PROHIBITS IT, AND YOU CAN'T PAY LESS BECAUSE COMPETITION PROHIBITS IT.

Thus, the Federal Reserve by such a policy doesn't merely permit, but *sets* the rate.

It was this line of thought which led the Commission on Money and Credit in its Report last June to suggest that the regulation of interest on savings by commercial banks "be revised:

"(1) to convert the present power into a stand-by authority rather than continuous regulation, (2) to include under the appropriate regulatory authorities savings and time deposits and similar liabilities of savings banks and savings and loan associations, and (3) to permit differentiation among types of deposits, including those of U. S. residents and those of foreign residents. The Commission further recommends that these institutions should be subjected to maximum rates only when in the opinion of the appropriate authorities further interest rate competition for these deposits is deemed not in the public interest, and that when applied, consideration be given to maintaining appropriate but not necessarily identical interest rate maxima for competing institutions."

The rationale of that recommendation is that if there is no ceiling, the rate paid in each community will be set by the competitive situation in that area without the imposition of a "standard" to which all competitors are under public pressure to conform.

Had the Federal Reserve removed the ceiling entirely as of Jan. 1, it is quite possible that by this date some banks in some cities might be paying 4¼%, but it is also very possible that fewer banks would have moved up to 3½% and 4%. They wouldn't have been under pressure to go to a specific rate level accorded the implied approval of the Federal Reserve—and hence made "standard."

Under the CMC recommendation, there would be greater diversity, greater possibility to review the earnings opportunities in the various communities, greater freedom for those who wanted to compete all-out with the savings and loan associations to pay whatever rate they felt they could afford to pay.

Yet, if competition threatened to get out of hand and there was a prospect of unsound lending, the Federal Reserve could step in to impose a temporary limit.

As each of us knows so well from his own experience, we are under considerable pressure to increase our earnings adequately to offset increased interest costs. We tend to think of this as a possible threat to the quality and liquidity of our assets, but there are other elements in our society which welcome this change, in the belief that it will force us to abandon what they consider our too conservative positions of the past. These elements are hopeful that

1 *The answers of the A.B.A.* **to a questionnaire of the U. S. Committee on Banking and Currency. 1941. p. 90.**

2 *Survey on Interest Rates,* **A.B.A. Bulletin #57, 1931.**

this pressure will cause us to make the additional loans which they consider necessary to provide the accelerated rate of economic growth which they consider so important.

The underlying difference here is whether or not commercial banks have been too conservative in the past. Most of us would say no. Some might acknowledge the possibility and yet feel that this is not the time for change.

These hard realities tend to dampen our enthusiasm for the higher rates. On the other hand, we all recognize that in as highly a regulated business as banking we tend to prosper or suffer as the public applauds or condemns our service. In the long run, it is in our interest to pay rates which the public considers fair in relation to our earnings and to the rates which the public must pay on its obligations (public and private).

Hence our dilemma: the unpleasant choice of what might be even more severe competition on the one hand and, on the other, the acceptance of legislated price fixing and the loss of freedom which that inevitably involves.

Beyond this we have all of the problems of investment, expense control, and public relations which are involved in the combined effort to pay maximum rates, maintain our safety, and increase earnings.

Obviously this is not a simple problem—but one of great complexity, the answers to which can have a significant impact on the future of our commercial banks.

*From a talk by Mr. Freeman in moderating the forum on "Reflections on the Savings Interest Rate Situation" at the 59th National Savings Conference sponsored by the Savings Division of the American Bankers Association, New York City.

Nat'l Stock Exch. Listing New Cos.

The names of five companies preparing to list their shares for trading on The National Stock Exchange have been released by Lawrence H. Taylor, Sirota, Taylor, & Co., Chairman. He noted that applications from numerous other corporations were being processed by The National Stock Exchange and that a further substantial list of new corporate listings would be announced in the near future.

The companies are Ainslie Corporation, South Braintree, Mass.; California Corporation for Biochemical Research, Los Angeles, Calif.; Colorado Insurance Service Company (The Cisco Group), Denver, Colo.; Giffen Industries, Inc., Coral Gables, Fla.; and Wells Industries Corporation, North Hollywood, Calif.

A special announcement will be made as to the date on which trading in each of the issues will be initiated, Mr. Taylor said.

Phila. Secs. Ass'n to Hear at Meeting

PHILADELPHIA, Pa. — Kermit Fischer, President of Fischer & Porter Co., will be guest speaker at a luncheon meeting of the Philadelphia Securities Association to be held on Wednesday, May 9, 1962, at the Warwick Hotel in Philadelphia. It has been previously announced that the luncheon would be held May 7.

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

With T. L. Watson

BRIDGEPORT, Conn.—A. Maurits Johnson and Walter Breslav, Jr. are now associated with T. L. Watson & Co., 122 John Street, as registered representatives. Mr. Johnson was formerly in the trading department of the Bridgeport office of G. H. Walker & Co.

New NASD District Officers

Elections have been completed for 1962 officers of the district committees of the NASD. Here are the choices by districts:

District No. 1 (Alaska, Idaho, Montana, North Dakota, Oregon, South Dakota and Washington): Chairman, William T. Patten, Vice-President, Blyth & Co., Seattle; Vice-Chairman, Robert H. Atkinson, partner, Atkinson & Co., Portland.


William T. Patten


A. B. Fox


Arthur N. Honig


Willard A. Johnson


M. J. "Zack" Warren


Elliot H. Stein


Clyde Ulmer


Albert E. Bernet, Jr.


Roy F. Hunt, Jr.


Gordon Bent


W. R. Springate, Jr.


Norman B. Ward, Jr.


Robert V. H. Harned


John W. Callaghan


Roscoe A. Hayes

District No. 2 (California, Nevada and Hawaii): Chairman, A. B. Fox, partner, Stern, Frank, Meyer & Fox, Los Angeles; Co-Chairman, Arthur N. Honig, Brush, Slocumb & Co., San Francisco.

District No. 3 (Arizona, Colorado, New Mexico, Utah and Wyoming): Chairman, Willard A. Johnson, manager Denver office, Merrill Lynch, Pierce, Fenner & Smith Inc.; Vice-Chairman, Malcolm Roberts, manager Denver office, Hornblower & Weeks.

District No. 4 (Kansas, Missouri, Nebraska and Oklahoma): Chairman, M. J. Warren, President, Storz-Wachob-Bender Corp., Omaha; Vice-Chairman, Elliot H. Stein, Vice-President, Scherck, Richter & Co., St. Louis.

District No. 5 (Alabama, Arkansas, Louisiana, Mississippi and a part of Tennessee): Chairman, T. Clyde Ulmer, Co-Manager Birmingham office, Courts & Co.; Vice-Chairman, Louis A. Lanford, Secretary and Treasurer, Hill, Crawford & Lanford, Inc., Little Rock.

District No. 6 (Texas): Albert E. Bernet, Jr., Vice-President, Schneider, Bernet & Hickman, Inc., Dallas.

District No. 7 (Florida, Georgia, South Carolina and a part of Tennessee): Chairman, Roy F. Hunt, Jr., Vice-President, Alester G. Furman & Co., Greenville; Vice-Chairman, H. George Carrison, Vice-President, Pierce, Carrison, Wulbern, Inc., Jacksonville.

District No. 8 (Illinois, Indiana, Iowa, Michigan, Minnesota and Wisconsin): Chairman, Gordon Bent, partner, Bacon, Whipple & Co. Chicago; Vice-Chairmen, Robert M. Clark, partner, Blunt Ellis & Simmons, Chicago, and Julian A. Kiser, Chairman, Kiser, Cohn & Shumaker, Inc., Indianapolis.

District No. 9 (Kentucky and Ohio): Chairman, W. Roger Springate, Jr., sales manager, Security & Bond Co., Lexington; Vice-Chairman, Leslie B. Schwinn, L. B. Schwinn & Co., Cleveland.

District No. 10 (Maryland, North Carolina, Virginia and District of Columbia): Chairman, R. Eldridge Longest, partner, Scott & Stringfellow, Richmond; Vice-Chairman, Thomas L. Anglin, partner, Mackall & Coe, Washington, D. C.

District No. 11 (Delaware, Pennsylvania, West Virginia and part of New Jersey): Co-Chairmen, Norman B. Ward, Jr., partner, Norman Ward & Co., Pittsburgh, and Robert V. H. Harned, President, Warren W. York & Co., Allentown, Pa.

District No. 12 (New York, New Jersey & Connecticut): Chairman, John W. Callaghan, Goldman, Sachs & Co., New York; Vice-Chairman, George T. Flynn, partner, Hornblower & Weeks, New York.

District No. 13 (Maine, Massachusetts, New Hampshire, Rhode Island and Vermont): Chairman, Roscoe A. Hayes, partner, Paine, Webber, Jackson & Curtis, Boston; Vice-Chairman, Walter T. Burns of Burns, Barron & Co., Portland.

More Nuclear Power Plants To Operate in 1962

An up-to-date score card of the progress made by privately sponsored nuclear electric power plants is presented to the Joint Congressional Committee. Twelve will be in operation in 1962 compared to five in 1961. Statement by electric power trade head depicts broad participation by utility companies to show superiority of this method to produce economically competitive nuclear power.

During 1962 seven nuclear power plants sponsored by investor-owned electric companies are scheduled to begin operation. This will bring to 12 the number of operating nuclear power projects in which investor-owned electric companies are participating. These 12 nuclear power plants will aggregate about 1,000,000 kilowatts of capability. Five different reactor types are involved. These and other facts about the electric companies' nuclear activities were disclosed recently before the Joint Congressional Committee on Atomic Energy by W. J. Clapp, Chairman of the Edison Electric Institute Committee on Atomic Power.

124 Participating Companies

One hundred and twenty-four electric utility companies are participating either singly or in groups in 23 separate nuclear power projects aimed at attaining economically competitive nuclear power, according to Mr. Clapp, who is also president of the Florida Power Corporation. He indicated that the General Public Utilities Corp. and three electric utility companies in Connecticut have under consideration nuclear power plants for possible operation in 1966 and 1967 respectively. The nuclear projects range from research and study groups to operation of plants already producing power. The electric utility companies' nuclear power development efforts involve utility expenditures of about $700 million.

At present five nuclear power plants in which investor-owned electric companies are participants are in operation. During 1961 these plants produced over two billion kilowatt hours of electricity. In addition to the seven nuclear power plants that are in the final stages of construction and are expected to go into operation this year, there are two other projects that are under construction or design. Two projects are in preliminary planning or contract negotiations. Electric companies also are participating in seven other nuclear research, design and study projects. Some of these latter projects may result in construction projects and thereby contribute even further to our nation's expanding knowledge in the nuclear field.

Mr. Clapp called particular attention to the most encouraging and beneficial experience that is being gained with three commercial-size nuclear power reactors that are operating on the systems of investor-owned electric companies. He said that operation of these plants clearly demonstrates the technical feasibility of operating large nuclear power plants on a utility system and in addition serves as a foundation of knowledge upon which to build future nuclear power plants.

Best Method to Further Nuclear Power

In his prepared statement, Mr. Clapp reiterated the belief of the Edison Electric Institute that "the best method of developing economically competitive nuclear power in this country is the maximum utilization of private industry in a broad and diversified program that stresses research and development of promising reactor concepts with actual construction consistent with research and development achievements." "Experience to date demonstrates the validity of this approach," he said.

Mr. Clapp also submitted the Institute's position on industry ownership of special nuclear material (i.e. nuclear fuel). He pointed out that the electric utility industry is in favor of modifying the Atomic Energy Act of 1954 to permit ownership of special nuclear material by industry under appropriate licensing procedures established by the Atomic Energy Commission.

Now Eliot, Roberts Co.

NEWARK, N. J.—United Planning Corporation, 11 Commerce Street, has announced the change of its firm name to Eliot, Roberts & Company, Inc.

Booth & Kroesen Opens

ANAHEIM, Calif. — Booth and Kroesen, Inc. has been formed with offices at 300 Wilshire Ave., to conduct a securities business. Officers are Thomas F. Booth, President; Paul M. Kroesen, Executive Vice-President; Robert E. Weiss, Vice-President; and Wilma Booth, Secretary and Treasurer. Mr. Kroesen was formerly with Powell, Johnson & Powell. Miss Booth was with Marache, Dofflemyre & Co.

Geo. Colan Named V.-P. Of Divine & Fishman, Inc.

George Colan has been elected a Vice-President of Divine & Fishman, Inc., 2 Broadway, New York City, members of the New York Stock Exchange.

Now Carter, Berlind, Weill

The firm name of Carter, Berlind, Potoma & Weill, 37 Wall Street, New York City, associate members of the American Stock Exchange, has been changed to Carter, Berlind & Weill.

Milgrim & Co. Formed

(Special to THE FINANCIAL CHRONICLE)

LOS ANGELES, Calif. — Harold Milgrim is engaging in a securities business from offices at 321 South San Vicente Blvd., under the firm name of Milgrim & Co.

Forms Leslie David Co.

BROOKLYN, N. Y. — Donald B. Gruskoff is engaging in a securities business from offices at 622 East 53rd Street under the firm name of Leslie David Co.

N. Y. Stock Exch. Tax Reform Proposals

Keith Funston, President of the New York Stock Exchange, said the United States must initiate more realistic tax treatment of investors in order to maintain its world economic leadership.

"Most other industrialized nations have recognized that capital investment and economic growth go hand-in-hand, and their tax treatment of both capital gains and dividend income is considerably more enlightened than that of the United States," Mr. Funston observed in the introduction to a new exchange booklet, "Challenge of Economic Growth."

United States tax policies on capital gains and dividend income are badly in need of a "thorough reorientation," the Exchange President said in the 32-page publication.

The nation must face the fact, he declared, that the private sector of the economy will be called upon to make tremendous investments in the future. The capital needs of industry in the 1960's, he noted have been estimated at nearly $400 billion.

Although the bulk of this sum will probably come from retained corporate earnings, and some from borrowings, Mr. Funston said "the critical balance" will have to come from "millions of individuals who must be encouraged to invest part of their savings in American enterprise."

Among the tax revisions recommended by the Stock Exchange are: Reducing the maximum tax rate on long-term capital gains from the present 25% to 12½%. The booklet cites a 1961 Exchange study indicating that reducing the rate would have promoted shareowners to unlock approximately $77.7 billion, or five times as much as under the present tax rate. The survey notes that there would also be an initial increase in Federal revenues $2.9 billion versus $1.4 billion—with excellent prospects for continued high returns to the Treasury.

Reducing the long-term holding period to three months from the present six. (This is the length of time a capital investment must be held to qualify for the capital gains tax rate instead of being taxed as ordinary income).

Increasing the present dividend tax exclusion from $50 to $100.

Increasing the present 4% dividend tax credit to 10% and, eventually, to 20%.

In recent years, the rate of economic growth in the industrialized nations of Western Europe and in Japan has outstripped this country's growth rate, the Exchange's new booklet notes.

Significantly, during the period studied—1950 through 1958—none of these countries imposed any tax on individuals' gains from the sale of securities. Dividend income, too, has received more liberal tax treatment in most of the countries which have experienced dramatic growth since World War II.

"It is surprising," the publication declares, "how many nations with no particular commitment to a free enterprise economy embrace constructive policies which encourage the flow of venture capital. The United States, on the other hand, which holds risk-taking to be the essence of free enterprise, is in many ways backward when it comes to encouraging the flow of venture capital into our economic lifelines."

The booklet traces the history and effects of the capital gains tax and the double taxation of dividend income (once at the corporate level and again at the individual's personal income tax rate) and details how present taxes tend to inhibit the flow of capital to new and growing enterprises.

The American people today have the funds to invest in expanding industry, the Exchange notes, but they will do so only if they see the prospect of a fair return in relation to their risks.

Pointing to the nation's 15 million shareowners and to the 35 million non-shareowners who are interested in investing, Mr. Funston commented:

"These millions of people are a potential source of billions of investment dollars — and many of them will undertake the necessary risks if encouraged to do so."

Sensible tax revision, offering fair treatment to the individual investor, will help provide that encouragement.

G. H. Walker & Co. Appoints P. L. Pogue

BRIDGEPORT, Conn. — Province Law Pogue has been appointed manager of the Bridgeport office of G. H. Walker & Co., 118 Bank Street, members of the New York Stock Exchange, it has been announced.

The firm also announced that Vincent A. Autuori and Charles W. Townsend will be associated with Mr. Pogue.

Boettcher Co. Absorbs Don A. Chapin Co.

FT. COLLINS, Colo.—The Don A. Chapin Company of Fort Collins, Colo., has been merged with Boettcher and Company of Denver with new offices at 117 West Oak Street in Fort Collins.

The announcement of the merger under the name of Boettcher and Company, was made by Robert R. Baker, Manager of the Fort Collins Company, and E. Warren Willard, Managing Partner of the Denver firm.

The Don A. Chapin Company was founded in 1930 by Don A. Chapin, who has been active in company, community and financial activities until ill health prompted his retirement last year. The company has been a correspondent of Boettcher and Company. Mr. Baker joined the firm in 1949 and became a partner in 1955. He assumed ownership in 1961.

Godfrey, Hamilton Offices

Godfrey, Hamilton, Taylor & Co. Incorporated, of New York, has opened three new Massachusetts offices under the direction of Patrick Clooney, in the Zyer Department Store, Braintree; at 400 Western Avenue, Brighton, and at 727 Lynnway, Lynn, Mass.

NY Municipal Bond Club Outing Announced

The 29th Annual Field Day of the Municipal Bond Club of New York will be held on Friday, June 8, it has been announced by Alfred S. Mante of Smith, Barney & Co., President of the Club. As usual, the site of the outing will be the Westchester Country Club, Rye, N. Y.

James F. Reilly, of Goodbody & Co., has been named Field Day Chairman for this year. Assisting him will be Alfred J. Bianchetti, of J. A. Hogle & Co.

Heading the five committees appointed to supervise sports, entertainment and other activities at the outing are the following Chairmen: Finance — William Durkin, First National Bank of Chicago; Announcements — Henry Milner, R. S. Dickson & Co.; Prizes and Ventures—William E. Simon, Weeden & Co.; Sports—John B. Stevenson, Hayden, Stone & Co.

A highlight of the outing is publication of The Daily Bond Crier, annual lampoon of the municipal bond business, which will be edited this year by John G. Thompson, of Morgan Guaranty Trust Co.

Form Steven Mayer Co.

TULSA, Okla.—Steven Mayer & Company has been formed with offices in the Kennedy Building, to engage in a securities business. Officers are Steven Mayer Mizel, President, and Lionel E. Z. Cohen, Vice-President and Secretary. Mr. Mizel was formerly with F. R. Burns & Company.

Equity Secs. Branch

Equity Securities Corporation has opened a branch office at 37 Wall Street, New York City, under the direction of A. Arthur Sherman.

Schminkey Opens

MIDDLETOWN, Del. — Harry K. Schminkey is engaging in a securities business from offices at 55 West Main Street, under the firm name of H. Kirk Schminkey & Associates.

Esico Corp. Opens

Esico Corporation has opened offices at 160 Broadway, New York City, to engage in a securities business. Officers are Harold Bogart, President; Eugene Vizzini, Vice-President; and Morton Levine, Secretary and Treasurer.

Elected Director

ELIZABETH, N. J.—Harry G. Burks, Jr., an executive of the Standard Oil Co. (N. J.) has been elected a director of Fundamental Investors, Diversified Investment Fund, Diversified Growth Stock Fund and Westminster Fund, mutual funds which have total assets of more than one billion dollars, it has been announced by Howard C. Sheperd, Chairman of the Funds. Dr. Burks has been associated with Standard Oil and its affiliates since his business career began in 1924. He served as director of technical service and as Executive Vice-President of Esso Standard Oil Co. prior to assuming his present post in 1954. He is responsible for the world-wide refining and manufacturing operations of Standard Oil. Dr. Burks also is a director of Esso Research & Engineering Company.

Dr. Harry G. Burks

F. L. Klemm With McDaniel Lewis

GREENSBORO, N. C.—McDaniel Lewis & Co., Jefferson Building, have announced that Francis L. Klemm, Jr. of Baltimore is now associated with them as manager of their municipal bond department, and has moved to Greensboro. Mr. Klemm for eleven years was with Mercantile-Safe Deposit and Trust Company, the last four years in the municipal bond department. When the bank closed its bond department in the fall of 1961 Mr. Klemm became manager of the municipal bond department of Mead, Miller & Co. of Baltimore. He has also been financial adviser to Charles and Calvert Counties in Maryland. Mr. Klemm is now manager of the municipal bond business started in 1922 by McDaniel Lewis and will specialize in tax-exempt securities for institutions, trusts & individuals.

Fraschilla, Seelen

Fraschilla, Seelen, Marshall & Co., Inc. is engaging in a securities business from offices at 50 Broad Street, New York City. Gerald Fraschilla is President and Treasurer, and Laurence Seelen, Vice-President. Mr. Fraschilla was formerly with Jay Bacharier & Co. Mr. Seelen was with William, David & Motti, Inc.

Fechtor Forms Co.

BOSTON, Mass. — Sheldon M. Fechtor is engaging in a securities business from offices at 84 State Street under the firm name of Fechtor & Co. He was previously with H. L. Robbins & Co., Inc.

Now McNeel and Company

ATLANTA, Ga.—The firm name of McNeel-Rankin, Inc., Candler Building, has been changed to McNeel and Company. The firm maintains a branch office in Columbus, Ga.

New Hentz Office

SWAMPSCOTT, Mass.—H. Hentz & Co., will open a new seasonal office in the New Ocean House Hotel under the management of David Weisman.

Lubetkin, Regan Branch

Lubetkin, Regan & Kennedy has opened a branch office at 673 Madison Avenue, New York City under the management of Leon D. Yarkin.

Lease Financing From the Commercial Bank Viewpoint

By Donald M. Graham,* *Vice-Chairman of the Board, Continental Illinois National Bank & Trust Company of Chicago, Chicago, Ill.*

The ABCs of lease financing, and the clauses necessary to make them bankable are explained by Mr. Graham in taking the mystery out of this form of term debt. Mr. Graham describes the various types of lease financing transactions; the use of manufacturer's repurchase agreements; the purchases of leases by banks and their dealings with single purpose and multiple purpose leasing companies; and manufacturing companies' finance subsidiaries as well as conventional time sales financing. Stressed is the importance of lessee's and lessor's credit compared to the collateral value of leased equipment.

While land and buildings have been leased for many centuries, the development of equipment leasing has largely taken place in the post World War II period. Perhaps as a by-product of the recent wide-spread use of the sale and leaseback method of financing real estate, the equipment lease has evolved as a method for acquiring the use of a wide range of business assets such as machine tools, office furniture and equipment, electronic computers, automotive equipment, railroad cars, microwave and other communication systems, bulk storage tanks, road building equipment, drag lines used in strip coal mining, barges, tankers, material handling equipment, electric signs, automatic sprinkler systems, vending machines, bowling alley pin setters, oil field equipment, air conditioners and appliances in motels. These are only some examples of the wide variety of items which have been the subject of lease financing by commercial banks.

Donald M. Graham

What do we mean by "lease financing?" The distinguishing feature of a lease financing transaction is the acquisition by the lessee of most of the economic values incident to the outright ownership of items of personal property, in return for which the lessee undertakes a contractual commitment to make fixed periodic rental payments but incurs no obligation to make a lump sum payment at the outset or to pay a purchase price as such. The rents payable during the basic or primary term of the lease are normally calculated to return, in addition to interest, servicing and other charges, the entire cost of the leased assets or at least that portion of such cost which is financed by borrowing. Frequently the lessee is given an option to purchase the leased assets, or an option to extend the term of the lease for one or more renewal periods at a rental substantially less than that fixed for the basic term, or both such options.

Claimed Advantages

The basic advantages claimed for leasing rather than purchasing are:

(1) Leasing avoids tying up working capital in fixed assets and leaves it available for operating purposes with the expectation of earning additional profits through the use of the freed working capital.

(2) The user of equipment can be flexible in the timing of capital additions. (Because of the expense involved in arranging long-term debt financing it is often not feasible to finance acquisition of individual items of capital equipment for a long term through piecemeal borrowings in small amounts.)

(3) The lessee can acquire equipment with no down payment as opposed to the down payment normally required in the acquisition of assets under a conditional sales contract or other type of instalment purchase plan.

(4) The lessee can acquire the use of the equipment without showing the lease financing obligation as a liability on its balance sheet.

Whatever the reasons which have made it appear attractive to a business to lease rather than purchase equipment in particular instances, it can be said that equipment lease financing has had enormous impact in recent years. While it is impossible to obtain accurate statistics concerning the rate of growth of lease financing, it has been said that there is $2 billion in cost of equipment on lease today.

Who are the parties to a lease financing transaction? First of all there is, of course, the lessor. The lessor may be a manufacturer or other supplier of the leased property, an independent professional leasing corporation, or an entity which the lessee has caused to be organized for the express purpose of being the borrower in financing the lease acquisition.

Many manufacturers of durable goods offer customers the alternative of purchasing or leasing goods. Leasing has come to be widely regarded as an effective "sales tool." Sometimes an equipment leasing program is carried out by the manufacturer directly and at other times through its independent dealer organization.

Where the services of an independent leasing corporation are used, the lessee generally enters into a leasing agreement covering the equipment which is then ordered by the lessor from the manufacturer pursuant to detailed purchase orders prepared by the lessee and delivered directly by the manufacturer to the lessee. The lessor, in turn, either through its own sources or, more frequently, through sources arranged by the lessee, borrows the purchase price and pays the manufacturer.

Lessee's "Dummy" Corporation

However, many leasing transactions involve a lessor which is a "dummy" corporation established or arranged for by the lessee. In such cases the lessor, typically, has only a nominal amount of capitalization and borrows entirely on the basis of the lease obligation executed by the user of the equipment on terms which have been arranged by the lessee.

The lease term is an important factor from the commercial bank's standpoint. Many equipment transactions involve a 10 to 20 year lease which is well beyond the normal commercial bank term. In such instances the role of the bank will be that of "lead lender," with the bank taking the earlier maturities (perhaps as long as five years) and the longer maturities will be placed with a pension trust, insurance company or other institutional investor.

In entering into an arrangement to finance the acquisition of property under a lease, the lender may rely on the credit of the lessee, on the credit both of the lessor and of the lessee, or on the credit of the lessor, lessee and a third party—the manufacturer of the equipment. However, in most lease financing, it is the credit of the lessee on which the lender places primary reliance.

Lender's Requirements

In a lease financing transaction the lending bank will normally require that the lease rentals be assigned and that all rental payments be made to the lender. The periodic rentals designated will be sufficient in amount to return to the lender during the basic term of the lease, the entire amount borrowed to acquire the property, plus interest and any other financing costs. While the lender is primarily concerned with the credit standing and ability of the lessee to pay and only secondarily with the collateral value of the leased equipment, it is common for the lender to take a chattel mortgage or other security interest in the equipment, in addition to the assignment of the rentals. Normally the lessee will transmit to the lender a receipt of notice of the assignment of rentals and will undertake to make all rental payments directly to the lender as provided in the assignment. At times it may be impossible to perfect a chattel mortgage lien, and to obtain control of the leased assets the lender may require that the lessor enter into a negative pledge covenant covering the leased assets and also pledge its common stock to secure the loan.

"Bankable" Lease Criteria

To render a lease "bankable" it must, in general, have the following essential terms:

(1) There must be a definite non-cancellable original term during which the amount of the loan, together with interest, will be repaid from the rentals specified.

(2) The lease must be a "net lease" pursuant to which maintenance and repairs of the leased property, payment of insurance and taxes and all other obligations are to be borne by the lessee rather than the lessor.

(3) The lessee is unconditionally bound to pay the lease rentals "come hell or high water." The typical clause included in the lease reserves to the lessor the right to assign the rentals as security, and the lessee agrees to pay the rentals to the assignee as they fall due, waiving all defenses, counterclaims and setoffs. The lessee reserves the right to assert any claims it might have against the lessor and thus the risk of any failure by the lessor to perform its obligation under the lease or of a breach of warranty by the manufacturer or supplier with respect to the product leased is shifted from the lender to the lessee. So absolute is the undertaking of the lessee that it is even provided that the lessee remains bound to pay the rentals even though the subject matter of the lease may be destroyed.

The above clauses are included in the lease because in most cases the lender is advancing money primarily on the credit of the lessee and must be able to rely upon the unconditional obligation of the lessee to pay.

Because of the nature of the lease document, lease financing is merely borrowing in a different guise; and the obligation undertaken by the lessee in a typical bankable lease represents a form of term debt, the rental payments being fixed obligations like the interest and sinking fund requirements of a debenture issue. The credit of the lessee is the all-important factor and banks or other lenders subject the lessee to the same sort of credit analysis as a prospective term borrower and refuse to finance a lease transaction for a company to which they would be unwilling to lend an equal amount on a direct term loan basis. In fact, if the amounts involved in a lease transaction are substantial, the risks to the lender may be greater than in normal term credits which would ordinarily be covered by a special loan agreement placing financial restrictions on the lessee in the conduct of its business.

Feeling that our experience in this area would be typical of other banks, my remarks here will deal with the kind and type of transactions this bank has financed.

Manufacturer's Repurchase Agreement

In most of the lease financing transactions engaged in by this bank, the transaction has been arranged at the request of the lessee, a customer of the bank, to finance the acquisition of the equipment involved which is to be used in the business of the lessee. However, we are also parties to a number of lease borrowing transactions entered into at the request of the manufacturer of the leased equipment to assist the manufacturer in disposing of its product. In such latter instances there is an assignment of rentals and a chattel mortgage on the equipment, and while we are relying on the assigned rentals as the source of payout of the loan, the transaction is also supported by a commitment of the manufacturer. In order to make the "sale" the manufacturer is willing to assume a credit risk in the form of a repurchase agreement running in favor of the bank under the terms of which the manufacturer repurchases leases in default. This enables the manufacturer, at its own risk, to extend lease financing terms to a customer whose credit standing we might not otherwise regard as satisfactory.

Discounting Leases

Another form of lease financing, most commonly used in cases where the lessor is a manufacturer, involves the discounting of the lease with the lender. Instead of lending money on the security of the lease, the bank will, in those instances, purchase the lease. Unlike the normal borrowing arrangement, there is no promissory note of the lessor to evidence the advance. There was formerly some question as to whether the lease itself constituted an "evidence of debt" within the meaning of the National Banking Act authorizing national banks to discount "promissory notes, drafts, bills of exchange and other evidences of debt." However, with the development of lease forms containing absolute and unconditional promises to pay rent, the Comptroller of the Currency has taken the position that national banks may now purchase leases under the following conditions:

(1) All the obligations of the lessor must have been performed or, if the lessor retains further obligations, there must be an agreement between the bank and the lessor obligating the lessor to save the bank harmless from any losses, counterclaims or offsets resulting from any failure on its part to fulfill its obligations.

(2) The lessee must be unconditionally obligated to pay the specified rentals.

(3) There must be a covenant in the lease in which the lessee agrees not to assert any defenses, offsets or counterclaims he may have with respect to the lessor against any assignee of the rentals payable under the lease.

It is our understanding that most state banks are also permitted to discount leases of this character. In most instances in which this bank has discounted leases, the lease has been of this unconditional obligation type and we have, additionally, obtained the undertaking of the manufacturer-seller of the equipment to repurchase any defaulted leases held by us. In one instance we purchased a lease from the manufacturer at the request of our customer, the lessee, on whose credit we relied in making the purchase. This lease contains a recital that it is "an unconditional obligation of the lessee to make all payments thereunder to the same extent and with the same force and effect as if such promise were contained in a negotiable promissory note executed by the lessee and payable to the bank as assignee of the lease."

"Tailor-Made" Transactions

As indicated above, most lease financing transactions follow a conventional pattern. However, others are "tailor-made" to fit the particular needs and requirements of a customer. Examples of transactions arranged by this bank to cover special circumstances are the following:

(a) Independent distributors of a manufacturer of heavy industrial equipment offer lease arrangements as well as conventional time sales plans for the equipment involved. Notes executed by the distributors in favor of the manufacturer, and secured by assignments of leases from the users of the equipment, are purchased by the bank at par less finance charges under an arrangement whereby the manufacturer purchases paper in default.

(b) A railroad car builder purchases used cars at a greatly depreciated price for the purpose of rebuilding such cars and leasing them to several railroads. We have loaned the car builder an amount equal to the purchase price of the old cars plus the cost of reconditioning them, our loan being secured by assignments of rentals due from the several railroads to whom the cars are leased together with chattel mortgages on the cars. Additionally, the car builder undertakes, in the event of a default, to use its best efforts to sell or to re-lease the cars.

(c) To provide funds for retiring existing debt to an insurance company and also additional working capital, we entered into a revolving credit with a manufacturer of graphic arts equipment secured by assignments of rentals due under leases of such equipment to newspapers. Borrowings under the credit are limited to lease rentals due within one year and defaulted leases are excluded from the borrowing base.

(d) As part of the arrangements involved in inducing a primary aluminum producer to locate a new plant in its service area, an electric utility company agreed to provide very costly rectifiers, an essential part of the plant equipment, under a long term lease arrangement. Borrowings are secured by an assignment of rentals due under a 25 year lease from a leasing company to the utility company, and a sublease from the utility company to the aluminum company. Earlier maturities are taken by the bank, with pension funds holding the longer term debt.

Leasing Companies

For a number of years there have been in existence independent single-purpose leasing companies, largely operating in the field of leasing fleets of automotive equipment. This bank has made substantial commitments to loan certain of these companies against an assignment of leases. We also receive an assignment of the leasing company's right, title and interest in all vehicles, but these are not perfected liens and our primary collateral consists of the assigned lease contracts. These automotive leases, unlike the typical "bankable lease," are full service leases under which the lessor provides all necessary maintenance, insurance and repairs. While the amounts of credit involved are substantial, and the lender does not reserve the right to pass on the credit of the lessee in each particular leasing transaction, the automotive leasing companies involved have substantial net-worth and have had wide experience in the field. There is also an obligation on the lessor to purchase any items in default and vehicles repossessed can be sold in a broad market. Moreover, the value of any individual fleet leasing arrangement is not large in relation to the over-all credit and the net worth of the lessor.

In recent years there has been a great growth in the number of independent multiple purpose leasing companies which finance a wide variety of different types of equipment. While these professional leasing companies are sometimes thought of as comparable to finance companies, because of the basic terms of the lease contracts it does appear that they would be able to liquidate their debt nearly as rapidly as the average finance company. It has been our practice to enter into financing arrangements with these companies only where the lessee is a customer of ours and we exercise judgment on the particular credit involved. The significant characteristic of our arrangements with companies of this type is that the loan covers a single transaction involving one manufacturer, one lessor and one lessee. We have not established a general line of credit for any independent leasing company which can be used by that company at its discretion in connection with lease financing transactions with a large number of lessees who are not our customers. If a blanket line of credit were extended which could be used at the discretion of the leasing company, then the lender would have to protection against transactions which might involve an undue concentration in particularly large and costly items or in specially manufactured equipment which would have a very limited resale market in the event of default. Most banks which have extended credit to independent multi-purpose leasing companies prefer to review each new lease transaction on the basis of the credit standing of the individual lessee. While guidance lines of credit may be established, the financial strength of the leasing company itself seldom furnishes support for the credit; and sound practice would appear to require the lender to reserve the right to screen individual credits before approving a financing transaction.

Many of the finance subsidiaries of manufacturing companies to which we are extending unsecured lines of credit now provide leasing arrangements in addition to conventional time sales financing for the products of the parent. Thus indirectly our lines of credit to these captive finance companies partially support leasing as well as time sales financing.

Anticipates Substantial Growth

We anticipate a substantial growth in the demand for various types of lease financing in the years ahead. As new applications of this type of financing develop, we, as commercial bankers, stand ready to assist our customers in providing the funds to finance these transactions.

*An address by Mr. Graham before the American Bankers Association National Credit Conference, Chicago, Ill.

Elected Director

John T. Monzani, a partner in the New York investment banking firm of Kuhn, Loeb & Co., has been elected to the American Optical Company's board of trustees.

Mr. Monzani has been active in the investment banking field for 16 years. Besides being a partner in Kuhn, Loeb & Co., he is a Vice-President of Kuhn, Loeb & Co. Incorporated. He joined Halsey, Stuart & Co. Inc. in 1946, serving for 11 years. In 1957, he became associated with Kuhn, Loeb & Co.

Business Group Decries Domestic Obstacles to Economic Growth

A committee of New York financiers and economists, headed by Chase Manhattan's Chairman George Champion, singles out barriers contributing to our balance of payments deficit and unsatisfactory economic growth pace. The committee offers its prescription of what should be done to redress the problems uncovered in their study of our economic condition.

Removal of domestic obstacles to economic growth is essential to the solution of the United States' continuing balance of payments problem, a committee of ten leading financiers and economists said recently.


George Champion

The two are so inextricably connected that present efforts to correct the imbalance are "short-term expedients," rather than long-term solutions, the committee on finance and currency of the New York Chamber of Commerce cautioned in a 5,000-word report.

It pointed out that the basic payments deficit "worsened greatly during the second half of last year," rising to $2.5 billion for the year, from a first-half deficit of $0.6 billion.

The committee is headed by George Champion, Board Chairman of the Chase Manhattan Bank.

Noting that the reason for the nation's continuing payments deficit is that "our government is spending more abroad than private enterprise has been able to earn," the committee said:

"The essence of the long-range problem we face is that of enabling our private economy to earn, in an increasingly competitive world, a surplus sufficiently large to cover our government's foreign expenditures, or of reducing the latter to proportions that can be carried without large, chronic balance-of-payments deficits."

It urged the Administration to "remove the shackles from enterprise and create a climate of bouyant optimism.

"Given a favorable investment climate, the United States may be found to be the most underdeveloped country in the world, as measured by the amount of money it can profitably employ."

Three Major Obstacles

It said that this climate could be achieved by removing three major obstacles to domestic economic growth:

(1) *The present tax structure.* It called for "a fundamental revision of our tax system, including depreciation reform, to induce greater savings, and increased investment in domestic productive enterprise."

(2) *The wage-cost problem.* "Constant upward wage pressures and restrictive work practices are pricing many American products out of the world market," the committee stated. It called for an end to "monopoly practices" permitted labor unions which long ago were outlawed for business.

(3) *Deficit financing by the Federal Government and "attendant fears of inflation."* It said that Administration pledges to safeguard the dollar and balance the budget lack "sufficient force to allay some of the uncertainties on this score, and the underlying uneasiness remains, here and abroad." It urges "much greater restraint in programming government expenditures—Federal, State and local—if we are to promote confidence here and abroad in the integrity of the dollar."

These reforms, it maintained, are "the key to insuring our competitive position in the world." They would lead to "a better environment for savings and profits, which will serve to stimulate investment at home, increase efficiency and productivity, reduce our continuing unemployment, and accelerate our growth rate."

The committee termed as "short-sighted" present pressures to curb the outflow of private long-term capital for investment abroad.

Criticizes Curbing Investment Outflow

Noting that income from such investments has exceeded outflow year after year, it said: "Long-term investments abroad, if successful, fortify our balance of payments.

The dollar "cannot survive" as the leading currency of the world "if we try to restrict its use, either by our own citizens or by foreigners," it held.

The committee stated that investment in Common Market countries both "reflects a confidence that the rate of growth in that area will be more rapid than in the United States" and is a means by which American plants hurdle that area's tariff wall.

"Above all," it said, "the climate for investment in most of these countries is more hospitable to private enterprise than that prevailing in the United States."

The committee termed the Administration's proposal for a five-year Trade Expansion Act "a challenge to management and labor to accept added competition in return for easier access to overseas markets.

"The need for more liberalized trade policies is indeed evident. The real question is whether we are willing to face the facts of international competition and to review all of our policies—labor, fiscal, agricultural—accordingly.

"The emphasis in the program on 'adjustment' aids to employers and employees adversely affected by foreign competition, not to mention the new agricultural program, casts doubts on the readiness of government to confront the hard realities of freer international trade and competition."

Commenting on new monetary techniques and arrangements by the United States Treasury and the Federal Reserve System to smooth and limit exchange rate fluctuations, the committee asserted:

"These transactions may spare the dollar from manifest symptoms of weakness in the foreign exchange markets, but it should be borne clearly in mind that they have no effect upon the basic balance of payments deficit problem."

It warned: "These new techniques will be positively harmful if, through their technical success, they distract attention from the fact that we need to take fundamental measures, above all fiscal and wage policies, to deal with the basic imbalance."

The committee's report will be printed in booklet form for distribution to members of the Administration, Congress and to business and civic groups throughout the nation.

Penington, Colket Adds

PHILADELPHIA, Pa.—Penington, Colket & Co., 123 South Broad St., members of the New York Stock Exchange and other leading exchanges, announce that James Wright Scott is now associated with their Philadelphia office as a registered representative.

A Changed View on Fixing S & L Assn. Dividend Limit

By Joseph P. McMurray,* *Chairman, Federal Home Loan Bank Board, Washington, D. C.*

Chairman McMurray reverses position recently taken and, thus, will not request Federal legislation providing authority to set ceiling on savings and loan associations dividends. [See this "Chronicle," March 29, 1961, p.p. 40-41, for Mr. McMurray's address to the stockholders of Federal Home Loan Bank of Boston.]

Since my statement in Boston[1] that the Board was studying whether it should request the Budget Bureau's permission to recommend legislation giving the Board authority to impose ceilings on dividends, I have had considerable reaction from savings associations, attorneys, economists, also from newspaper stories and editorials, and, of course, from savers, which is exactly what I expected and what I wanted. Let me say that the opinion is not uniform; surprisingly, the greatest support for the program comes from savings associations. The attorneys and the economists hark back to the 1920s and also provide a considerable amount of support. Some savers are also in favor of limiting dividends in certain instances, but most savers feel that they should not be deprived of an opportunity to earn as much on their savings as the earnings of an association will permit.


Joseph P. McMurray

Reverses View Regarding Interest Rate Ceilings

From careful study of all the comments and after considerable reflection, I have come to the conclusion that I shall not recommend to the Budget Bureau for clearance, legislation giving the Board the authority to impose a dividend ceiling.

I know this will be disappointing to a large number of those good people who have written me in support of such legislation, but I have subjected their views and all the arguments in favor of such an authority, as I indicated, to very intense study and analysis. I have come to the conclusion that it will not solve the basic problem of providing against unsafe and unsound operation of what may be imprudently managed savings and loan associations and the effect of their actions on the industry.

I have been convinced that the authority will eventually have to be used, once the Board has it, and its imposition would create more problems than it would solve. Moreover, it would not solve the fundamental problem of providing funds in capital-scarce areas, or an orderly means of transferring funds from the capital-surplus areas. Some of the industry leaders in the northeast areas of the nation, who suffer most from the high dividend rate in the west, inform me that they believe that a ceiling, rather than solving the problem, would soon become the rate they would be forced to pay. If this be so, we would have a great multiplication of the problems that already exist, or would be generated by some associations increasing dividends much above their competitors, locally or nationally.

Another fundamental problem created by a dividend ceiling arises from the fact that dividends on savings shares are not like interest payments on deposits. The shareholders could logically ask why should they be singled out from all other persons who receive dividends by imposing a ceiling on the dividends they receive from the association. If a ceiling on dividends could be imposed it might well be asked why could not a ceiling be put on all kinds of dividends, and you can imagine what would happen in a capitalistic society if anybody dared to make such a suggestion. Moreover, we cannot escape the fact that the very essence of mutuality would be largely destroyed by the imposition of such rate control.

*From an address by Mr. McMurray delivered at the U. S. Savings & Loan League Management Conference, Greenbrier Hotel, White Sulphur Springs, W. Va.

1 *Commercial and Financial Chronicle,* March 29, 1962 (page 40).

Named Directors

Election of William S. Robertson and Kenneth J. Thornhill to the Board of Directors of Institutional Shares, Ltd. and Institutional Income Fund, Inc. was announced by Samuel R. Campbell, President of the Institutional group of mutual funds. Robertson, formerly Chairman of the Board and President of American & Foreign Power, and until 1956 Director of Grace National Bank of New York, also is Director of Canadian International Growth Fund, Ltd. Mr. Thornhill is Vice-President and a Director of Long Island Co., Ltd. and a Director of Lico Petroleum Corp. Prior to joining Long Island, he was Portfolio Manager with the Ford Foundation.

E. F. Hutton & Co. Customers Branch

E. F. Hutton & Company has opened a newly established customers branch office on the eleventh floor at 61 Broadway, New York City, it was announced by Sylvan C. Coleman, senior managing partner.

Arthur A. Goldberg has been named manager of the office.

The 61 Broadway office with board room is the third serving New York City customers of the nationwide investment firm.

E. F. Hutton & Company, whose main office is at 1 Chase Manhattan Plaza, has been at 61 Broadway since 1914. The firm's major operations divisions, including its RCA three-computer complex system and order and wire rooms, are located at this address.

With Penington, Colket

WILLIAMSPORT, Pa. — Penington, Colket & Co., First National Bank Building, have announced that Donald Scott Randolph is now associated with them in the sales department.

With F. P. Ristine

PHILADELPHIA, Pa. — F. P. Ristine & Co., 123 South Broad St., members of the New York Stock Exchange and other leading exchanges, announce that William T. Powell, II, is now associated with their Philadelphia office as a registered representative.

New Allyn Branch

QUINCY, Mass.—A. C. Allyn & Co. has opened a branch office in the South Shore National Bank Building, under the direction of James F. McCormick.

Transportation Magna Charta Proposed by President Kennedy

President Kennedy calls for major reforms in our transportation policies. Statement to Congress contains a frank appraisal of vexations, conflicting problems burdensomely crippling use of most economical types of transportation.

Congress was asked by President Kennedy on April 4 to enact fundamental, far-reaching changes in our current Federal transportation policies. One of the singular reforms proposed for our anachronistic, inconsistent policies would remove: (1) the minimum rates charged while retaining the present maximum ones; (2) tax inequalities; and (3) barriers to achieving genuine economies.

Pres. J. F. Kennedy

The text of the President's message, in part follows:

An efficient and dynamic transportation system is vital to our domestic economic growth, productivity and progress. Affecting the cost of every commodity we consume or export, it is equally vital to our ability to compete abroad. It influences both the cost and the flexibility of our defense preparedness, and both the business and recreational opportunities of our citizens. This Nation has long enjoyed one of the most highly developed and diversified transportation systems in the world, and this system has helped us to achieve a highly efficient utilization of our manpower and resources.

Transportation is thus an industry which serves, and is affected with, the national interest. Federal laws and policies have expressed the national interest in transportation particularly in the last 80 years; through the promotion and development of transportation facilities, such as highways, airways, and waterways; through the regulation of rates and services; and through general governmental policies relating to taxation, procurement, labor and competition. A comprehensive program for transportation must consider all of these elements of public policy.

During the last session of Congress, action was taken to place our Federal-aid highway program on a sounder fiscal basis. Initial steps were taken to improve the operations of our regulatory agencies through reorganization. A beginning was also made toward meeting the needs of our cities for mass transportation. By Executive Order, I recently assigned to the Department of Commerce authority for emergency transportation planning.

But pressing problems are burdening our national transportation system, jeopardizing the progress and security on which we depend. A chaotic patchwork of inconsistent and often obsolete legislation and regulation has evolved from a history of specific actions addressed to specific problems of specific industries at specific times. This patchwork does not fully reflect either the dramatic changes in technology of the past half-century or the parallel changes in the structure of competition.

The regulatory commissions are required to make thousands of detailed decisions based on out-of-date standards. The management of the various modes of transportation is subjected to excessive, cumbersome and time-consuming regulatory supervision that shakles and distorts managerial initiative. Some parts of the transportation industry are restrained unnecessarily; others are promoted or taxed unevenly and inconsistently.

Some carriers are required to provide, at a loss, services for which there is little demand. Some carriers are required to charge rates which are high in relation to cost in order to shelter competing carriers. Some carriers are prevented from making full use of their capacity by restrictions on freedom to solicit business or adjust rates. Restraints on cost-reducing rivalry in rate-making often cause competition to take the form of cost-increasing rivalry—such as excessive promotion and traffic solicitation, or excessive frequency of service. Some carriers are subject to rate regulation on the transportation of particular commodities while other carriers, competing for the same traffic, are exempt. Some carriers benefit from public facilities provided for their use, while others do not; and of those enjoying the use of public facilities, some bear a large part of the cost, while others bear little or none.

No simple Federal solution can end the problems of any particular company or mode of transportation. On the contrary, I am convinced that less Federal regulation and subsidization is in the long run a prime prerequisite of a healthy inter-city transportation network. The constructive efforts of State and local governments as well as the transportation industry will also be needed to revitalize our transportation services.

This Administration's study of long-range transportation needs and policies convinces me that current Federal policies must be reshaped in the most fundamental and far-reaching fashion. While recognizing that a revision of the magnitude required is a task to which the Congress will wish to devote considerable time and effort, I believe the recommendations below are of sufficient urgency and importance that the Congress should begin consideration of them at the earliest practicable date. If direct and decisive action is not taken in the near future, the undesirable developments, inefficiencies, inequities, and other undesirable conditions that confront us now will cause permanent loss of essential services or require even more difficult and costly solutions in the not-too-distant future.

A Basic National Transportation Policy

The basic objective of our nation's transportation system must be to assure the availability of the fast, safe and economical transportation services needed in a growing and changing economy to move people and goods, without waste or discrimination, in response to private and public demands at the lowest cost consistent with health, convenience, national security and other broad public objectives. Investment or capacity should be neither substantially above nor substantially below these requirements — for chronic excess capacity involves misuse of resources, and lack of adequate capacity jeopardizes progress. The resources devoted to provision of transportation service should be used in the most effective and efficient manner possible; and this, in turn, means that users of transport facilities should be provided with incentives to use whatever form of transportation which provides them with the service they desire at the lowest total cost, both public and private.

This basic objective can and must be achieved primarily by continued reliance on unsubsidized privately-owned facilities, operating under the incentive of private profit and checks of competition to the maximum extent practicable. The role of public policy should be to provide a consistent and comprehensive framework of equal competitive opportunity that will achieve this objective at the lowest economic and social cost to the nation.

This means a more coordinated Federal policy and a less segmented approach. It means equality of opportunity for all forms of transportation and their users and undue preference to none. It means greater reliance on the forces of competition and less reliance on the restraints of regulation. And it means that, to the extent possible, the users of transportation services should bear the full costs of the services they use, whether those services are provided privately or publicly.

For some 75 years, common carriage was developed by the intention of Congress and the requirements of the public as the core of our transport system. This pattern of commerce is changing—the common carrier is declining in status and stature with the consequent growth of the private and exempt carrier. To a large extent this change is attributable to the failure of Federal policies and regulation to adjust to the needs of the shipping and consuming public; to a large extent it is attributable to the fact that the burdens of regulation are handicapping the certificated common carrier in his efforts to meet his unregulated competition. Whatever the cause, the common carrier with his obligation to serve all shippers—large and small—on certain routes at known tariffs and without any discrimination performs an essential function that should not be extinguished.

Considerable research and analysis, going far beyond our present findings, will be required before we know enough about the costs and other characteristics of various forms of transportation to guarantee the achievement of these objectives in full. In the meantime, it is clear that the following fundamental reforms in our transportation policy are needed now.

Part I

Intercity Transportation

Our system of intercity public transportation — including railroads, trucks, buses, ships and barges, airplanes and pipelines — is seriously weakened today by artificial distortions and inefficiencies inherent in existing Federal policies. Built up over the years, they can be removed only gradually if we are to mitigate the hardships that are bound to arise in any program of far-reaching adjustment.

As an initial step, I am requesting the Chairmen of the Civil Aeronautics Board, the Interstate Commerce Commission and the Federal Maritime Commission to meet at frequent intervals to discuss regulatory problems affecting the various modes of transportation and to seek coordinated solutions in the form of legislation or administrative action that will improve the regulatory process.

(A) *Equal competitive opportunity under diminished regulation.*

(1) **Bulk Commodities** — At present, the transportation of bulk commodities by water carriers is exempt from all rate regulation under the Interstate Commerce Act, including the approval of minimum rates; but this exemption is denied to all other modes of transportation. This is clearly inequitable both to the latter and to shippers—and it is an inequity which should be removed. *Extending to all other carriers the exemption from the approval or prescription of minimum rates* would permit the forces of competition an equal opportunity to replace cumbersome regulation for these commodities, while protecting the public interest by leaving intact the ICC's control over maximum railroad rates and other safeguards (such as the prohibition against discrimination, and requirements on car service and common carrier responsibility). While this would be the preferable way to eliminate the existing inequality, Congress could elect to place all carriers on an equal footing by repealing the existing exemption — although this would result in more, instead of less, regulation and very likely in higher though more stable rates. Whichever alternative is adopted, these commodities are too important a part of carrier traffic to continue to be governed so unequally by Federal rate regulation.

(2) **Agricultural and fishery products** — An exemption similar to that described above, and now available only to motor carriers and freight forwarders, relates to agricultural and fishery products. *This exemption from minimum rates should also be extended to all carriers.* Here, too, the ICC should retain control of maximum railroad rates and certain other controls to protect the public interest in those areas where there is no effective truck or water carrier competition to keep rates down.

The combined effect of extending these bulk and agricultural exemptions will be to reduce drastically and equalize fairly the regulation of freight rates in this country. Freed to exercise normal managerial initiative, carriers will be able to rationalize their operations and reduce costs; and shippers should consequently enjoy a wider choice, improved service and lower rates.

(3) **Intercity passenger rates** — The traveling public, like the commercial shipper, is also uninterested in paying higher rates to subsidize weak segments of the transportation industry. Chronic over-capacity and deficits can be ended in the long run only in an industry made fit, lean and progressive by vigorous competition and innovation. But this is not possible as long as Federal agencies fix uniform minimum rates for passenger travel. I recommend, therefore, that the Congress enact legislation which would eventually *limit the control of intercity passenger rates to the establishment of maximum rates only.* In the case of the airlines, it may be preferable to initiate this program on a gradual or temporary basis under existing authority.

To prevent the absence of minimum rate regulation under the above three proposals from resulting in predatory, discriminatory trade practices or rate wars reflecting monopolistic ambitions rather than true efficiency, the Congress should make certain that such practices by carriers freed from minimum rate regulations would be covered by existing laws against monopoly and predatory trade practices.

While the above three recommendations relate to the most critical—and controversial—problems of unnecessary or unequal regulatory curbs on transportation, other changes in the Interstate Commerce Act and the Federal Aviation Act are needed consistent with these same principles. I recommend that legislation be enacted to:

(4) Assure all carriers the right to ship vehicles or containers on the carriers of other branches of the transportation industry at the same rates available to non-carrier shippers. This change will put the various carriers in a position of equality with freight forwarders and other shippers in the use of the promising and fast-growing piggyback and related techniques.

(5) Repeal the provision of the Interstate Commerce Act which now prevents a railroad from hauling cargo it owns. The need for this provision, which goes back to the days of oppressive railroad monopoly, has largely passed; and its current effect is to handicap the railroads in competing with other modes of transportation. The anti-trust laws can insure protection against the possible abuse by a railroad of its dual status as shipper and carrier.

(6) Direct the regulatory agencies to sanction experimental freight rates, modifications and variations in existing systems of classification and documentation, and new kinds or combinations of service.

(B) *Consistent policies of taxation and user charges.*

The same accidents of circumstance that have molded our transportation regulatory policies and programs have largely determined specific transportation taxes. As a result, inequities have developed and in some instances have persisted for many years.

(1) **Transportation excise tax.** I have already recommended repeal of the 10% passenger transportation tax. This tax, a vestige of World War II and the Korean War, has undoubtedly discriminated against public transportation in favor of the automobile. I again recommend repeal of this tax to improve the competitive position of intercity railroad and bus passenger transportation systems, which generally are not publicly supported, and to clear the way for an equitable system of user charges for aviation.

(2) **Aviation.** For the commercial airlines, I have suggested (a) continuation of the 2-cents-per-gallon net tax on gasoline and extension of that tax rate to all jet fuels; and (b) a 5% tax on airline tickets and on air freight waybills. By delaying until Jan. 1, 1963 the effective date of all proposed changes as they affect aviation—including the repeal of the passenger tax for the airlines—ample time will be allowed for review by the Civil Aeronautics Board of any tariff adjustments that may be required by the carriers to recover the cost of user charges on fuel. The ticket and waybill taxes will be passed on directly to ultimate users.

For general aviation, such as recreational flying and company planes to which ticket and waybill taxes would not be applicable, a fuel tax of three cents per gallon is recommended as a minimal step toward recouping the heavy Federal investment in the airways.

All of the above taxes—in effect user charges — will recover only about half of the annual cost of the Federal airways system which is properly allocable to civil aviation. Total airways costs, which are approximately $500 million annually, have risen steadily in the past decade and will continue to grow as airways facilities and services are improved to accommodate future air traffic. Repeal of the 10% passenger tax as it now applies to aviation should not become effective therefore, until the recommended user charges are in force for all segments of civil aviation.

(3) **Inland Waterways.** Also in the interest of equality of treatment and opportunity, the principle of user charges should be extended to the inland waterways. A tax of two cents per gallon should be applied to all fuels used in transportation on the waterways. The recommended effective date, Jan. 1, 1963, will allow time for review by the Interstate Commerce Commission of any adjustments that may be necessary in common carrier rates.

This deferral is recommended even though the bulk of inland waterways traffic is carried by unregulated rather than regulated carriers.

The new tax should include an exemption similar to the current exemption from taxation accorded to gasoline and ships' supplies for vessels employed in the fisheries, foreign trade, or trade between the Atlantic and Pacific ports of the United States or between the United States and any of its possessions. Vessels in domestic trade using facilities and routes similar to those engaged in foreign trade, and vessels in coastal trade which are too large to use the intra-coastal waterways, should also be exempted.

This Administration recognizes the responsibility of the government to maintain and improve our system of inland waterways. Over $2 billion of Federal funds has already been invested in capital improvements. Expenditures for operating and maintaining the waterways are about $70 million annually, even though only a small fraction of the traffic consists of common carriers which serve all shippers and the general public. The users of the waterways include some of the largest and financially strongest corporations in the United States today, and it is surely feasible and appropriate for them to pay a small share of the Federal Government's costs in providing and maintaining waterway improvements.

(4) **Income Taxes:** Another effort to improve equity in taxation is being taken by the Treasury Department, which is reviewing the administrative guidelines now governing depreciation rates in the transportation industry. The objective of this Administration will be to give full recognition to current economic forces, including obsolescence, which in their impact upon the lives of depreciable assets may affect quite differently the different modes of transportation and, therefore, their competitive relationships. In addition, I recommend that the Internal Revenue Code be amended to increase from five to seven years the period during which regulated public utilities, including those in transportation, can apply prior year losses to reduce current income for tax purposes.

(C) *Even-handed Government promotion of inter-city transportation.*

To achieve a better balance of Federal promotional programs:

(1) I urge favorable consideration of legislation proposed by the Civil Aeronautics Board last year to make the domestic trunk air carriers ineligible for operating subsidies in the future. These carriers provide more passenger miles of transportation service than any of the other common carriers; and, while they are experiencing temporary over-capacity and have recently sustained financial losses, they have bright prospects for long-run growth and prosperity which should make them permanently independent of government support.

(2) With respect to other aviation subsidies, the Congress has limited to $6 million the funds available in fiscal 1962 for the payment of operating subsidies to the three certificated helicopter services; and the Appropriations Committees have requested the Civil Aeronautics Board to prepare a schedule for the termination of these subsidies. I endorse this position and seek the extension of this principle. I am asking the board to develop by June 30, 1963, a step-by-step program, with specific annual targets, to assure sharp reduction of operating subsidies to all other domestic airlines as well, within periods to be established by the board for each type of service or carrier. Rigorous enforcement of the board's "use-it-or-lose-it" policy and further development of the Class Rate Subsidy Plan which the board initiated in January, 1961 with the cooperation of the local service carriers would clearly facilitate this objective. The development of single airports to serve adjacent cities, or regional airports, is also clearly necessary if these subsidies are to be eliminated and if the Federal Government and local communities are to meet the nation's needs for adequate airports and air navigation facilities without excessive and unjustifiable costs.

(3) The Federal Government is a major user of transportation services. To assure the greatest practical use of the transportation industry by government, I am directing all agencies of the government, in meeting their own transport needs, to use authorized commercial facilities in all modes of transportation within the limits of economical and efficient operations and the requirements of military readiness.

(4) I also recommend that the Post Office Department be given greater flexibility in arranging for the transportation of mail by motor vehicle common carrier.

(5) Last year the Congress extended until June 30, 1963, the authority by which the Interstate Commerce Commission has been guaranteeing interest and principal payments on emergency loans to the railroads for operations, maintenance, and capital improvements for which the carriers cannot otherwise obtain funds on reasonable terms. A similar law by which the government guarantees loans for aircraft and parts being purchased by certain certificated air carriers will expire this year. Since the Department of Commerce is already a focal point for government transportation activities and since, in the interest of program coordination and consistency of policy these activities should be further consolidated, I recommend that the railroad loan guarantee authority, and the aviation loan guarantee authority if it is extended, be transferred to the Department of Commerce. These problems are not regulatory in nature and are clearly separable from the chief functions of the Interstate Commerce Commission and the Civil Aeronautics Board, and can be acted upon more expeditiously by an executive agency.

(D) *Protection of the Public Interest.*

(1) **Mergers.** A great resurgence of merger talk has occurred in the railroad and airline industries in the last several years, and major mergers have been proposed in recent months in both industries. The soundness of such mergers should be determined, not in the abstract, but by applying appropriate criteria to the circumstances and conditions of each particular case. This Administration has a responsibility to recommend more specific guidelines than are now available and more specific procedures for applying them.

Accordingly, I have directed the formation of an inter-agency group to undertake two tasks: first, after proper consultation with interested parties, to formulate general administration policies on mergers in each segment of the transportation industry; and second, to assist the Department of Justice in developing a government position on each merger application for presentation before the regulatory agencies. This group will consist of agency representatives designated by the Attorney General, the Secretary of Commerce, the Secretary of Labor, the Chairman of the Council of Economic Advisers and the heads of other agencies involved in a particular case. Under the Chairmanship of Commerce, this group will examine each pending merger in transportation on the basis of the following criteria and others which they may develop:

(1) Effective competition should be maintained among alternative forms of transportation, and, where traffic volume permits, between competing firms in the same mode of transportation.

(2) The goals of economical, efficient, and adequate service to the public—and reduction in any public subsidies—should be secured by the realization of genuine economies.

(3) Affected workers should be given the assistance to make any necessary adjustments caused by the merger.

(2) **Through routes and joint rates.** For many years some regulatory agencies have been authorized to appoint joint boards to act on proposals for intercarrier services; but they have taken virtually no initiative to foster these arrangements which could greatly increase service and convenience to the general public and open up new opportunities for all carriers. I recommend, therefore, that Congress declare as a matter of public policy that through routes and joint rates should be vigorously encouraged, and authorize all transportation agencies to participate in joint boards.

(3) I have requested the Secretary of Defense and the Administrator of General Services to make the fullest possible use of their statutory powers, and I urge the enactment of such additional legislation as may be necessary, to encourage *experimental rates and services*—to explore every promising simplification of rate structures—and to encourage the development of systems that will make rate ascertainment and publication less costly and more convenient. These experiments will be pilot studies for a more general simplification of rates and for the application of new kinds of service to transportation in general.

(4) I am requesting the National Conference of Commissioners on Uniform State Laws, in cooperation with the Interstate Commerce Commission to develop and urge adoption of uniform State registration laws for motor carriers operating within states but handling interstate commerce. The Congress should, consistent with this effort, give the Interstate Commerce Commission authority to enter into cooperative enforcement agreements with the various States, covering both the economic and the safety aspects of highway transportation.

(5) I recommend that all common carriers, including freight forwarders and motor carriers, be required to pay reparations to shippers charged unlawfully high rates.

(6) Finally, I recommend that the civil penalty now imposed on motor carriers for failure to file required reports be substantially increased; that the same civil penalty be imposed for violations of safety regulations and for operating without authority; and that the safety regulations of the Interstate Commerce Commission should be made fully applicable to private, as well as to common and contract carriers, so as to clarify the ambiguous situation prevailing at present.

Partners in Bishop-Wells

BOSTON, Mass. — Raymond E. Wells and Warren S. Anthony are continuing the investment business of Bishop-Wells Co., 185 Devonshire St., as a partnership. Both have been associated with the firm for some time.

Depositors' Inv. Co.

OKLAHOMA CITY, Okla. — Depositors' Investment Company has opened offices at 836 Northwest 39th Street to engage in a securities business. Partners are Eddie Bryson, Olen Gist and Mary F. Bryson.

New Broker-Dealer Firms

Winslow Adams Co. Opens

Winslow Adams Co., Inc. has opened offices at 82 Beaver St., New York City, to engage in a securities business. Officers are William Wilen, President; Benjamin Hoffman, Vice-President and Jack Adelman, Secretary and Treasurer.

Forms Unified Business Service

(Special to THE FINANCIAL CHRONICLE)

SAN CLEMENTE, Calif.—Donald J. Atkinson is conducting a securities business from offices at 158 Avenida de la Paz, under the firm name of Unified Business Service of Southern California.

Form Estate Planning

ODESSA, Texas—Roland A. Lipscomb is engaging in a securities business from offices at 310 West Fifth under the firm name of Estate Planning Service.

Pension Planners of Ky.

FRANKFORD, Ky. — Pension Planners of Kentucky, Inc. is engaging in a securities business from offices at 309 West Main St. Officers are Thomas M. Frishe, President; Jean E. Sapp, Secretary and Treasurer; and V. D. Frische, Vice President.

Form Weber Corp.

OGDEN, Utah—The Weber Corp. is engaging in a securities business from offices in the First Security Bank Building. Officers are James A. Watson, President, and Everett W. Byers, Vice-President, Secretary and Treasurer.

E. F. Barth Opens

RICHMOND, Va. — E. Frederic Barth, Jr. is conducting a securities business from offices at 4614 Grove Avenue. Mr. Barth was formerly a Vice-President of Mutual Securities Corporation.

A. I. Bennett Opens

MOBILE, Ala.—Alfred I. Bennett is engaging in a securities business from offices at 1950 Government Street. He was formerly with First Alabama Securities, Inc.

Massasoit R. E. Trust

PROVIDENCE, R. I. — Massasoit Real Estate Investment Trust is conducting a securities business from offices in the Industrial Bank Building. Trustees are Christopher Del Sesto, Alexander H. DiMartino, Herbert W. Ellis, Stanton M. Latham, and Earl C. Sylvander.

Form Norman Bernstein Co.

WASHINGTON, D. C. — Norman Bernstein Securities Inc. has been formed with offices at 1415 K St., N. W. to engage in a securities business. Officers are Norman Bernstein, President and Treasurer, and James R. Connell, Vice-President.

Form Corp. Underwriters

PHOENIX, Ariz.—Corporate Underwriters Co. is conducting a securities business from offices at 308, Guaranty Bank Building. Officers are Ernest A. Ragland, Jr., President and Treasurer; Luther T. Killion, Vice-President; and Shirley R. Ellis, Secretary.

W. H. Jones Opens

CHARLOTTE, N. C. — William Howard Jones is conducting a securities business from offices at 3101 Loma Lane under the firm name of Howard Jones & Co. Mr. Jones was formerly with Merrill Lynch, Pierce, Fenner & Smith Inc.

C. S. Lubetkin Co.

ORANGE, N. J.—C. S. Lubetkin & Co., Inc. has been formed with offices at 395 Sheridan Street to engage in a securities business. Charles S. Lubetkin is President of the firm. He was formerly with J. R. Williston & Beane.

Forms Marklo Co.

Morris Weinstein is engaging in a securities business from offices at 303 West 42nd Street, New York City under the firm name of Marklo Company.

Merit Securities Formed

Merit Securities Corporation has been formed with offices at 515 Madison Avenue, New York City, to engage in a securities business.

Forms Mutual Fund Co.

Marvin H. Litt is conducting a securities business from offices at 200 West 34th Street, New York City, under the firm name of The Mutual Fund Co.

North American Inv.

BETHPAGE, N. Y.—North American Investing Co., Inc. is engaging in a securities business from offices at 4200 Hempstead Turnpike.

Paul Miller Opens

INGLEWOOD, Calif.—Paul Miller is conducting a securities business from offices 514-516 West Manchester Boulevard.

J. R. Price Opens

(Special to THE FINANCIAL CHRONICLE)

FRESNO, Calif.—James R. Price is engaging in a securities business from offices at 311 North Fulton Street under the firm name of Price and Company. He was formerly with Kellogg and Company.

Form Amco Inv. Corp.

PONCA CITY, Okla.—Amco Investment Corporation has been formed with offices in the Royalty Building to engage in a securities business. Officers are William D. Wimmer, President; George B. Hill, Chairman of the Board and Joe Gage, Secretary and Treasurer.

J. W. DeRaffele Opens

NEW ROCHELLE, N. Y.—Joseph W. DeRaffele is engaging in a securities business from offices at 246 Centre Avenue.

Kennedy Inv. Services

ENGLAND, Ark.—Kennedy Investment Services is conducting a securities business from offices here. Officers are William S. Kennedy, IV, President; William S. Kennedy, Sr., Vice-President; and Beverly C. Kennedy, Secretary and Treasurer.

Forms Kennedy, Levy Co.

WOODLAND HILLS, Calif. — Louis B. Cherry is conducting a securities business from offices at 5716 Comanche Avenue under the firm name of Kennedy, Levy & Co.

Clement McLean Opens

Clement McLean is engaging in a securities business from offices at 250 West 57th Street, New York City, under the firm name of McLean & Company.

Forms Samuels Co.

(Special to THE FINANCIAL CHRONICLE)

SAN FRANCISCO, Calif.—Charles C. Samuels has formed Charles C. Samuels & Co. with offices at 301 Pine Street to engage in a securities business. Mr. Samuels was formerly a partner in the East-West Securities Company.

Unwarranted Pessimism In Today's Forecasts

Continued from page 1

ever, trends in family formation would appear to argue against an upsurge in housing.

Our *exports* have been doing very well despite some slowdown in the pace of business in Western Europe and Japan. Our exports of goods and services exceeded imports of goods and services by a $4 billion annual rate in the fourth quarter of last year. This surplus might shrink a bit during the first half, but exports could rise in the second half and restore a surplus at a $4 billion rate. Business in Western Europe and Japan should be moving ahead at a good clip by then.

Government purchases of goods and services are headed upwards. We have them rising from a rate of $113 billion in the fourth quarter of last year to $121 billion at the end of the year. All of this assumes that the Administration will persevere in its attempt to balance the Federal budget in fiscal 1963, and that the international situation will not worsen in a manner that calls for an increase in defense.

All of these changes—in business capital investment inventories, housing, exports and government—will operate to boost personal income. Our projections show a rise of 5½% in income after taxes. With the savings rate down moderately, we have total consumer expenditures rising from a rate of $348 billion in the fourth quarter of last year to one of $369 billion in the final quarter of this year. This would mean auto sales, including imports, of about 6.6 million and a reasonably good year for appliances and other durables.

Adding Up the Projections

When you tote up all these numbers, you get the $565 billion GNP for the year I mentioned at the outset. The annual rate in the fourth quarter of 1962 adds up to $576 billion, more than 6% above a year earlier. The increase in the index of industrial production would also work out to about 6%.

This is at first glance a very good picture. It shows continued expansion throughout the year, with new highs in various business indicators. And yet it seems to me that these projections, which I would regard as the most probable ones based on what we know now, really add up to an economic picture which is not good enough.

In general, the picture is one of an economy in a phase of sluggish growth. By the end of this year—almost two years after the bottom of the recession—the economy would be operating at a rate 4-5% short of its potential. These concepts are difficult to measure, but I believe that represents a reasonable appraisal. Unemployment would be above, and perhaps uncomfortably above, the 4% figure which may represent a reasonable goal for our economy at this time. Business investment would be running at a rate only a bit above 9% of GNP. This compares with an investment rate of 11% in past periods of full prosperity.

Moreover, I think this represents the picture of an economy about to move into another period of readjustment. I want to emphasize that at this point I am not making a forecast—I am, rather, discussing the implications of a projection of a $576 billion rate of GNP in the fourth quarter. One would have to see how the various factors develop this year before talking in any precise terms about the length of the current phase of expansion. But, if they should move in the manner set forth in the projections I have outlined, my feeling is that we would be not too far from a turning point. Inventories would look high in relation to prospective sales. Profits would probably be in a declining trend because the volume of sales would be showing little growth.

It has been argued that the way to prolong periods of prosperity is to moderate the advance in the earlier stages, and thus stretch the process out. While this sounds like a plausible argument, it doesn't seem to fit the past business cycle pattern in the United States. If the pace of the advance in general business tapers off, this is almost always the prelude to a downturn. I might add that any downturn, following such modest advances in inventories and business investment as are shown in the projections for 1962, would probably prove quite moderate.

All in all, I would argue that the picture painted by the projections I have described for this year is not a satisfactory one. It shows a low-investment and, hence, a low-growth economy. It shows an economy operating at levels that fall short of the potentials provided by a growing labor force and rapid technological advance.

Now before I am marked down in anyone's book as a congenital pessimist, let me raise some questions, and give a set of answers that will validate my license as an optimist about the future of the American economy.

Why an Optimistic Analysis Can Be Made

First, we should consider the possibility that the standard forecast is too low. The record of competent practitioners of the art of business forecasting shows that they tended to underrate the strength of every postwar recovery, except that in 1958-60. It is possible that at present we are down-grading prospects for business capital investment, inventories and consumer durables too heavily. Corporate cash flow is rising in a manner that could support a more rapid increase in business investment in new plant and equipment and inventories than we have projected. The long-term factors underlying consumer durables markets are swinging to the favorable side. The continuation of the old policy of easy money should exert a benign influence. However, my best judgment at the moment would be that the odds are against a move which would carry the economy up to a full prosperity level by the end of this year or early 1963.

A second consideration is that something will happen to change the business outlook. We live in a world in which the international situation can always change in a manner that would call for an increased effort on the part of the United States. This is one of the things which business forecasters assume to be equal—and it reinforces the admonition that those who have to make decisions should keep a wary eye out for what economists assume to be equal.

Beyond that, action can, and in my judgment should, be taken to change the business outlook. When we look at what has been happening during the past five years, we find that the main lagging areas have been business plant and equipment, consumer durables and housing.

The lag in housing and consumer durables is partly due to the failure of incomes to rise as rapidly as in earlier postwar years, and partly to the population trends. In the case of housing, a renewed impetus from population factors cannot be expected until late in the decade. However, with income rising, housing should do relatively better in the next few years than in the recent past.

The basic factors underlying markets for consumer durables point to a growing strength from now on. The new young families being formed in increasing numbers are seldom in a position to buy a new house, though they add to the demand for rental units. However, they do buy autos, appliances, furniture and other durables. At the same time, replacement demand is continuing to grow. Thus, it is possible to see a strong comeback in consumer durables.

Serious Investment Lag

The most serious lag during the past five years has been that in business investment in new plant and equipment. In constant dollars, such investment in the fourth quarter of last year was 5% below its level five years earlier. The standard forecast places the level in the fourth quarter of this year at least $6 billion below a reasonable projection of the long-term trend of business capital investment.

This investment lag is serious for a number of reasons. It has complicated the employment problem, since the growth of jobs has lagged in localities which concentrate on heavy industry. It means that the rate of modernization of American industry has slowed to a snail's pace — estimates show that our productive equipment has actually been growing older. We are failing to take full advantage of our tremendous investment in research and development.

I am aware of arguments that it is excess capacity resulting from insufficient purchasing power that has been holding back investment. However, I do not believe that such arguments stand up under analysis. Our problem during most of the past five years has not been a lack of purchasing power. To the contrary, the problem has been that purchasing power has tended to grow too fast. Wages and other costs have advanced more rapidly than productivity. With industrial prices stable, this has placed a squeeze on profits. The inadequate level of profits has held back capital investment, and hence over-all economic growth. We have excess capacity at the moment not because of over-expansion, but because of the lag in the over-all economy resulting from the low rate of investment and modernization.

In considerable part, this reflects a necessary adjustment to the end of inflation. Costs must be brought under control to restore the necessary rate of profit. We have been making progress to this end and the steel settlement represents a notable advance. However, I do not believe we can, in a non-inflationary setting, sustain the present burden of taxation on saving and hope to have the quantity and the quality of investment needed for salubrious progress.

Would Cut Corporate Tax 5%

Thus, I believe special action needs to be taken to encourage investment. To my mind, the best way to do this would be to press ahead on the Treasury's program for revising depreciation practices and, in addition, cut the corporate income tax rate by five percentage points. These two steps would reduce this year's corporate taxes by around $4 billion. It seems to me that such a program should meet with approval by business, and that it could stimulate a greater increase in investment than the tax saving. In fact, I believe it would, by increasing the incentives for investment, call forth an increase in investment of a magnitude sufficient to lift the economy to a full prosperity level by early 1963.

The tax credit proposal now before the Congress seems to me less satisfactory. It is smaller — less than $1½ billion instead of the roughly $2.8 billion involved in a five-point cut in the corporate tax. It is regarded as a gimmick, and perhaps a temporary one, by many businessmen. And it may involve certain distortions in investment decisions. Nevertheless, it is better than nothing. If enacted promptly, and combined with an aggressive pursual of the Treasury's depreciation program, there is a chance that the fourth quarter rate of business investment in new plant and equipment could be increased by $2-3 billion.

Thus, through a process which I fear some may have found tortuous, though assuredly the process has involved no inconsiderable pain on my part, I have managed to come back around to an optimistic view of the outlook. With a reasonable settlement in steel and wage restraint generally, plus action to encourage investment, I believe we can top the fourth quarter standard forecast of $576 billion by perhaps $6-8 billion. That doesn't sound like much, and yet it could be the difference between an economy moving into next year in a strong and vital manner as against one experiencing an abortive and weak recovery.

Balance of Payments Problem

There is one other significant reason why I believe we need to encourage a high rate of investment. The United States has a balance of payments problem. The only good solution to that problem involves an increase in our exports. It seems to me that a higher level of investment, and the increased vigor it would generate throughout the economy are essential if we are to achieve the necessary rise in exports.

Other steps are also required to deal with the balance of payments problem. But significantly, most of them represent measures which are also necessary for the well-being of the domestic economy. They relate to the need to keep our costs in line so our exporters can compete in world markets, and to follow national economic policies designed to achieve growth without inflation.

Le me try to set forth briefly the nature of our balance of payments problem. Last year our private exports of goods and services exceeded our imports of goods and services by $5 billion. However, we paid out, net, $5.6 billion for military expenditures abroad, U. S. private investment abroad and other smaller payments. Thus, we had a basic deficit of $600 million. This represented a sizable improvement over the two previous years—this basic deficit was over $4 billion in 1959 and $2 billion in 1960. This improvement was chiefly due to a 17% increase in our private exports of goods and services between 1959 and 1961—a very good showing.

However, short-term capital movements went against the U. S. last year to the tune of almost $2 billion. Thus, our total deficit was $2½ billion, almost half of which was financed with gold and the remainder from an increase in short-term liabilities abroad.

Internationally Solvent but Not Liquid

This does not mean that we are going broke internationally—the growth in our total foreign assets exceeds that in our liabilities. But we have been reducing our international liquidity at a pace that cannot be long sustained. If this process were to continue, at some point—no one knows when—our short-term international obligations would be so large in relation to our basic gold reserves that they could no longer be supported. The result would be a run on the dollar and since much of the free world is on a dollar standard, it is all-important to maintain confidence in the integrity of the dollar. Thus, we must take steps to bring our international payments accounts into balance.

Good progress is being made by the Administration on some aspects of the problem. The dollar drain involved in our overseas military and economic aid expenditures is being reduced from last year's $2.6 billion. Various technical devices have been set up to reduce the impact of short-term capital movements. An export drive has been mounted, and the need to encourage exports underlies Administration policies of attempting to balance the budget in fiscal 1963 and of encouraging restraint on the wage front.

However, we must press ahead. As a minimum goal we need an increase of 10% in our exports this year. That will not be easy to achieve in a world where trade is intensely competitive. Once a balance in our international accounts has been restored, we will need to push exports ahead at an average growth rate of at least 5% per annum. In my opinion, this means we must work to reduce barriers to trade around the world. And we can do this only by reducing our own barriers against foreign competition, a step which would operate to our advantage if we pursue other policies to encourage growth without inflation.

One Final Thought

It's obviously impossible to sum up this discursive discourse. However, I'd like to register one final thought. We are living in an era of rapid change on all sides — technology, international relations communications, and most significantly, ideas. In appraising our economic prospects or in evaluating economic policies, it is important to keep in mind the fact that the economic framework is constantly changing. The economic ideas of the 1920s, the 1930s or even of the 1950s cannot be transferred into the 1960s without drastic adaptations. In fact, a good many of the economic ideas of those eras might better have never been invented.

In other words, we must reorient our thinking from a framework of the depression 1930s and the inflationary ideas of the 1940s and most of the 1950s to the new situation we now face. To my mind this new situation calls for an approach which stresses policies of price stability, cost control, emphasis on business capital investment and education, and a thorough-going review of government expenditures on programs which operate, largely through subsidies, to reduce the economy's over-all efficiency.

Because of the acceleration in the pace of change, we must seek a greater flexibility in our thinking and in our actions than in the past. The past record of America gives one confidence that we can adjust to the challenges of the future as we have in the past.

*An address by William F. Butler before the Boston Investment Club, Boston, Mass, April 10, 1962.

Wm. Fraser With Stern, Frank, Meyer & Fox

LOS ANGELES, Calif. — William K. Fraser has joined the trading department of Stern, Frank, Meyer & Fox, 325 West Eighth St., members of the New York and San Francisco Stock Exchanges. Mr. Fraser, a graduate of Glendale College, is the son of James G. Fraser.

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)	April 28	67.0	73.0	82.5	64.0
Equivalent to—					
Steel ingots and castings (net tons)	April 28	1,957,000	2,138,000	2,417,000	1,858,000
AMERICAN PETROLEUM INSTITUTE:					
Crude oil and condensate output—daily average (bbls. of 42 gallons each)	April 20	7,394,110	7,405,710	7,356,610	7,267,860
Crude runs to stills—daily average (bbls.)	April 20	8,136,000	7,931,000	8,152,000	7,765,000
Gasoline output (bbls.)	April 20	27,790,000	27,978,000	28,971,000	26,963,000
Kerosene output (bbls.)	April 20	2,758,000	2,462,000	3,140,000	2,614,000
Distillate fuel oil output (bbls.)	April 20	12,580,000	13,355,000	13,774,000	11,217,000
Residual fuel oil output (bbls.)	April 20	5,723,000	5,710,000	6,131,000	5,980,000
Stocks at refineries, bulk terminals, in transit, in pipe lines—					
Finished gasoline (bbls.) at	April 20	202,016,000	*204,061,000	206,631,000	207,799,000
Kerosene (bbls.) at	April 20	23,594,000	23,989,000	23,668,000	26,447,000
Distillate fuel oil (bbls.) at	April 20	87,156,000	87,899,000	86,855,000	84,622,000
Residual fuel oil (bbls.) at	April 20	40,175,000	39,925,000	37,426,000	41,791,000
ASSOCIATION OF AMERICAN RAILROADS:					
Revenue freight loaded (number of cars)	April 21	569,493	554,945	555,873	533,037
Revenue freight received from connections (no. of cars)	April 21	516,256	513,630	526,904	489,091
CIVIL ENGINEERING CONSTRUCTION—ENGINEERING NEWS-RECORD:					
Total U. S. construction	April 26	$427,100,000	$443,000,000	$506,100,000	$555,000,000
Private construction	April 26	176,000,000	206,000,000	182,800,000	259,500,000
Public construction	April 26	251,100,000	237,000,000	232,300,000	295,500,000
State and municipal	April 26	206,700,000	203,200,000	193,500,000	212,000,000
Federal	April 26	44,400,000	33,800,000	129,800,000	83,500,000
COAL OUTPUT (U. S. BUREAU OF MINES):					
Bituminous coal and lignite (tons)	April 21	8,620,000	*8,260,000	8,230,000	7,696,000
Pennsylvania anthracite (tons)	April 21	317,000	297,000	331,000	333,000
DEPARTMENT STORE SALES INDEX—FEDERAL RESERVE SYSTEM—1947-49 AVERAGE=100	April 21	165	*152	141	144
EDISON ELECTRIC INSTITUTE:					
Electric output (in 000 kwh.)	April 28	15,054,000	15,329,000	15,552,000	14,254,000
FAILURES (COMMERCIAL AND INDUSTRIAL) — DUN & BRADSTREET, INC.	April 26	335	416	330	369
IRON AGE COMPOSITE PRICES:					
Finished steel (per lb.)	April 23	6.196c	6.196c	6.196c	6.196c
Pig iron (per gross ton)	April 23	$66.44	$66.44	$66.44	$66.44
Scrap steel (per gross ton)	April 23	$30.50	$30.83	$31.50	$37.50
METAL PRICES (E. & M. J. QUOTATIONS):					
Electrolytic copper—					
Domestic refinery at	April 25	30.600c	30.600c	30.600c	28.600c
Export refinery at	April 25	28.600c	28.575c	28.575c	27.875c
Lead (New York) at	April 25	9.500c	9.500c	9.500c	11.000c
Lead (St. Louis) at	April 25	9.300c	9.300c	9.300c	10.800c
‡Zinc (delivered) at	April 25	12.000c	12.500c	12.500c	12.000c
Zinc (East St. Louis) at	April 25	11.500c	12.000c	12.000c	11.500c
Aluminum (primary pig, 99.5%) at	April 25	24.000c	24.000c	24.000c	26.000c
Straits tin (New York) at	April 25	121.375c	124.000c	124.000c	108.125c
MOODY'S BOND PRICES DAILY AVERAGES:					
U. S. Government Bonds	May 1	90.17	89.54	88.81	88.85
Average corporate	May 1	87.32	87.32	86.78	87.72
Aaa	May 1	91.48	91.48	90.48	91.91
Aa	May 1	89.23	88.95	88.67	90.06
A	May 1	87.05	86.91	86.38	87.18
Baa	May 1	82.03	82.15	81.90	82.15
Railroad Group	May 1	84.04	84.04	83.91	85.20
Public Utilities Group	May 1	88.27	88.27	87.59	89.09
Industrials Group	May 1	89.78	89.51	88.95	88.95
MOODY'S BOND YIELD DAILY AVERAGES:					
U. S. Government Bonds	May 1	3.65	3.72	3.80	3.71
Average corporate	May 1	4.61	4.61	4.65	4.58
Aaa	May 1	4.31	4.31	4.38	4.28
Aa	May 1	4.47	4.49	4.51	4.41
A	May 1	4.63	4.64	4.68	4.62
Baa	May 1	5.02	5.01	5.03	5.01
Railroad Group	May 1	4.86	4.86	4.87	4.77
Public Utilities Group	May 1	4.54	4.54	4.59	4.48
Industrials Group	May 1	4.43	4.45	4.49	4.49
MOODY'S COMMODITY INDEX	May 1	365.5	366.9	369.3	367.0
NATIONAL PAPERBOARD ASSOCIATION:					
Orders received (tons)	April 21	328,885	318,745	350,465	306,093
Production (tons)	April 21	351,417	338,314	354,443	322,181
Percentage of activity	April 21	97	94	97	92
Unfilled orders (tons) at end of period	April 21	475,747	491,242	464,757	419,627
OIL, PAINT AND DRUG REPORTER PRICE INDEX—1949 AVERAGE=100	April 27	111.70	110.41	109.26	113.02
ROUND-LOT TRANSACTIONS FOR ACCOUNT OF MEMBERS, EXCEPT ODD-LOT DEALERS AND SPECIALISTS					
Transactions of specialists in stocks in which registered—					
Total purchases	April 6	2,256,650	2,130,709	2,242,150	4,594,930
Short sales	April 6	436,550	403,940	435,510	921,740
Other sales	April 6	1,870,800	1,752,890	1,669,640	3,387,740
Total sales	April 6	2,307,350	2,156,836	2,105,150	4,309,480
Other transactions initiated off the floor—					
Total purchases	April 6	222,110	234,720	263,630	695,200
Short sales	April 6	26,800	28,800	17,200	134,300
Other sales	April 6	282,970	232,403	214,230	589,820
Total sales	April 6	309,770	261,203	231,430	724,120
Other transactions initiated on the floor—					
Total purchases	April 6	733,540	694,749	790,890	1,330,847
Short sales	April 6	174,200	86,910	74,150	292,370
Other sales	April 6	747,221	815,260	777,552	1,464,741
Total sales	April 6	921,421	902,170	851,702	1,757,111
Total round-lot transactions for account of members—					
Total purchases	April 6	3,212,300	3,060,178	3,296,670	6,620,977
Short sales	April 6	637,550	519,650	526,860	1,348,410
Other sales	April 6	2,900,991	2,800,553	2,661,422	5,442,301
Total sales	April 6	3,538,541	3,320,203	3,188,282	6,790,711
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	April 6	1,742,029	1,612,710	1,643,324	3,061,349
Dollar value	April 6	$99,185,236	$85,677,987	$86,138,259	$156,089,293
Odd-lot purchases by dealers (customers' sales)—					
Number of orders—customers' total sales	April 6	1,671,785	1,638,543	1,669,528	3,077,144
Customers' short sales	April 6	15,954	10,897	9,669	8,160
Customers' other sales	April 6	1,655,831	1,627,646	1,659,859	3,068,984
Dollar value	April 6	$91,429,539	$82,199,434	$85,173,189	$145,401,925
Round-lot sales by dealers—					
Number of shares—Total sales	April 6	504,200	535,080	509,420	935,400
Short sales	April 6	------	------	------	------
Other sales	April 6	504,200	535,080	509,420	935,400
Round-lot purchases by dealers—Number of shares	April 6	527,980	469,250	501,580	907,540
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	April 6	791,740	629,040	684,400	1,473,930
Other sales	April 6	15,345,960	14,903,917	15,232,430	29,149,630
Total sales	April 6	16,137,700	15,532,957	15,916,830	30,623,560
WHOLESALE PRICES, NEW SERIES — U. S. DEPT. OF LABOR — (1957-59=100):					
Commodity Group—					
All commodities	April 24	100.6	100.5	100.5	Not avail.
Farm products	April 24	97.9	*97.3	98.1	Not avail.
Processed foods	April 24	100.1	*100.1	101.2	Not avail.
Meats	April 24	94.6	*94.0	94.9	Not avail.
All commodities other than farm and foods	April 24	100.9	100.9	100.7	Not avail.

*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
CASH DIVIDENDS—PUBLICLY REPORTED BY U. S. CORPORATIONS—U. S. DEPT. OF COMMERCE—Month of March:			
(000's omitted)	$2,074,700	$544,400	$1,957,200
COTTON SPINNING (DEPT. OF COMMERCE):			
Spinning spindles in place on March 31	19,475,000	19,462,000	19,773,000
Spinning spindles active on March 31	17,105,000	17,127,000	17,430,000
Active spindle hours (000's omitted) Mar. 31	8,622,000	8,615,000	10,253,000
Active spindle hrs. for spindles in place Mar.	431.1	430.8	410.0
EDISON ELECTRIC INSTITUTE—			
Kilowatt-hour sales to ultimate consumers—Month of February (000's omitted)	63,331,894	65,230,527	58,100,728
Revenue from ultimate customers—Month of January	$1,063,590	$1,086,486	$997,602
Number of ultimate customers at Feb. 28	60,103,210	59,997,055	58,782,864
EMPLOYMENT AND PAYROLLS—U. S. DEPT. OF LABOR REVISED SERIES—Month of March:			
All manufacturing (production workers)	12,237,000	*12,193,000	11,666,000
Durable goods	6,861,000	*6,824,000	6,358,000
Nondurable goods	5,376,000	*5,369,000	5,308,000
Payroll indexes (1957-59 avge. = 100)—			
All manufacturing	110.9	*109.5	98.9
Estimated number of employees in manufacturing industries—			
All manufacturing	16,511,000	*16,452,000	15,866,000
Durable goods	9,334,000	*9,288,000	8,775,000
Nondurable goods	7,177,000	*7,164,000	7,091,000
FABRICATED STRUCTURAL STEEL (AMERICAN INSTITUTE OF STEEL CONSTRUCTION)—Month of March:			
Contracts closed (tonnage)—estimated	221,253	275,703	295,739
Shipments (tonnage)—estimated	327,210	288,576	292,361
LIFE INSURANCE BENEFIT PAYMENTS TO POLICYHOLDERS — INSTITUTE OF LIFE INSURANCE—Month of January:			
Death benefits	$349,100,000	$320,700,000	$304,200,000
Matured endowments	74,700,000	70,000,000	62,900,000
Disability payments	12,500,000	11,300,000	11,900,000
Annuity payments	91,000,000	56,400,000	81,200,000
Surrender values	152,700,000	163,700,000	138,500,000
Policy dividends	128,900,000	345,400,000	112,500,000
Total	$808,900,000	$967,500,000	$711,200,000
LIFE INSURANCE PURCHASES — INSTITUTE OF LIFE INSURANCE—Month of February (000's omitted):			
Ordinary	$4,145,000	$3,827,000	$3,970,000
Industrial	571,000	494,000	544,000
Group	1,130,000	1,670,000	944,000
Total	$5,846,000	$5,991,000	$5,458,000
MANUFACTURERS' INVENTORIES & SALES—Month of February (millions of dollars):			
Inventories—			
Durables	$32,360	*$31,840	$30,910
Nondurables	24,160	*24,140	23,160
Total	$56,520	*$55,980	$54,080
Sales	30,560	*31,470	27,420
METAL OUTPUT (BUREAU OF MINES)—Month of February:			
Mine production of recoverable metals in the United States—			
Gold (in fine ounces)	116,787	*123,195	113,831
Silver (in fine ounces)	2,939,806	*3,046,667	2,878,913
Copper (in short tons)	101,270	*102,965	88,303
Lead (in short tons)	22,053	*22,487	20,804
Zinc (in short tons)	36,977	*37,780	38,836
MONEY IN CIRCULATION—TREASURY DEPT. As of February 28 (000's omitted)	$32,900,000	$32,800,000	$31,800,000
NEW YORK STOCK EXCHANGE— As of March 31 (000's omitted):			
Member firms carrying margin accounts—			
Total customers' net debit balances	$4,117,000	$4,100,000	$3,656,000
Credit extended to customers	34,000	34,000	55,000
Cash on hand and in banks in U. S.	426,000	421,000	427,000
Total of customers' free credit balances	1,154,000	1,190,000	1,507,000
Market value of listed bonds	107,404,231	106,247,637	109,936,802
Market value of listed shares	381,361,363	383,423,569	347,575,879
Member borrowings of U. S. Govt. issues	684,000	438,000	561,000
Member borrowings on other collateral	3,056,000	*2,940,000	2,056,000
PERSONAL INCOME IN THE UNITED STATES (DEPARTMENT OF COMMERCE)—Month of March (in billions):			
Total personal income	$435.3	*$433.3	$407.3
Wage and salary receipts, total	294.3	*293.1	271.1
Commodity producing industries	116.7	*116.2	106.5
Manufacturing only	92.8	*92.0	84.1
Distributing industries	76.2	*76.1	71.8
Service industries	45.7	45.4	42.1
Government	55.7	55.4	50.7
Other labor income	12.1	12.0	10.6
Business and professional	37.7	37.6	36.0
Farm	13.0	*12.9	13.0
Rental income of persons	11.5	11.5	11.4
Dividends	15.1	*14.9	14.2
Personal interest income	28.9	28.7	26.8
Transfer payments	33.4	*33.2	33.7
Less employees contribution for social insurance	10.6	*10.5	9.6
Total nonagricultural incomes	417.6	*415.8	390.4
PRICES RECEIVED BY FARMERS — INDEX NUMBER — U. S. DEPT. OF AGRICULTURE—1910-1914 = 100—As of March 15:			
All farm products	244	243	243
Crops	233	227	224
Commercial vegetables, fresh	317	285	217
Cotton	248	246	240
Feed, grain and hay	153	152	150
Food grains	223	219	208
Fruit	229	217	260
Oil-bearing crops	252	253	264
Potatoes	132	125	161
Tobacco	543	543	516
Livestock	254	257	259
Dairy products	254	264	256
Meat animals	307	305	309
Poultry and eggs	147	154	160
Wool	240	237	226
UNITED STATES EXPORTS AND IMPORTS BUREAU OF CENSUS—Month of February (000's omitted):			
Exports	$1,752,500	$1,642,200	$1,670,900
Imports	1,224,200	*1,372,600	*1,067,400

Securities Now in Registration

★ INDICATES ADDITIONS SINCE PREVIOUS ISSUE
• ITEMS REVISED

NOTE — Because of the large number of issues awaiting processing by the SEC, it is becoming increasingly difficult to predict offering dates with a high degree of accuracy. The dates shown in the index and in the accompanying detailed items reflect the expectations of the underwriter but are not, in general, to be considered as firm offering dates.

A. E. C. Electronics, Inc. (5/30)
Feb. 28, 1962 ("Reg. A") 100,000 common. **Price**—$1.25. **Business**—Design, development and sale of transistorized ignition systems for engines. **Proceeds**—For equipment, leasehold improvements, advertising and working capital. **Office**—80 Wall St., N. Y. **Underwriter** — Bertner Bros., N. Y.

A. L. S. Steel Corp.
March 29, 1962 filed 100,000 common. **Price**—$4.50. **Business**—Sale of processed flat rolled strip steel. **Proceeds**—For debt repayment, equipment, and working capital. **Office**—126—02 Northern Blvd., Corona, N .Y. **Underwriter**—Bernard L. Madoff, N. Y. **Offering**—In July.

★ Accurate Instrument Co. Inc.
April 24, 1962 ("Reg. A") 80,000 common. **Price**—$2.50. **Business**—Manufacture of electronic test instruments and component parts. **Proceeds**—For new products, debt repayment and other corporate purposes. **Office**—2435 White Plains Rd., N. Y. **Underwriter**—Paisley & Co., Inc., 15 W. 44th St., N. Y.

Accurate Packaging Corp. (5/28-31)
Feb. 28, 1962 filed 80,000 common. **Price**—By amendment. (max. $3). **Business**—Design and manufacture of folding paperboard cartons. **Proceeds**—For debt repayment, advertising and other corporate purposes. **Office**—651 Third St., Newark, N. J. **Underwriter**—Baruch Bros. & Co., Inc., N. Y.

Accurate Parts, Inc.
March 30, 1962 filed 100,000 common. **Price** — By amendment (max. $13). **Business** — Rebuilding and sale of starter drive devices for automobiles. **Proceeds** — For selling stockholders. **Office**—1313 S. Jay St., Kokomo, Ind. **Underwriters**—McDonnell & Co., N. Y. and Raffensperger, Hughes & Co., Indianapolis. **Offering**—June.

• Adelphi Research & Mfg. Co. (6/25-29)
Mar. 22, 1962 ("Reg. A") 53,300 common. **Price**—$3.75. **Business**—Manufacture and distribution of diazo, brown, and blue print paper. **Proceeds**—For debt repayment, expansion & working capital. **Office**—3745 N. 2nd St., Philadelphia. **Underwriter**—Fred F. Sessler & Co., Inc., New York.

Admiral Automotive Products, Inc. (5/21-25)
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.

Admiral Benbow Inn, Inc.
March 23, 1962 filed 101,578 common to be offered for subscription by stockholders on a 1-for-5 basis. **Price**—By amendment (max. $18). **Business**—Operation of a chain of restaurants and a motor hotel. **Proceeds**—For expansion, debt repayment and equipment. **Office**—29 S. Bellevue Blvd., Memphis. **Underwriter**—James N. Reddoch & Co., Memphis.

Admiral Business Systems, Inc.
Feb. 28, 1962 filed 70,000 common. **Price**—$3. **Business**—Designs and produces printed business forms. **Proceeds**—For additional sales personnel, moving expenses and other corporate purposes. **Office**—233 W. 42nd St., N. Y. **Underwriter**—Fabrikant Securities Corp., N. Y. **Offering**—Expected in June.

★ Advance Mortgage Corp.
April 27, 1962 filed 100,000 common. **Price**—By amendment. **Business**—The making and servicing of real estate first mortgage loans. **Proceeds**—For debt repayment. **Office**—First National Bank Bldg., Detroit. **Underwriter**—Shields & Co., N. Y.

• Aerodyne Controls Corp. (5/28-6/1)
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.

Aeroscience Electronics, Inc.
March 16, 1962 ("Reg. A") 92,000 common. **Price**—$3.25. **Business**—Design and fabrication of instrumentation and telemetry systems. **Proceeds**—For equipment, inventory and working capital. **Office**—3181 Roswell Rd., N. E., Atlanta. **Underwriter**—Robert M. Harris & Co., Inc., Philadelphia.

Aerosystems Technology Corp.
April 11, 1962 filed 165,000 common. **Price**—$3. **Business**—Development, manufacture and marketing of certain proprietary products and defense contracting. **Proceeds**—For new products, inventory and working capital. **Address**—Route 15, Sparta, N. J. **Underwriter**—Chase Securities Corp., N. Y.

Agency Tile Industries, Inc. (5/21-25)
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. **Underwriters**—International Services Corp., 1126 Clifton Ave., Clifton, N. J., and Market Values, Inc., N. Y.

• Ainsbrooke Corp. (5/7-11)
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** — $8.75. **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 indefinitely postponed.

★ Air Reduction Co., Inc. (6/5)
April 27, 1962 filed $45,000,000 of conv. subord. debentures due 1987 to be offered for subscription by stockholders on the basis of $100 of debentures for each 10 shares held of record June 5, 1962. **Price**—By amendment. **Business**—Production of oxygen, acetylene and other gases, welding tools and related equipment. **Proceeds**—For debt repayment and expansion. **Office**—150 E. 42nd St., N. Y. **Underwriters**—Kidder, Peabody & Co. and Dean Witter & Co., N. Y.

• Air-Tech Industries, Inc. (6/15)
Mar. 23, 1962 ("Reg. A") 73,500 common. **Price**—$3. **Business**—Manufacture and distribution of a variety of air-supported structures, radar antennae, and solar reflectors. **Proceeds**—For expansion and working capital. **Office**—30 Garden St., New Rochelle, N. Y. **Underwriter**—Fred F. Sessler & Co., 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**—Imminent.

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.
Nov. 17, 1961 filed 250,000 common. **Price** — $5.75. **Business**—A lumber company. **Proceeds**—For construction and working capital. **Office**—614 Equitable Bldg., Portland, Ore. **Underwriter**—Dempsey-Tegeler & Co., Inc., St. Louis. **Note**—This registration was temporarily postponed.

Albee Homes, Inc. (5/7-11)
March 14, 1962 filed $5,000,000 of conv. subord. debentures due 1982, also 150,000 outstanding common. **Price**—By amendment (max. $30 for common) **Business**—Sale of pre-cut, packaged home building materials for construction of "shell" homes. **Proceeds**—For expansion of credit sales. **Office**—931 Summit St., Niles, Ohio. **Underwriter**—G. H. Walker & Co., N. Y.

Alcolac Chemical Corp.
March 23, 1962 filed 50,000 common. **Price**—By amendment (max. $6). **Business**—Manufacture of specialty chemical products. **Proceeds**—For general corporate purposes. **Office**—3440 Fairfield Rd., Baltimore. **Underwriter**—Robert Garrett & Sons, Baltimore.

• Alison Ayres, Inc. (5/8)
Feb. 28, 1962 filed 100,000 common. **Price**—$5. **Business**—Design and manufacture of women's dresses. **Proceeds**—For debt repayment, equipment, inventories and advertising. **Office**—1400 Broadway, N. Y. **Underwriter**—J. R. Williston & Beane, 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.

Allegheny Pepsi-Cola Bottling Co. (5/16)
March 5, 1962 filed $1,250,000 of 6¼% subordinated sinking fund debentures due 1977 (with attached warrants) and 312,500 common. **Price**—By amendment ($8 max. for common). **Business** — Manufacturing and distributing Pepsi Cola and Pepsi Cola syrup. **Proceeds**—For an acquisition. **Office**—1601 Guilford Ave., Baltimore. **Underwriter**—Suplee, Yeatman, Mosley Co., Inc., Philadelphia.

• Allied Capital Corp.
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 Doll & Toy Corp.
Feb. 27, 1962 filed 133,333 common. **Price**—$3. **Business**—Manufacture and sale of dolls. **Proceeds**—For equipment, advertising, and working capital. **Office** — 4116 First Ave., Brooklyn, N. Y. **Underwriter** — Theodore Arrin & Co., Inc., N. Y.

Allied Graphic Arts, Inc.
Mar. 27, 1962 filed 180,000 common, of which 60,000 will be sold for the company and 120,000 for a stockholder. **Price**—By amendment. **Business**—Publication of mass circulation catalogues (for department stores and mail order firms), a semi-annual magazine and stamp collectors' books. **Proceeds**—For debt repayment and working capital. **Office**—551 Fifth Ave., N. Y. **Underwriter**—Bache & Co., N. Y. **Offering**—Expected in June.

All-Star Insurance Corp.
Mar. 30, 1962 filed 1,000,000 common. **Price**—$3. **Business**—insuring of buildings against fire, lightning and other perils. **Proceeds**—For working capital. **Office**—3882 N. Teutonia Ave., Milwaukee. **Underwriter**—None.

• All-State Properties, Inc.
April 24, 1962 filed $5,000,000 of conv. subord. debentures due 1977. **Price**—At par. **Business**—Company and subsidiaries conduct a general real estate business with emphasis on land development and home construction in Fla., Md., N. Y., and Ky. **Proceeds**—For repayment of debt. **Office**—230 Park Ave., N. Y. **Underwriters**—Bear, Stearns & Co., and Allen & Co., N. Y.

Alsco Electronics, Inc.
March 28, 1962 ("Reg. A") 100,000 class A common. **Price** — $3. **Business** — Wholesaling and distributing of electronic parts, kits, components, etc. **Proceeds** — For inventory and working capital. **Office**—2520 N. Broad St., Philadelphia. **Underwriters**—Albert Teller & Co., Inc., and H. A. Riecke & Co., Inc., Philadelphia.

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. **Underwriter**—B. C. Malloy, Inc., St. Petersburg. **Offering**—Imminent.

• Amecana Properties Trust
Feb. 28, 1962 filed 112,000 shares of beneficial interest. **Price**—$10. **Business**—A real estate investment trust. **Proceeds**—For acquisition of a shopping center. **Office**—6363 Wilshire Blvd., Los Angeles. **Underwriter**—Real Estate Underwriters, Inc., (same address). **Note**—This company formerly was named Amerada Properties Trust. **Offering**—Imminent.

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 Biltrite Rubber Co., Inc.
March 29, 1962 filed 200,000 common, of which 100,000 are to be offered by company and 100,000 by stockholders. **Price**—By amendment (max. $25). **Business**—Production of rubber and vinyl soling materials and heels for footwear, floor coverings and industrial rubber products. **Proceeds**—For equipment, plant expansion and working capital. **Office**—22 Willow St., Chelsea, Mass. **Underwriter**—Goldman, Sachs & Co., N. Y.

American Bolt & Screw Mfg. Corp. (5/21-25)
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 pur-

poses. **Office**—Lawson Blvd., Oceanside, L. I., N. Y. **Underwriter**—S. D. Fuller & Co., N. Y.

• American Cardboard & Packaging Corp. (5/21-25)
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 Diversified, Inc. (5/21-25)
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 Gas Co. (6/11-15)
March 26, 1962 filed 548,532 common to be offered for subscription by stockholders on the basis of 3.6 new shares for each share held. **Price**—By amendment (max. $5). **Business**—Transportation, distribution and sale of gas. **Proceeds**—For debt repayment and expansion. **Office**—546 S. 24th Ave., Omaha. **Underwriter**—Cruttenden, Podesta & Miller, Chicago.

American Hospital Supply Corp. (5/8)
April 16,1962 filed 760,000 common, of which 400,000 will be sold by the company and 360,000 by stockholders. **Price**—By amendment (max. $30). **Business**—Manufacture and distribution of products used in the medical health care, and education fields and in industrial research laboratories. **Proceeds**—For debt repayment, advances to subsidiaries and working capital. **Office**—1740 Ridge Ave., Evanston, Ill. **Underwriters**—Eastman Dillon, Union Securities & Co. and Smith, Barney & Co., N. Y.

• American Laboratories, Inc. (6/18-22)
Feb. 28, 1962 filed 200,000 common. **Price**—By amend- (max. $6). **Business**—Operation of hospitals and medical laboratories. **Proceeds**—For debt repayment and working capital. **Office**—660 S. Bonnie Brae, Los Angeles. **Underwriter**—California Investors, Los Angeles.

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 Modular Manufacturing Corp. (5/7-11)
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 (6/4-8)
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.

American Options Corp.
April 11, 1962 ("Reg. A") 60,000 common. **Price**—$5. **Business**—Company plans to sell "puts and calls" and may act as a broker-dealer. **Proceeds**—For general corporate purposes. **Office**—120 Broadway, N. Y. **Underwriter**—Provost Securities, Inc., N. Y.

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 Plan Corp.
March 30, 1962 filed $2,480,000 of convertible debentures due 1982 and 248,000 common shares (of which 218,000 will be sold for the company and 30,000 for stockholders). The securities will be offered in units of one $10 debenture and one share. **Price**—By amendment (max. $22.50 per unit). **Business**—Production and servicing of physical damage insurance on automobiles, trucks and mobile homes. **Proceeds**—To purchase American Fidelity Fire Insurance Co. **Office**—American Plan Bldg., Westbury, N. Y. **Underwriter**—Bear, Stearns & Co., N. Y.

American Southwest Realty Trust (5/28-6/1)
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.

• American States Life Insurance Co. (6/11-15)
March 22, 1962 filed 300,000 common to be offered initially for a 30-day period to its stockholders and those of its parent, American States Insurance Co. The remaining shares will then be offered to the public. **Price**—By amendment (max. $5). **Business**—Writing of ordinary and group life insurance. **Proceeds**—For general corporate purposes. **Office**—532 N. Meridian St., Indianapolis. **Underwriter**—City Securities Corp., Indianapolis.

★Ames Department Stores, Inc.
April 27, 1962 filed 100,000 common. **Price**—By amendment (max. $5). **Business**—Operation of self-service discount department stores. **Proceeds**—For debt repayment, expansion and working capital. **Office**—Mill St., Southbridge, Mass. **Underwriter**—Kahn & Peck, Cohn & Co., N. Y.

Ampoules, Inc.
March 28, 1962 filed 5,900 common. **Price**—At-the-market. **Business**—Design and development of sterile disposable hypodermic ampoules. **Proceeds**—For selling stockholders. **Office**—34 N. Main St., Hudson, Ohio. **Underwriter**—None.

Anchor Industries Corp. (5/15)
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.

Apache Corp.
March 21, 1962 filed $3,750,000 of participating units in Apache Canadian Gas & Oil Program 1962. **Price**—$7,500 per unit. **Proceeds**—Exploration and drilling for oil and gas in Canada. **Office**—523 Marquette Ave., Minneapolis. **Underwriters**—The company and APA, Inc., Minneapolis (a subsidiary).

Arde Inc.
March 30, 1962 filed 100,000 common, of which 80,000 are to be sold by the company and 20,000 by stockholders. **Price**—By amendment (max. $8.50). **Business**—Research, development and engineering under defense contracts. **Proceeds**—Repayment of bank loans, equipment, plant expansion and working capital. **Office**—Paramus, N. J. **Underwriter**—McDonnell & Co., N. Y. **Offering**—Sometime in June.

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 at $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).

• Arlan's Department Stores, Inc. (5/15)
April 19, 1962 filed $3,000,000 conv. subord debentures to be sold by the company, and 250,000 common shares by stockholders. **Price**—By amendment. **Business**—Operation of a chain of self-service discount stores. **Proceeds**—For working capital. **Office**—225 W. 34th St., N. Y. **Underwriter**—Eastman Dillon, Union Securities & Co., N. Y.

• Arnav Industries, Inc. (6/11-15)
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 108,000 common. **Price**—By amendment (max. $5). **Business**—Design and manufacture of women's junior sizes. **Proceeds**—For selling stockholders. **Office**—1400 Broadway, N. Y. **Underwriter**—Carreau & Co., N. Y. **Note**—This registration has been withdrawn.

• Artlin Mills, Inc. (5/28-6/1)
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.

• 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., 80 Wall St., N. Y. **Note**—This offering has been temporarily postponed.

• 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**—To be named.

• Assembly Products, Inc. (6/11-15)
March 29, 1962 filed $1,250,000 of 5½% conv. subord. debentures due 1972. **Price**—At par. **Business**—Manufacture of electromechanical and electronic devices. **Proceeds**—For debt repayment, equipment and working capital. **Office**—Wilson Mills Rd., Chesterland, Ohio. **Underwriters**—Prescott & Co. and William T. Robbins & Co., Inc., Cleveland.

Atlantic Capital Corp.
Aug. 29, 1961 filed 500,000 common. Price—$12.50. Business—A small business investment company. Proceeds—For general corporate purposes. Office—744 Broad St., Newark, N. J. Underwriter—Paine, Webber, Jackson & Curtis, N. Y. C. **Note** — This offering was indefinitely postponed.

Atlantic Mid-Continent Corp.
March 30, 1962 filed 600,000 common. **Price**—By amendment (max. $6). **Business**—A holding company. Primarily for insurance concerns. **Proceeds** — For acquisitions. **Office**—8469 E. Jefferson Ave., Detroit. **Underwriter**—F. J. Winckler Co., Detroit.

• Atlantic Utilities Corp. (5/7)
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. **Note**—This letter was withdrawn.

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**—Indefinitely Postponed.

• Aubrey Manufacturing, Inc. (5/15)
March 28, 1962 filed 140,004 common, of which 100,000 shares are to be offered by company and 40,004 by stockholders. **Price**—By amendment (max. $7). **Business**—Design, manufacture and sale of kitchen range hoods, exhaust fans and kitchen cabinet hardware. **Proceeds**—For plant expansion, equipment, debt repayment and working capital. **Office**—South Main St., Union, Ill. **Underwriters**—Pierce, Carrison, Wulbern, Inc., Jacksonville, Fla. and A. M. Kidder & Co., Inc., N. Y.

Automatic Controls, Inc. (6/20)
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. (5/21-25)
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.

Bacardi Corp. (5/15)
March 8, 1962 filed 35,000 common. **Price**—$50. **Business**—Distilling and bottling of "Bacardi" rum. **Proceeds**—For a selling stockholder. **Address**—San Juan, Puerto Rico. **Underwriter**—Eastman Dillon, Union Securities & Co., N. Y.

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. (5/21)
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.

Barker Bros. Corp. (5/21-25)
March 15, 1962 filed 200,000 common. **Price**—By amendment. **Business**—Merchandising of home, commercial and institutional furnishings. **Proceeds**—For expansion and debt repayment. **Office**—818 W. Seventh St., Los Angeles. **Underwriter**—William R. Staats & Co., Los Angeles.

Barogenics, Inc.
March 30, 1962 filed 100,000 common. **Price** — $7.50. **Business**—Research and development in ultra high pressure technology and the design and sale of ultra high pressure equipment. **Proceeds**—For inventories, research, and sales promotion. **Office**—51 E. 42nd St., N. Y. **Underwriter**—Globus, Inc., N. Y. **Offering**—In July.

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. **Underwriters**—Michael G. Kletz & Co., Inc., and Rittmaster Voisin & Co., N. Y.

Barton Instrument Corp.
March 5, 1962 filed 120,000 common, of which 50,000 are to be offered by the company and 70,000 by stockholders. **Price**—By amendment (max. $11). **Business**—Design, development, and manufacture of differential pressure-measuring devices and related instruments. **Proceeds**—For working capital. **Office**—580 Monterey Pass Rd., Monterey Park, Calif. **Underwriter**—E. F. Hutton & Co., N. Y.

Bay State Electronics Corp.
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. **Offering**—Indefinitely postponed.

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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.

Beauty Industries, Inc.
April 19, 1962 ("Reg. A") 99,990 common. **Price**—$3. **Business**—Ownership, operation and franchising of beauty salons. **Proceeds**—For debt repayment; equipment; an acquisition and working capital. **Office**—300 Chancellor Ave., Newark, N. J. **Underwriter**—Seymour Blauner Co., N. Y.

● **Bebell & Bebell Color Laboratories, Inc. (5/28-6/1)**
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.

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. **Offering**—Imminent.

Bene Cosmetics, Inc.
March 2, 1962 ("Reg. A") 100,000 common. **Price** — $3. **Business**—Importation, sale and distribution of Italian cosmetics. **Proceeds** — For advertising, inventory and working capital. **Office**—114 W. 13th St., N. Y. **Underwriter**—Granite Securities, Inc., N. Y.

● **Berkshire Gas Co. (5/7)**
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. (5/15)
March 7, 1962 ("Reg. A") 70,000 common. **Price**—$2.625. **Business**—Design, manufacture and installation of photographic processing and control equipment. **Proceeds**—for advertising, expansion and equipment. **Office**—9821 Foster Ave., Brooklyn, N. Y. **Underwriter**—Amber, Burstein & Co., Inc., N. Y.

● **Berne of California, Inc. (5/7-11)**
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.

● **Bestform Foundations, Inc. (5/21)**
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 Mart Discount Stores
March 30, 1962 ("Reg. A") 60,000 common. **Price**—$5. **Business**—Operation of one discount merchandise center and four ladies' hosiery and lingerie stores. **Proceeds**—For expansion, inventories, working capital and other corporate purposes. **Office**—249 W. 34th St., N. Y. **Underwriter**—Amber, Burstein & Co., Inc., N. Y.

★ **Big Top Stores, Inc.**
April 30, 1962 filed 85,000 common. **Price**—$4. **Business**—Operation of retail toy, stationery and variety stores. **Proceeds**—For expansion and working capital. **Office**—832 Scarsdale Ave., Scarsdale, N. Y. **Underwriter**—Irwin Karp & Co., Inc., N. Y.

Biologics International, Inc. (7/16)
March 30, 1962 filed 125,000 common. **Price**—$3. **Business**—Company plans to breed and supply animals for biological research purposes. **Proceeds**—For equipment and general corporate purposes. **Offices** — 7520 Bergenline Ave., North Bergen, N. J. **Underwriter**—None.

Blanche (Ernest E.) & Associates, Inc.
March 15, 1962 filed 80,000 class A common. **Price**—$3. **Business**—Application of electronic and mechanical data processing techniques to solution of problems for government and industry. **Proceeds**—For equipment, sales promotion and expansion. **Office**—10419 Fawcette St., Kensington, Md. **Underwriters**—Jones, Kreeger & Co., and First Investment Planning Co., Washington, D. C.

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 June.

● **Bloomfield Building Industries, Inc. (6/11-15)**
Mar. 26, 1962 filed $2,000,000 of conv. subord. debentures due 1977. **Price** — At par. **Business** — A holding company for 16 subsidiaries in the real estate and general contracting business. **Proceeds**—For general corporate purposes. **Office**—2600 Popular Ave., Memphis, Tenn. **Underwriters**—Lieberbaum & Co., and Morris Cohon & Co., 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**—To be named.

Brinkmann Instruments, Inc.
Mar. 26, 1962 filed 100,000 common, of which 77,420 shares are to be offered by the company and 22,580 shares by stockholders. **Price**—By amendment (max. $7.75). **Business**—Importing and distribution of scientific instruments. **Proceeds**—For research and development, equipment, debt repayment and other corporate purposes. **Office**—115 Cutter Mill Rd., Great Neck, N. Y. **Underwriter**—D. B. Marron & Co., N. Y.

● **Bruce (Michael) Distributors, Inc.**
March 29, 1962 filed 100,000 common. **Price**—$5. **Business** — Operation of self-service discount department stores. **Proceeds**—To retire outstanding debentures, and for working capital. **Office**—1101 Albany Ave., Hartford, Conn. **Underwriter**—Gianis & Co., Inc., N. Y. **Offering**—Expected sometime in July.

Buddy L. Corp.
April 2, 1962 filed 225,000 common. **Price**—By amendment (max. $10). **Business** — Design, manufacture and sale of various type toys. **Proceeds**—For a proposed acquisition of another toy company. **Office**—200 Fifth Ave., N. Y. **Underwriter**—Milton D. Blauner & Co., Inc., N. Y. **Offering**—Expected sometime in June.

● **Burton Mount Corp. (5/14-18)**
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.

● **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. **Note**—This registration was withdrawn.

Calev Photolabs, Inc. (6/4-8)
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.

California Interstate Telephone Co. (5/8)
March 29, 1962 filed 160,000 common. **Price**—By amendment (max. $30). **Proceeds**—For debt repayment, construction and working capital. **Office**—16461 Mojave Dr., Victorville, Calif. **Underwriter**—William R. Staats & Co., Los Angeles.

Calvert Electronics, Inc.
March 30, 1962 filed 80,000 common, of which 40,000 are to be offered by company and 40,000 by stockholders. **Price**—By amendment (max. $5). **Business**—Sale and distribution of electronic tubes. **Proceeds**—Inventory, working capital and other corporate purposes. **Office**—220E. 23rd St., N. Y. **Underwriter**—Philips, Rosen & Appel, N. Y.

● **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.

Cameo Lingerie, Inc. (5/7-11)
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.

● **Capital Alliance Corp.**
March 29, 1962 ("Reg. A") 75,000 common. **Price**—$4. **Business**—The making of real estate mortgage loans. **Proceeds**—For general corporate purposes. **Office**—1895 Newport Blvd., Costa Mesa, Calif. **Underwriter**—Hill Richards & Co., Los Angeles. **Offering**—Imminent.

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. **Note**—The SEC has issued an order temporarily suspending this issue.

Caribbean Capital Corp.
Feb. 28, 1962 filed 400,000 common. **Price**—$3.60. **Business**—A small business investment company. **Proceeds**—For general corporate purposes. **Office**—23 Dronningens Gade, St. Thomas, Virgin Islands. **Underwriter**—Richard J. Buck & Co., N. Y.

● **Carolinas Capital Corp. (5/8)**
Nov. 22, 1961 filed 500,000 common. **Price**—$10. **Business**—A small business investment company. **Proceeds**—For general corporate purposes. **Office**—1200 North Carolina National Bank Bldg., Charlotte, N. C. **Underwriter**—R. S. Dickson & Co., Charlotte.

Casavan Industries, Inc.
Aug. 21, 1961 filed 350,000 capital shares. **Price** — $7. **Business**—Production of plastics, marble and ceramics for the packaging and building industries. **Proceeds**—For expansion, leasehold improvements, repayment of loans and other corporate purposes. **Office**—250 Vreeland Ave., Paterson, N. J. **Underwriter**—Foundation Securities, Inc., N. Y.

● **Cascade Natural Gas Corp. (5/15)**
April 18, 1962 filed $6,000,000 of subordinated debentures due 1983, and warrants to purchase 90,000 common shares to be offered in units of one $1,000 debenture and a warrant to purchase 15 shares. **Price**—By amendment. **Proceeds**—For debt repayment and construction. **Office**—222 Fairview Ave., N., Seattle. **Underwriter**—White, Weld & Co., Inc., N. Y.

Cedar Lake Public Service Corp.
March 20, 1962 filed 9,964 common. **Price**—$100. **Business** — Company plans to qualify as a public utility and furnish water and sewage disposal services in and around Cedar Lake, Ind. **Proceeds** — To construct a sewage disposal system. **Address** — R.R. N. 3, Box 28, Cedar Lake, Ind. **Underwriter**—None.

Cemeteries of America, Inc.
March 27, 1962 filed $500,000 of 7% conv. subord. debentures due 1974 to be offered by the company and 65,000 common shares by stockholders. The securities will be offered in units consisting of $100 of debentures and 13 shares. **Price**—$178 per unit. **Business**—Operation of five cemeteries in Kansas. **Proceeds**—For construction of mausoleums and working capital. **Office**—3096 Hutchings St., Kansas City, Kan. **Underwriter**—Bernard M. Kahn & Co., Inc., N. Y.

★ **Centco Industries Corp.**
April 30, 1962 filed 120,000 common. **Price**—$5. **Business**—Manufacture of plastic and rubber film laminates, a line of casting, laminating and embossing machinery. **Proceeds**—For new products, debt repayment, inventories and working capital. **Office**—11-17 Clintonville St., Whitestone, N. Y. **Underwriter**—Arnold Malkan & Co., Inc., N. Y.

Center Star Gold Mines, Inc.
April 10, 1962 ("Reg. A") 1,200,000 common. **Price**—25 cents. **Business**—For exploration, development and production of mineral deposits. **Proceeds**—For mining expenses. **Address**—Box 469, Wallace, Idaho. **Underwriters**—Pennaluna & Co. and Standard Securities, Inc., Spokane, Wash.

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.

● **Central Investment & Mortgage Co. (5/17)**
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. **Note** — This company formerly was named Continental Investment & Mortgage Co.

● **Champion Parts Rebuilders, Inc.**
Feb. 2, 1962 filed 150,000 common with warrants, of which 90,000 are to be offered by company and 60,000 by stockholders. The securities will be offered in units of one share and one warrant. **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.

● **Charter Credit Corp.**
Feb. 28, 1962 ("Reg. A") 100,000 common. **Price** — $2. **Business**—The construction and financing of motion picture theatres. **Proceeds**—For general corporate purposes. **Office**—234 W. 44th St., N. Y. **Underwriter**—M. R. Zeller Co., N. Y.

Chemical Coatings Corp.
Dec. 27, 1961 filed 75,000 common. **Price**—$5 **Business**—Manufacture of paints particularly for use in tropical and semi-tropical climates. **Proceeds**—for equipment and working capital. **Address**—Santurce, Puerto Rico. **Underwriter**—To be named.

● **Chenango & Unadilla Telephone Corp. (5/14)**
March 30, 1962 filed 52,363 common, to be offered for subscription by common stockholders at the rate of two new shares for each five held of record April 30, 1962. **Price**—By amendment (max. $33). **Proceeds**—For construction and debt repayment. **Office**—Norwich, N. Y. **Underwriters**—W. E. Hutton & Co., N. Y., and Laird, Bissell & Meeds, Wilmington, Del.

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. **Offering**—Expected in August.

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.

Cine-Dyne, Inc.
April 9, 1962 filed 100,000 common. **Price**—$4. **Business**—Production of motion pictures and TV films. **Proceeds**—For production of a picture, equipment, debt repayment and working capital. **Office**—40 E. 49th St., N. Y. **Underwriter**—R. A. Holman & Co., Inc., N. Y.

★ **Clark Cable Corp.**
April 30, 1962 filed $787,500 of 6½% conv. subord. debentures due 1972 to be offered for subscription by common stockholders on the basis of $150 of debentures for each 100 shares held. **Price**—At par. **Business**—Manufacture of electrical, electronic and mechanical systems and components, and replacement parts for aircraft, missiles and naval vessels. **Proceeds**—For working capital. **Office**—3184 West 32nd St., Cleveland. **Underwriter**—Robert L. Ferman & Co., Miami, Fla.

Clark Equipment Co.
March 22, 1962 filed 125,000 common. **Price**—By amendment (max. $34). **Business**—Manufacture of trucks, self-propelled construction machinery and highway trailers. **Proceeds**—For selling stockholders. **Office**—324 E. Dewey Ave., Buchanan, Mich. **Underwriter**—Blyth & Co., Inc., N. Y.

● **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. **Offering**—Imminent.

★ **Coburn Credit Co., Inc.**
April 27, 1962 filed $5,000,000 of conv. subord debentures, due 1982. **Price**—By amendment. **Business**—A consumer sales finance company. **Proceeds**—For working capital and general corporate purposes. **Office**—53 N. Park Ave., Rockville Centre, N. Y. **Underwriter**—Brand, Grumet & Seigel, Inc., N. Y.

● **Coleman Cable & Wire Co. (5/10)**
Jan. 18, 1962 filed 120,000 class A common. **Price**—$6. **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.

● **College Publishing Corp. (5/16)**
March 16, 1962 ("Reg. A") 155,000 common. **Price**—$1. **Business**—Composition, publication and distribution of study manuals for examination preparation. **Proceeds**—For equipment, expansion and other corporate purposes. **Office**—142 Livingston St., Brooklyn, N. Y. **Underwriter**—James Co., N. Y.

● **Colonial Board Co. (6/15)**
March 28, 1962 filed 164,000 common, of which 115,000 are to be offered by the company and 49,000 by stockholders. **Price**—By amendment (max. $15). **Business**—Manufacture of shoeboard and boxboard. **Proceeds**—For expansion, equipment and debt repayment. **Office**—615 Parker St., Manchester, N. H. **Underwriter**—Putnam & Co., Hartford, Conn.

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. **Offering**—Expected sometime in June.

★ **Columbia Gas Systems, Inc. (6/7)**
April 26, 1962 filed $25,000,000 of debentures due 1987. **Proceeds**—For construction. **Office**—120 E. 41st St., N. Y. **Underwriters**—(Competitive). Probable bidders: Merrill Lynch, Pierce, Fenner & Smith Inc.-White, Weld & Co. (jointly); Morgan Stanley & Co.; Halsey, Stuart & Co. Inc. **Bids**—Expected June 7 (11 a.m. EDST) at the company's office.

● **Columbus & Southern Ohio Electric Co. (5/16)**
April 12, 1962 filed $16,000,000 of first mortgage bonds due 1992. **Proceeds**—For debt repayment and construction. **Office**—215 North Front St., Columbus. **Underwriters** — (Competitive). Probable bidders: Lee Higginson Corp.-Salomon Brothers & Hutzler (jointly); Halsey, Stuart & Co. Inc.; Dillon, Read & Co.-The Ohio Co. (jointly); Lehman Brothers; White, Weld & Co.; Eastman Dillon, Union Securities & Co.-Glore, Forgan & Co. (jointly). **Bids**—Expected May 16, 1962 (11 a.m. (EDST) at the First National City Trust Co., 6th floor, 55 Wall St., N. Y. **Information Meeting**—May 9 (2:30 p.m. EDST), at the same address (5th floor).

● **Commerce Drug Co., Inc. (5/14-18)**
Feb. 9, 1962 filed 100,000 common. **Price**—By amendment (Max. 22). **Business**—Manufacture, packaging and distribution of proprietary drugs. **Proceeds**—For selling stockholdes. **Office**—505 Court St., Brooklyn, N. Y. **Underwriter**—Shearson, Hammill & Co., N. Y.

Computer Applications Inc.
March 23, 1962 filed 87,000 common. **Price**—By amendment (max. $5). **Business**—Furnishing of services related to use of electronic data processing equipment. **Proceeds**—For expansion and working capital. **Office**—30 E. 42nd St., N. Y. **Underwriter**—L. M. Rosenthal & Co., Inc., N. Y.

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. (5/7-11)**
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. (5/14-18)
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. (5/15)**
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.

Computers, Inc.
April 2, 1962 filed 10,000 common. **Price**—$40. **Business**—Design, engineering, manufacture and sale of computing systems and process control equipment. **Proceeds**—For equipment, inventory and working capital. **Office**—5123 Glenmont Dr., Houston. **Underwriter**—To be named.

● **Concord Products, Inc. (5/28-30)**
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**—M. G. Davis, 150 Broadway, N. Y.

Concors Supply Co., Inc.
Oct. 19, 1961 filed 125,000 class A common. **Price**—$3. **Business**—Sale of food service and kitchen equipment **Proceeds** — For equipment, debt repayment and other corporate purposes. **Office**—110 "A" St., Wilmington, Del **Underwriter**—To be named.

★ **Consolidated Leasing Corp. of America**
April 27, 1962 filed $1,100,000 of 6½% subord. debentures due 1977 (with warrants); also 305,000 common shares, of which 285,000 will be sold by company and 20,000 by stockholders. **Price**—For debentures, at par; for stock, by amendment (max. $9). **Business**—Renting of cars, trucks and equipment. **Proceeds**—For debt repayment, an acquisition and other corporate purposes. **Office**—1012 Baltimore Ave., Kansas City, Mo. **Underwriter**—Blair & Co., N. Y.

Consolidated Vending Corp.
April 2, 1962 filed 70,000 common. **Price**—$5.75. **Business**—Operation of vending machines. **Proceeds**—For debt repayment working capital and other corporate purposes. **Office**—129 S. State St., Dover, Del. **Underwriter**—Dana Securities Co., Inc., N. Y. **Offering**—Expected in July.

● **Consumers Mart of America, Inc. (6/4-8)**
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**—To be named.

● **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**—Continental Securities Corp., Salt Lake City.

★ **Continental Research, Inc.**
April 19, 1962 ("Reg. A") 50,000 common. **Price**—$5.65. **Business**—Production and sale of oxygen dispensers. **Proceeds**—For general corporate purposes. **Office**—6500 Olson Memorial Highway, Golden Valley, Minneapolis. **Underwriter**—Harold E. Wood & Co., St. Paul.

Continental Telephone Co.
March 30, 1962 filed 475,000 common. **Price**—By amendment (max. $15). **Business**—A telephone holding company. **Proceeds**—For debt repayment. **Office**—111 S. Bemiston St., St. Louis. **Underwriters**—Allen & Co. and E. F. Hutton & Co., N. Y. **Offering**—Expected in June.

● **Control Dynamics, Inc.**
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. (5/14-18)
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.

★ **Copenhagen Telephone Co., Inc.**
May 1, 1962 filed $15,000,000 of s. f. dollar debentures due 1977. **Price**—By amendment. Business Company, 50.65% owned by the Danish Government, is the sole supplier of telephone service to the major Danish islands of Zealand, Lolland-Falster and Bornholm. **Proceeds**—For construction. **Office**—Copenhagen Denmark. **Underwriters**—Smith, Barney & Co., Inc.; Kuhn, Loeb & Co. Inc.; Harriman Ripley & Co., Inc., and Lazard Freres & Co. **Offering**—Expected in early June.

● **Copymation, Inc. (5/16)**
Dec. 28, 1961 filed 60,000 common. **Price**—by amendment ($15 maximum) **Business**—manufacture of photo-copy machines and the distribution of office copy machines, photographic laboratory equipment, etc. **Proceeds**—For general corporate purposes. **Office**—5642-50 N. Western Ave., Chicago, **Underwriter**—Kenneth Kass, N. Y.

● **Corporate Funding Corp. (5/21)**
April 26, 1962 ("Reg. A") 75,000 class A common. **Price** $4. **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.

Cosnat Corp. (5/21-25)
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.

● **Country Set, Inc. (5/21-25)**
Mar. 2, 1962 filed 150,000 common. **Price**—By amendment (max. $8). **Business**—Design and manufacture of sports and casual wear for girls and women. **Proceeds**—For selling stockholders. **Office** — 1136 Washington Ave., St. Louis. **Underwriter**—Goodbody & Co., N. Y.

Cousins Properties Inc.
March 29, 1962 filed $1,000,000 of 6½% subordinated debentures due 1972, 60,000 common shares, and warrants to purchase 20,000 common shares. The securities will be offered in units of one $100 debenture, 6 shares and a warrant to purchase 2 shares. **Price**—By amendment (max. $140). **Business**—Engaged in residential real estate development. **Proceeds**—For debt repayment and other corporate purposes. **Office**—905 Fifteen Peachtree Bldg., Atlanta, Ga. **Underwriters**—McDonnell & Co., Inc., N. Y., and Wyatt, Neal & Waggoner, Atlanta. **Offering**—Expected sometime in June.

Credit Department, Inc. (5/7-11)
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.

Crownco
Mar. 26, 1962 filed 115,000 common. **Price**—$4. **Business**—Design, sale, fabrication and installation of acoustical ceilings. **Proceeds**—For debt repayment and expansion. **Office**—1925 Euclid Ave., San Diego. **Underwriter** — Holton, Henderson & Co., Los Angeles.

Curtis (S.) & Son, Inc.
April 11, 1962 ("Reg. A") 13,000 common to be offered for subscription by stockholders of record May 11, 1962 on the basis of 13 new shares for each 53 shares held. **Price**—$19. **Business**—Production of wooden handles and paper boxes. **Proceeds** — For building and equipment. **Address** — Sandy Hook, Conn. **Underwriter** — Smith, Ramsey & Co., Inc., Bridgeport, Conn.

● **Cut & Curl, Inc. (5/7-11)**
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.

Daisy Manufacturing Co. (5/8)
March 9, 1962 filed 135,000 common. **Price**—By amendment (max. $8.50). **Business**—Design, manufacture and sale of air rifles, toy guns, fishing rods and outdoor boots. **Proceeds**—For selling stockholders. **Address**—Rogers, Ark. **Underwriter** — Eppler, Guerin & Turner, Inc., Dallas.

★ **Data Systems Devices of Boston, Inc.**
April 26, 1962 filed 200,000 common. **Price**—$5. **Business**—Company plans to design, develop and produce electronic and electro-mechanical devices, including printers for electronic computers. **Proceeds**—For product development, new plant and equipment and working capital. **Office**—342 Western Ave., Boston. **Underwriter**—Schmidt, Sharp, McCabe & Co., Inc., Denver.

● **Davis (H.) Toy Corp. (5/28-6/1)**
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., Mami, Fla. **Underwriter**—Lancer Securities Co., 92 Liberty St., N. Y.

● **Decorel Corp. 5/28-6/1)**
Dec. 29, 1961 filed 120,000 common, of which 90,000 are to be offered by the public and 30,000 by a stockholder. **Price**—By amendment. **Business**—Production and

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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.

● **DeLuxe Homes, Inc. (5/16)**
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.

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.

Devoe & Reynolds Co., Inc. (5/7-11)
March 23, 1962 filed 400,000 common, of which 200,000 are to be offered by company and 200,000 by Merritt-Chapman & Scott Corp., parent. **Price**—By amendment (max. $25). **Business**—Manufacture of paints, resins and related products. **Proceeds**—For expansion and working capital. **Office**—401 W. Main St., Louisville. **Underwriting**—Shearson, Hammill & Co., N. Y.

● **Dextra Corp.**
Feb. 28, 1962 filed 300,000 common. **Price**—By amendment (max. $6). **Business**—Manufacture and test marketing of a vitamin-enriched sugar. **Proceeds**—For debt repayment, expansion and general corporate purposes. **Address**—Drawer A-Kendall, Miami, Fla. **Underwriter**—To be named.

Diamond Dust Co., Inc.
Feb. 27, 1962 filed 102,000 common. **Price**—$3. **Business**—Production of graded diamond powder and compound. **Proceeds**—For debt repayment, additional personnel, advertising and working capital. **Office**—77 Searing Ave., Mineola, N. Y. **Underwriter**—Magnus & Co., N. Y. **Offering**—Expected sometime in June.

● **Diamond Mills Corp.**
Jan. 23, 1962 filed 200,000 common, of which 120,000 are to be offered by the company and 80,000 by stockholders. **Price**—By amendment. **Business**—Manufacture of women's nylon hosiery. **Proceeds**—For debt repayment and working capital. **Office**—417 Fifth Ave., N. Y. **Underwriter**—Drexel & Co., Philadelphia. **Offering**—Imminent.

★ **Discount Sundry Sales, Inc.**
April 17, 1962 ("Reg. A") 50,000 common. **Price**—$6. **Business**—Operation of a sundry department in a discount department store. **Proceeds**—For expansion and working capital. **Office**—2000 Oakdale Ave., San Francisco. **Underwrter**—Stewart, Eubanks, Meyerson & Co., San Francisco.

Diversified Real Estate Trust
March 8, 1962 filed 1,000,000 shares of beneficial interest. **Price**—$10. **Business**—A real estate investment trust. **Proceeds**—For investment. **Office**—500 Fifth Ave., N. Y. **Underwriter**—Bacon, Johnson Realty Management Co., Inc., (same address).

Doman Helicopters, Inc.
April 19, 1962 filed 418,680 common to be offered for subscription by stockholders on the basis of two new shares for each three held. **Price**—By amendment (max. $1.25). **Business**—Research, development and construction of experimental helicopters. **Proceeds**—To obtain certification of models, train service personnel, repay debt, etc. **Address**—Municipal Airport, Danbury, Conn. **Underwriter**—None.

● **Donaldson Co., Inc. (5/14-18)**
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.

● **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. **Note**—This offering has been temporarily postponed.

Drever Co.
March 9, 1962 filed 122,700 common, of which 42,500 are to be offered by company and 80,200 by stockholders. **Price**—By amendment (max. $12). **Business**—Design and manufacture of industrial metallurgical furnaces. **Proceeds**—For debt repayment, equipment and general corporate purposes. **Address** — Red Lion Rd., and Philmont Ave., Bethayres, Pa. **Underwriters**—Janney, Battles & E. W. Clark, Inc. and Stroud & Co., Philadelphia.

Drew Realty Corp.
March 6, 1962 filed 163,000 class A. **Price**—$10. **Business**—General real estate. **Proceeds**—For debt repayment. **Office**—50 Broad St., N. Y. **Underwriter**—Drew Securities Corp., (same address).

● **Dulany Industries, Inc. (5/14)**
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. (5/21-24)
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.

Duro Pen Co., Inc. (5/21-25)
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.

Duro-Test Corp.
April 6, 1962 filed $1,750,000 of subordinated debentures due 1982 (with attached warrants) to be offered in units consisting of $1,000 of debentures and a warrant to purchase 60 common shares. **Price**—By amendment (max. $1,000 per unit). **Business**—Manufacture and sale of incandescent, flourescent and mercury vapor lamps. **Proceeds**—For working capital. **Office**—2321 Hudson Blvd., North Bergen, N. J. **Underwriter**—Auchincloss, Parker & Redpath, N. Y. **Offering**—Expected in mid-June.

● **Dyna Mfg. Co. (6/14)**
April 2, 1962 ("Reg. A") 60,000 common of which 40,000 will be sold by company and 20,000 by stockholders. **Price**—$5. **Business**—Manufacture, installation and sale of kitchen ventilating hoods and exhaust fans. **Proceeds**—Expansion, new products and working capital. **Office**—4865 Exposition Blvd., Los Angeles. **Underwriter**—Raymond Moore & Co., Los Angeles.

● **Dyna-Mod Electronics Corp. (5/30)**
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.

● **Eastern Aluminum Manufacturing Co., Inc.**
March 21, 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. **Offering**—Imminent.

● **Eastern Camera & Photo Corp.**
March 28 1962 filed $500,000 of 6% conv. subord. debentures due 1972 and 50,000 common shares (of which 25,000 will be sold by the company and 25,000 by stockholders). The securities are to be offered in units of one $100 debenture and 10 shares. **Price**—By amendment. **Business**—Operation of retail camera stores and department store concessions. Company also processes black and white film and repairs photographic equipment. **Proceeds**—For debt repayment and working capital. **Office**—68 W. Columbia St., Hempstead, N. Y. **Underwriters**—Edwards & Hanley, Hempstead, L. I., and Street & Co., Inc., N. Y. **Offering**—Expected sometime in June.

● **Eastern Investors, Inc. (6/4-8)**
Dec. 27, 1961 filed 10,000 common shares and $625,000 of 6½% con. subord. debentures due 1972. **Price**—For stock, $2.50: For debentures, at par. **Business**—A holding company for small loan and credit accident insurance subsidiaries. **Proceeds**—For investment in a subsidiary and working capital. **Office**—147 Northeast Main St., Rocky Mount, N. C. **Underwriter**—Arnold Malkan & Co., Inc., N. Y.

Eastern Pennsylvania Investment Co.
March 16, 1962 filed 450,000 common. **Price**—By amendment (max. $16). **Business**—A small business investment company. **Proceeds**—For general corporate purposes. **Office** — 3 Penn Center Plaza, Philadelphia. **Underwriters**—Drexel & Co., Philadelphia and Kidder, Peabody & Co., N. Y.

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.

Economy Food Enterprises Corp.
Nov. 29, 1961 ("Reg. A") 100,000 common. **Price**—$3. **Business**—Sale and servicing of home food freezers and sale of bulk food to freezer owners. **Proceeds**—For general corporate purposes. **Office**—180 Babylon Turnpike, Roosevelt, L. I., N. Y. **Underwriter**—Sentinel Securities Planning Corp., and Bassior & Co., both of 101 Cedar St., N. Y. **Offering**—Imminent.

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.

● **Edge Ltd. (5/28-6/1)**
Mar. 26, 1962 filed 125,000 common. **Price**—By amendment (max. $4). **Business**—Merchandising and sale of phonograph records. **Proceeds**—For debt repayment, acquisitions, and working capital. **Office**—2235 Twenty-Fifth Pl., N. E., Washington, D. C. **Underwriter**—Rittmaster, Voisin & Co., N. Y.

● **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. **Note**—This offering has been temporarily postponed.

● **Eisler Transformer Co., Inc.**
Feb. 28, 1962 ("Reg. A") 75,000 common. **Price** — $4. **Business**—Manufacture of transformers and inductors for electrical equipment. **Proceeds** — For debt repayment, inventory and working capital. **Office**—16 N. Salem St., Dover, N. J. **Underwriter**—Sherman & Hall, Inc., Allentown, Pa. **Note**—This letter was withdrawn.

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.

● **Electromagnetic Industries, Inc. (5/21-25)**
March 30, 1962 filed $250,000 of 6½% conv. subord. debentures due 1987, also 70,000 common shares, of which 45,000 are to be offered by company and 25,000 by stockholders. **Price**—By amendment (max. $1 per common share). **Business** — Design, production, assembly, distribution and sale of transformers, magnetic components and electronic instrumentation and control devices. **Proceeds**—For equipment, debt repayment, a new plant and working capital. **Office**—Sayville Industrial Park, Greeley Ave., Sayville, L. I., N. Y. **Underwriter**—Pierce, Carrison, Wulbern, Inc., Jacksonville, Fla.

● **Electromagnetics Corp. (6/4-8)**
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 Transmission Corp. (5/17)**
March 22, 1962 filed 125,000 common. **Price**—$3. **Business**—Manufacture and distribution of components for background music; design, construction and installation of specialized closed circut TV system. **Proceeds**—For debt repayment, expansion, sales promotion and working capital. **Office** — 103 E. Hawthorne Ave., Valley Stream, N. Y. **Underwriters**—V. S. Wickett & Co., Inc., Thomas, Williams & Lee, Inc., and Crosse & Co., Inc., N. Y.

Ellner & Pike, Inc. (5/15)
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.

● **Enviro-Dyne, Inc. (5/15)**
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.

Epko Shoes, Inc. (5/15)
March 27, 1962 filed 150,000 common. **Price**—By amendment (max. $12). **Business**—Operation of a chain of retail shoe stores. **Proceeds** — For selling stockholders. **Office**—237 Cherry St., Toledo, O. **Underwriter**—Shearson, Hammill & Co., N. Y.

● **Equity Capital Co. (5/7-11)**
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.

Equity Funding Corp. of America
March 29, 1962 filed 240,000 common. **Price**—By amendment (max. $6.50). **Business**—A holding company for firms selling life insurance and mutual funds. **Proceeds**—For new sales offices, advances to subsidiaries and working capital. **Office**—5150 Wilshire Blvd., Los Angeles. **Underwriter**—Wisconsin-Continental, Inc., Milwaukee.

Esslinger's Industries of Philadelphia, Inc.
March 28, 1962 filed $850,000 of 6½% conv. subord. debentures due 1977 and 112,500 common shares. **Price**—Debentures, $1,000; stock, $8. **Business**—Brewing of malt beverages, the processing, cleaning and testing of metals, and the sale of galvanized iron and steel products. **Proceeds**—For debt repayment. **Office**—10th & Callowhill Sts., Philadelphia. **Underwriter**—Woodcock, Moyer, Fricke & French, Inc., Philadelphia. **Offering**—In July.

European Coal & Steel Community (5/9)
April 17, 1962 filed $25,000,000 of sinking fund bonds due April 15, 1982. **Price**—By amendment. **Proceeds**—For expansion. **Underwriters**—Kuhn, Loeb & Co.; First Boston Corp.; and Lazard Freres & Co., N. Y.

● **Evans, Inc. (5/7-11)**
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.

Everbest Engineering Corp.
April 2, 1962 filed 100,000 class A shares. **Price**—$2.40. **Business**—Manufacture and sale of long-lived electric lamps. **Proceeds**—New product development, inventories and working capital. **Office**—41 E. Twelfth St., N. Y. **Underwriter**—Planned Investing Corp., N. Y.

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.

Fairway Mart, Inc.
March 19, 1962 ("Reg. A") 100,000 common. **Price**—$3. **Business**—Operation of five discount merchandise centers. **Proceeds**—For expansion, advertising, inventories, working capital and other corporate purposes. **Office**—801 Market St., Youngstown, Ohio. **Underwriter**—A. J. Carno Co., Inc., N. Y.

● **Fashion Industries, Inc. (5/21-25)**
Feb. 26, 1962 ("Reg. A") 63,000 common. **Price**—$4.75. **Business**—Manufacture of blouses. **Proceeds**—Debt repayment, equipment, inventory and working capital. **Office**—Gauthier St., Tuskegee, Ala. **Underwriter**—Wright, Myers & Bessel, Inc., Washington, D. C.

Fastline Inc. (5/31)
Sept. 28, 1961 filed 100,000 common and 50,000 warrants to be offered in units of 100 common and 50 warrants. **Price**—By amendment. **Business**—Manufacture of concealed zippers. **Proceeds**—Debt repayment, advertising and working capital. **Office**—8 Washington Place, N. Y. **Underwriter**—Jarco Securities Co., Inc., N. Y.

● **Fastpak, Inc. (6/4-8)**
Nov. 30, 1961 filed 125,000 common. **Price**—$5. **Business**—The distribution of nuts, bolts and other fastening devices manufactured by others. **Proceeds**—For debt repayment and general corporate purposes. **Office**—8 Benson Place, Freeport, N. Y. **Underwriter** — Arnold Malkan & Co., Inc., N. Y.

Federal Fire & Marine Insurance Co.
April 11, 1962 ("Reg. A") 125,000 common. **Price**—$2. **Business**—Writing of special risk insurance. **Proceeds**—For reserves and general corporate purposes. **Office**—324 Guaranty Bldg., Denver. **Underwriter**—Amos C. Sudler & Co., Denver.

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.

● **Financial Corp. of Santa Barbara (6/4-8)**
March 16, 1962 filed 200,000 capital shares, of which 150,000 are to be offered by the company and 50,000 shares by stockholders. **Price**—By amendment (max. $20). **Business**—Company plans to acquire a savings and loan association. **Proceeds**—For acquisition of stock and working capital. **Office**—1035 State St., Santa Barbara, Calif. **Underwriter** — Dean Witter & Co., Los Angeles.

● **Financial Federation, Inc. (6/4)**
March 30, 1962 filed 75,000 capital shares. **Price** — By amendment (max. $105). **Business** — Ownership of 11 California savings and loan associations. **Proceeds**—For selling stockholders. **Office** — 615 S. Flower St., Los Angeles. **Underwriters**—Kidder, Peabody & Co. and McDonnell & Co., N. Y.

● **First Connecticut Small Business Investment Co. (5/21-25)**
March 9, 1962 filed 200,000 common. **Price**—By amendment (max. $15). **Business**—A small business investment company. **Proceeds**—For investment. **Office**—955 Main St., Bridgeport, Conn. **Underwriter**—P. W. Brooks & Co., N. Y.

First Financial Corp. (5/7-11)
March 6, 1962 ("Reg. A") 60,000 class A common. **Price**—$5. **Business**—A small loan company. **Proceeds**—For working capital. **Office** — 751 Minnesota Ave., Kansas City, Kan. **Underwriters**—Midland Securities Co., Inc., and Parker, Eisen, Waeckerle, Adams & Purcell, Inc., Kansas City, Mo.

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.

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.

Flex Electric Products, Inc.
March 16, 1962 filed $95,000 of 6% subord. debentures due 1972 and 47,500 common shares, of which 44,650 are to be offered by the company and 2,850 by selling stockholders. The securities will be offered in units consisting of one $100 debenture and 50 common shares (with attached warrants). **Price** — $350 per unit. **Business**—Design, manufacture and sale, for amateur use, of camera lighting equipment and photographic accessories. **Proceeds** — For equipment, new product development,

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NEW ISSUE CALENDAR

May 4 (Friday)

Symington Wayne Corp. ___ Debentures
(Offering to stockholders—underwritten by Paine, Webber, Jackson & Curtis) $5,005,700

May 7 (Monday)

Ainsbrooke Corp. ___ Capital
(Richard Bruce & Co., Inc., and Reuben Rose & Co. Inc.) $1,750,000

Albee Homes, Inc. ___ Common
(G. H. Walker & Co.) 150,000 shares

American Modular Manufacturing Corp. ___ Common
(Equity Securities Co.) $500,000

Atlantic Utilities Corp. ___ Common
(Hardy & Co.) $1,200,000

Berkshire Gas Co. ___ Common
(Offering to stockholders—underwritten by Smith, Barney & Co.) 26,500 shares

Berne of California, Inc. ___ Common
(Pacific Coast Securities Co.) $255,000

Cameo Lingerie, Inc. ___ Common
(Schweickart & Co.) $950,000

Computer Concepts Inc. ___ Common
(Doft & Co.) $500,000

Credit Department, Inc. ___ Units
(Bernard M. Kahn & Co., Inc.) $1,500,400

Cut & Curl, Inc. ___ Common
(M. J. Merritt & Co., Inc.) $400,000

Devoe & Raynolds Co., Inc. ___ Common
(Shearson, Hammill & Co.) 400,000 shares

Equity Capital Co. ___ Debentures
(No underwriting) $3,000,000

Evans, Inc. ___ Common
(Allen & Co.) 130,000 shares

First Financial Corp. ___ Class A
(Midland Securities Co., Inc. and Parker, Eisen, Waeckerle, Adams & Purcell, Inc.) $300,000

Gould Properties, Inc. ___ Class A
(Stanley Heller & Co.) $2,000,000

Greater New York Box Co., Inc. ___ Common
(D. H. Blair & Co.) 100,000 shares

Harper Vending, Inc. ___ Common
(Greenman Co.) $300,000

Harrington & Richardson, Inc. ___ Common
(Shearson, Hammill & Co.) 180,000 shares

Kogel, Inc. ___ Common
(Globus, Inc.) $100,000

Kohnstamm (H.) & Co., Inc. ___ Common
(Kidder, Peabody & Co., Inc.) 160,000 shares

McWood Corp. ___ Units
(Dempsey-Tegeler & Co., Inc.) 31,000 units

Mercury Books, Inc. ___ Common
(Meade & Co.) $247,500

Midwest Medical Investment Trust ___ Ben. Ints.
(J. Allen McMeen & Co.) $300,000

Multronics, Inc. ___ Capital
(Switzer & Co., Inc.) $300,000

Pal-Playwell Inc. ___ Common
(Tyche Securities, Inc.) $400,000

Pennsylvania Real Estate Inv. Trust ___ Ben. Ints.
(Stroud & Co. and Walston & Co.) $5,000,000

Roadcraft Corp. ___ Common
(Vickers, MacPherson & Warwick, Inc.) 400,000 shares

Seashore Food Products, Inc. ___ Common
(Terrio & Co., Inc.) $300,000

Shelley Manufacturing Co. ___ Common
(George, O'Neill & Co., Inc.) $357,500

Sokol Brothers Furniture Co., Inc. ___ Common
(Underwriters to be named) $600,000

Technical Animations, Inc. ___ Units
(Offering to stockholders—underwritten by Bull & Low; John R. Maher Associates and R. Tropik & Co., Inc.) $211,400

Torch Rubber Co., Inc. ___ Common
(Carroll Co.) $385,000

Transogram Co., Inc. ___ Common
(Lehman Brothers) 156,000 shares

U-Tell Corp. ___ Common
(Continental Securities Corp.) $165,485

Universal Lighting Products, Inc. ___ Common
(Globus, Inc.) $175,000

Volt Technical Corp. ___ Class A
(Andresen & Co.) $1,947,000

White Lighting Co. ___ Common
(Costello, Russotto & Co.) $300,000

May 8 (Tuesday)

Alison Ayres, Inc. ___ Common
(J. R. Williston & Beane) $500,000

American Hospital Supply Corp. ___ Common
(Eastman Dillon, Union Securities & Co. and Smith, Barney & Co.) 760,000 shares

Carolinas Capital Corp. ___ Common
(R. S. Dickson & Co.) $5,000,000

California Interstate Telephone Co. ___ Common
(William R. Staats & Co.) 160,000 shares

Daisy Manufacturing Co. ___ Common
(Eppler, Guerin & Turner, Inc.) 135,000 shares

Industrial Instruments, Inc. ___ Common
(Hayden, Stone & Co.) 120,000 shares

Kollmorgen Corp. ___ Common
(Putnam & Co.) 100,000 shares

Magazines for Industry, Inc. ___ Common
(Arnold, Wilkens & Co., Inc.) $500,000

Rona Plastic Corp. ___ Common
(Arnold Malkan & Co., Inc.) $1,000,000

Spartan International Inc. ___ Common
(M. H. Woodhill, Inc.) $700,000

Utah Concrete Pipe Co. ___ Common
(Schwabacher & Co.) 110,000 shares

Wisconsin Telephone Co. ___ Debentures
(Bids 11 a.m. EDST) $20,000,000

May 9 (Wednesday)

Chicago, Burlington & Quincy RR. ___ Equip. Trust Ctfs.
(Bids noon CDST) $3,150,000

European Coal & Steel Community ___ Bonds
(Kuhn, Loeb & Co.; First Boston Corp.; Lazard Freres & Co.) $25,000,000

Flower City Industries, Inc. ___ Common
(Seidman Williams & Cantwell) $325,000

Mil National Corp. ___ Common
(H. M. Frumkes & Co.; Abraham & Co. and Berman, Sterling & Vine Co.) $500,000

New Zealand (Government of) ___ Bonds
(Kidder, Peabody & Co.) $25,000,000

May 10 (Thursday)

Coleman Cable & Wire Co. ___ Class A
(Divine & Fishman, Inc.) $720,000

International Protein Corp. ___ Common
(Arnold Malkan & Co., Inc.) $450,000

Wiegand (Edwin L.) Co. ___ Common
(Eastman Dillon, Union Securities Co.; Moore, Leonard & Lynch; Reinholdt & Gardner) 606,450 shares

Western Massachusetts Electric Co. ___ Bonds
(Bids 11 a.m. EDST) $8,000,000

May 11 (Friday)

Tucson Gas Electric Light & Power Co. ___ Common
(Offering to stockholders—underwritten by Blyth & Co. Inc. and First Boston Corp.) 486,111 shares

May 14 (Monday)

Burton Mount Corp. ___ Common
(Reiner, Linburn & Co.) $600,000

Chenango & Unadilla Telephone Corp. ___ Common
(Offering to stockholders—underwritten by W. E. Hutton & Co. and Laird, Bissell & Meeds) 52,363 shares

Commerce Drug Co., Inc. ___ Common
(Shearson, Hammill & Co.) 100,000 shares

Computer Control Co., Inc. ___ Common
(Kidder, Peabody & Co.) 157,500 shares

Cooke (F. J.), Inc. ___ Common
(John R. Maher Associates and Bull & Low) $468,750

Donaldson Co., Inc. ___ Common
(Paine, Webber, Jackson & Curtis) 80,000 shares

Dulany Industries, Inc. ___ Common
(Blair & Co., Inc.) 400,000 shares

Folz Vending Co., Inc. ___ Common
(No underwriting) $330,000

Four Star Television ___ Capital
(Paine, Webber, Jackson & Curtis and Dempsey-Tegeler & Co., Inc.) 211,250 shares

Geriatric Research, Inc. ___ Common
(Bacon, Whipple & Co. and Freehling, Myerhoff & Co.) 162,500 shares

Happy House, Inc. ___ Common
(No underwriting) $700,000

Honora, Ltd. ___ Common
(Sunshine Securities, Inc.) $286,875

Investment Securities Co. ___ Common
(Scherck, Richter Co. and Dempsey-Tegeler & Co., Inc.) 250,000 shares

Ipco Hospital Supply Corp. ___ Common
(Shearson, Hammill & Co.) 290,000 shares

Jamoco Air Conditioning Corp. ___ Common
(Martin-Warren Co., Ltd.) $120,000

La Maur Inc. ___ Common
(Paine, Webber, Jackson & Curtis) 100,000 shares

Livestock Financial Corp. ___ Common
(Shearson, Hammill & Co.) $2,450,000

Magellan Sounds Corp. ___ Units
(Darius Inc.) $240,000

Maradel Products, Inc. ___ Common
(Hornblower & Weeks) 335,000 shares

Micro-Dine Corp. ___ Common
(Irving J. Rice & Co., Inc.) $700,000

Midwestern Mortgage Investors ___ Ben. Ints.
(Boettcher & Co.) $5,000,000

Molecular Dielectrics, Inc. ___ Common
(Street & Co., Inc. and Irving Weis & Co.) $750,000

National Semiconductor Corp. ___ Capital
(Lee Higginson Corp. and Piper, Jaffray & Hopwood) 75,000 shares

Publishers Co., Inc. ___ Common
(Roth & Co., Inc.) 541,000 shares

Regal-Meadows, Inc. ___ Common
(Hayden, Stone & Co.) 145,000 shares

Research Products, Inc. ___ Common
(Gross & Co. and Elmaleh & Co., Inc.) $2,250,000

Richmond Corp. ___ Common
(Hirschel & Co.) $1,000,006

Rosenau Brothers, Inc. ___ Common
(Burnham & Co. and Zuckerman, Smith & Co.) 300,000 shares

Site-Fab, Inc. ___ Common
(H. P. Black & Co., Inc.) 135,000 shares

Steel Plant Equipment Corp. ___ Common
(Joseph W. Hurley & Co.) $208,980

Stephens (M.) Mfg., Inc. ___ Capital
(Thomas Jay, Winston & Co., Inc.) $300,000

Stereotronics Instrument Corp. ___ Common
(S. B. Cantor Co.) $300,000

Superior Bakers, Inc. ___ Common
(Balogh & Co.) $975,000

Ten-Tex Corp. ___ Common
(Irving J. Rice & Co., Inc.) $276,000

Thunderbird International Hotel Corp. ___ Common
(Vickers, MacPherson & Warwick, Inc.) 175,000 shares

Tork Time Controls, Inc. ___ Common
(Godfrey, Hamilton, Taylor & Co. and Magnus & Co.) 150,000 shares

Towers Marts International, Inc. ___ Capital
(W. C. Langley & Co.) 550,000 shares

Unison Electronics Corp. ___ Common
(Gateway Stock & Bond, Inc.) $150,000

Urethane of Texas, Inc. ___ Units
(Rowles, Winston & Co.) $1,262,500

Walston Aviation, Inc. ___ Common
(White & Co., Inc.) $562,500

Western Pioneer Co. ___ Capital
(Kidder, Peabody & Co.) 371,750 shares

Widmann (L. F.), Inc. ___ Common
(Godfrey, Hamilton, Taylor & Co.) $486,000

May 15 (Tuesday)

Anchor Industries Corp. ___ Common
(Amber, Burstein & Co., Inc.) $308,000

Arlan's Department Stores, Inc. ___ Common
(Eastman Dillon, Union Securities & Co.) 250,000 shares

Arlan's Department Stores, Inc. ___ Debentures
(Eastman Dillon, Union Securities & Co.) $3,000,000

Aubrey Manufacturing, Inc. ___ Common
(Pierce, Carrison, Wulbern, Inc. and A. M. Kidder & Co., Inc.) 140,004 shares

Bacardi Corp. ___ Common
(Eastman Dillon, Union Securities & Co.) $1,750,000

Bernalen, Inc. ___ Common
(Amber, Burstein & Co., Inc.) $183,750

Cascade Natural Gas Corp. ___ Units
(White, Weld & Co., Inc.) 6,000 units

Computer Oriented Research & Engineering, Inc. ___ Common
(Arthurs, Lestrange & Co.) $540,000

Ellner & Pike, Inc. ___ Common
(Meadowbrook Securities, Inc.) $300,000

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sales promotion and other corporate purposes. **Office**—39-08 24th St., Long Island City, N. Y. **Underwriter**—Bond, Richman & Co., N. Y.

Florida Bancgrowth, Inc. (5/21-25)
March 16, 1962 filed 200,000 common. **Price**—By amendment (max. $15). **Business**—An investment company specializing in bank stocks. **Proceeds**—For investment. Office—3356 Atlantic Blvd., Pompano Beach, Fla. **Underwriter**—Dempsey-Tegeler & Co., Inc., St. Louis.

● Florida Palm-Aire Corp.
Oct. 19, 1961 filed 310,000 common being offered for subscription by stockholders on a 1-for-3 basis. Record date for the offering is April 26 and the rights expiration date May 16. **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.

Florida Power Co. (5/17)
April 12, 1962 filed $25,000,000 of first mortgage bonds due May 1, 1992. **Proceeds**—For debt repayment, and construction. **Office**—101 Fifth St., South St. Petersburg, Fla. **Underwriters** — (Competitive). Probable bidders: Halsey, Stuart & Co. Inc.; 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. **Bids**—Expected May 17 (11:30 a.m. EDST) at office of Shearman & Sterling, 20 Exchange Place, N. Y. **Information Meeting**—May 15 (11 a.m. EDST) at Morgan Guaranty Trust Co., 54 Liberty St., N.Y.

● Flower City Industries, Inc. (5/9)
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.

Folz Vending Co., Inc. (5/14-18)
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.

● Forest 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.

Forst (Alex) & Sons, Inc.
March 23, 1962 filed 100,000 common. **Price**—By amendment (max. $15). **Business**—Wholesale distribution of toys and games. **Proceeds**—For selling stockholders. **Office**—2885 Jerome Ave., Bronx, N. Y. **Underwriter**—McDonnell & Co., N. Y. **Offering**—Expected in early June.

★ "42" Products, Ltd., Inc.
April 18, 1962 ("Reg. A") 100,000 class A common. **Price**—$3. **Business**—Manufacture and sale of cosmetics. **Proceeds**—For advertising, and equipment. **Office**—1634-18th St., Santa Monica, Calif. **Underwriters**—Rutner, Jackson & Gray, Inc., Los Angeles and Laird, Bissell & Meeds, N. Y.

Four Star Sportswear, Inc.
March 27, 1962 filed 103,000 common. **Price**—$3. **Business**—Design, manufacture and distribution of men's outerwear, sportswear and rainwear. **Proceeds**—For plant expansion, equipment and working capital. **Office**—665 Broadway, N. Y. **Underwriter**—Magnus & Co., Inc., N. Y. **Offering**—Expected sometime in August.

Four Star Television (5/14-18)
March 16, 1962 filed 211,250 capital shares. **Price**—By amendment (max. $25). **Business**—Production and marketing of television films. **Proceeds**—For selling stockholders. **Office**—4030 Redford Ave., North Hollywood, Calif. **Underwriters**—Paine, Webber, Jackson & Curtis, N. Y. and Dempsey-Tegeler & Co., Inc., St. Louis.

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.
Dec. 22, 1961 filed 349,590 common. **Price**—By amendment. **Business**—Design, manufacture and sale of household freezers, refrigerators, automatic washers and driers. **Proceeds**—For a selling stockholder. **Office**—65-22nd Ave., N. E., Minneapolis. **Underwriter** — Lehman Brothers, N. Y. **Offering**—Imminent.

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Enviro-Dyne, Inc. ---------- Common
(Garat & Polonitza) $300,000

Epko Shoes, Inc. ---------- Common
(Shearson, Hammill & Co.) 150,000 shares

Futura Airlines ---------- Common
(Raymond Moore & Co., Inc. and Pacific Coast Securities Co.) $300,000

Greater Pittsburgh Capital Corp. ---------- Common
(Moore, Leonard & Lynch and Singer, Dean & Scribner) $2,750,000

Iona Manufacturing Co. ---------- Common
(Richard Bruce & Co., Inc. and Reuben Rose & Co., Inc.) $840,000

Japan Development Bank ---------- Bonds
(First Boston Corp.; Dillon, Read & Co., Inc. and Smith, Barney & Co., Inc.) $15,000,000

Lee Fashions, Inc. ---------- Common
(Godfrey, Hamilton, Taylor & Co. and Penzell & Co.) 166,666 shares

Lily Lynn, Inc. ---------- Common
(J. R. Williston & Beane) 150,000 shares

Little Ruffy Togs, Inc. ---------- Common
(Glass & Ross, Inc. and Samson, Graber & Co., Inc.) 165,000 shares

Lunar Films, Inc. ---------- Common
(Fred F. Sessler & Co., Inc.) $718,750

Milwaukee Gas Light Co. ---------- Bonds
(Bids 10:30 a.m. EDST) $15,000,000

Molecular Systems Corp. ---------- Common
(Stone, Ackerman & Co., Inc. and Heritage Equity Corp.) $420,000

New World Laboratories, Inc. ---------- Common
(T. J. McDonald & Co., Inc.) $300,000

Premier Microwave Corp. ---------- Common
(Van Alstyne, Noel & Co.) 150,000 shares

Puerto Rico Land & Development Corp. ---------- Units
(Lieberbaum & Co. and Morris Cohon & Co.) $5,000,000

Rising's, Inc. ---------- Common
(Adams & Co.) $300,000

Trans-Alaska Telephone Co. ---------- Common
(Milton D. Blauner & Co., Inc.) $1,590,000

Tremco Manufacturing Co. ---------- Class A
(McDonald & Co.) 150,000 shares

Wade, Wenger ServiceMaster Co. ---------- Capital
(Laren Co.) 140,000 shares

May 16 (Wednesday)

Allegheny Pepsi-Cola Bottling Co. ---------- Common
(Suplee, Yeatman, Mosley Co., Inc.) 312,500 shares

Allegheny Pepsi-Cola Bottling Co. ---------- Debentures
(Suplee, Yeatman, Mosley Co., Inc.) $1,250,000

College Publishing Corp. ---------- Common
(James Co.) $155,000

Columbus & Southern Ohio Electric Co. ---------- Bonds
(Bids 11 a.m. EDST) $16,000,000

Copymation, Inc. ---------- Common
(Kenneth Kass) 60,000 shares

DeLuxe Homes, Inc. ---------- Common
(Alessandrini & Co., Inc.) $300,000

Jefferson Stores, Inc. ---------- Capital
(Bregman, Cummings & Co.) 110,000 shares

Kiddie Rides, Inc. ---------- Units
(Paul C. Kimball & Co.) 1,000 units

Signalite Inc. ---------- Common
(Milton D. Blauner) $567,000

May 17 (Thursday)

Central Investment & Mortgage Co. ---------- Common
(Joseph Walker & Sons and Clark, Landstreet & Kirkpatrick, Inc.) 130,000 shares

Central Investment & Mortgage Co. ---------- Debentures
(Joseph Walker & Sons and Clark, Landstreet & Kirkpatrick, Inc.) $600,000

Electronic Transmission Corp. ---------- Common
(V. S. Wickett & Co., Inc.; Thomas, Williams & Lee, Inc. and Crosse & Co., Inc.) $375,000

Florida Power Co. ---------- Bonds
(Bids 11:30 a.m. EDST) $25,000,000

Kelley Realty Corp. ---------- Class A
(Fulton, Reid & Co., Inc. and Walston & Co.) 250,000 shares

Madway Main Line Homes, Inc. ---------- Common
(Drexel & Co.) 50,000 shares

West Falls Shopping Center Limited Partnership ---------- Units
(Hodgdon & Co., Inc.) $444,000

May 18 (Friday)

Radio Electric Service Co. of New Jersey, Inc. ---------- Common
(D. L. Greenbaum & Co.) $300,000

May 21 (Monday)

Admiral Automotive Products, Inc. ---------- Common
(Baruch Brothers & Co., Inc.) $400,000

Agency Tile Industries, Inc. ---------- Common
(International Services Corp. and Market Values, Inc.) $300,000

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

American Diversified, Inc. ---------- Common
(Nation-Wide Underwriters, Inc.) $825,000

Babs, Inc. ---------- Common
(Pacific Coast Securities Co.) $600,000

Barish Associates, Inc. ---------- Common
(Glanis & Co.) $200,000

Barker Bros. Corp. ---------- Common
(William R. Staats & Co.) 200,000 shares

Bestform Foundations, Inc. ---------- Common
(Smith, Barney & Co.) 185,000 shares

Corporate Funding Corp. ---------- Class A
(R. F. Dowd & Co., Inc.) $300,000

Cosnat Corp. ---------- Common
(Van Alstyne, Noel & Co.) 165,000 shares

Country Set, Inc. ---------- Common
(Goodbody & Co.) 150,000 shares

Dunhill Food Equipment Corp. ---------- Common
(Carroll Co. and Paul Eisenberg Co., Inc.) $250,000

Duro Pen Co., Inc. ---------- Common
(Godfrey, Hamilton, Taylor & Co.) $500,000

Eisler Transformer Co., Inc. ---------- Common
(Sherman & Hall, Inc.) $300,000

Electromagnetic Industries, Inc. ---------- Common
(Pierce, Carrison, Wulburn, Inc.) 70,000 shares

Electromagnetic Industries, Inc. ---------- Conv. Debentures
(Pierce, Carrison, Wulbern, Inc.) $250,000

Fashion Industries, Inc. ---------- Common
(Wright, Myers & Bessel, Inc.) $299,250

First Connecticut Small Business Investment Co. ---------- Common
(P. W. Brooks & Co.) 200,000 shares

Florida Bancgrowth, Inc. ---------- Common
(Dempsey-Tegeler & Co., Inc.) 200,000 shares

Frouge Corp. ---------- Common
(Van Alstyne, Noel & Co.) 700,000 shares

Gaslight Club, Inc. ---------- Common
(Myron A. Lomasney & Co.) 100,000 shares

General Devices, Inc. ---------- Common
(Offering to stockholders—underwritten by Hess, Grant & Remington, Inc.) 140,000 shares

Grayson-Robinson Stores, Inc. ---------- Debentures
(Bear, Stearns & Co.) $10,000,000

Gulf States Utilities Co. ---------- Bonds
(Bids 11 a.m. EDST) $17,000,000

Hanna-Barbara Productions, Inc. ---------- Capital
(Carl M. Loeb, Rhoades & Co., Inc.) 200,000 shares

Hargrove Enterprises, Inc. ---------- Common
(Switzer & Co., Inc.) $800,000

Jayark Films Corp. ---------- Common
(Pacific Coast Securities Corp.) 72,000 shares

Jaylis Industries, Inc. ---------- Class A
(D. E. Liederman & Co., Inc.) $1,200,000

Marks Polarized Corp. ---------- Common
(Ross, Lyon & Co., Inc.; Glass & Ross, Inc.; and Globus, Inc.) 95,000 shares

National Equipment & Plastics Corp. ---------- Common
(Cortlandt Investing Corp.) $525,000

New Hope Academy of the Arts, Inc. ---------- Common
(Mayo & Co.) $1,500,000

Paragon Pre-Cut Homes, Inc. ---------- Common
(A. L. Stamm & Co.) 112,500 shares

Pearl Brewing Co. ---------- Common
(A. C. Allyn & Co. and Dewar, Robertson & Pancoast) 148,300 shares

Perfect Photo, Inc. ---------- Common
(Bear, Stearns & Co.) 154,800 shares

Primex Equities Corp. ---------- Class A
(D. H. Blair & Co.) 360,000 shares

Public Loan Co., Inc. ---------- Common
(A. G. Becker & Co., Inc.) 170,000 shares

Regulators, Inc. ---------- Common
(Myron A. Lomasney & Co.) $375,000

Ridgerock of America, Inc. ---------- Common
(Baruch Brothers & Co., Inc.) $250,000

Roblin-Seaway Industries, Inc. ---------- Debentures
(Brand, Grumet & Seigel, Inc.) $1,000,000

Salant & Salant, Inc. ---------- Class A
(Kidder, Peabody & Co. and Jessup & Lamont) 150,000 shares

Schaevitz Engineering ---------- Common
(Bear, Stearns & Co.) 150,000 shares

Scripps-Howard Broadcasting Co. ---------- Common
(First Boston Corp.) 375,000 shares

Skiers Service Corp. ---------- Common
(Pacific Coast Securities Co.) 550,000 shares

Solid State Products, Inc. ---------- Common
(Tucker, Anthony & R. L. Day) 110,000 shares

Stelber Cycle Corp. ---------- Units
(Lloyd Securities, Inc.; Richard Bruce & Co., Inc. and Reuben Rose & Co., Inc.) $600,000

Tactair Fluid Controls Corp. ---------- Common
(Stroud & Co., Inc. and Penington, Colket & Co.) 90,000 shares

Tellite Corp. ---------- Common
(Magnus & Co.) $375,000

Traid Corp. ---------- Common
(J. A. Hogle & Co.) 150,000 shares

United Markets, Inc. ---------- Common
(Moran & Co.) $500,000

Vacco Valve Co. ---------- Common
(California Investors) $500,000

Vapor Corp. ---------- Common
(William Blair & Co.) 156,762 shares

Voron Electronics Corp. ---------- Class A
(John Joshua & Co., Inc. and Reuben, Rose & Co., Inc.) $300,000

World Scope Publishers, Inc. ---------- Common
(Standard Securities Corp.) $600,000

World Scope Publishers, Inc. ---------- Debentures
(Standard Securities Corp.) $350,000

Wulpa Parking Systems, Inc. ---------- Common
(Ehrlich, Irwin & Co., Inc.) $300,000

Wynlit Pharmaceuticals, Inc. ---------- Common
(Andresen & Co.) 125,000 shares

May 22 (Tuesday)

Northern Pacific Ry. ---------- Equip. Trust Ctfs.
(Bids 12 noon EDST) $4,035,000

Tyler Pipe & Foundry Co. ---------- Common
(First Southwest Co.) 120,000 shares

Utah Power & Light Co. ---------- Bonds
(Bids 11:30 a.m. EDST) $22,000,000

Utah Power & Light Co. ---------- Preferred
(Bids 12:30 p.m. EDST) 480,000 shares

May 23 (Wednesday)

Louisiana Gas Service Co. ---------- Bonds
(Bids 11:30 a.m. EDST) $10,000,000

May 24 (Thursday)

Hollingsworth Solderless Terminal Co. ---------- Common
(Harrison & Co.) $300,000

May 28 (Monday)

Accurate Packaging Corp. ---------- Common
(Baruch Bros. & Co., Inc.) 80,000 shares

Aerodyne Controls Corp. ---------- Common
(Robbins, Clark & Co.) $180,000

American Southwest Realty Trust ---------- Common
(Kidder, Peabody & Co. and Rauscher, Pierce & Co., Inc.) $11,000,000

Artlin Mills, Inc. ---------- Common
(Mortimer B. Burnside & Co., Inc.) $675,000

Bebell & Bebell Color Laboratories, Inc. ---------- Common
(Stevens, Hickey & Co.) $300,000

Caldwell Publishing Corp. ---------- Capital
(S. B. Cantor Co.) $687,500

Concord Products, Inc. ---------- Units
(M. G. Davis) $240,000

Davis (H.) Toy Corp. ---------- Units
(Hampstead Investing Corp., Aetna Securities Corp. and Atlas Securities Corp.) $325,000

Decorel Corp. ---------- Common
(Clayton Securities Corp.) 120,000 shares

Edge Ltd. ---------- Common
(Rittmaster, Voisin & Co.) 125,000 shares

Gould Paper Co. ---------- Common
(Van Alstyne, Noel & Co.) $1,540,000

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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.

● **Frederick's of Hollywood, Inc.**
March 26, 1962 filed 150,000 capital shares, of which 70,000 are to be offered by company and 80,000 by a stockholder. **Price**—$5. **Business**—Operation of a mail order business and a chain of women's apparel stores. **Proceeds**—For expansion and other corporate purposes. **Office**—6608 Holywood Blvd., Los Angeles. **Underwriter**—Garat & Polonitza, Inc., Los Angeles. **Offering**—June.

Frouge Corp. (5/21-25)
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.

● **Futura Airlines (5/15)**
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.

★ **G. M. S. Stores Inc.**
April 30, 1962 filed 140,000 common. **Price**—$4. **Business**—Operation of discount centers. **Proceeds**—For expansion. **Office**—19 W. 34th St., N. Y. **Underwriter**—Preiss, Cinder & Hofmann Inc., N. Y.

Gabriel Industries, Inc.
March 30, 1962 filed 100,000 class A common shares. **Price**—By amendment (max. $11). **Business**—Design, manufacture and distribution of toys and sporting goods. **Proceeds**—For debt repayment **Office**—184 Fifth Ave., N. Y. **Underwriter**—To be named.

Garden State Small Business Investment Co.
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. **Offering**—Expected sometime in June.

Gaslight Club, Inc. (5/21-25)
Feb. 28, 1962 filed 100,000 common. **Price**—By amendment (max. $7) **Business**—Company operates four "key clubs." **Proceeds**—For expansion, debt reduction, and working capital. **Office**—13 E. Huron St., Chicago. **Underwriter**—Myron A. Lomasney & 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. **Offering**—Imminent.

Gemco-Ware Corp. (6/4-8)
March 9, 1962 filed 146,000 common. **Price**—By amendment (max. $8). **Business**—A holding company for a restaurant equipment manufacturer, a wholesale distributor of houseware products and a company operating leased discount departments dealing in hard goods. **Proceeds**—For debt repayment, expansion and working capital. **Office**—134-01 Atlantic Ave., Jamaica, N. Y. **Underwriter**—J. R. Williston & Beane, N. Y.

General Classics Inc.
March 23, 1962 filed 105,000 common. **Price**—$3. **Business**—Design, assembly and distribution of trophies, plaques and awards. **Proceeds**—For debt repayment, new products, expansion and working capital. **Office**—2555 W. Diversey Ave., Chicago. **Underwriter**—Michael G. Kletz & Co., N. Y.

● **General Devices, Inc. (5/21-25)**
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 Economics Syndicate, Inc.
April 11, 1962 filed 400,000 class A common. **Price** — $10. **Business**—An insurance holding company. **Proceeds**—For investment in subsidiaries, and working capital. **Office**—625 Madison Ave., N. Y. **Underwriter**—G. E. C. Securities, Inc., (same address).

General Investment Co. of Connecticut, Inc.
Mar. 14, 1962 filed 200,000 common. **Price**—$7.50. **Business**—A small business investment company. **Proceeds**—For debt repayment and investment. **Office**—348 Orange St., New Haven, Conn. **Underwriters**—Ingram, Lambert & Stephen, Inc., and Reuben Rose & Co., Inc., N. Y.

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Halo Lighting, Inc. — **Common**
(R. W. Pressprich & Co.) 300,000 shares

Kavanau Corp. — **Units**
(Hayden, Stone & Co.) 50,000 units

Lehigh Industries & Investing Corp. — **Common**
(To be named) 2,000,000 shares

Mac-Allan Co., Inc. — **Common**
(George K. Baum & Co.) $651,300

Masury-Young Co. — **Common**
(Chace, Whiteside & Winslow, Inc.) $600,000

Met Food Corp. — **Common**
(Brand, Grumet & Siegel, Inc.) 34,200 shares

Met Food Corp. — **Debentures**
(Brand, Grumet & Siegel, Inc.) $1,500,000

Morton's Shoe Stores, Inc. — **Common**
(Dean Witter & Co.) 517,122 shares

Mosler Safe Co. — **Common**
(Blyth & Co., Inc.) 200,000 shares

National Security Life Insurance Co. — **Common**
(Underwriter to be named) $1,750,000

Pioneer Restaurants, Inc. — **Common**
(Stewart, Eubanks, Myerson & Co.) 125,000

Product Research of Rhode Island, Inc. — **Common**
(Fred F. Sessler & Co., Inc.) $676,500

Rego Radio & Electronics Corp. — **Common**
(General Securities Co., Inc.) $300,000

Seaway Food Town, Inc. — **Common**
(McDonald & Co.) 125,056 shares

Security Aluminum Corp. — **Common**
(Vickers, MacPherson & Warwick, Inc.) 200,000 shares

Sportsways, Inc. — **Common**
(Troster, Singer & Co. and Federman, Stonehill & Co.) 175,000 shares

Sun City Dairy Products, Inc. — **Common**
(Finkle & Co.) $440,000

Universal Industries, Inc. — **Common**
(Edward Lewis Co., Inc.) $500,000

Welcome Baby, Inc. — **Common**
(Globus, Inc. and First Philadelphia Corp.) $150,000

Wiggins Plastics, Inc. — **Common**
(Investment Planning Group, Inc.) $300,000

May 29 (Tuesday)

Gotham Investment Corp. — **Common**
(Rouse, Brewer, Becker & Bryant, Inc.) $600,000

New England Electric System — **Common**
(Offering to stockholders—bids to be received) 872,876 shares

Philips N. V. — **Common**
(Offering to stockholders—underwritten by Smith, Barney & Co.) 6,153,140 shares

Ridgewood Financial Corp. — **Common**
(Fulton, Reid & Co., Inc.) 60,000 shares

May 31 (Thursday)

A. E. C. Electronics, Inc. — **Common**
(Bertner Bros.) $125,000

Alabama Power Co. — **Bonds**
(Bids to be received) $17,000,000

Dyna-Mod Electronics Corp. — **Common**
(Genesee Valley Securities Co., Inc. and H. B. Vesey & Co., Inc.) $286,000

Fastline Inc. — **Units**
(Jarco Securities Co., Inc.) $1,000

Giant Tiger Stores — **Common**
(Prescott & Co.) $1,400,000

Index & Retrieval Systems, Inc. — **Common**
(Searight, Ahalt & O'Connor, Inc.) 125,000 shares

Rosenfeld (Henry), Inc. — **Common**
(Robert A. Martin Associates, Inc.) 120,000 shares

June 4 (Monday)

American Mortgage Investors — **Ben. Int.**
(Hayden, Stone & Co.) $19,500,000

Calev Photolabs, Inc. — **Common**
(Amber, Burstein & Co., Inc.) $302,250

Consumers Mart of America, Inc. — **Common**
(Rittmaster, Voisin & Co. and Midland Securities Co., Inc.) 72,000 shares

Eastern Investors, Inc. — **Common**
(Arnold Malkan & Co., Inc.) $25,000

Eastern Investors, Inc. — **Debentures**
(Arnold Malkan & Co., Inc.) $625,000

Electromagnetics Corp. — **Common**
(Gianis & Co., Inc.) $375,000

Fastpak, Inc. — **Common**
(Arnold Malkan & Co., Inc.) $625,000

Financial Corp. of Santa Barbara — **Capital**
(Dean Witter & Co.) 200,000 shares

Financial Federation, Inc. — **Capital**
(Kidder, Peabody & Co. and McDonnell & Co.) 75,000 shares

Gemco-Ware Corp. — **Common**
(J. R. Williston & Beane) 146,000 shares

Jackson's/Byrons Enterprises, Inc. — **Debentures**
(Clayton Securities Corp.) $750,000

Kingsbury Homes Corp. — **Capital**
(Robinson-Humphrey Co., Inc. and J. C. Bradford & Co.) 140,000 shares

Mandrel Industries, Inc. — **Common**
(Dominick & Dominick) 303,900 shares

Oceana International, Inc. — **Common**
(Baruch Brothers & Co., Inc.) $825,000

RF Interonics, Inc. — **Common**
(Arnold Malkan & Co.) $200,000

Santa Fe Drilling Co. — **Common**
(Dean Witter & Co.) 160,000 shares

Salro Manufacturing Corp. — **Units**
(I. R. E. Investors Corp.) $316,000

School Pictures, Inc. — **Class A**
(Equitable Securities Corp. and Kroeze, McLarty & Duddleston) 40,000 shares

School Pictures, Inc. — **Common**
(Equitable Securities Corp. and Kroeze, McLarty & Duddleston) 60,000 shares

Thompson Manufacturing Co., Inc. — **Common**
(Packer-Wilbur Co., Inc.) $360,000

United Camera Exchange, Inc. — **Common**
(M. G. Davis & Co., Inc.) $315,000

U. S. Scientific Corp. — **Common**
(Edward Lewis Co., Inc.) $340,000

Zayre Corp. — **Common**
(Lehman Brothers) 475,000 shares

Zeckendorf Properties Corp. — **Class B**
(Harriman Ripley & Co., Inc.) 100,000 shares

June 5 (Tuesday)

Air Reduction Co., Inc. — **Debentures**
(Offering to stockholders—underwritten by Kidder, Peabody & Co. and Dean Witter & Co.) $45,000,000

Mountain States Tel. & Tel. Co. — **Debentures**
(Bids to be received) $50,000,000

June 6 (Wednesday)

Southern Pacific Co. — **Equip. Trust Ctfs.**
(Bids 12 noon EDST) $8,100,000

June 7 (Thursday)

Columbia Gas Systems, Inc. — **Debentures**
(Bids 11 a.m. EDST) $25,000,000

June 8 (Friday)

New Brunswick Scientific Co., Inc. — **Common**
(John Schuss & Co.) $300,000

June 11 (Monday)

American Gas Co. — **Common**
(Offering to stockholders—underwritten by Cruttenden, Podesta & Miller) 548,532 shares

American States Life Insurance Co. — **Common**
(Offering to stockholders—underwritten by City Securities Corp.) 300,000 shares

Arnav Industries, Inc. — **Units**
(Gianis & Co., Inc.) 600 units

Assembly Products, Inc. — **Conv. Debentures**
(Prescott & Co. and William T. Robbins & Co., Inc.) $1,250,000

Bloomfield Building Industries, Inc. — **Debentures**
(Lieberbaum & Co. and Morris Cohon & Co.) $2,000,000

Interworld Film Distributors, Inc. — **Common**
(General Securities Co., Inc. and S. Kasdan & Co., Inc.) $425,000

Joanell Laboratories, Inc. — **Common**
(Searight, Ahalt & O'Connor, Inc.) 114,500 shares

Lenox, Inc. — **Common**
(Hemphill, Noyes & Co.) 172,500 shares

Lewiston-Gorham Raceways, Inc. — **Units**
(P. W. Brooks & Co.) $1,000,000

Metropolitan Realty Trust — **Ben. Int.**
(Eisele & King, Libaire, Stout & Co.) $6,500,000

Orion Electronics Corp. — **Common**
(A. D. Gilhart & Co., Inc.) $350,000

Peerless Radio Corp. — **Common**
(Kordan & Co., Inc.) $480,000

Seg Electronics Co., Inc. — **Common**
(Searight, Ahalt & O'Connor, Inc.) 110,000 shares

Thom-Tex Paper Converting Corp. — **Common**
(Meade & Co.) $280,000

Worth Financial Corp. — **Common**
(D. A. Bruce & Co.) $305,000

June 13 (Wednesday)

Jaap Penratt Associates, Inc. — **Common**
(R. F. Dowd & Co., Inc.) $300,000

June 14 (Thursday)

Dyna Mfg. Co. — **Common**
(Raymond Moore & Co.) $300,000

June 15 (Friday)

Air-Tech Industries, Inc. — **Common**
(Fred F. Sessler & Co., Inc.) $220,500

Colonial Board Co. — **Common**
(Putnam & Co.) 164,000 shares

Martin (L. P.) Maintenance Corp. — **Common**
(Johnson, Lane Space Corp.) $500,000

June 18 (Monday)

American Laboratories, Inc. — **Common**
(California Investors) 200,000 shares

Morse Electro Products Corp. — **Debentures**
(Standard Securities Corp.) $1,250,000

June 19 (Tuesday)

Consolidated Edison Co. of New York, Inc. — **Bonds**
(Bids 11 a.m. EDST) $100,000,000

June 20 (Wednesday)

Automatic Controls, Inc. — **Common**
(S. Schramm & Co., Inc.) $200,000

United Gas Corp. — **Bonds**
(Bids 11:30 a.m. EDST) $40,000,000

Wisconsin Power & Light Co. — **Bonds**
(Bids to be received) $15,000,000

June 21 (Thursday)

Cincinnati Gas & Electric Co. — **Bonds**
(Bids to be received) $25,000,000

June 25 (Monday)

Adelphi Research & Mfg. Co. — **Common**
(Fred F. Sessler & Co., Inc.) $199,875

Hi-Press Air-Conditioning of America, Inc. — **Units**
(Pistell, Inc.) 13,400 units

June 26 (Tuesday)

Sierra Pacific Power Co. — **Bonds**
(Bids to be received) $5,000,000

July 2 (Monday)

Saw Mill River Industries, Inc. — **Common**
(Arnold Malkan & Co., Inc.) $500,000

Spears (L. B.), Inc. — **Common**
(Arnold Malkan & Co., Inc.) $325,000

July 16 (Monday)

Biologics International, Inc. — **Common**
(No underwriting) $375,000

August 13 (Monday)

Hydro-Swarf, Inc. — **Common**
(Raymond Moore & Co.) $485,000

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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★ General Realty Income Trust
April 27, 1962 filed 1,000,000 shares. **Price**—A maximum of $10. **Business**—A real estate investment trust. **Proceeds**—For investment. **Office**—111 Broadway, N. Y. **Underwriter**—King Merritt & Co., Inc., N. Y.

General Vitamin & Drug Corp.
April 3, 1962 ("Reg. A") 78,000 common. **Price**—$2.75. **Business**—Sale of vitamins through department stores and mail order. **Proceeds** — For debt repayment, new products, sales promotion and working capital. **Office**—88 Cutter Mill Rd., Great Neck, L. I., N. Y. **Underwriter**—J. J. Krieger & Co., Inc., N. Y.

Geriatric Research, Inc. (5/14-18)
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.

● Giant Tiger Stores, Inc. (5/31)
Mar. 2, 1962 filed 140,000 common. **Price**—$10. **Business**—Company operates a discount department store chain. **Proceeds**—For expansion and working capital. **Office**—1407 E. 40th St., Cleveland, Ohio. **Underwriter**—Prescott & Co., Cleveland.

Gilfillan Corp.
April 4, 1962 filed 254,000 common. **Price**—By amendment (max. $18). **Business**—Development and production of radar and other specialized electronic systems. **Proceeds**—For selling stockholders. **Office**—1815 Venice Blvd., Los Angeles. **Underwriter**—Blyth & Co., Inc., Los Angeles.

● Girard Industries Corp.
March 28, 1962 fled $250,000 of 6% conv. subord. debentures due 1972 and 90,000 common shares to be sold by certain stockholders. The securities are to be offered in units consisting of a $100 debenture and 36 shares. **Price**—By amendment. **Business**—Manufacture of restaurant and other type furniture which it sells principally to dealers in Puerto Rico. **Proceeds**—For equipment and general corporate purposes. **Address**—San Juan, Puerto Rico. **Underwriter**—Edwards & Hanley, Hempstead, N.Y. **Offering**—Expected sometime in June.

● Glass-Tite Industries, Inc.
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.

Glensder Corp.
March 23, 1962 filed 150,000 common, of which 60,000 are to be offered by the company and 90,000 by the company's parent, Glen Modes, Inc. **Price**—By amendment (max. $7). **Business**—Design, production and sale of women's fashion accessories, and sportswear. **Proceeds**—For general corporate purposes. **Office**—417 Fifth Ave., N. Y. **Underwriter**—Sprayregen, Haft & Co., 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. **Offering** — Indefinitely postponed.

Gold Leaf Pharmacal Co., Inc.
March 13, 1962 filed 80,000 common. **Price**—$4. **Business**—Manufacture, development and sale of pharmaceutical and veterinarian products. **Proceeds**—For advertising, research, debt repayment and working capital. **Office**—36 Lawton St., New Rochelle, N. Y. **Underwriter**—Droulia & Co., N. Y.

Golden Pagoda, Inc.
March 28, 1962 filed 260,000 common. **Price**—$10. **Business**—Company plans to build and operate a tourist hotel. **Proceeds**—For construction. **Office**—1477 Kalanianaloe Ave., Hilo, Hawaii. **Underwriter**—None.

● Good-Era Realty & Construction Corp.
April 2, 1962 filed 550,000 class A shares. **Price**—$10. **Business**—Company plans to develop, operate, construct and manage real estate. **Proceeds**—For general corporate purposes. **Office**—151 N. Dean St., Englewood, N. J. **Underwriters**—Leiberbaum & Co. and Morris Cohon & Co., N. Y. **Offering**—Expected sometime in July.

Gotham Investment Corp. (5/29-31)
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. (5/28-6/1)
Sept. 28, 1961 filed 140,000 common. **Price**—$11. **Business**—Manufacture of paper. **Proceeds**—Expansion and working capital. **Office**—Lyons Falls, N. Y. **Underwriter**—Van Alstyne, Noel & Co., N. Y.

Gould Properties, Inc. (5/7-11)
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 Financial Corp.
Aug. 17, 1962 filed 547,560 common to be offered for subscription by stockholders of affiliated companies at the rate of one share for each 15 rights held of record June 1, as follows: To common stockholders of Government Employees Insurance Co., two rights for each share held; to common stockholders of G. E. L. I. Co., one right for each share held; to common stockholders of Government Employees Corp., four rights for each share held, and to common stockholders of Criterion Insurance Co., one right for each share held. **Price**—$7.50. **Business**—A consumer finance company. **Proceeds**—For working capital. **Office**—1700 Broadway, Denver. **Underwriter**—None.

Granco, Inc.
March 23, 1962 filed $600,000 of 6% conv. subord. debentures due 1977 to be offered in 1,200 units. **Price**—$500 per unit. **Business**—Operation of jewelry stores, jewelry concessions and a liquor concession in discount department stores. **Proceeds**—For debt repayment and working capital. **Office**—182 Second Ave., San Francisco. **Underwriter**—Midland Securities Co., Inc., Kansas City, Mo. **Offering**—Expected in July.

● 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 June.

Grayson-Robinson Stores, Inc. (5/21)
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** — Bear, Stearns & Co., N. Y.

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**—To be named. **Note**—This firm formerly was known as Continental Real Estate Investment Trust.

Great Eastern Insurance Co.
April 13, 1962 filed 381,600 common. **Price**—By amendment (max. $5). **Business**—Company plans to write certain types of fire and casualty insurance. **Proceeds**—For general corporate purposes. **Office**—116 John St., N. Y. **Underwriters**—Emanuel, Deetjen & Co., and Zuckerman, Smith & Co., N. Y.

Great Plains Corp.
March 26, 1962 ("Reg. A") 60,000 class A common. **Price**—$5. **Business**—Company plans to establish an industrial bank and an insurance agency. **Proceeds**—For working capital, debt repayment and expansion. **Office**—368 Main St., Longmont, Colo. **Underwriter**—Birkenmayer & Co., Denver.

Greater New York Box Co., Inc. (5/7-11)
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. (5/15)
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. **Offering**—Expected sometime in July.

★ Greenman Bros., Inc.
April 25, 1962 filed 150,000 common, of which 75,000 are to be offered by company and 75,000 by stockholders. **Price**—$10. **Business**—Wholesale and retail distribution of toys, hobby lines and sporting equipment. **Proceeds**—For debt repayment, inventory and working capital. **Office**—35 Engel St., Hicksville, N. Y. **Underwriter**—J. R. Williston & Beane, N. Y.

★ Green (Henry J.) Instruments Inc.
April 30, 1962 filed 150,000 common. **Price**—$2.25. **Business**—Manufacture of precision instruments for measuring atmospheric conditions. **Proceeds**—For debt repayment, equipment and working capital. **Office**—2500 Shames Dr., Westbury, L. I., N. Y. **Underwriter**—None.

● Gulf American Land Corp.
Feb. 28, 1962 filed $11,000,000 of 6½% conv. subord. debs. due 1977, to be offered for subscription by stockholders at the rate of $200 of debentures for each 60 common shares held. **Price**—At par. **Business**—Company is engaged in the development of planned communities in Florida. **Proceeds**—For debt repayment and general corporate purposes. **Office** — 557 Northeast 81st St., Miami, Fla. **Underwriters** — Morris Cohon & Co. and Street & Co., Inc., N. Y.

Gulf States Utilities Co. (5/21)
April 18, 1962 filed $17,000,000 of first mortgage bonds due 1992. **Proceeds**—For debt repayment and construction. **Office**—285 Liberty Ave., Beaumont, Texas. **Underwriters**—(Competitive). Probable bidders: Lehman Brothers; Stone & Webster Securities Corp.; Merrill Lynch, Pierce, Fenner & Smith Inc.; White, Weld & Co. (jointly); Salomon Brothers & Hutzler; Eastman Dillon, Union Securities & Co. (jointly); Halsey, Stuart & Co. Inc. **Bids**—May 21 (12:00 noon EDST) in New York City. **Information Meeting**—May 16 (11 a.m. EDST) at Irving Trust Co., One Wall St., N. Y.

Hallandale Rock & Sand Co.
March 30, 1962 filed $250,000 of 8% subordinated debentures due 1977, 200,000 common and 6-year warrants to purchase 25,000 common at $1 per share to be offered in units consisting of a $10 debenture, 8 common shares and one warrant. **Price**—$18 per unit. **Business**—Extraction, processing and sale of rock and sand. **Proceeds**—For a new plant and other corporate purposes. **Address**—Hallandale, Fla. **Underwriter**—Mutch, Khanbegian, Flynn & Green, Inc., 115 Broadway, N. Y.

Halo Lighting, Inc. (5/28-31)
Mar. 27, 1962 filed 300,000 common, of which 100,000 will be sold by the company and 200,000 by a stockholder. **Price**—By amendment. **Business**—Manufacture of recessed incandescent lighting fixtures. **Proceeds**—For general corporate purposes. **Office**—Chicago, Ill. **Underwriter**—R. W. Pressprich & Co., N. Y.

Halsey Drug Co.
March 30, 1962 filed 79,500 common. **Price**—$4. **Business**—Manufacture, packaging and sale of proprietary drug products. **Proceeds**—For debt repayment, expansion and other corporate purposes. **Office**—1827 Pacific St., Brooklyn, N. Y. **Underwriters**—Packer-Wilbur & Co., Inc., and Alessandrini & Co., Inc., N. Y. **Offering**—In late July.

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. **Offering**—In June.

● Hanna-Barbara Productions, Inc. (5/21)
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.

Happy House, Inc. (5/14-18)
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. **Note**—This offering was temporarily postponed.

Hargrove Enterprises, Inc. (5/21-27)
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.

Harley Products, Inc.
March 28, 1962 filed 75,000 common. **Price**—$4. **Business** — Design, production and distribution of bolts and related products. **Proceeds**—For sales promotion, expansion, inventory, and debt repayment. **Office**—476 Broadway, N. Y. **Underwriter**—Finkle & Co., N. Y.

● Harper Vending, Inc. (5/7-11)
Jan. 12, 1962 filed 80,000 common. **Price**—$3.75. **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.

● Harrington & Richardson, Inc. (5/7)
March 7, 1962 filed 180,000 common, of which 40,000 are to be offered by company and 140,000 by stockholders. **Price**—By amendment (max. $30). **Business**—Manufacture and sale of M-14 rifles to U. S. Govt. **Proceeds**—Equipment, plant expansion and working capital. **Office**—320 Park Ave., Worcester, Mass. **Underwriter**—Shearson, Hammill & Co., N. Y.

Harris (Paul) Stores, Inc.
April 2, 1962 ("Reg. A") 40,000 class A common. **Price**—$7.50. **Business**—Operation of wearing apparel stores. **Proceeds**—For equipment and working capital. **Office**—2920 N. Tibbs, Indianapolis. **Underwriters**—Kiser, Cohn & Shumaker, Indianapolis and Cruttenden, Podesta & Co., Chicago.

● Hart's Food Stores, Inc.
March 28, 1962 filed 235,550 common. **Price**—By amendment (max. $16). **Business**—Operation of supermarkets and small food stores. **Proceeds**—For selling stockholders. **Office**—175 Humboldt St., Rochester, N. Y. **Underwriter**—Merrill Lynch, Pierce, Fenner & Smith Inc., New York. **Offering**—Expected sometime in August.

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.

Heartland Development Corp.
March 28, 1962 filed 23,300 shares of 5% convertible preference stock to be offered for subscription by stockholders on basis of one preferred share for each 10 common held. **Price**—$12. **Business**—Real estate. **Proceeds**—For general corporate purposes and debt repayment. **Office**—40 Beaver St., Albany, N. Y. **Underwriter**—None.

★ **Helix Land Co., Inc.**
April 27, 1962 filed 586,000 capital shares. **Price**—By amendment (max. $5). **Business**—General real estate. **Proceeds**—For general corporate purposes. **Office**—4265 Summit Dr., La Mesa, Calif. **Underwriter**—None.

Herald Music Corp.
March 20, 1962 ("Reg. A") 60,000 common. **Price**—$3.50. **Business**—Manufacture and distribution of phonograph records. **Proceeds**—For relocation, equipment, accounts payable, and working capital. **Office**—150 W. 55th St., N. Y. **Underwriter**—Whitestone Securities Ltd., 15 E. 40th St., N. Y.

Hickory Industries, Inc.
Aug. 31, 1961 ("Reg. A") 40,000 common. **Price**—$5. **Business**—The manufacture of barbecue machines and allied equipment. **Proceeds**—For equipment, inventory, sales promotion, expansion and working capital. **Office**—10-20 47th Rd., Long Island City, N. Y. **Underwriter**—J. B. Coburn Associates, Inc., N. Y. **Offering**—Indefinite.

Hi-Press Air-Conditioning of America, Inc. (6/25-29)
Mar. 26, 1962 filed $670,000 of 6½% con. subord. debentures due 1974 and 134,000 common shares to be offered in units consisting of $50 of debentures and 10 shares. **Price**—By amendment (max. $82.50 per unit). **Business**—Production of air conditioning, commercial refrigeration and industrial heat transfer products. **Proceeds**—For debt repayment and general corporate purposes. **Office**—405 Lexington Ave., N. Y. **Underwriter**—Pistell, Inc., N. Y.

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.

● **Hillside Metal Products, Inc.**
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. **Offering**—Imminent.

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.

Hoffman House Sauce Co., Inc.
Feb. 28, 1962 filed $250,000 of 6½% subordinated sinking fund convertible debentures due 1977 and 25,650 common shares to be offered in units consisting of one $500 debenture and 50 common shares. **Price**—$1,000 per unit. **Business** — Manufacture of liquid and semi-solid salad dressings and specialty sauces. **Proceeds**—For debt repayment and expansion. **Office**—109 S. Webster St., Madison, Wis. **Underwriter**—Milwaukee Co., Milwaukee, Wis. **Offering**—Sometime in May.

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.

Hollingsworth Solderless Terminal Co. (5/24)
Feb. 27, 1962 ("Reg. A") 75,000 common. **Price** — $4. **Business**—Manufacture, sale and development of solderless terminals and other wire terminating products. **Proceeds**—For debt repayment, equipment, advertising and working capital. **Address**—P. O. Box 430, Phoenixville, Pa. **Underwriter**—Harrison & Co., Philadelphia.

● **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. **Note**—This registration was withdrawn.

★ **Honey Bowl of Memphis, Inc.**
April 19, 1962 ("Reg. A") 270,000 common. **Price**—$1. **Business**—Operation of a bowling center. **Proceeds**—For equipment and operation of a motel. **Office**—Suite 601, Exchange Bldg., Memphis. **Underwriter**—None.

Honora, Ltd. (5/14-18)
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 Koshu, Inc.
March 29, 1962 filed 75,000 class A common. **Price**—$5. **Business**—Importing of Japanese liquors. **Proceeds**—For debt repayment, advertising, inventory and working capital. **Office**—129 S. State St., Dover, Del. **Underwriter**—P. J. Gruber & Co., Inc., New York.

● **House of Vision, Inc.**
March 29, 1962 filed 150,000 common. **Price**—By amendment (max. $17). **Business**—A dispensing optician and a manufacturer and distributor of optical equipment. **Proceeds**—For selling stockholders. **Office**—137 N. Wabash Ave., Chicago. **Underwriter**—Hornblower & Weeks, Chicago. **Offering**—Expected sometime in June.

Hunsaker Corp.
March 30, 1962 filed $1,600,000 of convertible subordinated debentures due 1977 and 250,000 common shares. **Price** — By amendment (max. $6 per common share). **Business**—Construction of homes and apartments on land which company has acquired in Southern Calif. **Proceeds**—For debt repayment and other corporate purposes. **Office**—15855 Edna Pl., Irwindale, Calif. **Underwriter**—Bateman, Eichler & Co., Los Angeles.

Hutton (E. L.) Associates, Inc.
March 29, 1962 filed 50,000 common. **Price**—Net asset value per share plus 2%. **Business**—A closed-end investment company. **Proceeds**—For investment. **Office**—375 Park Ave., N. Y. **Underwriter**—None.

Hydra-Loc, Inc.
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. **Offering**—Imminent.

● **Hydro-Swarf, Inc. (8/13)**
March 30, 1962 filed 97,000 common, of which 80,000 will be sold by company and 17,000 by certain stockholders. **Price**—$5. **Business**—Manufacture, assembly and sale of aircraft and missile components on a sub-contract basis. **Proceeds**—For debt repayment and working capital. **Office**—7050 Valley View St., Buena Park, Calif. **Underwriter**—Raymond Moore & Co., Los Angeles.

★ **I. D. Precision Components Corp.**
April 26, 1962 ("Reg. A") 25,000 common. **Price**—$2. **Business**—Manufacture of miniature precision control components. **Proceeds**—For a selling stockholder. **Office**—89-25 Van Wyck Expressway, Jamaica, N. Y. **Underwriter**—None.

★ **Ideal Toy Corp.**
May 1, 1962 filed 490,000 common, of which 250,000 will be offered by company and 240,000 by stockholders. **Price**—By amendment. **Business**—Manufacture of toys and related products. **Proceeds**—For debt repayment and general corporate purposes. **Office**—184-10 Jamaica Ave., Hollis, Long Island, N. Y. **Underwriter**—White, Weld & Co., Inc., N. Y.

Index & Retrieval Systems, Inc. (5/31)
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.

● **Industrial Growth Fund of North America, Inc.**
April 20, 1962 filed 100,000 common. **Price** — Net asset value (max. $11.50) plus 8.5% sales charge. **Business**—A closed-end investment company which plans to become open-end in 1963. **Proceeds** — For investment. **Office**—505 Fifth Ave., N. Y. **Distributor**—Industrial Incomes Inc. (same address).

Industrial Instruments, Inc. (5/8)
March 9, 1962 filed 120,000 common, of which 30,000 are to be offered by company and 90,000 by stockholders. **Price**—By amendment (max. $10). **Business**—Design, development and manufacture of electrolytic and thermal conductivity equipment; general purpose electronic and electrical testing equipment; and automated production and test equipment used to manufacture and test electronic components. **Proceeds**—For debt repayment and general corporate purposes. **Office**—89 Commerce Rd., Cedar Grove, N. J. **Underwriter**—Hayden, Stone & Co., Inc., N. Y.

Industry Capital Corp.
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. **Offering**—Indefinite.

Instromech Industries, Inc.
March 30, 1962 ("Reg. A") 100,000 common. **Price**—$3. **Business**—A contract manufacturer of precision products. **Proceeds**—For acquisition of land and building, equipment, inventory and other corporate purposes. **Office**—4 Broadway Plaza, Huntington Station, N. Y. **Underwriter**—Price Investing Co., N. Y.

Instron Engineering Corp.
March 26, 1962 filed 120,000 common. **Price**—By amendment (max. $14). **Business**—Development and production of equipment for use in testing the physical characteristics of various materials. **Proceeds**—For selling stockholders. **Office**—2500 Washington St., Canton, Mass. **Underwriter**—None.

● **Instrument Components, Inc.**
March 23, 1962 ("Reg. A") 135,000 common. **Price**—$1. **Business**—Manufacture and distribution of electro-mechanical rotating devices. **Proceeds**—For debt repayment, sales promotion and working capital. **Office**—312 Mt. Pleasant Ave., Newark, N. J. **Underwriter**—Gold-Slovin Co., Inc., 1270 Avenue of Americas, N. Y. **Note**—This letter was withdrawn.

International Drug & Surgical Corp.
March 23, 1962 filed 150,000 class A shares. **Price**—$4. **Business**—Importing, licensing, and manufacturing of pharmaceutical and medical instruments. **Proceeds**—For working capital and other corporate purposes. **Office**—375 Park Ave., N. Y. **Underwriters**—Seymour Blauner Co., and Wm. Stix Wasserman & Co., Inc., N. Y.

International Plastic Container Corp.
March 26, 1962 filed 200,000 common. **Price**—$2.50. **Business**—Manufacture of plastic products produced by extrusion and thermoforming. **Proceeds**—For equipment, rent, salaries and working capital. **Office**—818—17th St., Denver. **Underwriter**—Amos C. Sudler & Co., Denver.

● **International Protein Corp. (5/10)**
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. **Note**—This firm formerly was named Marine & Animal By-Products Corp.

★ **International Realty Corp.**
April 27, 1962 filed $18,000,000 of s. f. debentures due 1977, 360,000 common shares and five year warrants to purchase 540,000 common shares to be offered in 180,000 units, each unit consisting of $100 of debentures, two common shares and warrants to purchase three additional shares. **Price**—By amendment (max. $110 per unit). **Business**—Real estate investment. **Proceeds**—For debt repayment, construction, and other corporate purposes. **Office**—919 N. Michigan Ave., Chicago. **Underwriter**—Kidder, Peabody & Co., N. Y.

International Systems Research Corp.
March 30, 1962 filed 110,000 class A common and 9-month warrants to purchase 110,000 class A shares at $4 per share, to be offered in units, each consisting of one share and one warrant. **Price**—$4 per unit. **Business**—Design, development and manufacture of mechanical, electro-mechanical and electronic equipment for government agencies and the military. **Proceeds**—For equipment, debt repayment and working capital. **Office**—Engineer's Hill, Plainview, L. I., N. Y. **Underwriter**—International Services Corp., Clifton, N. J.

Interstate Equity
March 30, 1962 filed 1,605,100 shares of beneficial interest. **Price**—(max. $10). **Business**—A real estate investment company. **Proceeds**—For investment. **Office**—450 Seventh Ave., N. Y. **Underwriter**—Van Alstyne, Noel & Co., N. Y. **Offering**—Expected in June.

● **Interworld Film Distributors, Inc. (6/11-15)**
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.

Investment Securities Co. (5/14-18)
March 16, 1962 filed 250,000 common, of which 125,000 are to be offered by the company and 125,000 by a stockholder. **Price**—By amendment (max. $20). **Business**—A management investment company specializing in the insurance field. **Proceeds** — For debt repayment, working capital and possible expansion. **Office**—901 Washington Ave., St. Louis. **Underwriters** — Scherck, Richter Co., and Dempsey-Tegeler & Co., Inc., St. Louis.

Iona Manufacturing Co. (5/15)
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.

Ipco Hospital Supply Corp. (5/14-18)
March 16, 1962 filed 290,000 common, of which 200,000 will be offered by company and 90,000 by stockholders. **Price**—By amendment (max. $12). **Business**—Distribution of surgical and hospital supplies and equipment. **Proceeds** — For debt repayment, working capital and other corporate purposes. **Office**—161 Avenue of Americas, N. Y. **Underwriter**—Shearson, Hammill & Co., N. Y.

Israel Hotels International, Inc.
Feb. 28, 1962 filed $4,036,000 of 6½% sinking fund debentures due 1980-86 and 40,360 common shares (with warrants) to be offered for sale in units of one $1,000 debenture and 10 common shares (with warrants). Also registered were $2,760,000 of 6½% dollar debentures due 1980. **Price**—For units, $1,050 each; for debentures, par. **Business**—Company was formed to construct the luxury hotel "Tel Aviv Hilton" at Tel Aviv, Israel. **Proceeds**—For general corporate purposes. **Office**—229 South State St., Dover, Del. **Underwriter** — American Israel Basic Economy Corp., New York City.

● **Jaap Penraat Associates, Inc. (6/13)**
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.

● **Jackson's/Byrons Enterprises Inc. (6/4-8)**
March 13, 1962 filed $750,000 convertible subordinated debentures due 1977; also 120,000 class A common, of which 66,666 shares are to be offered by the company and 53,334 by stockholders. **Price**—By amendment (max. $12.50 for common). **Business**—Operation of a chain of retail department stores. **Proceeds**—For debt repayment and working capital. **Office**—29 N. W. 10th St., Miami, Fla. **Underwriter**—Clayton Securities Corp., Boston.

Jamaica Public Service Ltd.
March 30, 1962 filed 215,000 common, of which 100,000 shares are to be offered by company and 115,000 shares by stockholders. **Price** — By amendment (max. $25). **Business**—A holding company for a Jamaican Electric utility. **Proceeds**—For acquisition of additional stock in

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subsidiary. **Office**—507 Place D'Armes, Montreal, Canada. **Underwriters** — Stone & Webster Securities Corp. and Greenshields & Co., Inc., N. Y.

Jamoco Air Conditioning Corp. (5/14-18)
Feb. 28, 1962 ("Reg. A") 40,000 common. **Price** — $3. **Business**—Design, installation and maintenance of heating, plumbing and air conditioning systems. **Proceeds**—For inventory, equipment and other corporate purposes. **Office** — 954 Jamaica Ave., Brooklyn, N. Y. **Underwriter**—Martin-Warren Co., Ltd., N. Y.

Japan Development Bank (5/15)
April 24, 1962 filed $15,000,000 of 6% guaranteed external loan bonds due May 15, 1977. **Price**—By amendment. **Business**—The bank was incorporated in 1951 as a Japanese Government financial institution to supply long-term funds to Japanese industry for the promotion of economic reconstruction and industrial development. **Proceeds**—To be converted into Japanese currency and advanced to leading private electric power companies for construction of thermal electric power facilities. **Office**—Tokyo, Japan. **Underwriters**—First Boston Corp.; Dillon, Read & Co., Inc., and Smith, Barney & Co., Inc., New York.

● **Jarcho Bros., Inc.**
March 23, 1962 filed 240,000 common. **Price**—By amendment (max. $12). **Business**—Installation of plumbing, heating, ventilation and air-conditioning systems. **Proceeds**—For selling stockholders. **Office**—38-18 33rd St., Long Island City, N. Y. **Underwriter**—Shearson, Hammill & Co., N. Y. **Note**—This offering was temporarily postponed.

Jayark Films Corp. (5/21-25)
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.

Jaylis Industries, Inc. (5/21-25)
Oct. 18, 1961 filed 150,000 class A common. **Price**—$8. **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.

Jays Creations, Inc.
March 30, 1962 filed 80,000 common. **Price**—$4. **Business**—Design, manufacture and sale of young women's wear. **Proceeds**—For working capital and possible acquisitions. **Office**—254 W. 35th St., N. Y. **Underwriters**—Seymour Blauner Co., and Wm. Stix Wasserman & Co., N. Y.

● **Jefferson Stores, Inc. (5/16)**
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.**
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. (6/11)**
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.

Kaiser-Nelson Corp.
March 29, 1962 filed 140,000 common, of which 70,000 are to be offered by company and 70,000 by stockholders. **Price**—By amendment (max. $10). **Business**—Reclamation of metallics from steel slag; mining of sand and gravel; and dismantling and salvage of industrial buildings. **Proceeds**—For new plants, debt repayment and working capital. **Office**—6272 Canal Rd., Cleveland. **Underwriter**—Robert L. Ferman & Co., Inc., Miami, Fla.

Kapner, Inc.
March 29, 1962 filed 50,000 common. **Price**—$5. **Business**—Mail order sale of merchandise. **Proceeds**—For equipment and working capital. **Office**—1924 Washington Ave., Bronx, N. Y. **Underwriter**—Arnold, Wilkens & Co., Inc., N. Y. **Offering**—Expected in June.

Kaufman Carpet Co., Inc.
March 29, 1962 filed 250,000 common. **Price**—$5. **Business**—Operation of a chain of retail stores selling carpets and rugs. **Proceeds**—For expansion, inventory, debt repayment and working capital. **Office**—1800 Boston Rd., Bronx, N. Y. **Underwriter**—Michael G. Kletz & Co., N. Y.

● **Kavanau Corp. (5/28-6/1)**
March 29, 1962 filed 50,000 shares 6% cum. preferred and four-year common stock purchase warrants to be offered in units consisting of one preferred and one warrant. **Price**—By amendment (max. $101 per unit). **Business**—Real estate investment. **Proceeds**—For debt repayment and working capital. **Office**—30 E. 42nd St., N. Y. **Underwriter**—Hayden, Stone & Co., N. Y.

● **Kay Foods Corp.**
Dec. 29, 1961 filed 88,000 class A common shares, of which 44,000 are to be offered by the company and 44,000 by stockholders. **Price**—$7. **Business**—Packing and sale of fruit juice products. **Proceeds**—For general corporate purposes. **Office**—241 N. Franklintown Rd., Baltimore. **Underwriter** — Auchincloss, Parker & Redpath, Washington, D. C. **Offering**—Indefinitely postponed.

● **Keene Packaging Associates**
April 2, 1962 filed 165,000 common, of which 100,000 are to be offered by company and 65,000 by stockholders. **Price**—$4. **Business**—Design and manufacture of semi-rigid vinyl plastic cases and containers for packaging. **Proceeds** — For debt repayment, working capital and other corporate purposes. **Office** — 947 Newark Ave., Elizabeth, N. J. **Underwriter**—Hardy & Co., N. Y. **Offering**—Expected in late June.

● **Kelley Realty Corp. (5/17)**
March 16, 1962 filed 250,000 class A common. **Price** — By amendment (max. $10). **Business**—Company owns and operates apartment and office buildings. **Proceeds**—For debt repayment. **Office**—1620 S. Elwood St., Tulsa, Okla. **Underwriters**—Fulton, Reid & Co., Inc., Cleveland and Walston & Co., Inc., N. Y.

Kenner Products Co.
March 30, 1962 filed 542,000 common, of which 205,000 are to be offered by company and 317,000 by stockholders. **Price**—By amendment (max. $24). **Business**—Manufacture, design, and distribution of plastic toys. **Proceeds**—For general corporate purposes. **Office**—912 Sycamore St., Cincinnati, Ohio. **Underwriter**—Kuhn, Loeb & Co., New York.

Kiddie Rides, Inc. (5/16)
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.
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 Louie Bowling Corp.**
Sept. 27, 1961 filed 330,000 common. **Price**—$2. **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. **Offering**—Imminent.

● **Kingsberry Homes Corp. (6/4-8)**
April 9, 1962 filed 140,000 shares of capital stock of which 100,000 will be offered by company and 40,000 by stockholders. **Price**—By amendment (max. $17.50). **Business**—Manufacture of prefabricated homes. **Proceeds**—For a new plant. **Office**—1725 S. Gault Ave., Ft. Payne, Ala. **Underwriters**—The Robinson-Humphrey Co., Inc., Atlanta, and J. C. Bradford & Co., Nashville.

Kinney Service Corp.
March 28, 1962 filed 262,500 common, of which 112,500 are to be offered by the company and 150,000 by stockholders. **Price**—By amendment (max. $12). **Business**—The operation of garages and parking stations; renting and leasing of cars; cleaning and maintaining of commercial buildings and conducting of funerals. **Proceeds**—To buy additional automobiles. **Office**—111 W. 50th St., N. Y. **Underwriter**—Bear, Stearns & Co., N. Y.

★ **Koeller Air Products, Inc.**
April 27, 1962 ("Reg. A") 32,686 common. **Price**—At-the-market. **Business**—Sale of oxygen, acetylene, hydrogen, and other industrial gases and welding equipment. **Proceeds**—For expansion and debt repayment. **Office**—594 Lexington Ave., Clifton, N. J. **Underwriter**—None.

● **Kogel, Inc. (5/7-11)**
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. (5/7-11)**
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.

● **Kollmorgen Corp. (5/8)**
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.

● **Kreedman Realty & Construction Corp.**
April 19, 1962 filed $5,000,000 of conv. subord. debentures due 1982 and 200,000 common shares to be offered in units consisting of $25 of debentures and one common share. **Price**—By amendment (max. $27). **Business**—Construction and operation of office buildings. **Proceeds**—For debt repayment. **Office**—9350 Wilshire Blvd., Beverly Hills, Calif. **Underwriter**—Lee Higginson Corp., N. Y. **Offering**—Expected in mid-June.

Kwik-Kold, Inc.
March 29, 1962 ("Reg. A") 100,000 common of which 65,000 will be sold for company and 35,000 for stockholders. **Price** — $3. **Business** — Manufacture of certain patented cooling packages. **Proceeds**—For debt repayment and working capital. **Office**—Jennings Bldg., P. O. Box 638, Moberly, Mo. **Underwriter**—John W. Flynn & Co., Santa Barbara, Calif.

● **La Maur Inc. (5/14-18)**
March 22, 1962 filed 100,000 common, of which 60,000 are to be offered by the company and 40,000 by a stockholder. **Price**—By amendment (max. $16). **Business**—Manufacture and distribution of hair preparations and cosmetics. **Proceeds**—For debt repayment, equipment, new products and working capital. **Office**—110 N. Fifth St., Minneapolis. **Underwriter**—Paine, Webber, Jackson & Curtis, Boston.

● **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. **Note**—This offering was temporarily postponed.

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, plumbing 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**—Indefinitely postponed.

Laminetics Inc.
March 22, 1962 filed 80,000 common. **Price**—$3.50. **Business**—Production and sale of gift sets, linens, place mats, etc. **Proceeds**—For equipment, moving expenses, sales promotion and other corporate purposes. **Office** — 20 W. 27th St., N. Y. **Underwriter**—Fabrikant Securities Corp., N. Y. **Offering**—Expected in late June.

● **Lee Fashions, Inc. (5/15)**
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 & Investment Corp. (5/28-6/1)**
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).

● **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. **Offering**—Expected sometime in July.

● **Lenox, Inc. (6/11)**
March 30, 1962 filed 172,500 common, of which 25,700 are to be offered by company and 146,800 by stockholders. **Price**—By amendment (max. $18). **Business**—Manufacture and marketing of dinnerware and giftware. **Proceeds**—For purchase of leased plant. **Office**—Prince & Meade Sts., Trenton, N. J. **Underwriter**—Hemphill, Noyes & Co., N. Y.

Lesser (Louis) Enterprises, Inc.
March 30, 1962 filed 1,000,000 class A common. **Price**—$10. **Business**—Real estate management and construction. **Proceeds**—For debt repayment and general corporate purposes. **Office**—8737 Wilshire Blvd., Beverly Hills, Calif. **Underwriters**—Morris Cohon & Co. and Leiberbaum & Co., N. Y.

● **Levine's, Inc.**
March 19, 1962 filed 80,000 common. **Price**—By amendment (max. $17.50). **Business** — Operation of a chain of clothing and dry goods stores. **Proceeds** — For selling stockholders. **Office** — 8908 Ambassador Row, Dallas. **Underwriter**—Kidder, Peabody & Co., N. Y. **Offering**—Imminent.

Lewis (Tillie) Foods, Inc.
April 9, 1962 filed $4,000,000 of 5½% convertible subordinated debentures due 1977. **Price**—At par. **Business**—Processing, canning, bottling and selling of fruits and vegetables. **Proceeds**—For debt repayment and working capital. **Office**—Fresno Ave. & Charter Way, Stockton, Calif. **Underwriter**—Van Alstyne, Noel & Co., N. Y. **Offering**—Expected sometime in June.

● **Lewiston-Gorham Raceways, Inc. (6/11-15)**
March 14, 1962 filed $1,000,000 of 6½% first mortgage bonds due 1977 and 200,000 common to be offered in units consisting of a $500 bond and 100 shares. **Price**—$500 per unit. **Business**—Conducting commercial parimutuel harness racing meets in Lewiston and Gorham, Maine. **Proceeds** — For debt repayment, property improvements and working capital. **Office**—33 Court St., Auburn, Maine. **Underwriter**—P. W. Brooks & Co., N. Y.

Liberty Records, Inc.
April 2, 1962 filed $2,000,000 of convertible subordinated debentures due 1977; also 100,000 common. **Price** — By amendment (max. $20 per common share). **Business** — Records and distributes stereo and monaural phonograph records and albums. **Proceeds**—For expansion and working capital. **Office**—6920 Sunset Blvd., Los Angeles. **Underwriter**—Crowell, Weedon & Co., Los Angeles. **Note**—This registration will be withdrawn.

Lilli Ann Corp.
March 29, 1962 filed $750,000 of conv. subord. debentures due 1977, also 100,000 common shares to be offered by stockholders. **Price**—By amendment. **Business**—Design, manufacture and distribution of women's high fashion suits and coats. **Proceeds**—Net proceeds from the debenture sale will be added to the general funds of the

company, a portion of which may be used to retire short-term loans. Office—2701 16th St., San Francisco. Underwriters—Sutro & Co., San Francisco and F. S. Smithers & Co., New York.

● Lily Lynn, Inc. (5/15)
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.
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., N. Y.

Little Ruffy Togs, Inc. (5/15)
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.

Livestock Financial Corp. (5/14-18)
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.

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. Offering—Temporarily postponed.

Logos Financial, Ltd.
April 11, 1962 filed 250,000 capital shares. Price — By amendment (max. $10). Business—A diversified closed-end investment company. Proceeds—For investment. Office—26 Broadway, N. Y. Underwriter—Filor, Bullard & Smyth, N. Y.

Lordhill Corp.
March 30, 1962 filed 63.000 common. Price—$5. Business—Company provides optometric services and dispenses optical items. Proceeds—For expansion, a laboratory and working capital. Office—130 W. 57th St., N. Y. Underwriters—J. R. Williston & Beane and Doft & Co., Inc., N. Y.

● Louisiana Gas Service (5/23)
April 19, 1962 filed $10,000,000 of first mortgage bonds due 1987. Proceeds—For debt repayment, expansion and retirement of outstanding 5⅞% bonds due 1985. Office—1233 W. Bank Expressway, Harvey, La. Underwriters—(Competitive). Probable bidders: W. C. Langley & Co.; Merrill Lynch, Pierce, Fenner & Smith Inc.-Kidder, Peabody & Co. (jointly); Halsey, Stuart & Co.; White, Weld & Co.; Salomon Brothers & Hutzler-Eastman Dillon, Union Securities & Co.-Equitable Securities Corp. (jointly); Blyth & Co. Bids—Expected May 23 (11:30 a.m. EDST). Information Meeting—May 17, 1962 (10:30 a.m. EDST) at 2 Rector St., N. Y.

Lucks, Inc.
Feb. 28, 1962 filed 282,496 common, of which 142,500 are to be offered by the company and 139,996 by stockholders. Price—By amendment (max. $5). Business—Canning and marketing of vegetables and meats. Proceeds—For expansion and debt repayment. Address—Seagrove, N. C. Underwriter—J. C. Wheat & Co., Richmond, Va. Offering—Expected sometime in June.

Lunar Films, Inc. (5/15)
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—543 Madison Ave., N. Y. Underwriter—Fred F. Sessler & Co., Inc., N. Y. Note—This firm formerly was named Lunar Enterprises, Inc.

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. Note—This letter was withdrawn.

Mac-Allan Co., Inc. (5/28-31)
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.

Madway Main Line Homes, Inc. (5/17)
March 6, 1962 filed 50,000 common. Price — By amendment (max. $10). Business—Production, sale, erection and financing of manufactured homes. Proceeds—For the financing of credit sales of homes. Office—315 E. Manchester Ave., Wayne, Pa. Underwriter — Drexel & Co., Philadelphia.

● Magazines For Industry, Inc. (5/8)
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.

● Magellan Sounds Corp. (5/14-18)
Feb. 28, 1962 filed 60,000 common (with attached one-year class A warrants to purchase 60,000 common shares at $4 per share and two-year class B warrants to purchase 60,000 shares at $4.50 per share) to be offered in units (each consisting of one share, one class A warrant and one class B warrant). Price—$4 per unit. Business—Production of educational and recreational devices and games. Proceeds—For general corporate purposes. Office—130 E. 40th St., N. Y. Underwriter—Darius Inc., N. Y.

Magic Fingers, Inc.
Dec. 29, 1961 filed 75,000 common. Price—$4. Business—Production of a new electrically powered device for massaging a person in bed. Proceeds — For general corporate purposes. Office—Route 17, Rochelle Park, N. J. Underwriter—Stanley R. Ketcham & Co., Inc., N. Y.

★ Magnetics Research Co. Inc.
April 30, 1962 filed 100,000 common. Price—$3. Business—Design, engineering, assembly and sale of magnetic square loop transformers and magnetic memory units for digital data handling systems. Proceeds—For equipment, inventory and other corporate purposes. Office—179 Westmoreland Ave., White Plains, N. Y. Underwriter—T. W. Lewis & Co., Inc., N. Y.

★ Mail Assembly Service, Inc.
April 27, 1962 filed 100,000 common. Price—$2.25. Business—Assembling of packages for shipment to post offices. Proceeds—For general corporate purposes. Office—145 Ave. of the Americas, N. Y. Underwriter—Globus, Inc., N. Y.

Mammoth Mart Inc.
April 5, 1962 filed 200,000 common, of which 100,000 are to be sold by company and 100,000 by stockholders. Price—By amendment (max. $15). Business—Operation of self-service discount department stores. Proceeds — For debt repayment and working capital. Office—106 Main St., Brockton, Mass. Underwriter—McDonnell & Co., New York. Offering—Expected in late June.

Mandrel Industries, Inc. (6/4-8)
Feb. 27, 1962 filed 303,900 common, of which 220,000 are to be offered by the company and 83,900 by stockholders. Price—By amendment (max. $20). Business—Design and manufacture of specialized photo-electric color sorting machines and geo-physical exploration devices. Proceeds — For debt repayment, acquisition of 90,000 shares of its own stock, and working capital. Office—800 Welch Rd., Palo Alto, Calif. Underwriter—Dominick & Dominick, N. Y.

Manhattan Drug Co., Inc.
March 29, 1962 filed 72,000 common, of which 58,000 are to be offered by company and 14,000 by stockholders. Price—$3.50. Business—Manufacture, packaging and sale of various proprietary drug products. Proceeds—For equipment, new products, debt repayment and working capital. Office—156 Tillary St., Brooklyn, N. Y. Underwriter—Dana Securities Co., Inc., N. Y. Offering—Expected sometime in June.

● Maradel Products, Inc. (5/14-18)
March 12, 1962 filed 335,000 common. Price—By amendment (max. $20). Business—Manufacture of toiletries and cosmetics. Proceeds—For acquisitions, debt repayment and working capital. Office—510 Ave. of the Americas, N. Y. Underwriter — Hornblower & Weeks, N. Y.

Marine Development Corp.
March 30, 1962 ("Reg. A") 15,000 units consisting of one share of 8% cumulative preferred and two shares of common. Price—$20 per unit. Business—Operation of a marina. Proceeds — For construction, equipment and working capital. —Address—Cummings, Ga. Underwriter—First Fidelity Securities Corp., Atlanta. Offering—July.

Marks Polarized Corp. (5/21-25)
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.

● Martin (L. P.) Maintenance Corp. (6/15)
March 23, 1962 filed 100,000 common, of which 20,000 are to be offered by company and 80,000 by a stockholder. Price—$5. Business—Cleaning and maintenance of buildings and the sale of janitorial supplies and equipment. Proceeds—For debt repayment and working capital. Office—840 DeKalb Ave., N. E., Atlanta. Underwriter—Johnson, Lane, Space Corp., Atlanta.

Masters, Inc.
March 22, 1962 filed $1,500,000 of 6% conv. subord. debentures due 1972; also 150,000 common shares, of which 80,000 will be offered by the company and 70,000 by a stockholder. The securities will be offered in units of one $100 debenture and 10 common shares, except that up to $700,000 of debentures and 70,000 shares may be offered separately. Price—For debentures, at par; for common, $10. Business—Operation of discount department stores selling a wide variety of merchandise. Proceeds—For expansion. Office—135-21 38th Ave., Flushing, N. Y. Underwriters—Sterling, Grace & Co., and Norton, Fox & Co., Inc., N. Y. Offering—In June.

Masury-Young Co. (5/28-6/1)
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—Chace, Whiteside & Winslow, Inc., Boston.

● Mattel, Inc.
April 4, 1962 filed 275,000 common. Price—By amendment (max. $45). Business — Design, manufacture and sale of quality toys. Proceeds—For selling stockholders. Office—5150 Rosencrans Ave., Hawthorne, Calif. Underwriter—Smith, Barney & Co., N. Y. Offering—Imminent.

● McWood Corp. (5/7-11)
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.

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.

Merco Enterprises, Inc.
April 20, 1962 filed 104,000 common, of which 33,000 are to be offered by company and 71,000 by stockholders. Price—By amendment (max. $7.50). Business—Sale of phonograph records through leased record departments. Proceeds—For moving expenses, working capital and general corporate purposes. Office—1692 Utica Ave., Brooklyn, N. Y. Underwriter—D. J. Singer & Co., N. Y.

Mercury Books, Inc. (5/7-11)
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.

Met Food Corp. (5/28-31)
March 30, 1962 filed $1,500,000 of convertible subordinated debentures due 1977 to be offered by company and 34,200 common by stockholders. Price—By amendment (max. $10). Business—Distribution of food and related products to supermarkets and other retail stores in the New York Metropolitan area. Proceeds—For general corporate purposes. Office—345 Underhill Blvd., Syosset, N. Y. Underwriter—Brand, Grumet & Siegel, Inc., N. Y.

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—To be named.

● Metropolitan Realty Trust (6/11-15)
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.

Micro-Dine Corp. (5/14-18)
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.

★ Microdot, Inc.
April 30, 1962 filed 170,000 capital shares, of which 156,000 will be offered by company and 14,000 by stockholders. Price—By amendment (max. $20). Business—Design, development, manufacture and sale of components, instruments and systems used in missiles and satellites, radar and communications systems. Proceeds—For debt repayment and working capital. Office—220 Pasadena Ave., South Pasadena, Calif. Underwriter—White, Weld & Co., N. Y.

Mid-America Minerals, Inc.
April 2, 1962 filed 225,000 common to be offered for subscription by stockholders on the basis of one new share for each four held of record June 1, 1962. Price—$6. Business—Oil and gas production and development. Proceeds—For expansion, preferred stock redemption and working capital. Office—14 North Robinson, Oklahoma City. Underwriter—None.

● Midwest Medical Realty Investments (5/7-11)
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. Note — This company formerly was named Midwest Medical Investment Trust.

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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 Mortgage Investors (5/14-18)
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.

● **Mil National Corp. (5/9)**
Feb. 28, 1962 filed 100,000 common. **Price**—$5. **Business**—Distribution of dry cleaning and laundry equipment. **Proceeds**—For sales promotion, inventory and working capital. **Office**—1101 E. Tremont Ave., Bronx, N. Y. **Underwriters**—H. M. Frumkes & Co., Abraham & Co., and Berman, Sterling & Vine Co., N. Y.

● **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**—Indefinitely postponed.

★ **Minkus Stamp & Publishing Co., Inc.**
April 27, 1962 filed 150,000 common. **Price**—By amendment (max. $6). **Business**—Operation of leased stamp and coin departments in department stores, and the publishing of stamp albums and catalogues. **Proceeds**—For expansion and working capital. **Office**—116 W. 32nd St., N. Y. **Underwriters** — H. Hentz & Co. and Herzfeld & Stern, N. Y.

Milwaukee Gas Light Co. (5/15)
April 11, 1962 filed $15,000,000 of first mortgage bonds due 1987. **Proceeds**—For debt repayment and construction. **Office**—626 East Wisconsin Ave., Milwaukee. **Underwriters** — (Competitive). Probable bidders: Kidder, Peabody & Co.; Halsey, Stuart & Co.; Kuhn, Loeb & Co.-Blyth & Co. (jointly). **Bids** — Expected May 15, (10:30 a.m. EDST).

Miracle Mart, Inc.
April 20, 1962 filed 295,000 common, of which 140,000 are to be offered by company and 155,000 by stockholders. **Price**—By amendment (max. $14). **Business**—Operation of self-service discount department stores. **Proceeds**—For debt repayment, expansion and working capital. **Office**—370 W. 35th St., N. Y. **Underwriters**—McDonnell & 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**—Brown & Co., Phoenix, Ariz.

Molecular Dielectrics, Inc. (5/14-18)
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. (5/15)
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.

Montebello Liquors, Inc.
April 5, 1962 filed 160,000 common. **Price**—By amendment (max. $5). **Business**—Blending, bottling and marketing of alcoholic beverages. **Proceeds**—For equipment, inventories, advertising and working capital. **Office**—Bank St. & Central Ave., Baltimore. **Underwriters**—Street & Co., and Morris Cohon & Co., N. Y. **Offering**—Expected sometime in late July.

● **Morse Electro Products Corp. (6/18-22)**
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.

Morton's Shoe Stores, Inc. (5/28-6/1)
March 16, 1962 filed 517,122 common, of which 175,000 are to be offered by company and 342,122 by stockholders. **Price**—By amendment (max. $18). **Business**—Retail sale of popular priced shoes. **Proceeds**—For debt repayment and working capital. **Office**—558 Pleasant St., New Bedford, Mass. **Underwriter**—Dean Witter & Co., N. Y.

● **Mosler Safe Co. (5/28)**
March 23, 1962 filed 260,000 common. **Price**—By amendment (max. $20). **Business**—Manufacture of safes, bank vaults, security systems and office equipment. **Proceeds**—For selling stockholders. **Office**—320 Park Ave., N. Y. **Underwriter**—Blyth & Co., Inc., N. Y.

Mott's Super Markets, Inc.
March 29, 1962 filed 75,000 common. **Price**—By amendment (max. $8). **Business**—Operation of a chain of supermarkets. **Proceeds**—For debt repayment, equipment, and working capital. **Office**—59 Leggett St., East Hartford, Conn. **Underwriter**—D. H. Blair & Co., Inc., N. Y.

Multi State Industries, Inc.
April 6, 1962 ("Reg. A") 80,000 common. **Price**—$3. **Business**—Design, fabrication and marketing of plastic toys, games and novelties. **Proceeds**—For equipment, working capital and other corporate purposes. **Office**—275 New Jersey Railroad Ave., Newark, N. J. **Underwriter**—G. K. Scott & Co., Inc., N. Y.

● **Multronics, Inc. (5/7-11)**
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, Series B
April 28, 1961 filed $12,750,000 (12,500 units) of interests. **Price** — To be supplied by amendment. **Business** — The fund will invest in tax-exempt bonds of states, counties, municipalities and territories of the U. S. **Proceeds**—For investment. **Sponsor**—Ira Haupt & Co., 111 Broadway, N. Y. C.

N. T. W. Missile Engineering, Inc.
Dec. 29, 1961 filed 250,000 common. **Price**—$8. **Business**—Engaged in the aircraft and missile industries. **Proceeds**—For debt repayment, inventories and research and development. **Office**—4820 Alcoa Ave., Los Angeles. **Underwriter**—None.

National Car Rental System Inc.
March 19, 1962 filed 2,000,000 common to be offered for subscription by stockholders; unsubscribed shares will be offered to the public. **Price**—$1. **Business**—Rental of vehicles and related activities. **Proceeds**—For expansion. **Office**—1000 Milner Bldg., Jackson, Miss. **Underwriter**—None.

National Directories, Inc.
March 29, 1962 ("Reg. A") 100,000 common. **Price**—$2.75. **Business**—Compilation and publication of regional classified telephone directories. **Proceeds**—For general corporate purposes. **Office**—3306 Lancaster Ave., Philadelphia. **Underwriters**—William, David & Motti, Inc. and Crichton, Cherashore & Co., Inc., N. Y.

National Equipment & Plastics Corp. (5/21-25)
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. **Offering**—Expected in May.

● **National Reinforced Plastics Corp.**
April 4, 1962 ("Reg. A") 18,000 common. **Price**—$12.50. **Business** — Production of reinforced plastic products. **Proceeds**—For debt repayment, expansion and working capital. **Office** — North Bedford St., Manchester, N. H. **Underwriter** — Eastern Investment Corp., Manchester, N. H. **Note**—This letter was withdrawn.

National Security Life Insurance Co. (5/28-6/1)
March 23, 1962 filed 100,000 common, of which 80,000 are to be offered by company and 20,000 by stockholders. **Price**—$17.50. **Business**—A life, accident and health insurance company. **Proceeds**—For investment. **Office** — 130 Alvarado, N. E. Albuquerque, N. M. **Underwriter**—To be named.

National Semiconductor Corp. (5/14-18)
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.).

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.

Nationwide Bowling Corp.
Oct. 19, 1961 filed 100,000 capital shares (with attached warrants). **Price**—By amendment. **Business**—The operation of bowling centers. **Proceeds**—For a realty acquisition and working capital. **Office** — 11 Commerce St., Newark, N. J. **Underwriter**—Jennings, Mandel & Longstreth, Philadelphia. **Offering**—Sometime in June.

● **New Brunswick Scientific Co., Inc. (6/8)**
March 28, 1962 ("Reg. A") 50,000 common. **Price**—$6. **Business**—Design, development and manufacture of precision apparatus used in production of pharmaceuticals and other chemicals. **Proceeds** — For expansion, equipment, research, and working capital. **Office**—1130 Somerset St., New Brunswick, N. J. **Underwriter**—John Schuss & Co., N. Y.

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 England Electric System (5/29)
April 12, 1962 filed 872,786 common shares to be offered for subscription by common stockholders on the basis of one new share for each 15 held of record about May 29 with rights to expire June 14. **Price**—By amendment (max. $27). **Proceeds** — For loans to subsidiaries and other corporate purposes. **Office**—441 Stuart St., Boston. **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. **Information Meeting** — May 23 (10:30 a.m. EDST) at Irving Trust Co., (47th floor), One Wall St., N. Y.

New Hope Academy of the Arts, Inc. (5/21-25)
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 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. (5/15)**
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. **Offering**—In early June.

New Zealand (Government of) (5/9)
April 12, 1962 filed $25,000,000 of bonds due 1977. **Price** By amendment. **Proceeds**—For capital works and expenditures program. **Underwriter**—Kidder, Peabody & Co., N. Y.

● **Nigeria Chemical Corp.**
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. **Note**—This registration was withdrawn.

Nordon Corp., Ltd.
March 29, 1962 filed 375,000 capital shares, of which 100,000 are to be offered by company and 275,000 by stockholders. **Price**—By amendment (max. $6). **Business**—Acquisition and development of oil and natural gas properties. **Proceeds**—For drilling expenses and working capital. **Office** — 5455 Wilshire Blvd., Los Angeles. **Underwriter**—Gregory-Massari, Inc., Beverly Hills, Calif.

Norda Essential Oil & Chemical Co., Inc.
March 20, 1962 filed 200,000 class A shares. **Price**—By amendment (max. $15). **Business**—Manufacture, processing and distribution of natural and synthetic essential oils, flavor, essences, etc., to food and drug industries. **Proceeds** — For debt repayment, working capital and other corporate purposes. **Office**—601 W. 26th St., N. Y. **Underwriter**—S. D. Fuller & Co., N. Y. **Offering**—June.

★ **Nortex Oil & Gas Corp.**
April 27, 1962 filed $5,000,000 of 6% conv. subord debentures due 1977. **Price**—By amendment. **Business**—Production of crude oil and natural gas. **Proceeds**—For debt repayment, working capital and other corporate purposes. **Office**—1900 Life Bldg., Dallas. **Underwriter**—Carreau & Co., N. Y.

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.
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. **Offering**—Temporarily postponed.

★ **Northern States Power Co. (Minn.) (6/12)**
April 26, 1962 filed $15,000,000 of first mortgage bonds due 1992. **Proceeds**—For construction. **Office**—15 South Fifth Street, Minneapolis. **Underwriters** — (Competitive). Probable bidders: Halsey, Stuart & Co. Inc.; Merrill Lynch, Pierce, Fenner & Smith, Inc.; Kidder, Peabody & Co.-White, Weld & Co. (jointly); First Boston Corp.-Blyth & Co., Inc. (jointly). **Bids**—Expected June 12, 1962.

● **Northern Wood Products Corp.**
Nov. 29, 1961 filed 100,000 common. **Price**—$3.50. **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. **Note**—This registration was withdrawn.

★ **Norwood's Superettes, Inc.**
April 23, 1962 ("Reg. A") 75,000 common. **Price**—$4. **Business**—Operation of superettes. **Proceeds**—For expansion and working capital. **Office**—10 Merrick Lane, Northampton, Mass. **Underwriter** — Walker, Wachtel & Co., Inc., Boston.

Nuclear Data, Inc.
March 28, 1962 filed 170,000 common, of which 30,000 are to be offered by company and 140,000 by stockholders. **Price**—By amendment (max. $12). **Business**—Design, development and assembly of instruments for detection, measurement and analysis of nuclear radiation. **Proceeds**—For working capital. **Office**—3833 W. Beltline Highway, Madison, Wis. **Underwriter**—McCormick & Co., Chicago.

Nuclear Science & Engineering Corp.
March 29, 1962 filed 100,000 common. **Price**—By amendment (max. $15). **Business**—Research and development on contracts using radioactive tracers; precision radioactivity measurement; production of radioactive isotopes and the furnishing of consulting and radiation measurement services. **Proceeds**—For equipment, debt repayment, expansion and working capital. **Address**—P. O. Box 10901, Pittsburgh. **Underwriter**—Johnston, Lemon & Co., Washington, D. C.

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. **Offering**—Expected in mid-June.

Nuveen Tax-Exempt Bond Fund, Series 4
Oct. 17, 1961 filed $15,000,000 of units representing fractional interests in the Fund. **Price**—By amendment. **Business**—The Fund will invest in interest-bearing obligations of states, counties, and municipalities of the U. S., and political subdivisions thereof which are believed to be exempted from Federal income taxes. **Proceeds**—For investment. **Office**—Chicago, Ill. **Sponsor**—John Nuveen & Co., 135 So. La Salle St., Chicago.

● Occidental Petroleum Corp.
March 30, 1962 filed $4,674,100 of 6% subordinated convertible debentures due 1977 to be offered for subscription by stockholders on the basis of $100 of debentures for each 100 common shares held. **Price**—$100 per unit. **Business**—Production of oil and gas. **Proceeds**—For debt repayment, working capital and general corporate purposes. **Office**—8255 Beverly Blvd., Los Angeles. **Underwriter**—Allen & Co., N. Y. **Note**—This registration is being withdrawn.

Oceana International, Inc. (6/4-8)
March 29, 1962 filed 150,000 common. **Price**—$5.50. **Business**—Manufacture and sale of synthetic pearl buttons. **Proceeds**—For equipment and working capital. **Office**—1331 Halsey St., Brooklyn, N. Y. **Underwriter**—Baruch Brothers & Co., Inc., N. Y.

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. **Offering**—In June.

● Orion Electronics Corp. (6/11-15)
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.

Outlet Mining Co., Inc.
Feb. 28, 1962 filed 900,000 common. **Price**—$1. **Business**—Mining. **Proceeds**—For equipment and working capital. **Address**—Creede, Colo. **Underwriter**—None.

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. **Note**—This issue is being withdrawn.

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 May.

Pak-Well Paper Industries, Inc.
March 30, 1962 filed 150,000 class A common. **Price**—By amendment (max. $13). **Business**—Manufacture of envelopes, packaging materials of various kinds, wrapping paper, stationery, and school supplies. **Proceeds** — For selling stockholders. **Office**—198 W. Alameda, Denver. **Underwriter**—Francis I. duPont & Co., N. Y.

Palmetto State Life Insurance Co.
March 28, 1962 filed 100,000 capital shares. **Price**—By amendment (max. $19). **Business**—Writing of life, health, accident and hospitalization insurance. **Proceeds**—For working capital. **Office**—1310 Lady St., Columbia, S. C. **Underwriter**—R. S. Dickson & Co., Charlotte, N. C.

Pal-Playwell Inc. (5/7-11)
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.

Pan American Beryllium Corp.
Feb. 28, 1962 filed 100,000 common. **Price**—$5. **Business**—Company plans to mine for beryl ore in Argentina. **Proceeds** — For debt repayment, equipment, and other corporate purposes. **Office**—39 Broadway, N. Y. **Underwriter**—To be named.

PanAm Realty & Development Corp.
March 12, 1962 filed 400,000 class A stock. **Price**—$10. **Business**—A real estate holding and development company. **Proceeds**—For general corporate purposes. **Office**—70 N. Main St., Freeport, L. I., N. Y. **Underwriter**—Underhill Securities Corp., N. Y.

● Paragon Pre-Cut Homes, $nc. (5/21-25)
Aug. 25, 1961 filed 112,500 common. **Price**—By amendment. **Business**—Sale of pre-cut (finished) homes. **Proceeds**—For working capital. **Office**—499 Jericho Turnpike, Mineola, N. Y. **Underwriter**—A. L. Stamm & Co., N. Y.

★ Parkview Drugs, Inc.
April 30, 1962 filed $2,000,000 of conv. subord. debentures due 1977. **Price**—At par. **Business**—Operation of drug stores and licensed departments in membership department stores. **Proceeds**—For expansion, debt repayment, redemption of preference stock and other corporate purposes. **Office**—2323 Grand Ave., Kansas City, Mo. **Underwriter**—Scherck, Richter Co., St. Louis.

Parkway Laboratories, Inc.
Dec. 6, 1961 filed 160,000 common. **Price**—$5. **Business**—Manufacture of drugs and pharmaceuticals. **Proceeds**—For an acquisition, research and other corporate purposes. **Office** — 2301 Pennsylvania Ave., Philadelphia. **Underwriter**—Arnold Malkan & Co., Inc., N. Y.

Patent 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.

★ Pay'n Save Corp.
April 27, 1962 filed $1,200,000 of conv. subord. debentures due 1977, also 40,576 common shares to be offered by stockholders. **Price**—By amendment (max. $17 for common.). **Business**—Operation of hardware, drugstore and nurseries businesses. **Proceeds**—For expansion, working capital and other corporate purposes. **Office**—514-524 Pike St., Seattle. **Underwriter**—Dean Witter & Co., San Francisco.

Pearl Brewing Co. (5/21-26)
March 30, 1962 filed 148,300 common. **Price**—By amendment (max. $26). **Business**—Company owns and operates a brewery. **Proceeds**—For selling stockholders. **Office**—312 Pearl Parkway, San Antonio, Tex. **Underwriters**—A. C. Allyn & Co., Chicago and Dewar, Robertson & Pancoast, San Antonio.

Peckham Industries, Inc.
April 2, 1962 filed $500,000 of 6% convertible subordinated debentures due 1974. **Price**—At par. **Business**—Road construction, sale of liquid asphalt, production and sale of concrete, sand, gravel and crushed stone. **Proceeds** — For debt repayment, equipment, purchase of plant and other corporate purposes. **Office**—50 Haarlem Ave., White Plains, N. Y. **Underwriter**—First Albany Corp., Albany, N. Y.

● Peerless Radio Corp. (6/11-15)
March 22, 1962 filed 120,000 common, of which 100,000 are to be offered by the company and 20,000 by stockholders. **Price** — $4. **Business** — Distribution of electric parts and components to industrial customers. **Proceeds**—For debt repayment, inventory and working capital. **Office**—19 Wilbur St., Lynbrook, N. Y. **Underwriter**—Kordan & Co., Inc., N. Y.

Pellegrino Aggregate Technico, Inc.
Aug. 10, 1961 filed 130,000 class A common shares. **Price**—$5. **Business**—The manufacture of building materials. **Proceeds**—For payment of income taxes and loans and for working capital. **Office**—Woodbridge-Carteret Road, Port Reading, N. J. **Underwriter**—Mortimer B. Burnside & Co., Inc., N. Y. **Offering**—Temporarily postponed.

Penn Square Corp.
March 30, 1962 filed 60,000 class A common. **Price**—$4. **Business**—Company plans to provide management and financial consulting services to various businesses. **Proceeds**—For equipment, salaries, advertising and working capital. **Office**—6 Penn Center Plaza, Philadelphia. **Underwriter**—Robert M. Harris & Co., Inc., Philadelphia.

Pennsylvania Mutual Fund, Inc.
March 21, 1962 filed 1,000,000 capital shares. **Price**—By amendment (max. $10.29). **Business** — A mutual fund. **Proceeds**—For investment. **Office**—60 Wall St., N. Y. **Underwriter**—Sackville-Pickard & Co., Inc. (same address).

● Pennsylvania Real Estate Investment Trust (5/7-11)
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. **Underwriters**—Stroud & Co., Inc., Philadelphia. and Walston & Co., N. Y.

Penta Laboratories, Inc.
April 23, 1962 filed 85,920 common. **Price**—By amendment (max. $4.25). **Business**—Development, manufacture and marketing of electron vacuum tubes. **Proceeds**—For selling stockholders. **Office**—312 N. Nopal St., Santa Barbara, Calif. **Underwriter**—Francis J. Mitchell & Co., Newport Beach, Calif.

Perfect Photo, Inc. (5/21)
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.

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.

Petro-Capital Corp.
March 28, 1962 filed 556,700 common. **Price**—$11. **Business**—A small business investment company. **Proceeds**—For general corporate purposes. **Office**—6130 Sherry Lane, Dallas. **Underwriter**—McDonnell & Co., New York. **Offering**—Expected sometime in July.

Philips N. V. (5/29)
April 3, 1962 filed 6,153,140 common to be offered for subscription by stockholders on the basis of one new share for each five common or 15 participating preferred shares held of record May 29. Rights will expire June 22. **Price**—By amendment (max. $65). **Business**—Manufacture of a wide range of electronic, electrical and other products in the Netherlands and 30 other countries for sale throughout the free world. **Proceeds**—For general corporate purposes. **Office**—Eindhoven, The Netherlands. **Dealer-Managers**—Smith, Barney & Co., N. Y., and Rotterdamsche Bank, N. V., Rotterdam, The Netherlands.

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**—To be named.

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. (5/28)
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.

Plantation Patterns, Inc.
March 30, 1962 filed 100,000 common, of which 70,000 are to be offered by company and 30,000 by stockholders. **Price**—$5. **Business**—Manufacture of wrought iron furniture. **Proceeds** — For inventory, advertising and working capital. **Office**—4601 Georgia Rd., Birmingham, Ala. **Underwriter**—Godfrey, Hamilton, & Taylor & Co., N. Y. **Offering**—Expected sometime in July.

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. **Offering**—In June.

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**—To be named.

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.

Premier Microwave Corp. (5/15)
Feb. 28, 1962 filed 150,000 common, of which 75,000 are to be offered by the company and 75,000 by stockholders. **Price**—By amendment (max. $12). **Business**—Design and manufacture of microwave components. **Proceeds**—For debt repayment and working capital. **Office**—33 New Broad St., Port Chester, N. Y. **Underwriter**—Van Alstyne, Noel & Co., N. Y.

Prescott-Lancaster Corp.
March 30, 1962 filed 150,000 common. **Price**—$5. **Business**—Real estate. **Proceeds**—For purchase of mortgages, and working capital. **Office**—18 Lancaster Rd., Union, N. J. **Underwriter**—Jacey Securities 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. **Underwriter**—To be named.

Primex Equities Corp. (5/21-25)
Nov. 27, 1961 filed 360,000 class A common. **Price**—By amendment. **Business**—A real estate investment firm.

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Proceeds—For property acquisitions and working capital. Office—66 Hawley St., Binghamton, N. Y. Underwriter—D. H. Blair & Co., N. Y.

Product Research of Rhode Island, Inc. (5/28)
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—Fred F. Sessler & 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. Offering—Imminent.

Promistora Gold Mines, Ltd.
April 24, 1962 filed 750,000 capital shares, of which 500,000 are to be offered by company and 250,000 by stockholders. Price—50 cents. Business—Acquisition and exploration of mining claims in Canada. Proceeds—For general corporate purposes. Office—36 Yonge St., Toronto, Ontario, Canada. Underwriter—A. C. MacPherson & Co., Toronto.

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.

• Public Loan Co., Inc. (5/21)
March 28, 1962 filed 170,000 common. Price—By amendment (max. $17). Business—Operation of small loan offices. Proceeds — For general corporate purposes. Office—41 Chenango St., Binghamton, N. Y. Underwriter—A. G. Becker & Co., Inc., Chicago.

Publishers Co., Inc. (5/14-18)
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 Brewing Co., Inc.
March 23, 1962 filed $2,500,000 of sinking fund debentures due 1977 and 500,000 common shares to be offered in units consisting of a $10 debenture and two common shares. Price—$18 per unit. Business—Company plans to produce beer and natural malta (a non-alcholic beverage). Proceeds—For construction and operation of a brewery and working capital. Address—San Juan, Puerto Rico. Underwriter—Merrill Lynch, Pierce, Fenner & Smith, Inc., N. Y. Offering—Expected in June.

• Puerto Rico Land and Development Corp. (5/15)
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.

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.

Queensway Mines Ltd.
March 15, 1962 filed 150,000 capital shares. Price—$1. Business—Mining. Proceeds—For debt repayment, surveying and general corporate purposes. Office—Suite 1212, 55 York St., Toronto. Underwriter—Asta Corporation Ltd., Toronto.

• RF Interonics, Inc. (6/4-8)
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.

• Radio Electric Service Co. of New Jersey, Inc. (5/18)
Jan. 23, 1962 ("Reg. A") 55,000 common, of which 50,000 will be offered by the company and 5,000 by stockholders. Price—$5. 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—Lee-Mosson & Co., Inc., N. Y.

★ Real Properties Corp. of America
April 27, 1962 filed 300,000 class A shares. Price—By amendment (max. $16). Business—Company owns certain real estate, general insurance agency and a mortgage servicing company. Proceeds—For debt repayment. Office—745 Fifth Ave., N. Y. Underwriter—Stanley Heller & Co., N. Y.

Regal-Meadows, Inc. (5/14-18)
March 22, 1962 filed 145,000 common, of which 100,000 are to be offered by the company and 45,000 by stockholders. Price—By amendment (max. $11). Business—Operation of leased departments in discount department stores for the sale of men's wearing apparel and hard goods. Proceeds—For debt repayment, inventory, and other corporate purposes. Office—11 Stanley St., New Britain, Conn. Underwriter—Hayden, Stone & Co., N. Y.

• Rego Radio & Electronics Corp. (5/28-6/1)
March 1, 1962 ("Reg. A") 80,000 common. Price—$3.75. Business—Wholesale distribution of automobile radios, replacement parts, air-conditioners, etc. Proceeds—For inventories, research and development and working capital. Office—46-25 58th St., Woodside 77, N. Y. Underwriter—General Securities Co., Inc., N. Y.

Regulators, Inc. (5/21-25)
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.

Research Products, Inc. (5/14-18)
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.

Resin Research Laboratories, Inc.
Feb. 27, 1962 filed 105,000 common. Price—$3.50. Business — Operation of a laboratory for contractual research, development and engineering in the chemical field. Proceeds—For expansion of facilities, debt repayment and working capital. Office—396-406 Adams St., Newark, N. J. Underwriter—Keene & Co., Inc., N. Y.

• 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. Offering—Imminent.

Richmond Corp. (5/14-18)
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.

Ridgerock of America, Inc. (5/21-25)
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.

Ridgewood Financial Corp. (5/29-31)
March 30, 1962 filed 60,000 common, of which 11,250 are to be offered by company and 48,750 by stockholders. Price—By amendment (max. $9.75). Business—Ownership of stock of Ridgewood Savings Loan Co. of Parma, in Cleveland. Proceeds—For organizational expenses and investment. Office—1717 E. 9th St., Cleveland. Underwriter—Fulton, Reid & Co., Inc., Cleveland.

Riker Delaware Corp.
March 29, 1962 filed 200,000 class A common and 50,000 warrants to be offered in units of four shares and one warrant. Price—$30 per unit. Business—A real estate development and management company. Proceeds—For construction, acquisitions, debt repayment and working capital. Office—LaGorce Sq., Burlington, N. J. Underwriter—H. Neuwirth & Co., Inc., N. Y.

• Rising's, Inc. (5/15)
April 3, 1962 ("Reg. A") 100,000 common. 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—Adams & Co., Los Angeles.

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. Offering—In early June.

• Roadcraft Corp. (5/7-11)
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.

Roblin-Seaway Industries, Inc. (5/21-25)
March 29, 1962 filed $1,000,000 of 6% convertible subordinated debentures due 1982. Price—At par. Business—Purchase and sale of scrap steel and other metals and operation of a rolling mill, a stevedoring business and two demolition companies. Proceeds—For general corporate purposes. Office—101 East Ave., North Tonawanda, N. Y. Underwriter—Brand, Grumet & Seigel, Inc., New York.

• Rona Plastic Corp. (5/8)
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.

• Rosenau Brothers, Inc. (5/14-18)
March 8, 1962 filed 300,000 common, of which 150,000 are to be offered by the company and 150,000 by stockholders. Price—By amendment (max. $12). Business—Manufacture and sale of girl's dresses and sportswear. Proceeds—For debt repayment. Office—Fox St. and Roberts Ave., Philadelphia. Underwriters—Burnham & Co., and Zuckerman, Smith & Co., N. Y.

• Rosenfeld (Henry), Inc. (5/31-6/1)
March 23, 1962 filed 120,000 common. Price—By amendment (max. $10). Business—Design, manufacture and sale of women's dresses. Proceeds—For a selling stockholder. Office—498 Seventh Ave., N. Y. Underwriter—Robert A. Martin Associates, Inc., N. Y.

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. Offering—Expected sometime in June.

Rubber & Fibre Chemical Corp.
Sept. 25, 1961 filed 120,000 common. Price—$5. Business—Exploitation of a new process for reclaiming unvulcanized rubber. Proceeds—Purchase of equipment and existing plant building, repayment of debt, and working capital. Office—300 Butler St., Brooklyn, N. Y. Underwriter—To be named.

Ruby Silver Mines, Inc.
Jan. 2, 1962 ("Reg. A") 2,400,000 common. Price—12½ cents. Business—Exploration and development of mineral deposits. Proceeds—For debt repayment and general corporate purposes. Address—Box 1088, Wallace, Idaho. Underwriter—Pennaluna & Co., Spokane, Wash.

S. M. S. Instruments, Inc.
Nov. 28, 1961 filed 100,000 common. Price—$3.25. Business—Repair and maintenance of aircraft instruments and accessories. Proceeds—For equipment, debt repayment, and other corporate purposes. Office — Idlewild International Airport, Jamaica, N. Y. Underwriter—To be named.

★ Sage International Inc.
April 30, 1962 filed 150,000 capital shares. Price—By amendment (max. $13). Business—Operation of membership discount department stores. Proceeds—For expansion and inventories. Office—315 S. Beverly Dr., Beverly Hills, Calif. Underwriters—First California Co. Inc., San Francisco and Allen & Co., N. Y.

Salant & Salant, Inc. (5/21-25)
March 23, 1962 filed 150,000 class A shares. Price—By amendment (max. $35). Business—Manufacture of men's utility and sports' clothes. Proceeds—For selling stockholders. Office—330 Fifth Ave., N. Y.—Underwriters—Kidder, Peabody & Co., and Jessup & Lamont, N. Y.

Salro Manufacturing Corp. (6/4-8)
March 19, 1962 filed $250,000 of 7% convertible subordinate debentures due 1972, and 16,500 outstanding common shares to be offered in units consisting of $500 of debentures and 33 shares. Price—$632 per unit. Business—Manufacture and distribution of metal purse and handbags frames, for certain manufacturers. Proceeds—For debt repayment, equipment, and working capital. Proceeds—From the stock sale will go to selling shareholders. Office—413 Thatford Ave., Brooklyn, N. Y. Underwriter—I. R. E. Investors Corp., Levittown, N. Y.

Sampson Enterprises, Inc.
Feb. 28, 1962 filed 450,000 common. Price — By amendment (max. $8). Business—A holding company for a real estate concern, motor inn, shopping centers, bowling establishments, etc. Proceeds—For debt repayment and working capital. Office—222 E. Erie St., Milwaukee. Underwriters — Straus, Blosser & McDowell, Chicago and Dempsey-Tegeler & Co., Inc., St. Louis.

San Francisco Capital Corp.
April 23, 1962 filed 60,000 common. Price—$12.50. Business—A small business investment company. Proceeds—For investment. Office—400 Montgomery St., San Francisco. Underwriter—Cantor, Fitzgerald & Co., Inc., Beverly Hills, Calif.

• Santa Fe Drilling Co. (6/4-8)
March 30, 1962 filed 160,000 common, of which 100,000 are to be offered by company and 60,000 by stockholders. Price—By amendment (max. $33). Business—Furnishes labor and equipment to major oil companies and drills for oil. Proceeds—For debt repayment and equipment. Office—11015 Bloomfield Ave., Santa Fe Springs, Calif. Underwriter—Dean Witter & Co., Los Angeles.

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.

Saw Mill River Industries, Inc. (7/2-6)
March 29, 1962 filed 100,000 common. Price—$5. Business—Design, development and manufacture of steel products for home use. Proceeds—For working capital. Office—1051 Saw Mill River Rd., Yonkers, N. Y. Underwriter—Arnold Malkan & Co., Inc., N. Y.

Sawyer's Inc.
Mar. 26, 1962 filed 240,000 capital shares, of which 140,000 are to be offered by company and 100,000 by stockholders. Price—By amendment (max. $9). Business—Manufacture and distribution of stereo photographs and viewers. Proceeds—For working capital. Address—Portland, Ore. Underwriters — Straus, Blosser & McDowell, Chicago, and Hill, Darlington & Grimm, N. Y.

Saxon Paper Corp.
March 30, 1962 filed 200,000 common. Price—By amendment (max. $9). Business — Wholesale distribution of

printing paper and paper products. **Proceeds**—For debt repayment and expansion. **Office**—240 W. 18th St., N. Y. **Underwriter**—Bear, Stearns & Co., N. Y.

Schaevitz Engineering (5/21-25)
March 13, 1962 filed 150,000 common, of which 100,000 are to be offered by company and 50,000 by a selling stockholder. **Price**—By amendment (max. $10). **Business**—Design and manufacture of measuring, indicating, recording, testing and controlling devices used in aircraft and missile systems. **Proceeds** — For expansion. **Address** — U. S. Route 130, Pennsauken, N. J. **Underwriter**—Bear, Stearns & Co., N. Y.

Schlitz (Jos.) Brewing Co.
March 2, 1962 filed 347,543 common. **Price** — By amendment (max. $35). **Business**—Brewing of "Schlitz" and "Old Milwaukee" beers. **Proceeds**—For selling stockholders. **Office**—235 W. Galena St., Milwaukee. **Underwriter**—Glore, Forgan & Co., Chicago. **Offering**—Indefinitely postponed.

Schneider (Walter J.) Corp.
Feb. 28, 1962 filed $5,500,000 of 6½% subordinated convertible debentures due 1977 and 110,000 5-year warrants to purchase a like amount of class A common. The company plans to offer the securities in 5,500 units (each consisting of $1,000 of debentures and warrants to purchase 20 shares) for subscription by holders of its class A stock and 10% debentures due 1976. **Price**—By amendment. **Business**—General real estate. **Proceeds**—For acquisition of property. **Office**—67 W. 44th St., N. Y. **Underwriter**—None.

● **School Pictures, Inc. (6/4-8)**
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.

★ **Scientific Equipment Manufacturing Corp.**
April 30, 1962 filed 83,500 common. **Price**—$6. **Business**—Manufacture of sterilizers, multi-dose jet vaccine injectors, operating lights and other medical equipment. **Proceeds**—For inventories, new products and moving expenses. **Office**—20 North Ave., Larchmont, N. Y. **Underwriters**—Coggeshall & Hicks and Ernest M. Fuller & Co., N. Y.

Scripps-Howard Broadcasting Co. (5/21-25)
March 20, 1962 filed 375,000 common. **Price**—By amendment (max. $20). **Business**—Company owns and operates TV, radio and FM broadcasting stations. **Proceeds**—For selling stockholders. **Office**—1121 Union Central Bldg., Cincinnati. **Underwriter**—First Boston Corp., N. Y.

Seashore Food Products, Inc. (5/7-11)
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.

● **Seaway Food Town, Inc. (5/28-6/1)**
March 29, 1962 filed 125,056 common. **Price**—By amendment (max. $12). **Business** — Operation of a chain of supermarkets. **Proceeds**—For selling stockholders. **Office**—1514 S. Detroit St., Toledo. **Underwriter**—McDonald & Co., Cleveland.

● **Security Aluminum Corp. (5/28-6/1)**
Jan. 26, 1962 filed 200,000 common. **Price**—By amendment. **Business**—Manufacture of aluminum 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.

● **Seg Electronics Co., Inc. (6/11)**
Sept. 28, 1961 filed 110,000 common. **Price**—By amendment. **Business**—Design and manufacture of networks for data and program transmission, filters, transceivers and related electronic equipment. **Proceeds**—For equipment, research and development, repayment of loans and working capital. **Office**—12 Hinsdale St., Brooklyn. **Underwriter**—Searight, Ahalt & O'Connor, Inc., N. Y.

● **Selective Financial Corp.**
Feb. 28, 1962 filed 500,000 common, of which 405,000 are to be offered for subscription by holders of the A, B and C stock of Selective Life Insurance Co., an affiliate, on the basis of 4 company shares for each class A or B share and two-thirds share for each class C share of Selective Life held. Remaining 94,822 and any unsubscribed shares will be offered publicly. **Price**—To public, $6; to stockholders, $5. **Business**—Company plans to engage in the consumer finance, mortgage, general finance and related businesses. **Proceeds** — For general corporate purposes. **Office**—830 N. Central Ave., Phoenix. **Underwriter**—None. **Note**—Warrants, expiring in about 120 days, will be mailed to stockholders about May 4.

★ **Sentinel Properties Corp.**
May 1, 1962 filed 200,000 class A common. **Price**—$10. **Business**—Real estate investment. **Proceeds**—For construction of a building. **Office**—565 Fifth Ave., N. Y. **Underwriter**—None.

Servotronics, Inc.
March 30, 1962 filed 125,000 capital shares. **Price** — $3. **Business**—Design, development and manufacture of precision control components and associated products. **Proceeds** — For debt repayment, equipment and working capital. **Office** — 190 Gruner Rd., Cheektowaga, N. Y. **Underwriter**—General Securities Co., Inc., N. Y.

Shainberg (Sam) Co.
March 30, 1962 filed 236,000 common. **Price**—By amendment (max. $13). **Business** — Operation of a chain of junior department stores and self-service discount stores. **Proceeds**—For selling stockholders. **Office**—1325 Warford St., Memphis. **Underwriter**—New York Securities Co., 52 Wall St., N. Y.

● **Shelley Manufacturing Co. (5/7-11)**
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.

Signalite Inc. (5/16)
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.

Simplex Lock Corp.
April 20, 1962 filed 20,000 common to be offered for subscription by stockholders of the company and of Associated Development and Research Corp., parent, on the basis of one new share for each 10 shares of either company held. **Price**—By amendment (max. $20). **Business**—Development and sale of a new type combination lock. **Proceeds**—For equipment, research and development and working capital. **Office**—150 Broadway, N. Y. **Underwirters**—Charles Plohn & Co. and B. W. Pizzini & Co., N. Y.

Site-Fab, Inc. (5/14-18)
Feb. 27, 1962 filed 135,000 common. **Price** — By amendment (max. $4). **Business**—Construction of homes. **Proceeds** — For debt repayment, acquisition of land and working capital. **Office** — 1093 Frank Rd., Columbus, Ohio. **Underwriter**—H. P. Black & Co., Inc., Washington, D. C.

Sixty Realty Trust
Feb. 28, 1962 filed 350 common. **Price**—$1,000. **Business**—Company plans to qualify as a real estate investment trust. **Proceeds**—For general corporate purposes. **Office**—909 Howard Bldg., Providence, R. I. **Underwriters**—G. H. Walker & Co., Providence and Blair & Co., N. Y.

Skiers Service Corp. (5/21-25)
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. **Note** — This firm formerly was named National Vending Ski Insurance Corp.

Sokol Brothers Furniture Co., Inc. (5/7-11)
Sept. 28, 1961 filed 240,000 common. **Price**—$2.50 **Business**—The instalment retailing of furniture, appliances and other household goods. **Proceeds** — For expansion and modernization of buildings, repayment of debt and working capital. **Office**—253 Columbia St., Brooklyn, N. Y. **Underwriter**—To be named.

Solid State Products, Inc. (5/21-25)
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.

Solon Industries, Inc.
Dec. 28, 1961 filed 75,000 common. **Price**—By amendment. **Business**—Installation of its coin operated laundry equipment at designated residential locations. **Proceeds**—For selling stockholders. **Office**—115 L St., S. E. Washington, D. C. **Underwriter**—None.

Sonic Development Corp. of America
Oct. 27, 1961 filed 56,000 common, of which 30,000 are to be offered by the company and 26,000 by stockholders. **Price**—$5. **Business**—Design, development and manufacture of devices using sound or fluids as a source of energy. **Proceeds**—For general corporate purposes. **Office**—260 Hawthorne Ave., Yonkers, N. Y. **Underwriter**—Meadowbrook Securities Inc., Hempstead, N. Y. **Offering**—Expected sometime in May.

Southeastern Real Estate Trust
April 2, 1962 filed 700,000 common. **Price**—By amendment (max. $13.80). **Business**—A real estate investment trust. **Proceeds**—For investment. **Office**—600 E. Washington St., Orlando, Fla. **Underwriter**—None.

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.

● **Spartan International Inc. (5/8)**
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. (7/2-6)
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.

Spenard Utilities, Inc.
March 30, 1962 filed 117,541 common, of which 50,000 are to be offered by company and 67,541 by stockholders. **Price**—$2.50. **Business**—Installation, operation, maintenance and ownership of public water distribution and sewage disposal systems. **Proceed**—For general corporate purposes. **Office**—3110 Northern Lights Blvd., Anchorage, Alaska. **Underwriter**—To be named.

● **Sperti Products, Inc.**
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. **Note**—This offering was temporarily postponed.

Sportsways, Inc. (5/28-31)
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.

● **Star Tank & Boat Co., Inc.**
Feb. 27, 1962 filed 307,000 common, of which 27,000 are to be offered by the company and 280,000 by stockholders. **Price** — By amendment (max. $18). **Business** — Manufacture of aluminum and fiberglass pleasure boats. **Proceeds**—For working capital. **Office**—Goshen, Ind. **Underwriter**—A. G. Becker & Co., Inc., Chicago. **Offering**—Temporarily postponed.

State Life Insurance Co. of Colorado
March 27, 1962 filed 300,000 common. **Price**—By amendment (max. $5). **Business**—Writing of life, health and accident insurance. **Proceeds**—For investment and working capital. **Office**—1760 High St., Denver. **Underwriter**—None.

Statewide Vending Corp.
March 23, 1962 filed 88,250 common. **Price**—$4.25.—**Business**—Sale of cigarettes, coffee, beverages, candy etc., through vending machines. **Proceeds**—For debt repayment, leasehold improvements, expansion and working capital. **Office**—354 Hempstead Ave., West Hempstead, N. Y. **Underwriter**—M. H. Myerson & Co., Inc., N. Y.

● **Steel Plant Equipment Corp. (5/14-18)**
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. (5/21-25)
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 Reuben Rose & Co., Inc., N. Y.

● **(M.) Stephens Mfg., Inc. (5/14-18)**
March 28, 1962 ("Reg. A") 75,000 capital shares. **Price**—$4. **Business**—Manufacture and distribution of electrical fittings and connectors. **Proceeds**—For debt repayment, inventory, equipment and working capital. **Office**—814 E. 29th St., Los Angeles. **Underwriter** — Thomas Jay, Winston & Co., Inc., Beverly Hills, Calif.

Stereotronics Instrument Corp. (5/14-18)
March 23, 1962 ("Reg. A") 100,000 common. **Price**—$3. **Business**—Sale of home stereophonic sound equipment. **Proceeds**—For expansion, inventory and working capital. **Office**—39 Harriet Pl., Lynbrook, N. Y. **Underwriter**—S. B. Cantor Co., 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. **Offering**—Indefinitely postponed.

Stratford Financial Corp.
March 29, 1962 filed 315,000 class A shares of which 218,000 are to be offered by the company and 97,000 by the stockholders. **Price**—$6. **Business**—Commercial finance company. **Proceeds**—For debt repayment. **Office**—95 Madison Ave., N. Y. **Underwriter**—Mortimer B. Burnside & Co., Inc., N. Y.

Stratton Realty & Construction Fund, Inc.
March 20, 1962 filed 500,000 common. **Price**—$20. **Business**—A real estate investment company. **Proceeds**—For investment. **Office**—50 E. 40th St., N. Y. **Underwriter**—To be named.

Sun City Dairy Products, Inc. (5/28-31)
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.

Superior Bakers, Inc. (5/14-18)
Feb. 28, 1962 filed 325,000 common, of which 294,000 are to be offered by the company and 31,000 shares by a stockholder. **Price**—$3. **Business**—Manufacture and sale of baked goods. **Proceeds**—For debt repayment and general corporate purposes. **Address**—New York & Drexel Aves., Atlantic City, N. J. **Underwriter**—Balogh & Co., Washington, D. C.

● **Symington Wayne Corp. (5/4)**
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 of record May 4. Rights will expire May 21, 1962. **Price**—By amendment. **Business**—Manufacture of

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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.

Szemco, Inc.
Dec. 29, 1961 filed 66,666 common. **Price**—By amendment ($1.50 max.). **Business**—Design and manufacture of ordnance, automotive, aircraft and guided missile parts and components. **Proceeds**—For selling stockholders. **Office**—4417 Okechobe Rd., West Palm Beach, Fla. **Underwriter**—None.

Tabach Industries, Inc.
March 29, 1962 ("Reg. A") 50,000 common. **Price** — $6. **Business**—Manufacture and sale of women's wear. **Proceeds**—For debt repayment, leasehold improvements and expansion. **Office**—217 E. Eight St., Los Angeles, Calif. **Underwriter**—Costello, Russotto & Co., Los Angeles.

● **Tactair Fluid Controls, Corp. (5/21-25)**
March 29, 1962 filed 90,000 common. **Price**—By amendment (max. $7.50). **Business**—Manufacture of fluid control equipment used in missiles, helicopters and aircraft. **Proceeds**—For selling stockholders **Address**—Bridgeport, Conn. **Underwriters**—Stroud & Co., Inc. and Penington, Colket & Co., Philadelphia.

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. **Offering**—Imminent.

Taylor Wine Co., Inc.
Feb. 15, 1962 filed 40,312 common being offered for subscription on the basis of one share for each 32 held of record April 16, with rights to expire May 2, 1962. **Price**—$20. **Business**—Production of various type wines. **Proceeds** — For plant expansion and working capital. **Office**—Hammondsport, N. Y. **Underwriter**—First Boston Corp., N. Y.

Teaching Systems, Inc.
March 8, 1962 ("Reg. A") 50,000 common. **Price**—$2. **Business**—Production and sale of musical educational records. **Proceeds**—For equipment, sales promotion and working capital. **Office**—1650 Broadway, N. Y. **Underwriter**—Ezra Kureen Co., N. Y.

● **Technical Animations, Inc. (5/7-11)**
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.

★ **Technical Capital Corp.**
April 30, 1962 filed 500,000 common. **Price**—$10. **Business**—A small business investment company. **Proceeds**—For investment. **Office**—235 E. 42nd St., N. Y. **Underwriter**—Straus, Blosser & McDowell, Chicago.

Tellite Corp. (5/21-25)
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. (5/14-18)
Jan. 31, 1962 ("Reg. A") 120,000 common. **Price**—$2.30. **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 Technical Capital, Inc.
Oct. 16, 1961 filed 275,000 common. **Price**—By amendment (max. $20). **Business**—A small business investment company. **Proceeds**—General corporate purposes. **Office**—1947 W. Gray Ave., Houston. **Underwriters** — F. S. Smithers & Co., N. Y., and Moroney, Beissner & Co., Inc., Houston. **Note**—This company formerly was named Texas Electro-Dynamics Capital, Inc.

Thermotronics Corp., Inc.
March 30, 1962 filed 100,000 common. **Price**—By amendment (max. $10). **Business**—Development of electronic and electrical devices used in plumbing and heating fields and the manufacture of compact electric water heating units. **Proceeds**—For equipment, working capital and other corporate purposes. **Office** — 492 Grand Blvd., Westbury, N. Y. **Underwriter**—J. B. Coburn Associates, Inc., N. Y.

Thom-Tex Paper Converting Corp. (6/11-15)
March 15, 1962 filed 70,000 common. **Price**—$4. **Business**—Manufacture of writing paper items. **Proceeds**—For debt repayment and working capital. **Address**—Highway 3, Rio Grande, Puerto Rico. **Underwriter**—Meade & Co., N. Y.

Thompson Manufacturing Co., Inc. (6/4-8)
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 the paper industry and the construction of bowling alleys. **Proceeds**—For expansion and general corporate purposes. **Office**—Canal St., Lancaster, N. H. **Underwriter**—Packer-Wilbur Co., Inc., N. Y.

● **Thunderbird International Hotel Corp. (5/14-18)**
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.

● **Torch Rubber Co., Inc. (5/7-11)**
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. (5/14-18)
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. (5/14)
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. (5/21-25)
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. (5/15)**
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.

Trans-Pacific Research & Capital, Inc.
Nov. 27, 1961 filed 47,000 common. **Price**—By amendment. **Business** — Manufacture of high pressure valves and accessories. **Proceeds**—For expansion, working capital, and possible acquisitions. **Office** — Pacific National Bank Bldg., Bellevue, Wash. **Underwriter**—To be named.

Trans-Western Service Industries
April 2, 1962 filed 100,000 common, of which 20,000 are to be offered by company and 80,000 by stockholders. **Price**—By amendment (max. $10). **Business**—Operation of dry cleaning and laundry plants. **Proceeds**—For debt repayment. **Office**—1167-65th St., Oakland, Calif. **Underwriter**—Granbery, Marache & Co., 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**—To be named. **Offering**—Indefinitely postponed.

Transogram Co., Inc. (5/7-11)
March 15, 1962 filed 156,000 common. **Price**—By amendment (max. $12). **Business**—Design, assembly and manufacture of toys, games, children's playroom furniture, and sports sets. **Proceeds**—For a selling stockholder. **Office**—200 Fifth Ave., N. Y. **Underwriter**—Lehman Brothers, N. Y.

● **Tremco Manufacturing Co. (5/15)**
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.

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.

Tucson Gas, Electric Light & Power Co. (5/11)
April 11, 1962 filed 486,111 common, to be offered for subscription by stockholders on the basis of one share for each 10 held of record May 11, 1962. **Price** — By amendment (max. $25). **Proceeds**—For debt repayment and construction. **Office**—35 W. Pennington St., Tucson, Ariz. **Underwriters**—Blyth & Co., Inc. and First Boston Corp., N. Y.

Tujax Industries, Inc.
Mar. 23, 1962 filed 150,000 class A shares, of which 100,000 are to be offered by company and 50,000 by stockholders. **Price**—$8. **Business**—Through its subsidiaries the company is engaged in the wholesale distribution of electrical supplies and equipment. **Proceeds** — For debt repayment and working capital. **Office**—514 E. 73rd St., N. Y. **Underwriters**—Richard Bruce & Co., Inc., and Reuben Rose & Co., Inc., N. Y. **Offering**—In June.

Turbodyne Corp.
March 2, 1962 filed 127,500 common. **Price**—$5. **Business**—Research, development and production and overhauling of gas turbine engines. **Proceeds**—For debt repayment, research and development, a new plant and working capital. **Office** — 1346 Connecticut Avenue, N. W., Washington, D. C. **Underwriter**—Sandkuhl & Co., Inc., N. Y.

Turner (J. L.) & Son, Inc.
Mar. 27, 1962 filed 120,000 common, of which 60,000 are to be offered by company and 60,000 by a stockholder. **Price**—By amendment (max. $15) **Business**—Sale of retail merchandise. **Proceeds** — For general corporate purposes. **Office**—East Main St., Scottsville, Ky. **Underwriter**—Bear, Stearns & Co., N. Y.

Tyler Pipe & Foundry Co. (5/22)
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.

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**—250 Meserole St., Brooklyn, N. Y. **Underwriters**—Fabrikant Securities Corp. and Karen Securities Corp., N. Y.

● **Unison Electronics Corp. (5/14)**
March 30, 1962 ("Reg. A") 100,000 common. **Price**—$1.50. **Business** — Manufacture of high-precision instrument components for aircraft and missile guidance systems. **Proceeds**—For debt repayment, equipment and working capital. **Office** — 1634 Marion St., Grand Haven, Mich. **Underwriter**—Gateway Stock & Bond, Inc., Pittsburgh.

● **United Camera Exchange, Inc. (6/4-8)**
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 Data Processing, Inc.
April 2, 1962 ("Reg. A") 3,000 common. **Price**—$17.50. **Business**—Furnishes electronic data processing services. **Proceeds**—For working capital and expansion. **Office**—1430 N. W. 10th Ave., Portland, Ore. **Underwriter**—First Cascade Corp., Portland, Ore.

United Inns, Inc.
March 26, 1962 ("Reg. A") 80,000 common. **Price**—$3.75. **Business**—Construction and operations of motor hotels under license granted by Holiday Inns of America, Inc. **Proceeds**—For debt repayment and general corporate purposes. **Office**—704 Dermon Bldg., Memphis. **Underwriter**—Wilder, Hansbrough, Finch & Co., Memphis.

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 June.

● **United Markets Inc. (5/21)**
March 15, 1962 filed 100,000 common. **Price**—$5. **Business**—Operation of "Foodtown" supermarkets. **Proceeds**—For general corporate purposes. **Office**—531 Ferry St., Newark, N. J. **Underwriter**—Moran & Co., Newark, N. J.

United-Overton Corp.
Mar. 26, 1962 filed 450,000 common, of which 90,897 are to be offered by the company and 359,103 by stockholders. **Price**—By amendment (max. $18). **Business**—Operates hard goods' departments in discount department stores. **Proceeds**—For debt repayment. **Office**—19 Needham St., Nugent Highlands, Mass. **Underwriters**—McDonnell & Co., Inc., and Oppenheimer & Co., N. Y. **Offering**—Expected in early June.

United Packaging Co., Inc.
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. **Offering**—June.

United Telephone Services, Inc.
March 30, 1962 filed 150,000 class A common. **Price**—By amendment (max. $5). **Business**—A telephone holding company. **Proceeds**—For debt repayment, equipment and working capital. **Office**—645 First Ave., N. Y. **Underwriter**—J. R. Williston & Beane, 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 States Realty & Investment Co.
March 30, 1962 filed 150,000 capital shares. **Price**—By amendment (max. $8). **Business** — General real estate. **Proceeds**—For working capital. **Office**—972 Broad St., Newark, N. J. **Underwriter**—H. Hentz & Co., N. Y. **Offering**—Expected sometime in June.

● **U. S. Scientific Corp. (6/4-8)**
Mar. 22, 1962 filed 85,000 common. **Price**—$4. **Business**—Company plans to merchandise and distribute a line of consumer products, including an air vent cigarette holder; a transistor ignition unit for automobile spark plugs, and a small plastic capsule containing a chemical to increase efficiency of spark plugs. **Proceeds** — For equipment, inventory, advertising and sales promotion, research, and working capital. **Office**—220 E. 23rd St., N. Y. **Underwriter**—Edward Lewis Co., Inc., N. Y.

United Variable Annuities Fund, Inc.
April 11, 1961 filed 2,500,000 shares of stock. **Price**—$10 per share. **Business**—A new mutual fund. **Proceeds**—For investment. **Office**—20 W. 9th Street, Kansas City, Mo. **Underwriter**—Waddell & Reed, Inc., Kansas City, Mo. **Offering**—Expected in August.

● **Universal Industries, Inc. (5/28)**
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 equip-

ment, research and general corporate purposes. **Office**—250 Goffle Road, Hawthorne, N. J. **Underwriter**—Edward Lewis & Co., Inc., N. Y. **Note**—This company formerly was named Aero-Dynamics Corp.

Universal Lighting Products, Inc. (5/7-11)
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.

Universal Telephone, Inc.
March 29, 1962 filed 150,000 common. **Price**—By amendment (max. $5.625). **Business**—Operation of telephone facilities in N. Mex., Ill., and Wis. **Proceeds**—For expansion and working capital. **Office**—2517 E. Norwich St., Milwaukee. **Underwriter**—Marshall Co., Milwaukee.

Urban Redevelopment Corp.
March 29, 1962 filed 100,000 common. **Price**—By amendment. **Business**—Company operates the "Kellogg Plan" which provides 100% financing and construction through a single source for renewing older residential properties. **Proceeds**—For debt repayment, sales financing and working capital. **Office** — 1959 S. LaCienega Blvd., Los Angeles. **Underwriter**—Holton, Henderson & Co., Los Angeles.

Urethane of Texas, Inc. (5/14-18)
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. (5/8-9)**
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.

Utah Power & Light Co. (5/22)
April 2, 1962 filed $22,000,000 of first mortgage bonds due 1992. **Proceeds**—For debt repayment and construction. **Office**—1407 West North Temple St., Salt Lake City. **Underwriters** — (Competitive). Probable bidders: First Boston Corp.-Blyth & Co., Inc. (jointly); Kidder, Peabody & Co.; Halsey, Stuart & Co. Inc.; White, Weld & Co.-Stone & Webster Securities Corp. (jointly); Eastman Dillon, Union Securities & Co.-Smith, Barney & Co.-Salomon Brothers & Hutzler (jointly); Lehman Brothers-Bear, Stearns & Co. (jointly). **Bids**—May 22 (11:30 a.m. EDST). **Information Meeting**—May 18 (2 p.m. EDST) at 2 Rector St. (Room 240) N. Y.

Utah Power & Light Co. (5/22)
April 2, 1962 filed 480,000 shares of $25 par cumulative preferred, series B. **Proceeds**—For debt repayment and construction. **Office**—1407 West North Temple St., Salt Lake City. **Underwriters**—(Competitive). Probable bidders: First Boston Corp.-Blyth & Co. (jointly); Lehman Brothers; White, Weld & Co.-Stone & Webster Securities Corp. (jointly); Kidder, Peabody & Co.-Merrill Lynch, Pierce, Fenner & Smith Inc. (jointly); Eastman Dillon, Union Securities & Co.-Smith, Barney & Co.-Salomon Brothers & Hutzler (jointly). **Bids**—May 22 (12:30 p.m. EDST). **Information Meeting**—May 18 (2 p.m. EDST) at 2 Rector St. (Room 240), N. Y.

U-Tell Corp. (5/7-11)
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.

● **Vacco Valve Co. (5/21-25)**
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.

Val-U Homes Corp. of Delaware
Aug. 28, 1961 filed 100,000 common. **Price**—$5. **Business**—The manufacture of prefabricated buildings and building components. **Proceeds**—For working capital. **Office**—765 River St., Paterson, N. J. **Underwriter** — To be named.

Vapor Corp. (5/21-25)
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.

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 June.

Vending Components, Inc.
March 30, 1962 filed 100,000 common. **Price**—$4. **Business** — Manufacture, design and sale of metal valves, mixers, taps, etc., for vending machines. **Proceeds**—For expansion, new products and other corporate purposes. **Office**—204 Railroad Ave., Hackensack, N. J. **Underwriter**—Keene & Co., Inc., N. Y.

Verlan Publications, Inc.
March 30, 1962 filed 89,500 common, of which 80,000 are to be offered by company and 9,500 by a stockholder. **Price** — By amendment (max. $5.50). **Business** — Preparation and production of books, catalogues and other printed material. A subsidiary publishes photography books. **Proceeds**—For expansion, debt repayment and other corporate purposes. **Office** — 915 Broadway, N. Y. **Underwriter**—Searight, Ahalt & O'Connor, Inc., N. Y.

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. **Offering**—In late June.

Video Color Corp.
April 6, 1962 filed 1,000,000 common. **Price**—$1.15. **Business**—Development, manufacture and distribution of picture tubes. **Proceeds**—For equipment, inventories and working capital. **Office**—729 Centinela Blvd., Inglewood, Calif. **Underwriter**—Naftalin & Co., Inc., Minneapolis.

Video Engineering Co., Inc.
Mar. 26, 1962 filed 125,000 class A common. **Price**—$4. **Business** — Company designs, fabricates, installs and services closed circuit television systems. **Proceeds**—For debt repayment, advertising, equipment and expansion. **Office**—Riggs Rd. and First Place, N. E., Washington, D. C. **Underwriter**—Mitchell, Carroll & Co., Inc., Washington, D. C.

Virco Mfg. Corp.
April 20, 1962 filed 250,000 common, of which 50,000 are to be offered by company and 200,000 by stockholders. **Price**—By amendment (max. $5.75). **Business**—Manufacture and sale of classroom furniture, folding banquet tables and chairs. **Proceeds**—For general corporate purposes. **Office**—15134 So. Vermont Ave., Los Angeles. **Underwriter**—Crowell, Weedon & Co., Los Angeles.

Volt Technical Corp. (5/7-11)
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.

Voron Electronics Corp. (5/21-25)
July 28, 1961 filed 100,000 class A shares. **Price** — $3. **Business**—The manufacture of electronic test equipment, the sale, installation and servicing of industrial and commercial communications equipment and the furnishing of background music. **Proceeds**—For tooling, production, engineering, inventory and sales promotion of its products and for working capital. **Office** — 1230 E. Mermaid Lane, Wyndmoor, Pa. **Underwriters** — John Joshua & Co., Inc., and Reuben, Rose & Co., Inc., N. Y.

● **Wade Wenger ServiceMASTER Co. (5/15)**
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. **Note**—This registration is being withdrawn.

Walston Aviation, Inc. (5/14-18)
Oct. 30, 1961 filed 90,000 common, of which 60,000 are to be offered by the company and 30,000 by a stockholder. **Price**—$6.25. **Business**—Sells Cessna Airplanes and supplies; also repairs and services various type airplanes. **Proceeds** — For expansion and general corporate purposes. **Office**—Civic Memorial Airport, E. Alton, Ill. **Underwriter**—White & Co., Inc., St. Louis.

Waterman Steamship Corp.
Aug. 29, 1961 filed 1,743,000 common. **Price**—By amendment. **Business** — The carrying of liner-type cargoes. **Proceeds**—For the purchase of vessels, and working capital. **Office**—71 Saint Joseph St., Mobile, Ala. **Underwriter**—Shields & Co., Inc., N. Y. (mgr.). **Offering**—Temporarily postponed.

Welcome Baby, Inc. (5/28-6/1)
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.

Welsh Panel Co.
March 30, 1962 filed 135,000 common. **Price**—By amendment (max. $9). **Business**—Company processes plywood sheets into factory finished wall panelling. **Proceeds**—Equipment, inventories and working capital. **Address**—P. O. Box 329 Panel Way, Longview, Wash. **Underwriter**—Ferman & Co., Miami, Fla.

● **West Falls Shopping Center Limited Partnership (5/17)**
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.

Western Gas Service Co.
March 19, 1962 filed 65,000 common, of which 50,000 are to be offered by company and 15,000 by stockholders. **Price**—By amendment (max. $25). **Business**—Distribution of natural gas and the furnishing of water service to communities in southwestern U. S. **Proceeds**—For debt repayment and expansion. **Office**—9065 Alameda Ave., El Paso. **Underwriter**—Underwood, Neuhaus & Co., Houston, Tex.

Western Lithographers, Inc.
March 30, 1962 ("Reg. A") 120,000 common. **Price**—$2.50. **Business**—General printing and lithography. **Proceeds**—For equipment, debt repayment, and inventory. **Office**—3407 N. El Paso, Colorado Springs, Colo. **Underwriter**—Copley & Co., Colorado Springs, Colo.

Western Massachusetts Electric Co. (5/10)
April 3, 1962 filed $8,000,000 of first mortgage bonds, series E, due 1992. **Proceeds**—To redeem a like amount of 5⅜% first mortgage bonds, series D, due 1989. **Office**—174 Brush Hill Ave., West Springfield, Mass. **Underwriters**—(Competitive). Probable bidders: First Boston Corp.-White, Weld & Co. (jointly); Blyth & Co., Inc.; Equitable Securities Corp.-Lee Higginson Corp. (jointly); Halsey, Stuart & Co. Inc.; Eastman Dillon, Union Securities & Co. **Bids**—Expected May 10 (11 a.m. EDST) at 201 Devonshire St., Boston. **Information Meeting**—May 7 (11 a.m. EDST) at same address.

● **Western Pioneer Co. (5/14-18)**
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 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.

Whirlpool Corp.
April 25, 1962 filed 1,000,000 common. **Price**—By amendment (max. $30.125). **Business**—Manufacture and sale of home appliances. **Proceeds** — For selling stockholder (Radio Corp. of America). **Address** — Benton Harbor, Mich. **Underwriter**—Lehman Brothers, N. Y.

White Lighting Co. (5/7-11)
Feb. 26, 1962 ("Reg. A") 75,000 common. **Price** — $4. **Business**—Manufacture and distribution of electrical and lighting fixtures. **Proceeds**—For debt repayment, equipment and working capital. **Office**—5221 W. Jefferson Blvd., Los Angeles. **Underwriter**—Costello, Russotto & Co., Los Angeles.

Widman (L. F.), Inc. (5/14-18)
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.

Wiegand (Edwin L.) Co. (5/10)
March 30, 1962 filed 606,450 common. **Price**—By amendment. **Business**—Manufacture of electrical heating elements for industrial, commercial and household applications. **Proceeds**—For selling stockholders. **Office**—7500 Thomas Blvd., Pittsburgh. **Underwriters**—Eastman Dillon, Union Securities & Co., N. Y., Moore, Leonard & Lynch, Pittsburgh and Reinholdt & Gardner, St. Louis.

Wiener Shoes Inc.
April 2, 1962 filed 80,000 common. **Price** — By amendment (max. $11). **Business**—Operation of a chain of shoe stores. **Proceeds**—For debt repayment, expansion and working capital. **Office** — 808 Dakin St., New Orleans. **Underwriter**—Howard, Weil, Labouisse, Friederichs & Co., New Orleans.

● **Wiggins Plastics, Inc. (5/28-6/1)**
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.

Winslow Electronics, Inc.
Dec. 28, 1961 filed 125,000 common. **Price**—$4. **Business**—Design and manufacture of precision electrical and electronic measuring devices and test equipment. **Proceeds**—For debt repayment and other corporate purposes. **Office**—1005 First Ave., Asbury Park, N. J. **Underwriter**—Amos Treat & Co., Inc., N. Y.

Wisconsin Telephone Co. (5/8)
April 18, 1962 filed $20,000,000 of debentures due May 1, 2002. **Proceeds**—To repay advances from A. T. & T., parent. **Office**—722 N. Broadway, Milwaukee. **Underwriters**—(Competitive). Probable bidders: Morgan Stanley & Co.; Halsey, Stuart & Co. Inc.; First Boston Corp. **Bids**—May 8 (11 a.m. EDST) in Room 2315, 195 Broadway, N. Y.

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., 10 East 40th St., New York.

Wolverine Aluminum Corp.
March 5, 1962 filed 100,000 common. **Price** — By amendment (max. $6.50). **Business**—Processing and manufacturing of aluminum building products. **Proceeds**—For a new building and equipment. **Office**—1650 Howard St., Lincoln Park, Mich. **Underwriter**—F. J. Winckler & Co., Detroit.

Work Wear Corp.
Mar. 26, 1962 filed 130,000 common. **Price**—By amendment (max. $27). **Business** — Manufacture and sale of

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work clothing. Company is also engaged in industrial laundering and garment rental. **Proceeds**—For debt repayment, acquisitions and working capital. **Office** — 1768 E. 25th St., Cleveland. **Underwriter**—Hornblower & Weeks, N. Y.

● **World Scope Publishers, Inc. (5/21-25)**
July 31, 1961 filed 100,000 common shares and $350,000 of 6% senior conv. subord. debentures due 1972. **Price**—For stocks: $6; for debentures $90. **Business**—Publishing of encyclopedias and other reference books. **Proceeds**—For debt repayment, working capital and other corporate purposes. **Office**—290 Broadway, Lynbrook, N. Y. **Underwriter**—Standard Securities Corp., N. Y.

● **Worth Financial Corp. (6/11-15)**
Mar. 22, 1962 filed 61,000 common. **Price**—$5. **Business**—Financing of commercial accounts receivable. **Proceeds**—For general corporate purposes. **Office**—114 E. 40th St., N. Y. **Underwriter**—D. A. Bruce & Co., N. Y.

Wulpa Parking Systems, Inc. (5/21-25)
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., New York.

Wynlit Pharmaceuticals, Inc. (5/21-25)
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.

● **Zayre Corp. (6/4-8)**
April 20, 1962 filed 475,000 common, of which 175,000 are to be offered by company and 300,000 by stockholders. **Price**—By amendment (max. $20). **Business**—Operation of self-service department stores and apparel specialty stores. **Proceeds**—For working capital. **Office**—One Mercer Rd., Natick, Mass. **Underwriter**—Lehman Brothers, N. Y.

● **Zeckendorf Properties Corp. (6/4-8)**
March 30, 1962 filed 100,000 class B common. **Price**—By amendment (max. $16). **Business**—Real estate. **Proceeds**—For general corporate purposes. **Office**—383 Madison Ave., N. Y. **Underwriter**—Harriman Ripley & Co., Inc., New York.

Zero Mountain, Inc.
March 30, 1962 ("Reg. A") 100,000 common. **Price**—$3. **Business**—Operation of underground cold storage facilities. **Proceeds**—Expansion, debt repayment and working capital. **Address**—Box 594, Fayetteville, Ark. **Underwriter**—Don D. Anderson & Co., Inc., Oklahoma City.

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. **Information Meeting**—May 28, 1962 (2:30 p.m. EDST) at 20 Pine St., (Room 905), N. Y.

Auto Machine Systems, Inc.
March 14, 1962 it was reported that this company plans to file a "Reg. A" covering 135,500 common. **Price**—$1. **Business**—Operates a communications network for the purchase and sale of used cars. **Proceeds**—General corporate purposes. **Office**—Westbury, L. I., N. Y. **Underwriter**—T. M. Kirsch Co., Inc., N. Y.

Baltimore Gas & Electric Co.
March 9, 1962 it was reported that this company plans to issue about $25,000,000 of first mortgage bonds in the second half of 1962 or early 1963. **Office**—Lexington and Liberty Sts., Baltimore 3, Md. **Underwriters**—(Competitive). Probable bidders: Halsey, Stuart & Co. Inc.; White, Weld & Co.-First Boston Corp. (jointly); Harriman Ripley & Co., Inc.-Alex. Brown & Sons (jointly).

★ **Boston Edison Co.**
May 2, 1962 it was reported that stockholders are to vote June 14 on the company's plan to refund $15,000,000 of series G, 5¼% first mortgage bonds due Oct. 1, 1989. If approved, the new bonds would be issued in late June. **Office**—182 Tremont St., Boston. **Underwriters**—(Competitive). Probable bidders: Halsey, Stuart & Co. Inc.; First Boston Corp.; Harriman Ripley & Co., Inc.; White, Weld & Co.; Lehman Brothers.

Chicago, Burlington & Quincy RR. (5/9)
April 17, 1962 it was reported that the company plans to sell $3,150,000 of equipment trust certificates in May. **Office**—547 W. Jackson Blvd., Chicago. **Underwriters**—(Competitive). Probable bidders: Salomon Brothers & Hutzler and Halsey, Stuart & Co., Inc. **Bids**—Expected May 9 (12 noon CDST) in Chicago.

Cincinnati Gas & Electric Co. (6/21)
April 17, 1962 it was reported that this utility plans to sell $25,000,000 of 30-year first mortgage bonds. **Office**—139 East Fourth St., Cincinnati. **Underwriters**—(Competitive). Probable bidders: Merrill Lynch, Pierce, Fenner & Smith, Inc.-Lehman Brothers (jointly); Morgan Stanley & Co.-W. E. Hutton & Co. (jointly); Halsey, Stuart & Co., Inc.; Blyth & Co., Inc.-First Boston Corp. (jointly); Eastman Dillon, Union Securities & Co.-White, Weld & Co. (jointly). **Bids**—Expected June 21. **Information Meeting**—June 18 (11 a.m. EDST) at Irving Trust Co. (47th floor), One Wall St., N. Y.

Columbus Capital Corp.
Dec. 11, 1961 it was reported that this newly formed Small Business Investment Co., plans to sell $10 to $20 million of common stock in the late spring. **Office**—297 South High St., Columbus, O. **Underwriter**—To be named.

● **Consolidated Edison Co. of New York, Inc. (6/19)**
April 25, 1962 it was reported that the company plans to issue about $100,000,000 of mortgage bonds in June. In 1963 the company expects to do about $168,000,000 of financing, partly to refund $125,500,000 of bonds. **Office**—4 Irving Place, New York. **Underwriters**—(Competitive). Probable bidders on the bonds: First Boston Corp.; Halsey, Stuart & Co. Inc.; Morgan Stanley & Co. **Bids**—Expected June 19 (11 a.m. EDST) at company's office. **Information Meeting** — June 11, 1962 (10 a.m. EDST).

Consumers Power Co.
Jan. 9, 1962 it was reported that this company plans to sell about $40,000,000 of securities, probably first mortgage bonds, about mid-year. **Proceeds**—For construction. **Office**—212 West Michigan Ave., Jackson, Mich. **Underwriters**—(Competitive). Probable bidders: Halsey, Stuart & Co. Inc.; White, Weld & Co.-Shields & Co. (jointly); Harriman Ripley & Co. Inc.-First Boston Corp. (jointly); Morgan Stanley & Co.

Creative Ventures Corp.
On Mar. 5, 1962 this company reported that it plans early registration of 150,000 units, each consisting of one common share and 1/5 warrant. **Price**—$2.25. **Business**—A corporate guidance and interim financing company. **Proceeds**—For general corporate purposes. **Office**—New York City. **Underwriter** — Hampstead Investing Corp., N. Y.

Delaware Power & Light Co.
March 9, 1962 it was reported that the company has postponed until early Spring of 1963 its plan to issue additional common stock. The offering would be made to common stockholders first on the basis of one share for each 10 shares held. Based on the number of shares outstanding on Dec. 31, 1961, the sale would involve about 418,536 shares. **Proceeds**—For construction. **Office**—600 Market St., Wilmington, Del. **Underwriters**—(Competitive). Probable bidders: Carl M. Loeb, Rhoades & Co.; W. C. Langley & Co.-Union Securities Co. (jointly); Lehman Brothers; First Boston Corp.; White, Weld & Co.-Shields & Co. (jointly); Kidder, Peabody & Co.-Merrill Lynch, Pierce, Fenner & Smith Inc. (jointly).

Florida Power Co.
March 19, 1962 it was reported that this company plans to offer stockholders the right to subscribe for about 457,265 additional common shares on a 1-for-20 basis. **Office**—101 Fifth St., South, St. Petersburg, Fla. **Underwriters**—To be named. The last rights offering of common on May 4, 1959 was underwritten by Kidder, Peabody & Co., and Merrill Lynch, Pierce, Fenner & Smith Inc., N. Y. **Offering**—Expected in October, 1962.

Florida Power & Light Co.
Sept. 18, 1961, it was reported that the company may issue $25,000,000 of bonds in the second half of 1962. **Office**—25 S. E. 2nd Ave., Miami, Fla. **Underwriter**—To be determined by competitive bidding. Probable bidders: Merrill Lynch, Pierce, Fenner & Smith Inc. and Kidder, Peabody & Co. (jointly); Halsey, Stuart & Co., Inc.; White, Weld & Co.; First Boston Corp.; Blyth & Co., Inc.

Georgia Power Co. (11/7)
On Jan. 12, 1962 it was reported that this subsidiary of the Southern Co. plans to offer $23,000,000 30-year first mortgage bonds in November. **Office**—270 Peachtree Bldg., Atlanta, Ga. **Underwriters**—(Competitive). Probable bidders: Halsey, Stuart & Co., Inc.; Harriman Ripley & Co., Inc.; Blyth & Co., Inc.; Kidder, Peabody & Co.-Shields & Co. (jointly); Equitable Securities Corp.-Eastman Dillon, Union Securities & Co. (jointly); First Boston Corp.; Lehman Brothers; Morgan Stanley & Co. **Bids**—Expected Nov. 7. **Registration**—Scheduled for Oct. 5.

Georgia Power Co. (11/7)
On Jan. 12, 1962 it was reported that this subsidiary of the Southern Co. plans to offer $7,000,000 of preferred stock in November. **Office**—270 Peachtree Bldg., Atlanta, Ga. **Underwriters**—(Competitive). Probable bidders: Blyth & Co., Inc.; First Boston Corp.; Morgan Stanley & Co.; Eastman Dillon, Union Securities & Co.-Equitable Securities Corp. (jointly); Lehman Brothers. **Bids**—Expected Nov. 7. **Registration**—Scheduled for Oct. 5.

Houston Lighting & Power Co.
Mar. 28, 1962 it was reported that this company plans to sell $30,000,000 of first mortgage bonds due 1992. **Office**—900 Fannen St., Houston, Tex. **Underwriters** — (Competitive). Probable bidders: Lehman Brothers-Eastman Dillon, Union Securities & Co.-Salomon Brothers & Hutzler (jointly); Kidder, Peabody & Co.-Equitable Securities Corp. (jointly); Halsey, Stuart & Co. Inc.; and Blyth & Co., Inc.-First Boston Corp.-Lazard Freres & Co. (jointly). **Bids**—Expected in June.

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).

Jamaica Water Supply Co.
March 20, 1962 it was reported that this utility plans to sell $3,000,000 of mortgage bonds and $2,000,000 of preferred and common stocks. **Proceeds**—For debt repayment, and construction. **Office** — 161-20 89th Ave., Jamaica, N. Y. **Underwriters**—To be named. The last sale of bonds on May 3, 1956 was made by Blyth & Co. Other bidders were: Halsey, Stuart & Co. Inc.; Kidder, Peabody & Co.; White, Weld & Co. The last several issues of preferred were sold privately. The last sale of common on May 9, 1956 was made through Blyth & Co., Inc.

Monterey Gas Transmission Co.
April 24, 1961 it was reported that Humble Oil & Refining Co., a subsidiary of Standard Oil Co. of New Jersey, and Lehman Brothers, had formed this new company to transport natural gas from southwest Texas to Alexandria, La., for sale to United Fuel Gas Co., principal supplier to other Columbia Gas System companies. It is expected that the pipeline will be financed in part by public sale of bonds. **Underwriter** — Lehman Brothers, New York City (managing).

Mountain States Telephone & Telegraph Co. (6/5)
March 21, 1962 it was reported that this A.T.&T. subsidiary plans to sell $50,000,000 of debentures in June. **Proceeds**—To repay bank loans **Office**—931 14th St., Denver. **Underwriters**—(Competitive). Probable bidders: Halsey, Stuart & Co. Inc.; Morgan Stanley & Co.; First Boston Corp. **Bids**—Expected June 5.

National Airlines, Inc.
May 8, 1961, it was reported that the CAB had approved the company's plan to sell publicly 400,000 shares of Pan American World Airway's Inc., subject to final approval of the Board and the SEC. The stock was originally obtained under a Sept. 9, 1958 agreement under which the two carriers agreed to a share-for-share exchange of 400,000 shares and the lease of each others jet planes during their respective busiest seasons. The CAB later disapproved this plan and ordered the airlines to divest themselves of the stock. **Price** — About $20 per share. **Proceeds**—To repay a $4,500,000 demand loan, and other corporate purposes. **Office**—Miami International Airport, Miami 59, Fla. **Underwriter**—Merrill Lynch,

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.

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.

Northern Pacific Railway (5/22)
April 17, 1962 it was reported that this company plans to sell $4,035,000 of 1-15 year equipment trust certificates in May. **Office**—120 Broadway, N. Y. **Underwriters**—(Competitive). Probable bidders: Halsey, Stuart & Co., Inc., and Salomon Brothers & Hutzler. **Bids**—Expected May 22 (12 noon EDST).

● **Northern States Power Co. (Minn.) (6/12)**
March 19, 1962 it was reported that this company intends to sell $15,000,000 of 30-year first mortgage bonds due 1992. **Proceeds**—For expansion. **Office**—15 So. 5th St., Minneapolis. **Underwriters**—(Competitive). Probable bidders: Halsey, Stuart & Co.; Merrill Lynch, Pierce, Fenner & Smith Inc., Peabody & Co., and White, Weld & Co. (jointly); First Boston Corp. and Blyth & Co., Inc. (jointly). **Bids**—Expected June 12, 1962. **Information Meeting**—June 7, 1962 (11 a.m. EDST) at Schroder Trust Co., 57 Broadway, N. Y.

Norton Co.
Jan. 17, 1962 it was reported that this closely held company had postponed until at least the second quarter of 1962 its original plan to make a public offering of its stock, due to the inability to obtain a favorable tax ruling from the IRS. **Business**—Manufacture of various abrasives and cutting machines. **Office**—New Bond St., Worcester, Mass. **Underwriters**—Paine, Webber, Jackson & Curtis and Goldman, Sachs & Co., N. Y.

Pan American World Airways, Inc.
Oct. 30, 1961 it was reported that the CAB had approved the company's plan to sell its 400,000 share holdings of National Airlines, Inc. However, it said Pan Am must start selling the stock within one year and complete the sale by July 15, 1964. The stock was originally obtained under a Sept. 9, 1958 agreement under which the two

carriers agreed to a share-for-share exchange of 400,000 shares and lease of each other's jet planes during their respective busiest seasons. The CAB later disapproved this plan and ordered the airlines to divest themselves of the stock. **Office**—135 East 42nd St., N. Y. **Underwriter**—Merrill Lynch, Pierce, Fenner & Smith Inc.

Panhandle Eastern Pipe Line Co.
March 8, 1961 it was reported that this company expects to sell about $72,000,000 of debentures sometime in 1962, subject to FPC approval of its construction program. **Office**—120 Broadway, New York City. **Underwriters**—Merrill Lynch, Pierce, Fenner & Smith Inc. and Kidder Peabody & Co., both of New York City (mgr.). **Offering**—Expected in the fourth quarter of 1962.

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).

Public Service Co. of Colorado
March 9, 1962 it was reported that this company plans to sell about $30,000,000 of common stock to stockholders through subscription rights during the fourth quarter of 1962 or the first quarter of 1963. **Office**—900 15th St., Denver, Colo. **Underwriters** — First Boston Corp., Blyth & Co., Inc., and Smith, Barney & Co., Inc.

San Diego Gas & Electric Co.
March 19, 1962 it was reported that this company plans to sell about 500,000 common to stockholders in late 1962 to raise some $17,500,000. **Office**—861 Sixth Ave. San Diego, Calif. **Underwriter**—Blyth & Co., Inc., N. Y.

★ **Schlumberger Ltd.**
May 2, 1962 it was reported that a registration statement will be filed shortly covering a secondary offering of 700,000 common shares. **Business**—Manufacture of electronic equipment for missile analog computers, guided missile controls, etc. **Office**—408 Bank of the Southwest Bldg., Houston, Texas. **Underwriters**—To be named. (Expected to be a group of leading New York investment bankers). **Offering**—In June.

● **Sierra Pacific Power Co. (6/26)**
Mar. 28, 1962 it was reported that this company plans to sell $5,000,000 of first mortgage bonds. **Office**—220 S. Virginia St., Reno, Nev. **Underwriters**—(Competitive.) Probable bidders: Kidder, Peabody & Co.-White, Weld & Co. (jointly); Salomon Brothers & Hutzler; Halsey, Stuart & Co., Inc.; Stone & Webster Securities Corp.-Dean Witter & Co. (jointly). **Bids**—Expected June 26, 1962 (11 a.m. EDST), at 49 Federal St., Boston. **Information Meeting** — June 22 (10:30 a.m. EDST) at 90 Broad St., 19th floor.

Southern Electric Generating Co. (11/28)
On Jan. 12, 1962 it was reported that this subsidiary of the Southern Co. plans to offer $6,500,000 30-year first mortgage bonds in November. Office—600 N. 18th St., Birmingham, Ala. Underwriters — (Competitive) Probable bidders: First Boston Corp.; Halsey Stuart & Co., Inc.; White, Weld & Co.-Kidder, Peabody & Co. (jointly); Merrill Lynch, Pierce, Fenner & Smith Inc.-Blyth & Co., Inc. (jointly); Eastman Dillon, Union Securities & Co.-Equitable Securities Corp.-Drexel & Co. (jointly); Morgan Stanley & Co. Bids—Expected Nov. 28. Registration—Scheduled for Nov. 1.

★ **Southern Pacific Co. (6/6)**
May 2, 1962 it was reported that this company plans to sell about $8,100,000 of 1-15 year equipment trust certificates in June. **Office**—165 Broadway, N. Y. **Underwriters**—(Competitive). Probable bidders: Halsey, Stuart & Co. Inc.; Salomon Brothers & Hutzler. **Bids**—Expected June 6 (12 noon EDST).

★ **United Gas Corp. (6/6)**
May 2, 1962 it was reported that the company plans to sell $40,000,000 of first mortgage bonds due 1982. **Office**—1525 Fairfield Ave., Shreveport, La. **Underwriters**—(Competitive). Probable bidders: Halsey, Stuart & Co. Inc.; First Boston Corp.-Harriman Ripley & Co., Inc.-Goldman, Sachs & Co. (jointly); White, Weld & Co.-Equitable Securities Corp. (jointly). **Bids**—Expected June 6 (11:30 a.m. EDST).

Virginia Electric & Power Co. (6/5)
March 19, 1962 the company announced plans to offer publicly 650,000 common shares. **Office** — Richmond 9, Va. **Underwriters** — (Competitive). Probable bidders: Merrill Lynch, Pierce, Fenner & Smith Inc.; Stone & Webster Securities Co.; Kuhn, Loeb & Co.-Ladenburg, Thalmann & Co.-Allen & Co. (jointly). **Bids**—June 5 (11 a.m. EDST) at One Chase Manhattan Plaza (23rd floor), N. Y. **Information Meeting** — June 1 (11 a.m. EDST) at same address.

Washington Gas Light Co.
Mar. 28, 1962 it was reported that this company plans to sell $15,000,000 of bonds. **Office**—1100 H St., N. W., Washington, D. C. **Underwriters** — (Competitive.) Probable bidders: Eastman Dillon, Union Securities & Co.; Equitable Securities Corp.; Kidder, Peabody & Co.; First Boston Corp.; and Halsey, Stuart & Co. Inc. **Bids**—Expected in May.

Windjammer Cruises, Ltd.
April 18, 1962 it was reported that the company plans to register 90,000 ordinary shares. **Price**—$4. **Business**—Operation of "Windjammer" sailing ship cruises. **Proceeds** — For acquisition of additional vessels. **Office** — Bay St., Nassau, Bahamas. **Underwriter**—J. I. Magaril Co., Inc., N. Y.

★ **Wisconsin Power & Light Co. (6/20)**
May 2, 1962 it was reported that the company plans to sell $15,000,000 of bonds in June. **Office**—122 West Washington Ave., Madison, Wis. **Underwriters**—(Competitive). Probable bidders: Halsey, Stuart & Co. Inc.; White, Weld & Co.-Kidder, Peabody & Co. (jointly); Eastman Dillon, Union Securities Corp.-Equitable Securities Co. (jointly); Blyth & Co. Inc.-Lehman Brothers (jointly); Kuhn, Loeb & Co.-Salomon Brothers & Hutzler (jointly); Smith, Barney & Co.-Robert W. Baird & Co. (jointly). **Bids**—Expected June 20.

TAX-EXEMPT BOND MARKET

Continued from page 6

made by the First Boston Corp.-Kidder, Peabody & Co. account. The winning group offered the bonds to yield from 1.70% to 2.80% and upon reoffering about $2,000,000 of the bonds were sold.

The Calendar Week's Business

There were no issues of importance for sale on Friday and only two issues of note on Monday. The City of Akron, Ohio put up $3,000,000 Expressway (1963-1982) bonds and attracted 14 bids for its bonds. The winning group headed by the Harris Trust & Savings Bank submitted the high bid of a 2.794% net interest cost. The other 13 bids ranged from a 2.813% net interest cost to a 2.9301% interest cost. Associated with the Harris Trust & Savings Bank as major members of this group are Chase Manhattan Bank, First National Bank of Dallas, Texas and F. S. Moseley & Co. Reoffered at yield of from 1.60% to 2.95% for a 2⅞% coupon, about $1,300,000 of the bonds have been sold.

On Monday evening $4,500,000 Lansing, Michigan (1963-1990) bonds were awarded to the syndicate headed jointly by Northern Trust Co. and the First National City Bank at a net interest cost of 2.938%. The runnerup bid of a 2.939% net interest cost was made by the Chemical Bank New York Trust Co. and this bid amounted to only 10 cents less per bond than the winning bid. In addition, 13 other bids ranging from a 2.95% interest cost to a 3.03% interest cost were made for this highly rated bond. Scaled to yield from 1.50% to 3.10%, a balance of $1,600,000 presently remains in account.

Week's Major Sale

The largest sale of the week was Tuesday's $35,000,000 Port of New York Authority term (1993) revenue bonds which were awarded to the group headed jointly by Halsey, Stuart & Co., Inc., Drexel & Co., Glore, Forgan & Co. and Ladenburg, Thalmann & Co. on its dollar bid of 97.509 for a 3¼% coupon setting an annual net interest cost of 3.360%. The bonds are reoffered at a price of 98.50 to yield about 3.33%. A competing bid of 97.77 for a 3.30% coupon setting an annual net interest cost of 3.398% came from the group headed by Blyth & Co. and Harriman Ripley & Co.

Other major members of the winning group include C. J. Devine & Co., Blair & Co., Inc., Merrill Lynch, Pierce, Fenner & Smith Inc., Bear, Stearns & Co., B. J. Van Ingen & Co., Shields & Co., Wertheim & Co., Weeden & Co., Hayden, Stone & Co. and Barr Brothers. This is a divided account, with members controlling 90% of their own bonds. It is difficult to judge the amount of bonds remaining in members' hands. However, the 10% retained for group sales has been sold out.

Phoenix, Arizona awarded $8,000,000 Water System Revenue (1968-1990) bonds to the group headed by Blyth & Co. at a net interest cost of 3.1036%. The second bid of a 3.134% net interest cost came from the First Boston Corp. syndicate. Other major members of the successful group include Harriman Ripley & Co., John Nuveen & Co., White, Weld & Co., C. J. Devine & Co. and R. H. Moulton & Co. Scaled to yield from 2.30% to 3.25% investor demand to date has been quiet with the present balance in account $6,100,000.

Guilford County (Greensboro) North Carolina sold $5,000,000 school bonds due (1964-1984) to the group headed by the Wachovia Bank & Trust Co. at a net interest cost of 2.7461%. The second bid of a 2.757% net interest cost came from the Halsey, Stuart & Co., Inc. syndicate. Associated with the Wachovia Bank & Trust Co. as major underwriters are John Nuveen & Co., Cruttenden Podesta & Miller, Industrial National Bank of Rhode Island, McDaniel, Lewis & Co. and Republic National Bank of Dallas. Reoffered to yield from 1.70% to 2.90%, initial demand appeared from banks in the local area with all the bonds maturing from 1964 to 1974 spoken for and the overall balance in account $1,800,000.

Highly Competitive Bidding for Minor Issue

Ordinarily we do not comment on smaller loans but an issue of $1,600,000 Palm Beach, Florida serial (1963-1982) bonds which sold late Tuesday is worthy of note. A total of 21 accounts bid for this issue, with the First National Bank of Palm Beach the high bidder at a 2.691% net interest cost. The bonds were not reoffered and were taken for the bank's portfolio account. It is unusual that almost every large dealer commercial bank across the country and most of the large dealers bid for this issue. This is dramatic evidence of the lust for bonds in the present market.

The best bid for $9,000,000 Los Angeles, California Department of Water and Power (1963-1992) bonds was submitted by the group headed jointly by Glore, Forgan & Co. and C. J. Devine & Co. This group bid a net interest cost of 3.04% for a variety of coupons and the runnerup bid of a 3.061% net interest cost came from the account headed by Lehman Brothers. Other major members of the winning group are Stroud & Co., F. I. duPont & Co., First of Michigan Corp., Ira Haupt & Co., Baxter & Co., J. C. Bradford & Co. and Ladenburg, Thalmann & Co. The bonds were offered to yield from 1.60% to 3.25% and, as we go to press, a balance of $7,105,000 remains in account.

This week's final sale of importance involved $10,000,000 State of Hawaii, general obligation (1965-1982) bonds which were awarded to the Wells Fargo Bank American Trust Co. bidding alone and naming a net interest cost of 2.7147%. The bank is offering the bonds to yield from 1.90% to 2.95% for coupons bearing 2½s, 2¾s and 3s. Due to time differentials, no balance is presently available.

Term Bonds Continue Price Enhancement

The long-term revenue issues have moved along with the bond market this week. The toll road issues have in a few instances done better than the market. The *Chronicle's* term revenue bond yield Index averages out at 3.737% as of May 2. A week ago the Index averaged a 3.769% yield. In terms of par, the market rise was about a half point. Those issues doing particularly well during the week past are: Chelan County, Washington PUD 5⅜s up 1¾ points to 115¾ bid; Florida Turnpike 4¾s up ⅜ of a point to 109¼ bid; Illinois Toll 3¾s up ¾ of a point to 97¼ bid; Indiana Toll 3½s up 2⅛ points to 89½ bid; Kansas Turnpike 3⅜s up 2¼ points to 86½ bid; New York State Power 3.20s up ¾s of a point to 96¼ bid; Pennsylvania Turnpike 3.10s up one point to 95 bid; Texas Turnpike 2⅞s up one point to 86½ bid and West Virginia Turnpike 4⅛s up one point to 71½ bid. Gains in other issues ran as much as a point.

At present there are no large or otherwise important toll road or other revenue type issues ready for market. This sector of the market seems likely to be quiet for some time.

Kingdom of Denmark Financing

Nathaniel Samuels, Senior Vice-President of Kuhn, Loeb & Co., Incorporated (seated, right), is shown affixing his signature to documents relating to the public offering of $20,000,000 Kingdom of Denmark 5¼% 15-Year External Loan Bonds due 1977 which was made May 2 by an underwriting group headed by Kuhn, Loeb & Co., Incorporated; Smith, Barney & Co. Incorporated; Harriman Ripley & Co. Incorporated, and Lazard Freres & Co. The bonds are priced at 97¾%, to yield 5.47%. The signing took place May 1 in the offices of Kuhn, Loeb & Co. Incorporated.

Participating in the ceremonies are, seated, left, Steen Secher, Chief of Section, Ministry of Finance, Kingdom of Denmark, and, standing, left to right, Edwin H. Herzog, Partner in Lazard Freres & Co.; W. Scott Cluett, Vice-President of Harriman Ripley & Co., Incorporated, and Robert F. Seebeck, Vice-President of Smith, Barney & Co. Incorporated.

WASHINGTON AND YOU

BEHIND-THE-SCENES INTERPRETATIONS FROM THE NATION'S CAPITAL

WASHINGTON, D. C. — Nearly everybody knows Congress appropriates more and more money every year in order to run our big and growing Federal Government.

Before the Fourth of July the Administration is going to ask Congress to again raise the debt limit by $8 billion. If and when this is done, Congress will have raised our debt limit by $15 billion in one year. Just a year ago the debt limit was $293 billion.

There has been some criticism and some eyebrow raising lately about Congress going on a spending spree for themselves. However, the question is: Is that criticism fair? With perhaps some few exceptions, most members seemingly think that the criticism is unjustified. They have some strong arguments on their side.

The biggest transformation of all time is now underway on Capitol Hill, a mighty landmark of this nation and a bright symbol of the Free World.

The new $37,000,000 Senate office building, now occupied by about half of the 100 Senators, and the new $82,000,000 House office building under construction are just a part of the five-year Capitol Hill building plan being carried out at a cost of about $500,000,000.

Blocks of stores, a hotel and numerous restored houses are going to be razed in this building program.

The home owners in particular are "sore" about the whole thing, according to their letters to the editors and published statements. A substantial amount of demolition work has already been accomplished.

In the face of the vast blue print for spending, a new East front was added to the Capitol before President Kennedy was inaugurated in January, 1961.

Some members of the Senate and House, usually ready to oppose big spending programs like foreign assistance are assertedly convinced that expenditures thus far and those that are proposed will be spent soundly.

Republican Club Closed

The shops and stores and home owners have begun moving out, because the bulldozers will follow before long. Even the Capitol Hill Club, which has been a Republican Club, has shut its doors waiting the bulldozer.

Criticism has been sharp, as might be expected from many people who have long occupied homes in the area, or who have operated restaurants in the area for many years.

Right or wrong, the tearing down of the many buildings is attributed to the late Speaker of the House Sam Rayburn of Texas. The late Speaker had a great love for the Capitol where he served as Speaker longer than any one else. He did not regard the proposed beautification of acres of new building-studded land as extravagance for the future generation.

Meantime, the Joint Congressional Committee on the Library of Congress has reported out authorization for a second annex to the Library of Congress to cost $70,000,000. A second authorization for $32,000,000 to include an underground annex for the Library of Congress, among other things, is pending before the House Public Works Committee.

With Secretary of the Treasury Dillon likely to be going to Capitol Hill for the second time this year to ask that the Federal debt limit be raised, there is a serious question about non-urgent expenditures this year and next.

"More Work Space"

Representatives who opposed each other on the additional third House Office Building appropriation agree that its purpose is to provide more work space rather than create luxury for themselves.

The *U. S. News and World Report* recently reported in a roundup (pictures and text) on the changes going on on Capitol Hill: "With the new buildings, Senators will have a minimum of five-room office suites and 50 of them—every other Senator—will have an office in the Capitol itself. Members of the House will have a minimum of three-room suites, and House officials will also have Capitol offices.

"Committees are to get much enlarged quarters, too. With more space, Congressional staffs are expected to increase."

The Capitol offices of the Senators, usually unmarked and difficult to find, are so-called "hideways" for the Senators who have them. Most of them have refrigerators and a place to rest.

Members seek to answer criticism of the Capitol Hill expansion by pointing out that the population of the United States is now more than 186,000,000 and our country is heading for the 200,000,000 mark during this decade. With the Federal Government growing all the time, more and more demands are being placed on the members of Congress.

Members cite the extension of government into private lives such as the ever-expanding social security program, the Veterans Administration, expanded agricultural programs, community lending programs, housing, and the defense agencies, to name a few.

Some of these things came into existence after the second House Office Building (now called the New House Office Building) in 1932. Members point out that back then the Federal budget was $3,320,000,000. Now Congress has become the board of directors for a $90,000,000,000 corporation, that is growing rapidly.

A Congressional secretary back in the early 1930's could answer a half dozen letters or so each day without assistance. Now a Congressman answers about 50 letters on the average a day. Of course letters generate more mail.

"Rub-Down Quarters"

A Representative usually has a staff of five or six persons working in one small room. This is different on the Senate side where there is much more space available. The Senators have their own athletic and "rub down" quarters. This does not mean all members of the Senate approve of these facilities at the tax-payers expense. However, each is entitled to use them. The Senators also have their private underground garage and private dining room on Capitol Hill.

There is no disputing that the Senators have more "fringe" benefits at the expense of the taxpayers than private industry can afford. The Senate is more liberal with spending taxpayers' funds in just about all areas, than the House of Representatives. The House members come up for reelection every two years as compared with six years with the Senators.

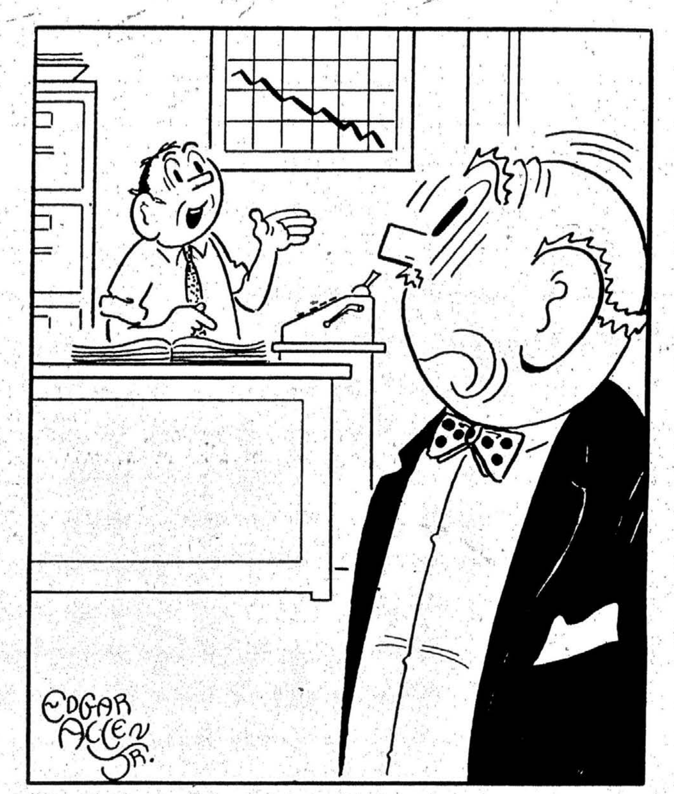
Projects destined to cost many millions of dollars are still on the drawing boards. When completed they will lend beauty to Capitol Hill.

The Library of Congress is to get a third building on the Hill. It will cost an estimated $70,000,000, plus an underground vault that will cost another $24,000,000.

Plans call for the construction of a four-level parking garage under the East front plaza of the Capitol to park some 2,000 automobiles. This proposed project would cost in the neighborhood of $50,000,000.

While $500,000,000 is a substantial sum in these days of large expenditures, one defender of the Capitol Hill building program maintains that it is a "drop in the bucket" in comparison to our foreign assistance programs that have been in effect since the Marshall Plan was launched in 1946.

[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.]



"Well, our books are balanced—we now owe the landlord as much as we owe the telephone company."

COMING EVENTS

IN INVESTMENT FIELD

May 2-4, 1962 (New York City)
New York Stock Exchange Conference on Registered Representative Selection and Training at the Commodore Hotel.

May 4, 1962 (Pittsburgh, Pa.)
Pittsburgh Securities Traders Association Annual Spring Outing at the Oakmont Country Club.

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, W. Va.)
Investment Bankers Association Spring 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 15, 1962 (Boston)
New England Group Investment Bankers Association Meeting.

May 17-18, 1962 (Nashville, Tenn.)
Nashville Association of Securities Dealers annual spring party.

May 17-19, 1962 (Rolling Rock, Pa.)
Western Pennsylvania Group Investment Bankers Association Meeting.

May 18, 1962 (Baltimore, Md.)
Baltimore Security Traders Association 27th annual Spring Outing at the Country Club of Maryland.

May 19-23, 1962 (Detroit, Mich.)
Financial Analysts Federation 15th Annual Convention at the Statler Hilton Hotel.

May 24, 1962 (Omaha, Neb.)
Nebraska Investment Bankers Association Annual Field Day at the Omaha Country Club; preceded on May 23 by a cocktail and dinner party.

May 25, 1962 (New York City)
Security Traders Association of New York Glee Club annual dinner dance at the Plaza.

May 25, 1962 (San Antonio, Tex.)
Municipal Bond Club of San Antonio first annual outing at Oak Hills Country Club.

June 1, 1962 (Detroit, Mich.)
Bond Club of Detroit annual spring outing at Essex Golf and Country Club, Windsor, Ont., Canada.

June 1-2, 1962 (Miami Beach, Fla.)
Spring Conference of the National Association of Investment Clubs at the Seville Hotel.

June 7-10, 1962 (Ponte Vedra, Fla.)
Southern Group Investment Bankers Association Meeting.

June 8, 1962 (New York City)
Municipal Bond Club of New York Annual Outing at the Westchester Country Club.

June 13-14, 1962 (Minneapolis-St. Paul)
Twin City Bond Club annual outing at the White Bear Yacht Club.

June 14-15, 1962 (Kansas City, Mo.)
Kansas City Security Traders Association annual summer party—Cocktail party at Hotel Continental, June 14; golf tournament at Meadowbrook County Club, June 15.

June 14-15, 1962 (Toronto & Montreal)
Canadian Group Investment Bankers Association Meeting (June 14, Toronto; June 15, Montreal).

June 15, 1962 (New York City)
Investment Association of New York annual outing at Sleepy Hollow Country Club.

June 17-20, 1962 (Canada)
Investment Dealers' Association of Canada 46th annual meeting at the Manoir Richelieu, Murray Bay, Quebec.

June 23-26, 1962 (Santa Barbara, Calif.)
California Group of the Investment Bankers Association of America annual Conference at the Santa Barbara Biltmore.