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EDITORIAL | As We See It

Partly doubtless in response to the recent behavior of the stock market, but probably also inspired in part by general dissatisfaction with the record of industry and trade in this period of rapid recovery from lower levels of activity, the President has been led to disclose at considerable length his plans for assuring more rapid and continuous growth in production in this country. A large part of what he has to say is plainly a plea for Congressional action on measures that he has for a good while past been urging upon that body, but he goes further in giving final official approval to a general tax overhaul next year that is designed, among other things, to reduce the burden of taxation upon virtually all of us by a very considerable margin.

He says that the Administration is now of the opinion that our present tax structure lays too heavy a burden upon an economy moving out from "the recession period." How industry can be expected to bear such a burden when recession is upon us (the word depression appears to be excluded from most of the official lexicons) deponent saith not, but the concern now is apparently to prevent recovery from fading out and leaving industry and trade showing a rate of growth which is far below that the Administration has been demanding and in effect promising. The remedy apparently seems simple to the authorities in Washington. The need is to reduce taxes to more bearable levels. How the government is to continue to pay its steadily mounting bills is left for another day.

Of course, such a proposal or series of proposals have the advantage, politically speaking, that any and all tax reduction suggestions regularly carry with them. What we must never forget or permit the rank and file to forget is the fact that, in the final analysis, it is excessive outlays of government, not taxes, that burden us—expenditures that must be met either by taxes or by inflationary procedures which are *(Continued on page 40)*

Strength of Our Nation Depends on Taxpaying Investor-Owned Power

By Philip A. Fleger,* *Retiring President, Edison Electric Institute and Chairman of the Board and President, Duquesne Light Co., Pittsburgh, Pa.*

Utility spokesman, apprehensive about today's climate, discusses principal problems facing the industry and programs underway to maintain our superior electric power strength. Though hardly in favor of government power projects, Mr. Fleger sees the need to cooperate with those now in existence. He adds that the government can easily obtain $50 billion in the next 20 years if private utilities were permitted to build power facilities the government intends to build. Taxpayers' savings on expenditures are put at $35 billion and privately generated taxes at $15 billion—total $50 billion.

This has been an eventful year for the electric utility industry—a year marked by a major change in the climate in which we operate; a year of dynamic and progressive action by our industry in a number of vital areas; and, most important of all, a year which has given the American people renewed evidence of the ability of the investor-owned electric companies to maintain our nation's world leadership in electricity.

Philip A. Fleger

Although it is customary to review at this time the accomplishments of our industry during the preceding 12 months, it seems to me that in today's climate it is more important that we discuss the principal problems we face and the programs we have under way to meet them. Therefore, I propose to merely enumerate some of the major developments of the year, simply to provide a frame of reference before turning to the main topics that demand our attention—now and in the future. Through the past 12 months the electric leadership of the United States has continued to advance. We are maintaining—and even increasing—our lead over the Soviet Union in electric power. We have about three times Russia's power-producing capability, and there is no sign that they will be catching up to us in the foreseeable future.

In 1961, electric energy production by the utility industry in the United States grew at about two-and-a-half times the rate of growth of the whole economy as measured by the Gross National Product.

Construction expenditures by investor-owned electric companies during 1961 were greater than those of any other industry — equivalent to about 10% of the new construction of all American business during the year. Our industry is as strong and healthy as it has ever been.

Last September, as a result of a two-and-a-half-year study carried on through the Edison Electric Institute, we were able to announce that through 1970 our companies will be spending about $8 billion to expand transmission facilities, and that by 1970 all the major power systems in the country will be able to operate on an interconnected basis.

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During the past 12 months we have taken a number of important forward steps in research. Within EEI, a special *(Continued on page 30)*

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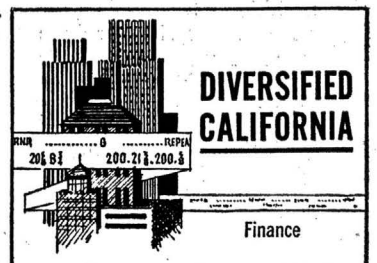

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Chairman of the Executive Committee, R. S. Dickson & Company, Charlotte, N. C.

Sonoco Products Company

Incorporated in 1899, Sonoco Products Co., Hartsville, South Carolina, has operated profitably in all but one of its 63 years, having a slight loss of $1,873 in 1924. This record was capped by an all-time high in sales of $41,266,460 in 1961 with net earnings after taxes of $2,316,620. In 63 years, Sonoco's sales have doubled an average of every six years.

H. L. McAllister

The company's emphasis has been on the manufacture of paper carriers, mainly cones and tubes for the textile and allied industries. This know-how in its unique field has earned for Sonoco an extremely favorable competitive position.

The company's strong competitive position is strengthened by the fact that it develops and produces much of the highly specialized machinery it uses, and maintains extensive research facilities designed both to develop new products and to process and improve older ones. The cone and tube operations, which account for nearly 65% of sales, have resulted in diversification by Sonoco in the paper products industry.

Several years ago Sonoco began to produce in large volume a variety of fibre products (Duropipe, Sonotube, Sonoairduct, and Sonovoid) for the construction industry, which builders have accepted with steadily increasing enthusiasm. These products have proved particularly useful in connection with sewer and drain lines, concrete construction, heating and cooling; and now account for more than 5% of sales. In addition, Sonoco has expanded substantially its paper board production facilities over the years. The newest paper machine, located in California, will go in production about July 15, 1962.

Sonoco has long supplemented its domestic markets with foreign operations, and its investments in these subsidiaries and associated firms are carried on Sonoco's books at cost. At the end of 1961 Sonco has 13 branch plants in the United States, two foreign subsidiaries and two foreign affiliates. Sonoco's subsidiaries have four plants in Canada and one in Mexico. The affiliates have plants in England, Australia and New Zealand. Sonoco's newest branch plant, located in Tacoma, Washington, will begin operation in July.

At the present time the products made by this company are cones, tubes, paper board, drums, containers, cores, spools, bobbins, folding boxes, cans, specialty paper products, plastics and chemicals. These products are broken down into several types and are widely marketed. Since 1957 the property, plant and equipment account has increased from $26,588,168 to $37,298,996. Total assets have increased from $31,689,392 to $36,979,791.

An investment in 1950 of $1,462.50 in the common stock of Sonoco Products is now worth $5,882.00 through stock dividends and market enhancement, which is about 4 to 1. The company paid a 100% stock dividend in 1952 and a 10% stock dividend in each of the years 1950, 1955 and 1959.

I like Sonoco Products Common Stock because it is a more or less specialized business operating throughout the world and has had a steady and satisfactory growth over a long period of years. The company is well established, has excellent management, and the common stock is regarded as a high-grade investment with good future growth potential. The stock is traded in the Over-the-Counter Market and is quoted regularly in the NASD quotations.

LESTER S. SPITZER
Partner, Draper, Sears & Co., Boston, Mass.

The Cuban-American Sugar Company

Listed on the New York Stock Exchange, this company's corporate name today seems highly misleading! In view of the fact that a very substantial amount of properties once held in Cuba are no longer contributing to the earnings of the company, while a more important facet of the company's operations, namely the Colonial Sugars Co. at Gramercy, La., is very much in being as a contributing factor to the Cuban-American Sugar Co., a change in the corporate title to the Colonial-Crystal Sugar Company might be far more appropriate and informative. However, it is not within the province of security analysts or stock brokers to tell management, or influence management, in what they deem best as a name for the company that they are operating.

Lester S. Spitzer

The Cuban-American Sugar Company owns approximately 23% of all of the common stock outstanding of the American Crystal Sugar Company, and in early January, 1962, this block of stock was worth $5,021,250, equivalent to about $6.60 per each Cuban-American common share.

In addition, other assets of Cuban-American Sugar as reported in its balance sheet dated Sept. 30, 1961, were a cash and United States Government Bond position of $3,507,800, this amount equaling approximately $4.60 per common share of Cuban-American.

The corporation also holds in the United States substantial other assets. These may be broken down essentially into three components. The Colonial Sugar Company at Gramercy, La., is a large and modern sugar refinery. It is well-located and owns approximately 3900 acres of land along or near the Mississippi River. Inquiries to various sources indicated that this land has, for valuation purposes, quotes running anywhere from as low as $1,000 per acre to $5,000 per acre, depending upon the location; that is, river front property at the higher price level, other acreage at lower prices. If we were to assume that 3900 acres were to have a fair market valuation of $1,000 per acre, or $3,900,000 in terms of potential equity per share of Cuban-American Sugar, this could run between $5.50 to $6.00. Although total plant is carried on the balance sheet at a depreciated figure of $6,411,446, New Orleans sources estimate the value of the Colonial Sugars refinery alone at $8 million. This property would appear to be carried in the land account for $257 thousand or 34 cents per share. Actual book value of the Cuban-American stock may therefore be somewhere in the range of $28-$30 per share, with $10 of that in cash or readily marketable securities. Current market price of about 13 represents a discount of more than 50% to the probable book value of the stock or, in other terms, a buyer would be paying $5.50 for assets with a value of $18-20 per share.

Values of industrial acreage in our own local area outside of Boston, Mass., are strikingly brought forth by the astronomical rise that has taken place in what were formerly farm land areas in and around Route 128, now densely populated by electronics and other industrial plants, and similar experiences may be noted in other areas throughout the United States. The Cuban-American Sugar Company's management evidently felt rather optimistic about their own company's stock in 1959, for in that year, they purchased 60,100 shares of their own stock, and it is interesting to note that in 1959, Cuban-American Sugar sold at a high of 37½ and a low of 15⅛.

Prior to Castro's expropriation of approximately 430,000 acres of land and miscellaneous other valuable assets consisting of three sugar mills, an electric power plant and warehouses, the approximate book value of Cuban-American Sugar at the end of 1959 was $59.94 and as of Sept. 30, 1961, this $59 book value had been reduced to $24.19, the decline representing the removal of the Cuban assets. Now with Cuban-American Sugar selling at almost a 50 per cent discount from its reduced book value of $24.19, or approximately $13 per share, and having in its possession in cash, United States Government Bonds and American Crystal Sugar stock, approximately $11 per share of quick assets, the excess over this $11 of approximately $5 or $6 per share, it would seem, represents a very small appraisal of the total other worth of the corporation's assets. Among these other assets are the Florida Sugar Corporation, which has been acquired by Cuban-American Sugar Company for approximately $450,000 in cash, plus 10,000 shares of Cuban-American stock. This company is presently targeting for a production of approximately twenty-five thousand tons of cane sugar in Florida next year. In addition, Industrial Sugars, Inc., about 90% owned, is a producer of liquid sugars at its refinery in St. Louis, Mo., and sells most of its output to chemical companies. Colonial Sugars Company, near New Orleans, has a daily refining capacity of 1¾ million pounds.

Facts relatively unknown to the general public are that a joint venture partnership by the S. C. Johnson Company, Inc. and

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This Week's Forum Participants and Their Selections

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Stock Market Prices Were Based on Untrue Premises

By Hon. Douglas Dillon,* *Secretary of the Treasury*

Secretary Dillon offers more than Monday-morning-quarterbacking (1) in explaining the stock market's recent precipitous decline resulted from disillusioned fears that current deficit financing means "imminent" price inflation; (2) in categorically denying that the Administration's policies are not anti-business; and (3) in announcing "top-to-bottom reductions" in income taxes will be proposed to Congress next January and will not comprise "a hasty, ill-considered reaction to the gyrations of the stock market." Put forth in general terms are the Administration's national economic objectives and methods to achieve "full employment and rapid growth—without impairing the price stability that we have already achieved." Mr. Dillon strikes hard at mirages and their mythical bases, at the confusion of facts with fiction, and at exaggerated fears. He denies the stock market's panic was due to a drop in foreign confidence as to our ability to end the balance of payments deficit; surmises we may still achieve a $570 billion GNP; and avers the Government fully recognizes profits' essentiality to our free enterprise system.

Two weeks ago, President Kennedy told a White House Economic Conference that we must distinguish between myth and reality in considering today's complex economic problems. Since an important element of the job of financial writers is to increase public understanding of economic complexities, I am most happy to have this opportunity to discuss some of them. A week ago today (May 28) we witnessed a phenomenon that should give us all pause. For, during the course of that day, all vestiges of reason were temporarily pushed aside, and panic took control of the great New York Stock Exchange—touching off similar repercussions in security markets throughout the world.

Douglas Dillon

In considering why that happened, I think it would be helpful to review briefly the state of our economy and its relationship to stock market prices.

The current recovery started just 15 months ago. After a mid-winter hesitation, the economy picked up steam in March and has been moving ahead rapidly ever since to record levels of production and income. The latest confirmation shows up in the May employment figures: non-agricultural employment rose beyond the usual seasonal expectations by an impressive 500,000 jobs. This means that businessmen across our country hired half a million more new employees in a single month than would normally be expected — a clear sign of continued economic expansion. Seasonally adjusted unemployment also declined—as did the overall rate of unemployment—but the major significance of the May figures lies in the sharp upward surge of new jobs.

Quotes Ford on Economy's Health

While the hesitation of the economy in the early months of this year has made the achievement of our 1963 Gross National Product goal of $570 billion much more difficult, the rapid advance of recent months means that the possibility of success still remains. We will, in any event, come close to our goal, for the basic ingredients of continued progress are all at hand. As one of our nation's leading industrialists, Mr. Henry Ford, so aptly pointed out just recently, disposable income today is $20 billion higher than a year ago, instalment debt is relatively low, credit is plentiful, and employment is rising. Because of the underlying health of our economy —and despite the decline in common stock prices over recent months — we can look forward confidently to continued economic progress. This advance will further lower our still-intolerable level of unemployment. It should also bring with it a rise in corporate profits.

Profits are essential to our free enterprise system. This fact is as fully recognized by those in government as by those in business, since government depends on profits for a large portion of its revenues. Even more important, government is well aware that the economic growth we all seek depends upon the ability of capital, as well as labor, to earn a fair return.

The disappointing performance of the economy in the first quarter inevitably had its impact upon profits, which, on a seasonally adjusted basis, were apparently little changed from the fourth quarter of 1961. But with the economy picking up steam—as it has during this second quarter — corporate profits can be expected to increase with it. Despite the fact that over the postwar period the share of profits in the sales dollar has declined, there is general agreement among business forecasters that total pre-tax corporate profits for 1962 are breaking sharply out of the narrow range in which they have moved for the past three years and will reach a new record high, well above $50 billion. These larger profits clearly justify stock prices higher than would have been warranted by the level of

Continued on page 38

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OBSERVATIONS...

BY A. WILFRED MAY

THAT POLITICAL MARKET "EXPLANATION"

Several readers have suggested inconsistency between our skepticism recently expressed in this space (on May 24 and June 6) over the Administration's explanation of the Market Bust as being caused by investors' abandonment of inflation expectations; and on the other hand, our previous mid-Bull Market debunking of the exploitation of "inflation" as a market support. (One correspondent specifically reminds us of our erstwhile anti-inflation expressions: "when a stock sells at 20 times earnings, the justification is 'growth,' at 30 times it's 'inflation'"; along with calling attention to the fact that "inflation is not a one-way street.")

Actually, while we have repeatedly denied that inflation consistently acts as a major market influence, we hold that the market's current break demonstrably is not, as the Administration claims, ascribable to investor disillusionment over the inflation prospects.

While it is true that the specter of inflation was used to the full, as in the hard-selling of mutual fund shares, to rationalize participation in the booming market's over-valuations, it is equally illogical now to ascribe the market's Break to sudden public reversal of its inflationary expectations."

Spuriousness of the Argument

We believe that the "contrainflation" explanation, as advanced by the Administration, via Messrs. Kennedy, Dillon and Heller, is completely spurious, on two grounds.

(1) The Administration's policies and deeds could not have led the investing public to forsake its long-term distrust of the dollar and its closely reasoned indictment of bonds and other fixed-interest media.

Surely the investor has not interpreted as an inflation-to-deflation trend this Administration's rapidly proliferating spending projects; its amending of the Eisenhower-inherited budget from a $1 billion surplus to a seven billion dollar deficit — the latter following six years of evenly divided budgets and deficits; the President's veering from his erstwhile jibing at Mr. Eisenhower, during the 1960 campaign, for his deficiteering record, over to his condemnation of budget balancing as outworn mythology, as stated Monday in his Yale commencement address; the President's citation of European proneness toward deficiteering, attention to the separate capital budget technique reiterated by Budget Director Bell this week; Mr. Bell's seeming hankering to doctor the score-keeping rules under the guise of technical accounting changes; or Secretary Dillon's pledge, given during this non-depressed state of the economy, for a "top-to-bottom" tax cut.

Nor surely are international monetary developments, including even some devaluation rumblings, making for increased investor confidence in the maintenance of the dollar's value.

(2) Even acceptance of the Administration's "contra-inflation" claims, including the thesis that budget deficiteering does not spell "inflation," would not necessarily imply agreement as to its cause of the stock market debacle. Most recently in the 1958-1961 interval, repeating many periods of divergence between market action and inflation or deflation, a stationary price level was accompanied by a 70% *rise* in the common stock averages.

Inconsistent Intra-Market Behavior

Also confirming the invalidity of explaining the market fall by the government's alleged non-inflation fiscal policies, has been the full participation in the bear market of industries that would *benefit* from deflation, as the utilities and fire and casualty companies — and, conversely, the unique market strength of the gold shares, largely attributed to dollar devaluation expectations.

Thus we must recognize the Administration's "non-inflation" explanation of the market wallop as just another strategic rationalization.

BEFUDDLEMENT UNCONFINED

Unfortunately, individual "authoritative" observations on the economic implications of the market's "slide" (that most happy euphemism) continue to befuddle. In President Kennedy's news conference last week (June 7), he again contradicted his initial post-Break market-business interpretation, in which he demonstrated their divergence. "There is no need for this country to stand helplessly by and watch a recovery run out of gas," was his more recent pronouncement. "We have a program to boost it and I hope that all those who are concerned about their stocks [sic] or their profits or their jobs will help us get action on this program."

And surely there is more than a subconscious Freudian background to the market-economic link as the motivation for the reiteration, Tuesday, of his tax-cut program to be "passed this year at all costs."

* * *

OPPORTUNE TIME FOR INVESTOR TAX MANEUVERING

Now, after the 20% drop in the market averages, rather than the habitual illogical seasonal concentration of tax-motivated portfolio maneuvering into November-December, is a good time for the investor to scrutinize tax-saving possibilities.

Remember, if you were unfortunate enough to get caught in quotation shrinkages within a six-month period, you have the consolation of their being usable as "short-term" losses to offset ordinary income, during this and succeeding years.

Another category to scrutinize now, at these reduced quotations, is the issue on which you have long-term appreciation, but which you consider still overvalued, either *per se* or as compared with some other securities. Your immediate capital gains tax on selling will obviously be less than at the issue's higher market level.

On sales to register a tax loss, while the advantages are still larded with unrealistic delusions,* in any event the investor's judgment is exempted from the illogical year-end pressures.

* * *

FUNDHOLDERS RUNNING —True to Form

Fund Holders seem to be returning to illogical behavior—as evidenced in the course of redemptions of open-end company shares, and the market action of the closed-end companies.

Shareholders, after their restrained behavior during the "black" days of last month, have since been cashing-in their shares at a somewhat greater rate than a year ago, when they were selling approximately 20% higher.

Similarly, and more significantly, the closed-end companies (including Adams Express, General American Investors, Eurofund, General Public Service, Tri-Continental) are now quoted at rates of decline from their respective 1962 tops exceeding the concurrent fall of the general market averages. Thus the discounts from asset value, as usual, have illogically widened instead of narrowing in the face of greater market values.

Tri-Continental's greater-than-market price decline has been followed by a rise in its ordinary income dividends.

* * *

PUZZLER FOR STOCK OPTIONEES

Do the present holders of stock options agree that their managerial efforts have suddenly become less zestful and/or effective? That is the verdict now rendered by the yardstick used, to wit, the current market performance of their optioned stock, along with practically all others!

While this quite unprecedented market decline upsets, or at least postpones, the one-way operation of this so-called incentive reward; the heads-I-win-tails-you-lose routine can now be restored through use of the *Reset* privilege; that is, changing the terms in midstream by reducing the option price to accord with the stock market's action. In addition to the gross unfairness of such "welshing", it must be realized that this routine confirms the entire option process as constituting *ordinary compensation*, undeniably calling for corresponding taxation.

Disclosure Consistency Called For

While the Treasury Department's prospective reform of the option's present tax-advantaging statute may well become long delayed, or turned down by the Congress, surely the SEC could promptly go ahead with at least equalizing its *own disclosure* rules.

The Commission's rules for *disclosure* by Registered Public Utility Holding Companies via their annual reports (set forth in Form U-5S, as amended Sept. 8th, 1961), are more stringent than those generally called for in its Proxy rules under the Securities Exchange Act (item 7), in part, as follows:

The Public Utility Holding Companies must provide the prescribed information concerning each officer or director, who at any time during the calendar year held an Option to purchase shares of stock; and must also disclose his annual cash compensation at the date of each grant of Option.

Under the SEC rule for other companies, "if no Options were granted to or exercised by any director or the three highest paid officers of the issuer whose direct aggregate remuneration exceeded $30,000 since the beginning of the issuer's last fiscal year, such information may be omitted." It appears (as confirmed by current practice) that such exemption is extended to disclosure of outstanding grants which were not exercised during the instant fiscal year.

Under Form U-5S for Registered Holding Companies, as amended, the SEC further calls for disclosure of, among other items, the date of each grant of option held by such optionee; the number of shares of stock optioned to such optionee at date of each grant; the per share market value of stock at date of each grant of option held by such optionee; the per share exercise price of each share optioned to such optionee; the number of shares acquired by such optionee upon each exercise of stock optioned; and the per share market value of stock at the date of each exercise of option.

Among the items omitted, in practice as well as by rule, in the Proxy statement by the ordinary companies, even by those individuals reporting per the current fiscal year, are:

(1) The dates of the **grants** of the shares listed as exercised.

(2) Unexercised grants still held by the reporting individuals.

And meanwhile, the Commission, in its regulatory activities under the Public Utility Holding Companies Act, should deny use of the above-cited Reset privilege.

*Cf. "Twisting the Calendar," *Observations*, Dec. 14, 1961.

Another False Prediction

When there was a delay of a few days before Lieutenant Commander Scott Carpenter's flight, the propaganda in the Soviet Union was that it would be six months before the United States could put another astronaut in orbit. Less than a week later this prediction was proved false by Carpenter's successful orbiting three times around the earth. Once again there is proof that the United States is far more advanced in space capability than the leaders in Russia are willing to admit.

Mrs. Florence Carpenter, the mother of the astronaut, believes that another Communist prediction is certain to prove false. In commenting on the magnificent courage shown by her son, she wisely remarked that a Nation with such men can never be "buried."

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Will West Germany's Free Enterprise System Survive?

By Wilhelm Roepke

One of the world's distinguished economists assesses West Germany's economic prospects and, by way of comparison, the economies of other countries including our own. Discussion stresses both the requisite and the prerequisite economic factors for a non-inflationary, non-collectivist, viable economy. Professor Roepke, a member of the faculty of the Graduate Institute of International Studies, Geneva, Switzerland, is widely known for his exposition of neo-liberalism which his friend Ludwig Erhard applied to Germany and which, also, has profoundly influenced Western Europe's recovery. Patrick M. Boarman, Associate Professor of Economics at Bucknell University (Lewisburg, Pa.) translated Professor Roepke's article.

It is to be feared that a great many Germans have become excessively blasé about the extraordinary economic progress which they have enjoyed since 1948. They have become inured to good fortune, and the circumstances and personalities which set the stage for the unexampled recovery have been all but forgotten. To a certain extent this is quite natural. Germans, like other peoples, are inclined with the lapse of time to take things for granted. But it is to be hoped, nonetheless, that some feeling for the extraordinary nature of what happened in Germany in the economic and social spheres still remains. For what happened in Germany was not on "the program" of the age. Indeed, it flew directly in the face of the fondest beliefs and most popular shibboleths of the postwar period. German history could have taken quite another course than it did.

Wilhelm Roepke

Describing what happened in Germany as an "economic miracle" is to resort to a journalist's cliché which by now has become rather wearisome. And yet something happened here which in truth stands out from the ordinary and the usual. It may not have been a "miracle" but it was in the highest degree astonishing. What was astonishing was not the proof provided by the German experience that a country's adoption of the free market economy and its adherence to monetary discipline will provide it with valuable economic stimuli and advance the people's welfare in a context of order and stability. That is always and everywhere to be expected; the proofs of it have been supplied over and over again. And those who recommended that Germany follow these particular policies did so because they knew that they would lead to greater welfare for all the people in a context of order and stability.

Germany's Recovery

It is rather in a political-psychological sense that the truly "miraculous" aspect of the German case is manifested. The miracle is that the pursuit of market economy and monetary discipline was possible in a country shattered and pulverized by the greatest calamity in its history and in an age completely caught up in an inflationary-collectivist "wave of the future" and hence thoroughly disposed to pursue "leftist" economic goals.

If Germans more recently have tended to take things for granted and to forget the thoroughly extraordinary emergence of their economic system, non - Germans have become more aware of it and are more keenly concerned with it than ever before. It may be said that only now is the electrifying and magnetic force of the idea of the social market economy exerting its full influence in the rest of the world. It is no exaggeration to say that whereas in Germany itself the market economy frequently meets with indifferent acceptance or even aimless cavilling, in the rest of the world the prestige of the German program of economic freedom and monetary discipline is still rising. This prestige is so great that it has robbed western Socialism of its own program and simultaneously forced it into the strangest of byways: for the masses, in whom Socialism presumably finds its chief support, no longer want to give up the productive and stabilizing power of the market economy. With the German example before them, as well as that of the other countries that have imitated Germany, the Socialists, in Germany, Switzerland and other European countries, paradoxically no longer espouse "socialization" and planned economy. Even hard-bitten interventionists, confronted, e.g., with the consequences of rent control and of its removal, are now paying attention to the economic anomalies to which a mixture like this of market economy and collectivism gives rise.

Germany has no reason whatsoever to hide behind a false modesty in its unexampled accomplishment in the realm of economic policy. For this policy represents in one sense merely the expiation for Germany's adherence in years past to a wrong economic policy. Whereas in the era of National Socialism Germany had given the world the repellent example of an economic policy which was destructive of freedom and progress both internally and internationally, its social market economy has supplied the opposite and inspiring example of a constructive and beneficent policy which has strengthened not only the internal economy but fostered the growth of the international economic community as well.

Unfortunately, the world as a whole has been reluctant to accept this act of reparation and this in itself is a manifestation in part of a characteristic syndrome of our time. Thus, a number of Western nations were quick to follow in the immediate postwar period the bad example which Nazi Germany had provided of an inflationary-collectivist policy. More particularly, the nations that occupied Germany and that controlled her destinies after the war sought to reimpose this system on their shattered enemy. Their much greater hesitancy in following Germany's new good example can be laid no doubt at the door of mistrust, misunderstanding, and animosity. It so happened, in any event, that the conquered, broken, and dismembered nation, which now provided a good example, paradoxically took the lead on the road to modern mass prosperity and monetary reconvalescence. To non-Germans this was a double source of embitterment: first, because it was the conquered country which in this case received the palm of economic victory ahead of most of its conquerors; and secondly, because this conquered country achieved its "tactless" success with an economic and monetary policy which was anathema to the then reigning economic ideology.

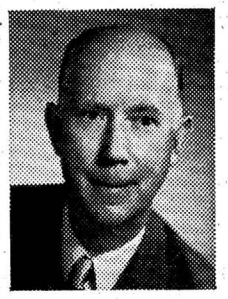
Ultimately, the weight of the evidence and the sheer logic of the situation won the day. The events of the German case spoke too clear and compelling a language to be misunderstood, with the result that one country after another followed the German lead, more or less faithfully, more or less successfully, but unquestionably in the direction of more market economy and greater monetary discipline.

France's Recovery

A particularly impressive example of this general development is the case of France since 1958. By ending the deficits of the central government, resisting inflationary wage demands, and undertaking certain drastic economic reforms aimed at restoring a measure of competitiveness to the economy, the French succeeded in converting their chronic balance of payments deficit into a sizable surplus while simultaneously increasing the general level of output and income. But even in a country like Spain there is growing awareness of the fact that only an economic system constructed on the twin pillars of the market mechanism and a non-inflationary fiscal policy will achieve lasting success. The governments of Argentina, Peru, Colombia, Chile and many other countries are today paying increasing attention to the "neo-liberalism" which Germany has made internationally popular and are concerned to replace the mixture of inflationism and collectivism, which has all but ruined these countries, with market economy and monetary discipline. In Argentina, it would appear that the majority of the population is immensely relieved at the news that Alsogarays, the Argentine Erhard, has accepted the invitation to become

Continued on page 42

G. RUSSELL CLARK
Chairman of the Board



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Tax-Exempt Bond Market

By DONALD D. MACKEY

Since last reporting our institutions and investors generally have been dealing more cautiously in tax-exempt bonds with a resultant fairly active but slightly lower market level. A week ago *The Commercial and Financial Chronicle's* yield Index averaged out at 3.077%. Currently, the Index averages at a 3.096% yield. This small increase in yield represents a selloff of about a quarter of a point. This computation is averaged from a preselected list of 20-year high grade general obligation bond offerings.

Yields Higher From 10 to 30 Basis Points

The recent abrupt selloff, touched off during the stock market break in late May, has now involved all of the high priced state and municipal bond issues accumulated prior to the break. These syndicates have now been terminated and the remaining bonds have been variously reduced in price. The pressure of these offerings has increased yields from 10 to 30 basis points depending upon maturity and quality.

Demand for this reduced price inventory has been good as there is ample evidence that the float of bonds among dealers has been drastically trimmed during the past few weeks concurrently with a moderately heavy new issue calendar. The calendar, too, has been well disposed of with new issues moving out of account at a rate relatively better than has been seen in months.

Under Influence of the Stock Market

Superficially, at least, the stock market continues to be the bellwether on the daily course of the municipal bond market. As the stock market was temporarily straightened out late last week, the municipal bond market slowly and furtively regained composure. New issues met with good reception and the dollar markets showed some modest improvement. More normally, as we are all quite aware, there is little homogeneity as between the stock market and the market for tax-exempts. In the present maelstrom of politico - economic circumstances, however, marketability *per se* becomes variously limited to the extent that but few are able or willing to discriminate investmentwise or in any way exercise discernment.

This week, on Tuesday and as the market performed yesterday, stocks have shown vulnerability and the averages are off substantially. Because of the involvement, state and municipal bond markets have reflected investor caution and dollar bond quotations have been affected to a slight degree. The new issue bidding ideas have also been variously lowered as dealers involved in both stock and bond markets have cautiously reacted to the various financial pressures.

However, from a technical viewpoint the posture of the tax-exempt bond market has been improved somewhat during the past week. Yields are better in a general way. Twenty-year high grade general obligation bonds with normal coupons can now be bought to yield as much as 3.25%. A few weeks back this category was pushing through 3.00%.

Moreover, most dealers have drastically reduced their inventories and are currently in a close to normal condition of liquidity. As the *Blue List* of current municipal offerings portrays it, yesterday's offerings total is but little more than a normal amount ($522,691,000).

Light Calendar

Another favorable tax-exempt bond market factor involves the new issue calendar. After today's sale of $100,000,000 State of California (1964-1988) general obligation bonds the calendar of sealed bid offerings totals less than $350,000,000 as thus far scheduled through June and July. With credit abundantly available and with the banks showing interest in tax-exempts at the cut price levels that currently prevail, the state and municipal bond market seems not in bad shape.

However, the periodic pressures exerted on our financial markets through the nation's incalculable political and economic involvements may at any time overpower the technical niceties of any particular market. It seems to us that the tax-exempt bond market may be subject to not infrequent setbacks in the months ahead, from a level not far from the current one.

Recent Awards

This week had no one large issue of importance but involved numerous flotations of a general market nature which attracted competitive bidding. The total of issues sold during the past week amounted to a meager $130,000,000. Taken as a group the total was generally well received by investors. Last Thursday (June 7) $4,000,000 Marion County (Indianapolis), Ind. various purpose (1963-1982) bonds were awarded to the syndicate headed by the First National Bank of Chicago at a 2.844% net interest cost. The runner - up bid designating a 2.895% net interest cost was made by the Chemical Bank New York Trust Co. group.

Other major members of the winning syndicate include The Philadelphia National Bank, The Marine Trust Co. of Western New York, Buffalo, A. G. Becker & Co., W. H. Morton & Co., Shearson, Hammill & Co. and Fletcher National Bank & Trust Co. of Indianapolis. Only seven maturities of this high grade offering were publicly offered, the rest being taken for bank portfolio by members of the syndicate. Press time balance is $465,000.

Thursday's other sale of note consisted of $3,200,000 Albuquerque, New Mexico municipal school district (1963-1967) bonds which were bought by the First National Bank of Chicago on its bid of 100.06 for a 2¼% coupon, resulting in a net interest cost of 2.265%. All of the bonds were taken for the bank's account and were not reoffered.

Friday and Monday were devoid of any important new issues but Tuesday was a hectic day with five issues selling at public sale. Very close bidding appeared for $10,796,000 Monroe County (Rochester), New York public improvement (1963 - 1991) bonds, with the group managed jointly by the First National Bank of Chicago and The First Boston Corp. the successful bidder at 100.43 for a 2.90% coupon. The winning bid compared favorably with the second bid of 100.33 also for a 2.90% coupon which was made by the Morgan Guaranty Trust Co. account.

Other major members of the winning group include Drexel & Co., The Philadelphia National Bank, Stroud & Co., National State Bank of Newark, New Jersey, Trust Co. of Georgia, and E. F. Hutton & Co. The securities were offered at prices to yield from 1.50% to 3.40% and initial sales amounted to $7,000,000. As we go to press a balance of $2,300,000 remains in account.

Victoria, Texas sold $5,000,000 general obligation bonds (1963-1984) to the syndicate headed by The Chase Manhattan Bank at a net interest cost of 3.188%. The second bid, a 3.202% net interest cost, was made by the Harris Trust and Savings Bank and Associates. Other members of the winning syndicate are Rauscher, Pierce & Co., First Southwest Co., Mercantile National Bank of Dallas, Bache & Co., and Francis I.

Continued on page 62

MARKET ON REPRESENTATIVE SERIAL ISSUES

	Rate	Maturity	Bid	Asked
California (State)	3½%	1982	3.40%	3.30%
*Connecticut (State)	3¾%	1981–1982	3.25%	3.10%
New Jersey Highway Auth., Gtd.	3%	1981–1982	3.15%	3.05%
New York State	3¼%	1981–1982	3.15%	3.00%
*Pennsylvania (State)	3⅜%	1974–1975	2.85%	2.70%
Delaware (State)	2.90%	1981–1982	3.15%	3.00%
New Housing Auth., (N.Y., N.Y.)	3½%	1981–1982	3.15%	3.05%
Los Angeles, Calif.	3¾%	1981–1982	3.40%	3.30%
Baltimore, Md.	3¼%	1981	3.15%	3.00%
Cincinnati, Ohio (U. T.)	3½%	1981	3.15%	3.00%
Philadelphia, Pa.	3½%	1981	3.35%	3.25%
*Chicago, Ill.	3¼%	1981	3.30%	3.20%
New York, N. Y.	3%	1980	3.40%	3.30%

June 13, 1962 Index=3.096%

*No apparent availability.

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Larger Issues Scheduled For Sale

In the following tabulations we list the bond issues of $1,000,000 or more for which specific sale dates have been set.

June 14 (Thursday)			
Buffalo, N. Y.	9,663,000	1963-1976	11:00 a.m.
California (State of)	100,000,000	1964-1988	10:00 a.m.
New Haven, Conn.	9,480,000	1964-1982	11:00 a.m.
Northfield-Macedonia Local School District, Ohio	1,200,000	1963-1982	1:00 p.m.
Shore Regional High S. D., N. J.	2,218,000	1963-1985	8:00 p.m.
June 15 (Friday)			
Louisiana State Bd. of Education (Baton Rouge)	1,600,000	1964-2001	11:00 a.m.
Univ. of Kansas, Lawrence, Kansas	1,950,000	1965-2002	10:00 a.m.
June 18 (Monday)			
Grand Forks, N. D.	1,625,000	1963-1981	7:30 p.m.
Larimer, Weld & Boulder Counties Thompson School District, Colo.	1,756,000	1963-1982	8:00 p.m.
Maryville, Mo.	1,204,000	1963-1982	7:30 p.m.
Oak Park, Ill.	1,050,000	1964-1990	8:15 p.m.
Rock Island, Ill.	1,250,000	1964-1980	5:00 p.m.
June 19 (Tuesday)			
Agricultural & Mechanical College of Texas	1,425,000	1965-2002	10:00 a.m.
Albany, N. Y.	2,643,000	1963-1972	12:30 p.m.
Ball State Teachers College	1,465,000	1963-1982	10:00 a.m.
Dade Cty. Metropolitan Comm., Florida	3,200,000	1962-1991	11:00 a.m.
Honolulu, Hawaii (City & County)	9,000,000	1965-1982	2:00 p.m.
Hornell City Sch. Dist., N. Y.	4,350,000	1963-1991	2:00 p.m.
Orangeburg, S. C.	2,500,000	1964-1983	Noon
St. Charles, Mo.	1,100,000	-------	-------
Tuscaloosa County, Ala.	2,500,000	1965-1992	11:00 a.m.
June 20 (Wednesday)			
Alaska (State of)	6,929,000	1963-1982	9:30 a.m.
Alexandria, Va.	3,945,000	1963-1982	Noon
Greece Central S. D. No. 1, N. Y.	2,960,000	1963-1990	2:00 p.m.
Huntington Central SD #6, N. Y.	1,250,000	1963-1992	2:00 p.m.
June 21 (Thursday)			
Harwich, Mass.	1,400,000	1963-1982	11:00 a.m.
Indianapolis Sanitary District, Ind.	8,100,000	1964-1993	10:00 a.m.
Islip, Union Free S. D. No. 9, N. Y.	2,705,000	1963-1992	2:00 p.m.
Litchfield Indep. SD #465, Minn.	1,390,000	-------	-------
Macon, Ga.	7,500,000	1965-1992	11:00 a.m.
Nazareth Area Sch. Authority, Pa.	1,300,000	-------	-------
June 25 (Monday)			
Arlington Heights, Ill.	3,500,000	1963-1997	8:00 p.m.
June 26 (Tuesday)			
Brookhaven U. F. S. D. No. 2, N. Y.	1,300,900	1963-1992	3:30 p.m.
Haverhill, Mass.	3,634,000	1963-1982	11:00 a.m.
Houston Indep. Sch. Dist., Texas	12,500,000	1963-1992	11:00 a.m.
Minnesota State Bd. of Investment	4,400,000	-------	-------
Pennsylvania State PS Bldg. Auth.	14,150,000	1962-2001	Noon
Wauwatosa, Wis.	2,840,000	1963-2002	2:00 p.m.
Wis. State Agencies Bldg. Corp.	13,185,000	1965-1992	10:00 a.m.
June 27 (Wednesday)			
Baltimore County, Md.	18,800,000	1964-2001	11:00 a.m.
Coeymans, New Scotland, Bethlehem etc., Central S. D., N. Y.	1,475,000	1963-1982	11:00 a.m.
Dallas Ind. S. D., Tex.	10,000,000	-------	-------
Georgia State Highway Auth., Ga.	11,600,000	-------	-------
Houston, Texas	4,000,000	1975-1992	10:00 a.m.
Suffolk County, N. Y.	8,217,000	-------	-------
Winter Haven, Fla.	1,100,000	1963-1978	2:00 p.m.
June 28 (Thursday)			
Agricultural & Mechanical College of Texas, College Station, Texas	5,000,000	-------	10:00 a.m.
Corning City Sch. Dist., N. Y.	4,859,000	-------	-------
Cranford Township S. D., N. J.	4,735,000	1963-1991	8:00 p.m.
Forrest County, E. Forrest Utility District, Miss.	1,220,000	1966-1982	2:00 p.m.
New Richmond Exempted Village School District, Ohio	2,500,000	1963-1984	Noon
Orange Indep. Sch. Dist., Texas	1,600,000	1963-1992	7:30 p.m.
Point Pleasant Sch. Dist., N. J.	1,800,000	1963-1980	8:00 p.m.
Port Arthur Indep. S. D., Texas	1,950,000	-------	2:00 p.m.
Richland, Wash.	2,115,000	1963-1984	7:30 p.m.
St. Joseph's College, Renssalaer, Indiana	1,700,000	1964-2001	10:00 a.m.
Univ. of Texas, Board of Regents	5,000,000	-------	10:00 a.m.
July 10 (Tuesday)			
Bloomington Ind. SD #271, Minn.	1,410,000	-------	-------
Los Angeles Sch. Dists., Calif.	21,000,000	-------	-------
Memphis, Tenn.	23,000,000	1963-1992	2:30 p.m.
July 12 (Thursday)			
Washington Local Sch. Dist., Ohio	2,400,000	-------	-------
July 16 (Monday)			
Cascade Co. HSD No. 1-A, Mont.	3,000,000	-------	8:00 p.m.
July 17 (Tuesday)			
Arkansas State College, Board of Trustees, State College, Ark.	1,587,000	1964-2001	2:00 p.m.
Cook County, New Trier Township High Sch. Dist. No. 203, Ill.	1,825,000	-------	-------
Lafayette, La.	2,500,000	-------	-------
July 23 (Monday)			
Rocky River, Ohio	1,300,000	1963-1987	Noon
July 24 (Tuesday)			
Anchorage Indep. S. D., Alaska	4,250,000	-------	10:00 a.m.
July 31 (Tuesday)			
San Diego Unified Sch. Dist., Calif.	14,827,000	1964-1983	-------

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Gold Production Subsidy Opposed By the Treasury

Below is the text of a statement by the Honorable Robert V. Roosa, Under Secretary of the Treasury for Monetary Affairs before the Subcommittee on Minerals, Materials and Fuels of the Senate Interior and Insular Affairs Committee on S. J. Res. 44, A Joint Resolution to Encourage the Discovery, Development and Production of Domestic Gold on June 8, 1962.

Mr. Chairman and Members of Subcommittee, I appreciate this opportunity to discuss with you the important subject of gold and its relation to the proposed Senate Joint Resolution 44. On March 15, this Subcommittee heard a number of industry and other non-governmental witnesses on S. J. Res. 44, a resolution to encourage the discovery, development and production of domestic gold. Senator Carroll, the Chairman of the Subcommittee, has thoughtfully supplied the Treasury Department with a copy of the record of these hearings, which has been carefully studied by the Treasury's Office of Domestic Gold and Silver Operations and by other Treasury officials.

Robert V. Roosa

It is my understanding that S. J. Res. 44 would authorize the Secretary of the Interior, under rules and regulations prescribed by him, to make incentive payments to producers of gold mined in the United States, its territorial possessions or the Commonwealth of Puerto Rico. The amount of any such payment would be determined by the Secretary of the Interior, but would not in any case exceed $35 an ounce. Any such amount would, of course, be an addition to the official price of $35 per ounce which has since 1934 been paid on delivery of gold to the Treasury for acquisition by the United States.

In response to a letter from Senator Anderson, Chairman of the Committee on Interior and Insular Affairs, the Treasury Department stated over a year ago that it opposed the enactment of S. J. Res. 44. After study of the March hearings, further discussion with interested public officials and with representatives of the gold mining industry, and careful re-examination of the role of gold in our monetary system, the Treasury Department has not changed its view.

The usual reasons for urging gold subsidies in other countries, or for urging subsidies to other industries in this country, are not applicable to gold in the United States. This cannot be viewed simply as a case of marginal or depressed industry seeking relief from the compelling pressures of economic change. Gold is a unique metal. The dollar is a unique currency. Ours is the only currency that maintains the link between money and gold; we do that by standing ready to purchase and sell gold at the fixed price of $35 per ounce. The monetary system of the entire Free World is hinged to the interconvertibility which we maintain between gold and dollars at that price. Any form of subsidy to American gold production would impair that relationship. A compassionate effort to assist a relatively few people to keep or obtain jobs—desirable as that is—would, instead of helping those in the gold mining industry, disrupt the monetary system upon which not only their own livelihood, but also that of all the rest of us, depends.

There is no compensating advantage in the promise that subsidies would produce a vast enlargement of the existing gold stock. The fact is that even if productive capacity could achieve the most optimistic estimate of the Department of Interior, American facilities could not in less than a century add to our gold production the amount of gold contemplated by the present terms of S. J. Res. 44. But even if that total could by some alchemy be produced within a single year, it could not begin to offset the losses to the world economy that would be created by devaluation of the dollar. And in blunt, simple terms, if the United States Government should add an unprecedented subsidy to the official $35 price for gold, such action would be construed by the rest of the world as evidence that devaluation was under way.

I would be glad to discuss further any aspects of this question relating to the function of gold in the world's monetary system, along whatever lines the Chairman and members of this committee may wish to pursue. I can give you full assurance, however, based upon intimate contacts with financial officials of most of the leading countries of the world, that a step of the kind contemplated by S. J. Res. 44 would be regarded as synonymous with a declaration of intent to devalue the dollar of the United States.

For these reasons, the Treasury Department is opposed to this Resolution.

W. R. Stow Opens

LONG BEACH, Calif. — William R. Stow, Jr., is conducting a securities business from offices at 853 Atlantic Avenue. He was formerly a principal of Stow & Rothenbush.

Union Securities Opens

MIAMI, Fla. — Union Securities Corporation is conducting a securities business from offices at 5750 Southwest 63rd Court. Sidney Greenberg is a principal of the firm.

Packer Opens Office

FOREST HILLS, N. Y.—Benjamin Packer is conducting a securities business from offices at 94-14 Sixty-ninth Avenue, under the firm name of Packer & Company.

Pictures In This Issue

CANDID PHOTOS taken at the 38th Annual Field Day of the Bond Club of New York, and the 29th Annual Field Day of the Municipal Bond Club of New York, appear in today's Pictorial Supplement.

Form Ward & Briddell

CRISFIELD, Md. — Richard C. Ward and William H. Briddell have formed Ward & Briddell Company, a partnership, with offices at 934 West Main Street, to engage in a securities business.

Parker, Bishop & Hart

OKLAHOMA CITY, Okla. — Parker, Bishop & Hart, Inc., has been formed with offices at 22 Park Avenue, to engage in a securities business. Officers are Richard D. Hart, Chairman; Byron D. Parker, President and George P. Bishop, Secretary and Treasurer. Mr. Hart and Mr. Parker were both formerly with Francis I. du Pont & Company.

Salinger Forms Co.

MAHOPAC, N. Y.—Nathan Salinger is conducting a securities business under the firm name of Salinger Investment Co. Mail address is P. O. Box-912, Route 6.

Schuss Admits Partners

Arthur J. Barron and Marvin Bilsky have been admitted to limited partnership in John Schuss & Company, 67 Broad St., N. Y. C.

Bennett Forms Co.

SPRINGFIELD, Mass. — Bernard Bennett is engaging in a securities business from offices at 182 Dayton Street under the firm name of B. Bennett & Co. Mr. Bennett was formerly with Meadows & Co.

This is not an offer of these securities for sale. The offer is made only by the Prospectus.

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DEALER-BROKER INVESTMENT LITERATURE AND RECOMMENDATIONS

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

Aerospace — Review of industry with particular reference to **Avco Corp., Grumman Aircraft, Lockheed Aircraft, McDonnell Aircraft, North American Aviation** and **Northrop Corp.**—H. Hentz & Co., 72 Wall Street, New York 5, N. Y. Also available is a discussion of **Railroad Bonds** for income.

Automobile Industry — Review — Thomson & McKinnon, 2 Broadway, New York 4, N. Y. Also available is a discussion of the **Natural Gas Industry.**

Canadian Gold Mines—Bulletin—Wills, Bickle & Co., Ltd., 44 King Street, West, Toronto 1, Ont., Can.

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

Convertible Bonds — Report — Gruntal & Co., 50 Broadway, New York 4, N. Y.

Convertible Debentures—Bulletin —Paine, Webber, Jackson & Curtis, 25 Broad Street, New York 4, N. Y. Also available are data on **General Public Utilities, Raytheon Company** and **U. S. Freight Co.**

Drug Industry — Review—Hemphill, Noyes & Co., 8 Hanover St., New York 4, N. Y. Also available are memoranda on **Houston Corp.** and **Northrop,** and an appraisal of the **Stock Market.**

Electric Utilities — Annual compendium of data on 95 companies —Carl M. Loeb, Rhoades & Co., 42 Wall Street, New York 5, N. Y.

Expanding Profit Margins—List of stocks which may be recovery leaders — Carreau & Co., 115 Broadway, New York 6, N. Y.

Federal Housing Administration Debentures—Bulletin—New York Hanseatic Corp., 120 Broadway, New York 5, N. Y.

Gold Mining Shares — Memorandum—Evans & Co., Inc., 300 Park Avenue, New York 22, N. Y.

Growth Opportunities—Bulletin—Auchincloss, Parker & Redpath, 2 Broadway, New York 4, N. Y.

Hawaii — Economic Conditions — First National Bank of Hawaii, P. O. Box 3200, Honolulu 1, Hawaii.

High Yield Stocks—List of issues yielding 5%—Bell & Farrell, Inc., 119 Monona Avenue, Madison 3, Wis.

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

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

Japanese Market — Review—Yamaichi Securities Co. of New York, Inc., 111 Broadway, New York 6, N. Y. Also available are comments on **Dai Nippon Printing Co. Ltd., Toppan Printing Co. Ltd.** and **Tosho Insatsu Printing Co., Ltd.**

Market — Discussion — David L. Babson & Co., Inc., 89 Broad St., Boston 10, Mass.

Market, Economy and Selected Stocks—Study—Halle & Stieglitz, 52 Wall Street, New York 5, N. Y.

Massachusetts Turnpike & Boston Extension — Traffic and earnings study — John Nuveen & Co., 5 Hanover Square, New York 4, N. Y. Also available is a **Toll Highway** report for the first quarter of 1962.

Natural Gas Pipeline Industry — Analysis—Orvis Brothers & Co., 15 Broad Street, New York 5, N. Y.

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

Perspective On The Market—Review—Hirsch & Co., 25 Broad St., New York 4, N. Y.

Puerto Rico—Quarterly report to investors in Puerto Rican Securities — Government Development Bank for Puerto Rico, San Juan, Puerto Rico.

Quality Issues in Buying Range—List — Hornblower & Weeks, 1 Chase Manhattan Plaza, New York 5, N. Y. Also available are comments on **F. W. Woolworth, American Cyanamid, International Telephone, Crown Zellerbach** and **Raybestos Manhattan,** and a detailed analysis of **Thomasville Furniture Industries.**

Return to Reality—Comments on selected issues which appear realistically priced — Ralph E. Samuel & Co., 2 Broadway, New York 4, N. Y.

Securities of the United States Government — 1962 edition — a handbook of reference for those interested in securities of the United States Government, Governmental Credit Agencies, International Bank for Reconstruction and Development — First Boston Corporation, 20 Exchange Place New York 5, N. Y.

Tin—A Study and Review—W. D. Latimer Ltd., 244 Bay Street, Toronto 1, Ont., Canada.

Treasure Chest in the Growing West — 28 page brochure on resources of area served — Utah Power & Light Co., D. H. White, Manager, Sales & Marketing, Dept. B5, Salt Lake City 10, Utah.

United Kingdom—Common Market Negotiations — Study—Greenshields Inc., 507 Place d'Armes, Montreal, Que., Canada.

Utility Stocks—Comment on eight issues offering a tax shelter—Shields & Company, 44 Wall St., New York 5, N. Y. Also available are comments on **Howard Johnson Company.**

Yield—List of securities with interesting yields—Sartorius & Co., 39 Broadway, New York 6, N. Y.

* * *

ABC Air Freight Co. Inc.—Report —Flomenhaft, Seidler & Co., Inc., 63 Wall Street, New York 5, N. Y. Also available is a report on **Trans Air System, Inc.**

Allied Stores—Discussion—Colby & Co., Inc., 85 State Street, Boston 9, Mass. Also available are comments on **Gardner Denver, Microwave Associates** and **U. S. Lines.**

American Can Co.—Report—A. M. Kidder & Co., Inc., 1 Wall Street, New York 5, N. Y. Also available are comments on **F. W. Woolworth Co.** and **Texas Utilities Co.**

Astrodata —Memorandum—Granbery, Marache & Co., 67 Wall St., New York 5, N. Y.

Bell Electronic Corp.—Bulletin—De Witt Conklin Organization, Inc., 120 Broadway, New York 5, N. Y.

Benson Manufacturing Company—Analysis—S. D. Fuller & Co., 26 Broadway, New York 4, N. Y.

Black Hills Power & Light Co.—Annual Report — Black Hills Power & Light Co., 621 Sixth St., Rapid City, S. Dak.

Borg Warner Corp.—Discussion—Herzfeld & Stern, 30 Broad Street, New York 4, N. Y. Also available are comments on **Texas Instruments** and **Mergenthaler Linotype Company.**

Brunswig Drug Co. — Bulletin — Mitchum, Jones & Templeton, Inc., 650 South Spring Street, Los Angeles 14, Calif.

Carrier Corp.—Report—Reynolds & Co., 120 Broadway, New York 5, N. Y. Also available is a report on **Southern Natural Gas** and a list of interesting **Convertible Debentures.**

Colgate Palmolive Co.—Survey — Abraham & Co., 120 Broadway, New York 5, N. Y.

Consolidated Edison Co. of New York—Data—Hooker & Fay, Inc., 221 Montgomery Street, San Francisco 4, Calif. Also available are comments on **Crown Cork & Seal Company, MCA Inc.,** and **White Stores, Inc.**

Consolidated Mic Mac Oils Ltd.—Analysis — Annett Partners Ltd., 220 Bay Street, Toronto, Ont., Can.

Cott Bottling Co. of New England —Memorandum—R. W. Pressprich & Co., 80 Pine Street, New York 5, N. Y.

Falconbridge Nickel Mines — Review—Carl M. Loeb, Rhoades & Co., 42 Wall Street, New York 5, N. Y. Also available are comments on **Kawecki Chemical** and **Dome Petroleum.**

Federal National Mortgage Association — Analysis — Emanuel, Deetjen & Co., 120 Broadway, New York 5, N. Y.

Frank Paxton Lumber Company—Analysis — Stern Brothers & Co., 1009-15 Baltimore Avenue, Kansas City 5, Mo.

Geophysics Corp. of America — Bulletin—Reubin Rose & Co., Inc., 115 Broadway, New York 6, N. Y. Also available is a discussion of **Britalta Petroleums.**

Hoover Company — Analysis — Charles A. Taggart & Co., Inc., 1516 Locust Street, Philadelphia 2, Pa.

Hugoton Gas Trust Units—Report —H. M. Byllesby & Co., Inc., 135 South La Salle Street, Chicago 3, Ill.

Illinois Central—Memorandum — Cohen, Simonson & Co., 25 Broad Street, New York 4, N. Y. Also available are memoranda on **Merchants Fast Motor Lines, Sunbeam, Beatrice Foods, Briggs & Stratton** and **Standard Oil of California.**

Iowa Power & Light Co.—Annual Report—Iowa Power & Light Co., Des Moines 3, Iowa.

Kerr McGee—Report—Purcell & Co., 50 Broadway, New York 4, N. Y.

Kerr-McGee Oil—Memorandum—Amott, Baker & Co., Inc., 150 Broadway, New York 38, N. Y. Also available is a memorandum on **Hammermill Paper.**

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

Litton Industries—Memorandum—Adams & Peck, 120 Broadway, New York 5, N. Y.

Lockheed Aircraft—Data—Bregman, Cummings & Co., 4 Albany Street, New York 6, N. Y. Also available are data on **Textron** and **U. S. Industries.**

Massachusetts Turnpike Authority Boston Extension—Special Report —Tripp & Co., Inc., 40 Wall St., New York 5, N. Y.

National Rolling Mills Co.—Memorandum — Woodcock, Moyer, Fricks & French, 123 South Broad Street, Philadelphia 9, Pa.

Oxford Paper Company—Review — L. F. Rothschild & Co., 120 Broadway, New York 5, N. Y. Also available are reviews of **Central Illinois Light Company** and **Burroughs Corporation.**

Peoples Gas Light & Coke Co. — Discussion in current issue of "Investors Reader" — Merrill Lynch, Pierce, Fenner & Smith Inc., 70 Pine Street, New York 5, N. Y. Also in the same issue are discussions of **Norfolk & Western, F. W. Woolworth Co., Borg Warner Corp., Avon Products, National Linen Service Corp., Litton Industries, Johns Manville Corp., American Cement Corp., Bobbie Brooks** and **Thomas Industries.**

Peter Paul, Inc.—Memorandum—Estabrook & Co., 80 Pine Street, New York 5, N. Y.

Purolator Products Inc.—Analysis —F. S. Moseley & Co., 50 Congress Street, Boston 2, Mass.

Radio Corporation of America—Analysis—Laird, Bissell & Meeds, 120 Broadway, New York 5, N. Y.

Redman Manufacturing & Engineering — Memorandum—Givens & Co., Inc., du Pont Building, Miami 32, Fla.

Renaire Foods — Memorandum — P. W. Brooks & Co., Inc., 120 Broadway, New York 5, N. Y. Also available are memoranda on **Rexach Construction, British American Construction & Materials, Lynch Communications Systems, Glen-Gery Shale Rock** and **Colorite Plastics.**

St. Clair Specialty Manufacturing Co., Inc.—Analysis—Stifel, Nicolaus & Co., Inc., 105 West Adams Street, Chicago 3, Ill.

Rucker Company—Analysis—First California Company, Inc., 300 Montgomery Street, San Francisco 20, Calif.

Trans-Air System, Inc.—Report—Van Alstyne, Noel & Co., 40 Wall Street, New York, 5, N. Y.

Wabash Fire & Casualty Insurance Company — Bulletin — Francis X. Martinez, 1500 Walnut Street Building, Philadelphia 2, Pa.

Xerox — Comments — Stearns & Co., 80 Pine Street, New York 5, N. Y. Also available are comments on **Cenco Instruments** and **Stauffer Chemical.**

Anchors Aweigh!

Thomas M. Reilly, son of Vincent Reilly, the *Chronicle's* Southern and Midwestern Representative, was commissioned an Ensign upon graduation from the United States Naval Academy, Annapolis, Maryland, last Wednesday. Ensign Reilly received a Bachelor of Science degree "with distinction" graduating 22nd in his class. He will report to Nuclear Power School at Mare Island, California, following leave.

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Utilities for Rising Dividends And Continued Growth

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

A swift review of the extent to which the recent market slippage has brought electric equities into a more attractive buying range.

The market has turned out, in recent weeks, to be a king-sized discount house for common stocks. The price cutting has left no group unscathed, and the most obvious end result is what we might call "the melting of the multiples." Whether it's IBM, Polaroid, Litton, U. S. Steel, Sears, Roebuck or Aetna Life, today's quotes represent substantial compressions in price/earnings' ratios over those prevailing six weeks ago.

Melting Multiples

The electric utilities, long renowned for their relative market stability, have been no exceptions. For example, as illustrated in the accompanying table, between May 1 and June 1, 1962, the price/earning multiples of representative utilities declined and their yields increased.

While no one likes to see his stocks go down, it does appear that 30 times earnings is a pretty rich price to pay, even for a rapidly growing utility. The market correction has recognized this viewpoint, and has brought a number of very respected utilities back into a range where they yield over 4%. This is very important, both to investors and to the market, since we all know there has been a considerable flight of money, otherwise market-bound, into savings accounts, where interest rates of from 4¼ to 4¾, depending on the geography of the deposit, are beckoning.

Continuous Growth

So, without making any daring predictions as to the direction of the market in coming months, we do think a fairly decent case can be made for current acquisition of good utility shares. The demand for electricity is growing more than twice as fast as the economy as a whole, and is one of our most dependable major uptrends. In the home, a myriad of new appliances constantly adds to sales of electricity; in industry, automation and rising labor costs guarantee increased industrial loads. On the other side, technological improvements in the generation, transmission and distribution of current have created huge savings in fuel requirements and in limiting the size of working forces. There is a broad group of utilities that have been consistently earning over 6% on total invested capital, and there are at least 25 companies that have increased their dividends five times in the past 10 years. In point of growth, net earnings per share of Florida Power & Light increased at a faster rate, in the 1950 decade, than did those of Minnesota Mining or Minneapolis Honeywell. Growth, with certainty, is a well-documented attribute of electric utilities.

When it comes to picking out individual stocks, a good idea would seem to be to seek ones selling at, or below, 20 times earnings, in growing geographical sections, and with a history of rising dividend payments. Some issues whose yields seem a bit low today, may prove most satisfactory as dividends are increased during coming years.

Central and Southwest Corp.

A consistently good performer is Central and Southwest. A strictly electric utility, it serves a population of 2,700,000, mainly in the states of Texas and Oklahoma. Its business, which used to be mostly rural, is now principally derived from the fast growing cities and towns in its service area, and from substantial industrial expansion, especially in petrochemicals. DuPont, Celanese, Texas Eastman, and Union Carbide have all located on CSR's lines.

In the past 10 years, CSR has just about doubled its per share net, and has increased its dividend on 10 occasions. For 1962, earnings are expected to reach an all-time high of $1.60 per share. Dividend is $1.08 and likely to increase. At 37, around 24 times earnings, CSR is a proven "growth" utility, not unattractively priced.

Public Service Electric and Gas Corp.

Here, the accent is on size and stability. Public Service Electric and Gas serves a 5 million population in the heavily industrialized region lying between New York and Philadelphia. Business is divided about two-thirds electric and one-third gas, with gross revenues running around $450 million, annually. Net per share for 1962 should reach an all-time high of about $3.60 and motivate some increase in the current $2 dividend. At 56, the shares seem interesting, by virtue of the low price/earnings multiple (about 15) and a present yield of above 4%, which could be boosted by a higher dividend.

Montana-Dakota Utilities Company

This is attractive as a hybrid utility. For 1961, it derived $13.9 million in operating revenues from 76,490 electric customers; and $18.2 million from the distribution of natural gas to 98,415 customers. Altogether, the company serves about 234 communities in Montana, North Dakota, South Dakota and Wyoming. Territory is mainly agricultural, supplemented by some industries (cement, clay products, sugar refining), mining of coal and gold, and the production and refining of petroleum. MDU has mineral rights covering an extensive acreage in the Williston Basin Oil field, and net income from oil, in 1961, was $551,980. It is expected that income from this source will expand. The stock, at 35 paying a $1.40 dividend, is an interesting value at 15 times current earnings —sort of a "special situation" in utilities. There is also a 4⅞% convertible debenture, convertible into common at $27 per share and selling at 129.

Gulf States Utilities

This company ranks among the favored "growth" utilities in the Gulf South, with operating revenues reaching an all-time high of $93.3 million for the 12 months ended March 31, 1962. Earnings per share of above $1.50 are expected for 1962, against $1.31 in 1961. Present dividend rate of $1 is probably in line for an increase. Gulf States appeals on grounds of growth, potential for dividend boosts and the fact that today the stock is down from a 1962 high of 43¾. Present quote of 34, roughly 22 times current earnings, seems to present good value for the money.

El Paso Electric Company

This is another utility with an attractive growth rate. It's an all electric company, serving 400,000 people in, and around, the city of El Paso, Texas. The population of the area has doubled in the past 10 years, and so has the per share net of El Paso Electric. The common has been split, two for one, three times in the past 15 years.

Cotton and cattle were the original mainstays of the region, but today, El Paso is a center of transportation and distribution; benefits greatly from the oil and copper industries, and from a series of major military installations nearby. El Paso Electric common now sells at 24 and pays a $.62 dividend.

We've singled out today, just a few of the issues which now seem definitely more attractive than they did on April 1. Others favored by analysts would include such as Consumers Power, Public Service of Indiana, Arizona Public Service, Potomac Electric Power, and Virginia Electric & Power. For patient long-term investors, shopping for utilities in today's markets may prove a rewarding pastime.

Company	Price/Earnings Ratio May 1	Price/Earnings Ratio June 1	% Yield May 1	% Yield June 1
American Electric Power	25.7	23.8	2.93	3.16
Central & Southwest	28.4	24.3	2.57	2.92
Consolidated Edison	19.9	18.2	3.80	4.17
Florida Power & Light	32.4	28.2	1.62	2.00
Niagara Mohawk	19.3	18	4.00	4.29
Pacific Gas & Electric	22.1	19.4	3.03	3.33
Texas Utilities	29.8	24.7	2.24	2.67

Consultants Funding

PITTSBURGH, Pa. — Consultants Funding Corporation is conducting a securities business from offices in Gateway Building No. 4. Officers are Simon S. Cantor, President; Max Sperling, Vice-President; Gabriel A. Fusco, Secretary; Carmella Fusco, Treasurer; and Jean Y. Maybruch, Asst. Treasurer.

Named Trustee

Election of John P. Morgan, 2nd, as a trustee of Atlantic Mutual Insurance Company and a director of its affiliate, Centennial Insurance Co., has been announced by Franklin B. Tuttle, Chairman of the Board of the two companies.

John P. Morgan, II

Mr. Morgan is a Vice-President of Morgan Guaranty Trust Company of New York. His late father, Junius S. Morgan, served on the Atlantic and Centennial boards from 1947-1960.

Robt. Timpson to Admit Partner

On July 1, Robert Timpson & Co., 63 Wall Street, New York City, members of the New York Stock Exchange, will admit Matthew F. Keating to partnership.

F. Eberstadt Co. Adds to Staff

F. Eberstadt & Co., 65 Broadway, New York City, has announced that Neil S. Atkinson and Orhan I. Sadik Khan have joined the investment staff of the firm's wholly owned corporation, F. Eberstadt & Co., Managers and Distributors, Inc.

Pike H. Sullivan, Jr. has joined F. Eberstadt & Co.'s institutional department.

Commercial Bank Absorbs Peoples National

The Commercial Bank of North America has announced the merger effective June 1 of the Peoples National Bank of Brooklyn into its growing banking family. Charles Oldenbuttel, former president of the Peoples National Bank, becomes a Senior Vice President of the Commercial Bank of North America. G. Russell Clark is Chairman of the Board and Jacob Leichtman, President. The Commercial Bank of North America has fifteen offices in greater New York.

Sheriff & Co. Opens in N. Y. C.

Sheriff & Company, Inc. has been formed with offices at 50 Rockefeller Plaza, New York City, to engage in a securities business. Leonard S. Sheriff is President, Treasurer and Secretary. Mr. Sheriff was formerly a partner in Stryker & Brown.

Now Corporation

(Special to THE FINANCIAL CHRONICLE)

SAN FRANCISCO, Cal.—Cavalier & Otto, 301 Pine Street, is now doing business as a corporation. Officers are William S. Cavalier, Jr., Chairman; Alfred P. Otto, Jr., President; Emerson Burnett and Louis G. Layton, Vice-President; and Gwendolyn D. Gibbs, Secretary and Treasurer.

A. O. Barton, Jr. Opens

(Special to THE FINANCIAL CHRONICLE)

SAN DIEGO, Cal.—Arthur O. Barton, Jr. is conducting a securities business from offices at 233 A St.

This announcement is not an offer of securities for sale or a solicitation of an offer to buy securities.

New Issue June 14, 1962

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Current Economic Outlook

By Dr. Paul W. McCracken,* *Professor of Economic Conditions, University of Michigan, Ann Arbor*

Former member of the Council of Economic Advisors lists factors auguring well for further, solid business expansion and, also, that make the business community jittery and nervous. So far as Dr. McCracken can see, the seemingly sanguine prospects for a respectable 7% gain in G.N.P. to a year's-end annual rate of $575 billion continues to be better than the business sentiments being expressed. Says there are good reasons for hoping that the "tangible forces making for a further expansion will prevail against this recent snow job of pessimism and uneasiness."

The business situation at present seems to be suffering from schizophrenia. Business sentiment and confidence have developed a bad case of nerves, even though tangible indications of future business volume have strengthened.

Dr. P. W. McCracken

There are five major tangible factors indicating a further expansion of business activity.

First, consumers, after playing things cautious during the winter, have stepped up their spending sharply. There are many evidences of this. Auto sales have been running in excess of a 7 million annual rate, and the market continues to look strong. Department store sales during the last four weeks were 9% ahead of year-earlier levels and this substantial improvement has persisted since Easter. Finally, there are strong indications that sentiment of the ordinary consumer has been improving. Thus we now have strength in an area whose sluggishness a few months ago was a major source of concern.

Second, the tangible evidence points to a further substantial gain in expenditures by businesses for new and improved facilities. Corporate profits for 1962 should be 15% beyond those of 1961. Surveys have indicated successively larger gains in plant and equipment outlays for 1962. The initial McGraw-Hill survey last November projected a 4% increase from 1961 to 1962; the Commerce-SEC survey in March indicated 8%; and the recent McGraw-Hill survey showed an 11% projected gain for 1962. This progressive scaling up of the estimated increases must be interpreted as a good omen.

Third, housing, one of the doubtful elements of the 1962 prospect, is showing unexpected strength. It now seems probable that construction outlays for housing will make a contribution to the year's business expansion after all. Moreover, technical conditions augur well. Credit is easy. Housing starts, after sagging ominously from October to February, bounced back strongly in March and April to very high levels. A strong outlook for housing would, of course, be more secure if the industry could get control of its costs.

Fourth, the recent expansion generally has been solidly based with an impressive absence of excesses. In spite of strong auto sales, there has been no splurge of buying on credit. Accumulation of inventories has been low relative to other periods when this feature of the economic situation was getting ready to play the part of the cyclical wild man. In the first quarter of 1962, 1.8% of the output of tangible goods went into building up inventories. This compares with 2.0% in 1956, and at least 10% in mid-1920.

Fifth, the present expansion has now been underway for only 16 months. Expansions in the postwar period have averaged 2½ years, and even the short expansion from 1958 to 1960 continued for 25 months. Thus history itself would suggest that the present expansion should be good for the better part of another year.

If these tangible indications of the economy's future course are taken at face value and "added up," the nation's output of goods and services would be in the neighborhood of $575 billion for the final quarter of the year. This would represent a gain of perhaps 7% for the year. Such a gain would leave us short of the Administration's forecasts early this year, but these were widely regarded by analysts as unrealistic.

In spite of these seemingly sanguine prospects, the business community is jittery and nervous. **The Federal budget is one source.** Federal cash outlays are now running at about a $115 billion annual rate. This is the volume of spending projected by the President in his January Budget Message for fiscal year 1963. If the January Budget Message projection for the next fiscal year is realized, the rate of increase of Federal spending will have to be decelerated so sharply the business situation might be adversely affected. If the rate of increase does not slow down, however, a large deficit for the next fiscal year is probable. Neither prospect is particularly cheering.

Second, the stock market break has compounded an already evident sense of uneasiness. Prices were, of course, too high. We should undoubtedly rejoice that there is now less certainty of creeping inflation. Lower and more realistic stock prices may well lay the basis for a more orderly and sustained business expansion. The volume of credit in the market is undoubtedly a small fraction relatively of what it was in 1929. Even so, this development must be placed on the minus side. Because it is widely considered to be an indicator, the recent break has raised the spectre of a recession down the road. And, moreover, holders of stock (who are among those making important decisions in the economy) must also feel a bit poorer.

Third, we are never far from genuinely worrisome developments in the international financial picture. The dollar is not impregnable, and the continued outward trickle of gold serves as a constant reminder of this fact.

Finally, there is a vague and non-specific fear—starting out as a fear that the social and political climate is turning hostile — that has begun to lead a life of its own by sheer constant talk. It is not at all certain that we can talk ourselves into a recession, but the present situation should provide us with a good test.

The outlook continues to be better than sentiment. These are good reasons for hoping that the tangible forces making for a further expansion will prevail against this recent snow job of pessimism and uneasiness.

*Excerpts from an address by Dr. McCracken before the Twelfth Annual Business and Finance Forum, sponsored by the First National Bank in St. Louis, June 8, 1962.

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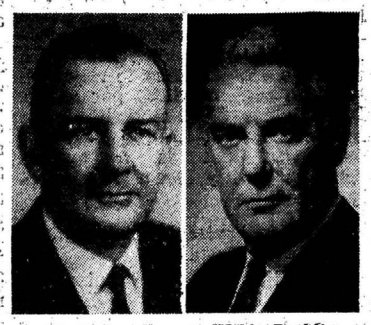
New Officers of the Edison Electric Institute

Trade group's new President W. W. Lynch succeeds Philip A. Fleger, while Walter Bouldin takes over the office of Vice-President.

Mr. W. W. Lynch, President of Texas Power & Light Co., was elected President of the Edison Electric Institute by its Board of Directors. Installation of the new President was made June 6 at the closing session of the Institute's 30th Annual Convention.



W. W. Lynch Walter Bouldin

Vice-President of the Institute since last June, Mr. Lynch succeeds Philip A. Fleger, Chairman of the Board and President of Duquesne Light Co., as head of the trade association of the nation's investor-owned electric utility companies.

Named to the Vice-Presidency, hence scheduled to head the group in 1963, is Walter Bouldin, President of Alabama Power Co.

Backgrounds

After graduation from Texas A & M College in 1922, President-Elect Lynch spent a year and a half with Westinghouse Electric Manufacturing Co., joining Texas Power & Light Co. in 1923. He served successively as design assistant, field electrician and foreman and superintendent of distribution before he was elected Vice-President of the company in 1936. He was named Executive Vice President in 1947 and became President in 1949.

Mr. Lynch has been a director of the Edison Electric Institute and a member of the its Executive Committee. He is Vice-President, Director, and a member of the Executive Committee of Texas Utilities Co.

In 1952, Mr. Lynch was named Engineer of the Year by the Dallas chapter of the Texas Society of Professional Engineers. Under his leadership, Texas Power & Light Co. in 1955 received the electric industry's highest honor, the Charles A. Coffin Award (now The Edison Award) "in recognition of its distinguished contribution during the year 1954 to the development of electric light and power for the convenience of the public and benefit of the industry."

Well known in Texas industrial, agricultural, and civic circles, Mr. Lynch is a Director and member of the Directors' Committee of Republic National Bank of Dallas, a Director and member of the Executive Committee of Employers National Insurance Co., Texas Employers Insurance Association, and Employers Casualty Co. He is a Director of Employers National Life Insurance Co., Dallas Citizens' Council, Trinity River Authority, and State Fair of Texas. He is President of the Texas Research Foundation of Renner, Texas; a Director of Howard Payne College Research and Development Foundation at Brownwood; a Trustee of the Texas A & M Research Foundation and of Southwestern Medical Foundation; a member of the Advisory Committee of the University of Dallas; and a member of the regional Executive Committee of Region Nine, Boy Scouts of America.

Born in Scottsboro, Ala., Vice-President Bouldin was admitted to the Alabama Bar after graduation from Harvard Law School in 1928, and practiced law in Birmingham as a member of Martin, Turner, Blakey & Bouldin and the predecessor firm.

He was Secretary of the Coosa River Newsprint Co. from 1949 to 1952. In 1952 he was named Vice-President of Alabama Power Co., and was elected Executive Vice President in 1955 and President in 1957.

Mr. Bouldin is a Director of a number of organizations, including Edison Electric Institute. He is a Director and Vice-President of the Southern Electric Generating Co. and a Director and member of of the executive committee of the National Association of Electric Cos. He is also a Director and member of the Executive Committee of the Warrior-Tombigbee Development Association.

Active in local affairs, Mr. Bouldin is Vice-President and a member of the Executive Committee and Board of Trustees of the Birmingham Symphony Association, and a Trustee of Southern Research Institute.

His directorships include Southern Services, Inc.; Coosa-Alabama River Improvement Association; Southeastern Electric Exchange; Birmingham Trust National Bank; Liberty National Life Insurance Co.; Birmingham Chamber of Commerce, and the American Ordnance Association.

Staats Co. to Admit Partners

LOS ANGELES, Calif.—William R. Staats & Co., 640 South Spring Street, members of the New York and Pacific Coast Stock Exchanges, on July 1 will admit Benjamin F. Sanford and Homer R. P. Lytle to partnership. Mr. Lytle is in the firm's Corporate Finance Department; Mr. Sanford is Manager of the Beverly Hills office.

With California Investors

LOS ANGELES, Calif.—Louis E. Aron has been added to the staff of California Investors, 3544 Olympic Boulevard, members of the Pacific Coast Stock Exchange. He was formerly with Costello, Russotto & Co.

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COMMENTARY...

BY M. R. LEFKOE

Last week former Vice President Richard Nixon began his political comeback by defeating Joseph Shell, State Assemblyman, for the Republican gubernatorial nomination in California.

The results of the California race are of national interest for two reasons: an analysis of the voting should indicate the direction of the political future of the man who lost the 1960 presidential election to John F. Kennedy by 118,500 votes, and, since Nixon's opponent is one of the leaders of California conservatives, Shell's performance should provide information as to the actual voting strength of the conservative movement.

Nixon won the primary by polling 1,287,599 ballots to 671,247 for Shell, a margin of slightly under 2 to 1. Although write-in votes have not yet been counted, it appears that the two GOP candidates garnered another 150,000 votes, in the same 2 to 1 proportion.

A Tough Struggle

Despite Nixon's relatively good showing, he faces an uphill road in his quest to reside in the Governor's mansion. In order to win the election on November 6, Nixon must poll at least 90% of the GOP votes in addition to about 20% of the Democrats, who outnumber registered Republicans in the state by more than one million.

Nixon hopes to be able to unite the Republican party in the November election by bridging the ideological gap which separates the Nixon moderates and the Shell conservatives and has called for unity within the party now that the primary fight is over. He has explained his method for gaining Shell supporters as follows: "If they (the conservatives who supported Shell) are more conservative than I, I think they will realize by November what the choice is and conclude that Mr. Brown is not as conservative as I."

Nixon's strategists are confident of winning in November and offer the following argument: They claim most of Shell's workers have already offered their services to Nixon (a claim denied by a close Shell advisor) and with their help, there should be little trouble in polling at least 90% of the GOP voters. They then point to the results of the Democratic primary to show where the Democratic votes will come from. The incumbent, Gov. Edmund G. (Pat) Brown, received 1,732,099 votes, while three almost unknown opponents received 335,623 votes. The write-in votes received by the two Republican candidates account for another 7% of the total estimated Democratic vote. Thus, a total of 22% of the Democrats who voted indicated they preferred a candidate other than Gov. Brown. From among these unsatisfied Democrats, Nixon campaign strategists feel sure that the necessary votes from the Democratic Party will be forthcoming.

While Nixon might be confident of an easy victory in November, there are several factors in his strategy which demand further analysis.

Nixon's Dilemma

To begin with, Shell has not yet offered his support to his victorious rival. In a speech in which he conceded defeat, Shell stated: "The key to success for the Republican party does not rest in my hands.

"The majority of Republican voters have made it clear that success or failure in November is to rest with Mr. Nixon.

"Those 700,000 Californians who supported me did so on a thinking basis and because I represent a set of principles.

"Now, to get those considered votes, Mr. Nixon must show them — by his own actions — that he wants their votes.

"I have repeatedly stated that I would be happy to discuss these matters with Mr. Nixon at his convenience.

"Let there be no misunderstanding; I disapprove wholeheartedly of the Brown Administration, and under no circumstances would support it."

It is apparent from this statement that, although he is strongly opposed to Brown, Shell is still not ready to offer his unequivocal support to Nixon unless the latter is prepared to indicate his acceptance of Shell's "conservative" principles. Whether or not Nixon can state such acceptance publicly without alienating the Democratic votes he also needs, is a question Nixon must consider carefully.

Furthermore, even if Shell and his top-level supporters publicly announce their support for Nixon, it is questionable how many of the rank-and-file "right-wingers" will go along with Mr. Nixon's program of "progressive conservatism".

The Birchites

To add to Nixon's trouble is the John Birch Society, whose members he publicly read out of the party during the campaign. Nixon has called upon the members of the Society, whose strength is considered at its peak in the State of California, to renounce the leadership of Robert Welch, the Society's head.

The two Birch Congressmen, Representatives John Rousselot and Edgar Hiestand, easily won renomination in the Republican primary. In addition, Bill Richardson, another Birch member, won handily over his three opponents in seeking his party's nomination for Congress. Whether or not the 70,000 voters who supported these three men will be willing to cast their ballots for Mr. Nixon despite his position on the Birch Society is another problem Nixon will have to face during the next few months.

Finally, it is somewhat hopeful of Mr. Nixon to claim that all of the Democratic voters who indicated disapproval of Gov. Brown in the primary will cast their ballots for him this fall. Needing the votes of about 20% of the registered Democrats, Nixon's present margin of 2% is slim, to say the least.

Defeat for Conservatives?

Regardless of Nixon's victory or defeat in the November election, many observers state that the results of the primary elections indicate a failure of the "right-wing" movement to live up to the claims made for it. There are two factors which they point to in attempting to prove their cause: To begin with, Shell received about the same percent of the Republican vote as did Thomas Werdel, a California Congressman who ran against Earl Warren in the 1952 GOP primary. Werdel was considered as much a fiscal conservative at that time as is Mr. Shell today. They believe that Shell's failure to improve on Werdel's margin may indicate that a great deal of the talk regarding a growing conservative movement in California is just that—a lot of talk.

The primary victory of GOP Senator Thomas H. Kuchel, they claim, lends support to this conclusion. He polled 1,331,433 votes or 75% of the total Republican ballots cast for the post of U. S. Senator. Two of his three opponents were arch-conservatives, while Kuchel is considered one of the more liberal GOP senators. Since the race for senator reflected the issue of "conservative vs. liberal" even more than the gubernatorial race, the failure of Kuchel's opponents to receive more than 450,000 votes—220,000 less than Shell received—seems to indicate that there are not as many "voting conservatives" in California as was previously thought.

"Political Unknown"

While these two arguments appear valid on their face, there are several other factors which must also be considered. In the first place, Shell was a political unknown at the beginning of the race last January, and, in fact, did not receive any widespread state recognition until the GOP state convention in March. His opponent, a fourteen-year political veteran, captured California's electoral votes in the 1960 presidential race. This fact, alone, would make Shell's showing considerably more meaningful than the figures themselves indicate.

Secondly, Nixon has always presented a "conservative" face to voters, an image he attempted to intensify during the primary. Thus, his race with Shell was not really a contest between "liberal" and "conservative" candidates.

The failure of the two conservatives running for the senatorial nomination to receive wide recognition throughout the state was a crucial factor in explaining their poor showing. Lloyd Wright and Howard Jarvis never did mount a full scale campaign and many voters probably never realized Kuchel had any opposition until they entered the voting booth.

Finally, the defeat of three out of five bond issues does show a growing awareness on the part of the average voter regarding government spending and fiscal irresponsibility. The propositions calling for $200 million for new schools and $160 million for veterans (a self-liquidating bond issue) were approved. Defeated were issues calling for $270 million for public construction (primarily college buildings), $100 million for senior citizen's housing, and $150 million for parks and recreational facilities.

Richard Nixon faces a rough battle in November and will need all the support he can obtain. Whether he will be able to reach an understanding with the conservatives, or whether he will try to "go it alone" remains to be seen. In either case, the 700,000 rank-and-file voters who supported Shell's principles of conservative government are still a force to be reckoned with.

Boettcher & Company Opens Boulder Office

BOULDER, Colo.—Boettcher and Company has opened offices in the Bowron Business Bldg. at 2037 Thirteenth Street.

Donald L. Patterson will be manager of the new Boulder office.

Donald L. Patterson

The Boulder staff will be headed by Donald L. Patterson, Boettcher and Co. partner, who was in charge of the firm's trading department for many years before his move to Boulder.

Form Corporation

Richard Gray & Co., Incorporated has been formed with offices at 237 West 51st Street, New York City, to continue the investment business of Richard Gray Co. Officers are Richard Gray, President and Treasurer; Stanley Lane, Vice-President; and Irving M. Burnstein, Secretary.

Now Proprietor

FRANKLIN, Ind. — Raymond C. Fetterley is now sole proprietor of Franklin Bond and Share, 153 East Jefferson Street. He was formerly Vice-President of the firm.

Wood, Struthers To Admit Three

Wood, Struthers & Co., 30 Wall Street, New York City, members of the New York Stock Exchange, on July 1 will admit Henry W. Green, R. Bruce McBratney, and Daniel J. Lynch to partnership.

John V. Dunne Co. To Admit Partner

As of June 21, James M. C. NewGowan will become a partner in John V. Dunne & Co., 120 Broadway, New York City, members of the New York Stock Exchange.

L. F. Rothschild To Admit to Firm

Leonard A. Hockstader, II, on June 21 will become a partner in L. F. Rothschild & Co., 120 Broadway, New York City, members of the New York Stock Exchange.

Customers Brokers to Hear on Market

The Association of Customers Brokers will hold an educational meeting on June 18 at the headquarters of the New York Society of Security Analysts at 15 William Street. Anthony Gaubis, of Anthony Gaubis & Co., will address the meeting on Market Evaluation and Forecast.

Donnelly Forms Co.

PALO ALTO, Cal.—The Donnelly Company has been formed with offices at 201 Town & Country Village, to engage in a securities business. Partners are Dale L. Donnelly, general partner, and Gordon C. Westwood, limited partner. Mr. Donnelly was formerly with Dean Witter & Co.

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Whither the Stock Market?

By Leonard Coe Scruggs, *Senior Analyst, Dewar, Robertson & Pancoast, Dallas, Texas, Members New York Stock Exchange*

Rejecting either extreme bullish or bearish prognostications of the stock market's direction, Texas analyst foresees an "extended period of trendless volatility" ranging from DJIA upside of 670 to 470-520 downside. Short-run prospects are: (1) May 29 DJIA low for the next several months; (2) Summer rally of up to 650-675; and (3) October's end down to 500 or below during the tax-selling season. Mr. Scruggs, also, expects mild business turndown in a few months with the economy moving ahead by late 1963. Writer postulates a DJIA earnings of $34-$36 this year and $32-34 next year, and 15/1 capitalization ratio—which, in turn, is broken down into 9 P/E clasifications ranging from very highest grade growth stocks to lower grade cyclicals. "The party is finally over," Mr. Scruggs opines and adds that even though the cult of continued growth and inflation has been breached the unlikely propsect for true deflation means equities have no valid alternative.

The Great 1949-62 Bull Market is dead. Prior to its recent fantastic volume and price performance, it could be argued with considerable justification that the Spring selloff was no more than an intermediate correction in a very tired but still alive and kicking uptrend. But there is no gainsaying the panic that began Monday the 28th and which culminated in a typhoon of selling Tuesday. A decline of 188 points (intraday) in the DJIA, 55 points (intraday) of which were crammed into 7½ trading hours, is a bear market, nothing less.

Leonard Coe Scruggs

For many months it has been apparent that the period 1959-61 was a major distribution area in which the market as a whole made no forward progress (blue chips topped out in 1959, growth stocks in 1960, and "defensive" issues in 1961). Equally, it has been apparent since last summer that a major shakeout was brewing. For almost three years, in various writings, I have stressed the dangers inherent in the current market situation, and particularly in equities selling at high multiples of earnings. Nevertheless, I was surprised by the timing and the nature of the Great Bull Market's demise.

Can't Blame Tight Money

All Great Bull Markets are the product of psychology and money. In the past, they have always been dispatched by monetary stringency; optimism has run out of liquidity. This time has been different. One is tempted to say the impossible happened (certainly the unprecedented, the improbable). Our Great Bull Market was killed, not by tight money, but by tight psychology; liquidity has run out of optimism. Money has been progressively easing all during the decline from the December highs. Because of this, and because of the absence of signals from several previously reliable indicators of near term technical danger (odd lots, breadth, etc.) I, for one, underestimated the seriousness of the immediate situation. Until now, bear market beginnings have been associated with tightening, not easing, monetary conditions.

How could anything so "unnatural" happen? The body is still too warm for a thorough autopsy, but I suspect that the same postwar New Model Economy whose regulatory, depression resistant, inflationary characteristics constituted the original rationale of our New Era, will turn out to have been the culprit (the steel price affair was an accessory).

The Federal Reserve, by supplying the money (only in 1957 and 1959 was the stock market even pinched and then not for long), and the S.E.C., by preventing old fashioned "excesses", together, created an environment in which the classic killers of bull markets, tight money, bear raids and vulnerable margins, were stymied. Thus, for the first time in history, psychology had a free rain. Unlike the old days, optimism, protected by the F.R.B. and the S.E.C., was given a chance to explore all of the speculative possibilities inherent in the postwar situation (national resources were "the thing" in 1956-57; defensive stocks in 1958 and again in 1961; growth stocks in 1960; blue chips in 1955 and again in 1959; even life insurance stocks were run twice, first in 1955 and second in 1961). Then having exhausted thoroughly all of its potentials, optimism died an unprecedented natural death.

So, we are in a bear market—where do stocks go from here? Let us take the three fairly clear-cut alternatives that present themselves: (1) the 553 DJIA intraday low of May 29th marked the lows of a sharp, short bear market and a bull move is now commencing which will lead to new highs by no later than next year (in other words, that this selloff has been just another minor bear market of the type we had in 1957 and 1960); (2) that we are in the midst of a 1929 style collapse and so far have seen only the initial installment; and (3) that the market is on the threshold of an extended trading range defined more or less by the areas of congestion around the highs of 1959-61 (670-730 DJIA) and the highs of 1955-57 (470-520 DJIA).

Sees No Buy Market Commencing

The first alternative (a new bull market) is the least convincing of the three; confidence is too damaged. The Federal Reserve can increase the supply of money almost at will, but there is no similar psychological reservoir that can be tapped for an instant supply of optimism. The postwar Era of Good Feeling and prosperity at home and dominance abroad culminated in 1956-57. Since then, the United States has been in a transitional period marked by increased class and racial tension, decreased economic and business vitality, rising frustration abroad and growing malaise at home. For five years (four of them under Eisenhower) the stock market miraculously managed to ignore the end of the postwar era, oblivious that the nation had entered not only changed, but radically different and dangerous times. As nothing else, the steel price affair illustrated in bold relief, the distance America has already traveled from the sunny days of 1955 and the direction the journey is taking. Similarly, the merciless glare of last week's panic has exposed irrevocably the clay feet of the defensive-growth rationale of investment. It will probably take several years before a new rationale can be formulated and generally accepted. Until this happens, new highs on the Dow seem unlikely.

Doubts We Are in a 1929-32 Situation

The second alternative (a 1929-32 style collapse) is almost as unconvincing as the first. Many investors, though, intrigued by superficial, half baked historical analogies between today and 1929, subscribe to this disaster hypothesis. A moment of cool reflection should banish this bogeyman in all but the most misanthropic of hearts. The economy is vastly different from that of the 1920's (I will not bore you with a recitation of the differences: the enlarged role of government, defense spending, the built-in stabilizers, institutionalization of savings, the FDIC, etc.). It would be all but impossible for a cumulative vicious circle of economic and stock market weakness to come into being under the current set of circumstances.

Not only is the economy structurally different from 1929, it is in a far healthier position. Business has been in a high level recession since 1957. During this period (as pointed out so eloquently, but prematurely by the Editors of **Fortune** in recent months) solid progress has been made in absorbing the excess capacity built up during the capital goods boom of the mid-1950's. Many of the imbalances and distortions accumulated during the postwar era have thus been liquidated. By 1965, most of the excess capacity will have been absorbed, and with family formations rising sharply, the stage will be set for a renewal of business vigor. Ironically, investors have become aware of the torpid state of the economy **after** the period of maximum danger (1959-60) and as longer term prospects were visibly improving.

What is true for the economy is equally true for the stock market. The current situation is vastly different from 1929, both structurally and internally. The SEC effectively blocks the appearance of bear manipulation, while high margin requirements serve, with several exceptions, to shield the market from the type of self-enforcing liquidation that was so much in evidence in 1929-32. Similarly, the internal condition of the market is incomparably better than that prevailing in 1929. As is implied by the amazing distribution of group bull market highs between 1956 (coppers) and 1961 (utilities), many sectors of the market are already thoroughly liquidated. In contrast, in 1929 almost all groups had made their highs within 18 months of the peak in the Dow and consequently were about equally vulnerable when the big break came.

Gold Stocks

Of course, there is the gold problem. We will undoubtedly hear much in coming months about the loss of gold and its supposed implications (on this basis alone, gold stocks are a promising short term speculation). There are many reasons, which limited space does not permit me to enumerate, why our balance of payments problem will not culminate in either a devaluation or a 7% discount rate. It suffices to point out that in the very unlikely event of a monetary debacle a la 1931, exchange controls and the other paraphernalia that is so readily available to the government in a New Model Economy would be the preferred solution.

Therefore, in my opinion, a repeat of the 1929-32 disaster is a very, very remote possibility. Regardless of what the market does, the economy, and with it, corporate earnings, will hold up reasonably well. Therefore, the major area of vulnerability in the market is in rates of capitalization. They have dropped precipitously, and for many groups, a further dramatic erosion is in prospect, but so long as overall earnings and dividends are maintained substantially intact, there are limits of how long P/E's can be pushed. Avarice will triumph over pessimism long before equity prices reach cataclysmic levels. The cult of the equity is only exhausted, not dead. In the last analysis, what else is there in the long run.

Envisions Trendless Volatility

This brings us to the third alternative (a trading range). Given the crippled state of confidence on one hand and the relative invulnerability of the economy on the other, limits appear to exist which will block the emergence of extremes in the market (whether bullish or bearish). Therefore the probabilities would seem to favor stocks entering an extended period of trendless volatility (extended because a basic improvement in business fundamentals is unlikely for several more years; volatile because of the differential technical health of the various groups which make up the market, and because investors will be formulating and testing a new consensus).

The downside limit of this trading range is still conjectural (on the upside, the market should encounter a massive wall of supply whenever it rallies above 670 DJIA). I would guess that it will be found in the congested 470-520 DJIA area where the market made its 1955-57 highs. Not only is support on technical grounds an expectation at this level, fundamentals also confirm its defensibility. The DJAI should earn $34-$36 this year (assuming a recession starting sometime this Autumn) and (assuming the recession is contained by a large tax cut) $32-$34 next year. If these earnings are capitalized on a reasonable 15/1 capitalization ratio, the downside price target for the DJIA would be 480-540. Given the quality of the stocks that make up the Dow and granting my earnings estimates, it is difficult to imagine the DJIA P/E dropping much below 15/1.

If the above calculations turn out to be substantially valid, the market at this time (June 7, 600+ DJIA) is selling at about

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the midpoint of its expected trading range. At its intraday low of 553 on May 29, the Dow had covered only about 75% of the estimated distance between its high and its low. Thus, in all probability, further significant lows are coming, lows that will be substantially below the current price level. Just when the bottom could come is, of course, conjectural.

Expects Summer Rally and October Drop

The technical probabilities are that the May 29 low will hold for several months at least. Five selling climaxes (equaling the record set in the Fall of 1929) and two buying climaxes crowded into less than 40 trading days almost guarantee a one-half to two-thirds rebound before a renewal of major weakness can be expected. On this basis, the Summer rally could carry the Dow back to 650 or even to 675. Supporting this move will be a stream of reassurances and promises of action from Washington.

By the end of Summer, however, the fat could be on the fire. It is, in my opinion, unrealistic to expect that the flabby recovery the economy has made from the 1960-61 recession can withstand the impact on consumer and business expectations of a $100 billion collapse in equity values. Consequently, it is not unreasonable to expect that business will turn down in a few months. This in itself should be enough to push the DJIA down to the 500 level, and perhaps below, by, say, the end of October, especially as the tax-selling season will then be in full swing.

The New Year should bring a massive tax cut, a massive deficit and a massive effort on the part of Washington to keep the recession within bounds. There is every reason to expect that these measures will succeed, that the slump will be mild and that our New Model Economy will be moving ahead by late 1963.

(For a discussion of market and business prospects in the mid-1960s and beyond, see my April 19 article in the *Commercial and Financial Chronicle;* reprints available on request to the author.)

So far, this discussion has been confined to the "market" as measured by the DJIA. As we all know, this is a market of stocks as well as a stock market and the prospects of the various groups that make up the market are at least as important as the prospects for the whole. Therefore, comments on these groups are in order, although they must necessarily be of a tentative nature.

Fractionalizes P/E for Respective Groups

To date, the brunt of the selloff, as could be expected, has been directed against growth and defensive stocks selling at high multiples of earnings. Further, this tendency seems likely to persist as there are still oceans of water yet to be squeezed out of this type of situation. If the over-all situation unfolds as I have outlined above, and the DJIA settles down to a 15/1 P/E basis, the spectrum of P/E ratios that might emerge after the final lows are reached could be as follows:

Very highest grade growth stocks	25-30/1
High grade growth stocks	20/1
Growth utilities	20/1
Secondary growth stocks	15/1
Non-growth utilities	15/1
Standard blue chips	15/1
Sound secondary companies	12/1
High grade cyclicals	12/1
Lower grade cyclicals	10/1

If these ratios are applied to realistic earning power estimates, it is obvious that a large margin of overvaluation still exists at today's prices for such groups as banking, life insurance, business machines, foods, electronics and utilities. Almost without exception, individual stocks in these groups are still good sales where the tax problem is not prohibitive. In contrast, there is no margin of overvaluation in such groups as airlines, cement, shipping, rails and rail equipments. In portfolios whose representation in these groups is small or lacking part of the funds generated by the sale of overvalued situations can be immediately reinvested in this type of situation. In other groups, steel, chemicals, etc., the valuation pattern is not so clearcut, and each issue must be judged on its own merits.

These remarks are addressed to most listed stocks and the higher grade issues traded over-the-counter. The future of the typical highly promoted small A. S. E. and O. T. C. growth-glamour issue is depressing.

As a general policy, I continue to recommend, as I have since December, that at least 25-35% of the equity portion of all portfolios be in cash or its equivalent (a 50% figure would not be too much). Of the 65-75% that is invested, at least a quarter should be committed to depressed cyclical issues.

* * *

The party is finally over. It has taken five years, but reality has at last breached the ivory tower of continual growth and inflation into which investment sentiment had withdrawn. The collapse of these defenses has been abrupt and the losses suffered by the garrison grievous. The survivors are in a blue funk. However, the world is not ending.

In this, the seventh decade of the 20th Century, a century of wars and revolutions, social and economic upheaval, the 19th Century mystique of bonds is beyond revival. Except under the most extreme conditions (such as obtained in recent years when the general market was greatly overvalued and high grade bond yields exceeded 5%) there is no valid alternative to equities. Simply put — given the permanent World Crisis and domestic political imperatives, no intelligent investor can seriously entertain the possibility of a true deflation ever occurring again.

Note: It goes without saying that the outbreak of a full-scale shooting war in Laos, South Vietnam or elsewhere would completely alter the schedule of probabilities outlined above.

ERRATUM

In the "Businessman's Bookshelf" section of today's *Chronicle*, on page 40, through a misunderstanding on the part of the publisher, D. Van Nostrand Co., the price of "Man, Economy and State," a two-volume book by Murray N. Rothbard, was given incorrectly. The correct price of this set is $20. The two volumes, which are not sold individually, contain 987 pages with the index to both volumes in volume II.

Form Postal Inv. Co.

KANSAS CITY, Mo.—Postal Investment Company, Inc. has been formed with offices at 3142 Broadway to engage in a securities business. Officers are Robert E. Bowles, Jr., President, Richard P. Bowles, Vice-President; and Robert T. Childers, Secretary and Treasurer.

Form Life Shares Trading

COLUMBUS, Ga.—Life Shares Trading Corporation has been formed with offices at 1141 Thirteenth Street to engage in a securities business. Officers are John B. Amos, President; John S. Amos, Vice-President, and Francis B. King, Secretary and Treasurer.

E. R. Schwabach Opens

E. Richard Schwabach is engaging in a securities business from offices at 120 Wall Street, New York City, under the firm name of E. R. Schwabach Company. Mr. Schwabach was formerly with H. Hentz & Company.

PUBLIC UTILITY SECURITIES

BY OWEN ELY

Utility P-E Ratios Sharply Reduced by Market Upset

The recent market debacle resulted in a decline in the Dow Jones Utility Average from 130 to 98 within a period of less than six weeks, with a recovery (as of June 8th) to around 114. Of course the way had been paved for the decline by the earlier drop in the industrial group, but nevertheless the violent gyrations of some investment-type utility stocks seemed hard to explain.

A contributing factor was the existence of a large number of "special subscription" accounts which had been set up on a 25% margin basis in connection with new offerings of utility common stock through rights subscriptions. These accounts naturally invited a considerable amount of speculative interest because of the low margin rate as compared with the 70% rate normally required by the Federal Reserve Board rules. While no data is available, it appears likely that a large number of these accounts had to be liquidated, accounting for the drastic drops in some utility stocks around the bottom of the market decline on May 31st.

Another factor was the very high price-earnings ratios for certain rapid-growth electric utilities. Some of these ratios had reached rather fantastic levels last November—as high as 45 in one or two instances. Several investment firms issued bearish market opinions at that time and a moderate downward move occurred during December and January. Presumably, this adjustment was incomplete and general market weakness revived plans for profit-taking in this hitherto very popular group of stocks.

Another possible factor was the renewal of fears regarding the possible encroachment of public power on the areas or customers served by the investor-owned utilities. A good deal of publicity had appeared in the past month or so regarding Federal plans to lend 2% money to "super co-ops" in various parts of the country, to build large generating plants. Ostensibly these new plants would serve the farmers through the local REA distributors (who are currently buying most of their power from the private utilities), but actually there seemed reason to believe that the new plants would permit the REAs to compete advantageously for municipal and industrial business, now held by the private utilities. In so doing, they not only would have a heavy tax advantage, but also the benefits of ultra-cheap capital funds. Moreover, the plans to build these plants had been shrouded in secrecy in Washington.

Another threatened encroachment was the proposed Federal power "grid" of transmission lines, to be built gradually on a nationwide basis to connect various public power generating plants with public power distributors such as municipalities, REAs, PUDs, etc. But the excitement over the "grid" had recently died down somewhat, and investor-owned utilities have initiated a publicity campaign about the $8 billion grid they plan to build themselves. However, a new disturbing factor occurred in a recent announcement by Chairman Swidler of the Federal Power Commission: He indicated that the FPC intended to resume its long dormant interest in the electric utility industry and to exercise its power to regulate wholesale rates of utilities engaged in transmitting power across state lines. Southwestern Public Service was reported to be the first "guinea pig" for this move, but the exact scope of the FPC investigation and the extent of any exercise of its regulatory powers are not yet clear.

In our opinion these adverse possibilities have been over-discounted, and electric utility stocks, in general, are in a buy range. A number of stocks can now be obtained to yield 4-5% on a competitive basis with bond yields, and the prospects for continued gains in earnings and dividends make many of them attractive as compared with bonds. The recent market adjustment in price-earnings ratios and yields is illustrated in the accompanying tabulation.

	Average P./E. Ratio		Average Yield	
	3/6	6/1	3/16	6/1
9 Rapid Growth Electric Utilities	36	27	1.9%	2.4%
19 Moderate Growth Electric Utilities	25	21	2.7	3.2
30 Average Growth Electric Utilities	22	18	3.3	3.7

While prices of electric utilities have been going down, earnings have been rising rapidly, thus improving P-E ratios two ways. Electric output is currently running about 11% over last year and in the first quarter it averaged about 9.5% over the first quarter of 1961. All major divisions of the business did well, residential sales gaining 10.1% in March while large light and power customers took 10.6% more electricity than a year previous. Of course the gains in industrial sales may taper off in the balance of the year somewhat, as the Federal Reserve Index of business activity (which was at a low level in the first quarter of 1961) showed considerable improvement during the balance of that year.

First quarter earnings for many utilities thus made a fine showing. For the month of April, Tampa Electric's net income gained 23%, Carolina Power & Light's 14%, Oklahoma Gas & Electric's 13%, Connecticut Light & Power's 15%, etc. The utilities had a relatively cool summer last year, with poor air-conditioning sales, particularly in the south. A spell of hot weather would be a big plus factor in share earnings since idle capacity has to be kept ready for this sudden demand. Thus it appears likely that, with a favorable air-conditioning load, the electric utilities may show the best increase in share earnings this year of the past decade—perhaps 10% or better, compared with last year's gain of less than 5%.

The longer term outlook, so far as it can be gauged, also seems favorable. While the rate of growth in output is slowing down a little, the electric utilities are now making an all-out effort to push electric househeating. Since the all-electric home uses about four times as much electricity as the average residential use, this should be a great aid in maintaining the growth of residential use of electricity. Industrial usage should also continue to gain more rapidly than the gross national product because of increasing automation of factories, etc.

Despite the disturbing rise in local taxes and in interest rates, the outlook still seems favorable for a continued uptrend in utility earnings.

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June 13, 1962

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NEWS ABOUT BANKS AND BANKERS

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

Thomas W. McMahon, Jr. has been promoted to Senior Vice-President of the **Chase Manhattan Bank, New York,** President David Rockefeller announced June 7. Mr. McMahon is in charge of a group of the Bank's branches in mid-Manhattan.

He joined the Bank in 1947 and was assigned to the public utilities department the following year. In 1951 he was appointed Assistant Treasurer, and in 1954 he was promoted to Assistant Vice-President. He was transferred to the Metropolitan department and made a Vice-President in 1956.

Harry E. Ekblom has also been promoted to Vice-President.

Mr. Ekblom, who is in the United States department, is assigned to the group responsible for the Bank's business in Illinois, Minnesota, Montana, No. Dakota, South Dakota and Wisconsin.

He joined the bank in 1950 and was promoted to Assistant Treasurer in 1956 and to Assistant Vice-President in 1959.

The Bank also announced the appointment of Thomas J. Concannon, Jr., as Assistant Vice-President. He is also in the United States department and is assigned to the district that handles the bank's business in Arkansas, Louisiana, Oklahoma and Texas.

He joined the Bank in 1941 and became an Assistant Treasurer in 1955.

* * *

John R. Lynch, retired Assistant Treasurer of the **Chase Manhattan Bank, New York,** died June 11. He was 67 years old.

Mr. Lynch entered banking in 1919 with the **Seaboard National Bank, New York,** a predecessor of Chase Manhattan. At his retirement in 1960 he was officer in charge of the Bush Terminal branch of Chase Manhattan in Brooklyn, N. Y.

* * *

First National City Bank, New York on June 4 appointed Anthony T. Ellis and George M. Lingua Vice-Presidents with its Pension Trust Department.

Mr. Ellis joined the Western District of First National City's National Division in 1956. He was appointed an Assistant Cashier in 1958 and an Assistant Vice-President in 1960.

Mr. Lingua came to the Bank's Investment Advisory Department in 1955. He was appointed an Assistant Trust Officer in 1957 and an Assistant Vice-President in 1959.

* * *

First National City Bank, New York, has announced that Gordon L. Pattison has been appointed a Vice-President. Mr. Pattison will be associated with Daniel D. Dickey, Vice-President, in the administration of the bank's expanding real estate and mortgage loan activities.

Mr. Pattison comes to the bank from the **Bank of Hawaii, Honolulu, Hawaii,** where he was senior officer in charge of overall mortgage operations and management of the mortgage portfolio.

* * *

Clifford J. Kendall has been elected a Vice-President of the **Morgan Guaranty Trust Company of New York.** Mr. Kendall, who had been an Assistant Vice-President, was assigned to the Bank's methods and systems department.

* * *

L. Abbett Post, Jr. and Joseph C. Walz have been elected Vice-Presidents of **Manufacturers Hanover Trust Company, New York** it was announced June 7. Both are in the Bank's Metropolitan Division, Mr. Post at 350 Park Ave. and Mr. Walz at 70 Broadway.

Named Assistant Vice-Presidents are Edwin J. Draycott, securities; Frederick E. Lyon, Fifth Avenue office; Hector M. MacKethan, Jr., 350 Park Avenue; John A. Schaffer, Union Carbide office; John J. Schmid, branch administration; William E. Suneson, Time-Life office; and Anthony Trapani, Canal Street office.

* * *

Bankers Trust Company, New York, announced the appointment of John W. O'Brien as Assistant Vice-President in the U. S. government division.

Jay B. Kane, Charles Selinske and Schach A. Van Steenberg were appointed as Assistant Secretaries in the pension trust division.

Roy Andres and Reginald H. Fullerton, Jr. were named Assistant Treasurers in the municipal division and pension trust division respectively.

* * *

The United States Trust Company of New York has promoted Stanley A. Carrington, Robert E. Fulton, and Moore Gates, Jr. to Vice-Presidents.

Mr. Carrington and Mr. Gates are senior account executives in the investment division. Both have been Assistant Vice-Presidents since 1957.

Mr. Fulton, who also became an Assistant Vice-President in 1957, is in charge of the pension administration department.

* * *

Charles Oldenbuttel has been elected a Director of the **Commercial Bank of North America, New York.** Mr. Oldenbuttel is Senior Vice-President of the Bank. He had been President of the **Peoples Bank of Brooklyn, N. Y.** which merged recently with Commercial Bank.

* * *

C. Donald Seymour, has been appointed to the Board of Trustees of **Excelsior Savings Bank, New York.**

* * *

The consolidation of **The Peconic Bank, Sag Harbor, L. I., N. Y.** into **Security National Bank of Long Island** has been approved by the Comptroller of the Currency, it was announced by Herman H. Maass, President of Security National Bank, to become effective on or after June 12.

The consolidation, as approved by the stockholders of the institutions, will be effected through an exchange of stock on the basis of five shares of Security National for one share of Peconic.

The resultant bank will have assets of approximately $250,000,000.

Charles C. Saunders, President of The Peconic Bank, will serve the combined banks as Vice-President in charge of the Sag Harbor office.

* * *

The Banking Department of the State of New York on June 1 gave approval to **The Industrial Bank of Binghamton, Binghamton, N. Y.,** to increase its capital stock from $304,500 consisting of 30,450 shares of the par value of $10 each, to $319,720 consisting of 31,972 shares of the same par value.

* * *

Oren Root, New York State Superintendent of Banks and Chairman of the Banking Board, announced June 7 that he had approved the merger of the **First National Bank of Perry, N. Y.,** into the **Citizens Bank of Perry, N. Y.**

* * *

Raymond H. Jonas, has been made a Vice-President and Trust Officer of the **Hartford National Bank & Trust Co., Hartford, Conn.**

* * *

J. McKenny Willis, Jr., former President of the **Easton National Bank of Maryland,** was elected to the Board of Directors of **Maryland National Bank, Baltimore, Maryland.**

Mr. Willis is Chairman of the Advisory Board of the Easton Office of Maryland National Bank.

* * *

Franklin G. Meeker was elected a director of the **First National Bank of Cincinnati, Ohio.**

* * *

Lawrence H. Frowick has been elected Vice-President in the commercial banking department of the **Continental Illinois National Bank & Trust Co., Chicago, Illinois.**

Electric Utilities

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The Communist Bloc's Economic Problems

By Paul Einzig

Dr. Einzig is puzzled by U.S.S.R.'s refusal to part with gold for necessary food imports and by the fact that, amidst the butter shortage in Russia, Poland is dumping its butter surplus on the British market. The fact that the Communist Bloc countries are having economic woes should not, Dr. Einzig warns, lull us into a false feeling of security and to cease finding a solution to maintaining our economic growth sans inflation. Conceivably, the noted analyst points out, Khrushchev's reaction to his economic problems could lead to some sort of diversionary external adventure.

LONDON, England — The recent sharp falls in Wall Street and in other Stock Exchanges, and the slowdown of expansion in the free world in general, were greeted with triumphant sneers from behind the Iron Curtain. At long last, they said, the great crisis of capitalism predicted by Karl Marx was really approaching. Western capitalism was about to collapse and Communism would be able to assume control without having to fight a war. Beyond doubt, the immediate economic prospects of the free world have changed for the worse. But the change has not been and is not likely to be sufficiently pronounced to justify the Communist predictions.

In any case, the setback is not confined to countries outside the Iron Curtain. On the admission of the Chinese Communist Government, conditions in China have greatly deteriorated during recent years. The desperate plight of the Chinese people is indicated by the effort of many thousands to seek refuge in Hong Kong. The fact is that even though the preference of so many Chinese for living under the capitalist system meant a loss of face for the Peking Government, the latter made no attempt to check the flow. This suggests that the desire to reduce the number of mouths that have to be fed prevailed even under all-important considerations of prestige.

Nor have the European members of the Communist bloc much to boast about. The recent sharp rise in the price of meat and butter in the Soviet Union shows that inflation is not confined to non-Communist countries. Of course Mr. Khrushchev tried to blame the Western powers, accusing them of aggressive designs against the U. S. S. R. which are supposed to have necessitated heavy defense expenditure, thereby reducing the manpower and resources available for producing consumer goods. Actually it is the Communist menace that forces the Western world to remain heavily armed. And it is the unbounded ambition of the Kremlin to establish communication with other planets that constitutes another major obstacle to the improvement of the standard of living of the Russian people.

U. S. S. R.'s Refusal to Spend Gold

It is somewhat strange that Soviet Russia should complain of butter shortage while Communist Poland is dumping its butter surplus on the British market. And the much-heralded drive to grow wheat on the Asiatic steppes and in sub-arctic regions does not seem to have prevented the development of a wheat shortage in Poland. In any case there are ample surpluses of meat and other agricultural products in the free world, and Soviet Russia is supposed to possess the second largest gold reserve. So why did the Soviet Government introduce the capitalist method of rationing consumers of meat and butter by purse instead of spending some of its gold on the acquisition of adequate supplies?

There was, and still is, much enthusiasm in Russia about the success of Soviet space men. But the drastic increase in the prices of essential foodstuffs must have made many people realize that it is they who have to pay the price for the unlimited amounts spent by the Soviet Government on space research. Does the satisfaction felt over the achievements in that sphere compensate the average citizen for having to curtail his consumption of meat and butter and for having to continue to live in shockingly overcrowded dwellings?

Under dictatorship it is possible to divert resources badly needed for satisfying elementary requirement to projects aimed at achieving prestige or to military expenditure in pursuit of ambitions of world conquest. There is nothing the Russian public can do against such flagrant misallocation of its resources by its rulers.

Plus ca change, plus c'est la meme chose. Under the Tsarist regime the bulk of the population was kept on starvation level while wheat and other products badly-needed at home were exported in order to pay interest on foreign loans raised for the purpose of covering the cost of a huge army. The half-starved peasant and industrial worker could do nothing about it. And the masses of consumers in Soviet Russia today are equally helpless victims of the power and prestige policy of their despotic rulers.

Warns Against Being Off Guard

The fact that Communist countries have economic difficulties of their own should not, however, lull the free world into a false feeling of security. It was when, owing to economic difficulties, Mussolini was no longer able to boast of economic achievements that he embarked on the Abyssinian adventure in order to divert attention from difficulties at home. Quite conceivably Mr. Khrushchev's reaction to his economic troubles will be to embark on some external adventure.

The fact that the economic progress within the Communist bloc has fallen behind the ambitious plans should not convey the feeling in the western countries that we now can afford to take it easy. Our own setback must be overcome in order to ensure that the Communists do not catch up with us in the race towards a higher standard of living. It is more important than ever to be able to find a solution for maintaining our expansion and at the same time keeping down its inflationary effect to a minimum.

Hale Securities In Nashville

NASHVILLE, Tenn.—Hale Securities, Inc. has been formed with offices in the Life and Casualty Tower to engage in a securities business. Officers are R. Walter Hale, Jr., President and Treasurer; Reber Boult, Vice-President; and James I. Vance Berry, Secretary. Mr. Hale was formerly a partner in Webster, Gibson & Hale.

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Some Current Banking And Monetary Problems

By William F. Treiber,* *First Vice-President, Federal Reserve Bank of New York, New York City*

New York central banker's review of pertinent banking, monetary and international dollar exchange problems ranges from such purely domestic banking structural matters as "bigness" in banking to the recent entry of the Federal Reserve into foreign exchange operations. Mr. Treiber refers to the fact that a bank and a banking system must serve society and meet its changing needs or perish. He is not adverse to a bank's enlargement to a point where its efficiency is improved so long as competition is left unimpaired. He prods bankers to do what they can to improve their efficiency without recourse to legislation and, also, to make minimum recommendations which cannot be accomplished without legislation. Description of cooperative international effort to improve the world's financial system includes an insight into the mandatory workings of the European Monetary Agreement. Not neglected is the reminder that fundamental problems causing our gold-outflow must be solved and that they cannot be taken care of indefinitely by technical foreign exchange operations.

Service to Society

A wise man once said that nothing is certain but change. Each year we see, or feel, change in ourselves. We see change in the systems we create. Our systems, whether they be economic, social or political, are designed to meet the needs and aspirations of men. And those needs and aspirations are ever-changing.

Wm. F. Treiber

It is not enough that an institution or system serve those who have a proprietary interest in it. Over the long run a particular institution or system must serve society and meet its changing needs; if the institution or system does not do so, it will perish. History is full of evidence of economic systems, of governmental systems, of social systems, that failed in this respect and therefore vanished from the earth. There is nothing sacred about the economic system or the banking system that we know today. Unless they serve society and keep up with its needs they, too, will pass away. Thus, as commercial bankers and as central bankers, we are under continuing pressure to improve the ways in which our systems serve the people.

Scope of Remarks

My discussion contains three objectives:

(1) To make a few observations on the structure of the commercial banking system and on bank operations;

(2) To comment on the role of international financial factors in the achievement of our national economic goals; and

(3) To review the cooperative effort being made to improve the performance of the international financial system — an effort in which the Federal Reserve System is actively engaged.

Purposes of Bank System: Our commercial banking system seeks to render a variety of financial services—to provide society with an efficient mechanism for money payments, to finance the production and distribution of goods and services by businessmen, and to finance the acquisition of such goods and services by consumers. By performing those services well the system provides a financial reward for those who, through their labor or their capital, help to make such performance possible. Unless the banks perform those services well they have no just claim upon society for a financial reward. But when the services are of a type that meets the needs and aspirations of the community, they merit a reasonable price—a reasonable return to the banks. Thus bankers must continually ask themselves the question: What kind of a banking system will best serve the public interest and, therefore, best serve the long-run interest of the banks themselves?

Dual Goals: Society wants a banking system that provides banking services of wide scope and high quality at reasonable cost, available to all persons who have need for those services. To accomplish this, increased efficiency must be a constant goal. History has demonstrated that competition fosters efficiency by assuring the broad availability of such services at minimum cost. History, on the other hand, has also taught that complete freedom and unrestrained competition can destroy. Thus society seeks to promote efficiency and healthy competition. Does our current banking structure promote these dual goals? This question is being asked frequently and in many places.

New Jersey Banking Structure

This question was asked last year about the banking system in New Jersey when the Commissioner of Banking and Insurance appointed a Branch Banking Study Committee chaired by Professor Chandler of Princeton University.

I would call attention especially to the following conclusions of the Committee:

(1) A banking statute should have a dual goal of promoting efficiency and effective competition in banking.

(2) Several of the present provisions of the New Jersey Banking Law are so restrictive that banks are prevented from achieving a size that will enable them to be reasonably efficient, while other provisions promote monopoly power and inefficiency.

(3) Certain provisions of the law dealing with the establishment of branches should now be amended in order to promote efficiency and competition.

(4) A new committee or commission should be appointed and given adequate time and resources to make a thorough analysis of the banking situation and prospects in New Jersey and to recommend appropriate changes in the Banking Law.

Recommendation: As for my own views on the banking structure, I would emphasize the thought expressed by the Committee—that the capacity for service is seriously limited when banks are prevented from achieving a size that will enable them to be reasonably efficient.

In addition, I would make one observation and ask one question. My observation is that a banking system appears to function best when no one bank overshadows all others, and when there is a reasonable number of choices of alternate banking facilities, at various size levels, for the entire range of banking services, at reasonably convenient locations within meaningful market areas.

My question is: Would it not be in the best interests of banking . . . (for bankers) to recommend some minimum improvements in the Banking Law at this time in order to move forward toward the dual goals of greater efficiency and effective competition, and for you to support an objective study by a qualified commission of further steps to promote these goals?

Efficiency of Operations: There are, of course, many things that bankers can do without legislation to improve efficiency. The greatest opportunities for improvement probably do not require any legislation. Are they using their resources — not only their financial resources but their human resources—most effectively? Do they have a program, or series of programs, that helps them to grow? To consider but one facet of operations, do you know their costs?

Cost Analysis: A careful analysis of costs on a functional basis is essential if management is to make constructive decisions. By analyzing such factors as the cost of servicing deposits, the cost of processing loans and investments, and the major items of general overhead, specific elements of weakness or strength in a bank's operations are revealed; and a factual basis is provided for considering policies regarding investments, service charges, the payment of interest on savings and other time deposits, the acquisition of new equipment, the adoption of new procedures, and other operational matters. Such analysis helps management to concentrate its efforts in promising areas in its search to improve its service to the community and thereby improve its profits.

Healthy competition, orderly growth, improvement of services, control of costs, development of staff—these are some of the important objectives for the banking industry. If achieved, they will assure that the industry will continue to meet the needs of the society it serves, and will change and prosper as that society changes. In this process of change, the Federal Reserve Banks stand ready to share their knowledge and experience with the banking community and to render counsel and assistance.

National Economic Goals

Now let us turn from the consideration of the problems of individual banks to the consideration of some of the broader aspects of our economic system and the role of monetary policy. Our national economic goals include:

(1) maximum sustainable growth;

(2) reasonable price stability;

(3) maximum practicable employment; and

(4) equilibrium in international payments.

These goals are interdependent. For example, sustained inflation would soon distort growth patterns and thus undermine growth itself. Nor can we have, over the long run, maximum practicable employment at home unless we have a strong dollar in international markets.

Dollar Key Currency

The United States dollar has become the key international currency. The United States has no restrictions on the freedom of its citizens to use dollars to buy, travel or invest abroad, nor does it restrict the acquisition and use of dollars by citizens of other countries. It is through the dollar that most other currencies are linked to gold. Official foreign holders of dollars can convert them freely into gold at a fixed price—$35 per ounce. Thus the dollar has become a principal medium in which foreign countries hold their monetary reserves.

A strong and stable dollar is necessary for a smooth working international payments mechanism. Foreign countries holding dollars in their official reserves obviously have placed their faith in the strength and stability of the dollar; the same holds true for the innumerable private traders and investors who hold dollar assets for working balances and investment purposes.

The strength of the dollar is affected by the flow of money payments between our country and the rest of the world. The flow is influenced by many factors—not only by what our people sell abroad and what they buy from abroad, and by the policies of our government with respect to military expenditures, economic aid, tariffs, quotas and the like, but also by changes in interest rates and other business factors here and abroad. Long-term equilibrium in the flow is important for the economic strength and development of the United States and the rest of the world. If we are to have vigorous growing economies at home and elsewhere in the free world, there must be a system of international payments that permits countries to finance the goods and services they exchange with a minimum of risk and cost, whether payment is made in cash or on credit; to attain that goal the major cur-

Continued on page 61

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The State of TRADE and INDUSTRY

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

Most economic indicators of future events point to a continuation of the current upswing at least throughout 1962, stated the June issue of *Barometer of Business* published by Harris Trust and Savings Bank, Chicago.

Businesses plan to increase their capital spending by 11% over 1961, according to the latest McGraw-Hill survey of plans for plant and equipment, the Harris publication pointed out. The survey implied an optimistic $5 billion rise in capital outlays between the first and fourth quarters of this year. Federal budget expenditures are expected to climb $3.5 billion higher in fiscal 1963.

Stepped-Up Consumer Spending Predicted

The consumer is also expected to step-up his spending, as he has been doing for the past year. Personal income is up 7% from its level a year ago and has been rising at an annual rate of 8% for the past few months.

Retail sales moved up with rising incomes, increasing by nearly 9% in the past year, reported the *Barometer*. The savings rate has changed little during this period.

A survey of consumer income expectations and purchase plans conducted by the Bureau of the Census in April points to a continuation of the rising sales trend. About 25% of the families interviewed expect their incomes to be higher in a year, while only 5% anticipate a decline.

Specifically, plans to purchase washing machines, refrigerators, and television sets during the next few months rose appreciably for the first time in this recovery cycle. Purchase plans for used cars during the next six months are at the highest level in the history of the survey.

In summarizing present business conditions, the Harris Bank pointed out that the economy is continuing to push upward with new highs being established in many of the broad indicators of business performance.

Despite a 30% decline in steel output since the end of March, industrial production has recorded monthly 1% rises following a January decline. Automobile production paced the advance, climbing over 20% between early February and late May, as car sales climbed to a seven million annual rate in the last three months.

Employment has increased only moderately in the 1962 pickup. Additional output has been accomplished through improved productivity and longer hours of work.

Seasonally adjusted average hours worked per week in manufacturing climbed a full hour since January, and are now running at the highest rate since 1955. Further output increases will require hiring of additional workers, suggesting a future drop in the rate of unemployment, the Harris Bank opined.

Surveying the postwar gain in incomes, the *Barometer of Business* stated that consumer ability to maintain increasing outlays on goods and services is evidenced by the continual improvement in incomes during the postwar period.

Greatly Improved Income Distribution

The mean income of consumer units increased 70% between 1947 and 1961 while the consumer price index rose by one-third. Moreover, the market for most goods and services has been broadened considerably as families moved up the income ladder. Consumer units with incomes under $4,000 decreased from 63% to 31% in this period while consumer units with incomes in excess of $8,000 increased from 8% in 1947 to 28% in 1961.

Another indication of the improved ability of the average consumer to spend is a measure of his discretionary income, indicated the periodical. As defined by the National Industrial Conference Board, discretionary income consists of income available to consumers after deducting essential outlays (food, clothing, utilities, transportation, medical) and major fixed commitments (installment debt repayment, mortgage payments, home-owner taxes, rent, insurance).

By late 1961 discretionary income amounted to $135.3 billion, compared with $89.7 billion seven years earlier. Discretionary income increased somewhat faster than did disposable personal income since 1954.

Rising average incomes and movement of families into higher income brackets have provided the stimulus to increased consumer spending in the postwar period, points out the Harris publication. The present trend in personal income and purchase plans of families suggests that consumer spending on goods and services will be one of the dominant forces leading the economy into higher ground throughout 1962.

Bank Clearings Increase 12.7% Above 1961 Week

Bank clearings this week will show an increase compared with a year ago. Preliminary figures compiled by the *Chronicle*, based on telegraphic advices from the chief cities of the country indicate that for the week ended Saturday, June 9, data from all cities of the United States from which it is possible to obtain weekly figures will be 12.7% above those for the corresponding week last year. Our preliminary totals stand at $30,629,944,222 against $27,173,069,086 for the same week in 1961. Our comparative summary for some of the principal money centers follows:

Week End. June 9—	(000s omitted) 1962	1961	%
New York	$16,879,397	$14,859,045	+13.6
Chicago	1,402,572	1,355,594	+ 3.5
Philadelphia	1,167,000	1,068,000	+ 9.3
Boston	876,451	777,989	+12.7
Kansas City	516,020	472,398	+ 9.2

Steel Production Data for the Week Ended June 9, 1962

According to data compiled by the American Iron and Steel Institute, production for the week ended June 9, 1962, was 1,580,000 tons (*84.8%), as against 1,586,000 tons (*85.1%), in the week ended June 2.

Production this year through June 9 amounted to 49,761,000 tons (*116.1), or 27.0% above the period through June 10, 1961.

The Institute concludes with index of Ingot Production by Districts for week ended June 9, 1962, as follows:

	* Index of Ingot Production for Week Ended June 9, 1962
North East Coast	84
Buffalo	66
Pittsburgh	82
Youngstown	69
Cleveland	76
Detroit	109
Chicago	87
Cincinnati	86
St. Louis	89
Southern	101
Western	97
Total	84.8

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

Steel Buying Upturn Seen for July

Look for a modest upturn in steel buying next month when automakers start releasing orders for 1963 model runs, *Steel* magazine said this week.

Until then, the car companies will place only fill-in orders and mills will continue booking tonnage at a rate equivalent to only 50% of shipping capacity.

Automakers have enough steel on hand and on order to complete 1962 models and get almost a month's start on the 1963 cars.

On June 1, they had 60-day stockpiles totaling almost 2.1 million tons. That's nearly double the amount they carried at the same date in 1960, when car production equaled the 6.7 million units expected for 1962. Another two months' stocks are on order, waiting only for shipping releases.

As 1962 car production goes into the final lap, automakers are trying to get pilot lines started earlier than usual so that they can do a faster debugging job when production starts. The first 1963 Chevrolets were scheduled to roll off the pilot plant line in Flint, Mich., last week.

Although softness in the steel market is due mainly to inventory adjustment, *Steel* said it also reflects the growing tendency for metalworking plants to schedule all employee vacations at once and to shut down for their duration.

Steelmakers reported that hundreds of their customers are telling them not to ship at specified times in June, July, or August. "Whether July is better than June will depend on who your customers are," said one mill.

The downtrend in steel shipments continues with inventories being trimmed by companies of all sizes in most industries. Buyers who deferred some of their June tonnage to July are talking about pushing some July tonnage into August. June shipments will be about 10% less than last month's.

Consumers are starting to shop again for the best delivery promises they can get, *Steel* said. Steelmakers may rebuild stocks of semifinished material to make themselves as competitive in the market as possible by quickening deliveries.

Chances are that ingot production in the weeks ahead will be somewhat higher than the rate of order entry justifies.

Output Levels Off Last Week After Nine Weeks of Decline

Steel output leveled off last week after nine consecutive weeks of decline. *Steel* estimated production at 1,586,000 tons, unchanged from output for the preceding week. It looked for production this week to be about the same tonnage.

The steel scrap market is still in decline. *Steel's* price composite on No. 1 heavy melting grade slipped 34 cents to $24.83 a gross ton, an eight-year low.

In the nonferrous metals market, brass mills have made broad price changes to reflect the fluctuations in the past year in the costs of metals used for alloying. All changes are in the range of fractions of a cent per pound.

Since the last general change in brass mill prices, the nickel price has dropped; the tin price has gone up; quotations on aluminum and lead are lower; on cadmium they are higher.

Metalworking Industries Surveyed On Capital Spending Plans

Companies in U. S. metalworking industries in the first quarter appropriated $1.2 billion for capital spending, reported *The Iron Age*.

This is an increase of 46% over the $800 million set aside in the last quarter of 1961 by these same industries.

The data is based on the latest quarterly survey of metalworking capital appropriations conducted for the magazine by the National

Continued on page 63

Texas Gas Transmission Debens. Offered

Dillon, Read & Co., Inc., New York City, heads an underwriting group which is offering $40,000,000 of 5% debentures, due June 1, 1982 of Texas Gas Transmission Corp. This marks the initial public offering of long-term debt securities of Texas Gas, the outstanding debt having been placed privately with institutional investors.

The debentures, priced at 100%, are entitled to a semi-annual sinking fund beginning on August 1, 1965 sufficient to retire the entire issue by maturity. The debentures are not refundable for a period of five years at an interest cost of less than 5% per annum, but are otherwise redeemable at the option of the corporation at any time at prices scaling downward from 105% for the 12 month period beginning June 1, 1961 to 100% for the 12 month period beginning June 1, 1981.

Headquartered in Owensboro, Ky., Texas Gas owns and operates a natural gas pipeline system extending from the Louisiana-Gulf Coast area to Ohio with a daily delivery capacity allocated to customers during the 1961-1962 heating season of approximately 1,515 million cubic feet. During the 12 months ended March 31, 1962 approximately 93% of the corporation's total sales were made for resale in interstate commerce, 52% being made to 68 public utility distributors serving communities in Louisiana, Arkansas, Mississippi, Tennessee, Kentucky, Illinois, Indiana and Ohio.

The company's wholly-owned subsidiary, Texas Gas Exploration Corp., is engaged in the exploration for and the production of natural gas and oil, primarily in the Louisiana and Texas Gulf Coast area. The subsidiary's net production for the 12 months ended March 31, 1962 was 16 billion cubic feet of gas and 478,000 barrels of oil and condensate.

Burgess & Leith Branch

BOSTON, Mass.—Burgess & Leith has opened a branch office at 50 Congress Street under the management of G. Sterling Grumman.

DIVIDEND NOTICES

DIVIDEND NO. 91

Hudson Bay Mining and Smelting Co., Limited

A Dividend of seventy-five cents ($.75) (Canadian) per share has been declared on the Capital Stock of this Company, payable September 10, 1962, to shareholders of record at the close of business on August 10, 1962.

J. F. McCARTHY, *Treasurer*

DIVIDEND NOTICES

New England Gas and Electric Association

COMMON DIVIDEND NO. 61

The Trustees have declared a quarterly dividend of thirty-three cents (33¢) per share on the common shares of the Association payable July 15, 1962 to shareholders of record at the close of business June 26, 1962.

B. A. JOHNSON, *Treasurer*

June 7, 1962

The Dominick Fund, Inc.

A diversified closed-end Investment Company

Dividend No. 155

On June 12, 1962 a dividend of 12c per share was declared on the capital stock of the Corporation, payable July 14, 1962 to stockholders of record June 29, 1962.

JOSEPH S. STOUT
Vice President and Secretary

COMMON STOCK DIVIDEND

The Board of Directors of Central and South West Corporation at its meeting held on June 7, 1962, declared a regular quarterly dividend of twenty-seven cents (27c) per share on the Corporation's Common Stock. This dividend is payable August 31, 1962, to stockholders of record July 31, 1962.

LEROY J. SCHEUERMAN
Secretary

CENTRAL AND SOUTH WEST CORPORATION
Wilmington, Delaware

Tri-Continental Corporation

A Diversified Closed-End Investment Company

Second Quarter Dividends

Record Date June 19, 1962

32 cents a share on the COMMON STOCK

Payable July 1, 1962

67½ cents a share on the $2.70 PREFERRED STOCK

Payable July 1, 1962

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13TH Consecutive Monthly Distribution

The Board of Directors has declared a regular cash distribution of **nine cents** (9¢) per share on the Class A Stock to Shareholders of Record at the close of business, June 29, 1962, payable on July 20, 1962.

Jerome Wishner
President

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The Market . . . And You

BY WALLACE STREETE

Stocks were groping for a bottom this week as new pressure moved in to depress further the items that have been heavy throughout the market break, such as IBM, Polaroid and Xerox.

The attrition in these issues is getting dire, particularly IBM which is close to selling at half of its peak price, while Polaroid already has lost more than half of its value from this year's peak. In the case of the latter, the decline is not a recent development since the shares sold up to 261 in 1960, but topped out at 238 last year, and could only reach 221 at the top this year. In breaking below par, the stock posted its poorest price since 1959.

Electronics Hit

Electronics, which paced what rallies have been staged since the May 28 debacle, were forced back under the new pressure, with their price history also showing sharp corrections. For some, the price erosion also is not a new development. Texas Instruments sold up to 256 in 1960 and the best it could do last year was 206. It was back in the 50 bracket this week where it hasn't been since 1958. And that represent s a rather harsh correction although from a peak that was admittedly optimistic.

Litton is a relative newcomer to the ranks of issues that have lost half of their peak value. It posted its sorry record by falling below 80 for the first time since 1960, against last year's peak of better than 165. The giant of industry that also is selling at less than half of its peak, in this case a 1960 peak, is U. S. Steel which had reached 103 at the top but recently has had a price tag under 50.

In the face of these and many similar price retreats, it is no wonder that Wall Street was glum. The more hopeful discussions were pretty much predicated on the market making a stand somewhere along the line, and the best promise that could be held out in that event is for a long period of consolidation before the list can be expected to be in a position for any worthwhile rebound.

A Summer Rally (?)

Missing this year is all the talk, normal at this season, of how far the summer rally would carry. The more serious of the market students have not ruled out the possibility of a summer rally since in many spots the general list is badly oversold and entitled to at least a technical rebound. But until there is a change in investor psychology, any rebound would be only a temporary situation, according to this view.

Meanwhile the selling clearly has the upper hand. Volume figures have been confusing, with turnover both expanding and shrinking on easiness and acting similarly on rallies. In the initial stages of the break the rallying efforts produced the higher turnover. Then the market calmed down and turnover dropped to the 2.5 million level. For no clearcut reason a selloff this week—another in a chain of blue Mondays — on 2.8 million shares merely sparked a much harder selloff the next day on 4.6 million turnover; and the rare days when a thousand issues that appeared on the tape had minus signs were expanded by one more.

What bright spots appeared in the drab list were the traditional hedge items for a bear market, the gold shares. Out of one crop of five new highs for a single session, four were gold issues.

Long-Term Values Sought

What investment advice was still pouring from the research departments was largely centered on the items where prospects for the next year are still bright and where better-than-average price action might be expected "when the turn finally comes."

There were many of these around, even in the hard-hit electronics section where an item like Magnavox is heading for a 40% gain in profit over last year's and the management has been sufficiently encouraged to hint that the issue is a candidate for dividend improvement later this year.

Potential Improvement For An Electronic Issue

There were divergent views over Raytheon which has had trouble carrying its expanding sales down to the profit column for some time. The company did appear to make something of a turn in the first quarter when its profit came close to doubling over the results of a year ago. Management indicates that the improvement has persisted into the second quarter, so a good report is due for the first half. Unlike some of the other electronics, Raytheon never ran to the excessive price action common to the group, since its profit troubles were so well publicized. Hence, it hasn't as much to atone for now that overenthusiasm is absent from the market.

To try to lift its profit margin to a more respectable level — it was 1.6% of sales in the first quarter—the company has pursued cost reduction aggressively and has had a succession of new faces high in its management councils. The avowed aim is to show eventually a 3% profit margin after taxes, but Raytheon has a long way to go to hit that level. Meanwhile, improvement seems to be showing and the stock could build up new investor interest if it comes anywhere close to reaching its profit goal.

Interesting Retail Item

Between its high and its low, Interstate Department Stores lost nearly half of the peak value and has been hovering only a handful of points above the low. Consequently, the big, it not dramatic, improvement in its sales picture since it entered the discount field has had little effect in the marketplace. In any event, the shares currently are far more reasonably priced than they were not too long ago.

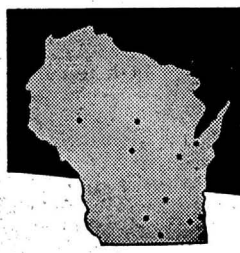
The company's sales were, to all intents and purposes, stagnant for some eight years until it moved into the discount field. From less than $66 million, sales jumped in 1959 to above $90 million, more than $114 million the following year, and more than $165 million last year. The expenses of the expansion, however, weighed a bit on profit although the company feels that progress is being made in this picture and results this year are projected to around a dollar a share more than the $1.77 reported last year. Meanwhile, the shares are available at less than 12 times the indicated earnings.

"Shelter" Issues

Much was being made of various shelter items, such as convertible issues that are selling pretty much in line with their inherent worth but still can offer capital gains if common stocks steady and start to work back up the hill. There was also much being made of the values available in the utility section where sales gains, if not spectacular, nevertheless are definitely steady and profitable operations are the last to feel any general business letdown if such an event does occur in the immediate future despite all the signs that indicate it shouldn't happen.

Another popular chore was culling out the quality issues that have been more successful in fighting the downtrend than the glamour issues of the last couple of years. In the blue chips, Jersey Standard Oil, Chrysler, Swift, General Motors, Texaco, Alcoa and California Standard Oil have been the ones cited the most. The preponderance of oils in the list is no accident; the oil section hasn't shown much life for several years now so few price excesses need correction.

[*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.*]



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Reynolds Member Of Nat'l S. E.

Reynolds & Co., brokers, 120 Broadway with offices in 37 cities, have become members of The National Stock Exchange, it was announced by Lawrence H. Taylor, Chairman. The National Stock Exchange, 6 Harrison Street, Manhattan, opened for trading March 7 of this year.

S. Dubensky Opens Branch

Seymour Dubensky is conducting a securities business from offices at 33 West 42nd Street, N. Y. City.

Mun. Bond Club Elects Officers

R. George LeVind, Vice-President of Blyth & Co., Inc., was elected President of The Municipal Bond Club of New York, succeeding Alfred S. Mante, of Smith, Barney & Co., June 8. The election took

R. George LeVind — Henry Milner — L. A. Hauptfleisch — Daniel P. Whitlock

place at the Club's 29th Annual Field Day held at the Westchester Country Club.

Also elected were Henry Milner, of R. S. Dickson & Co., Vice-President; Louis A. Hauptfleisch, Goldman, Sachs & Co., Secretary, and Daniel P. Whitlock, Ladenburg, Thalmann & Co., Treasurer.

The highlight of the outing was the once-a-year publication of *The Daily Bond Crier*, edited this year by John G. Thompson, of Morgan Guaranty Trust Co. The 16-page lampoon of the municipal bonds business is liberally sprinkled with tongue-in-cheek ads, biting cartoons and oddly captioned photos.

Cruttenden, Podesta Adds

DENVER, Colo. — James N. Cushner and Norman L. McIntosh have become affiliated with Cruttenden, Podesta & Miller, 524 Seventeenth Street, Mr. Cushner was formerly with the Denver-U. S. National Bank.

With McDonnell & Co.

(Special to THE FINANCIAL CHRONICLE)

DENVER, Colo. — Jerrold G. Thompson has become connected with McDonnell & Co., Incorporated, Tower Building. He was formerly with the First National Bank of Denver.

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Outlook for Investor-Owned Gas Utility Industry

By C. Austin Barker,* *Director of Research, Hornblower & Weeks, Members New York Stock Exchange*

Expert utility analyst lauds post-War II record of gas utilities. Warns of dangers in using stock dividends. Describes short and long run effects of "normalizing" versus "flow-through" accounting for deferred taxes from accelerated depreciation; maintaining that "flow-through" sooner or later increases cost of capital. Mr. Barker concludes the best means of attracting stock capital at reasonable costs for the industry's future growth is through a healthy regulatory climate and equitable tax policy, rather than by "flow-through" or stock dividends.

With record high gas reserves in 1961, excellent progress in research, the approaching end of conversion to natural gas and the completion of pipeline systems to almost all important fuel consuming markets, the gas utility industry should have encouraging prospects for growth over the years ahead. Many new uses are being devised for natural gas such as the gas turbine-total energy concept. The increasing house heating and air conditioning sales also are encouraging.

C. Austin Barker

In the late Thirties when I first worked for a combination gas-electric utility, the gas division was the poor relation. Manufactured gas was costly and of low heat content. Electric service had the growth during the depression years. Today that same company is proud of the fact that its gas business is growing even more rapidly than its electric business.

The American Gas Association reports that there are more than 113 million gas appliances in use today, three million more than a year ago. The gas appliance industry recently revised upward its forecast of appliance shipments to a 9% gain, estimated for 1962.

In the area of gas operations are the building up of underground storage facilities to meet peak winter needs and advances in economical peak shaving. New transmission efficiencies are being developed and research is developing on a pipeline system computer which may lead to complete automation of gas transmission systems.

Sales and efficiencies rose, and earnings grew, too, in the post War II years through 1960. The 1961 earnings figures are not yet available from AGA but doubts are beginning to creep out from underneath the collapsed bull market. Although 1961 net income reported for 223 leading electric and gas utilities, as reported by the First National City Bank letter, shows a 6% gain over 1960, the percent return on plant investment may show little or no gain for 1961 because of the large new investments in plant and equipment construction during the past year.

Increasing wage rates and higher construction costs, in the face of increasingly tough rate regulation to hold prices down in the battle against inflation, constitute a combination that will require the utmost energies of management in the struggle to earn a fair return on plant investment. The honeymoon is over for the gas industry. Because of the inflationary pressures of our international payments deficit and our Federal budget deficit, plus the Administration's inability, or unwillingness, to hold back wage demands on industry, generally, the Federal administration has publicly placed the first share of the burden of a "hold the line" price policy on business corporations. This means that in 1962 and coming years management must use all of its skills in cost cutting, automation and other efficiencies, and must apply improved research and marketing techniques, to earn a fair return on plant investment. Moreover, it must continue to show increasing earnings on its common stock and pay increasing cash dividends if it is to hold the industry's new reputation among investors as a "growth" industry.

Financial Record

During the six years, 1955 through 1960 the gas utility industry has shown a steady trend of increasing earnings on its common stock as well as increasing cash dividends, together with a declining dividend pay-out ratio. In 1960 its pay-out ratio was below that of the electric utility industry and, conversely, its retained earnings or plow-back ratio was higher. Even so, the cost of common stock money for gas companies, as evidenced by the market return on gas stocks, is higher than for electric companies. However, the cost gap is narrowing because of the fine growth and investment record of the gas industry in recent years, and this is what gas management will be fighting to uphold in the post-honeymoon period. Lower cost of marketing capital is a key economy in the battle against inflation. The struggle involves fundamental factors of earnings and dividends. Are there any shortcuts in keeping new common stock financing at a minimum, consistent with income appeal to institutions and small shareholders? Can recession resistance of earnings alone attract the interest of high tax-bracket investors?

What About Stock Dividends?

In the past four or five years, there has been a heightening of public utility interest in the field of stock dividends, or "share" dividends. This has been created in part by two or three utilities which have announced the policy of distributing periodic type stock dividends annually in addition to a fixed, dollar-per-share cash dividend. An electric utility which had announced a policy of this kind a few years ago recently decided to increase the per share cash dividend. The company stated, "the increase will tend to adjust downward the stock dividend portion under our stock dividend policy, originally and currently designed to distribute most of each year's earnings to the common stock."

The combination utility which changed to this fixed, cash dividend policy, with the balance of the earnings paid out as a stock dividend each year, also recently announced (following a stock split-up) that the cash dividend would be increased. The "in-lieu-of-cash" aspect of such a policy is now more confused than was the original case regarding the effect of issuing "retained earnings" stock dividends with a "fixed" per share cash dividend policy.

In line with the foregoing thoughts, a review was made of all the nation's gas utility companies that have a fairly wide investor interest, as evidenced by publicly-held shares. About 20 of these companies issued stock dividends in 1961. The distributions ranged in size from 2% to 50%. Most of the share dividends were 10% or less in size. Eighteen of the twenty cases were in this category, and in two cases the stock dividend was over 10%. Of the twenty companies issuing stock dividends in 1961, about half had issued stock dividends in the prior year. Interestingly enough, re the "in lieu of" idea, over half of the twenty stock dividend stocks operated on a normal pay-out ratio which averaged slightly more than the industry pay-out ratio. The cash dividend pay-out was lower than average for the others, and could have been achieved without paying stock dividends and incurring the Federal transfer taxes and other expenses created by the issuance of stock dividends.

One small company has been issuing small stock dividends annually for about ten years and reports it in the following manner: "Common stock dividends distributed during 1961 aggregated $4.70 per share—$2.00 per share in cash, and $2.70 in shares of common stock at the rate of 3%, based on a fair value at time of declaration." The market value of this stock dividend is part of the stockholder's capital and not income. If he sells, he divests part of his capital. The $2.70 market value of the 1/33 new share is "derived" from the original share by taking away 1/33 of its value at the time the original share goes ex-dividend. The capital gains tax applies, just as it would if the stockholder sold one of his original shares in order to supplement his cash needs. There is a related problem in investment company reporting. The NASD prohibits sales literature which combines into any one amount distributions from net investment income and distributions from any other source.

If the cash dividend withholding provision in the new tax bill currently before Congress is enacted, more interest will be stirred up in stock dividends. It is hoped that neither the use of small stock dividends nor the above method of reporting them will spread to any degree. The mistaken use of stock dividends in an attempt to lessen individual income tax pressures might well lead to unsound tax legislation based upon the excuse of closing alleged "loopholes." This would create unnecessary additional complications in estate and trust portfolios, or else lead to the abandonment of all stock dividends even where they might well be used to maintain a popular price range for the stock or for other valid purposes.

Tax Effect

I believe the facts of what stock dividends can do and what they cannot do have been explored enough so that most managements are aware that they are not getting something for nothing from stock dividends, nor are the investors. My price measurement studies also show that stock distributions have no value "in themselves." There is one feature, however, that has not been fully explained, and that is the income tax effect on stock dividends vs. cash dividends. The argument that stock dividends are taxable at a capital gains rate, whereas cash dividends are taxable at a Federal income tax rate (presumably higher for many shareholders), has a superficial appeal to some stockholders and to some managements. This is particularly true where a rapid plant growth, relatively slow capital turnover ratio and regulatory ceilings on earnings require substantial amounts of external financing, including the public sale of common stock. This is the situation for most utilities, even though their non-cash accrual items such as depreciation, are substantial in size. For example, during the six-year period, 1955 to 1960, construction expenditures of the investor-owned gas industry aggregated nearly ten billion dollars. A new record expenditure is expected for 1961. Of the ten billion total, about 45% was financed internally and 55% was financed externally. About 12% of the total expenditures were paid for by the sale in one way or another of $1.2 billion of common stock. (The data are for all investor-owned gas and pipeline utilities except gas holding companies). An a similar basis, the gas utility industry cash dividends on common stock paid to stockholders during the same period totaled about $2.5 billion.

It can be shown by arithmetic that if an equivalent amount of cash dividends had been withheld during this period, there would have been no need to sell new common stock to obtain this cash. Also, if stockholders had sold $1.2 billion of their original stock holdings over the period in question, they could have realized more cash after the capital gains tax than they were able to retain from the $1.2 billion actually received in cash dividends, that is, after ordinary income tax, assuming tax rates of 25% on the capital gains vs. a 50% average

Continued on page 39

Western Light & Telephone Company, Inc.

DECADE OF PROGRESS

TOTAL	1961	1952
ASSETS	$60,400,000	$30,500,000
REVENUES:		
Electric.....	10,955,000	5,773,000
Telephone..	2,749,000	2,178,000
Gas	549,000	396,000
Water	271,000	194,000
TOTAL.....	$14,524,000	$ 8,541,000
NET INCOME	2,312,000	996,000

Western Light & Telephone Company, Inc., serves an area containing a population in excess of 225,000 in three states.

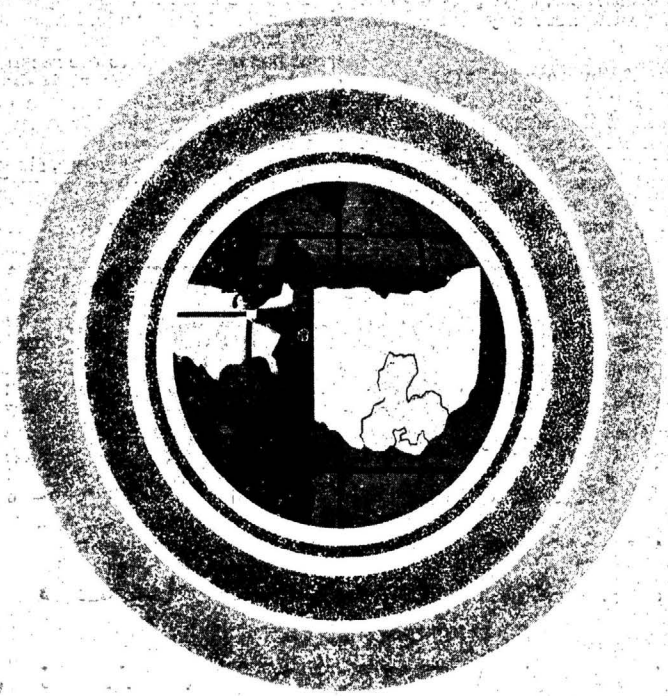
It is one of the few companies providing four types of utility service.

ELECTRIC	TELEPHONE	GAS	WATER
Kansas	Missouri	Kansas	Kansas
	Iowa		
	Kansas		

WESTERN LIGHT & TELEPHONE CO., INC.

Draw a ring around the Columbus and Southern Ohio area and you've encircled the middle of marketing America. Within a 500-mile radius of this growing area are 8 out of 10 of the nation's top cities, half of the nation's population. Columbus and Southern Ohio Electric Company knows this area thoroughly, updating its knowledge constantly with studies by the Battelle Memorial Institute. For concise information call Mr. W. C. Welch, Columbus and Southern Ohio Electric Company, Columbus, Ohio.

Columbus and Southern Ohio / In the middle of Marketing America



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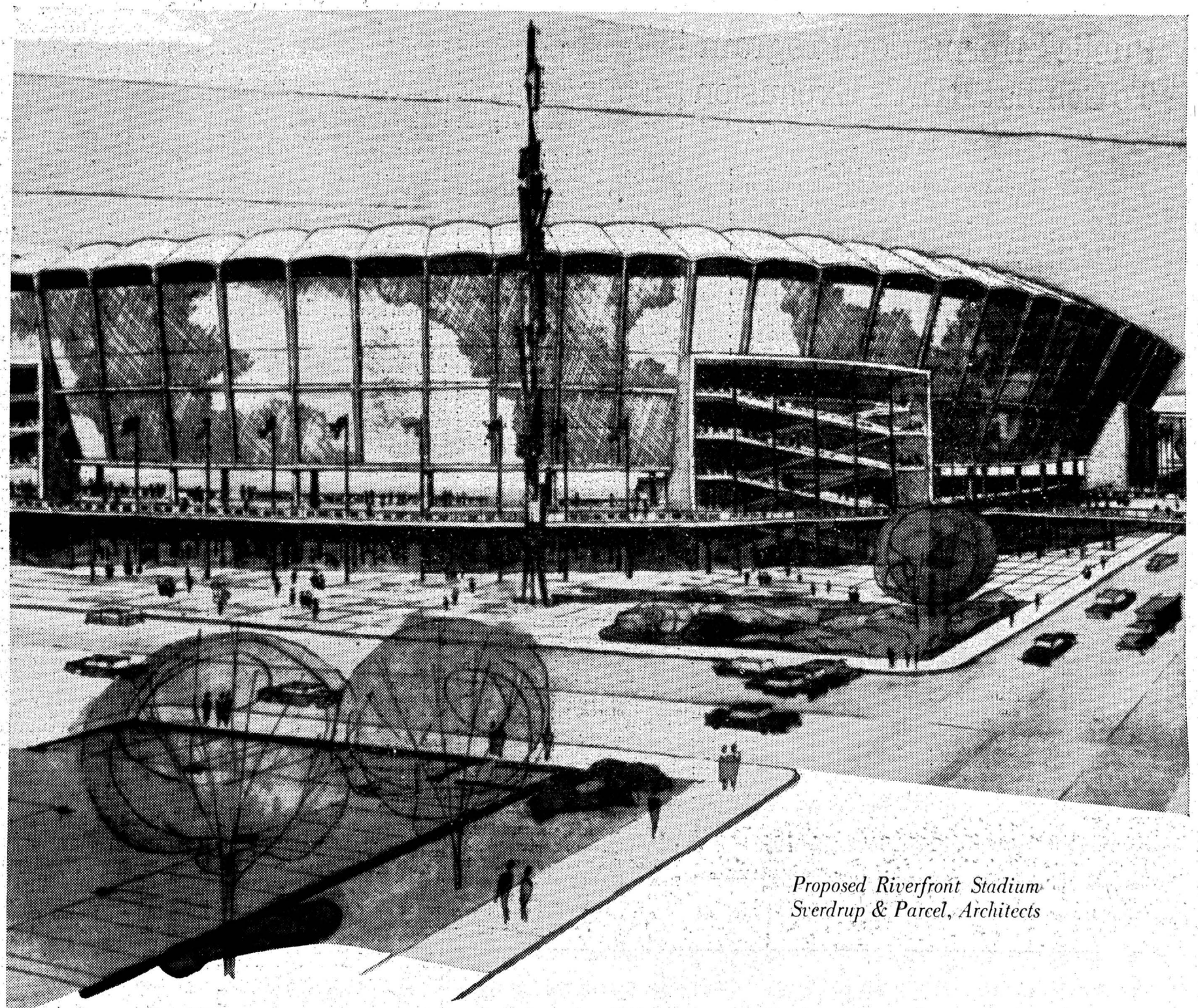
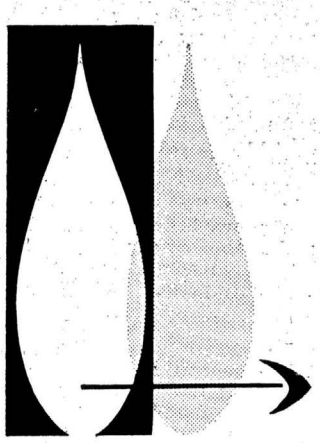


Proposed Riverfront Stadium
Sverdrup & Parcel, Architects

St. Louis is playing ball with the future



On March 6, 1962, St. Louisans went to the polls and made some fateful choices. One was for public improvements in the area surrounding a projected $51 million sports stadium in downtown St. Louis. For a city's faith in itself, this was one more straw in the wind. The fact is: the face of an entire city is changing. St. Louis hasn't mustered its forces like this in a hundred years.

Serving the families, business and industry of a progressive St. Louis, Laclede looks to the future with confidence. The city is in a winning streak these days. And 1962 may go down as a pennant year.

Laclede Gas Company • St. Louis, Missouri

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Public Information Program To Combat REA's Expansion

By L. V. Sutton,* *President, Carolina Power & Light Co., Raleigh, North Carolina*

Knowing first hand how recently attempted further REA inroads in South Carolina were successfully stopped, Mr. Sutton calls upon utility leaders to mount an intensified public informational program to reach the taxpayer with the truth as to what electric co-ops cost them. The public should know, he points out, REA's flagrant waste of public funds and their indefensible government competition which constitutes a perversion of their original intent and has resulted in an astonishing growth seeking to nationalize the power industry. Noting a turning of the tide, Mr. Sutton calls for a battle for an end to the discriminatory tax situation, for lifting the veil of secrecy surrounding REA's generation and transmission loans, for the halt of expansion into urban and industrial areas; and for removing subsidized loan rates. The speaker warns there is no greater problem facing the industry in the foreseeable future than the problem of expansion of government-owned and tax-subsidized power facilities. Deceitful, misleading information must be answered, he concludes, if we are to gain the public's knowledge and understanding.

In recent months there has been a great resurgence of activity and enthusiasm on the part of the exponents of government power and the social planners.

Louis V. Sutton

Our industry is presently engaged in a struggle of transcending importance. In the forefront are the rural electric cooperatives, led by a militant national organization, the NRECA, and aided and abetted by the REA Administrator, Mr. Clapp. The present role of the REA cooperatives as aggressive competitors for industrial and urban customers and the renewed emphasis upon generation and transmission have so changed the character of the REA movement that it scarcely would be recognizable today to its founders; and indeed is not expressive of the philosophy of a vast number of its farmer members.

With 97% of America's farms electrified, forgotten is the 1936 Congressional debate preceding enactment of the REA legislation and expressing the spirit and purpose of the Act. With one accord the sponsors of the legislation emphasized that the program was designed solely to bring electricity to the farmers of America who could not otherwise obtain it. Emphatic was the statement of Congressman Rayburn during that debate:

"We are not, in this bill, intending to go out and compete with anybody. By this bill we hope to bring electrification to people who do not now have it. This bill was not written on the theory that we were going to punish somebody or parallel their lines and enter into competition with them."

Despite the early antagonism of the first REA Administrator, this industry joined hands in the great undertaking to electrify the farms of the nation. The power companies and the rural cooperatives succeeded in accomplishing this job in less than 25 years, and now the job is done.

REA Doesn't Quit But Takes On New Aim

But once any Federal program is initiated, there is a built-in momentum that leads almost inevitably to its expansion. Observers everywhere are becoming more alert to the trend. Only last month the editor of the Dillon, South Carolina, *Herald* commented most appropriately: "The history of government agencies set up for specific purposes is not that they fold up when their mission is accomplished . . ." Commending the job done by REA, he continued, "But the co-ops are not satisfied to supply electric power to areas that cannot obtain power from taxpaying investor-owned power companies. Not at all! In fact it is obvious from their own publicity, often as powerful as their high-tension lines, that their ultimate aim is to eliminate the competition of private power companies."

Of the problems facing this industry in the foreseeable future none is more important, nor requires more careful attention and wisdom, than the problem of expansion of government-owned and tax-subsidized power facilities. Specific Federal power advances in local areas are not merely isolated instances of local concern and inconsequential to the industry as a whole. Each new government-owned or subsidized project, each new REA entrenchment is part of or contributes to the overall purpose of the government power zealots constantly to expand their empire; therefore, every such project is of vital concern to all of us.

Recalls TVA's Deceit and Subterfuge

Many leaders in our industry believed in 1933 that the incidental power of TVA posed no threat — that those of us in adjacent areas were unduly alarmed. Nobody thought that within a single generation the total investment in TVA would approximate $2 billion and that 82% of the total would be in power facilities. Few outside the Southeast believed that the TVA would absorb practically every electric utility then operating in Tennessee. No one could then foresee that within less than 30 years approximately 75% of the power generated by TVA would be produced in steam plants. Through deceit and subterfuge the first step in the plan to nationalize the electric utility industry has become an accomplished fact.

In 1940, investor-owned power companies accounted for 86% of the generating capacity of the nation, while Federal Government agencies accounted for only 6% and municipalities 8%. By 1960, the percentage owned by investor-owned companies had dropped to 76% while the capacity of Federal agencies had jumped to 17% and the municipalities had dropped to 7%. The rate of increase of government generating capacity during that 20-year period was more than double that of the investor-owned utilities; and while the production during that period of the investor-owned utilities quadrupled, that of government agencies multiplied more than ten times.

There are those in this nation who would destroy our industry. They have powerful allies who are constantly at work. It is unfortunate that our farmers, traditionally among our most stable and conservative citizens, are being used unwittingly by these government power zealots.

Techniques Employed

The principal manifestations of the vigor of those who would destroy us are these:

(1) The militant, insidious and devious shift of the heavily subsidized rural electric cooperatives from rural distributors into producers and aggressive competitors for urban and industrial distribution—while retaining the wholly unjustified 2% government loans and tax-exempt status.

(2) The government redevelopment programs to assist rural cooperatives to subsidize industries and other large power customers with government financing.

(3) The policy of the REA urging co-ops to apply for generation and transmission loans — to build generating facilities where none are needed — at taxpayers' expense.

(4) Intensified efforts toward construction of a gigantic government-owned transmission grid across the land.

Some are familiar with the national effort by REA for so-called "territorial integrity." With five out of six new customers being non-farm, their effort really is toward territorial monopoly and expansion into industrial and urban areas without concurrent responsibility or regulation. Administrator Clapp urged the members of a cheering NRECA audience in Atlantic City last March 6 to "exercise missionary zeal" in their quest for state legislation and stated: "to help your cooperative rural electric systems in the battle for territorial protection, we have developed through the Department of Agriculture's Office of General Counsel a Model Territorial Integrity Act which we hope will provide a focal point for the efforts of cooperatives in all states where territorial protection is needed for their systems . . ."

In a speech in Iowa in July last year, Mr. Clapp counseled the cooperatives to "take a unified approach to win the battle" and offered to come to any state to "assist in any way I can to help map out a unified campaign to solve the problem." By official bulletin of Feb. 12, 1962, the REA Administrator offers to all co-op borrowers advice and assistance on legislative programs as well as on litigation "to the maximum practicable extent."

Growing Awareness of Section 5 Abuses

This REA activity has not gone unnoticed. One member of the House Appropriations Committee this year told Mr. Clapp during the hearings on REA's annual budget:

"It seems to me a little presumptuous for a Federal gency . . . to mastermind lobbying in a State legislature."

The current government redevelopment programs, together with the recent REA emphasis upon Section 5 loans for the purpose of co-op financing of industrial machinery and equipment, are resulting in cooperatives entering fields of business wholly foreign to the purposes of the REA Act. The result is notoriously flagrant waste of public funds and indefensible government competition with private business. Illustrative are such incidents as the relending by a co-op for snow-making, ski-slope equipment, the lending of money to pay for installation of gravel-crushing equipment and the urban housing developments started by cooperatives. Such perversions of the original intent of REA have caused some reaction even among officials long identified with the REA movement.

A member of Congress who has supported REA since its inception issued this warning to Administrator Clapp during searching scrutiny of the $30,000 ski-slope loan: "I think you should be very careful not to make loans that are going to go so far afield, because the first thing you know we will have to rewrite that section and make it perfectly clear that we did not intend that. And if you continue to industrialize, we will certainly do that."

If Section 5 loan abuses bring such a rebuke from a tested and true friend of REA, how much more can we hope for if we spread the facts to more people?

Growth of G & T Loans

Of paramount concern to us is REA's stepped-up activity in approval of generation and transmission loans under a shroud of secrecy. In the first 18 years of REA's existence, G & T loans totaled only 18% of all electrification loans granted. During the fiscal years 1955-1960, G & T loans totaled 35% of all loans. In fiscal 1961, G & T loans amounted to $152 million or 55% of the total loans.

The intent of REA has been demonstrated most forcibly within the past month in two separate instances. The $60 million loan to Hoosier Cooperative Energy, Inc., heralded by the REA as the largest loan in its history, and pending before the Indiana Commission for its approval or disapproval, was transferred to Indiana Statewide Co-op in an obvious move to circumvent the Commission. Hoosier withdrew its application for a certificate of convenience and necessity; Statewide claims it already has one granted some 27 years ago which never was used. The other incident relates to the Missouri basin, where the power exchange proposal of 12 investor-owned companies was rejected by the Bureau of Reclamation in favor of a firming proposal by 61 REA-financed co-ops under the name Basin Electric Power Cooperative Association of Bismarck, N. D. Simultaneously, REA revealed it was committed to granting Basin a $36.6 million generating loan for 200,000 kilowatts of power.

These and such other loans as the $20 million loan in Alabama, $15 million in Mississippi, and the $20 million in western Colorado, all approved in secret, are wholly unjustified from any standpoint, economic or otherwise. Such loans illustrate the implementation of the avowed purpose of REA to make the co-ops self-sufficient aggressive competitors with private enterprise.

Cites a Witness

Lest there be any doubt that all these activities are part and parcel of the ultimate dream of the government power zealots to nationalize the power industry in this nation, examine the remarks of Clyde Ellis to the recent NRECA convention:

"Ten or 15 years ago your major

Continued on page 37

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Take a long look at Florida. Plant sites are available, resources abundant, transportation excellent, manpower plentiful. Above all, Project Nova—the proposed moonshot from Cape Canaveral—will mean expenditures of more than $20 billion in the state! We're prepared to meet your power needs . . . now and in the future!

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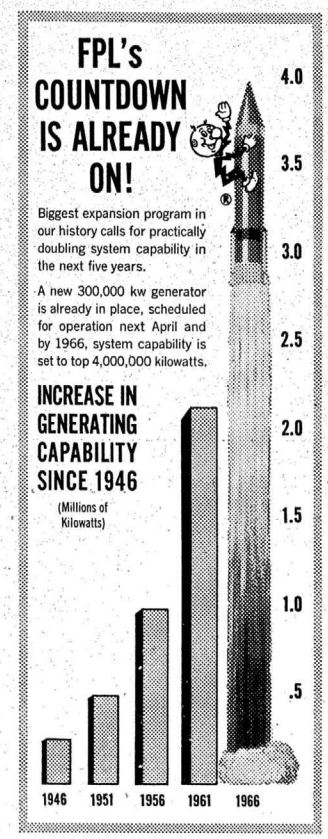

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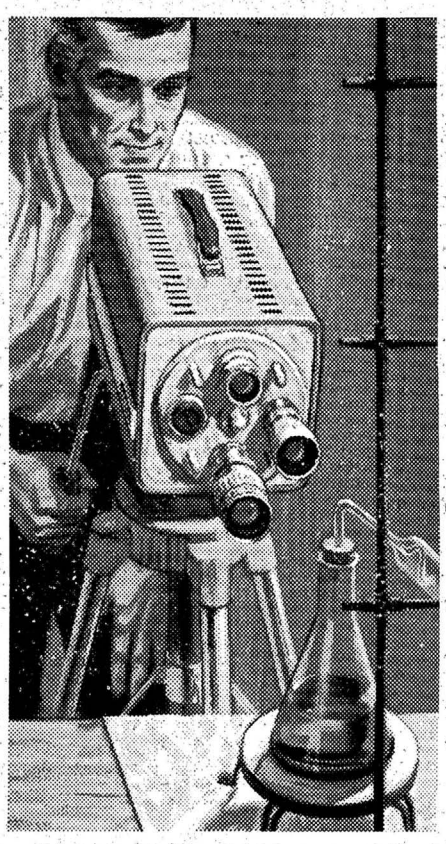
IN HUNDREDS OF DIFFERENT WAYS

GENERAL TELEPHONE & ELECTRONICS

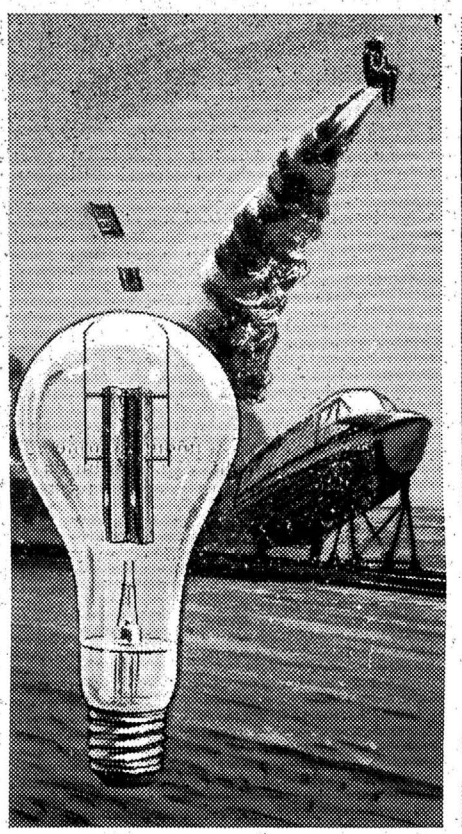
IS CREATING A NEW WORLD OF VISUAL COMMUNICATION

Our scientists and engineers are continually casting new light on the art of visual communication—and the use of light itself to convey greater knowledge. In education, in business and in national defense, these advances are destined to give man broader vision. Here are three of our recent contributions to the art.



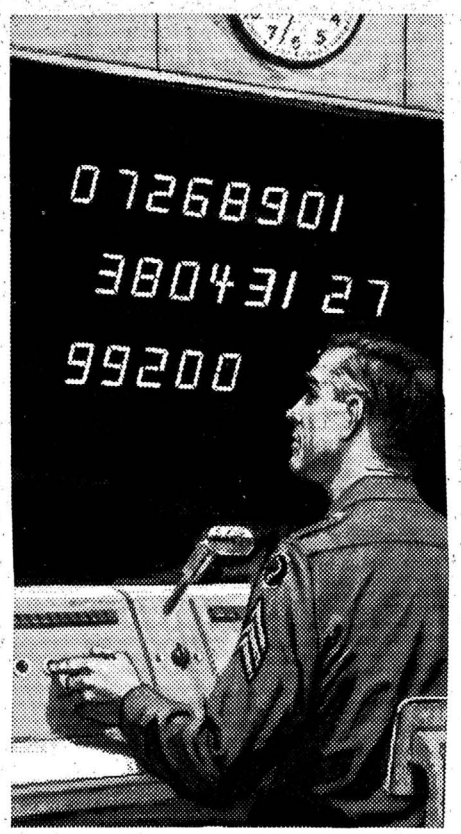
NEW DIRECT-WIRE TELEVISION

A compact, low-cost TV camera that can be connected by cable to any standard TV receiver has been developed by our Sylvania subsidiary. This inexpensive system places "closed-circuit" TV within the reach of schools, hospitals, institutions and industrial concerns for training, monitoring, and the remote supervision of operations. One camera will feed a number of receivers.



NEW KING-SIZE FLASHBULB

A new type of flashbulb, big as a 100-watt light bulb, is now being used to photograph details of missiles, rockets and pilot-ejection equipment for our nation's defense. Developed by the Photolamp Division of our subsidiary, Sylvania, the FF-33 flashbulb provides a flood of light in a flash. And the duration of that flash is 87 times longer than light from regular flashbulbs.



NEW "EL" READOUT DEVICES

A number of new types of PANELESCENT® electroluminescent display panels—capable of reproducing letters and numbers in ever-changing series—are available from our Sylvania subsidiary. These panels are finding wide usage in "read-out" devices for direct-reading measuring instruments, electronic computers and military radar. New types displaying moving images are under development.

If you would like additional information concerning the products shown here, write to General Telephone & Electronics, Dept. 23, 730 Third Ave., New York 17.

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Total Electric—Total Sell! To Revive Industry's Growth

By Howard J. Cadwell,* *President, Western Massachusetts Electric Co.*

Contrary to impression cast by absolute figures, the electric utilities' annual rate of growth shows a declining trend. In directing attention to this, most companies are urged to meet the data's challenge by getting "on the ball competitively". Moreover, they are strongly advised to do this by making four major decisions to achieve a totally competitive sales policy. Speaking from experience, Mr. Cadwell declares "pick-and-choose" electric service must be replaced by pushing total service with profitability figured on the whole and not each type of electric service. Further, he stresses, there must be total organizational effort from the top down with sales and willingness to commit substantial sums for development without the prospect of immediate return. Rates for complete service, he cautions, must be set competitively and profitably, and service provided for sales and public relations value. Contributions which can be made by Trade associations and manufacturers to assist "optimum" sales program are indicated.

It is an obvious truism that the only constant in the area of commercial competition is change itself. Why, then, should the business world provide so many examples of disastrous inflexibility in meeting changed consumer requirements? Granting that a single corporation, weakly managed, might be caught napping, why does this happen to whole industries — strongly managed?

Howard J. Cadwell

I submit that the answer is a simple and human one. When a cloud appears on the horizon we procrastinate—we hope that the cloud will disperse or that the storm will go around us. By the time the rain starts pelting down, the wind is blowing so hard that we can't raise the umbrella.

The competitive cloud on the electric utility horizon is a lot bigger than a hand. It seems to me that we, as an industry, are fingering the bumbershoot in rather irresolute fashion.

There may be room for a difference of opinion as to the size of the competitive cloud and the threat which it poses. After all, our industry's sales are showing great growth—in terms of absolute quantities. But how about our rates of growth? How well are we living up to the standard prediction of yesteryear—that our business will double every 10 years?

Declining Annual Growth Rate

Chart I shows the trend of annual rate of growth in kilowatt-hour sales from 1951 through 1961 —for total sales to ultimate consumers and for the residential class by itself. Both show a declining trend.

The residential sales were adversely affected by the slowdown in home building of recent years. So perhaps it would be fairer to look at our sales performance for this class in terms of rate of growth in annual kilowatt-hour sales per customer. See Chart II. Even here the picture is not a happy one. When one considers that the national figures are weighted upward by the very impressive growth figures of rapidly exanding areas in the West and South, the problem for companies in the slower-growing parts of the country becomes obvious. Denied a rapid rise in numbers of customers, these companies must carve out a bigger share of the existing market. The drop in the annual rate of increase in average customer use indicates that the challenge is not being met.

Now we all know that a constant or compound rate of sales growth can lead to fantastic quantitative results over a period of years. Presumably all business has to yield to some sort of maturity curve of growth over a long span of time. But the drop in rate of growth which I have shown in these charts is uncomfortably fast. Furthermore, while this drop in rate of growth is occurring, certain of our costs continue to rise at a compound rate — notably wage rates and ad valorem tax rates. However, for the benefit of those who feel that the decline in rate of growth is not conclusive evidence as to a degenerative trend, perhaps we should look in another direction — perhaps we should try to examine the trend of our sales against those of our competition.

This is a difficult picture to develop. I know of no over-all statistic against which we and our several competitors (regulated natural gas, unregulated oil and bottled gas, non-utility power production) could be scored. But on the right-hand side of Chart III I do show the available revenue figures for the electric utilities and their regulated competitors, the gas utilities.

Note the seven-percentage-point drop in our relative position over the last ten years. I haven't shown any prediction for 1970 because I am suspicious of such predictions. They aren't always prepared after consulting the competition as to its intentions. I think it would be much safer to assume that the **downward trend will continue unless and until we drastically overhaul our sales and service policies.**

Revenue Decline Compared to Gas Utilities

I couldn't resist showing on the left side of Chart III an interesting set of figures from the Yearbook of Railroad Information. Rather than to disagree I will leave to your own judgment whether there is a parallel between our 1950-1960 experience and that of the railroads in the 1930-1940 decade. Obviously, there were many factors in the competitive decline of the railroads which are not present in the electric situation. On the other hand, such factors as regulatory strait jackets on pricing and service policies, tardiness in meeting the customers' new wants as to service, improvements in the competing services, inadequate research, and the erosive effect of adverse subsidies have all be named by railroaders as elements which contributed to their loss of markets. These factors may come to have a more familiar ring to **us** in the years ahead.

Now let us turn to remedies— to the drastic overhaul of sales and service policies which I mentioned. That which I would submit as a recipe for putting our growth rates back where they belong is expressed in the title of this talk, "Total Electric — Total Sell!"

No one has yet been able to package energy in a form as conveniently usable and controllable as that provided by our electric utilities. No one can offer a complete heat, light and power service for home, store and factory in a form as conveniently usable and controllable as we can provide. **So we have the merchandise!** Why do we not sell electricity on a total service basis — for all the customer's heat, light and power needs—and place all of our considerable resources behind that selling job?

Complete Sales Must Be "Pushed"

Now it is true that most electric utilities are "offering" total electric service, including electric space heating. But there is quite a difference in degree between "offering" and "pushing." It would appear that a minority of electric companies are exerting all-out effort in selling the total electric package to new homes and old homes, to new commercial customers and to remodeled commercial establishments, to new factories and to old factories.

Yet this is what we have to do. For many years the term "selective selling" had a great vogue. The idea was that the road to success lay in promoting those electric uses which the cost analysts said would produce the greatest return on the utility investment dedicated to such uses. This "pick-and-choose" philosophy can be guaranteed to produce lowered rates of growth, now that the competition is clearly and announcedly after the whole ball of wax.

Would we not be smarter businessmen to set our sights on a **complete** service and then figure out a way to provide it at a legitimate profit? If the service is total in scope, and is profitable in its entirety, we don't have to figure whether we are making as much on the bananas as we are on the oranges. If the service isn't profitable in its entirety we have to use our research and ingenuity to make it profitable—**not send the customer off to a competitor to get part of his energy package.**

Now I realize that there is a big gap between these generalizations and the specifics needed to achieve the "Total Electric—Total Sell" posture. I can speak feelingly, because my own company adopted this philosophy as its goal four years ago—and we've still a long way to go.

We were far from being the first in the country but we were the first in our area.

From our own experience, and based in part on the experience of others, it seems to me that conversion to a policy of "Total Electric—Total Sell" on the part of any electric company requires a few basic decisions that cannot be blinked.

Total Effort Devoted to Sales

The **first decision:** that **total effort** be applied to selling the **total electric** concept. Any electric company which feels concerned at the deterioration in its rate of sales growth must, as its first decision, commit itself to total effort. It is too easy to assume that a rise of a couple percentage points in rate of sales growth requires only a moderate expansion in sales push. This reasoning ignores the fact that a lot less than half of most electric companies' present sales growth is actually motivated by their own sales programs. (I do not dare say now much less than half.) In any event, I am sure that the resumption of a constant rate of growth and the elevation of that rate of growth above the present level requires at least a doubling of the present utility sales effort — for most companies.

When I talk about greatly expanded effort, I do not mean simply sales promotion dollars. Most important is the commitment of the **total** utility organization to sales expansion. Such all-out commitment requires that the chief executive of the organization allocate a large part of his first-hand atttention to the problem. Although the sales function is no more important in the long run than the engineering, operations and financial areas, the top-drawer problems of the moment are in this sector and I believe that sales should be given priority attention by the whole administrative organization over the next few years.

The electric utility chief executive should, I respectfully suggest, grant sales as much claim on his managerial skills and time as the presidents of large motor companies, or soap manufacturers, or cigarette makers grant to **their** competitive selling problems.

Once the president has made in his own mind a firm commitment to solve this prime problem, he is the man who can bring to bear all the departmental skills of the utility which can help in the solution. He can encourage innovation. He can integrate the company-wide effort.

Very obviously, research and engineering must play a most important part in developing service costs and methods which are competitive. Naturally, a skillful handling of cost analyses and rate making are vital to the development of a competitive pricing policy with which to attack the markets for totally electric service. Also, electric-utility policy as to the servicing of customer-owned equipment will have a sharp competitive bearing. On the financial side, billing practices and forms get into the act; also, questions having to do with the rental or financing of utilization equipment—an area of growing significance. The central position of the sales department goes without saying. But, if we are to shake loose from a low-emphasis sales program, it will have to be a team effort, energized from the top down.

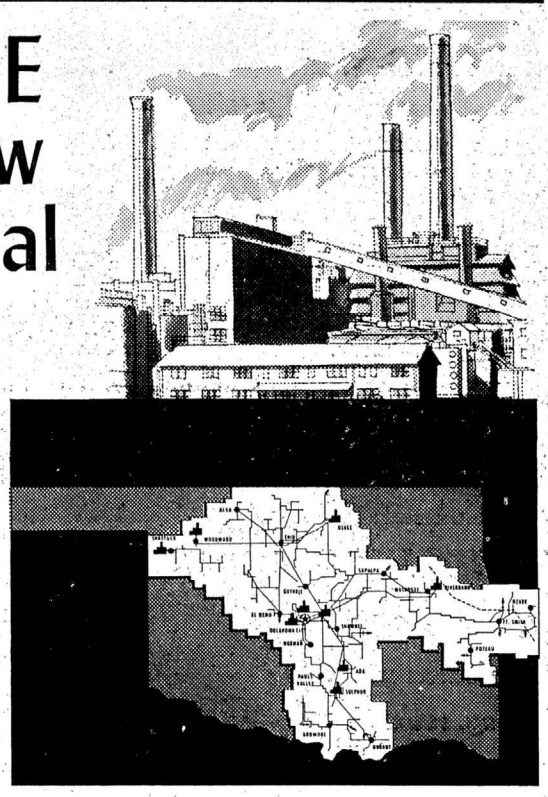
Service and Sales Expenses Must Be Increased

Now, the **second decision:** the money decision, in terms of what my own company faced, and which many other companies may have to face.

We first took a look at our already pretty hefty sales promotion budget. Then we took a look at the other electric companies in Massachusetts. Then we took a further look at our competition —the Massachusetts gas utilities. On the left side of Chart IV is presented the electric-gas comparison for Massachusetts in terms of the year 1961. It separates directly promotional outlays from unrecovered customer-service costs. In the absence of accurately comparable gas-electric

Continued on page 34

OG&E and the new industrial heartland



Here you see the 30,000 square mile service area of Oklahoma Gas and Electric Company . . . where the industrial climate makes it one of the most rapidly growing complexes in America.

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SEC Withdrawals Mount As Stock Market Slides

By Daniel J. Berrell

On June 11 more stock issues were withdrawn from registration with the SEC (4) than were filed (1). In the period Jan. 1 to June 11, 1962, some 150 offerings were withdrawn, against 58 in the tne same period last year and 78 in the second half of 1961. As an explanation for this activity, the Dow-Jones Industrial Index fell from 724.71 on Jan. 2 to 595.17 on June 11, and the Over-the-Counter Industrial Stock Average from 141.50 to 114.48.

In the heetic month of May, when the Dow-Jones Index declined from 671.24 on May 1 to 613.36 on May 31, 30 issues were withdrawn from registration against five in the similar period of 1961. Those that were cancelled ranged from the small (S.M.S. Instruments, Inc., 100,000 common shares to be offered at $3.25) to the king-sized (Occidental Petroleum Corp., $4,674,000 of 6% subordinated convertible debentures due 1977 to be offered to stockholders at par). The withdrawals were often accompanied by statements from the company that the action was taken, "because of the present unsettled condition of the market."

One of the larger issues to be withdrawn was a proposed secondary for Emerson Electric Manufacturing Co., covering 435,784 common shares. The stock was part of the 1,884,496 shares which Emerson expected to deliver in exchange for the business and assets of U. S. Electrical Motors, Inc. Emerson stated that it had been anticipated that offering and sale of the 435,784 shares would be made by some of the stockholders of U. S. Electrical Motors.

The registration statement filed with the SEC on May 14 listed the maximum offering price of the stock at $40 per share, or a total of $17,431,360. However, when the registration was withdrawn on June 8 the closing market price on the New York Stock Exchange was $27.375 per share representing a net loss of $17,431,360 in the 24-day period.

Although most stock issues had a rough public reception in May, an occasional offering would get off to a good start. For example, Volt Technical Corp., witnessed a secondary offering of 66,000 shares of its class A stock at $8 per share through Andresen & Co., on May 16. The issue was oversubscribed.

Many underwriters were happy to see a successful flotation of this kind, in a bear market. However, there were a few who pointed out that the original offering had been substantially reduced from 190,000 shares at $10.25 to 66,000 at $8.

Securities convertible into stock were also hard hit by the market slump. On Sept. 12, 1961, Kiddie Rides, Inc. (Chicago) filed for an offering of $1,000,000 of 7% convertible subordinated debentures due 1971 and 30,000 common shares which were to be sold in units of one $1,000 debenture and 30 shares of common. The issue was withdrawn from registration on May 24, with the announcement that the company planned to refile it at a later date.

Lamb Industries, Inc., registered $2,200,000 of sinking fund debentures due 1977 (with stock purchase warrants) on Dec. 28, 1961. The issue was to have been sold at par. However, because of market conditions it was withdrawn on May 21.

Gulf American Land Corp., filed a registration statement on Feb. 28, 1962 covering $11,000,000 of 6½% convertible subordinated debentures due 1977, which were to be sold to stockholders through subscription rights. Later, the company filed an amendment to the registration statement reducing the size of the offering to $10,000,000 and making it a straight sale to the public rather than a rights offering. Gulf American stated that the underwriters had requested the action "because of current market conditions."

Conclusion

In the first half of 1961 the new issue market made headlines because stock offerings would come out as say, $4 a share, and shortly be bid up into the stratosphere. A year later we see some excellent issues ending up in the bargain basement. What the near future will bring is, of course, pure conjecture, but underwriters are hoping for a favorable compromise.

To borrow a phrase from Gilbert and Sullivan, "The dealer's lot is not a happy one!" In trying to sell new issues in the present market, he is meeting some resistance from customers who have lost fortunes (many in the "paper" category) in the recent collapse and who have seen the bluest of the blue chips (A.T.&T.) drop over a score of points. Many times the prospect asks, "If the well-known listed stocks drop through the floor, what can I expect from newly minted issues?"

Until the senior market improves then, companies seeking new capital must postpone their expansion plans or look for private sources of financing.

Abraham Dubensky Opens

Abraham Dubensky is engaging in a securities business from offices at 33 West 42nd Street, N. Y. City.

Calif. Inv. Adds

VAN NUYS, Calif.—Karl Brown has been added to the staff of California Investors, 14401 Sylvan Street. He was formerly with Mora and Co.

First Securities Branch

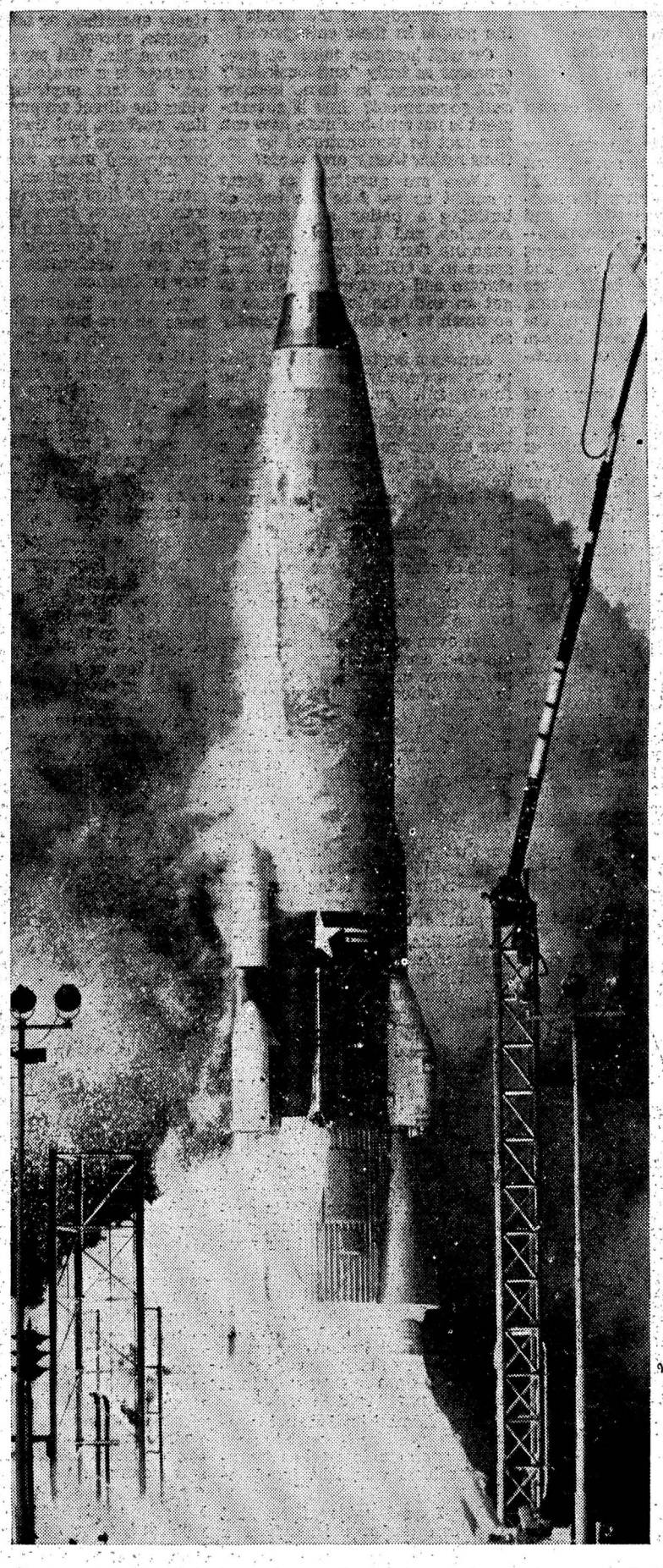
CHARLOTTE, N. C.—First Securities Corporation has opened a branch office at 115 Johnston Building, under the management of Harry M. Boyd, Resident Vice-President.

Westheimer Office

MARYSVILLE, Ohio—Norris F. Krueger is representing Westheimer and Company from offices at 120 South Main Street.

Goldberg Forms Co.

PERTH AMBOY, N. J. — Alex Goldberg is conducting a securities business from offices at 287 Water Street under the firm name of Alex Goldberg and Associates.



Cities Service on the move

Essential to scientific progress is a unique element from the sun . . . helium! It is used in missile fuel systems. It is used to cool atomic reactors while preventing them from becoming radioactive. Helium also makes it possible for engineers to simulate speeds up to 17,000 miles an hour in miniature wind tunnels.

These, however, are only a few of the many uses of this invaluable element. Cities Service recently signed a 22-year contract to supply the United States Government with up to 2,000,000 cubic feet of helium a day. Construction of the helium extraction plant is now under way near Ulysses, Kansas.

Cities Service is proud of the expanding role it will play in supplying the free world with this vital element. In everything, from fueling your car to lofting a giant rocket . . . Cities Service is on the move!

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Confidence Is a Bridge Badly In Need of Rebuilding

By Roger M. Blough,* *Chairman of the Board, U. S. Steel Corp., New York, N. Y.*

Our nation's maximum strength and growth cannot be achieved without the fullest possible measure of cooperation and understanding between government and business. In making this statement, Mr. Blough holds the Administration with not being generally anti-business and then, however, proceeds to list several ways it is seriously damaging business confidence and, as a result, the economy's performance. We must define the boundaries of each, he adds, so neither government nor business encroach upon each other's responsibilities. He questions, also, whether business is doing everything it can to earn the government's confidence. One of the impediments to confidence discussed is tax depreciation and how reform in this area would electrify business, employment and our competitive posture. Mr. Blough fears guide lines to keep costs in line will lead to wage and price controls; decries the attitude toward corporate profits and its impact on new capital spending; and questions government's non-defense spending increase and competition with private business as in the case of our utilities.

May I begin by saying that this year a strange and unnatural phenomenon took place. The Ides of March came in April . . . about Friday, the 13th of April, to be exact.

Roger M. Blough

And may I further observe that while we are warned to "Beware the Ides of March" when they occur in their duly appointed schedule, the warning should be twice heeded when the Ides occur in April, because the solar disturbances seem to be considerably more intense than usual—and are accompanied by celestial storms the like of which has rarely been seen.

And that, as you see, is merely a nonpartisan, nonpolitical observation regarding an event of widely publicized interest, and of some continuing concern. But pursuing this commentary upon the weather in a somewhat more serious vein, let me add that each year we read about storms, tornadoes or hurricanes that have swept through some unfortunate community, causing widespread injury and destruction.

Yet, great as the damage may have been, the loss is not without some gain; for after the initial shock has passed—after the lamentations, the frustrations, and any bitterness, have all subsided—the task of reconstruction begins and the net result is a new and stronger community built more solidly upon firmer foundations, provided there is the will and the confidence necessary to undertake successfully the task of reconstruction.

So reverting to that tempest of last April, I would like to discuss the work of rebuilding a new and stronger community of interest and a firmer foundation of understanding between those who bear the heavy responsibility of government, and those millions of our citizens who bear the burden of production in this nation.

Do we have the necessary materials at hand . . . the spirit, the will and the confidence to accomplish this difficult task?

Well, there can be no doubt, I believe, about the spirit and the will, for all Americans—of every shade of political and economic thought—are united, certainly, in their desire to build a stronger, more rapidly-growing America. And all of them know that this nation can never achieve its maximum strength and growth without the fullest possible measure of cooperation and understanding between government and the private productive sector of our economy.

Boundaries of Confidence

As to the confidence that is so vitally important to this reconstruction effort, the answer is by no means so certain. How much confidence does government have in business? Does it have confidence in the freely operating enterprises that have been the source of our great national strength? Does it have confidence, for example, in the ability of an open, competitive market, to establish proper prices and production in the general interest? And does business, on the other hand, have confidence that government, always fully alert to its constitutional responsibilities, will act with knowledge of the needs of the people in their enterprises?

Or will business think of government as truly "anti-business"? Will business, in turn, become anti-government? And if government is not anti-business, how can this fact be demonstrated by actions rather than mere words?

These are questions of great moment as we face the task of building a better and stronger America, and I suggest that we examine them today—not in any sense in a critical vein, but in a sincere and constructive effort to get on with the job; for there is so much to be done, and urgently so.

And as a beginning, let us pinpoint as exactly as we can, the fundamental point at issue here, while recognizing, as we do so, other issues that confront our nation and our government—such as medical care, the farm problem, Federal aid to education, tax policy, international balance of payments and a thousand and one other problems on the national horizon—any one of which is capable of rousing a vigorous debate wherever even two persons are gathered together—and irrespective of their political affiliations.

But even amid these mountainous and complex issues, there is none more urgent and more vital to our national well-being than one which is basically inherent, I believe, in all the others. And that is the thorny nettle of defining the proper boundaries of governmental action and the proper sphere of the productive community, to determine where the twain shall meet in mutual well-being; so that each may discharge its responsibilities without encroaching—and without being suspected of a desire to encroach—upon the responsibilities of the other.

And this, in turn, marks the depth of feeling on the immediate question of whether national policy is pro-business or anti-business.

Now, while I happen to belong to a political party—as do most of us—I am also employed in an organization composed of 500,000 fellow stockholders and employees, who, I know, belong to one of the major political parties or the other without either party having too great a percentage of the total. For this reason, among others, I would like to approach this government-business problem with nonpartisan words and in a nonpartisan spirit.

Non-Partisan Approach

First, let me agree with Under Secretary of State George W. Ball who, last month in Hot Springs in outlining why the present Administration is "pro-business" and not "anti-business," said that:

"Any Administration not prepared to give due support to such a major national interest as American business would be irresponsible."

Now I need not reaffirm that American business is indeed a major national interest that it is composed of almost five million business units of which some one million are corporations, varying in size all the way from A.T.&T. to the corner grocer; that these businesses, great and small, employ over 55 million Americans; and are responsible for 75 to 80% of all the jobs and all the payrolls in this country.

We know that business as a whole thrives and declines as its individual units prosper or languish; that business is the primary source and repository of new developments through research; that the surest way to create jobs and to increase national growth is to have more investment by business; and that the most expeditious way to assist the developing nations in the mamouth job of assisting them to help themselves to a better living and a better life, is to enlist the aid of the thousands of businesses which are actively operating, or are willing to operate, abroad.

So as Mr. Ball says, American business is a "major national asset." In fact, anything that provides the direct support of 55 million workers, and their families—and has some 16 million individual owners and many more millions of indirect investors, must be a matter of first importance. American business from the national viewpoint must then be thought of in terms of indispensability and not mere usefulness or momentary sufferance.

Thus even though the anti-business or pro-business labels may be "singularly sterile," — as Mr. Ball says—it is, nevertheless, extremely useful to recognize attitudes and reactions and in the practical world of today—the government-business world in which so many of the millions in our nation must live and work—there are attitudes and there are reactions of which cognizance must be taken.

Faltering Investor Confidence

Consider, for example, the matter of investor confidence and what happens when it falters. The total market value of the securities listed on the New York Stock Exchange was about 48½ billion dollars less on June 4 than it was just seven short weeks previously. Although the physical properties of the corporations are as valuable as before, something has occurred and the collective savings of the American people are measured by 48½ billion fewer dollars. The purchasing power of the public is good but it is not as potentially available as before. Millions of persons depend upon these invested savings as a bulwark against personal disaster and the vicissitudes of old age. These savings provide a reservoir of funds which finance the creation of productive jobs and the purchase of the modern tools and equipment needed to keep America competitive with foreign industrial nations.

Many reasons can be advanced for this decline but the fact remains that investor confidence faltered and there were billions of losses from which no one gained. And both the business community and the nation are the losers.

Now, remembering the national growth and business growth are Siamese twins, it should mean something, too, when a recognized research survey finds a similar waning of confidence among the top executives in a broad spectrum of American business, industry and finance. Just a year ago —in May—when asked how helpful the policies of government would be in stimulating business growth and expansion — 55% of these executives said those policies would not be very helpful. Today, one year later, 75% of these executives hold this discouraging opinion.

Does that mean anything? Well I for one think it does—especially when it is followed by an analysis showing that 66% of these executives believe that the outlook for cooperation between government and business is pretty poor, when 84% of them hold the opinion that exerting strong pressures on price decisions in major industries is not a legitimate use of Administration power.

Deep Seated Questions

So the evidence indicates that deep-seated questions have become widespread about how understanding some of those in government are with respect to business activity of all kinds in this country—and that is not good.

Is business understood? Is its performance recognized? Do we as a nation know what business must have to thrive — and how useful it can be? Anyone who has ever been laid off in a plant or mill knows, and his family knows, but do those in government know?

Well, generally speaking, I believe most of those in government do know and are understanding.

But generalities are one thing and specifics are something else and usually more tangible and more useful. Our task today is to ask ourselves what can government do and what can business do to help solve our mutual problems of attitude, of confidence and of better performance, since there is obviously much to be done on the part of both and as promptly as possible.

At the risk of seeing the mote in our brother's eye rather than the beam in our own, may I refer to a few current matters that would help the confidence-in-government score board.

Deplores Reasons for Lack of New Capital Spending

Instead of talking about whether government is anti-business would we not both get much further if we were to examine dispassionately how sufficient are the resources that our nation is putting into its private productive facilities? Is it not a telling sign when our competition among the principal nations are putting 8 to 12% of their gross national product into plant and equipment and we are only using about 5% for this purpose?

Are we taxing production directly and indirectly to a point where lack of investment in job-creating facilities is hurting production, hurting jobs and the profits needed to create jobs and even causing anemic-looking tax collections from business?

Would we not do well to think of tax reform or a greater allowance for depreciation as what they really are—a means to greater employment and to an improvement in our national comptitive posture?

One thing the Administration and Congress could do which would have almost an electrifying effect upon business' attitude and which I believe would be entirely feasible from a budget point of view—involves taxes. Extensive hearings have been held in the House and Senate on proposed tax legislation and a version of the bill has passed the House although most of the witnesses who testified were opposed to it and it is said that it was hard to find anyone who would say a good word for the bill.

As a large part of business views this tax proposal, the 7% investment credit feature is by no means a substitute for adequate depreciation. The new proposals regarding taxation of income earned abroad at this state of our nation's development will serve only to dampen investments both in this country and abroad to the detriment of American jobs and American earnings. It will make domestic producers more noncompetitive than they are. The proposal's value from the standpoint of the balance of payments problem in the short run is certainly questionable and for the long run seems clearly a mistaken policy. Moreover, any tax package which purports to

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Marketing Leadership in Electric Utility Growth

By E. O. George,* *Vice-President,*
The Detroit Edison Co., Detroit, Mich.

Review of the electric industry's "Live Better Electrically" past, present and future national and local marketing programs is keyed to the goal of at least doubling kilowatt-hour sales in the next decade. Figures provided show that the market is already established, and that the ambitious selling goal is realistic. There's no need to wait and hope for "dream" products to achieve the goal sought, Mr. George adds, when there are, for example, 33 million homes without electric ranges, 41 million without electric dryers, and 48 million without electric dishwashers. Utility heads are reminded there's no need to subsidize electric heating, or to fear competition in view of the capacity for flameless products' average cost to go down as the volume of sales goes up. Electric utility companies are cautioned on appliance servicing and team work. To improve long-range marketing effectives, Mr. George suggests the creation by the industry of a Market Planning Council to coordinate and study common problems.

It's a real pleasure for me to have this opportunity to discuss our industry's marketing position and challenges ahead. Today we stand at the threshold of an exciting new period of growth—confident but not complacent. Our goal is to at least double kilowatt-hour sales in the next ten years—profitable sales—we will not be satisfied with anything less. It is an ambitious goal, but entirely realistic, and the key is fundamental selling. We cannot become so optimistic about growth prospects that we underestimate the planning, the work and the intense selling effort that bring it about. We do have to sell to grow, as we always have.

Edwin O. George

We do have the resources, the selling tools to do the job! First, we will look at the objectives and scope of the unified national program that spearheads our marketing efforts. Then I will briefly illustrate some of the ways local utilities are tying into national themes. Finally, I will discuss some of the more salient problems ahead of us and suggest possible industry action to solve them.

Live Better Electrically is a national pre-selling program well into its fourth successful year under EEI leadership. The broad concept is total electric living. Under this umbrella, advertising and promotional emphasis is directed to our most important competitive loads—the electric range, electric clothes dryer, electric water heater, electric heating and cooling and the Total Electric Gold Medallion Home. In LBE we have a selling tool from which every member of the electrical industry benefits.

New Ads Stress Flameless Benefits

This year selling messages appear in five outstanding consumer magazines and two influential trade periodicals. They are designed to create a desire for electric living—to sell the exclusive flameless benefits of electricity—to show how the whole family can Live Better Electrically—to convince millions of American homeowners to select Total Electric Living—to show builders how flameless electric house heating makes new homes more salable. It is your program of national sales leadership.

In our hard-hitting program for 1963 there is an ad for flameless electric cooking. This new approach to selling electric heating appeared in the May 11 issue of LIFE magazine—and will be our format in 1963.

Here's how the broad concept of Total Electric Living in a Gold Medallion Home will be advertised. Again, in 1963 we will continue to sell the real benefits of electric heating to key people in the building trades with ads geared to them.

The Live Better Electrically Program demonstrates the value of unified national leadership. It must, however, be expanded into more media with greater impact—to reach every segment of the market with strong selling themes. To do the full job that should be done, LBE needs the full support of the entire industry.

The national program is an advertising umbrella. Action comes at the local level, and the sales plans of our companies show that selling is not taking a back seat. They show use of proven ideas and creation of new ideas. They represent careful planning and effective use of sales resources.

The electric range is a door opener to electric living. We see offers of wiring installation; customer and dealer contests; a post lantern as a bonus to range buyers; advertising using the "flameless" theme; other advertising using demonstrated customer benefits, such as clean, cool and modern. Is it any wonder that electric range sales have increased from one-third to half of the market in the last 10 years?

Similar selling themes help to merchandise flameless electric dryers at the local level. Again we see buying incentives. The customer is told the benefits of convenient, automatic, modern electric clothes dryers. We outsell the competition two to one in the dryer market but there's still a lot of work to be done. Nearly eight out of ten homes have no clothes dryer of any kind.

In the water heater market, we've been waging a long, hard fight. We are convinced that the 4000 plus kilowatt-hours a year from each water heater customer is well worth the sales effort.

In the last several years there has been a strong resurgence in water heater programs by local utilities. Some offer "guaranteed satisfaction," others special financing and others rental plans. One way or another electric water heating is getting strong promotion.

Sales efforts are also directed to the other components of total electric living—lighting, air conditioning, refrigerator-freezers, dishwashers, dehumidifiers, automatic clothes washers and table appliances—all part of the customer's desire to Live Better Electrically.

More and more companies have Housepower programs. This is most important because Full Housepower is an essential part of electric living promotion. We must continue this leadership to guarantee customers the wiring capacity for convenient electric living.

The most important ingredient in a Total Electric Home is electric heating. Utilities in every part of the country are actively working to promote electric heating—complete or partial. By the end of this year there will be 1,300,000 homes heated electrically. In addition, thousands more are partially heated.

No Subsidization of Electric Heating

Many companies have introduced special heating rates. It must be emphasized, however, that electric heating will not be subsidized at the expense of other classes of business. Lowering price to attract more heating business must be profitable in its own right, good load now and in the future. Again, national sales leadership through LBE, plus local selling programs, are creating a huge new market for the electric industry.

We have looked at the components of Electric Living. Now, we come to the ultimate, the Total Electric Gold Medallion Home. This is the target all our sales programs are directed to — the home worth more than five times as much in kilowatt-hour sales and revenue as the average home today.

Here, too, local action programs are exciting, ambitious and effective. The story of total electric living is presented as an affordable and attractive way of family living. In one complete package the new home buyer gets all the electric benefits.

I have reviewed the plan and purpose of the Live Better Electrically Advertising Program as well as the action programs of local companies because I want to emphasize that there's plenty of competitive selling going on. We're giving the most emphasis to profitable load builders, but we're selling everything electric. That brings us up to date. Now, where do we go from here?

Where Do We Go From Here?

We do not have to wait and hope for a lot of "dream" products to take us to our growth objectives. We can reach our goals by planning, selling and working to develop our already established markets. In 33 million homes they do not cook electrically — in 41

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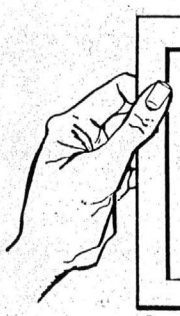

New Orleans' INVITATION to INDUSTRY

Over a billion dollars have been invested in new and expanded industrial plants built in the immediate metropolitan area of New Orleans since World War II. This record growth proves that New Orleans has become a key industrial center of the nation because its invitation to industry to locate here has been an invitation to opportunity.

In New Orleans, industry enjoys a unique combination of advantages. Here is a port—second in the nation in dollar volume—that is host annually to 5,000 ships — ships carrying the world's resources to industry's door — ships carrying industry's products to world markets. Yet, in the immediate vicinity of this great port, industry also finds in abundance many of the chief resources of our country . . . oil, natural gas, water supply, power, sulphur, salt, furs, timber, cotton, sugar cane, rice.

Investigate New Orleans as a prospective location for your business. A note to our Industrial Development Staff: New Orleans Public Service Inc., 317 Baronne St., will place its assistance at your disposal.

New Orleans Public Service Inc.

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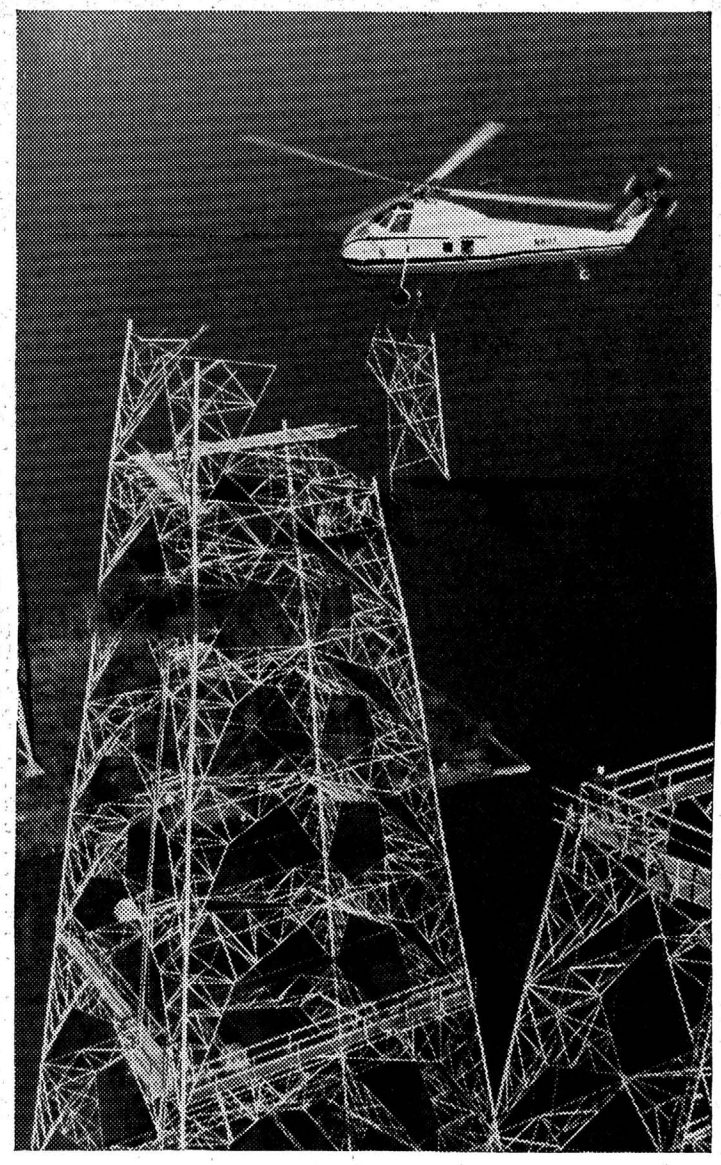

TEXAS ERECTOR SET? Actually it's one of the 300-foot high steel towers near Hudson, N.Y. being built by Niagara Mohawk to carry its new 345,000-volt electric transmission line across the Hudson River. This line provides a "Thruway of Power", linking Niagara Mohawk with Consolidated Edison's system in a vast power pool. It's one more way Niagara Mohawk is planning today for the power needs of tomorrow.

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Marketing Leadership in Electric Utility Growth

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million homes they still dry clothes on a line—in 48 million homes they wash dishes by hand.

In 47 million homes there is no air conditioning — 41 million homeowners do not heat water electrically—nearly everyone has a refrigerator, but only a few have the combination freezer type that does more for the customer and uses more electricity while it does.

What about home lighting? On the average it is not more than one-fourth what it should be. What does the sale of complete electric heating mean to our growth?

For example, electric range and clothes dryer saturation at just 50% and electric water heater saturation at 30% by 1972 would mean 134 billion kilowatt-hours from these uses alone—equal to about two-thirds of total residential sales last year and more than the total for 1955.

The typical customer uses about 850 kilowatt-hours per year for lighting — 30 lamps averaging about 83 watts per lamp. Increasing the average wattage by only 5 watts would add 50 kilowatt-hours per customer each year—over 3 billion kilowatt-hours per customer each year — over 3 billion kilowatt-hours more by 1972.

Most authorities already predict there will be 2 million electrically heated homes by 1964 and over 5 million by 1970. The 8% of the customers who will be all-electric will use nearly a quarter of all residential kilowatt-hour sales. This is good but we can do better! We have the sales resources to do the job. We must, however, fit them into a long-range program of market planning. We must use marketing intelligence, customer communications and teamwork.

By "marketing intelligence" I mean planning based on customer research, economic projection, new product development—the collection of market facts to guide our judgment and the application of these facts to meet demands of the market. It is said that study without action is futile—but action without study can be fatal. We must recognize the factors that will be working for us and capitalize on them. We must see the possible pitfalls and overcome them. This is the challenge to marketing leadership.

Let's recognize our direct competition for what it is. They are reaching into our markets just as we are reaching into theirs. I'm not afraid of this kind of competition. They live by the image of cost. We have the better product. The volume of sales goes up while average cost to the customer goes down. No other product can say this!

Better Products Cost More

We must not be trapped into useless price competition. In spite of favorable price trends which gradually narrow the cost difference between electricity and other energy, it may be that price will never be equal—nor must it be. At the same time, however, we must continually review our pricing structures to be sure they reflect a willingness to attract profitable new business.

Nor must we be trapped into ineffectual negative selling. The customer will always pay more for the better product. We must continually emphasize the many plus values not possessed by the competition.

Coming social and economic changes show certain factors that will affect our market planning. For example, the changing population mix. With about 3 million people a year added to our nation's population, the total market will be bigger. But there will be more young people, more old people and a smaller proportion in the productive 24 to 64 age group. The demand for young people's needs and gadgets, and for the health, service and recreational needs of the older segment, will grow faster than the demand for consumer durables. We will need new products to tap the growing markets.

The nature of housing is also changing. The postwar trend to suburban, single-family dwellings was an advantage to the electric industry. Now we are getting a return to the central-city and apartment-house living. Since 1955, apartment-house construction has risen from 8% of housing starts to 26%, and it will go higher.

We must be alert to provide service innovations that help the apartment-house developers build electrically. In this market we have only one chance. It's a once-in-a-lifetime opportunity to sell complete electric living.

Other salient questions are raised by predictions for a shorter work week, more leisure time, rising expenditures on services on services compared to manufactured items—service spending has increased two and one-half times since 1952 while spending on durables and non-durables less than doubled.

Another factor, the needed pressure for productivity will mean that productive processes will be more and more electrified. How will competition in the common market affect us? Will it mean new opportunities or new problems? The answers to these questions are yet to be found. I do know one answer — the best marketing we can do — planning ahead and being ready to move in the right direction at the right time.

Our marketing and technical research facilities are among the best available. We must use them effectively. As an industry we have more facts on file about customers than any industry I can think of. With the aid of data processing equipment we can get these facts when we need them; we can identify the nature of different kinds of customers and their levels of use.

We can also assume more responsibility for developing the package in which energy is merchandised. We have the best technical resources in the world right in the electric industry. We should not sit by while others research new products on which our growth depends.

Research Activities

We must explore new ideas for application in the home, in commerce and in industry. For example, we are promoting all-electric living without a suitable electric incinerator.

We must imaginate new ideas and turn them into useful end products — products that satisfy customer wants in an exclusively electric way. Through the Research Division of EEI we can add much to the efforts of manufacturers to create new electric products.

We must also consider our opportunities for direct sales communication with customers. We used to sell most of the appliances ourselves to develop markets. We then delegated this to third parties. They have done a good job but we have lost valuable personal contact with customers. We must find ways to regain more direct sales contact and still work closely with allies. It is as important to our company images as it is to our sales efforts.

Our appliance manufacturing allies spend many millions on national advertising but only about one out of five of these advertising dollars goes into markets we consider competitive. I do not mean to be critical. They are faced with intense brand competition. We are faced with intense product competition. We must take the leadership to build our own competitive markets.

We must also maintain our interest and responsibility for appliance servicing. It has a marked effect on the consumer's choice of appliance and his reception to electric living convenience. We must continue our efforts to encourage design of products with easy, low-cost servicing. We must help the customer to operate his appliances property and we must see that trained servicemen are available when and wnere the customer needs them.

Our most valuable asset has always been industry teamwork—it begins with the loyal and enthusiastic support of company employees—it flows through to unified leadership at the national level. The Live Better Electrically Program is an excellent example of teamwork in action. I believe, however, that we must do even more to improve long-range marketing effectiveness.

Suggest Market Planning Council

I propose, for consideration, that a Market Planning Council be established through the Edison Electric Institute, staffed by management representatives of the nation's utilities. This group can provide national coordination for the study of marketing problems common to the industry. It can evaluate conditions affecting the commitment of our marketing resources just as we can plan ahead for the commitment of financial resources to build new plants. Such a Council, I believe, can provide long-range guidance needed to insure a profitable all-electric future for all of us.

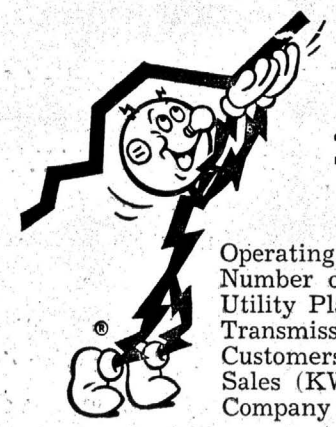
I must emphasize, however, that meeting our minimum growth objectives will not mean a weakening of the most important thing we have to sell. That is, the service reputation of an industry that has always considered the customer first. We do not live **off** the areas we serve; we live **for** them. Marketing success and financial strength will always be in direct proportion to the quality of our genuine concern for customers.

No wonder we face the future with a high note of confidence. Look what's working for us—we have a sincere customer-mindedness, the strongest unity of purpose and action, the best personnel, the promise of new products and an outlook for favorable social and economic change. These are the plus factors.

And what are the minus factors? The competition cannot be underestimated. On the other hand, competition keeps us stepping. It might be called "opportunity in overalls," the force that makes us work a little harder, be a little more creative, plan a little smarter and have a little more faith in our own judgment and leadership.

The only serious minus factor could be inability or unwillingness to sell — and this will not happen. We have not inherited the right to share in prosperity we have not helped to create. We must plan. We must work. We must sell—this we will do.

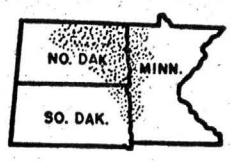
*An address by E. O. George before the 30th Annual Convention of the Edison Electric Institute, Atlantic City, New Jersey, June 5, 1962.



Notes from our

1961 ANNUAL REPORT

	1961	1952	Increase
Operating Revenues	$21,281,548	$13,485,893	$7,795,655
Number of Stockholders	9,734	6,463	3,271
Utility Plant (Orig. Cost)	$92,169,516	$53,941,773	$38,227,743
Transmission Lines (Miles)	5,700	5,155	545
Customers Served (Elec.)	101,785	90,511	11,274
Sales (KWH)	609,381,451	431,529,000	177,852,451
Company Capacity (KW)	185,405	136,960	48,445



Otter Tail POWER COMPANY

SERVING 475 UPPER MIDWEST COMMUNITIES

Butcher, Sherrerd Branch

ALLENTOWN, Pa.—Karl J. Rhoads is representing Butcher & Sherrerd from offices at 1071 South Madison Street.

Nuveen Endows Professorship

The establishment of the John Nuveen Professorship in the Divinity School of The University of Chicago has been announced.

World-famous Protestant theologian Paul Johannes Tillich, was appointed to the new chair. The endowment for the chair was created in an unusual joint undertaking by John Nuveen & Co., a national investment banking firm, and its directors and their families.

They said it was established because in the modern world, "the most important struggle is for the possession of men's hearts, minds, and souls."

Glen A. Lloyd, Chairman of the Board of Trustees of The University of Chicago, announced the action.

The chair is named for the late John Nuveen (1864-1948), who was born of Dutch parents in Denmark ,and came to Chicago in 1866 with his father, a member of a prominent Amsterdam shipbuilding family. He established John Nuveen & Co., in Chicago in 1898.

The members of the Board of Directors of John Nuveen & Co. and their families who joined in establishment of the chair are:

Mr. and Mrs. L. L. J. Howe, Barrington, Ill., He is Chairman of the Board.

Mr. and Mrs. John Nuveen, Winnetka, Ill. He is Vice-Chairman of the Board.

Mr. & Mrs. Chester W. Laing, Rye, N. Y. He is President of the firm.

Mr. and Mrs. Frank C. Carr, Barrington, Ill. He is a Senior Vice-President and Director.

Mr. & Mrs. Miles Pelikan, Summit, N. J. He is a Senior Vice-President and Director.

Provision for participation in the chair was made by George J. Gruner, Senior Vice-President and Director, Greenwich, Conn., and his wife, before his death earlier this year.

Phila. Inv. Ass'n Annual Outing

PHILADELPHIA, Pa.—John J. F. Sherrerd of Drexel & Co., President of The Investment Association of Philadelphia, announced that the association's annual outing will be held on Friday, June 22, at the Philadelphia Cricket Club, Flourtown, Pa.

The day's activities will include golf and tennis tournaments and a stock exchange and dinner in the evening.

The entertainment committee consists of Norman T. Wilde of Janney, Battles & E. W. Clark, Inc. and James P. Roberts of Baker, Weeks & Co. as co-Chairmen; Roger B. Decker of DeHaven & Townsend, Crouter & Bodine and Robert S. March of Schmidt, Roberts & Parke. Norman T. Wilde is also Chairman of the Golf Committee and Roger B. Decker, Chairman of the Tennis Committee.

Reservations for the outing can be made through Joseph L. Pyle, Jr. of Kidder, Peabody & Co. who is also Treasurer of the association.

Morton Kandell, Others Join Raymond Moore Co.

(Special to THE FINANCIAL CHRONICLE)

BEVERLY HILLS, Calif.—Morton Kandell, Gerald D. Hodges, and W. H. Hodges, III, have joined the staff of Raymond Moore & Co., 9465 Wilshire Boulevard. Mr. Kandell was formerly a partner in Adams & Co. Gerald and W. H. Hodges were with Holton, Henderson & Co.

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Innovation and Progress

By James W. Cook,* *Vice-President, American Telephone and Telegraph Company*

The importance of innovation is the theme of Mr. Cook's address to the neighboring electric utilities who share many of the same regulatory problems as the telephone industry. Discussion defines three basic kinds of business innovations—their positive needs and benefits, and problems—and comments on the unexpected business upsurge obtainable and the relationship to profits. Business needs both the right amount of challenge and of favorable climate but, Mr. Cook adds, the problems of the regulated industry include adequacy of profits if research is to be properly pursued.

There are many occasions in which we in the telephone business work with the staff of the Institute. This is a most cordial and productive relationship.

James W. Cook

We feel a special kinship with the electric power companies throughout the country, and not just because we often share the same poles and conduits. In a number of important respects we share a common inheritance of technology.

And both our industries have special obligations to the public.

These obligations are somewhat different and greater than those of most businesses. Neither of our industries can divide the American people into customers, on the one hand, and general public on the other. Our services touch the daily lives of most Americans.

I've been asked to discuss one of the responsibilities we share, that is, the responsibility to innovate and to progress.

Innovation can be an ambiguous word.

To innovate means to introduce something new. But newness and value aren't always the same thing. Novelty can't always be equated with worth. The hula hoop was an innovation. It caught the fancy of young people all over the world, but its value to society was somewhat dubious.

Defines Innovation

So I want to talk about innovation in the sense of creating new things and new concepts of value rather than novelty as such.

I see a number of basic questions: Why must we innovate at all? What are the conditions that encourage innovation? What are the problems?

From what the biologists tell us, progress seems to be some sort of natural necessity. Nature herself seems to be concerned with progress. She progresses the same way man does—by innovation. And, like man, she never seems to be satisfied and is always seeking the better way.

It seems to me that business today has a deep necessity to innovate. We must innovate to keep up with domestic and foreign competition. We must innovate to satisfy growing and changing markets. We must innovate even to survive under ever-changing national and world conditions.

I'll talk about three kinds of business innovation:

—new products and services,

—new skills and ways of producing them,

—new concepts and definitions of what a business is and what it should be doing. This might be called conceptual innovation.

Of course, innovation in products and services is the most obvious variety.

We expect this year's car to be both different and better. As one of Dr. McFarland's competitors says in his ads, "This name has a new car." Even the foreign competition has learned that we expect the new and the improved. If you see the Volkswagen advertisements, you remember that although they emphasize unchanging style, they also claim continuing engineering improvement.

It has become characteristic of Americans to expect variety and choice. A look at the contents of the "Yellow Pages" shows that the consumer is being offered a constantly growing smorgasbord of products and services. As a rough example, 900 new headings have been added to the Manhattan classified directory in the past ten years.

Experimental Electronic Central Office

It's in the spirit of increasing our capacity for living that the Bell System developed an electronic central office. It went into experimental operation at Morris, Illinois, in November, 1960. The first commercial unit will be placed in service in New Jersey about 1965. Because it is almost incredibly fast and has an enormous memory, the electronic central office can furnish a wide variety of new services. For instance:

—You'll be able to reach frequently called numbers—local or long distance—by dialing just two digits.

—You can dial a code which causes all incoming calls to be transferred, say, to a friend's home for the evening.

—You can arrange to allow a third party to be called into a telephone conversation.

—You can immediately connect to a busy line as soon as it is available.

—These and many other new and different services.

The electronic central office, like most other modern innovations in goods and services, is the product of organized industrial research and development. Before 1900, independent inventors were the main source of product innovation. But with the establishment of the first research laboratory by private industry in that year, industrial research has gradually taken over most of that function.

The National Science Foundation reports that some 15,500 companies now have research and development staffs. And of the money spent on basic research in the United States, business pays 40% of the total.

It's because of this effort that the customer has come to expect a continual flow of new and improved goods and services. And the businessman has turned more and more to specialization within his organization—to his research and development staff—to satisfy this appetite. The results have been impressive.

New Skills and Methods

The second kind of innovation —new skills and methods of producing goods and services—has also tended to become a specialized function.

The modern corporation looks to a number of different specialists for innovation and progress in this area. This bewildering array of talent ranges from time-and-motion engineers, computer experts, programming and training specialists, and the like, to industrial psychologists and sociologists.

As in much of basic research, the effectiveness of their efforts depends in large measure on their success in drawing upon combined talents, rather than relying on the flash of genius to strike a single member of the group.

Business also spends considerable sums on personnel research, on off-the-job management development courses in universities, on in-service courses not directly related to job productivity. The underlying purpose, of course, is to stimulate better management—and, in turn, more ideas and more innovators.

In our business we have found it possible actually to create an atmosphere conducive to innovation, and then encourage and reward it. One way of developing this atmosphere is to rotate younger people especially through varying assignments — line and staff—in various departments and to arrange for company-to-company transfers. Thus a man with initiative and enterprise can benefit from a range of different experiences and, we hope, can constantly look for new solutions to old problems.

I ran across an example just a week or so ago. Returning to New York from the Midwest I met one of our able young division heads, himself the beneficiary of the rotational experience I have mentioned. He told me that he had been looking at a new splicing method.

This method was developed by a Southwestern Bell cable splicer. Under this system four wires are twisted simultaneously, compared with two under the standard method. Then about 50 pairs can be dipped simultaneously into the solder rather than soldered individually. The new method means savings in time and money, as well as improved quality.

A rather unusual aspect about all this is that the Bell Laboratories, going down another route to attack the same problem, have developed still another splicing method. In the Laboratories' version a capsule is slipped over two wires and crimped pneumatically. This results in a joint equivalent to a soldered joint but wire twisting and stripping are eliminated.

At the moment there seems to be no clear advantage of one over the other. There is this difference, however . . . the Southwestern technique can be used only on inactive cables, whereas the Laboratories' wire connector can be used without restriction.

But our need to progress, and the very bulk and momentum of innovation, calls for enhanced ability to manage. This leads to a third kind of innovation, which I have called conceptual innovation.

Conceptual Innovation

Conceptual innovation encompasses both product and production innovation. Chronologically it often precedes them. It is an expression of the ultimate in management skill. Let me illustrate.

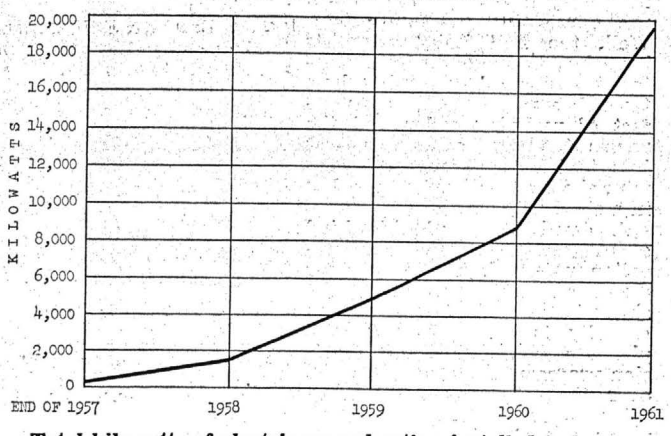
Henry Ford was the first to visualize a nation on wheels. The principles of mass production had been used to produce muskets. And the Sears, Roebuck Company in 1903 had opened a mail-order plant in Chicago complete with assembly line, conveyor belt, interchangeable parts and plant-wide planned scheduling. But until Henry Ford, no one had thought of mass producing something as expensive and complicated as an automobile. His concept — novel and bold — put us on wheels.

Gardiner Hubbard—Alexander Graham Bell's father-in-law and business associate — gives us another example of conceptual innovation. He suggested that the telephone business sell communication service instead of selling instruments. It seems pretty obvious today, but it was by no means so obvious then. Theodore Vail, who came later, vigorously promoted the concept of selling service. But if you sell service you take on the obligation of making it valuable by interconnecting more and more people over wider and wider areas. Out of this concept have come our vast network of communications, our ocean cables and the next evolutionary step, the communications satellites.

Both these examples show a sharp sense of the market. Henry

Continued on page 28

DEVELOPING THE ELECTRIC SPACE HEATING MARKET IN NEW ENGLAND



Total kilowatts of electric space heating installed in homes, stores and factories which use no other heat source.

Western Massachusetts Electric Co.
Principal Electric Subsidiary of
WESTERN MASSACHUSETTS COMPANIES

BIG PEOPLE

LITTLE PEOPLE

All kinds of people own Detroit Edison

Over 106,000 of them in all. They're young and old; they're engineers and salesmen, career girls and housewives, senior citizens and youngsters, factory workers and college professors.

This is true of all the investor-owned electric light and power companies that provide a network of electrical service clear across America. It means that the majority of our country's electric customers are served by *people-owned* companies like Detroit Edison.

Their invested savings—not tax money—have built the Edison power plants and lines that serve over 4 million Southeastern Michigan residents. Each year, investor-owned electric companies like Detroit Edison pay more in local, state, and federal taxes than any other industry in America.

Detroit Edison firmly believes that people-ownership is the best kind of business ownership—for its customers, investors, and employees alike.

THE DETROIT EDISON COMPANY
A PEOPLE-OWNED ELECTRIC POWER COMPANY

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Innovation and Progress

Continued from page 27

Ford didn't invent the automobile an Vail didn't invent the telephone. The basic inventions had been made. But they saw how these inventions could be more useful and more profitable if thought of in terms of an untapped and ever-expanding market.

It is good to keep in mind, though, that having the concept doesn't necessarily produce the results. Technological innovation is usually needed for the realization. Remember the rash of predictions shortly after World War II that soon we would be a nation with wings, that every man would have his own Model-T airplane. Here vision runs ahead of technology. This doesn't mean that future technological innovation won't make it possible.

Another sort of conceptual innovation can come from the simple definition of what business you are in. I think of the Borden Company as a case in point. The dairy-products industry has felt the pinch of calorie-counters, cholesterol watchers and fallout worriers. Some of the dairy industry has been hurt by this combination.

But Borden has done quite well, despite these new conditions. I judge one reason is that someone must have decided they were in the dairy by-products business as well as in dairy products. And, therefore, in the chemical business and the food business generally.

Among other things, Borden's sells garden hose, detergents, ink, canned clams, cupcakes and formaldehyde. They have even come out with a fresh and canned diet-drink line, thus keeping customers who no longer buy some of their other products.

This kind of conceptual innovation is profitable. Last year Borden's net sales went over the billion dollar mark for the first time, and their net income of over $30 million set a new high for the sixth straight year. And it pays off for the consumer too, of course, with new and useful products.

Another kind of conceptual innovation is a recognition of the changing conditions in which your business operates. An example with which I'm familiar in my business is our relatively new emphasis on marketing.

After World War II we were hard pressed — as were many others—to meet new and growing demands for basic service.

We focused all our energies on catching up. But even as we worked hard to meet these service needs, we felt that people really wanted more from us than we had customarily offered. Some customers asked for things we had never produced. Beyond this, we felt that there were new kinds of services and equipment they *would* want if we came up with them.

Out of this perception came what was for us an innovation—marketing philosophy and a department to implement it. I was fortunate enough to be assigned to the new department. It pressed hard for innovation in both telephone instruments and in communication services generally. It served as a clearing house for new marketing ideas from people in all departments. Perhaps most important of all, the department carried the new philosophy to all operating levels.

This new philosophy was based on the recognition that consumers were tired of the bleak war years of shortage and makeshift. Sure, we were a public utility. But if people wanted two-tone cars why should we force them to be content with a one-tone phone? Black, at that! If they wanted to choose among several automobile models, why should we insist that a single-model, single-color phone suited all tastes?

Our marketing decision was based on another condition that electric utilities appreciate all too well—we were a regulated business and the times were inflationary. And rate increases don't come easily and usually not fast enough. A greater share of the consumer's discretionary dollars could help us over the inflationary hump. What was for us a conceptual innovation helped keep us growing—and in the process the customer benefited with new products and services.

Up to this point I have discussed the positive needs and benefits of innovation. But I must stress there are problems too.

Innovation Causes Problems, Too

One of the first problems is the organizational consequence of change.

Take the simple example of the green telephone. It's easy to come up with a green telephone, once you decide you want one. The engineers and production can deliver.

But what kind of green? There are probably hundreds of different shades of it. After some research you choose a shade. Then come human problems.

The girls in our telephone business office must remember to sell this new green telephone. If the transaction is over the telephone, how do you describe "green?" Dark green? Light green? And so on up through a hundred possible shades? Cetrainly not! So you provide color charts and miniature color phones. Also you search out color descriptions which are meaningful, such as moss green, which is what we actually call it.

As you can visualize, the introduction of color upset — in fact, uprooted—a traditional method of operating the enterprise. Suddenly things had become more complex. And with the subsequent introduction of the Princess Telephone, speaker phones, automatic dialers, and the like, the simple, easy method had been transformed into one that was quite demanding. Thousands upon thousands of telephone people the country over had to adjust to change. This, as we all know from our own experience, takes some time and some doing.

Thus innovation can strike right at the heart of the precept that the less you disturb the smoothly running machine the better off you'll be.

These are illustrations of one kind of innovation-oriented managerial problem. They are troublesome but given a little time and a little patience, such problems can usually be smoothed out. Others are much more serious and complex.

Henry Ford simply could not have brought his vision to reality had he stayed with the old handicraft methods of car manufacture. Today I doubt whether any automobile manufacturer — or any other large manufacturer for that matter—could go the next step to a fully automated production line without serious repercussion.

There is no question that we have to keep on increasing our efficiency. Even so, the social, economic and political consequences of large-scale technological automation are so vast, and the problems of human dislocation so profound, that change can only come gradually — at a rate that insures an acceptable solution of these very important considerations. In my own business we have been automating since the early '20's. We recognize and accept the grave social responsibilities that accompany major technological innovation. Every important decision reflects this viewpoint. Solid progress is firmly linked to it.

I have outlined for you briefly three kinds of business innovation: new products and services; new skills and techniques; and broad new managerial concepts—along with some of their attributes. A common aspect of all three is how far innovation will take you once you throw open the gates.

Unexpected Helpful Business Results

For instance, we have been surprised — in some cases, actually astonished — by the strong upsurge in business we get from adding something of value, true innovation. I saw this at first hand when we went out to the farms and ranches with new rural telephone systems. Both local and long-distance calling jumped up remarkably.

More recently we have had this experience when we improve our overseas circuits by supplanting high-frequency radio with ocean cable. The rise in calling has been more than we assumed we could reasonably forecast, even allowing for normal growth, changes in calling habits and the emergence of new business patterns.

As we look ahead to the extension of our ocean cables, to the likely supplement of satellite communications and to the possibility of intercontinental, all-number, customer direct dialing, we now expect that overseas calling will jump from 4 million calls to 100 million annually by 1980. Further innovation may prove even this expectancy to have been modest.

These are ordinary examples of the unexpected effects of innovation. For another major illustration, we can take the continuous optical maser recently developed by the Bell Laboratories. It is a complicated device with a simple function. It disciplines light waves.

Unlike radio waves, which tend to flow in an orderly rhythm, light waves are described as erratic or incoherent and this is why, until now, they haven't been of much use for voice communications. Well, the Bell Labs' scientists have found a method of disciplining these waves by pumping them through a ruby. This has the effect of restoring order and the waves flow out coherently—not just in bursts, as was the case with the first optical masers, but in a steady stream.

A development of this kind opens up a tremendous communication potential. The continuous optical maser will produce a single beam of light with enough capacity to carry all the telephone conversations and television programs that are being sent over the telephone network at this moment. Of course, there are many obstacles to be overcome, but some day we hope to be sending some of your conversations, and data, as well as television, over light circuits.

You've probably been reading about the advances that science has been making in the control of light. The *Scientific American* magazine of June last year said: "The list of potential applications of the optical maser could be extended almost indefinitely. With (its) advent, man's control of light has reached an entirely new level. Indeed, one of the most exciting prospects . . . is that this new order of control will open up uses for light that are as yet undreamed of."

Major technological innovations have a way of opening up undreamed-of uses and markets. But the businessman has to dream of them as fast and accurately as he can. The pressures of competition and progress I mentioned at the beginning make this imperative.

Innovation and Profits

No discussion of innovation can be considered as complete without mention of its relationship to profit. All business has difficulty explaining the function of profit. Regulated enterprises have had more than their fair share of this problem.

Well, how **does** profit relate to innovation?

How does well-being relate to change and progress?

Arnold Toynbee's theory about civilization seems to say something about this problem. His idea, as I understand it, is that societies grow when there is the right amount and kind of challenge. If the environment is too harsh—as it is for the Eskimos—they don't grow and they don't innovate. They spend all their time just hanging on.

On the other hand, if the environment is too easy, as for some South Sea Islanders, why bother about innovating?

Perhaps this same philosophy can be applied to conditions that affect the vigor and initiative of business. If the business climate is too severe, if the incentives aren't there, a business won't innovate. It will spend its energies merely keeping alive, just trying to survive.

I wouldn't suggest that our business climate today is too harsh and uninviting. But it is rugged. And we do have the challenges of growing and changing markets, foreign and domestic competition. We need a favorable climate to meet them.

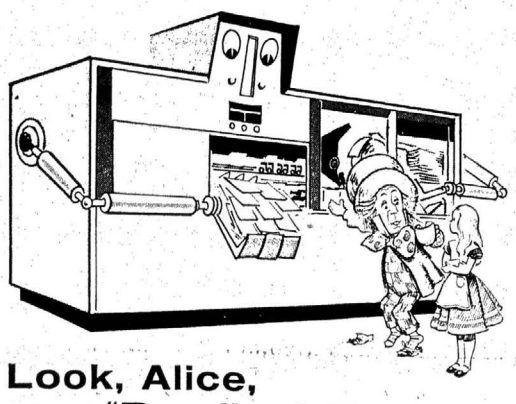
And we need research. The Bell System alone has spent almost $1.4 billion for research and development since the end of World War II, and I can assure you this has paid off.

But without the wherewithal and incentive of adequate profits, such research is impossible. And without research our country won't be able to compete with the rest of the free world and with the Communist bloc. There is that much at stake. For our part, I think regulated industry is making some headway in getting this understood. Yet it is a constant, uphill battle and we still have a way to go.

It is quite true that there is a tendency these days to charge top management with the immediate responsibility for everything: good profits, non-inflationary prices, ethical conduct among employees, as well as the flavor of the pudding in the company cafeteria. Even so, I would say that as far as innovation is concerned the prime condition is that top management feels responsible for it—and constantly and consistently probes for it.

When you get right down to it, it takes a courage of sorts to put up with the discomforts of innovation. Not the John Glenn or Scott Carpenter kind of courage—nothing dramatic like that. But the kind that is willing to take appropriate risks with people and programs, and will put up with the many and perplexing anxieties of change.

*An address by Mr. Cook before the 30th Annual Convention of the Edison Electric Institute, Atlantic City, New Jersey, June 6, 1962.



Look, Alice, a "Reading" Machine

A pioneer in the application of electric computers to utility problems, PP&L has, as part of its newest computer center, included an Optical Character Scanner.

This amazing instrument is the first IBM commercial installation of its kind in the world. It can, for example, "read" 400 cashiers' stubs a minute. The Scanner also has the ability to "read" marks recorded in ordinary pencil or certain inks such as those recorded on Meter Reader sheets.

Already a busy, busy accounting tool, the computer center is being put to work solving engineering and operating problems, analyzing distribution system performance and controlling inventories as fast as these applications can be programmed.

In many ways, in every area of its operation, PP&L is constantly seeking out new methods and new equipment that mean more efficient and economical operation. Only in this way can the Company realize the PROGRESS necessary to effectively meet increasing customers' needs, attract and retain competent people and stimulate and maintain investor confidence.

PP&L
AN INVESTOR-OWNED ELECTRIC UTILITY IN THE SERVICE OF THE PUBLIC

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New Horizons in Electric Power Transmission

By R. G. Rincliffe,* *President, Philadelphia Electric Company*

We have the finest power system in the world and, backing his assertion, Mr. Rinoliffe credits the successful intercommunication building for the important contribution made toward bringing this about. He predicts $8 billon in financing will be forthcoming for 100,000 miles of additional lines by 1970, opines all major systems in U. S. A. will be on an interconnected basis. Comparison made shows we have 12 times the transmission lines of U.K. and 5 times that of U.S.S.R. The latter's attitude, he observes, emphasizes power for industry and neglects the consumer. Mr. Rincliffe prefers the superiority of our approach wherein, unlike Russia, planning is from the bottom up. The F.P.C.'s forthcoming long-range study of the nation's power supply is welcomed by the writer.

Today, exciting advances are being made in the electric power business. The power needs of the nation are doubling every 10 years — and we are expanding and strengthening our power supply system to meet them. We have gone to larger and larger generating units, and we have achieved the technical ability to move much larger blocks of power greater distances by employing higher and higher voltages on our transmission systems. We have announced plans for building some 100,000 miles af additional lines by 1970. This will require an expenditure of $8 billion, financed wholly by the investor-owned utility companies. By this time and probably sooner all major systems in the United States can operate on an interconnected basis.

R. G. Rincliffe

It seems to me that the point of our business is to provide electricity in such a way that everyone will have all the power he wants whenever and wherever he wants it, reliably and economically. Everything we do must be measured against this purpose; and all the elements involved in it must be kept in balance.

Bigger and Better Companies

Certainly this is how our industry has built the power supply system in this country. At first, smally plants were built to serve the needs of their immediate areas. Transmission was limited. In fact it was more nearly like what we today call distribution. But as the demand for electricity increased and technical knowledge grew, it became possible to build larger and larger generating units and to interconnect them with lines of higher and higher voltages. Little one-station companies consolidated and then combined with other small power systems. Many utilities today represent companies that were formed out of the consolidation of 10, 20, 50 or even hundreds of smaller corporate entities.

As the consolidating process went on, there was a continual expansion of transmission lines so that in a relatively short time the companies had established backbone transmission systems that enabled them to function as efficient units. To continue providing ample, reliable, and economic service, companies next began to pool their generating facilities for mutual benefit. The record shows that company interconnections were being made in the early 1900's. notably in New York, the Pacific Northwest, and New England.

As early as 1908, a map of the United State showed the beginnings of several high-voltage transmission systems.

With the advent of World War I, the power industry became the keystone of production and more lines had been added.

And by 1928, backbone transmission was being built throughout the nation. Operating practice of these interconnected companies quickly passed beyond the "help your neighbor concept." Integrated pools of generation linked by high-capacity transmission lines operated completely coordinated to combine maximum reliability with minimum cost of generation.

Founded upon this premise in 1928 was the Pennsylvania-New Jersey-Maryland Interconnection, of which my company is a part. The year before, in 1927, a three-company agreement with Pennsylvania Power & Light, Public Service Electric and Gas, and Philadelphia Electric had resulted in the construction of a 220,000-volt transmission ring that is still an important link in our interconnected operation.

Our pool has grown considerably over the years. At present, there are 12 electric operating companies included in it and the total generating capacity is operated as if it were "one system." Power flows freely over the interconnections between these companies, and the combined load is met by the economic dispatch of energy throughout the pool. As a result of this coordinated operation under a formal agreement, the reliability of our service is improved, and our capacity requirements, fuel costs, and operating costs are kept down with the reslting benefits being passed on to our customers.

The estimated peak load of the Interconnection for this summer is almost 14 million kilowatts. Our total capability is almost 16 million kilowatts, and we are still expanding our operations. Recently we have strengthened our ties to the north and we will also be adding ties to the west and south.

Our pool is only one of many. Nearly all the major electric power systems in the country are members of one of six principal interconnected groups. These groups, which supply 97% of the country's energy requirements, soon will be capable of operating on an interconnected basis.

Our national transmission picture today looks like this: transmission lines cover the country, the highly industrialized and densely populated areas have developed into advanced stages of interconnection and pooling, and the more sparsely settled areas with less demand for power have begun to be able to justify interconnections of their own.

Not a Simple Job to Interconnect

The process of building up interconnecticns is not as simple a matter as drawing a line on a map from an area of supply to an area of use and then to say, "Build it." Technology, geography, and economics are important factors and cannot be ignored.

The high-voltage interconnections we have today would not be possible but for the development over the years of innumerable prosaic-sounding devices: high-speed breakers, protective relays, lightning protectors, and, above all, methods for automatic control of generation. The use of even higher voltages will demand further technical advances — toward which we are constantly working.

Our industry is unique in the scope of research projects undertaken jointly by power companies and equipment manufacturers with the twin goals of reduced costs and increased reliability.

For instance: Public Service Company of Colorado, in cooperation with several equipment manufacturers, has established a test line to find the effect of high altitudes on high-voltage transmission. Tests have been made at voltages up to 500,000 volts at altitudes up to 10,500 feet.

Western Massachusetts Electric Company is cooperating with General Electric and others in the operation of a 750,000-volt experimental line near Pittsfield, Mass.

American Electric Power Company, working with Westinghouse, has achieved 775,000-volt transmission at Apple Grove, West Virginia.

Pennsylvania Electric Company has a 13-mile line operating at 460,000 volts as part of its regular system.

Research is being supported by our companies at industrial laboratories, at universities, and in our own facilities on a broad range of problems dealing with high-voltage transmission and system operation.

One such study, known as the Cornell Project, is pointing the way to underground cables in the 345,000 to 500,000-volt range. In fact, based upon the work to date, Consolidated Edison Company has been able to place an order for a 345,000-volt cable.

In developing our transmission systems we must not only consider the latest technological advances, but we must face geographical problems as well—and remember that comparisons with other countries will only be misleading.

Comparisons with Other Countries

Take a map of the United States, put it next to England. It is 50 times as big. Put it next to Russia, and it is about one-third the size.

But we have about 12 times the mileage of transmission lines that England has, and about five times that of the Soviet Union.

Travelling through Russia, as I did several years ago, one cannot help but be struck by the different attitude they have toward power production. Their emphasis is on providing power for industry while ignoring the private consumer.

Their system of planning is almost the reverse of ours. In Russia, direction comes from the top down. Here, we begin at the bottom in our districts and divisions, building our plans out of a close understanding of our customers' wants and needs. The result is that in this country we have the finest power system in the world. Electricity is available to virtually everyone in abundant amounts, just as it should be. A Russian has less than one-third the electric power available to him that an American has.

Our approach has been realistic, and the record shows that we have served the needs of the people well. The expansion of pooling and interconnection has been based on the sound technological judgment of the most competent and experienced utility engineers in the world. Our system encourages progress and allows flexibility. For instance, think what would have happened if in 1920, without regard for economic and operating requirements, a national transmission grid at 120,000 volts had been built. Our country's economic growth would have been strapped in by a system that would soon have become outmoded. Luckily, this never happened. We were able to grow where growth was needed and keep our power supply ahead of the demands of the nation.

Our plans for the future follow the same kind of pattern. While they are coordinated, they remain plural—and close to the needs of the areas involved. Ties between major pool areas will be strengthened, high-voltage lines will be added within these pools, and lines will be extended to remote areas not now interconnected. Almost every week in the technical press we have read news of project announcements — 345,000-volt and even 500,000-volt transmission lines under way; new pooling agreements for generating capacity and interchange of energy; and new inter-regional ties.

The lines we expect to be built by 1970 will be built mostly by investor-owned companies. Between 1960 and 1970 we will be spending $8 billion for transmission facilities.

National Pooling

A substantial part of these new facilities represents a strengthening of interconnections between major pools. We believe that for many practical reasons power pools may be limited in geographic areas served and the number of systems included. Beyond these fully integrated pools additional savings can be realized by interconnection with neighboring large power pools. Through this arrangement we will, in fact, achieve a national interconnection of power pools and systems, and will secure the greatest benefits of pooling.

Ours is not a static industry. We must plan ahead, but new developments can make our plans obsolete relatively quickly. Air conditioning has changed the operating characteristics of almost all our companies. Electric heating may change them even more radically. We must remain flexible enough to meet any new conditions that arise.

Some months ago the Federal Power Commission announced that it was undertaking a long-range study of the nation's power supply. I am certain this study will be useful, and we in the investor-owned companies are cooperating in it. Executives and engineers from our industry have agreed to serve in an advisory capacity in the study, and their experienced judgment will be of value to the Commission. We are providing the Commission with our industry-wide studies of power capacity and pooling, and doing all we can to be of assistance in other ways.

In announcing this survey, and

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WESTERN POWER & GAS COMPANY AND SUBSIDIARIES

Summary of Consolidated Earnings

	12 months ended April 30	
	1962	1961
Operating revenues	$71,759,267	$60,229,364
Net operating income	12,293,006	9,687,789
Net income before minority interest and preferred dividends	8,601,551	6,933,406
Balance for common stock of Westgas	$ 4,679,212	$ 3,873,409
Shares of common stock outstanding April 30	2,793,351	2,663,543
Earnings per share—		
On end-of-period basis	$1.69	$1.46
On average shares basis	$1.71	$1.49

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New Horizons in Electric Power Transmission

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in subsequent references to it, the Commission and members of its staff have mentioned—and emphasized — that there are 3600 distributors of electric energy in this country—but one should not assume from this that we are a multitude of small operations that are not integrated in our power supply system. As a matter of fact, 40 investor-owned systems furnish approximately 60% of the total energy requirements of the country and serve about 65% of our total civilian population. The Interconnected Systems Group alone, made up of electric utilities operating in 31 states and extending from the Rocky Mountains to the Atlantic seaboard and from Canada to the Gulf of Mexico, supplies over one-half of the nation's electric energy requirements.

Chairman Swidler's announcement of the FPC study stated that "Our survey will, of course, be only a suggested plan and not a blueprint." There has been no indication that it might be solidified into a plan that companies would be compelled to follow. On the contrary, it will be up to each individual company whether or not to follow any suggestions made in the study.

This pattern wisely maintains responsibility and initiative where it is most natural in the American way of doing things—at the company level.

We have built in this country the finest power system in the world, and we have done it through the combined wisdom of thousands of engineers in every part of the country. They have had the freedom to try out new ideas and to test new techniques. Through the committees of the Edison Electric Institute they have been able to trade the benefits of their experience, to avoid each other's mistakes, and to speed the progress of power development. This is a policy and a practice that we sholud preserve. It is a proven, effective way of meeting the nation's power needs.

The development of any power supply system depends on a multitude of variables. Take this single question: Is it wiser to ship electricity by wire or to build power plants at load centers? Available plant sites, rights-of-way, fuel, transportation, and equipment costs are involved. All of them can vary. Any one can affect the decision. There may be alternative schemes possible. In each situation the true economics of the cast must be weighed before a decision can be reached.

The record shows that our power supply system has worked well in the past. We have made our service so reliable that an outage anywhere is headline news. And we have been able to keep the average cost to the consumer for a kilowatt-hour of electricity down in the face of generally rising prices.

The FPC study can be a help to us. But the real progress in power in this country will continue to come. as it has in the past, from the flexible, inventive, and carefully designed plans of investor-owned electric companies that, while tailored to our customers' needs, fit the national interests of our interconnected power pools. They have brought an abundance of electricity—reliably and economically—to all Americans.

*An address by Mr. Rincliffe before the 30th Annual Convention of the Edison Electric Institute, Atlantic City, New Jersey, June 5, 1962.

Morgan City Elects Officials

Election of Clifford J. Kendall as a Vice-President of Morgan Guaranty Trust Company of New York has been announced by Henry C. Alexander, Chairman of the Board.

Clifford J. Kendall

Mr. Kendall is assigned to the bank's methods and systems department, specializing in development of data-processing applications. He joined the bank in 1951 and has been an Assistant Vice-President since 1960. Also announced were the elections of Peyton F. Carter as an Assistant Vice-President and Douglas L. Fairweather as Insurance Manager.

Mr. Carter joined the bank in 1956 and was elected an Assistant Treasurer in 1958. Mr. Fairweather joined the bank in 1933 and has been associated with its insurance department since 1945. He was elected Assistant Insurance Manager in 1949.

Elected Assistant Treasurers were Richard A. Kimball, Jr., international banking division, and Arthur J. Mohan, Jr., government bond department.

J. V. Bryden Wallace was elected an Assistant Secretary of Morgan Guaranty International Banking Corporation and Morgan Guaranty Internaional Finance Corporation, subsidiaries of the bank.

DeHaven & Townsend to Admit Partner

PHILADELPHIA, Pa.—De Haven & Townsend, Crouter & Bodine; Land Title Building, members of the New York and Philadelphia-Baltimore Stock Exchanges, on July 1 will admit W. Lawrence Griffiths to partnership.

Univ. of Vt. Summer Course

The University of Vermont summer course on the Economics of Capital Formation (Nature and Operation of Securities Markets and Security Analysis) is opening in New York City, June 18. Presented as a joint venture of the New York Financial Community and the University, the course is under he direction of Dr. Philipp H. Lohmann.

NY Analysts to Hold Outing

The New York Society of Security Analysts, Inc., will hold their tenth annual outing on June 22, at the Westchester Country Club. Tariff is $17.50 and reservations may be made with Haskell Sweet, New York Society of Security Analysts, 15 William Street, New York City.

Hooker & Fay Vice-Pres.

SAN FRANCISCO, Calif. — Lawrence H. Easterling, Jr., and Irvin L. Ayres have been elected Vice-Presidents of Hooker & Fay Inc., 221 Montgomery Street, members of the New York and Pacific Coast Stock Exchanges. Mr. Easterling is manager of the firm's special assessment bond department.

Dean Witter Branch

MONTEREY, Calif.—Dean Witter & Co. has opened a branch office at 555 Abrego Street under the management of Thomas E. McCullough.

C. E. Judson Admits

C. E. Judson & Co., 120 Broadway, New York City, members of the American Stock Exchange, on June 5 admitted Gregory W. Boutelle to partnership.

TWENTY YEARS OF PROGRESS

Serving, for twenty years, the Land of Infinite Variety. Here, lumbering, mining and tourism blend with agriculture to form a dynamic, growing economy. In Mt. Rushmore-land we are proud to serve the progressive Black Hills region.

Fiscal Year—	1961	1956	1951
Electric revenues (thousands)	$ 8,066	$ 5,235	$ 3,170
Kwh sales (thousands)	410,113	284,484	146,167
Number customers	34,415	28,283	21,897
Common stock equity (%)	36.1	27.0	20.6
Earnings per share, common	2.50	2.14	1.85

An Annual Report mailed on request

an investor owned utility

WYOMING SOUTH DAKOTA

BLACK HILLS POWER and LIGHT COMPANY

Investor-Owned Power For a Strong Nation

Continued from page 1

Task Force on Advance Projects has been established that will give particular attention to the so-called "exotic" methods of converting raw energy directly into electricity.

Another EEI task force has been studying the economics of direct-current transmission and its possible applications in this country.

Atomic Power Progress

In atomic power development progress has been particularly evident. This has been a year in which the Atomic Energy Commission pointed to the Yankee Atomic power plant as "the nuclear success story of 1961." It was a year in which a new experimental nuclear power plant went critical in Saxton, Pennsylvania. And two groups of companies announced that they were considering building commercial-sized nuclear power plants, in addition to the 23 nuclear power projects in which electric companies are already participating. Both of these plants are being discussed with competitive considerations in mind. And, of course, the Pacific Gas and Electric Company has stated that its Bodega Bay station will be producing power at 5.5 mills a kilowatt-hour, which would be less than the cost of production in a conventional plant in that area.

This year, too, marks the expansion of the Live Better Electrically advertising program to include not only residential sales, but farm, industrial, and commercial promotion as well.

It was a year when, recognizing that REA is one of our major problems, we held a two-day conference on rural electrification and steps were initiated to develop a program that will regain leadership for investor-owned electric companies in serving the American farmer.

Regional Public Relations Meetings

Throughout the industry we have been doing a good job, but not enough people know it. We have a nationwide power supply system that is the envy of the world —but according to surveys, 83% of the public has never heard of the existence of a single power pool or interconnection. Our companies have committed $700 million to the development of atomic power — but 81% of the public cannot name an electric utility company that is working on atomic power.

This shows a serious lack of knowledge about vital aspects of our industry. To help develop a program to correct this situation, we decided to hold a series of regional public relations conferences. The first one was held in Philadelphia two weeks ago and met with such success that we are going ahead with others, in all parts of the country.

Our exhibit at the New York World's Fair in 1964 and 1965 will help bring the electric industry story to the public.

Expansion of EEI Services to Member Companies

I should also mention that during the past 12 months the Institute has substantially increased its service to member companies by stepping up the publication of studies on such important subjects as TVA, REA, atomic power, our research programs, and many, many more.

These are only a few of the developments of the past year, but they reflect an industry that is moving vigorously ahead along a broad front.

Looking to the Future

Now, what about the future?

We are in a business that is vital to the strength and the growth of our nation. We have built the finest power system in the world, and we are determined to maintain our leadership. But the fact is we are carrying on our business in an uncertain and, in many ways, unpredictable climate —economic and political, national and international. It affects everything we do.

In looking to the future in charting our course of action, we must assume that this state of uncertainty will continue. But we must not let it infect our thinking or sap our vigor. We must continue to press ahead with forceful, well-thought-out programs. Let me suggest a few that demand our most serious attention.

Sales

First: sales. Here we are facing some old-fashioned, American-style competition. Expanding our Live Better Electrically program is a good start toward meeting it, but there is much more that can be done. For instance, electric space heating has been growing faster than many people thought possible. It should be promoted even more strongly. At the same time, we need to increase our promotion of the bread-and-butter items, the high-net uses of electricity, such as lighting and refrigeration, that can produce the revenue we will need to enlarge our sales budgets.

Most urgent, we must find some way to get our sales message and our overall industry story on nationwide television. Of all the modern mass media of communications, this is the most efficient—and we aren't using it. Finding a way to support a network television program should have top priority on our industry's agenda

The fact is, a complete reappraisal of our spending for sales promotion is needed. In 1937, twenty-five years ago, our industry was devoting 2.5% of gross annual revenues to sales promotion. That was the tail-end of the depression, and we were selling hard. Then came the war and our sales efforts dropped off. They have never fully recovered. Over the past 10 years they have been holding at 1.6 or 1.7% of gross annual revenues. Surely, we can substantially increase our sales programs with profit to our customers and our stockholders.

The gas turbine and other forms of on-site generation of electric power, including the fuel cell, have been getting a good deal of publicity lately. We should not take this form of competition lightly. At the same time, let us remember that over the years there has been a steady trend away from on-site generation. Our increasing generating efficiency, our expanding interconnecttion and pooling, and our diversity and high load factor have helped produce that trend. We have built solid competitive advantages for ourselves that still exist.

Rates

In meeting competition, the rates we charge are always a vital factor. More than 70 years ago, Edison wrote: "To my mind the raising of the price from ¾ to 1% per lamp-hour is a bid for competition. I am a believer in insuring the permanency of an investment by keeping prices so low that there is no inducement to others to come in and ruin it."

Our industry requires a much larger plant investment per dollar of sales—4½ to 1—than most other businesses. This larger investment is a two-edged sword. On one hand, it allows techno-

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logical advances that offset increases in labor and material costs. On the other, it involves large annual fixed costs, and, as a result, if, for any reason, our growth were to stop we would be in serious trouble. We have to assure growth, so we keep our rates as low as possible.

Of course, we also recognize the importance of maintaining our rate of return so as to raise new money at reasonable cost, and regulatory commissions recognize it, too. But rate relief is and must continue to be a last resort. This is simply good sense and good business practice. At the same time, it works in the public interest—as our price record over the years clearly demonstrates. While the cost of living has almost tripled since World War I, the average price per kilowatt-hour we receive from our residential customers, as a group, is less than two-thirds what it was then.

In the long run, though, it may be that our most important sales problems are not those of competition, immediate or potential. In every sales area our chief problem may be how best to take advantage of the growing opportunities ahead of us as industries turn to increased automation to offset their rising costs, as farmers find more ways of using electric power to increase their productivity, and as household appliances continue to multiply on the drawing board and the assembly line.

Transmission, Interconnection and Pooling

All our sales efforts are predicated on a continued abundance of electricity and on well-designed, reliable supply systems. Sales planning and system planning are sides of the same coin, and discussion of one leads naturally to discussion of the other.

We are making such rapid advances in transmission, interconnection, and pooling that predictions we were making six months ago now tell only part of the story. Constant study is required to keep up with what is happening at any given moment as well as to keep track of the timetable for the future. Because of this, it is essential that we continue the two-and-a-half year study of power capacity and pooling being carried on through EEI, with emphasis on the long-range plans our companies are making for the future.

Atomic Power

Studies of this kind, interchanges of information, and cooperative activities in research and other areas made through EEI and other industry groups are invaluable to our companies. They help us act together effectively in ways that make the most economic sense in terms of our customers and our stockholders. The day when an electric company might stand alone is over. The time has come when we must work together as never before. The development of atomic power provides an outstanding example of the kind of sound cooperation we need, and of its effectiveness. Yet, even here, where we have done so much, we may not be doing enough. We must not allow the initiative in atomic power to slip to Washington by default. Federal interest in atomic power is wholly unlike Federal interest in hydro power. It does not involve incidental production of power at a limited number of sites. It means government entry into power production for its own sake, at plants that can be located anywhere.

Public Relations

One of the major problems we face is to bring this distinction to the attention of the American people. The technical job of developing atomic power is locked tightly to a related public relations job, and this same sort of situation exists throughout our business. Sales problems lead to system planning, system planning leads to research, and hand in hand with all of them are problems of public relations. In the present climate, no phase of our activity is more important than public relations.

Over-all, we have been doing a good job of telling the facts about our industry. According to a survey published by Opinion Research Corporation in March, during the last decade public opinion in general has moved leftward and become more favorable to government intervention, but the attitude toward the investor-owned electric power industry has also become more favorable. There has been a definite shift of opinion in our favor.

Today there is no strong public feeling for Federal ownership of power facilities. When surveyors present a choice between Federal ownership and investor ownership, the public favors investor ownership 3 to 1. Our national advertising and information programs have contributed a great deal to this improvement in our position. But they cannot do the job alone. The problem of telling the public the facts about the power business must be attacked both by national industry groups and by our companies — with the bulk of the burden on the companies. A coordinated effort is needed.

One recent survey shows that our customers are well satisfied with the service they are getting, and are sure that the company serving them can supply all the power they will need in the future. That is good. But these same people aren't so sure about other parts of the country. In other words, they do not have the same confidence in the electric utility industry that they have in the company they know best. This is one of the problems being discussed at our regional public relations meetings. It gives a clear indication that we cannot leave the job of telling the industry story to our national organizations. Our companies must tell the industry story, too.

Each of the three industry organizations that are concerned with public relations problems — EEI, ECAP, and PIP—has been reappraising its programs and activities in the light of present conditions and needs. Many companies are conducting similar reappraisals, both of their own public relations activities and of the work of the national groups. The question of whether the three industry organizations should be coordinated under a single banner is also being restudied. The regional public relations meetings we have just started to hold in all parts of the country will provide a good forum for discussion of these problems.

Government Ownership

For over 30 years, one of our industry's major problems has been the continuing effort by advocates of government ownership to push the Federal Government further and further into the power business. In dealing with this problem, we have maintained that it is not in the public interest for the Federal Government to divert tax funds from national defense and other important government activities to finance power projects that can be financed by investor-owned electric companies in the free market. And recent surveys show a majority of the American people agree with us.

REA

Today, the government power advocates seem to be putting their greatest force behind expansion of the Rural Electrification Administration. REA is deviating from its original worthy purpose of speeding the electrification of American farms, and its generation and transmission loans are being used as a backdoor approach to the expansion of government power, not in the interest of the nation's farmers or the rest of the American people.

REA should resume its proper role. If the applications for generation and transmission loans were not shrouded in secrecy, the uneconomic nature of those loans could be exposed. Wherever a G&T loan is considered, the economic analysis on which approval or disapproval of the loan is based should reflect the actual cost of money to the government, not 2%, and should also adjust for taxes foregone.

The activities of the REA must be brought out into the light. Just as important, our companies must reassert the position we once held in the public mind as the leaders in helping farmers to live better electrically.

Cooperation With Government Agencies

During the present period, extending to the foreseeable future, in which our country is caught in the necessity of contending with the Soviet Union, it does not seem in the public interest to put tax money into electric power facilities when there is nothing to indicate that the power facilities needed for America's requirements cannot be financed in the free market. But one of the facts of life today is that there is a substantial portion of the total electric utility industry in the government power category. Although we have felt and still feel that these government power installations should not have been built in the first place, we have recognized that it is in the public interest to cooperate with them. We have proven this over and over again.

Government Ownership and Inflation

But we also believe it is in the public interest to point out that if government really wishes to tackle the problem of inflation and work toward the economic strength and stability our nation must have in the face of the protracted Russian threat, we can suggest a way in which $50 billion can be made available for really essential government functions, such as national defense, over the next 20 years.

In that period electric companies will be spending approximately $140 billion for new construction. In addition, our companies will contribute about $100 billion in taxes to Federal, state, and local governments. For all government-operated and financed power suppliers to maintain their present ratio of about 20% of the electric industry in that period would require new construction expenditures of approximately $35 billion, and the taxes lost to the Federal Government from these added facilities —taxes which free enterprise power would pay—would be approximately $15 billion. The total drain on taxpayers' funds in simply maintaining the present proportion of government power, then, would be on the order of $50 billion. That is enough to provide our whole continental air and missile defense budget for the entire 20-year period, at present rates.

One of the ironies of the position of government power advocates is their basic inconsistency concerning the abilities and functions of government in the power field. Regulation is a recognized governmental function in the utility business, as it is in some others. Operation of business by government is not. Yet what government power advocates keep saying, in effect, is that government is not capable of handling properly the recognized function of regulation, but, by some stroke of magic, it would be better at operating a business, which it is not supposed to do.

Conclusion

I have tried to highlight an extremely complicated subject—the investor-owned electric utility industry and its role in a strong America. During our 13th annual convention we will hear more about the subjects I have discussed, and the achievement of greater interconnections and pooling will be among the major themes.

Pooling is not a new idea in the power industry. We have been pooling our facilities for decades. We have also been pooling our resources in the larger sense, that is, pooling our knowledge and experience, since our industry's earliest days. We learned long ago the value of working together to reach common goals through such groups as EEI, NAEC, ECAP, PIP, and our other industry organizations. But in these uncertain days we require a greater degree of unity than ever before.

Largely because of the efforts of the investor-owned electric utility companies, our country holds an undisputed position of world leadership in electric power, and this is one of the chief factors contributing to our overall national strength. For without electricity no modern industrial society can exist, and without full electrification, no nation can hope to compete in today's world. Our industry is dedicated to the proposition that we shall maintain America's electric leadership and, yes, even increase it.

*An address by Mr. Fleger before the 30th Annual Convention of the Edison Electric Institute, Atlantic City, New Jersey, June 4, 1962.

Epstein, Klein Names Treasurer

As of June 21 James M. C. Newman will become Treasurer of Epstein, Newman & Co., Inc., 70 Wall Street, New York City, members of the New York Stock Exchange.

Chicago Analysts to Hear

CHICAGO, Ill.—Horace A. Shepard, President of Thompson Ramo Wooldridge Corporation, will be guest speaker at the luncheon meeting of the Investment Analysts Society of Chicago to be held today, June 14, at the Midland Hotel.

Elected Director

W. W. Keen Butcher, a partner of Butcher & Sherrerd, Philadelphia, has been elected a director of Birdsboro Corp., according to an announcement by Robert W. Frank, President. Mr. Butcher succeeds Herbert J. Watt of Baltimore.

Vice-President of H. Kook

Gerald Elias has been elected a Vice-President of H. Kook & Co., Inc., 54 Wall Street, N. Y. City.

Now Reed, Whitney

HEMPSTEAD, N. Y. — The firm name of Meadowbrook Securities, Inc., 91 North Franklin Street, has been changed to Reed, Whitney & Stonehill, Inc.

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The Japanese Economy

By George L. Bartlett, *Partner, Thomson & McKinnon, New York City*

Wall Street partner adds up the debit and credit side of Japan's economy and prospects, and concludes "the days are nearing when we shall have to look much more sharply to our laurels and our markets." Mr. Bartlett recently visited that country with a group of U. S. analysts. He does not minimize her problems even though he sums up the 17 years of post-World War II performance as "little short of marvelous."

Historians, as time goes on, will see the many events since World War II in an altogether different light than we do today. For the West, the winning of the great conflict was exaltation followed by quickly developing frustration, billions in aid and hovering on the brink of another war. For the East, meaning Russia and China and their willing and unwilling satellites, it has been a period of unprecedented grab and loose annexation not yet baptized in fire. These are the major contestants. There is a neutral world, too, which takes aid wherever it can get it. Obviously, all this is an unstable situation which cannot endure.

George L. Bartlett

Opportunity came to a group of U. S. analysts to visit Japan last April. We had witnessed an almost miraculous rebound in the economy of West Germany from the prostration in which it lay in 1945. There had been a duplication in recovery in Japan beginning little more than a year later. Many will remember that frequently asked question in those years: Who won this war, anyway? There rose to mind, also, an aphorism credited to Prince Bismarck: "Build golden bridges for the vanquished."

To begin with, Japan lost Manchuria and Korea as a result of the war. Her area is now approximately that of Wyoming, about 98,000 sq. miles, much of it unusable. Her population is reckoned at some 95 million; that of Tokyo, is put at 10 million. These elementary figures make some of her major problems actually palpable. They include food and space, also the loss of a huge foreign investment. On the credit side is virtual disappearance of her immense pre-war military machine. She has few natural resources, limestone and some coal, no iron, no petroleum. It is said of her that she must export or die. Others dispute this.

Must Export to Live

Japan, clearly, has decided to live and export. It was a momentous roll of the international dice. Although she has been accused of copying well and inventing little, that is today doubtful. She, too, is investing substantial percentages of her sales in research. Her optical goods, for example, are reported to be of excellent quality. In preventive medicine, in her standards of living, in sanitation and in housing she is in the midst of vast changes.

The war, as it drew to a close, was most punishing for Japan. Internal havoc was tremendous. She had to resort to replacing and repairing as best she could, but damage grew in intensity as time passed, culminating with the savage blows of the atomic bombs at Hiroshima and Nagasaki. We were astonished by the completeness of the submission when it came. It probably is true that we did not know nor appraise our Japanese opponents very well before that, either. It became clear that the collective heart of the country had not been in its war.

It is about 17 years since our war with Japan ended. Her subsequent recovery has been little short of marvellous. The volumes of new plant installed, of new equipment acquired and of the automation, the self-sufficiency made possible in many directions, and so on, are prodigious. War costs, naturally, fell upon her much more lightly than upon us. But she had, also, to contend with inflation. One of the newest steel plants, complete with direct oxygen introduction equipment and newer than anything we possess, was proudly shown to the analysts. It is astonishingly efficient and its costs are almost unbelievably low.

New Industries

They saw also some of the great new chemical works that have been constructed since the end of World War II, producing materials that had been scarcely, or not at all, known in 1941. Prepared foods, mainly frozen, are another example of an industry practically unknown two decades ago in Japan, which appears to have taken a strong hold in the urban centers of the nation. So have synthetic fibers; silk, once one of Japan's major exports, has largely been displaced by nylon and other synthetics, even among the Japanese.

Japan must import most of its fuel and all of its petroleum. Nature has given the country great water power sources which are being developed as rapidly as possible with the result that electricity is both plentiful and cheap, but the capital cost is heavy. Crude oil will be imported as in the past but it is planned to do all the refining at the home seaboard. Much construction is in evidence practically everywhere in the major industrial centers and on many tourist routes. Much road-building is under way and more is to follow. The Olympics of 1964 will be held in Japan, and Japan must be readied for them. She should prove a tip-top host.

In some respects, there is much difference between Japanese financing and banking methods and ours. The big Japanese banks play a far more important role than do ours. From what could be learned, *en passant*, the banks have large interests in many of the great industrial empires that have sprung up in the 100 years since Japan was aroused from its centuries-long sleep: Huge interlocking relationships are prevalent. This latter probably is a consequence of late - lingering feudalism.

High Interest Rates

Japan also is a "high money rate" country. The prime rate is 8% which definitely leads to high investment yields. Apparently, Japanese analysts concern themselves much more with the relationships of prices to dividends than ours with their price/earnings concepts of values. It is, for this reason, an investors' paradise, or would be if the proceeds could be freely exported. They cannot and, at present, must be retained in Japan for two years. Strong efforts are being made to have this restriction removed. There will be another effort to rescind it this summer.

Politically, the situation in Japan seems strongly in favor of Western ideas based on, and somewhat modified by, age-old traditions and loyalties. The cult of race and family is everywhere evident. Anything else seems little more than an overlay, perhaps only a passing experience. She has been shorn of practically all her external possessions, but one would be hard put to cite any deep or lasting resentment. The Japanese are not a race that readily reveals its emotions and it is quite possible that they are under guarded selfcontrol now. Whatever the long-range future may hold, the stability and cooperation of Japan with the West appear assured.

The obstacles that Japan faced when the war ended seemed almost inconquerable, physically as well as psychologically. That she adjusted herself so well and so quickly to the conditions forced upon her is a tribute of highest degree to her people.

Recovery, in Japan, was both fast and sound. In short order, it became obvious that she would work, to the best of her abilities, and cooperate whole-heartedly in reconstruction and it has paid off well. Before many years had passed her people — having expected the worst, no doubt — Japan was riding a crest of recovery that startled the western world. There has been some decline from the tops, possibly following, insofar as Japan's stocks are concerned, the price slump in the United States.

Attempt to Regain Pre-War Markets

Japan, as has been previously stated, has decided to "export and live." That means, essentially, that she will attempt to regain as many of her pre-war markets and, so far as changed world conditions permit, to extend them as broadly as possible. Since the war ended, she has made wide strides in South America, in some of the new states, and will probably benefit from the change in color of the regime in China, the neutralism of Indonesia and the breakup of Indochina.

Modernization of plant and equipment has gone rapidly forward. The steel industry of Japan has been substantially expanded and she probably ranks fourth in the world in steel capacity today. Much of her textile machinery of the past was destroyed or otherwise lost during the war; it has been replaced with new equipment of the best types and makes. She has become an important factor in many chemicals. Arrangement has been made with American and European companies for the production of pharmaceuticals and antibiotics. There has been a noteworthy lift in the standard of living in her main cities and probably in her "hinterland" and the smaller islands, too. That could not be seen or felt by the visiting analysts because their stay was too short and circumscribed. Undoubtedly, this plunge into modernity has penetrated most parts of the flowery domain, without hurt to its calm and serenity.

Certainly Japan will compete. Moreover, she will go far in this competition, for she is a virile nation and an industrious one. She has her managerial complaints, including rising costs, which seem low to us but are high according to her former standards. Her labor unions have been in touch with ours; fringe benefits have asserted themselves but they are not yet entrenched in Japan as they are here. The days are nearing when we shall have to look much more sharply to our laurels and our markets. Luckily for us, nature has been bountiful with us but niggardly with Japan. Japan however, is not thinking in terms of a 35 hour work week. We are; we had better advise ourselves to think again.

CHICAGO BECKONS

In September

The proceedings of the Municipal Conference of the I. B. A. to be held Sept. 11-12 and the following outing of the Municipal Bond Club of Chicago, Sept. 13-14, will be covered by our representatives, who will take photographs, to be published in a special pictorial section.

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MUTUAL FUNDS

BY JOSEPH C. POTTER

The Insecurity Analyst

Historically, our White House has been tenanted by men of diverse talents: surveyor, rail-splitter, hunter, publisher, retailer. And now, in President Kennedy, American lore and legend is being enriched by a stock market analyst.

The President, with considerable facility, discusses the number of splits in U. S. Steel, although not with the accuracy that the investment community demands of its analysts. And he discourses on price-earnings ratios like a man who has managed to devour the indigestible blue-plate luncheon that precedes the talking tycoon come to bare the balance sheet and joust with the crystal ball.

Analyst Kennedy, senior partner in the N. Frontier & Co., was at it again last week. Said he:

"I think most financial experts have realized for some time that an overpriced market could not hold up once investors recognized that inflation was ended. Price-earnings ratios which averaged on Dow-Jones 23-to-1 could not be justified unless there was heavy inflation in prospect."

Now, our analyst is entitled to think whatever he wants, but the record does not indicate that as recently as last winter mutual fund leaders, bankers, Wall Streeters and other financial experts realized any such thing. Indeed, many of these people do not concede even now that inflation is ended.

As for price-earnings ratios, aside from the mere 30 stocks in the Dow, the fantastic multiples can be traced to the Growth Stock vogue. Nobody was buying International Business Machines and Polaroid, to cite the daddies of the breed, as inflation hedges. Nor did a long line of utilities emerge as growth stocks because of the inflationary spiral. Utilities are supposed to be major sufferers from any such trend.

While it is most painful to quarrel with a fellow-analyst, it must be recalled that in the 1950s, when nearly everyone who qualified as a "financial expert" was worried about inflation, the favorites were the oils, paper companies integrated all the way back to the forest and other companies with their assets in the ground. The oils and kindred companies, typified by rich balance sheets, have been in a bear market of their own for years, despite respectable earnings, liberal dividends and modest multiples.

Mutual funds and other sophisticated investors reaped rich rewards pursuing growth equities. Apparently they were not without faith and confidence in the Government, vital elements in the marketplace.

It would be most unfortunate if our analyst, who has a nation-wide audience, were to implant the idea that the price-earnings ratio is the secret of the business of investing. Oldline analysts use it only as one tool of their trade. After all, if all a fellow had to do was to pick stocks that are selling at 10 times earnings or less, the job could be done by a child in elementary school. Textile tycoon Leon Lowenstein used to scold the Wall Street analysts for appraising his industry much too cheaply. They would listen politely and restrain their enthusiasm for these stocks. Many of the better-grade railroads likewise left the analysts apathetic, although here too the multiples were modest.

As for our Washington-based analyst, he did not explain away the widespread nature of the collapse in equities, merely alluding to an "over-priced market." The long-time strength in the market was indeed selective, as many a discriminating fund manager can attest.

At the very least, he might have told the clients what to do now. Do they rush in now and buy with eyes closed? Do they wait until the Dow comes down to 10 times, or 12 times? Is there such a thing as defensive stocks nowadays?

Maurice T. Freeman, President of Loomis-Sayles Mutual Fund, voices "strong confidence in well-selected, established common stocks at these prices." He is counting, among other things, on "underlying inflationary forces." Mr. Freeman is not a Minority of One.

Lacking clear guidelines from Washington, the customers are understandably confused. Of course, they have no choice but to exercise patience. Still, it must be no secret to our analyst that many of the locked-in customers wish they didn't have to wait at least until 1964 before switching accounts.

* * *

Herbert R. Anderson, President of Distributors Group, writes:

"I cannot pass by today's issue without a special note of commendation for your Mutual Funds column. I think it is excellent."

Reference is to the column of June 7, which reasoned that it was not the function of the funds to bail out a slumping stock market. Mr. Anderson went on:

"Actually, despite conclusive evidence to the contrary, people in general and many financial writers in particular seem to persist in believing that the buying and selling in the market by mutual funds is a dominant factor. Accordingly, there is a virtual insistence on 'knowing what the funds did' in a period such as that of last week—were they 'breaking' or 'rescuing' the market? In fact, they were doing neither, although I do believe it is a fact that their buying and selling tends toward being a stabilizing factor as a natural result of their normal function.

"In any event, I did want to compliment you on this article."

The Funds Report

Sales of shares of the **Broad Street Group of Mutual Funds** in May were more than 12% higher than in May of 1961 and in the first five months of 1962 were about 14% ahead of the like 1961 period, according to Robert H. Brown, Jr., President of Broad Street Sales Corp., general distributor of shares for the group.

* * *

Electronics Investment Corp. reports that at the close of the fiscal year on April 30 net assets were $34,807,166, compared to $43,593,353 at the end of the preceding year. Net asset value per share was $7, compared with $9.19 the previous year.

* * *

Sales of **Energy Fund, Inc.** were at a record high on May 31, according to Donald C. Samuel, President of the no-load fund. Sales were 8,202 shares for a dollar value of $154,197.

* * *

Redemptions by shareholders of **Financial Industrial Fund** were down almost 34% in May, compared with the prior month's total and the average for the six months to April 30, it was reported by J. W. Tempest, Executive Vice-President. Last month's total was $878,000, against $1,921,000 in the like 1961 month.

* * *

Guardian Mutual Fund, Inc. reports that at May 31, marking the first seven months of the fiscal year, net assets were $15,896,931, or $19.40 a share. This compares with assets of $14,887,130, or $21.57 a share, at October 31, 1961.

* * *

Haydock Fund, Inc. reports that at the end of fiscal year on April 30 net assets were $10,542,862, or $28.13 a share. This compares with $10,678,393 of assets and $29.19 per share at the end of the preceding fiscal year.

* * *

Lexington Income Trust in its semi-annual report puts net asset value at $11.70 a share on April 30, up from the $11.51 that prevailed at the start of the period. Total assets rose to $6,579,394 on April 30 from $6,409,367 six months earlier.

* * *

Loomis-Sayles Mutual Fund reports that at April 30 total assets amounted to $103,658,000, equal to $16.01 per share. This compares with $101,595,000 of assets and $16.52 a share on Oct. 31, 1961, beginning of the current fiscal year.

* * *

National Securities & Research Corp. reports that at the close of the fiscal year on April 30 total net assets were $511,595,844, compared with $536,552,329 a year earlier. Major new portfolio additions to its two largest funds, Stock and Growth Series, include: American Telephone & Telegraph, Gillette, Amerada Petroleum, Aluminum Co. of America, Thompson - Ramo - Wooldridge, Tennessee Gas Transmission, Illinois Central, Northern Pacific, Texas Eastern Transmission and New England Electric System. Eliminations include: Du Pont, Schering, Celotex, Columbian Carbon and Flintkote.

* * *

Bankers Trust Co. has been appointed custodian for Growth Programs Inc. for the servicing of contractual accounts for the accumulation of **Television & Electronics Fund** shares.

* * *

At the end of its first year of operations on April 30, **United International Fund** had total net assets of $22,727,065, equal to $11.43 a share. Value per share on Oct. 31 was $10.97 and on May 1, 1961, it was $11.33.

* * *

Vance, Sanders & Co., Inc. reports total sales of the five funds under the sponsorship of the Boston-based company amounted to $130,991,429 for the first six months of the fiscal year. This compares with sales of $96,116,993 in the six months to April 30, 1961. Net income amounted to $837,490, equal to 99 cents a share, up from the $413,451, equal to 49 cents a share, in the like 1961 period.

* * *

Washington Mutual Investors Fund reports that at the close of the fiscal year on April 30 total net assets were $32,318,741, equal to $9.98 per share. This compares with assets of $26,586,299, or $10.35 a share, at the end of the preceding fiscal year.

FROM WASHINGTON ... Ahead of the News

BY CARLISLE BARGERON

Richard M. Nixon has a hard row to travel to the Governorship of California. A final compilation of the vote in the primary by the *Associated Press* shows that the Republicans cast 1,977,896 votes, of which 1,287,599 or 64.9% voted for the former Vice-President.

Mr. Nixon's conservative challenger, State Assemblyman Joseph C. Shell, received 671,247 or 33.4%. The balance was accounted for by a third, minor candidate. But Mr. Nixon's vote was topped by incumbent Governor Edmund G. Brown who got 1,732,089 of the 2,067,832 votes cast in the Democratic primary. This gives Mr. Brown 42% of the combined percentages as opposed to Mr. Nixon's 31%.

In this state, with its 4 to 3 Democratic edge, political experts say Mr. Nixon must keep 90% of the Republican vote and corral 20% of the Democratic vote to win in November. It is doubtful if he can do this.

From a look at things at present there is a danger that he will lose Republican votes trying to break into the Democratic strength. There is no doubt that he lost Republican votes by his bitter attacks on the John Birch Society.

He doesn't have to openly court them, but he goes out of his way to denounce them and ask that the Republican Party formally repudiate them. He does this by way of showing that he is a moderate, not a conservative, Republican, and in this way breaks into the ranks of the Democrats.

He makes a mistake in trying to do this. It is my view that there is nothing in the world that Mr. Nixon can do that will cause the Liberals to accept him. He tried to warm up to them in his Presidential campaign and succeeded only in increasing their attacks, and losing conservative Republican votes.

Moreover, why should the Republicans attack any body of people when the Democrats place members of the Americans for Democratic Action in high and influential positions of government? Senator Goldwater has pointed out that no matter how intemperate are the statements of the Birchites, they can't possibly be harmful while the members of the ADA are in position to be and there is plenty of evidence that they are, both in our foreign policy and domestic affairs with their emphasis on spending.

The Democrats have the knack of attacking segments of Republican strength so effectively that the Republicans apologize for them. This is, of course, the Democrats' purpose.

In my opinion, Mr. Nixon would have a better chance of drawing off conservative Democrats with a conservative campaign than he will by making a liberal campaign to draw off some liberals.

Predictions in political Washington at this time are against Mr. Nixon winning. He seems to have alienated considerable support by his seemingly uncalled for attack on the Birchites and later to have lost ground by characterizing President Kennedy's visit to the state as an invasion by carpetbaggers. It was undoubtedly a political trip but Mr. Nixon's attack seemed to come with poor grace. His timing was bad. At any rate, it did not set well with the press. There have been two or three other incidents when he alienated the press. He seems to have developed an aptitude for putting his foot in his mouth.

THE
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Dividend Notice

The Board of Directors today declared a dividend of 8 cents per share on the Capital Stock of the Fund payable July 14, 1962, to stockholders of record at the close of business June 19, 1962. The dividend is payable from net investment income.

L. T. MELLY
Treasurer

June 11, 1962.

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Total Electric—Total Sell! To Revive Industry's Growth

Continued from page 22

figures on a national scale, the right-hand side of Chart IV confines itself to a comparison of sales promotional outlays of 25 years ago with those of today—for the electric utilities only.

I cautiously hazard the guess that there is some connection, undeterminable in degree, between the electric-gas relationships shown in this Chart IV and the relative improvement in gas revenues over electric which we saw in Chart III.

In our own case, the first move was an obvious one: to put our existing sales - service policies under the microscope — to judge every outlay on the basis of whether it was justified as contributing to the furnishing of total-electric service. We found that this test resulted in many eliminations — but did not wipe out any really worthwhile programs.

Pioneering a New Market

After excising from our sales and service plans every non-essential, we found the savings much less than were needed to promote our new concept. We also found the timing prospect quite painful. Pioneering a new market like space heating involves a great deal of money for research and selling **before** a crop can be harvested.

I dwell on this because financial timing is one of the toughest parts of the decision to push electric space heating on an all-out basis. This may not bother a company which is experiencing a goodly rise in earnings, but it is of concern to a slower growing company—**and these are the companies which really need to get on the ball competitively.**

Electric space heating is only part of the totally electric commitment. Through a rental plan we have doubled our rate of water-heater installations of the storage type. For a monthly rental we install, own and service these large-tank water heaters. Our dealers sell both storage and compact water heaters.

Electric cooking continues to meet the competition. Dryers are meeting the competition but aren't selling fast enough. We are beginning to accelerate this program through a special, long-term payment plan covering both the dryer and its installation.

In the commercial and industrial department, the totally electric potential seems to approach the residential. Here a lot of our dollars have gone into research—particularly as to off-peak heating and cooling, using unpressurized water as a storage medium. On the basis of firsthand experience, we suspect that it is more profitable to build heat- and cold-storage tankage than to increase generation, transmission and distribution investment. But that's another story. I just want to indicate that research dollars are a sizable part of the economic decision that management faces in this great new market.

Up to this point I have dwelt on two of the major decisions which have to be made in launching a totally competitive sales effort: namely, the commitment of the entire organization to the new concept, and the commitment of substantial sums for market development without the prospect of immediate return.

Setting Profitable and Competitive Rates

There is a **third decision** often more troubling than the first two —the setting of electric rates for the totally electric home and the totally electric business establishment. It is one thing to face several years of losses in the promotion of a new product. Such early losses are not unusual in competitive business life. It is another thing to so price the new market as to result in long-term and irretrievable losses. This danger is, of course, inherent in the regulated enterprise where mistakes in rate making are very hard to correct.

It is my impression that some of the halfheartedness in the promotion of the totally electric home or business establishment stems from lingering doubts as to whether the relatively low load factor associated with electric heating will permit the setting of rates for total electric service which are both profitable and competitive—especially in winter-peak areas. I know that it was such doubts that deterred my own company from getting into this market as soon as we should have. The error was, of course, in isolating the electric-heating load factor from the rest of the load involved in totally electric service.

We have been at considerable pains and expense to prove out this matter. Now that we have a substantial bank of experience to draw on we have been able to develop concrete results for our particular area of the country.

During January of 1961 we experienced the coldest temperatures of record in New England. Our company's system peak occurred in December, 1960. Fortunately, during both months we had 70 meters of the continuous demand-recording type installed in 35 typical totally electric homes—with one meter in each home on the electric space heating load and the other on the total load. A great mass of load data was developed and then analyzed in depth by computer methods. In a nutshell, we were deeply gratified to learn that the load factor for these homes, both as to total load and space heating load (taken in terms of system peak responsibility) was somewhat better than the load factor assumptions upon which our original costing and rate making were based. Part of our findings are pictured in Chart V.

The first column shows the load factor in terms of the diversified loading of 35 homes. The second column shows load factor in terms of what the impact on our system peak would have been had that system peak actually occurred in January of 1961 during the coldest week of record in our area. Because our system peak for that winter actually occurred in December, we show a third column which illustrates load factor in terms of the impact of the diversified demand of the test homes on the peak hour of the winter. We were greatly heartened to find the load factor, on this third basis, so close to our system load factor of about 60%.

Servicing the Total Electric Home

There is a fourth area in the achievement of a totally competitive sales policy which is, at this juncture, more in the nature of an unsolved problem than a clear-cut decision to be made. I refer to the servicing of the electric customers' utilization equipment.

The variations in electric utility practice in this regard are very wide. Our competition provides a great deal of "free" service. That is, the cost is included in their rates. You will recall that Chart IV showed that the gas companies in my particular state spend almost as much in this area of service as they do on pure sales promotion.

The question of whether appliance service should be included in the electric bill, or billed separately, is of secondary importance. The prime question is how far should the utility go in servicing electrical devices. It is easy to take the position that appliance service is not our responsibility at all, and it is probably true that the bulk of the servicing can be better performed by non-utility agencies.

However, it is our growing conviction that the totally electric home or business establishment poses some very special service problems. It is apparent that a homeowner using electricity for his space heating, his water heating and his cooking is in a somewhat different relationship to his electric supplier and the equipment supplier than is the case with regard to other home uses of electricity—for several reasons:

First, the reliable and accurate functioning of these heating devices is very basic to the customer's convenience and comfort. They are central living necessities.

Second, all three of these heat loads (and the same might be said of the dryer) involve a relatively high ratio of annual electric revenue to original equipment cost.

Third, these **three** heat loads (space heating, water heating and cooking) in the aggregate produce electrical revenue roughly **three times** the revenue derived from **the score or more** of other electrical devices in the home.

It is our view that these factors, taken in conjunction with our competition's policies, suggest that service tailored to the totally electric customer is essential. This service should be performed not only on a request or emergency basis. It should provide for periodic vists to inspect, adjust and perform preventive maintenance on heating equipment, water heaters and ranges—at the minimum. The customer could also be given assistance and advice as to sources of service with respect to his other electrical equipment.

The sales and public relations values in such a program are obvious. The economics should be solvable. Conceivably, a yearly service contract would be the answer. From experience we know the customer likes electric utility appliance service—both as to cost and competence.

In suggesting the "Total Electric—Total Sell" approach to reviving our industry's growth rate, I hope that the references to our own company's experience have not left the impression that we think we have all the answers. Far from it. We regard with respect and envy the results of those great companies which have pioneered in the totally electric approach. Instead we refer to our own efforts as a case history of an electric utility experiencing slow growth in number of customers, facing stiff competition and starting from scratch four years ago to bootstrap its sales operation.

CHART I

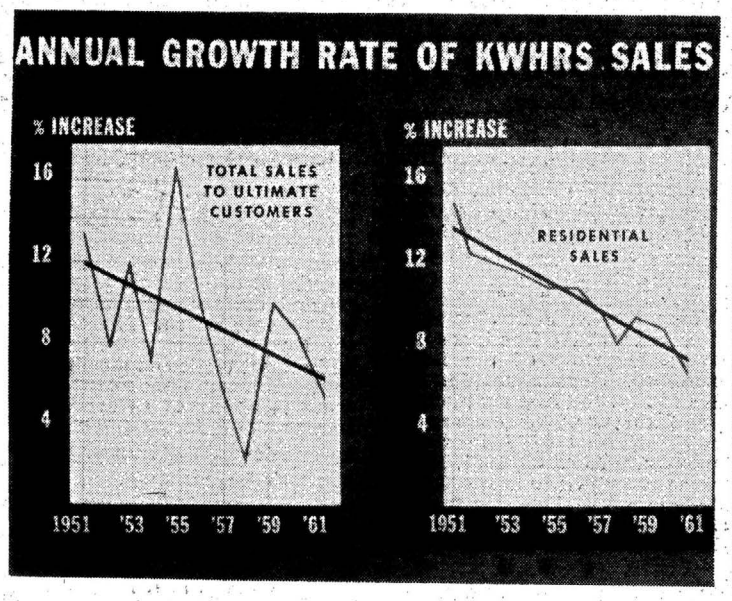


CHART II

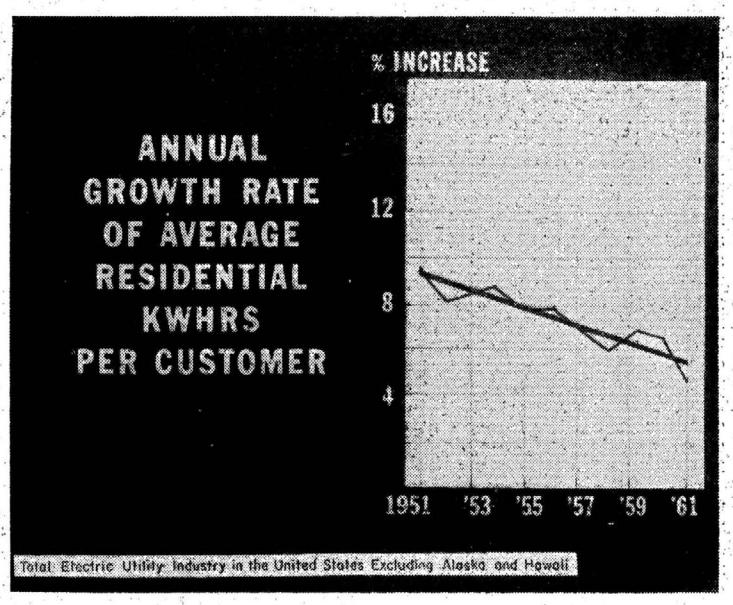


CHART III

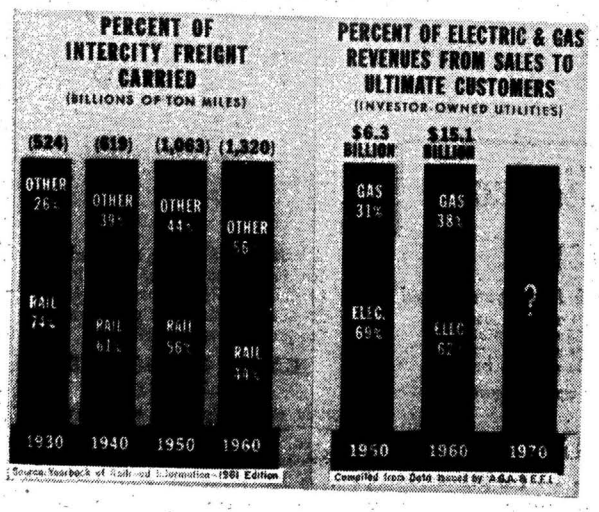


CHART IV

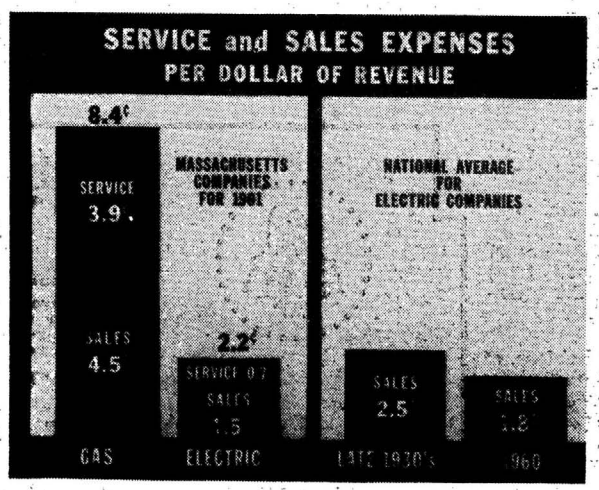
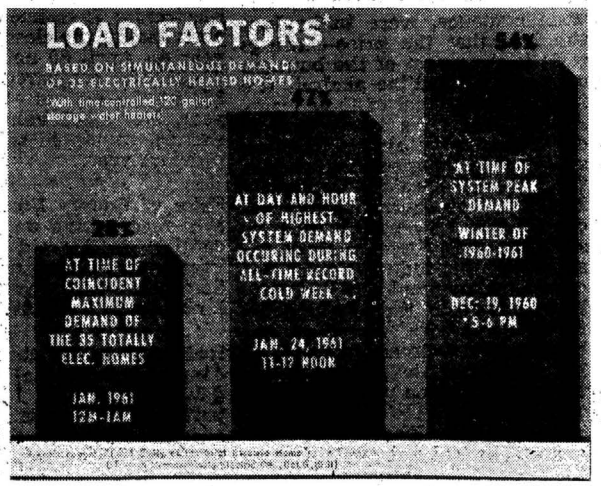


CHART V



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We're not out of the woods, but our average use per residential customer in kilowatt-hours is increasing at a 7% rate. Without our new programs this rate of increase would not exceed 4%. We think an 8% to 9% increase in average use is reasonably attainable — and maintainable for a number of years. Given a pick-up in home building, the total of residential revenues would increase importantly. Commercial potential would appear to be in the same league, with industrial sales moving at a lower but improving rate.

Role of Manufacturers, Trade Associations and Advertising

In conclusion, I should mention that my remarks have centered on what the electric utility might do. This is not to imply that the manufacturers and our trade associations do not have a central part to play. I just think they have been more nearly on target than the individual companies. Especially do we feel that EEI's Live Better Electrically Program is on the bullseye, both as to policies and advertising effectiveness. We have depended heavily for our local advertising on the testimonials of local customers who have lived in totally electric homes. We find that this type of advertising dovetails almost automatically with LBE copy, and we derive great benefit from the national advertising. The only trouble with the LBE program is in its volume. In volume it is far exceeded by the national advertising program of our chief competitor—just as our local efforts are falling short of our competitor's efforts. A substantial increase in the LBE budget would, we feel, be very constructive.

But the big bootstrap operation must still be carried out at the level of the individual company. Spotted throughout our industry are examples of outstandingly successful sales and service methods that have produced important results when applied to one segment or another of the totally electric market. I suggest that a careful selection of the most successful plans from the whole spectrum of our industry's efforts can be fabricated by the individual electric utility into an **optimum** sales program. Obviously, its development will require much time and money—a strong dedication by top management and all departments to its success. But if this kind of total effort were applied by the individual electric companies over the next few years, the industrywide effect could be spectacular. I firmly believe that we would find ourselves by 1970 in a dynamic trend rather than a degenerative trend vis-a-vis our competition. Again I say —we have the merchandise—let's sell it!

*An address by Mr. Cadwell before the 30th Annual Convention of the Edison Electric Institute, Atlantic City, New Jersey, June 6, 1962.

Join H. A. Riecke

PHILADELPHIA, Pa. — H. A. Riecke, & Co., Incorporated, 1620 Chestnut Street, members of the New York Stock Exchange and other leading exchanges, announce that Harvey P. Besterman is now associated with their Philadelphia office as a registered representative and Irwin M. Bernstein as a registered representative in their 50 Broadway, New York office.

The firm also announced that Richard A. Kressler has become associated with them as a registered representative in Bloomburg, Pa.

Two With Sarasin

(Special to THE FINANCIAL CHRONICLE)

AUBURN, Mass.—George P. Carver, Jr., and Joseph F. Driscoll are now with R. L. Sarasin & Co., 11 Saratoga Road. Both were formerly with Bancroft Securities Co.

SECURITY SALESMAN'S CORNER

BY JOHN DUTTON

Sales Psychology for "Bear Markets"

It is not enough to understand the importance of properly advising individual security buyers on their purchases and sales. Security salesmanship also requires a bedside manner. The best doctor cannot help his patients unless they are willing to accept his diagnosis and take the pills.

Individual speculators and investors are very emotional. Many people who buy and sell securities know very little about market trends, industry variables, or the fundamentals of our economic system for that matter. Billions of dollars are invested in securities by millions of people who should know something about investment and certainly about speculation (if they are going to indulge in it) and they don't understand the first fundamentals of what makes a security a good value, what securities are good for them, what securities should be avoided, and the importance of "timing."

The people who have speculated in most of the "new issues" of common stocks during the past several years of small and struggling ventures, did not know what they were buying, and in the main they cared less. Otherwise, how could security salesmen have received indications based upon preliminary prospectuses that withheld important data as to offering price, etc? Also, in many cases, indications were freely granted without revealing anything more in the way of information than someone told someone else a stock was "hot."

A Security Salesman Must Be a Good Psychologist

Dealing with people who do not know how to analyze a balance sheet, an earnings report, an industry, or comparative values, and whose main motivation is crowd psychology, it is therefore important that the investment salesman knows how to keep these people from selling securities that are temporarily oversold in periods of panic markets, emotional selling, and distressed and forced liquidation. Here are a few suggestions:

Fear is aggravated by a lack of knowledge and understanding — customers who have become upset can sometimes be reassured. I refer to a recent advertisement of an Investment Firm that was headed, "An Investment Lesson." It went on—"Back in 1925, a well known financial publication asked for suggestions for the investment of $100,000 for a widow with two children, to produce an income of $4,000 a year. Forty-nine thousand dollars were placed in bonds and $51,000 in common stocks.The portfolio has not been changed. We all know what has happened in the world since, and yet . . . the stocks are still worth over $300,000 and the average annual income exceeds $8,000. Moral: If your securities are well selected, when things looks the worst . . . they'll come back." This is good morale advertising during "bear markets."

The same thought can be used by security salesmen in reassuring clients, or in going to them and saying, "All right, the climate has changed. Now we should recognize it. Let us weed out those securities that may be weak, lacking in 'comeback possibilities' and that should be sold. Let us take losses, and possibly some profits to offset them, then let us start anew, with some sound values, where safety, income, and possibilities for growth in the future are more promising."

Study this statement carefully. People who are scared will not wish to move—they will tell you I want to "sit tight." What they don't understand is that they are clouding their thinking by an emotional block. When they hold securities that are no longer in favor, and that have a mediocre outlook, *they are not "sitting tight."* They are holding weak securities that may not only deteriorate further in value but also rob them of an opportunity for a recovery.

Reevaluation Needed

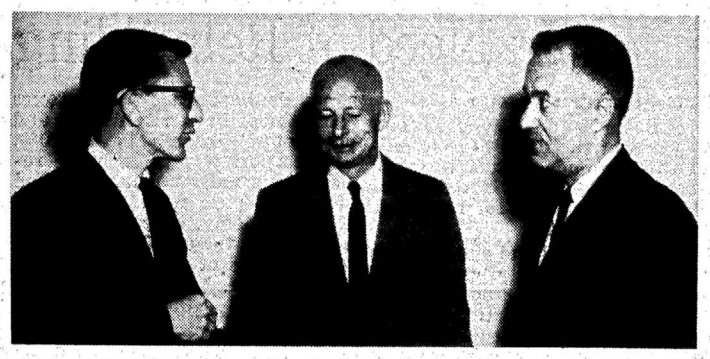
When a client says "I want to sit tight," ask him, "If someone were to recommend that you buy these securities that you do not wish to sell today, would you buy them?" Of course, he wouldn't. He only wishes he never had bought them in the first place. What is needed here is a reevaluation of the investor's entire portfolio. The other day I spoke with a client whose account I have handled since 1951. This lady is very sensible but she also does not wish to take losses any more than you or I do. I had three hundred shares of an electronic stock in her account that had depreciated 50%. She also held several other stocks that had moved to levels that were about double their cost. Both these issues were now providing a low income return based upon their present market. She sold the two stocks with profits, and she bought 300 shares more of the electronic stock because it looks like it is oversold, the company is well managed, earnings are up, research activity is promising some excellent new products for 1963 that may greatly enhance future prospects.

If the electronic stock picks up before the end of the year, we may take a loss on the first 300 hundred bought several years ago, charge it against profit on the two stocks she sold, and keep the 300 bought at today's depressed levels. Then later in the year when markets have stabilized more she can reinvest the proceeds received from the sale of the 300 shares of electronic stock she sold in other good securities that will maintain the over-all diversification, and quality, of the list.

Bear markets can become opportunities for you to help your customers but you must help them understand that the world hasn't come to an end—just yet! They need encouragement, facts, advice, suggestions, and sometimes a bit of humor. The other day I sent letters to several old customers who have a sense of humor (and some losses) and I signed them with red ink, and a P. S. "In this present market I am using red ink to sign all checks, letters to customers, and memos to my Congressman."

Someday we may have a better enlightened investment public, but until we do, we will have to be salesmen. This does not mean that we should ever let our own self-interest guide us in motivating our customers. The best customers are those who believe we would rather tell them not to buy something (if we thought that course of action was for their best interest). You can do plenty of business, even in bear markets, if your customers understand that your main concern is not your commissions, but their welfare.

At Analysts Convention



Herbert D. Doan, left, Executive Vice-President of Dow Chemical Company, and Carl A. Gerstacker, Board Chairman, center, take time out from a busy schedule of hosting visiting analysts attending the recent National Security Analysts Convention in Detroit to discuss their company with E. Wallace Sleeth, Eaton & Howard, Inc. Research Analyst.

With Calif. Investors

LOS ANGELES, Calif. — Harold Riff has been added to the staff of California Investors, 3544 Olympic Boulevard, members of the Pacific Coast Stock Exchange. Mr. Riff was formerly with Shearson, Hammill & Co.

With W. E. Hutton

PHILADELPHIA, Pa. — W. E. Hutton & Co., members of the New York Stock Exchange and other leading exchanges, announced that Alfred R. Hunter, Jr. is now associated with their Philadelphia office, 1530 Chestnut Street, as a registered representative.

Prior to joining W. E. Hutton & Co., Mr. Hunter was associated with the commercial banking department of the Fidelity-Philadelphia Trust Company as an Assistant Treasurer.

J. A. Fleming Opens

(Special to THE FINANCIAL CHRONICLE)

MONTEBELLO, Calif.—James A. Fleming is conducting a securities business from offices at 137 South Vail Avenue.

H. J. Grayson Opens

SAN GABRIEL, Calif. — Herman J. Grayson is engaging in a securities business from offices at 238-C South Mission.

1962 EDITION

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Confidence Is a Bridge Badly In Need of Rebuilding

Continued from page 24

give business incentives in one area and at the same time to offset this by added taxes in other areas certainly will produce no additional cash flow for increased capital investment.

What is needed and needed now is not what is being proposed, but an Administration proposal limited to basic depreciation reform and its early enactment by Congress. Testimony regarding several feasible measures has already been given.

The Administration itself has frequently referred to the more adequate depreciation rates in European countries and pointed to their depreciation laws as one of the major reasons for the recovery and national growth there. That is all true and we can have economic growth and fuller employment in this country if we will do the same. Soon, we can more than make up any possible loss of tax revenues through improvement and modernization of our domestic plants through increases in earnings from enlarged exports and through the national growth that will follow—all of which will develop additional taxable income, corporate and personal.

This action alone would be a clear and concrete manifestation of the Administration's willingness to provide constructive tax legislation and in itself would go far toward improving business' attitude at this important time.

So that is one area in which a considerable contribution to business confidence is possible.

Fears Wage and Price Controls

Then, on the wage front, are guide lines for labor and business so desirable in stemming our nation's employment cost increases —and therefore our nation's ability to compete—that government must not only establish them but involve itself in their enforcement? What happens when the prestige of government is placed behind a guide line and this group or that refuses to observe it? And this is not an unlikely happening in the world as it is. Must the government then act, and how will it act? Will those suggested guide lines grow into a web strong enough to hold employees as well as employers—or only some of them? How will we distinguish between the binding strands of guide lines, if they are effective, and actual wage and price controls which no one seems to want? In other words, are we attempting to remedy too great an increase in employment costs by methods that may lead into the strait jacket of direct wage and price controls?

There may be some justification for guide lines as a part of our mutual process of education, but if they are preludes to direct controls how can they be justified?

Could not the educational process be advanced without inviting controls, and would not the results for both labor and employers be more consonant with the fruitful system of getting our work done in this country in the way that system has performed so magnificently for so many years?

Another source of great concern, which quite evidently lies at the root of the present lack of business confidence in government, is the Administration's uncertain attitude towards profits.

Corporate Profits

What has actually happened to corporate profits since 1950 is clearly shown by the changes which have occurred in the net national product. Twelve years ago, compensation of employees was $154 billion, and it has just about doubled since then. Taxes on business have risen 68%, and proprietors' income is up 70%. But corporate profits have remained virtually unchanged. Had they kept pace with other parts of the economy, they would have been more than $40 billion last year, instead of about $23 billion as they were.

This raises some pertinent questions. If corporate profits *had* kept pace, would our nation be saddled—as it is today—with close to a hundred billion dollars worth of obsolete plant and equipment? And if this equipment *could* have been replaced more rapidly with modern, efficient facilities, would so many of our industrial products be at a competitive disadvantage—as they are today—in the great and growing markets abroad? And if these products *were* more competitive, would our balance of payments problems—and the resultant drain on our gold reserves —be as worrisome as they are? And with more goods going into export, would unemployment continue obdurately at its disconcerting levels?

Corporate profits and business confidence walk hand in hand, or neither move successfully. If the government truly understands the extent to which depressed profit levels are acting as a deterrent to national growth and business confidence, encouragment to the business community in its effort to escape from this profit squeeze would be welcome evidence of the kind of cooperation that is so vitally necessary today.

Decries Government Competition

Then too, could not another great restorative to business confidence be found in a governmental decision to keep out of businesses that are being perfectly well performed by tax-paying productive enterprises? In this context, the example which comes most readily to mind is the electric utility industry, composed of tax-paying, investor-owned companies.

Since World War II, the industry has tripled its capacity to serve its customers; and it now has more capability than the next six nations, including Russia, combined.

With only 6% of the world population in the United States, the industry has provided that 6% with 33% of the world's electric power capability, a remarkable achievement.

The industry is currently providing every person who comes to work in its organizations with about $135,000 worth of tools on the average. And the taxpayers did not finance the tools and facilities. On the contrary, utility companies have invested more private capital than any other industry in recent years—over $3.2 billion of it in 1961—in new plants, not only adding to the nation's productive resources, but its revenue sources as well.

In the financially hazardous area of providing energy from atomic forces, over 125 separate companies are engaged in 23 atomic energy projects and are risking over $700 million in that work.

At the same time, to help finance the services of government, the companies have paid the largest tax bill of any industry in the United States.

And in the light of this outstanding record of achievement and service, may I ask why power generation and transmission was about 14% government owned in 1940 and is now nearly 23% government owned? Is that necessary? Is much of it duplication of private facilities at artificially low interest rates? Is it the efficient way to get work done, and is it truly in the national interest?

Well a part of it results of course from development of water resources and similar government activities. But is not some of it due to government's willingness to yield to the temptation to supply "yardsticks" or to try to show the power industry how well the government can operate a utility system, taxes or no taxes? Or is a part of this increased participation by government in the power field just the plain desire of some people to see it done that way?

A recent headline reads "Crackdown on Electric Power Producers Readied by FPC; Tougher Controls Sought." Headlines can be very misleading, but if true, this is not a very good way to erect a bridge of confidence between government and the utility industry which has never arrived too late or with too little.

Proposes a New Yardstick

With all this talk of yardsticks, could we not well utilize as a new yardstick—a comparison of tax-consuming versus tax-producing expenditures? The figures are all available, and even those who are most interested in increasing the tax-consuming type of expenditure should be interested in a yardstick of this kind and I am sure all other citizens would be also.

One measurement would be to compare the relationship between tax-consuming expenditures and disposable personal income. In 1929, tax-consuming expenditures were $9 billion, or about 10% of disposable personal income. By 1961, tax-consuming expenditures rose to $109 billion, or almost 30% of disposable personal income. In other words, the rate of government spending increased almost three times as fast as did private income between 1929 and 1961.

Questions Increased Non-Defense Federal Spending

Of course, much of the tax-consuming expenditures went for defense and for national safety. But in recent years almost all of the increase in total government expenditures has gone for nondefense purposes, and even among members of Congress there seems to be a widely-held doubt about the necessity for many of these expenditures.

Some remarkably accurate comments can be made about tax-consuming expenditures. They frequently come from deficits which, when "monetized," contribute one of the oldest causes of inflation—the chasing of too much money after too few goods. On the other hand, tax-producing expenditures are those which create goods and services in abundance—and these expenditures are noninflationary because they are matched by an equivalent provision of goods to be sold.

A second result is obvious. When tax-consuming expenditures get too big they have a tendency to strangle their opposite number, the tax-producing expenditures. The latter must, by and large, come from productive operations. When too much of the profits are drained off to supply taxes for the tax-consuming expenditures there is too little profit left to equip industry with new and better plants and machinery. This in turn reduces the competitive ability of an industry or a nation. It likewise reduces the rate of national growth because, while innovation and education and many other factors aid national growth, it is ultimately evidenced by the installation of better plants and equipment.

So would it not be a public service to provide—if at all possible—a yardstick which would compare, at regular intervals, tax-consuming and tax-producing expenditures? Would this not contribute something to our national health?

Big Business and Big Government

And now there is one other area I believe, in which the government-business relationship would be improved by a policy reconsideration—and that concerns the size of business units. I happen to be among those who believe that it is inevitable that our country will grow, that we will have larger government than we now have, larger educational institutions, larger housing projects, highways and nearly everything else, including larger jobs to do. Also I believe that in business we will have many more small businesses, many more medium size businesses and many more large businesses so that the size question gets down to one of necessity and of efficiency, and in a very real sense, to a question of freedom.

Senator Hubert H. Humphrey in a recent article in *Look* Magazine, after referring to the problems of bigness, says:

"Yet I believe that bigness is here to stay in this expanding economy. Depending on the levels of research and technology, the optimum size for a corporation in a given industry may range from small to middle-sized to very large."

And further on he says:

"Our growing U. S. market, with the vigorous pressure of new ideas arising from research technology, and a steady encouragement to small businesses over the past several decades, has given us the benefits of very large business enterprises, without a fatal development of monopolistic behavior. I foresee a growing partnership of government and business management, dedicated to the task of maintaining free societies."

The question, then, is not whether we will have big businesses and big government. We now have both. The bigger question is related to the future national policy. Deferring for today the confidence-detracting proposals to fragmentize business, when businessmen have doubts about Washington being helpful in stimulating the growth of business, as I indicated earlier, I am sure one of the basic doubts relates to how broadly and to what degree government itself will grow in areas where private businesses could do the job, certainly as well and probably more economically.

It would help business confidence to know that a big government does not propose to get bigger by undertaking the work of private industry; and one of the healthier things that could happen so far as job-producing, tax-producing investment is concerned would be to have a clear declaration followed by clear action on this important national question —whether in the public utility field or elsewhere.

Government and Research

A declaration of this kind would also be most welcome to business in research and development. In this case, a statement that government does not intend to compete with industry in fields that are essentially of private concern would be reassuring. Admittedly, government research for defense and for space purposes is vital. There may also be some other areas in which government research could be justified on the grounds of broad interest and usefulness to the business community. But there is a great need for advancing research in the private sector for continuing productive purposes — research which eventually pays for itself, creates jobs and generates taxes. Apprehension regarding the entrance of government into research in fields which are essentially of private concern is widespread, is another confidence-detracting factor, and is a detriment to research itself.

Like a clear-flowing spring that gushes out of the ground, research and development oriented toward private production benefits everything and everyone. It should be induced by every feasible means to flow as strongly as possible and as freely as possible.

What Can Business Do?

Now what can business do? First of all, let me say that honest disagreement regarding a policy or action on the part of either government or business is no cause for bitterness or the drawing apart into separate camps. I know that we in business think on occasion how difficult it is to get along with government and all its divisions and regulating agencies. For what it is worth, my view on that is a very simple one. Government is so important to business and business so important to government that every effort must be made—and continuously made—to find an accommodation which is mutually beneficial and which involves responsibility and respect on both sides. Not an easy task for either side sometimes, regardless of the Administration — for people are only human. But it is a task that in the interest of the country is of first importance.

Next, let me say that some of us in business are inclined to mutter that, yes, cooperation is necessary, but we should not have to do all the cooperating. There is a prevalent suspicion that government thinks good relations are a one-way street and that its effort to establish good relations with business is all talk and no action.

If this be true in part, who's to blame and is a share of the blame our own? Do we appreciate the tremendous pressures that government is under? Do we expect too much without knowledge of government's necessities? Can we in business visualize the 8½ million civilians who attempt to take care of government affairs and do we have some understanding of the gigantic task government must daily undertake?

I mentioned earlier some of the grave problems, both domestic and foreign, that our nation faces today. But do we always view them as *our* problems? Or do we, perhaps, heave a sigh of relief at the thought that Washington must handle them? And when government comes forth with some proposed solution that we feel is not in the public interest, do we merely oppose and denounce it? Or are we familiar enough with the problem, from a broad national point of view, to propose a better solution, that is really a feasible solution?

In short, are *we doing everything we can to increase the government's confidence in business?*

Solutions to questions like these are never easy. We in business are prone to criticize government, but to repeat, in my view action by both in a cooperative spirit is the only feasible answer. Business cannot afford to think of those in government as Machiavellian overlords whose prime purpose in life is to push business around. I do not think this is the case, nor do I think that we can let ourselves fall into the critical state of mind that that kind of thinking generates.

On the other hand, it will do no good for anyone to think in terms of business as a pawn to be shunted hither and yon at executive or legislative whim. Business, after all, is nothing but millions and millions of people, organized in relatively small groups to achieve better production. And thinking of business in this way should remove much of the desire to do that kind of shunting.

In other words, confidence is a bridge; it needs support at both ends and it needs to be constantly kept in repair.

Finally, may I conclude by saying that old concepts never die—they never even seem to fade away. But if the concept of underlying and inevitable antagonism between business and government can be laid to rest by mutual understanding and mutual action

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in our time, then the generations which follow will have reason to accord us all undying gratitude. It is the only way that the great industrial complex and the great government of this great nation can live and rise together in a demanding future.

*An address by Mr. Blough before the 30th Annual Convention of the Edison Electric Institute, Atlantic City, New Jersey, June 4, 1962.

Columbia Gas System, Inc. Debs. Offered

Merrill Lynch, Pierce, Fenner & Smith Inc., and White, Weld & Co., New York City, jointly are managers of an underwriting group which is offering $25,000,000 Columbia Gas System, Inc. 4½% debentures, due June 1, 1987, at par and accrued interest. The group won award of the debentures at competitive sale June 7 on a bid of 99.271%.

Net proceeds from the financing will initially be added to the general funds of the company and used for the 1962 construction program of its subsidiaries.

The debentures are redeemable at regular redemption prices ranging from 104.50% to par; and at par for the sinking fund beginning 1967; plus accrued interest in each case.

Headquartered at 120 E. 41st St., New York City, Columbia operates an interconnected natural gas system, composed of itself, 18 operating subsidiaries and a subsidiary service company. The operating subsidiaries are primarily engaged in the production, purchase, storage, transmission and distribution of natural gas. Retail natural gas operations are conducted in the states of Ohio, Pennsylvania, West Virginia, Kentucky, New York, Maryland and Virginia. In addition, the System engages in wholesale operations, selling natural gas to non-affiliated public utility companies for resale to their customers. Certain subsidiaries produce and sell gasoline and other extracted hydrocarbon products and one subsidiary produces and sells oil.

On an unaudited basis, for the 12 months ended March 31, 1962, the company and its subsidiaries had consolidated gross revenues of $546,915,000 and consolidated net income of $46,964,000.

With Francis I. duPont

HEMPSTEAD, N. Y.—Five Registered Representatives one woman and four men, have joined Francis I. duPont & Co., 29 North Franklin, Street, it is announced by Fred E. Campbell, Manager.

Mrs. Mary Kipin, Edward Baker, E. Kenneth Donovan, William Favuzza and Frank P. Hatchman were formerly associated with the investment firm of Butler, Herrick & Marshall, which is closing its West Babylon branch.

Fidelity Group Names

BOSTON, Mass. — Crosby Corporation, 35 Congress Street, national distributor of the Fidelity Group of Mutual Funds, announces the appointment of Robert Iliff Martin, of Fernandina Beach, Fla., as wholesale representative.

Mr. Martin, for several years active in the retailing of mutual funds and individual securities, will help Florida investment dealers sell and promote Fidelity Fund, Fidelity Capital Fund, Fidelity Trend Fund, and Puritan Fund.

Form Fund Consultants

STATEN ISLAND, N. Y.—Fund Consultants, Inc. has been formed with offices at 344 Victory Boulevard to engage in a securities business. Barbara Palace is a principal of the firm.

Public Information Program To Combat REA's Expansion

Continued from page 20

role was generally believed to be the advancement of construction as rapidly and efficiently as possible: 'get everyone hooked up and energized.'

"But now the rural electric system is big business in terms of people, of economics and of responsible enterprise, in terms of society generally—and still growing bigger. There are bigger problems and bigger opportunities. They require bigger leadership. And you will provide it.

"Your job today, as I see it, is to lead from a position of vast strength and prestige that you have created. Take advantage of where you are and of the organizations you have built."

Recognizing that the REA job to electrify rural America has been completed, Mr. Ellis now urges the cooperatives to seize the opportunity for vast expansion and to launch excursions into greener pastures.

In the same speech, Mr. Ellis referred to the "enemy power companies" and castigated the Secretary of Interior for the decision to cooperate with the investor - owned companies in the building of transmission lines in the West.

Misleading Advertising

In order to curry public favor, the NRECA embarked upon an advertising program in 1960 and is flooding national media with half-truths and distortions, such as: "America's rural electric systems are outstanding examples of free enterprise . . . A finer example of private enterprise—one owned and operated by 4¾ million shareholders—would be hard to find . . . The cooperatives are not subsidized and get no 'government aid' . . . Cooperatives are the 'only hope for a million forgotten Americans'." The sole purpose of this advertising program is an attempt to create a climate of public acceptance for the expanding programs of subsidized power throughout America.

Several months ago I accepted an invitation to attend a National Directors' meeting of the Farm Electrification Council in Washington. This organization was, until last year, known as the Inter-Industry Farm Electric Utilization Council. As you know, one half its Board membership is drawn from the electric membership cooperatives and the other half from the investor-owned electric utilities.

During their discussion of plans and programs, I was much impressed with the earnestness and the dedication of those who participated. It was immediately apparent that they were seriously concerned with finding practical approaches to the problem of improving the farmer's position, and consequently raising his standard of living.

As I listened to those who participated actively in the discussion, I could not help but think how wonderful it would be if the top officials in the NRECA and the REA were equally concerned with the well-being of the farmers, rather than using the farmer as a means of promoting legislation and activities which serve neither the best interest of the farmer nor our free - enterprise system. For example, at the NRECA annual convention, the thousands of co-op members in attendance shouted approval to 50 resolutions, urging deeper erosion of our free - enterprise system. Thirty-three of those resolutions had no connection whatever with the stated purposes of the REA Act, and the relationship of most of the remaining 17 was indeed remote.

Cites Another Witness

Referring to that convention the Northern Rio Arriba Electric Co-op News, published by a New Mexico co-op whose leaders see through the hypocrisy of NRECA, had this to say:

"We weren't at the convention. We didn't sit in on the meetings. We haven't received copies of the resolutions adopted.

"But we can tell you approximately what happened.

"A new crisis of some sort was developed and publicized. Perhaps some pet public power projects had failed of enactment. Perhaps some national leaders or periodicals have been saying unkind things about us.

"Because of the new crisis, oratory went on for hours to convince the delegates that rural electrification is threatened with extinction.

"Someone undoubtedly said, 'This is a sad, a tragic, and a bitter day for rural electrification. Only by a renewed attack on the citadel of Federal legislators can we hope to save the cause.'"

I am still quoting.

"We believe, just as wholeheartedly, that, as soon as possible, co-ops should start getting off Uncle Sam's sore back. With 90% of the co-ops, that was five years ago.

"Why haven't we become outcasts long ago.

"Probably because at least half the leaders believe just as we do —but in the face of a well-oiled political machine (our own) which has been building for 20 years, they haven't the guts to stand up and be counted."

We applaud the courage of this co-op manager. Our industry should be no less candid in giving the public the facts—so that more of the real farm leaders who deplore the motives of NRECA will be encouraged to speak out.

Our task is to recognize that we are engaged in a great conflict—to recognize clearly the significance of every aspect of this struggle and to combat at every turn every tendency and every small effort toward expansion of tax-exempt power at the expense of the citizens of this country. We must recognize these movements frankly for what they are and develop a positive program designed to expose and extinguish each fire lighted around the nation by the social planners before a general conflagration ensues—for it then will be too late.

This industry cannot continue indefinitely to compete favorably with government-subsidized and tax - exempt organizations. Each year the co-ops, with the taxpayers' dollars, are growing astonishingly. In most states, they are outside the pale of regulation or control. With rate structures set at will, customers will be enticed. The tide is already turning in that direction. We, then, must battle for an end to the discriminatory tax situation, for lifting the veil of secrecy surrounding REA, for the halt of the expansion of rural cooperatives into the urban and industrial areas of the nation, and for an end to costly and unneeded government generation facilities.

Taxpayers Must Be Informed

This we all know. Likewise, it is obvious that the leaders of this industry cannot accomplish this objective single-handed—and this is the burden of my remarks here. Only if we elicit the aid of those people (a vast majority of the public) who are affected adversely by these government programs, will we succeed. The people I speak of are the millions of taxpayers in this nation who are providing the subsidy and the millions of customers of investor-owned utilities—all voters, if you please—and the thousands of public officials—local, state and national—who must struggle with the problems of inadequate tax revenues to meet the demands for local government service. All these people are our natural allies. But they are woefully uninformed and are now almost totally apathetic.

Our challenge is to spread abroad an understanding of the issues—a knowledge of the truths that we all know. This is no easy task. We are appalled at the outset to hear from polls conducted across the nation that too large a percentage of our customers do not even know whether they receive power from a government agency or an investor-owned utility, much less are they concerned with the query. The subject is not basically an appealing one. Most people do not lie awake nights worrying about government encroachment on business. They are concerned with matters of everyday living, entertainment, and amusement. Therein lies the great challenge—to present clearly, entertainingly, and effectively our position to all the people.

When a customer taxpayer of ours understands fully the one simple proposition that every time a cooperative acquires a customer, he, the taxpayer, subsidizes that customer, his interest is aroused. When a state or local official understands that every REA customer which could be served by a taxpaying utility means the loss of tax revenue, he begins to take interest. Our national program of advertising has been good, but it should be better. At the local level we should use every medium — TV, newspapers, radio, bill inserts, direct communication, civic club speeches —with carefully planned, appealing, and intelligent communications. Do not overlook the fact that the cooperatives are engaged in an advertising campaign, filled with distortions and half-truths. This we must combat —with the facts. I feel especially convinced of the absolute necessity for, and the ultimate success of, a public information program of real intensity, because of an experience with the recently adjourned South Carolina Legislature.

Successful South Carolina Incident

The electric cooperatives had two bills introduced in the South Carolina Legislature shortly after it convened in January — one to provide exclusive service areas and the other to permit service inside a municipality. An advertising and public relations agency was employed by the co-ops which forthwith released a propaganda barrage under the appealing title of "Operation Fair Play." One half-true or completely untrue statement after another appeared in big advertisements in newspapers across the state. The investor-owned companies serving South Carolina coordinated their efforts and challenged each statement as it was made and at the same time gave the public the facts.

Surprising to the public, but nevertheless true, was the fact that the investor-owned power companies in South Carolina serve more rural customers than are served by all the cooperatives in the state. Equally surprising was the fact that electric co-ops in South Carolina had paid less than one-tenth the taxes that they claimed in their advertising to have paid. Their claim to be non-profit organizations was blasted when we published statistics from their own official report to Washington showing that they had millions of dollars in what they called "undistributed margins." A large part of this is invested in government securities paying interest to the co-ops at rates approximately twice the rates the co-ops were required to pay on money borrowed from REA. The co-ops' claim of local ownership and development of their territories through the initiative of the people they serve was discredited when attention was called to the fact that their equity accumulations are attributable to the tax-exempt status and subsidized loans at taxpayers' expense and to the further fact that the only investment by co-op members is the nominal membership fee, aggregating nationally 1.2% of the total co-op investment. In calling these facts to public attention, we made the further point through our advertising that if Carolina Power & Light Company could obtain all of its capital at 2% and were tax-exempt as are the co-ops, we could reduce our cost of service approximately 40%.

These and other pertinent facts were brought to the attention of the public through advertising in newspapers, over television and radio stations, and pamphlets mailed to customers served by the investor-owned companies.

It was significant that 19 newspapers across the state ran 27 editorials favorable to our point of view. Not a single newspaper, to our knowledge, ran an editorial in support of the position taken by the cooperatives. With truth as our weapon we gained support from many segments of the public in presenting our position to the legislature. The co-op bills died in committee.

What People Should Demand

The national program of NRECA and REA to expand the subsidized and tax-exempt rural co-op operations is in direct conflict with the interests of state and local governments. It would mean the further erosion of state and local tax bases while these governmental units are hard pressed to find revenues to maintain services to which they are already committed. To combat this program successfully we must have the support of the taxpayers.

When the people know and appreciate all the pertinent facts they will surely demand: (1) legislation to prohibit co-ops from taking customers that could be served by the full taxpaying utilities, except those farm and residential customers immediately adjacent to already existing co-op lines; (2) the end of secrecy in REA by requiring the holding of public hearings on G & T loans; (3) interest rates that cover the Federal Government's cost, including administration; and (4) full tax equality.

Our task—indeed, our duty—as responsible citizens, individually and as an industry, is to present the story—the facts to all the people. Truth can be our most effective weapon provided it is wielded in such manner as to impart to the public knowledge and understanding. The job can be done. It must be done. But it can be done only by the coordinated effort of our industry on the national level, by careful attention of all of us on the local level, and by much perseverance and enthusiasm all along the line.

*An address by Mr. Sutton before the 30th Annual Convention of the Edison Electric Institute, Atlantic City, New Jersey, June 6, 1962.

Beckman Branch

SACRAMENTO, Calif.—Beckman & Co., Inc. has opened a branch office at 2401 Fifteenth Street under the management of Richard W. Smith.

Form Harris, Clare Co.

Harris, Clare & Co., Inc. has been formed with offices at 82 Beaver Street, New York City, to engage in a securities business. Harris Freedman is a principal.

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Stock Market Prices Were Based on Untrue Premises

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earnings that has characterized the past three years.

Last Year's Extraordinary P/E Ratios

With this in mind, let us look for a moment at the level of stock prices: Based on Standard & Poor's averages, we find that in the four years 1954 through 1957, stocks as a whole sold at an average of between 11.2 and 14 times earnings. In 1958, this average moved up to between 16 and 17 times earnings, and remained there throughout 1959 and 1960. Last year's bull market brought this ratio up to 21 times earnings for the year as a whole, and to about 23 times earnings at the high point toward the close of the year. The drop in the market over the past few months, coupled with the increased earnings in prospect for 1962, brought this ratio back to where it is today—between 15 and 16 times earnings — slightly under the level that prevailed in the 1958 to 1960 period, but more than the level of earlier years.

I would certainly be the last one to try to pick an exact and appropriate level for the price-earnings ratio of common stocks. But one thing stands out clearly in any review of stock prices: the 1961 price rise cannot be credited solely to the prospects for improved earnings. The estimate of 1962 corporate profits contained in the January Federal Budget document —which many have criticized as being overly optimistic — forecast pre-tax profits of $56.5 billion. But stock averages last December were about 19 times even this level of prospective earnings. clearly, something other than the profit outlook must have been involved in last year's bull market.

We all know what that something was—the belief that inflation was just around the corner. Today, that belief has been pretty well dissipated. And that is the basic reason behind the decline in stock prices over the past few months.

Myth and Mirage

Now how did stock market investors make such an error last year? Apparently, they abandoned reality in pursuit of a mirage that grew out of a myth. The mirage was imminent inflation. The myth was the belief that government deficits are inevitably accompanied by inflation, no matter what the state of the economy may be.

The facts were far different and clear enough for those who wished to read them, but myth proved more powerful than reason. Demand inflation, the only kind of inflation in which budgetary policy plays an important role, is clearly related to the state of the whole national economy, and it is not governed by any single factor such as the Federal budget. Only when budget deficits combine with high demand to put pressure on supply, do they bring demand inflation in their wake. Last year this of course was far from the case. For our economy was just starting to pull out of recession. There were large numbers of unemployed and there was a widespread under-utilization of plant capacity. The President and other members of the Administration consistently stated that they intended to devote their energies to maintaining the stable price level so essential to our balance of payments.

I, myself, repeatedly pointed out that while a substantial deficit was in prospect for fiscal 1962, it would not be inflationary because of the excess capacity in the economy. The President made clear, as early as last July, that having in mind the sharp improvement in the economy forecast for 1962, he intended to submit a balanced budget in January. But, despite this, the myth prevailed. The belief that any Federal deficit would be inflationary no matter what the state of the economy encouraged speculation and pushed stock prices to dizzy heights. A reaction was inevitable, once fact prevailed over fiction—as sooner or later, it always does.

No Flight of Capital nor Rise In Gold Price

I have heard it suggested that the decline in stock prices might be somehow connected with a lack of confidence in financial circles abroad in the efforts we are making to right the imbalance in our international payments. If this were true, it would be serious indeed. Fortunately, the facts are completely to the contrary. There is one item in our balance of payments which is generally considered to closely reflect any flight of capital. This is the item known as "errors and omissions," which includes all items not otherwise recorded. Until 1960, this item had been a favorable one in our payments balance. In 1960, for the first time, it showed a substantial deficit in this particular account—a deficit which was continued in 1961. However, so far this year, this sensitive item has once again returned to its former status as a plus in our overall payments picture—a clear indication of growing, not lessened, confidence in the dollar.

The same story is told by the price of gold in the free market in London, where the gyrations of the fall of 1960 have given way to a relatively stable market at prices no higher and—more often than not—lower than the cost of buying gold in New York and transporting it overseas. All this is not surprising when we take account of the continuing improvement in our payments situation. In the first quarter of 1962, despite an increase of more than $500 million in our imports as compared to the unusually depressed level that prevailed during the first quarter of 1961—an increase that was the natural reflection of our economic recovery —our overall deficit turned out to be just a little more than $100 million larger than in the same quarter last year. Leaving imports aside, this means that there was a solid improvement of about $400 million in all the other elements of our balance of payments.

Improving Balance of Payments

Preliminary indications for May which, mind you, would include any repatriation of foreign funds as a result of stock market sales, indicate that it will be the best month for our payments position since January, when the return of temporary, year-end window-dressing outflows brought approximate balance in our overall payments. So far this year, our overall deficit appears to be running at an annual rate of about $1.5 billion. This compares with last year's figure of $2.5 billion, and the $3.5 to $4 billion deficits that characterized the three preceding years. As I have often stated, we intend to work vigorously until the deficit is wholly eliminated—a result we hope to achieve by the end of next year.

Cites Other Myth of Anti-Business Policy

Another myth that has been current in business circles in recent months is the misconception that the Kennedy Administration is pursuing an overall anti-business policy. In discussions of the recent steel price episode, the fact that the full influence of the government had a few days before been successfully exerted to secure a non-inflationary wage settlement in steel is too often totally disregarded. Disregarded also are other efforts of the Administration to provide a better climate for economic growth—and thus, a better climate for business in general.

I refer in particular to the major reform in the administration of depreciation for Federal tax purposes that is now nearing completion. Depreciation reform was one of my earliest concerns upon entering the Treasury. I found then, that despite long-standing business complaints about inequities in the provisions for depreciation, little had been done to improve the situation. True, two basic studies had been initiated in the summer of 1960, studies that were scheduled for completion two years later, in mid-1962. These studies bore primarily on the depreciable lives of business property. Nothing at all had been done on the equally important matter of reexamining the procedures under which the guidelines for depreciable lives were being administered. And it is these procedures, as much as the lives themselves, that have been responsible for the widespread sense of frustration among businessmen in their dealing with the government on the depreciation problems.

Early last year, we determined to tackle this problem head-on. We expedited the studies of the basic data that were already underway so that we could receive the results by the end of 1961, rather than in mid-1962. And we started right from scratch in re-examining each and every one of the assumptions on which the law had been administered for the past 25 years. As we went along, we were pleased—and a little surprised—to find that all, or practically all, of the controversy that has long characterized relations between business and government in the administration of depreciation could be eliminated by appropriate changes in our approach. Accordingly, we are now preparing new, more flexible, and more objective means of measuring the reasonableness of depreciation charges claimed by taxpayers. This will allow the taxpayer to exercise judgment in selecting depreciable lives, judgment based upon his own plans for the future, rather than forcing him to rely primarily upon historical experience. It will void haggling over minutiae by looking to the reasonableness of the taxpayer's overall depreciation, rather than to the depreciable life of each and every separate item. And it will prevent the taxpayer's judgment from being controverted except where, by an objective test, it is clearly not reasonable. No longer will a change in revenue agents bring with it—as it so often does today—a re-examination of depreciation practices. And industry will, for the first time, be certain that the law is being administered with identical results in every part of the United States.

July Target Date for Depreciation Reform

We have now reached the point where I can be sure that a final draft of the new provisions will be ready for publication by the end of this month, or early in July. At the same time that we publish our new procedures, we will also publish our revision of the Bulletin F schedule of depreciable lives, reducing to some 75 overall categories—only a few of which will apply to any one business—the 5,000-odd items that are presently carried in Bulletin F. While we will have done our best to achieve truly realistic guideline lives, we will always be prepared to meet with any industry which feels that the lives assigned to it are not reasonable and fair, and to make such further adjustments as may be mutually agreed. In this way, we intend to keep our guideline lives fully current with future developments, so that they may never again reach their present unrealistic status.

All of this has required a tremendous effort by the Treasury. And I must say quite frankly that it is difficult for me to comprehend how an Administration which is on the verge of carrying to fruition such an enormous and important reform to help the business community can be labelled as anti-business."

But this is not all. It was clear from the very start of our efforts to assist business that more than realistic lives and improved administration would be required if we were to meet foreign competition and stimulate the increased investment needed to spur our rate of economic growth.

First, as to foreign competition: It is a hard fact that every other industrialized country in the free world provides special incentives to investment in one form or another. We can do no less if we are to compete successfully in the market places of the world. We must have both the 8% investment credit which is now before the Congress and the full benefits of our new administrative reform, if we are to match our foreign competitors.

The same is true if we are to stimulate the increased investment we must have to speed our rate of growth—an essential prerequisite to the solution of our number one problem of unemployment. Throughout the Fifties, the proportion of our GNP invested in plant and equipment steadily declined. It reached a new low point last year. At the same time, our free world competitors have been raising the proportion of their GNP going into plant and equipment. By last year, some of them were devoting twice as much of their GNP to new investment as were we—and, it is important to note, that over the years, some of them have grown twice as fast as we have. Since the level of new investment has a direct correlation to rates of growth, we simply must increase our investment if we are to increase our rate of growth.

Investment Credit Allows More Profits

The best and surest way to obtain more investment in new plant and equipment is to improve the profitability of such investment. And it was for just this reason that we chose the investment credit to complement our administrative reform of depreciation practices. For the investment credit, through the operation of the simple concept of a return over and above original cost, is by far the most powerful stimulant to profits of any of several possible forms of investment incentive. For each dollar of revenue lost to the government, it provides two to three times more stimulus to profits than any other practicable form of incentive.

I am well aware that some of the business community have been cool to the idea of the investment credit. This is difficult to understand since the combination of the credit and the forthcoming administrative reform will, for the first time in many years, put American industry on a comparable footing with its foreign competitors in the tax treatment of capital investment in machinery and equipment.

What has been the basic reason behind business opposition?

I am convinced that it has been misunderstanding, plain and simple. In our talks and correspondence with business executives, and we have talked to many of them, we were frankly astonished to learn that the chief source of opposition was a widespread conviction that our investment credit proposal was no more than a tactical trick designed to avoid the very reform of depreciation practices that we were working so hard to bring about. Other businessmen thought that the investment credit was merely a temporary anti-recession device and seemed not to hear our repeated assurances that the credit was designed as a permanent part of the tax structure. It was another case of the triumph of myth over reality.

We have learned, however, that opposition to the credit is now far less widespread than one might believe from the positions taken by certain national business associations. Our correspondence and conversations clearly show that on this subject the position taken by these national organizations no longer accurately reflects the view of American business. For many businessmen have changed their opinion during the past year as they have come to understand our proposals better, and in particular as they have come to appreciate the fact that the investment credit is not intended as a substitute for, but rather as a supplement to, depreciation reform.

In today's atmosphere of concern over the adequacy of our rate of economic recovery, one thing is crystal clear: the uncertain fate of the credit is beyond question exerting a negative influence on business spending — just at the time when an increase in plant and equipment expenditures is badly needed to keep our economy moving. There is no appropriate action readily available that would be more immediately helpful to the economy than prompt enactment of the tax credit, so that business could have a solid basis on which to plan for the future.

Income Tax Reform Proposal Promised for Next January

In the slightly longer term there is, of course, much that can be done. And we fully intend to do it. There has been growing talk in recent weeks of the desirability of income tax reductions as a stimulus to the economy. I, for one, am glad to hear such talk. To me, it portends a sympathetic reception to the overall income tax reform on which we have been working since last year, and which was first promised by the President in his tax message a year ago last April. This tax reform program will be ready for Congressional action next January and we plan to submit its general outlines before the close of the present session. It will not be a hasty, ill-considered reaction to the gyrations of the stock market. Rather, it will be a fundamental restructuring of our income tax system, designed to promote the maximum of long-term economic growth.

Over the past year, I have frequently stated that the central element in this reform would be a proposal to readjust the rate structure of the income tax. I had not thought it necessary to spell out the fact that readjustment necessarily meant readjustment downward. But in case there is any misunderstanding, let me make clear that this is just what it means—a top-to-bottom reduction in the rates of income tax. Naturally, any reduction will cost the government revenue, and will bring with it the need to broaden the base of our tax structure so as to offset the reductions in whole or in part.

Contrary to some crystal ball reports I have read, there have been no decisions on any of the details. This applies both to the extent of possible rate reductions and to the form and extent of possible offsetting measures to broaden the income taxe base. But one fact is clear and that is we have now been at work for nearly a year on a proposal for income tax reform — a proposal basically

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designed to stimulate the growth of our economy—a proposal that will be ready for action at the opening of the next session of the Congress.

Conclusion

In conclusion, let me say that the confusion of myth and reality, of fact with fiction, when considering the complex economic problems of the day, is not in our national interest. The problems we face are not easy. Their solution requires the best efforts of all of us. We must not allow ourselves to be diverted from the difficult tasks at hand by polemics, emotion or prejudice, unsupported by facts. There is today a clear consensus as to our national objectives—a consensus that reaches from coast to coast and includes both political parties and all elements of our society. Those goals are full employment, rapid growth so that we may steadily improve our standard of living, and reasonable price stability.

In the past four years, we have managed to attain just one of those goals — reasonal price stability. In 1958, the wholesale all-commodity price index of the Department of Labor averaged 100.4. Last week the same index read 100.2 — no change in four years. But we have not been so successful in achieving our other goals. We must continue vigorously to pursue full employment and rapid growth—without impairing the price stability that we have already achieved. Success will require not only proper government policies, but also public understanding and acceptance of these policies, as well as real effort on the part of all sectors of our society. We must concentrate our efforts on genuine problems, and not permit ourselves to be diverted by exaggerated fears or hobgoblins—be they imaginary inflation, such as that which preoccupied investors last year, or an imaginary anti-business campaign by the Administration such as I fear preoccupies too many businessmen today.

*Remarks by Secretary Dillon at the Annual Dinner of the New York Financial Writers Association, New York City, June 4, 1962.

Form Peoples Inv. Secs.

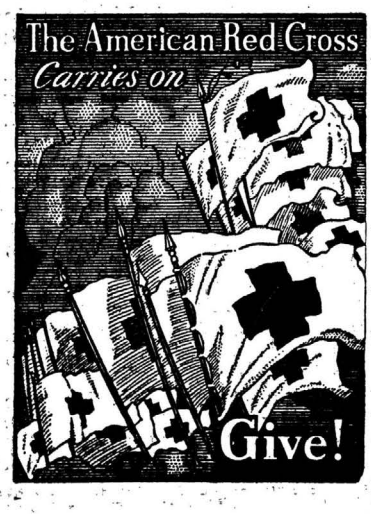
MOBILE, Ala. — Peoples Investment Securities has been formed with offices at 1050 Davis Avenue Building to conduct a securities business. Partners are John Carstarphen, Eddie L. Clemons, and Henry R. Davenporte, Sr.

Dick & Merle-Smith Branch

BOSTON, Mass.—Dick & Merle-Smith has opened a branch office at 50 Congress Street. The new office will be under the direction of Evans R. Dick, a partner in the firm.

Baker, Simonds Branch

PETOSKEY, Mich. — Baker, Simonds & Co., Inc. has opened a branch office at 313 East Mitchell Street under the management of Claude G. Porter.



Outlook for Investor-Owned Gas Utility Industry

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income tax on the cash dividends.

Some writers carry the arithmetic still further by suggesting that a regular stock - dividend policy would accomplish the same result as this hypothetical cash-withholding plan, and at the same time accommodate those shareholders who need cash by making it a simple matter for them to sell their share dividends. These shares, like the original shares, are taxable at the capital gains rate. At first glance, this looks like an easy way to alleviate the double taxation on earnings paid out for common stock cash dividends. Occasionally, stockholders write in and ask why companies don't issue share dividends for these or other reasons.

However, such arithmetic is superficial and overlooks three basic economic factors: (1) the $1.2 billion in cash dividends which would have been withheld under this proposal would represent almost half of all cash dividends actually paid by gas utilities in the 1955-1960 period, so that to have withheld cash dividends on such a scale would have produced a drastic decline in market prices, with resultant harm to all stockholders. Moreover, stockholders would have had to sell a larger number of either their original shares or the stock dividend shares which the arithmetic called for in order to raise at the lower prices of $1.2 billion previously mentioned. Thus, they also would have divested themselves of a relatively **larger** amount of their proportionate ownership in the industry than the amount estimated for them by the arithmetic of proponents of cash withholding plans; (2) the logic of such arithmetic does not apply to the great number of common shares of gas utility common stocks held by institutions such as pension funds, charitable funds and the like, which do not encounter the double tax on earnings paid out in dividends; and (3) the regulated utilities cannot follow the lead of those relatively few non-regulated stocks whose earnings and dividends are growing so rapidly that no investor has for very long the low rate of return on his original investment that is indicated by the original, very small current return resulting from low pay-out ratios.

These fortunate growth companies can follow a low pay-out policy either with or without stock dividends, to suit the needs of their investors in high income brackets. On the other hand, their very rapid growth in earnings and dividends serves the interest of small shareholders and institutional investors who hold their stocks and wait for the increases in dividends that are likely to continue. However, this is too rich a financial fare for the regulated utilities.

It should be remembered that most stockholders have the old-fashioned notion that in our competitive economy effective management should be able to pay a reasonable return on invested capital as well as to ultimately bring about a capital appreciation on the investment. The real answer to utility management's problem of attracting the large amounts of equity capital which the gas industry will require over the years ahead lies in a healthy regulatory climate and a more equitable tax policy—not in stock dividends.

What About Flow-Through?

The major long-term financial problem for utility management arising from post War II inflation, and one which is still with us, is the inadequacy of capital recoupment from plant depreciation on a "cost" basis. Congressional intent was made clear time and time again in the hearings on the Internal Revenue Code of 1954, and in the reports of the House Ways and Means Committee and the Senate Finance Committe. Proponents of the bill maintained that present tax depreciation methods tended to depress business capital expenditures below the level needed to keep the economy operating at high levels of output and employment. Also, that they tended to discourage replacement of obsolete equipment and installation of modern up-to-date equipment. Congress felt that the incentives that could result from "liberalization" were well timed to help maintain a high level of investment in plant and equipment, that the speed of tax-free recovery of costs was of critical importance in the decision of management to incur risk, and that tax deferments would aid growing businesses in financing needed expansion.

Under the terms of the 1954 tax law, utility and industrial corporations could elect to choose accelerated depreciation or continue to report depreciation on a straight-line basis. Although the total write-off of cost over the life of the plant is the same in either case, the new law permitted acceleration of the write-off in earlier years. In later years the write-off would be correspondingly less than the straight line depreciation. By using the accelerated method, Federal income taxes would be deferred in earlier years and correspondingly greater in later years of the life of the property constructed in 1953 and thereafter.

Most utilities elected to adopt the accelerated depreciation method and "normalized" the corporate financial statements to avoid overstatement of earnings and thus not to place an undue tax burden upon future consumers. By setting aside in a tax reserve or other account an amount equal to the difference in income tax paid under acceleration and taxes that would have been paid using straight line depreciation charges, the reserve could be used later as a "feed-back" to pay future higher income taxes when charges from the sum - of - the-years'-digits or declining balance method became smaller than the straight - line method. The tax deferment in the early years of property life was simply an interest-free (government) loan for construction expenditures, and was treated as such. This is the same normalizing method that is used for accelerated amortization, whereby emergency facilities are written off for Federal income taxes, except that in the case of amortization the cost write-off is completed in five years.

Although accelerated depreciation did not alleviate the inadequacy of a depreciation allowance which recoups only the cost and not the replacement value of plant, most gas utilities adopted the early years acceleration method because of its effect as an interest-free loan. Pipeline companies that come under the Federal Power Commission also have been permitted to "normalize," as a charge against earnings, the taxes deferred by acceleration.

In some state regulatory jurisdiction, disagreements arose with regard to the tax reserve resulting from accelerated depreciation and some gas utilities found that in one way or another their tax reserves became deducted from the rate base. In some cases the tax reserve more logically became part of the debt capitalization in the cost of money review for rate case purposes. In the latter event sometimes a modest cost of capital is being allowed as an incentive reward for the effort and risk of operating and managing the properties constructed with deferred taxes. Where no return allowance is made, the long run effect is to negate the temporary benefits arising from accelerated depreciation, tax wise.

In several states, utilities involuntarily use the "flow-through" accounting method, because in those states the charge for deferred taxes is not allowed as an expense in a rate case, although accelerated depreciation was elected after passage of the 1954 tax code. In flow-through, no accounting is made of tax deferrals, and the temporarily lower income taxes paid result in a reported higher operating income which may be captured through rate reductions or by a lowering of rate increases granted where lack of a fair rate of return initiated an application for a rate increase. Of course, in later years when higher income taxes must be paid and there is no tax reserve to feed back the deferred taxes, either the consumers must pay more for service or the investors will suffer an attrition of return. Since this problem is in the future, many opponents of "normalizing" tend to gloss over the results or ignore them.

The problem surrounding normalization vs. flow-through is so complex and difficult to understand in its efect that the non-specialized investor does not seem to be fully aware that reported earnings of utilities using flow-through are distorted or overstated. The flow-through portion of earnings represents a tax debt that ultimately must be paid (unless corporate income taxes are very sharply reduced or discontinued, which is not very likely in view of the national economic situation). Although the flow-through does not represent actual earnings, the fact that it is allowed or required by several state regulatory commissions and reported as earnings by utilities themselves in such states (with footnotes) tends to impress the small investor with its validity. In the long run the day will come when higher taxes reduce flow-through, and still higher taxes, without a feed back reserve, may offset it or reverse it. The effect and time will vary with each company, depending upon its plant growth rate, business conditions, and the ability to seek higher rates to cover higher taxes caused by passing out tax deferral benefits to consumers of past years. The loss of flow-through "earnings" also could be hastened by a levelling-off period in plant growth.

In the short run, the flow-through earnings could disappear at once if the accelerated depreciation section of the tax code were repealed. The subsequent decline in market price of utilities with substantial portions of flow-through included in earnings would tend to result in a higher cost of capital. In *The Commercial & Financial Chronicle* issue of May 17, 1962, Treasury Secretary Dillon expresses some serious doubts about the cost to the U. S. Government of accelerated depreciation and indicates a preference for the proposed new investment credit "to the more expensive and less effective route of accelerated depreciation."

Thus flow-through, as in the case of stock dividends, is no substitute for the fundamental performance of improving real earnings and cash dividends. However, a great deal of complication and confusion surround these issues. A better knowledge of normalization and flow-through is so important to understanding that Bozell & Jacobs a nationally known consulting firm on stockholder and consumer relations, is now engaged in a survey of utility corporations to help find a workable explanation, in laymen's language, of the purpose and function of deferred tax normalization — one that will answer questions of stockholders, consumers and the public.

Conclusion

The best public utilities in the world have been developed by private capital in the United States. Respect has grown between the company managements and officials and staff of the commissions. But management must continually strive for better interrelationships with regulatory officials so that opponents of conservative accounting practices and sound long-run rate making policies do not press the commissions to "expedient" or political decisions that whittle away at the basic return on investment.

Profits provide much of the "seed corn" for investment. Their failure to keep pace with other economic factors will restrict economic growth. In making their selective investment choices of gas utility stocks, investors will attempt to determine how well each management is working out its company's fundamental financial problems, and will tend to measure management's performance by the relative growth rate of earnings and dividends and their recession resistance.

*An address by Mr. Barker before the American Gas Association's 1962 financial seminar for gas utilities in Virginia Beach, Va., May 29. 1962.

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As We See It

Continued from page 1

likely to be more of a burden in the long run even than such taxes as we must now pay. To us the sound of a President promising sizable tax reduction "across the board" at a time when present taxes fail by a very substantial margin to meet outlays undertaken by the national government, and when there is not even a suggestion that these outlays are to be reduced, is strange and unrealistic to say the least. But this overall action on taxes is left vague and is a matter which in any event is scheduled to come not this but next year.

What the President is more concerned with at the moment is Congressional action on certain tax proposals he has had on his program for a good while past in addition, of course, to certain other antidepression measures close to the President's heart. One of these proposals is resigned to give a "tax credit" to corporations which invest in new or improved plant and equipment. He is deeply dissatisfied with the rate at which business is investing in this way and is of the view, as are so many followers of the late Lord Keynes, that once ways and means are found to increase this rate of investment the effect will be marked on the rate of improvement of general business and hence upon the growth rate upon which so much emphasis is laid in this day and time.

A Naive Approach

This whole approach has always seemed upside down to us. In the first place the fact appears to be wholly overlooked that business men have their own very sound bases for deciding what part of their funds should be placed in new and improved plant and equipment. Availability of funds for the purpose is in current circumstances not now a controlling factor as a rule. What are much more important are factors which tend to affect the profitability of operations in the future, and the probability of stability over at least a reasonable period of time. Now many of these factors particularly those which tend to cause curtailment of investment in machinery and equipment, are closely related to governmental policy. How much better it would be if the Administration were to review its policies in general with a view to removing such limitations as these upon private investment in machinery and equipment rather than to conjure up a scheme which would, so it hopes, lead to such investment regardless of hazards?

The procedure now proposed would in any event cost very considerable amounts of money. This the Administration is planning to recoup in large part at least by "closing loopholes" in the existing law which seem to make it possible for a large number of taxpayers to omit receipt of dividends and interest when making up their tax returns. Now, of course, no one is likely to have very much sympathy with the individual who has been failing to report important parts of his taxable income, thus leaving the rest of us to make up the difference. Our tax laws should, of course, be enforced equally upon all. At the same time one must wonder whether the elaborate system that is being built up and which must be large and cumbersome will after all really close these gaps without at the same time causing undue annoyance and trouble in the operation of the new system.

Other Costly Proposals

The other elements in the President's recovery program —if such it may be called— contains several proposals all of which will cost the Treasury varying sums. His plans to make administrative changes in depreciation rules and regulations are, according to the President, designed to release for plant investment some billions of dollars which otherwise would go into the Treasury in the form of taxes. Of course, one must await more detailed information on this plan before passing final judgment upon it. Certainly current regulations tend to oblige industry to apply depreciation charges which are hardly realistic in present circumstances. The fact is, though, as we must once again repeat, that if we make commitments to spend money, the funds have to come from somewhere, and this business of promising various forms of tax reduction at the same time that there is no corresponding effort to curtail expenditures is of very doubtful sort.

Various other elements in the President's program call for larger not lower outlays for sundry purposes. This fact naturally renders one more than ever doubtful about the proposal that the Congress give the President power to reduce taxes by Administrative procedures if in his judgment such action should become needful. In our view this is a power no President should have. A **fortiori**, a President who has made it so clear that he believes in economic miracles should be denied any such emergency powers. The President asserts that "there is no need for this country to stand helplessly by and watch a recovery run out of gas." By the same token, there is no need for the country to induce wasteful use of recovery fuel.

Businessman's BOOKSHELF

Allegheny Power System—1949-1961 Financial and Operating Data—Allegheny Power System, Inc., 320 Park Avenue, New York 22, N. Y. (paper).

Annual Report of the Director of the Mint for the fiscal year ended June 30, 1961, including report on the Production and Consumption of Gold and Silver for the Calendar year 1960—Superintendent of Documents, U. S. Government Printing Office, Washington 25, D. C. (paper), 50¢.

Business Leadership in a Changing World—Report of the International Industrial Conference at San Francisco — McGraw-Hill Book Company, Inc., 330 West 42nd Street, New York 36, N. Y. (cloth), $7.75.

California Bonding Picture, 1962—Brochure — Office of the State Treasurer, Sacramento, Calif.

Criteria for Government Spending—Chamber of Commerce of the United States, Economic Research Department, Washington 6, D. C. (paper), 50¢ (quantity prices on request).

Differential Distribution Cost and Revenue Analysis: A New Approach—A discussion of some of the problems of measuring distribution costs—Graduate School of Business Administration, Bureau of Business and Economic Research, Michigan State University, East Lansing, Mich. (paper), $1.

Economics of the Electrical Machinery Industry—Jules Backman —New York University Press, Washington Square, New York 3, N. Y. (cloth), $10.

Electric Power From the Atom—Edison Electric Institute, 750 Third Avenue, New York 17, N. Y. (paper), 25c.

Federal Reserve Chart Book: Financial and Business Statistics, May, 1962—Board of Governors of the Federal Reserve System, Washington 25, D. C., (60¢ per copy) ($6 per year).

Financing Medical Care: An Appraisal of Foreign Programs — Helmut Schoeck, Editor—current commentaries on medical care systems in seven foreign countries written by economists, actuaries, political analysts, physicians, professors of medicine, and statesmen—Caxton Printers, Ltd., Caldwell, Idaho (cloth), $5.50.

Florida Orange Industry — A study—Continental Can Company, 633 Third Ave., New York, N. Y. (paper).

Foreign Income Provisions of Revenue Bill of 1962 (H.R.10650) —Report of the Tax Section of the New York State Bar Association (paper).

Foreign Operations—Source of Income—A tax portfolio—Tax Management, Inc., Bureau of National Affairs, Inc., 1231 24th Street, N. W., Washington 7, D. C.

Foreign Trade Trends: Iron and Steel—United States, Common Market and Soviet Bloc—Committee on Foreign Relations, American Iron and Steel Institute, 150 East 42nd Street, New York 17, N. Y. (paper), 50¢.

Freeman, June 1962—Containing Articles on "Let the People Own the Airwaves;" "Regulation of American Business;" "Academic Freedom;" etc. — Foundation for Economic Education, Inc., Irvington-on-Hudson, N. Y. (paper). 50¢.

Friden Communications Systems and Equipment—36-page technical manual—Friden, Inc., 97 Humboldt Street, Rochester 2, New York.

Guide for Wages Today — Arthur R. Upgren—Bulletin—Macalester College, St. Paul, Minn. (paper).

Home You've Always Wanted at a Price You Can Afford—John L. Springer—How to reduce the costs of a new home by using prefabricated parts and doing a great deal of the simple work, including a discussion of actual costs of home ownership, how to choose a lot, financing, jobs suited to do-it-yourselfers, equipment and materials, etc.—Prentice-Hall, Inc., Englewood Cliffs, N. J., $4.95.

How to Get More Done in Less Time—Joseph D. Cooper—A guide to a more productive working day and to more efficient methods of conducting business, with techniques for planning and maintaining a productive workload, for streamlining work and providing for unforeseen emergencies; for managing a desk, learning how to write more letters and reports and how to read more efficiently — Doubleday & Company Incorporated, 575 Madison Avenue, New York 22, N. Y. (cloth), $4.95.

How to Make Money in Growth Stocks—Victor J. Melone—Growth Investment Services, 68 William Street, New York 5, N. Y. (paper), $2.

How to Put Yourself Across—Elmer Wheeler — A series of logical suggestions, easy to follow and demonstrated by examples on how to improve business and personal relationships — Prentice-Hall, Inc., Englewood Cliffs, N. J. (cloth), $4.95.

How to Relax in a Busy World—Floyd and Eve Corbin—A study of the many facets of our tension-producing levees, effects of tension on health, personal lives and productivity, and outline of the techniques for handling and overcoming tension through knowledge and self-mastery—Prentice-Hall, Inc., Englewood Cliffs, N. J. (cloth), $4.95.

International Coal Trade—A monthly inventory of information from U. S. Government foreign service offices, etc.—Bureau of Mines, U. S. Department of the Interior, Washington 25, D. C. (paper).

Investment Companies, 1962 — 22nd edition containing data on U. S. and Canadian investment companies, mutual fund management and distributor companies; publicly-owned small business investment companies; tax-free exchange funds; and 20 foreign investment companies incorporated outside the U. S. A. and Canada—Arthur Wiesenberger & Company, 61 Broadway, New York 6, N. Y., $25.

Investment Made Easy Through Mutual Funds and Closed-End Investment Companies — Rudolph L. Weissman—Harper & Brothers, 49 East 33rd Street, New York 16, N. Y. (cloth), $4.95.

Magic Shortcuts to Executive Success — The techniques that can smooth the path and lead to more rapid promotion and more important jobs with step by step procedures — Prentice-Hall, Inc., Englewood Cliffs, N. J. (cloth), $5.95.

Man, Economy and State (Vol. I) Murray N. Rothbard—A treatise on economic principals — D. Van Nostrand Company, Inc., Princeton, N. J. (cloth), $10.75.

Management Audit—An Appraisal of Management Methods and Performance—And a study of the use of the management audit for evaluation of methods and performance, determining potential danger spots and highlighting opportunities—William P. Leonard —Prentice-Hall, Inc., Englewood Cliffs, N. J. (cloth), $15.

Managerial Economics: Textbook and Cases—Erwin E. Nemmers—A text integrating economic theory and practical research application of theory, and dealing with the entire management process from forecasting sales through demand, production, cost analysis, government regulation and capital budgeting—John Wiley & Sons, New York.

Mutual Funds: A Statistical Summary, 1940-1961—Investment Company Institute, 61 Broadway, New York 6, N. Y. (paper).

New Managers—William R. Dill, Thomas L. Hilton and Walter R. Reitman—A study of the vital factors of managerial development, stressing individuality in thought and action in the individual's particular setting—Prentice-Hall, Inc., Englewood Cliffs, N. J. (cloth), $5.95.

Panic of 1819: Reactions and Policies—Murray N. Rothbard—Columbia University Press, 2960 Broadway, New York 27, N. Y. (cloth), $6.

Profit Sharing, Savings, and Stock Purchase Plans—Digest of 20 selected plans—United States Department of Labor, Bureau of Labor Statistics—Superintendent of Documents, U. S. Government Printing Office, Washington 25, D. C. (paper), 30¢.

Psychological Research on Consumer Behavior:—The Foundation for Research on Human Behavior, 1141 East Catherine Street, Ann Arbor, Mich. (paper), $2.

Puerto Rico: A New and Realistic Concept of Debt Control — Government Development Bank for Puerto Rico, San Juan, P. R.

Quebec—Statistical Year Book for 1961—Department of Industry and Commerce, Quebec, Canada, (cloth).

Railroad Operations in 1961: A Review—Association of American Railroads, Bureau of Railway Economics, Transportation Building, Washington 6, D. C. (paper).

Railroads—Report to the President by the Emergency Board investigating dispute between Akron & Barberton Belt Railroad and other carriers and certain employees represented by 11 cooperating railway labor organizations—National Mediation Board, Washington, D. C. (paper).

Revenue Act of 1962—Hearings before the Committee on Finance of the U. S. Senate—Superintendent of Documents, U. S. Government Printing Office, Washington 25, D. C. (paper), $1.25.

John D. Rockefeller's Secret Weapon — The story of how he achieved his amazing success and built his vast empire—Albert Z. Carr — McGraw-Hill Book Company, Inc., 330 West 42nd Street, New York 36, N. Y. (cloth), $6.95.

San Juan, P. R.—Special report—Government Development Bank for Puerto Rico, San Juan, Puerto Rico (paper).

Savings and Home Financing Chart Book—1962 Edition—Federal Home Loan Bank Board, Washington, D. C.

Social Progress Trust Fund—First Annual Report—Inter-American Development Bank, 808 17th Street, N. W., Washington 25, D. C. (paper).

State Government Finances in 1961—A compendium—U. S. Dept. of Commerce, Bureau of the Census — Superintendent of Documents, U. S. Government Printing Office, Washington 25, D. C. (paper), 40¢.

Strategy of Investing for Higher Return—Richard H. Rush—Discussion of media for investment other than the stock market or savings bank—Prentice-Hall, Inc., Englewood Cliffs, N. J., $15.

Texas Eastern Transmission Corporation — 10-Year Financial and Statistical Summary—Texas Eastern Transmission Corporation, Houston, Texas.

Ultimate Foundation of Economic Science—Ludwig von Mises—D. Van Nostrand Company, Inc., 120 Alexander Street, Princeton, N. J. (cloth), $4.50.

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Our Reporter on GOVERNMENTS

BY JOHN T. CHIPPENDALE, JR.

The demand for short-term Government obligations is strong, probably enhanced in some measure by the money which is going into these securities because of the uncertainty that overhangs the common stock market. As an offset, it is reported that the liquidation of near-term Treasury issues in order to buy common stocks slowed down considerably after the initial spurt when the equity market was dropping so sharply.

The intermediate-term Governments continue to attract bank funds with much of the proceeds from profit-taking, mainly in tax-exempt bonds, going into these obligations. The long-term area of the Government market is finding a growing interest from public pension funds as well as those other investors who are seeking a yield which is commensurate with the maturity range and quality.

Influences of Stock Market Gyrations

The financial markets, that is the bond and stock markets after the recent shocks, are trying to return to what may be called more normal conditions. The wild price movements in the equity market also had repercussions in the bond market. There were indications that not only Governments but also corporate and tax-exempt issues were sold in order to either protect positions in equities or to make new commitments in common stocks. As a result the market action of all fixed income bearing obligations was in a defensive vein while the equity market was going through gyrations which had not been witnessed in more than 30 years.

It is evident that the movements which were going on in both, the equity and bond markets, were very much on the emotional side, and are quite likely of not long duration. It is evident that it will take time to get answers and solutions as to what will come out of the sharp decline which has taken place in prices of common stocks. However, it appears as though there are plenty of opinions in the financial district that the economy will continue its upward trend even though the pace will be not as rapid as had been predicted not so long ago. In addition, the forecasts are now being made that the business upturn will extend over a longer time with the greater part of 1963 now being included in the recovery period.

If these forecasts were to come true, it would seem as though the money and capital markets would move very much according to Hoyle, that is, near - term rates would stay on the firm side so that the nervous type of money would be inclined to stay here. On the other hand, it would be expected that the capital market would still remain on the easy side as it has been for quite some time now.

Business Outlook

Nevertheless, there is some concern in the money and capital markets as to how badly the economy has been hurt by the severe decline in the common stock market. It is believed in some quarters that the business recovery will be set back in a much more substantial way than has been indicated by most of the opinions which have been put forward by many Government and financial prognosticators. As a result, it is the belief of this group that in order to get the recovery back on the track again there will have to be more positive action by the Government and the monetary authorities.

The way in which this will be done is not being outlined at this time by those who look for a letdown in the economy other than to predict that long-term interest rates will stay on the easy side, even to get somewhat easier as the business pattern becomes more defensive.

Investor Caution

Also, it is expected that investment funds will seek an outlet in growing amounts in fixed income bearing obligations such as Government bonds, corporates and in tax-exempts as yields go to levels that are more in line with capital market conditions. The unsettled conditions in the various financial markets will not be resolved over night in spite of the glowing predictions that are being made about the economy. And until some kind of a pattern is carved out, there will be considerable caution among investors. This should not be unfavorable to Government securities.

Northern States Power Co. (Minn.) Bonds Offered

An underwriting group headed by Halsey, Stuart & Co. Inc., Chicago, is offering $15,000,000 Northern States Power Co. (Minn.) first mortgage bonds, 4¾% series due June 1, 1992, at 101.625% and accrued interest to yield approximately 4.28%. The bonds were awarded to the group June 12 on its bid of 100.91%.

Proceeds from the sale of the bonds will be used to pay part of the 1962 expenditures under the company's construction program.

The new bonds may be redeemed at the option of the company at prices ranging from 106% to 100%; for sinking fund purposes redemption may be made on and after Dec. 1, 1963 at prices scaled from 101.74% to 100%.

Headquartered at 15 South Fifth Street, Minneapolis, the company and its subsidiary serve an area having a population of approximately 2.5 million in central and southern Minnesota, including Minneapolis and St. Paul; in parts of North Dakota and South Dakota, including Fargo and Sioux Falls; and in west central Wisconsin, including Eau Claire and La Crosse. For the year ended Dec. 31, 1961, over 83% of the system's operating revenues was derived from electrical operations and about 16% from gas operations.

Nikko Secs. Appoints Hasebe

Nikko Securities Co., Ltd., one of Japan's "Big Four" securities houses, has appointed Terumasa Hasebe as head of all its U. S. operations.

Mr. Hasebe's headquarters will be in Nikko's New York office, 1 Chase Manhattan Plaza, but he will also direct and coordinate the activities of his firm's California affiliate, the Nikko Kasai Securities Co., which maintains offices in San Francisco, Los Angeles, and Beverly Hills.

The Security I Like Best

Continued from page 2

Cuban-American Sugar Company, under the name of the Sugar Cane Wax Enterprises, is well underway. It seems significant to quote that the annual report, dated Sept. 30, 1961, said, "Among other advantages the Florida Enterprise has enabled your company to keep on its staff some of the able operating personnel that would be needed in the event of the return of the Cuban properties." This, it would seem, is an indirect allusion to the fact that management feels that there will be at some indeterminate time, a recovery, either partial or more so, of their Cuban properties.

Adjustments to the 1960 balance sheet included deductions to eliminate Cuban - American's equity in Cuban subsidiaries totaling $26,186,600. No compensation of any kind has been received in payment for the expropriation of these properties (nor has the United States Government as yet made any specific ruling on how these losses are to be absorbed taxwise). How and when any compensation will be received for these assets is pure conjecture. There are, however, these possibilities:

(1) The Castro Government may, either internally or by intervention, be overthrown and a succeeding government could pay damages.

(2) The United States Government may allow preferential tax treatment of future earnings until these losses are recovered.

It is far more likely that some compensation will be forthcoming when both the Cuban people and the United States turn their disenchantment with Fidel and his communist dominators into action. Meanwhile, the new Florida plantations and the Louisiana and Missouri refineries will restore some earning power to the company.

The company appears to be bending every effort to increasing income from domestic production. In the fiscal year ending September 30, 1961, revenue totaled $42.66 million as compared to $39.26 million in 1960. Earnings for 1961 were a nominal 18 cents per share, but production from the new Florida sugar plantations are expected to boost earnings for 1962 to a figure which will safely cover the current 40 cents dividend rate. Company management is capable, experienced and aggressive.

As a special situation, having apparently small downside risk, Cuban-American shares would appear to have appeal for those willing to assume calculated speculative risk.

A partner of this firm has an interest in the aforementioned security.

Stanley Heller Co. 35 Years in Street

Stanley Heller & Co., 44 Wall St., New York, members of the New York Stock Exchange and American Stock Exchange observed its 35th anniversary June 13.

The firm began as a broker-for-brokers in 1927 with a seat on the old New York Curb, several years later becoming a member firm of the New York Stock Exchange and engaging in a general commission business.

In addition to Stanley Heller, who received his early financial training with the banking house of Solomon Bros. & Hutzler, the general partners are: Louis Florsheim, Michael J. Pascuma, Norman V. Lind, Jr., and Milton A. Prince.

BANK AND INSURANCE STOCKS

This Week — Insurance Stocks

GENERAL REINSURANCE CORPORATION

General Reinsurance Corp. is the head of the largest American multiple line group writing fire and casualty reinsurance exclusively. The organization operates throughout the United States and Canada. Premium volume in 1961 reached $73.2 million.

The company was originally incorporated in New York in 1921 as the General Casualty and Surety Reinsurance Corp. The present title was adopted in 1923. Financial control of the corporation was in the hands of The General Alliance Corp. from 1928 to 1936, but with the dissolution of the holding company in 1936, General Reinsurance emerged with control of North Star Reinsurance Corp. In 1956 the latter company was merged with the parent although another subsidiary with the same name was established in order to preserve the corporate name. The Mellon Indemnity Corp. was merged by General Reinsurance in 1945. In addition to North Star, two other wholly-owned subsidaries in Bermuda and the Bahamas are part of the General Reinsurance Group.

The company's home office is located in New York. In addition, four regional offices which handle acquisition of business, underwriting and claims are located throughout the U. S. A regional office was opened in Chicago in 1961 and in Atlanta this past January. The other offices are located in Kansas City and Los Angeles. Additional regional offices are planned to provide service of a local nature to other principal sources of business.

During 1961 a new life reinurance subsidiary was created, General Reinsurance Life Corp., with capital of $1 million and surplus of $4 million invested by the parent organization. The new subsidiary will permit the company to participate in the industry-wide trend to all-line insurance underwriting. In view of the development costs required in starting a new life insurance company, no profits may be expected for several years.

Over the past decade General Reinsurance has established an excellent record of growth and profitability. Premiums written have increased each year since 1950 and the underwriting profit margin has ranged between 1.2% and 6.2% over that period.

During 1961 General Reinsurance recorded a satisfactory increase in earnings over those of the previous year. The company's indicated underwriting profit margin rose to 4.6% from 2.5% in 1960 and net investment income continued its upward trend. The improvement in underwriting results took place despite sizable losses absorbed in Hurricane Carla and the Los Angeles brush fires. The losses sustained by the company in Hurricane Carla were exceeded only by those incurred in Hurricane Donna in 1960. Although fire, fidelity, ocean marine and workmen's compensation results for the year were unsatisfactory, improvement in automobile liability, contract bonding, aviation, accident and sickness, and miscellaneous liability line underwriting permitted the rise in underwriting earnings.

Net investment income increased 9% in 1961 to $5 million before taxes of $6.97 per share. At year end the company's investment portfolio was divided as follows: tax exempt bonds 35.5%, common stocks 35.2%, U. S. Government bonds 20.6%, preferred stocks 5.1% and other bonds 3.6%. New investments during the year were concentrated in short-term U. S. Government bonds, municipal bonds and common stocks, while corporate bonds and preferred stocks were sold on balance. During the year the company's capital and surplus funds rose to $70 million, an increase of $12.8 million, attributable largely to unrealized appreciation in common stocks.

The 726,000 outstanding shares of General Reinsurance Corp. are traded in the Over-the-Counter market. To date in 1962 the stock has had a range of $223,-$145 and is currently selling at $160 bid. At the present price the stock affords a yield of 1.25% on its annual dividend of $2 per share that has been paid over the past three years.

Selected Statistics — Growth and Underwriting Results

Year	Assets	Premiums Written	Policyholders' Surplus	Loss & Expense Ratio: Loss Ratio	Loss & Expense Ratio: Expense Ratio	Loss & Expense Ratio: Combined Ratio
		(Millions)				
1957	$126.8	$45.8	$40.8	56.7	40.9	97.6
1958	143.3	49.2	51.2	52.9	41.5	94.4
1959	160.0	59.8	54.1	52.2	41.6	93.8
1960	174.0	65.1	57.2	56.9	40.5	97.4
1961	198.3	73.2	70.0	53.9	41.5	95.4

Year	Adjusted Underwriting*	Net Invest. Income	Total Operating Earnings*	Dividends Paid	Price Range	Estimated Liquidating Value*
1957	$1.74	$4.85	$5.65	$1.82	$49- 35	$70.65
1958	3.25	5.13	6.72	1.91	73- 43	84.80
1959	4.02	5.57	8.57	2.00	94- 71	87.07
1960	1.70	6.40	7.55	2.00	124- 86	100.12
1961	4.54	6.97	9.40	2.00	200-117	119.88

* Adjusted for equity in unearned premium reserve.

BANK and INSURANCE STOCKS

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Will West Germany's Free Enterprise System Survive?

Continued from page 5

once again Minister of Economics and to attempt to refloat the Argentine economy, run aground on the shoals of financial disorder and economic planning.

For some time now, Japan has been Germany's opposite number, so to speak, in the Far East; and the extraordinary economic records which this nation has been setting with market economy and policies of fiscal and monetary prudence need no emphasis. It is only the most underdeveloped countries of Asia and Africa which obstinately cling to the otherwise thoroughly discredited system of inflationary collectivism and which continue to pursue what amounts to national socialist economic policies. Ironically, it is Western taxpayers who, to a not inconsiderable degree, are footing the bills for these costly anachronisms.

Such has been the impact abroad of Germany's social market economy. A sharply contrasting picture is provided within Germany itself. There a few intellectual wiseacres have sought to discredit the economists whose theories and the statesmen whose fortitude were responsible for the construction of an economic edifice which has earned the plaudits of the whole Free World and deeply impressed the Communist world. While these few sour notes of disapproval are hardly to be noticed in the general chorus of acclaim, there are some questions, nevertheless, which are in urgent need of answers at this particular time.

When non-Germans are discussing Germany's social market economy, the question which is repeatedly asked is: how was it possible to put into effect an economic policy which was in such violent conflict with the dominant collectivist - inflationist trend? How was it possible to preserve the fundamentally non-collectivist, non - interventionist and non-inflationary character of this German economic system against the hostile winds and waves of the time? In what political and social forces and groups does it find support? Why is economic and social radicalism in Germany apparently so impotent?

Comparison With Switzerland

In trying to find the right answer to this question, it is instructive to compare Germany with Switzerland. For Switzerland is the one country in Europe which has never strayed from the path of market economy and monetary discipline, not even when another neutral country, Sweden, succumbed to the enticements of collectivism and inflationism after the war. It is Switzerland above all which deserves the title of honor belonging to a country which, in the midst of general intellectual confusion, carefully held to the model of a healthy economic and monetary policy, even at a time when it stood alone in the world in so doing and was ridiculed as a kind of museum piece.

The mere fact that Switzerland is a prosperous country which was spared by two world wars and was consequently less susceptible to the collectivist-inflationist infection is by no means a full explanation of why she followed the course she did. The example of Sweden shows how little is explained by such a fact. For if neutrality and prosperity are supposed to have made Switzerland immune to leftist economic ideologies, why not Sweden as well? The real explanation for the conduct of the Swiss lies, in fact, elsewhere. Switzerland is the product of free peasants and of free citizens. This characteristic fusion of peasant and citizen is buried deep in the make-up of the Swiss, particularly the German-Swiss, so much so that Switzerland is the only country in which an essentially peasant dialect has remained, even in an increasingly industrialized and urbanized society, the language of all classes. This is a fact which shows that, at bottom, there are no classes in Switzerland. Here is the ultimate source from which flows most of what has made possible and continues to make possible the Swiss system of freedom within order, in particular its economic system.

We encounter here a way of life and a way of thinking to which even the majority of Socialists—again, above all, in German Switzerland—subscribe. This explains why patterns of life and of work have been maintained which are suited to people of peasant-citizen origins. With these instincts and attitudes, the Swiss naturally have an aversion for planned economy and economic bureaucracy and a natural preference for the market economy, for self-reliance and for self-assertion. From these same sources spring, naturally, the Swiss respect for money and for monetary integrity. These traits are, in turn, powerfully reinforced by federalism, which is not only indispensable in a multinational country such as Switzerland, but necessarily withers away under a collectivist economic system.

Such is the situation in Switzerland. Thanks primarily to its peasant-citizen way of life, this country has remained a paragon of a free economy and of monetary discipline, the one country of all others which has most successfully resisted the creeping inflation of our time. And Germany? In the German case, it is obviously necessary to find other explanations. For while the German is certainly not lacking in the attributes which make for civic virtue and civic responsibility, his recent National Socialist past clearly shows the presence of other and profoundly different elements in the German make-up. In spite of many superficial resemblances between Germans and (German) Swiss, the mentalities of the two peoples are in fact very different. The real reason why Germany, nonetheless, became the example par excellence of market economy and of monetary discipline is because it had previously with German thoroughness pursued an exactly opposite policy and had suffered destruction and degradation in consequence.

It could be argued, indeed, that for a country such as Germany which had pushed its destructive economic policies to the farthest extreme, there was really nothing left but to accept 100% collectivism a la the Soviet Union or, alternately, to return to market economy, to monetary discipline, to the free play of prices, to the law of supply and demand. It was the good fortune of Germany and of the Free World that the decision fell in favor of the second alternative. The German market economy is, to this extent, a new proof of the well known experiential principle that things generally have to get much worse before they can get better. And finally, no little part of the German perseverance in the direction of market economy and sound money is owing to the resounding success which attended the radical break with the prevailing economic philosophy.

West Germany's Achilles Heel

The significance of these reflections for the present situation can hardly be overestimated. The comparison with Switzerland points to the Achilles heel of the market economy in Germany. In Switzerland, the market economy together with understanding of the need for monetary stability rests on the very traditions of the country and is nourished by the deepest currents of a practically unchanging way of thinking. These are foundations which are obviously more solid than in the case—such as Germany's—where the child has to burn his finger severely before he learns to fear fire.

But something else occurred in Germany which possibly serves to compensate for the lack of solidity in the foundations of the contemporary German economic order. The market economy in Germany, differently than in other countries such as Switzerland where it is the product of tradition or is simply something taken for granted, is the outcome of a deliberate and serious attempt to win popular support for an economic policy which ran directly counter to the people's traditions and experiences. This was accomplished in two ways. First, the market economy was made the central concept of a well-thought-out economic doctrine. The architects of the social market economy developed—as the terminology itself indicates—a systematic and comprehensive doctrine which, unconcerned with any mere pragmatic or *ad hoc* approach to economic problems, seeks to establish clear and unambiguous principles. Thus, a genuine appeal to people's understanding was made and a great deal of the activity of the architects of the new policy—the theoreticians as well as the practical men of affairs, in particular, the Minister of Economics himself [Erhard]—lay and lies in teaching, proselytizing, and explaining. Secondly, this appeal to reason was accompanied by an appeal to conscience, a moral appeal. The effort was made—and it was clearly successful—to provide ever firmer foundations for the people's confidence by delivering proofs that the economic principles being espoused were not mere window dressing but rules of action which the government intends to live up to in good faith and with honest impartiality towards all pressure groups.

It is particularly important today to make this clear. For if Germany's present economic system were to rest solely on the memory of the earlier distasteful experience with the opposite system, it is to be feared that the image of the "bad time" would gradually fade and in the end disappear. There are, indeed, no lack of signs that the fast flowing sands of time have already done their work in dulling consciences to the dangers of collectivism and above all of inflation. Everything must be done, therefore, to keep alive the memory of the disastrous experiences with collectivism and inflation and to maintain the people's interest in the concept of the market economy and in the urgency of monetary discipline. It is equally important, however, to preserve public *confidence* in this economic system unshaken and to ensure that the principles of the market economy and of monetary discipline be adhered to in the day-to-day shaping of economic policy. An omnipresent danger here is the tendency to preach "dry" and to drink "wet." It should be added that one recent and very impressive example of the government's good faith was the revaluation of the D-mark in the face of severe opposition by some of the most powerful pressure groups in the country.

Summary

It appears, in summary, that the threats to the further survival of Germany's unique economic system arise under two heads. On the one hand, there is the serious damage done by petty fault-finders and know-it-alls who attempt to exploit the short memories and thoughtlessness of people and to sow seeds of confusion by their carping criticism of the social market economy as just so much "neo-liberal" theory. On the other hand, it is particularly important in Germany that the gap between the theory and the practice of the non-inflationary market economy, which in itself is unavoidable, be prevented from becoming too large. This means that the maintenance of freedom of markets and of competition and the preservation of the integrity of the currency must be today, as ten years ago, the primary ends of economic policy. A cause of concern is that the gap between theory and practice is at present noticeably widening, particularly because the government and the central bank have been too lax in controlling the advance of creeping inflation set in motion primarily by inflationary wage demands.

What is needed, in this connection, is a shock to the self-complacency and economic indifference which is currently so widespread in Germany. It is obvious even to the most obtuse that Germany is skating on thin ice as far as its international policies are concerned. But there are still far too many who believe that the strong position of Germany in the world economy and the "hardness" of its currency are menaced by external developments only. This is not so. The threat arises equally from internal developments and from the ephemeral character of the same forces to which Germany owes its unexampled economic revival. Nothing is certain here, nothing can be relied upon indefinitely where the original formulae for success in the realm of economic policy as well as in the private sector of the economy are not daily remembered and reapplied.

Just how ephemeral a privileged position in the world economy can be has been repeatedly shown in recent years. Thanks to a lax fiscal policy and to irresponsible labor union activity, the United States has managed to transform its once huge balance of payments surpluses into balance of payments deficits and finds itself, in consequence, compelled to mobilize the help of its more prudent neighbors in the rescue of its currency. Contrariwise, France proved how quickly a country which, as a result of inadequate monetary and economic discipline had been brought to the edge of financial ruin, can, by restoring market economy and monetary stability, mobilize the real potential of its economy and lift to a role in the world economy of which it hitherto was thought incapable. If we have interpreted recent developments in Germany aright, it is high time that these lessons were recalled in that country.

ABOUT THE AUTHOR

In 1933, Wilhelm Roepke gave up a promising career as a brilliant young economist at the University of Marburg, Germany, and emigrated from his native land as a demonstration of his total rejection of Naziism. Since 1937 he has been Professor of Economics at the Graduate Institute of International Studies in Geneva, Switzerland, where he has achieved a worldwide reputation as a leading advocate and expounder of neo-liberalism. Neo-liberalism is that economic philosophy which, while stressing the virtues of economic freedom and the market economy, seeks to avoid the errors of the laissez-faire capitalism of the 19th and early 20th centuries (paleo-liberalism). The "newness" of neo-liberalism consists to a large extent in a new appreciation of the positive role of the State in creating the legislative, juridical, and monetary framework necessary to a viable market economy. Roepke's ideas, translated into action by his friend Ludwig Erhard, have profoundly influenced the economic system and economic policies of West Germany and, indeed, of Western Europe as a whole.

In the accompanying article, Dr. Roepke expresses his concern for the future of the market economy in Germany. The article was written before the recent widely-discussed speech of Ludwig Erhard voicing similar concern. Patrick M. Boarman, Associate Professor of Economics at Bucknell University (Lewisburg, Pa.), has adapted the material from the original German.

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Indications of Current Business Activity

The following statistical tabulations cover production and other figures for the latest week or month available. Dates shown in first column are either for the week or month ended on that date, or, in cases of quotations, are as of that date:

		Latest Week	Previous Week	Month Ago	Year Ago
AMERICAN IRON AND STEEL INSTITUTE:					
Indicated steel operations (per cent capacity)	June 9	54.0	54.5	60.5	70.0
Equivalent to—					
Steel ingots and castings (net tons)	June 9	1,580,000	1,586,000	1,765,000	2,052,000
AMERICAN PETROLEUM INSTITUTE:					
Crude oil and condensate output—daily average (bbls. of 42 gallons each)	June 1	7,218,060	7,278,560	7,290,010	7,047,360
Crude runs to stills—daily average (bbls.)	June 1	8,594,000	8,299,000	8,094,000	8,360,000
Gasoline output (bbls.)	June 1	30,477,000	29,562,000	28,511,000	29,960,000
Kerosene output (bbls.)	June 1	2,497,000	2,888,000	2,456,000	2,197,000
Distillate fuel oil output (bbls.)	June 1	13,420,000	13,075,000	12,177,000	12,474,000
Residual fuel oil output (bbls.)	June 1	5,103,000	5,044,000	5,075,000	6,524,000
Stocks at refineries, bulk terminals, in transit, in pipe lines—					
Finished gasoline (bbls.) at	June 1	192,032,000	191,767,000	197,867,000	195,958,000
Kerosene (bbls.) at	June 1	26,728,000	26,312,000	24,502,000	27,798,000
Distillate fuel oil (bbls.) at	June 1	102,545,000	99,118,000	89,494,000	95,235,000
Residual fuel oil (bbls.) at	June 1	41,662,000	40,486,000	39,358,000	44,954,000
ASSOCIATION OF AMERICAN RAILROADS:					
Revenue freight loaded (number of cars)	June 2	530,829	580,361	587,409	531,705
Revenue freight received from connections (no. of cars)	June 2	479,171	502,219	524,490	471,729
CIVIL ENGINEERING CONSTRUCTION—ENGINEERING NEWS-RECORD:					
Total U. S. construction	June 7	$486,600,000	$471,100,000	$430,400,000	$662,000,000
Private construction	June 7	299,300,000	231,200,000	215,000,000	299,100,000
Public construction	June 7	187,300,000	239,900,000	215,400,000	362,900,000
State and municipal	June 7	151,000,000	206,600,000	179,400,000	243,400,000
Federal	June 7	36,300,000	33,300,000	36,000,000	119,500,000
COAL OUTPUT (U. S. BUREAU OF MINES):					
Bituminous coal and lignite (tons)	June 2	7,495,000	*8,200,000	8,250,000	7,496,000
Pennsylvania anthracite (tons)	June 2	263,000	312,000	310,000	302,000
DEPARTMENT STORE SALES INDEX—FEDERAL RESERVE SYSTEM—1947-49 AVERAGE=100	June 2	137	*147	161	132
EDISON ELECTRIC INSTITUTE:					
Electric output (in 000 kwh.)	June 9	15,876,000	15,471,000	15,445,000	15,004,000
FAILURES (COMMERCIAL AND INDUSTRIAL) — DUN & BRADSTREET, INC.	June 7	306	280	310	349
IRON AGE COMPOSITE PRICES:					
Finished steel (per lb.)	June 4	6.196c	6.196c	6.196c	6.196c
Pig iron (per gross ton)	June 4	$66.44	$66.44	$66.44	$66.44
Scrap steel (per gross ton)	June 4	$24.50	$24.83	$27.17	$37.83
METAL PRICES (E. & M. J. QUOTATIONS):					
Electrolytic copper—					
Domestic refinery at	June 6	30.600c	30.600c	30.600c	30.600c
Export refinery at	June 6	28.625c	28.525c	28.650c	29.920c
Lead (New York) at	June 6	9.500c	9.500c	9.500c	11.000c
Lead (St. Louis) at	June 6	9.300c	9.300c	9.300c	10.800c
‡Zinc (delivered) at	June 6	12.000c	12.000c	12.000c	12.000c
Zinc (East St. Louis) at	June 6	11.500c	11.500c	11.500c	11.500c
Aluminum (primary pig, 99.5%) at	June 6	24.000c	24.000c	24.000c	26.000c
Straits tin (New York) at	June 6	115.000c	116.000c	118.625c	112.125c
MOODY'S BOND PRICES DAILY AVERAGES:					
U. S. Government Bonds	June 12	89.54	89.42	90.17	87.94
Average corporate	June 12	87.72	87.72	87.72	87.18
Aaa	June 12	91.91	91.91	91.91	91.34
Aa	June 12	89.78	89.92	89.64	89.78
A	June 12	87.32	87.32	87.18	86.38
Baa	June 12	82.15	82.40	82.40	81.90
Railroad Group	June 12	84.04	84.55	84.55	84.68
Public Utilities Group	June 12	89.37	89.09	88.67	88.67
Industrials Group	June 12	89.64	89.78	89.92	88.40
MOODY'S BOND YIELD DAILY AVERAGES:					
U. S. Government Bonds	June 12	3.73	3.74	3.65	3.83
Average corporate	June 12	4.58	4.58	4.58	4.62
Aaa	June 12	4.28	4.28	4.28	4.32
Aa	June 12	4.43	4.42	4.44	4.43
A	June 12	4.61	4.61	4.62	4.68
Baa	June 12	5.01	4.99	4.99	5.03
Railroad Group	June 12	4.86	4.82	4.82	4.81
Public Utilities Group	June 12	4.46	4.48	4.51	4.51
Industrials Group	June 12	4.44	4.43	4.42	4.53
MOODY'S COMMODITY INDEX	June 12	364.5	361.7	364.8	369.1
NATIONAL PAPERBOARD ASSOCIATION:					
Orders received (tons)	June 2	337,569	345,165	399,118	317,081
Production (tons)	June 2	335,045	342,424	366,982	300,899
Percentage of activity	June 2	91	94	98	84
Unfilled orders (tons) at end of period	June 2	460,264	457,694	504,111	447,581
OIL, PAINT AND DRUG REPORTER PRICE INDEX—1949 AVERAGE=100	June 8	112.21	112.68	113.43	113.65
ROUND-LOT TRANSACTIONS FOR ACCOUNT OF MEMBERS, EXCEPT ODD-LOT DEALERS AND SPECIALISTS					
Transactions of specialists in stocks in which registered—					
Total purchases	May 18	3,015,140	2,942,610	1,827,990	3,791,030
Short sales	May 18	796,100	528,110	422,260	609,150
Other sales	May 18	2,637,870	2,184,770	1,562,310	3,272,320
Total sales	May 18	3,433,970	2,712,880	1,984,570	3,881,470
Other transactions initiated off the floor—					
Total purchases	May 18	334,670	380,330	224,430	567,530
Short sales	May 18	79,300	38,200	35,800	17,600
Other sales	May 18	323,930	329,090	188,940	556,480
Total sales	May 18	403,230	367,290	227,740	574,080
Other transactions initiated on the floor—					
Total purchases	May 18	828,859	865,119	642,748	1,087,772
Short sales	May 18	191,920	122,510	102,710	104,160
Other sales	May 18	871,209	753,548	691,358	1,158,136
Total sales	May 18	1,063,129	876,058	794,068	1,262,296
Total round-lot transactions for account of members—					
Total purchases	May 18	4,178,669	4,188,059	2,695,168	5,446,332
Short sales	May 18	1,067,320	688,820	560,770	730,910
Other sales	May 18	3,833,009	3,267,408	2,442,608	4,986,936
Total sales	May 18	4,900,329	3,956,228	3,003,378	5,717,846
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	May 18	2,264,698	1,850,019	1,347,860	2,435,224
Dollar value	May 18	$127,561,320	$108,669,405	$71,157,663	$131,955,364
Odd-lot purchases by dealers (customers' sales)—					
Number of orders—customers' total sales	May 18	1,721,165	1,834,004	1,208,106	2,561,919
Customers' short sales	May 18	60,162	45,953	13,531	6,903
Customers' other sales	May 18	1,661,003	1,788,051	1,194,575	2,555,016
Dollar value	May 18	$95,481,176	$103,899,075	$61,593,823	$129,838,352
Round-lot sales by dealers—					
Number of shares—Total sales	May 18	424,155	544,490	335,360	813,570
Short sales	May 18	------	------	------	------
Other sales	May 18	424,155	544,490	335,360	813,570
Round-lot purchases by dealers—Number of shares	May 18	927,380	591,220	474,640	650,530
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	May 18	1,467,370	1,039,000	715,650	817,550
Other sales	May 18	18,725,000	18,091,230	12,165,080	24,627,470
Total sales	May 18	20,192,370	19,130,230	12,880,730	25,445,020
WHOLESALE PRICES, NEW SERIES — U. S. DEPT. OF LABOR — (1957-59=100):					
Commodity Group—					
All commodities	June 5	100.1	100.1	100.4	Not avail.
Farm products	June 5	94.9	*95.6	96.8	Not avail.
Processed foods	June 5	99.7	99.6	99.9	Not avail.
Meats	June 5	92.7	92.2	93.6	Not avail.
All commodities other than farm and foods	June 5	100.8	100.8	100.9	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
AMERICAN IRON AND STEEL INSTITUTE—			
Steel ingots and steel for castings produced (net tons)—Month of April	9,229,000	10,583,943	7,584,687
Shipments of steel products (net tons)—Month of April	6,783,398	7,698,811	5,133,470
AMERICAN ZINC INSTITUTE INC.—Month of May:			
Slab zinc smelter output all grades (tons of 2,000 pounds)	83,026	83,833	73,632
Shipments (tons of 2,000 pounds)	82,286	77,919	79,599
Stocks at end of period (tons)	145,340	144,600	213,054
BUILDING CONSTRUCTION—U. S. DEPT. OF LABOR—Month of May (in millions):			
Total new construction	5,208	*4,601	4,853
Private construction	3,797	*3,328	3,442
Residential buildings (nonfarm)	2,285	*1,931	1,973
New housing units	1,524	*1,348	1,265
Additions and alterations	659	*487	619
Nonhousekeeping	102	96	98
Nonresidential buildings	894	839	842
Industrial	229	223	226
Commercial	383	348	363
Office buildings and warehouses	198	187	193
Stores, restaurants, and garages	185	161	170
Other nonresidential buildings	282	268	253
Religious	77	73	75
Educational	47	45	44
Hospital and institutional	75	72	63
Social and recreational	62	59	51
Miscellaneous	21	19	20
Farm construction	127	*107	136
Public utilities	470	*433	467
Telephone and telegraph	85	*81	87
Other public utilities	385	352	380
All other private	21	18	24
Public construction	1,411	*1,273	1,411
Residential buildings	80	*83	70
Nonresidential buildings	431	*424	440
Industrial	38	*33	45
Educational	247	*245	254
Hospital and institutional	35	*34	31
Administrative and service	58	*54	58
Other nonresidential buildings	53	*58	52
Military facilities	111	*103	127
Highways	437	*339	435
Sewer and water systems	152	*144	137
Sewer	92	88	79
Water	60	*56	58
Public service enterprises	43	35	56
Conservation and development	123	*112	115
All other public	34	*33	31
BUILDING PERMIT VALUATION — DUN & BRADSTREET, INC.—217 CITIES—Month of April:			
New England	$37,782,132	$34,151,047	$32,596,542
Middle Atlantic	100,813,700	66,753,487	219,243,143
South Atlantic	57,194,660	56,472,688	40,751,128
East Central	108,960,258	108,290,835	109,460,860
South Central	115,231,203	136,542,652	104,298,311
West Central	55,094,237	38,019,081	47,298,033
Mountain	36,498,090	41,467,264	26,482,129
Pacific	135,050,041	171,709,583	135,395,869
Total United States	$646,624,321	$653,406,637	$715,526,015
New York City	52,158,010	28,404,066	167,345,165
Total outside New York City	$594,406,311	$625,002,571	$548,180,850
COAL OUTPUT (BUREAU OF MINES)—Month of May:			
Bituminous coal and lignite (net tons)	37,140,000	34,100,000	34,827,000
Pennsylvania anthracite (net tons)	1,348,000	1,254,000	1,447,000
METAL PRICES (E. & M. J. QUOTATIONS)—May:			
Copper—			
Domestic refinery (per pound)	30.600c	30.600c	29.985c
Export refinery (per pound)	28.545c	28.598c	29.505c
††London, prompt (per long ton)	£234.190	£234.309	£242.409
††Three months, London (per long ton)	£232.239	£233.355	£243.517
Lead—			
Common, New York (per pound)	9.500c	9.500c	11.000c
Common, East St. Louis (per pound)	9.300c	9.300c	10.800c
††London, prompt (per long ton)	£59.818	£60.470	£66.645
††Three months, London (per long ton)	£59.082	£60.132	£67.881
Zinc—			
East St. Louis (per pound)	11.500c	11.500c	11.500c
§§Prime Western, delivery (per pound)	12.000c	12.000c	12.000c
††London, prompt (per long ton)	£68.440	£69.428	£82.395
††London, three months (per long ton)	£69.370	£70.072	£82.733
Silver and Sterling Exchange—			
Silver, New York (per ounce)	101.500c	101.500c	91.375c
Silver, London (per ounce)	84.375d	84.401d	79.375d
Sterling Exchange (check)	$2.81213	$2.81399	$2.79396
Tin, New York Straits	117.273c	122.138c	110.108c
Gold (per ounce U. S. price)	$35.000	$35.000	$35.000
Quicksilver (per flask of 76 pounds)	$192.000	$192.000	$203.000
Antimony—			
¶New York, boxed (per pound)	36.250c	36.250c	36.250c
Laredo, bulk (per pound)	32.500c	32.500c	32.500c
Laredo, boxed (per pound)	33.000c	33.000c	33.000c
Aluminum—			
99% grade ingot weighted avge. (per lb.)	24.000c	24.000c	26.000c
99% grade primary pig export	22.500c	22.500c	23.250c
**Nickel	80.739c	81.250c	74.000c
Bismuth (per pound)	$2.25	$2.25	$2.25
Platinum, refined (per pound)	$82.000	$82.000	$82.000
Cadmium (per pound, delivered ton lots)	$1.75000	$1.75000	$1.60000
(Per pound, small lots)	$1.80000	$1.80000	$1.70000
Cobalt, 97% grade (per pound)	$1.50000	$1.50000	$1.50000
RUBBER MANUFACTURING ASSOCIATION, INC.—Month of April:			
Passenger & Motorcycle Tires (Number of)—			
Shipments	10,238,101	9,562,451	9,099,881
Production	9,619,974	9,952,445	7,897,576
Inventory	24,055,398	24,692,077	24,150,105
Tractor Implement Tires (Number of)—			
Shipments	417,136	408,676	362,812
Production	349,096	371,703	359,393
Inventory	986,469	1,050,862	939,789
Passenger, Motorcycle, Truck and Bus Inner Tubes (Number of)—			
Shipments	3,239,661	3,582,008	2,901,814
Production	3,413,331	4,009,395	2,939,288
Inventory	8,793,762	8,713,564	9,095,617
Tread Rubber (Camelback)—			
Shipments (pounds)	39,472,000	36,862,000	39,506,000
Production (pounds)	38,499,000	36,423,000	37,955,000
Inventory (pounds)	16,156,000	17,187,000	15,572,000
Truck and Bus Tires (Number of)—			
Shipments	1,326,928	1,352,868	1,132,555
Production	1,286,512	1,325,422	1,022,408
Inventory	3,782,552	3,831,219	3,883,094

*Revised figure. †Estimated totals based on reports from companies accounting for 96% of primary, 95% of secondary tin consumption in 1957 and 97% of total stocks end of 1957. ¶Domestic five tons or more but less than carload lot boxed. §§Delivered where freight from East St. Louis exceeds 0.5c. **F.o.b. Fort Colburn, U. S. duty included. ††Average of daily mean and bid and ask quotations per long ton at morning session of London Metal Exchange.

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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. 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., 120 Broadway, N. Y.

• **Accurate Packaging Corp.**
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. **Note**—This registration is being withdrawn.

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.

• **Adelphi Research & Mfg. Co.**
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. **Note**—This offering was withdrawn.

• **Admiral Automotive Products, Inc. (7/2-6)**
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 July.

Adtek, Inc.
May 21, 1962 ("Reg. A") 100,000 common. **Price**—$1.15.

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Advance Mortgage Corp.
April 27, 1962 filed 200,000 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.

• **Aerial Control Geotronics**
May 28, 1962 ("Reg. A") 100,000 common. **Price**—$3. **Business**—Application of electronic and air photography developments in the field of geodetic surveying and regional mapping. **Proceeds**—For debt repayment, equipment and working capital. **Office**—2412 S. Garfield Ave., Monterey Park, Calif. **Underwriter**—Pacific Coast Securities Co., San Francisco. **Offering**—In early July.

• **Aerodyne Controls Corp.**
Jan. 29, 1962 ("Reg. A") 90,000 common. **Price**—$2. **Business**—Design, manufacture and sale of systems, controls and assemblies for the missile, rockets and aircraft industries. **Proceeds**—For equipment, debt repayment, expansion and working capital. **Office**—90 Gazza Blvd., Farmingdale, N. Y. **Underwriter**—Robbins, Clark & Co., N. Y.

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.

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.**
April 27, 1962 filed $44,546,300 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. **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., New York. **Underwriters** — Kidder, Peabody & Co. and Dean Witter & Co., N. Y. **Offering**—Indefinitely postponed.

• **Air-Tech Industries, Inc.**
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. **Offering**—Postponed.

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 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.

Alcolac Chemical Corp. (7/9-13)
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.

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. (6/25-29)**
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 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. **Offering**—In July.

★ **Allied Entertainment Corp. of America, Inc.**
June 11, 1962 ("Reg. A") 60,000 common. **Price**—$2.50. **Business**—Music publishing, recording, selling and distributing phonograph records; managing of recording artists under contract, and the development and production of jingles for TV and radio. **Proceeds**—For debt repayment, expansion, sales promotion and working capital. **Office**—1697 Broadway, N. Y. **Underwriter**—Reuben Rose & Co., 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**—Indefinitely postponed.

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. **Offering**—Sometime in July.

• **Alsco Electronics, Inc. (6/25-29)**
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. (6/18-22)**
Nov. 13, 1961 filed 80,000 common. **Price**—$5. **Business**—Company plans to construct special type homes, and engage in the general contracting business. **Proceeds**—For general corporate purposes. **Office**—St. Petersburg, Fla. **Underwriters**—B. C. Malloy, Inc., and Hensberry & Co., St. Petersburg; J. Morton & Co., Inc., Sarasota, Fla.

Amerel Mining Co. Ltd.
July 31, 1961 filed 400,000 common shares. **Price**—50 cents. **Business**—The company is engaged in exploration, development and mining. **Proceeds**—For diamond drilling, construction, exploration and general corporate expenses. **Office**—80 Richmond St., W., Toronto. **Underwriter**—E. A. Manning, Ltd., Toronto.

American Bolt & Screw Mfg. Corp. (6/29)
Dec. 15, 1961 filed 150,000 common. **Price** — By amendment. **Business**—Manufacture of standard and special industrial aircraft and missile fasteners. **Proceeds**—For debt repayment, equipment and other corporate purposes. **Office**—Lawson Blvd., Oceanside, L. I., N. Y. **Underwriter**—S. D. Fuller & Co., N. Y.

American Cardboard & Packaging Corp. (6/25-29)
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 Fidelity Corp.
June 4, 1962 filed 500,000 common. **Price**—$11. **Business**—A small business investment company. **Proceeds**—For investment. **Office**—423 E. Market St., Indianapolis. **Underwriters**—Reynolds & Co., Inc., N. Y., and Cruttenden, Podesta & Miller, Chicago.

American Flag & Banner Co. of New Jersey
May 1, 1962 filed 100,000 common. **Price**—$3.25. **Business**—Production of flags, banners and accessories. **Proceeds**—For taxes, debt repayment and working capital. **Office**—1000 Main Ave., Clifton, N. J. **Underwriter**—K-Pac Securities Corp., N. Y.

• **American Gas Co. (6/25-29)**
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 Laboratories, Inc. (6/25-29)**
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 Modular Manufacturing Corp. (6/18-22)
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 (7/2-6)**
Feb. 8, 1962 filed 1,300,000 shares of beneficial interest. **Price**—$15. **Business** — A newly-formed business trust

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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. (6/18-22)
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 Safety Table Co., Inc.
May 23, 1962 filed $100,000 common. **Price**—By amendment (max. $7). **Business**—Design, manufacture and marketing of equipment used in the sewing industry. **Proceeds**—For expansion, debt repayment and working capital. **Address**—Mohnton, Pa. **Underwriter**—Reuben Rose & Co., Inc., N. Y.

American Southwest Realty Trust (6/25-29)
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.
March 22, 1962 filed 300,000 common being offered to stockholders, and those of parent, American States Insurance Co. of record June 2, with rights to expire July 5, 1962. The remaining shares will then be offered to the public. **Price**—$4.25 ($4.50 to the public). **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. (7/2-6)
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. (7/2-6)
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.

Arden Farms Co.
May 23, 1962 filed $6,000,000 of 6% conv. subord. debentures due 1990 to be offered in $100 units; also 49,993 shares of $3 cumulative preferred stock and 205,105 common shares to be offered for subscription by stockholders of the respective classes on the basis of one new share for each 10 held. **Price**—For debentures, at par; for stock, by amendment. **Business**—Manufacture, purchase and sale of ice cream and other dairy products. **Proceeds**—For debt repayment. **Office**—1900 W. Slauson Ave., Los Angeles. **Underwriter**—None.

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).

Argus Inc.
May 29, 1962 filed $4,000,000 of 6% convertible subordinated debentures due 1972. **Price**—By amendment. **Business**—Manufacture and distribution of amateur motion picture and still equipment. **Proceeds**—For debt repayment and working capital. **Office** — 5950 W. Toughy Ave., Chicago. **Underwriter**—Freehling, Meyerhoff & Co., Chicago.

• Arnav Industries, Inc. (8/6-10)
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 $500 debenture and 30 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.

• Artlin Mills, Inc. (6/22)
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. **Offering**—Temporarily postponed.

Assembly Products, Inc. (6/25-29)
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—To be named. Note—This offering was indefinitely postponed..

★ Atlantic City Electric Co. (7/18)
June 8, 1962 filed $15,000,000 of first mortgage bonds due July 1, 1992. **Proceeds**—For prepayment of bank loans and construction. **Office**—1600 Pacific Ave., Atlantic City. **Underwriters**—(Competitive). Probable bidders: Halsey, Stuart & Co. Inc.; White, Weld & Co.-Shileds & Co. (jointly); Lee Higginson Corp.; Kuhn, Loeb & Co.-American Securities Corp.-Wood, Struthers & Co. (jointly). **Bids**—Expected July 18 (11 a.m. EDST) at Irving Trust Co., One Wall St., N. Y.

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.

Atmosphere Control, Inc.
May 28, 1962 ("Reg. A") 200,000 common. **Price**—$1.50. **Business**—Manufacture and sale of Misti-Cone humidifiers. **Proceeds**—For equipment, inventories and working capital. **Office**—668 Jenks Ave., St. Paul, Minn. **Underwriter**—Pewters, Donnelly & Jansen, Inc., St. Paul, Minn.

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. (6/25-29)
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.

Australia (Commonwealth of) (6/20)
June 1, 1962 filed $30,000,000 of bonds due 1982. **Price**—By amendment. **Proceeds**—To assist in financing various public work projects. **Underwriter**—Morgan Stanley & Co., N. Y.

• Automatic Controls, Inc.
Dec. 28, 1961 filed 50,000 common. **Price**—$4. **Business**—Design, manufacture and installation of electrical, pneumatic, hydraulic and mechanical systems, controls and devices to control and automatically operate industrial machinery and processes. **Proceeds**—For general corporate purposes. **Office**—3601 Merrick Rd., Seaford. N. Y. **Underwriter** — S. Schramm & Co., Inc., N. Y. **Offering**—Expected sometime in July.

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.

Automatic Merchandising, Inc.
May 24, 1962 filed 225,000 common, of which 125,000 are to be offered by company and 100,000 by stockholders. **Price**—By amendment (max. $6). **Business**—Company operates, owns, services and leases coin-operated automatic vending machines. **Proceeds**—For debt repayment, inventories, equipment and working capital. **Office**—217 N. Willow Ave., Tampa. **Underwriter**—A. C. Allyn & Co., Chicago.

• Babs, Inc. (6/25-29)
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.
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. **Offering**—Imminent.

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. (7/9-13)
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.

Barker Bros. Corp. (6/25-29)
March 15, 1962 filed 200,000 common. **Price**—By amendment (approx. $12). **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. (7/30-8/3)
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.

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**—To be named. **Offering**—Indefinitely postponed.

• Beaton (John J.) Co., Inc.
May 28, 1962 filed 150,000 common. **Price**—$5. **Business**—Company plans to process and can cranberries, and distribute frozen cranberries and canned cranberry sauce. **Proceeds**—For plant expansion, equipment and working capital. **Office**—367 Main St., Wareham, Mass. **Underwriter**—Baruch Brothers & Co., Inc., N. Y. **Offering**—Expected sometime in August.

Beauty Industries, Inc. (6/18-22)
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.

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.

Bernalen, Inc. (7/2-6)
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. (7/2-6)
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**—Adams & Co., Los Angeles.

Bestform Foundations, Inc.
Feb. 23, 1962 filed 185,000 common, of which 36,500 are to be offered by the company and 148,500 by stockholders. **Price**—By amendment (max. $20). **Business**—Design and manufacture of popular priced foundation garments. **Proceeds**—For working capital. **Office**—38-01 47th Ave., L. I. C., N. Y. **Underwriter**—Smith, Barney & Co., N. Y. **Offering**—Temporarily postponed.

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. **Offering**—Expected sometime in August.

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 gov-

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ernment 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. **Offering**—Postponed.

● **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. **Note**—This registration was withdrawn.

★ **Blankenship, Ostberg, Inc.**
May 29, 1962 ("Reg. A") 100,000 common. **Price**—$3. **Business**—Furnishing of market research and consulting services. **Proceeds**—For working capital and general corporate purposes. **Office**—95 Madison Ave., N. Y. **Underwriters**—Kenneth Kass and J. J. Krieger & Co., Inc., New York.

Bloomfield Industries, Inc.
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.

Boston Edison Co. (6/14)
May 18, 1962 filed $15,000,000 of first mortgage bonds due 1992. **Proceeds**—To refund a like amount of 5¼% bonds due Oct. 1, 1989. **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. **Bids**—Expected June 14 (11 a.m. EDST).

Braun Engineering Co.
May 11, 1962 filed $400,000 of 6½% s. f. subord. debentures due 1974; also 109,990 common, of which 100,000 will be sold by the company and 9,990 by stockholders. **Price**—For debentures, at par; for stock, by amendment (max. $9). **Business**—Manufacture of automotive parts, lock nuts and certain aluminum products. **Proceeds**—For debt repayment, working capital and purchase of leased office and plant. **Office**—19001 Glendale Ave., Detroit. **Underwriter**—Watling, Lerchen & Co., Detroit.

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. (8/20-24)**
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.

Buddy L. Corp. (6/25-29)
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.

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. (6/25-29)
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.

★ **Canale Chemical Corp.**
June 12, 1962 filed $250,000 of 6% convertible subordinated debentures due 1970 and warrants to purchase 25,000 common shares, to be offered in units of one $100 debenture and 10 warrants to purchase one share. **Price**—$100 per unit. **Business** — Manufacture of industrial chemicals for sale primarily to the graphic arts industry. **Proceeds**—For plant expansion, inventory, sales promotion, research and development. **Office**—37 Cottage Row, Glen Cove, N. Y. **Underwriter**—None.

Canaveral Hills Enterprises, Inc.
May 10, 1962 filed 100,000 common. **Price**—$5. **Business**—Company was formed to own and operate a country club and golf course, swimming pool and cabana club, near Cape Canaveral, Fla., and develop real estate, erect homes, apartment houses, motels, etc. **Proceeds**—For debt repayment and expansion. **Office**—309 Ainsley Bldg., Miami, Fla. **Underwriter**—Willis E. Burnside & Co., Inc., N. Y.

Capital Investments, Inc.
May 21, 1962 filed 86,370 common to be offered for subscription by stockholders on the basis of one new share for each two shares held. **Price**—By amendment (max. $10). **Business**—A small business investment company. **Proceeds**—For debt repayment and investment. **Office**—743 N. Fourth St., Milwaukee. **Underwriters**—Marshall Co., and Loewi & Co., Inc., Milwaukee.

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.

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**—To be named.

Cash-O-Matic Coupon Corp.
May 25, 1962 ("Reg. A") 100,000 class A common. **Price**—$1.25. **Business**—Merchandising of coupons by vending machines located in supermarkets. **Proceeds**—For working capital and other corporate purposes. **Office** — 682 Main St., Stamford, Conn. **Underwriter**—Foundation Securities, 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. **Offering**—Expected in late August.

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.
Jan. 26, 1962 filed 60,000 common, of which 50,000 are to be offered by the company and 10,000 by stockholders; also $1,200,000 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.

Century Food Processors, Inc.
May 28, 1962 filed 200,000 class A, of which 165,000 are to be offered by company and 35,000 by stockholders. **Price**—By amendment (max. $3). **Business**—Manufacture of animal and vegetable shortening products. **Proceeds**—For equipment and working capital. **Office**—3001 Michigan Ave., Detroit. **Underwriter**—Charles Plohn & Co., New York.

● **Century Real Estate Investment Trust**
June 4, 1962 filed 200,000 shares of beneficial interest. **Price**—$10. **Business** — A real estate investment trust. **Office**—2651 E. 21st St., Tulsa, Okla. **Underwriter**—DeWitt, Herndon & Co., 720 Enterprise Bldg., Tulsa.

Chemical Coatings Corp. (7/16-20)
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**—Arnold Malkan Growth of Puerto Rico, Inc., Cabrer Bldg., Ponce de Leon Ave., Santurce, P. R.

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 September.

Child Guidance Toys, Inc.
May 23, 1962 filed 100,000 common, of which 70,000 are to be offered by company and 30,000 by stockholders. **Price**—By amendment (max. $12.50). **Business**—Design, manufacture and sale of plastic educational toys. **Proceeds**—For working capital. **Office**—1125 Close Ave., Bronx, N. Y. **Underwriter**—J. R. Williston & Beane, New York.

● **Chomerics, Inc.**
April 27, 1962 ("Reg. A") 36,000 common. **Price**—$5. **Business**—Development, manufacture and sale of plastic specialties. **Proceeds**—For equipment, research and development, and working capital. **Office**—341 Vassar St., Cambridge, Mass. **Underwriter**—Gianis & Co., Inc., N. Y. **Offering**—Expected sometime 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.

Cincinnati Gas & Electric Co. (6/21)
May 7, 1962 filed $25,000,000 of first mortgage bonds due 1992. **Proceeds**—To repay bank loans and finance construction. **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 (11 a.m. EDST). **Information Meeting**—June 18 (11 a.m. EDST) at Irving Trust Co. (47th fl.), One Wall St., N. Y.

Cine-Dyne, Inc.
May 25, 1962 filed 100,000 common. **Price**—$4. **Business**—Production of motion picture and television programs. **Proceeds**—For production expenses, working capital, debt repayment and other corporate purposes. **Office**—40 E. 49th St., N. Y. **Underwriter**—R. A. Holman & Co., Inc., N. Y.

● **Cinerama, Inc.**
June 1, 1962 filed 50,000 common. **Price**—By amendment (max. $20). **Business**—Production, distribution and exhibition of wide angle motion pictures. **Proceeds**—For selling stockholders. **Office**—575 Lexington Ave., N. Y. **Underwriter**—To be named.

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.

Coburn Credit Co., Inc. (6/25-29)
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.

● **College Publishing Corp. (6/25-29)**
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. (6/27)
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, Conn. **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 of one $20 debenture and one share. **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 July.

Commercial Trust Co.
May 16, 1962 filed 150,000 common. **Price** — By amendment (max. $13). **Business**—Acquisition or administration of mortgage loans for institutional investors. Company also is engaged in the consumer loan business and acts as an insurance agent or broker in connection therewith. **Proceeds**—For debt repayment. **Office**—66 Pryor St., N. E., Atlanta. **Underwriters**—F. S. Moseley & Co., Boston and Courts & Co., Atlanta.

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**—

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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**—To be named.

• **Computer Concepts Inc. (6/25-29)**
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.**
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.

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.**
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. **Offering**—Expected in July.

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 Edison Co. of New York, Inc. (6/19)
May 16, 1962 filed $100,000,000 of first and refunding mortgage bonds due 1992. **Proceeds**—For construction. **Office**—4 Irving Place, New York. **Underwriters**—(Competitive). Probable bidders on the bonds: First Boston Corp.; Halsey, Stuart & Co. Inc.; Morgan Stanley & Co. **Bids**—June 19 (11 a.m. EDST) at company's office.

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. **Offering**—Expected in Aug.

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. (7/2-6)**
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 Investment Corp.
May 9, 1962 ("Reg. A") 200,000 common. **Price**—$1.50. **Business**—Investment in real estate mortgages. **Proceeds**—For working capital. **Office**—Scottsdale Savings Bldg., Scottsdale, Ariz. **Underwriter**—Continental Securities Corp., Scottsdale, Ariz.

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. (7/16-20)
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.

ControlDyne, Inc.
Oct. 24, 1961 filed 150,000 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**—E. Bruce Co., Minneapolis. **Note**—This firm formerly was named Control Dynamics, Inc. **Offering**—July.

• **Cooke (F. L.), Inc. (6/25-29)**
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.

• **Corporate Funding Corp. (7/2-6)**
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. (6/25-29)
May 26, 1962 filed 190,000 common, of which 178,000 are to be offered for public sale by the company and 12,000 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.

Cost-Plus, Inc.
May 14, 1962 filed 157,000 common, of which 127,000 are to be offered by company and 30,000 by stockholders. **Price**—By amendment (max. $5). **Business**—Importing and marketing furniture, household and art goods at discount prices. **Proceeds**—For working capital. **Office**—460 Bay St., San Francisco. **Underwriter**—Stewart, Eubanks, Meyerson & Co., San Francisco.

Country Set Inc.
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. **Offering**—Temporarily postponed.

• **Courtesy Products Corp.**
May 16, 1962 filed 150,000 common. **Price**—By amendment (max. $5). **Business**—Manufacture, and sale or lease to hotels and motels of electric wall units for the preparation of coffee, and the sale of coffee, tea, cream, etc. **Proceeds**—For debt repayment, advances to a subsidiary and general corporate purposes. **Office**—1411 Palm St., San Diego, Calif **Underwriter**—Pacific Coast Securities Co., San Francisco. **Offering**—In early July.

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 late July.

Creative Ventures Corp.
May 28, 1962 filed 150,000 common and warrants to purchase 30,000 additional shares, to be offered in units of one share and one warrant. **Price**—$2.25 per unit. **Business**—A corporate guidance and interim financing concern. Company may also act as a broker-dealer and underwriter. **Proceeds**—For investment. **Office**—733 Third Ave., N. Y. **Underwriter**—Hampstead Investing Corp., New York.

Credit Department, Inc.
Jan. 26, 1962 filed $1,200,320 of 7% conv. subord. debentures due 1974 and 54,560 common shares to be offered in 2,728 units, each consisting of $440 of debentures and 20 common shares. **Price**—$550 per unit. **Business**—A consumer sales finance company. **Proceeds**—For debt repayment. **Office**—1775 Broadway, N. Y. **Underwriter** — Bernard M. Kahn & Co., Inc., N. Y.

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.

D. C. Transit Systems, Inc.
April 30, 1962 filed $3,150,000 of 6½% conv. subord. debentures due 1977 and five-year warrants to purchase an aggregate of 94,000 class A shares, to be offered for subscription by holders of class A and class B stock in units consisting of $100 of debentures and three warrants. **Price**—$100 per unit. **Business**—Operation of a public transit system in Washington, D. C.; a new subsidiary to construct housing projects in Washington, D. C. **Proceeds**—For construction and general corporate purposes. **Office**—3600 M St., N. W., Washington, D. C **Underwriter**—None.

Dart Drug Corp. (6/20)
May 10, 1962 filed $1,000,000 of conv. subord. debentures due 1977. **Price**—At par. **Business**—Operation of 14 discount retail drug stores primarily in the Washington, D. C. metropolitan area. **Proceeds**—For debt repayment, working capital and expansion. **Office**—5458 Third St., N. E., Washington, D. C. **Underwriters**—Laird & Co., Wilmington, Del. and Jones, Kreeger & Co., Washington, D. C.

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.

Davos, Inc.
May 28, 1962 ("Reg. A") 35,000 common. **Price**—$6.50. **Business**—Development and operation of a ski resort. **Proceeds**—For debt repayment and working capital. **Office**—232 Madison Ave., N. Y. **Underwriter**—Oxford 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.
Dec. 29, 1961 filed 120,000 common, of which 90,000 are to be offered by the public and 30,000 by a stockholder. **Price**—By amendment. **Business**—Production and sale of wood and metal framed pictures, wood utility frames, etc. **Proceeds**—For debt repayment, inventory, and working capital. **Office**—444 Courtland St., Mundelein, Ill. **Underwriter**—To be named.

DeLuxe Homes, Inc. (6/25-29)
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.

Diamond Dust Co., Inc. (6/25-29)
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.

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**—Indefinitely postponed..

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). **Offering**—Expected in Aug.

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.

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.**
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. **Offering**—Temporarily postponed.

• **Dunhill Food Equipment Corp. (7/2-6)**
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.**
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. **Offering**—Temporarily postponed.

• **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 in—

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candescent, flourescent and mercury vapor lamps. **Proceeds**—For working capital. **Office**—2321 Hudson Blvd., North Bergen, N. J. **Underwriter**—Auchincloss, Parker & Redpath, N. Y. **Note**—This registration was withdrawn.

Dyna Mfg. Co. (7/9-13)
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.**
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 Camera & Photo Corp. (6/25-29)
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.

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, Philadelhia. **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.

Echlin Manufacturing Co.
May 24, 1962 filed 210,000 common. **Price**—By amendment (max. $25). **Business**—Manufacture of replacement parts for electrical and braking systems of automatic equipment. **Proceeds**—For selling stockholders. **Address**—Echlin Rd. & U. S. 1, Branford, Conn. **Underwriter**—To be named.

Econ-O-Pay, Inc.
Oct. 26, 1961 filed 1,000,000 common. **Price**—$3. **Business**—A dealer recourse finance business. **Proceeds**—General corporate purposes. **Office**—164 E. Main St., Valley City, N. D. **Underwriter**—Reserve Funds, Inc., Valley City, N. D.

Ehrenreich Photo-Optical Industries, Inc.
Jan. 26, 1962 filed 150,000 common, of which 100,000 are to be offered by the company and 50,000 by stockholders. **Price**—By amendment. **Business**—Wholesale distribution of cameras, lenses, accessories and optical instruments. **Proceeds**—For debt repayment, expansion, and working capital. **Office**—111 Fifth Ave., N. Y. **Underwriter**—Lee Higginson Corp., N. Y. **Offering**—Temporarily postponed.

Electromagnetic Industries, Inc. (6/25-29)
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. (7/23-27)**
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. (6/25-29)
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. (6/25-29)**
May 25, 1962 ("Reg. A") 50,000 common. **Price** — $6. **Business**—Operation of supermarkets. **Proceeds**—For expansion and working capital. **Office**—896 Old Country Rd., Westbury, N. Y. **Underwriter** — Reed, Whitney & Stonehill, Inc., Hempstead, N. Y.

Emcee Electronics, Inc.
June 4, 1962 filed $200,000 of 6¾% conv. debentures due 1974, and $50,000 common, to be offered in units of $200 of debentures and 50 shares. **Price**—$400 per unit. **Business**—Manufacture of precision instruments, and electronic devices for measurement and control. **Proceeds**—For plant expansion, inventory, and equipment. **Office**—1202 Arnold Ave., New Castle, Del. **Underwriter**—Weil & Co., Inc., Washington, D. C.

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.

Evans, Inc.
Jan. 23, 1962 filed 130,000 common, of which 20,000 are to be offered by the company and 110,000 by stockholders. **Price**—By amendment. **Business** — Retail sale of wearing apparel. **Proceeds**—For working capital. **Office**—36 S. State St., Chicago. **Underwriter**—Allen & Co., N. Y. **Offering**—Postponed.

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.

● **Fairway Mart, Inc. (6/25-29)**
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.

Fastline, Inc.
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. **Offering**—Indefinite.

● **Fastpak, Inc. (7/2-6)**
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** — To be named.

★ **Federal Realty Investment Trust**
June 5, 1962 filed 500,000 shares of beneficial interest with attached three-year stock purchase warrants to be offered in units consisting of 100 shares and 50 warrants. **Price**—$500 per unit. **Business**—A real estate investment trust. **Office**—729 15th St., N. W., Washington, D. C. **Underwriter**—Investor Service Securities Inc., Washington, D. C.

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.

● **FIFCO, Inc. (6/25-29)**
May 17, 1962 ("Reg. A") 66,666 class A common. **Price**—$3. **Business**—Application of sprayed fireproofing and soundproofing compounds, and exterior building coatings; manufacture of plastic laminated panels, and sale of movable wall partitions. **Proceeds**—For debt repayment, inventory, advertising and other corporate purposes. **Office**—1465 N. E. 129th St., Miami, Fla. **Underwriter**—Sinclair Securities, Inc., 37 Wall St., N. Y.

Financial Corp. of Santa Barbara
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. **Offering**—Indefinitely postponed.

● **Financial Federation, Inc.**
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. **Offering**—Expected in July.

● **First Connecticut Small Business Investment Co. (7/2-6)**
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 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 Realty Co. of Boston
May 1, 1962 filed 150,000 common. **Price**—$10. **Business**—Real estate management. **Proceeds**—For debt repayment. **Office**—7 Pemberton Sq., Boston. **Underwriter**—R. W. Pressprich & Co., Boston.

Flex Electric Products, Inc. (6/18-22)
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, 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.**
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 Water & Utilities Co.**
May 29, 1962 filed $750,000 of 5½% conv. subord. debentures due 1982. **Price**—By amendment. **Business**—Operation of water distribution and sewage collection systems. **Proceeds**—For debt repayment, plant expansion and working capital. **Office**—1491 N. W. 20th St., Miami. **Underwriter**—Finkle & Co., N. Y. **Offering**—Expected in August.

Floseal Corp.
May 10, 1962 filed 169,420 common to be offered for subscription by stockholders. **Price**—By amendment (max. $2). **Business**—Company owns and licenses carton pouring spout patents and die patents. **Proceeds**—For debt repayment and other corporate purposes. **Office**—100 W. 10th St., Wilmington, Del. **Underwriter**—None.

Food & Drug Research Laboratories, Inc.
May 24, 1962 filed 107,500 common, of which 100,000 are to be offered by company and 7,500 by stockholders. **Price**—By amendment (max. $5). **Business**—Chemical and biological research and testing for the food, drug, cosmetics, chemical and related industries. **Proceeds**—For expansion, equipment and debt repayment. **Address**—Maurice Ave. at 58th St., Maspeth, N. Y. **Underwriters**—Maltz, Greenwald & Co. and Rittmaster, Voisin & Co., N. Y.

● **Forrest Electronics Corp.**
Dec. 21, 1961 ("Reg. A") 130,000 common. **Price**—$2. **Business**—Research, design, manufacture, sale and distribution of precision electronic and mechanical components. **Proceeds**—For debt repayment, equipment and general corporate purposes. **Office** — 425 Las Vegas Blvd., S., Las Vegas, Nev. **Underwriter**—To be named.

● **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**—Temporarily postponed.

● **"42" Products, Ltd., Inc. (6/25-29)**
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. **Underwriter** — Rutner, Jackson & Gray, Inc., Los Angeles.

Founders Financial Federation, Inc.
May 4, 1962 filed 135,000 common. **Price**—$6. **Business**—Commercial financing, industrial time sales financing and factoring. **Proceeds**—For working capital. **Office**—440 W. 34th St., N. Y. **Underwriter**—Edward Lewis Co., Inc., N. Y. **Offering**—Expected sometime in August.

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 July.

Four Star Television, Inc.
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. **Offering**—Indefinitely postponed.

Foxboro Co. (6/25-29)
May 29, 1962 filed $12,209,000 of conv. subord. debentures due July 1, 1982 to be offered for subscription by stockholders on the basis of $100 of debentures for each 20 common shares held. **Price**—At par. **Business**—Manufacture of industrial instruments for indicating, recording and controlling temperature, pressure, flow and other process variables. **Proceeds**—For plant expansion, debt repayment and other corporate purposes. **Office**—38 Neponset Ave., Foxboro, Mass. **Underwriter**—Paine, Webber, Jackson & Curtis, Boston.

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.

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Frederick's of Hollywood, Inc. (7/9-13)
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.

Frouge Corp.
Jan. 26, 1962 filed 200,000 common. **Price**—By amendment. **Business**—Construction and operation of various type apartment, industrial and office buildings. **Proceeds**—For prepayment of debt and reduction of bank loans. **Office**—141 North Ave., Bridgeport, Conn. **Underwriter**—Van Alstyne, Noel & Co., N. Y. **Offering**—Postponed.

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 & Hoffman, Inc., N. Y. **Offering**—Expected in early July.

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**—Hemphill, Noyes & Co., N. Y.

● **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**—Temporarily postponed.

Gaslight Club Inc. (6/25-29)
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.

● **Gemco-Ware Corp.**
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. **Offering**—Temporarily postponed.

● **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 Design Corp.
April 25, 1962 ("Reg. A") 65,000 common. **Price**—$3. **Business**—Design and development of new products for various industries. **Proceeds**—For debt repayment, equipment and working capital. **Office**—1252 W. Peachtree St., N. W., Atlanta, Ga. **Underwriter** — Robert M. Harris & Co., Inc., Philadelphia. **Note**—The SEC has issued an order temporarily suspending this issue.

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. (7/16-20)
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.

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.
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, Meyerhoff & Co., Chicago. **Offering**—Indefinitely postponed.

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. **Offering**—Expected in July.

Girard Industries Corp. (6/25-29)
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

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NEW ISSUE CALENDAR

June 14 (Thursday)

Boston Edison Co.—Bonds
(Bids 11 a.m. EDST) $15,000,000

June 18 (Monday)

Alumatron International, Inc.—Common
(B. C. Malloy, Inc.; Hensberry & Co. and J. Morton & Co., Inc.) $400,000

American Modular Manufacturing Corp.—Common
(Equity Securities Co.) $500,000

American Plan Corp.—Units
(Bear, Stearns & Co.) 248,000 shares

Beauty Industries, Inc.—Common
(Seymour Blauner Co.) $299,970

Flex Electric Products, Inc.—Units
(Bond, Richman & Co.) $332,500

House of Vision, Inc.—Common
(Hornblower & Weeks) 150,000 shares

International Drug & Surgical Corp.—Class A
(Seymour Blauner Co. and Wm. Stix Wasserman & Co., Inc.) $600,000

Marin County Financial Corp.—Capital
(Dean Witter & Co.) 102,050 shares

National Security Life Insurance Co.—Common
(Underwriter to be named) $1,750,000

National Semiconductor Corp.—Capital
(Lee Higginson Corp. and Piper, Jaffray & Hopwood) 75,000 shares

Parkview Drugs, Inc.—Debentures
(Scherck, Richter Co.) $2,000,000

Pay'n Save Corp.—Common
(Dean Witter & Co.) 40,576 shares

Pay'n Save Corp.—Debentures
(Dean Witter & Co.) $1,200,000

Stelber Cycle Corp.—Common
(Lloyd Securities Inc.) $600,000

Stephens (M.) Mfg., Inc.—Capital
(Thomas Jay, Winston & Co., Inc. and I. J. Schein & Co.) $300,000

Unison Electronics Corp.—Common
(Gateway Stock & Bond, Inc.) $150,000

Wade, Wenger ServiceMaster Co.—Capital
(Laren Co.) 140.000 shares

Welcome Baby, Inc.—Common
(Globus, Inc. and First Philadelphia Corp.) $150.000

White Lighting Co.—Common
(Costello, Russotto & Co.) $300,000

Worth Financial Corp.—Common
(D. A. Bruce & Co.) $305,000

June 19 (Tuesday)

Consolidated Edison Co. of New York, Inc.—Bonds
(Bids 11 a.m. EDST) $100,000,000

Kinney Service Corp.—Common
(Bear, Stearns & Co.) 262,500 shares

Martin (L. P.) Maintenance Corp.—Common
(Johnson, Lane Space Corp.) $500,000

June 20 (Wednesday)

Australia (Commonwealth of)—Bonds
(Morgan Stanley & Co.) $30,000,000

Dart Drug Corp.—Debentures
(Laird & Co. and Jones, Kreeger & Co.) $1,000,000

Universal Telephone, Inc.—Common
(Marshall Co.) 675,000 shares

June 21 (Thursday)

Cincinnati Gas & Electric Co.—Bonds
(Bids 11 a.m. EDST) $25,000,000

Paul, Harris Stores, Inc.—Class A
(Kiser, Cohn & Shumaker and Cruttenden, Podesta & Miller) $300,000

Pet Milk Co.—Debentures
(Kidder, Peabody & Co., Inc.) $20,000,000

June 22 (Friday)

Artlin Mills, Inc.—Common
(Mortimer B. Burnside & Co., Inc.) $675,000

June 25 (Monday)

Accurate Parts, Inc.—Common
(McDonnell & Co. and Rafensperger, Hughes & Co.) 100,000 shares

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

Alsco Electronics, Inc.—Class A
(Albert Teller & Co., Inc. and H. A. Riecke & Co., Inc.) $300,000

American Cardboard & Packaging Corp.—Common
(Milton D. Blaumer & Co., Inc.; M. L. Lee & Co., Inc. and Hallowell, Sulzberger, Jenks, Kirkland & Co.) $525,000

American Gas Co.—Common
(Offering to stockholders—underwritten by Cruttenden, Podesta & Miller) 548,532 shares

American Laboratories, Inc.—Common
(California Investors) 200,000 shares

American Southwest Realty Trust—Common
(Kidder, Peabody & Co. and Rauscher, Pierce & Co., Inc.) $11,000,000

Assembly Products, Inc.—Conv. Debentures
(Prescott & Co. and William T. Robbins & Co., Inc.) $1,250,000

Aubrey Manufacturing, Inc.—Common
(Pierce, Carrison, Wulbern, Inc. and A. M. Kidder & Co., Inc.) 140,004 shares

Babs, Inc.—Common
(Pacific Coast Securities Co.) $600,000

Barker Bros. Corp.—Common
(William R. Staats & Co.) 200,000 shares

Buddy L. Corp.—Common
(Milton D. Blauner & Co., Inc.) 225,000 shares

Cameo Lingeries, Inc.—Common
(Schweickart & Co.) $950,000

Coburn Credit Co., Inc.—Debentures
(Brand, Grumet & Seigel, Inc.) $5,000,000

College Publishing Corp.—Common
(James Co.) $155,000

Computer Concepts Inc.—Common
(Doft & Co.) $500,000

Cooke (F. J.), Inc.—Common
(John R. Maher Associates and Bull & Low) $468,750

Cosnat Corp.—Common
(Van Alstyne, Noel & Co.) 190,000 shares

DeLuxe Homes, Inc.—Common
(Alessandrini & Co., Inc.) $300,000

Diamond Dust Co., Inc.—Common
(Magnus & Co.) $306,000

Eastern Camera & Photo Corp.—Units
(Edwards & Hanly and Street & Co., Inc.) 5,000 units

Electromagnetic Industries, Inc.—Common
(Pierce, Carrison, Wulburn, Inc.) 70,000 shares

Electromagnetic Industries, Inc.—Conv. Debentures
(Pierce, Carrison, Wulbern, Inc.) $250,000

Electronic Transmission Corp.—Common
(V. S. Wickett & Co., Inc.; Thomas, Williams & Lee, Inc. and Crosse & Co., Inc.) $375,000

Ellner & Pike, Inc.—Common
(Meadowbrook Securities, Inc.) $300,000

Fairway Mart, Inc.—Common
(A. J. Carno Co., Inc.) $300,000

FIFCO, Inc.—Class A
(Sinclair Securities, Inc.) $199,998

"42" Products, Ltd., Inc.—Class A
(Rutner, Jackson & Gray, Inc.) $300,000

Foxboro Co.—Debentures
(Offering to stockholders, underwritten by Paine, Webber, Jackson & Curtis) $12,209,000

Gaslight Club, Inc.—Common
(Myron A. Lomasney & Co.) 100,000 shares

Girard Industries Corp.—Units
(Edwards & Hanly) 2,500 units

Glensder Corp.—Common
(Sprayregen, Haft & Co.) 150.000 shares

Gould Paper Co.—Common
(Van Alstyne, Noel & Co.) $1,540,600

Gulf American Land Corp.—Debentures
(Morris Cohon & Co. and Street & Co., Inc.) $10,000,000

Hampden Fund, Inc.—Common
(Fulton, Reid & Co., Inc.) $5,000,000

International Protein Corp.—Common
(Arnold Malkan & Co., Inc.) $450,000

Interstate Equity—Ben. Int.
(Van Alstyne, Noel & Co.) 1,605,100 shares

Iona Manufacturing Co.—Common
(Richard Bruce & Co., Inc. and Reuben Rose & Co., Inc.) $840,000

Jamoco Air Conditioning Corp.—Common
(Martin-Warren Co., Ltd.) $120,000

Jayark Films Corp.—Common
(Pacific Coast Securities Corp.) 72,000 shares

Kapner, Inc.—Common
(Arnold, Wilkens & Co., Inc.) $250,000

Kelley Realty Corp.—Class A
(Fulton, Reid & Co., Inc. and Walston & Co., Inc.) 250,000 shares

Livestock Financial Corp.—Common
(Shearson, Hammill & Co.) $2,450,000

Mac-Allan Co., Inc.—Common
(George K. Baum & Co.) $651,300

Masters, Inc.—Units
(Sterling, Grace & Co. and Norton, Fox & Co.) 15,000 units

Met Food Corp.—Common
(Brand, Grumet & Siegel, Inc.) 34,200 shares

Met Food Corp.—Debentures
(Brand, Grumet & Siegel, Inc.) $1,500,000

Micro-Dine Corp.—Common
(Irving J. Rice & Co., Inc.) $700,000

Midwestern Mortgage Investors.—Ben. Ints.
(Boettcher & Co.) $5,000,000

Mosler Safe Co.—Common
(Blyth & Co., Inc.) 260,000 shares

Multi State Industries, Inc.—Common
(G. K. Scott & Co., Inc.) $240,000

Nationwide Bowling Corp.—Capital
(Jennings, Mandel & Longstreth) 100,000 shares

New York Testing Laboratories, Inc.—Common
(Robbins, Clark & Co., Inc.) $250,000

Oceana International, Inc.—Common
(Baruch Brothers & Co., Inc.) $825,000

Packard-Bell Electronics Corp.—Debentures
(Offering to stockholders—underwritten by Kidder, Peabody & Co., Inc.) $5,023,800

Pearl Brewing Co.—Common
(A. C. Allyn & Co. and Dewar, Robertson & Pancoast) 148,300 shares

Peerless Radio Corp.—Common
(Kordan & Co., Inc.) $480,000

Perfect Photo, Inc.—Common
(Bear, Stearns & Co.) 154,800 shares

Puerto Rico Brewing Co., Inc.—Units
(Merrill Lynch, Pierce, Fenner & Smith Inc.) $4,500,000

Radio Electric Service Co. of New Jersey, Inc.—Common
(Lee-Mosson & Co., Inc.) $300,000

Regulators, Inc.—Common
(Myron A. Lomasney & Co.) $375,000

Ridgewood Financial Corp.—Common
(Fulton, Reid & Co., Inc.) 60,000 shares

Rite Electronics, Inc.—Common
(Robbins, Clark & Co., Inc.) $372,000

Roadcraft Corp.—Common
(Vickers, MacPherson & Warwick, Inc.) 400,000 shares

Roblin-Seaway Industries, Inc.—Debentures
(Brand, Grumet & Seigel, Inc.) $1,000,000

Rosenfeld (Henry), Inc.—Common
(Robert A. Martin Associates, Inc.) 120,000 shares

Salant & Salant, Inc.—Class A
(Kidder, Peabody & Co. and Jessup & Lamont) 150,000 shares

Schaevitz Engineering—Common
(Bear. Stearns & Co.) 150,000 shares

Security Aluminum Corp.—Common
(Vickers, MacPherson & Warwick, Inc.) 200,000 shares

Servotronics, Inc.—Capital
(General Securities Co., Inc.) $375,000

Shelley Manufacturing Co.—Common
(George, O'Neill & Co., Inc.) $357,500

Signalite Inc.—Common
(Milton D. Blauner) $567,000

Solid State Products, Inc.—Common
(Tucker, Anthony & R. L. Day) 110,000 shares

Superior Bakers, Inc.—Common
(Balogh & Co.) $975,000

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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.

Glastron Boat Co.

May 4, 1962 ("Reg. A") 33,114 common. **Price**—At-the-market. **Business**—Manufacture and sale of fiberglass pleasure boats. **Proceeds**—For selling stockholders. **Office**—9109 Reid Rd., Austin, Texas. **Underwriter**—James C. Tucker & Co., Inc., Austin, Texas.

Glensder Corp. (6/25-29)

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. **Note** — This registration was withdrawn.

Gold Leaf Pharmacal Co., Inc.

March 13, 1962 filed 80,000 common. **Price**—$4. **Business**—Manufacture, development and sale of pharmaceutical and veterinarian products. **rroceeds**—For advertising, research, debt repayment and working capital. **Office**—36 Lawton St., New Rochelle, N. Y. **Underwriter**—Droulia & Co., N. Y.

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.

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. **Offering**—Expected in September.

Gould Paper Co. (6/25-29)

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.

Gourmet Food Products, Inc.

May 25, 1962 filed 100,000 common. **Price**—$4.50. **Business** — Growing, purchasing, distributing and selling whole potatoes and processing and selling of prepared potato products. **Proceeds**—For a new plant and equipment. **Office**—915 Southeast 10th Ave., Portland, Ore. **Underwriter**—Darius Inc., N. Y.

Gourmet Restaurants, Inc.

April 30, 1962 ("Reg. A") 28,213 capital shares. **Price**—$3.50. **Business**—Operation of restaurants in Disneyland Hotel. **Proceeds**—For selling stockholders. **Office**—1445 S. West St., Anaheim, Calif. **Underwriter**—Cruttenden & Co., Inc., 618 S. Spring St., Los Angeles.

● **Government Employees Financial Corp.**

Aug. 17, 1961 filed 603,000 common being offered for subscription by stockholders of affiliated companies at the rate of one share for each 15 rights held of record June 4, as follows: To common stockholders of Government Employees Insurance Co., two rights for each share held; to common stockholders of Government Employees Life Insurance Company, 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. Rights will expire June 29. **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. (7/16-20)

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.

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

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Tabach Industries, Inc.—**Common**
(Costello. Russotto & Co.) $300,000

Thompson Manufacturing Co., Inc.—**Common**
(Packer-Wilbur Co., Inc.) $360,000

Towers Marts International, Inc.—**Capital**
(W. C. Langley & Co.) 550.000 shares

Trans-Alaska Telephone Co. —**Common**
(Milton D. Blauner & Co., Inc.) $1,590,000

Tujax Industries, Inc.—**Class A**
(Richard Bruce & Co., Inc. and Reuben Rose & Co., Inc.) $1,200,000

United-Overton Corp. —**Common**
(McDonnell & Co., Inc. and Oppenheimer & Co.) 450,000 shares

United Packaging Co., Inc.—**Common**
(Godfrey, Hamilton, Taylor & Co., Inc.) $306,000

Universal Industries, Inc.—**Common**
(Edward Lewis Co., Inc.) $500,000

Vendex, Inc. —**Common**
(Pacific Coast Securities Co.) $300,000

West Falls Shopping Center Limited Partnership —**Units**
(Hodgdon & Co., Inc.) $444,000

Wolverine Aluminum Corp.—**Common**
(F. J. Winckler & Co.) 100,000 shares

June 26 (Tuesday)

Lockfast Mfg. Co., Inc.—**Common**
(R & D Investors Corp.) $297,500

Puget Sound Power & Light Co.—**Preferred**
(Blyth & Co., Inc., and Merrill Lynch, Pierce, Fenner & Smith Inc.) $15,000,000

Sierra Pacific Power Co.—**Bonds**
(Bids 11 a.m. EDST) $5,000,000

June 27 (Wednesday)

Colonial Board Co.—**Common**
(Putnam & Co.) 164,000 shares

Public Service Co. of New Hampshire—**Bonds**
(Bids 11 a.m. EDST) $24,000,000

June 28 (Thursday)

Gulf, Mobile & Ohio RR.—**Equip. Trust Ctfs.**
(Bids 12 noon CDST) $1,575,000

Microdot, Inc. —**Capital**
(White, Weld & Co.) 170,000 shares

New Brunswick Scientific Co., Inc.—**Common**
(John Schuss & Co.) $300,000

June 29 (Friday)

American Bolt & Screw Mfg. Corp.—**Common**
(S. D. Fuller & Co.) 150,000 shares

Ellner & Pike, Inc.—**Common**
(Reed, Whitney & Stonehill, Inc.) $300,000

Joanell Laboratories, Inc.—**Common**
(Searight, Ahalt & O'Connor, Inc.) 114,500 shares

Site-Fab, Inc. —**Common**
(H. P. Black & Co., Inc.) 135,000 shares

Wiggins Plastics, Inc.—**Common**
(Investment Planning Group, Inc. and Triangle Investors Corp.) $100,000

July 2 (Monday)

Admiral Automotive Products, Inc.—**Common**
(Baruch Brothers & Co., Inc.) $400,000

American Mortgage Investors—**Ben. Int.**
(Hayden, Stone & Co.) $19,500,000

Anchor Industries Corp.—**Common**
(Amber, Burstein & Co., Inc.) $308,000

Arde Inc. —**Common**
(McDonnell & Co.) 100,000 shares

Bernalen, Inc. —**Common**
(Amber, Burstein & Co., Inc.) $183,750

Berne of California, Inc.—**Common**
(Adams & Co.) $255,000

Consumers Mart of America, Inc.—**Common**
(Rittmaster, Voisin & Co. and Midland Securities Co., Inc.) 72,000 shares

Corporate Funding Corp.—**Class A**
(R. F. Dowd & Co., Inc.) $300,000

Dunhill Food Equipment Corp.—**Common**
(Carroll Co. and Paul Eisenberg Co., Inc.) $250,000

Fastpak, Inc. —**Common**
(Arnold Malkan & Co., Inc.) $625,000

First Connecticut Small Business Investment Co. —**Common**
(P. W. Brooks & Co.) 200,000 shares

Honora, Ltd. —**Common**
(Sunshine Securities, Inc.) $286,875

Kavanau Corp. —**Units**
(Hayden, Stone & Co.) 50,000 units

Kenner Products Co.—**Common**
(Kuhn, Loeb & Co.) 542,000 shares

Lewiston-Gorham Raceways, Inc.—**Units**
(P. W. Brooks & Co.) $1,000,000

Mammoth Mart Inc. —**Common**
(McDonnell & Co.) 200,000 shares

Nopco Chemical Co.—**Debentures**
(Offering to stockholders—underwritten by White, Weld & Co.) $5,800,000

Orion Electronics Corp.—**Common**
(A. D. Gilhart & Co., Inc.) $350,000

RF Interonics, Inc.—**Common**
(Arnold Malkan & Co.) $200,000

Saw Mill River Industries, Inc.—**Common**
(Arnold Malkan & Co., Inc.) $500,000

Skiers Service Corp.—**Common**
(Pacific Coast Securities Co.) 550,000 shares

Sokol Brothers Furniture Co., Inc.—**Common**
(Albion Securities Co., Inc.) $600,000

Spears (L. B.), Inc.—**Common**
(Arnold Malkan & Co., Inc.) $325,000

Steel Plant Equipment Corp.—**Common**
(Joseph W. Hurley & Co.) $208,980

Sternco Industries, Inc.—**Class A**
(Andresen & Co.) $690,000

Tactair Fluid Controls Corp.—**Common**
(Stroud & Co., Inc. and Penington, Colket & Co.) 90,000 shares

Walston Aviation, Inc.—**Common**
(White & Co., Inc.) $562,500

July 9 (Monday)

Alcolac Chemical Corp.—**Common**
(Robert Garrett & Sons) 50,000 shares

Barish Associates, Inc.—**Common**
(Gianis & Co.) $200,000

Dyna Mfg. Co.—**Common**
(Raymond Moore & Co.) $300,000

Frederick's of Hollywood, Inc.—**Capital**
(Garat & Polonitza, Inc.) $750,000

Jaap Penratt Associates, Inc.—**Common**
(R. F. Dowd & Co., Inc.) $300,000

Sampson Enterprises, Inc.—**Common**
(Straus, Blosser & McDowell and Dempsey-Tegeler & Co., Inc.) 450,000 shares

July 10 (Tuesday)

New England Telephone & Telegraph Co.—**Debens.**
(Bids to be received) $50,000,000

July 11 (Wednesday)

Atlantic Coast Line RR.—**Equip. Trust Ctfs.**
(Bids 12 noon EDST) $3,540,000

July 16 (Monday)

Chemical Coatings Corp.—**Common**
(Arnold Malkan Growth of Puerto Rico, Inc.) $375,000

Continental Telephone Co.—**Common**
(Allen & Co. and E. F. Hutton & Co.) 475,000 shares

General Investment Co. of Connecticut, Inc.—**Com.**
(Ingram, Lambert & Stephen, Inc. and Reuben Rose & Co., Inc.) $1,500,000

Grand Bahama Development Co., Ltd.—**Common**
(Allen & Co.) 250,000 shares

Lesser (Louis) Enterprises, Inc.—**Class A**
(Morris Cohon & Co. and Leiberbaum & Co.) $10,000,000

Valu-Rack, Inc. —**Common**
(Garat & Polonitza, Inc.) $1,000,000

July 17 (Tuesday)

Missouri Power & Light Co.—**Bonds**
(Bids to be received) $6,000,000

Southern Railway Co.—**Equip. Trust Ctfs.**
(Bids 12 noon EDST) $9,450,000

Western Power & Gas Co.—**Preferred**
(Paine, Webber, Jackson & Curtis) 150,000 shares

July 18 (Wednesday)

Atlantic City Electric Co.—**Bonds**
(Bids 11 a.m. EDST) $15,000,000

July 19 (Thursday)

Rochester Telephone Corp.—**Debentures**
(Bids to be received) $12,000,000

July 23 (Monday)

Electromagnetics Corp. —**Common**
(Gianis & Co., Inc.) $375,000

National Equipment & Plastics Corp.—**Common**
(Cortlandt Investing Corp.) $525,000

United Markets, Inc.—**Common**
(Moran & Co.) $500,000

July 25 (Wednesday)

Atlanta Gas Light Co.—**Debentures**
(Bids 11 a.m. EDST) $7,500,000

July 30 (Monday)

Barogenics, Inc. —**Common**
(Globus, Inc.) $750,000

July 31 (Tuesday)

Florida Power & Light Co.—**Bonds**
(Bids 11:30 a.m. EDST) $25,000,000

Norda Essential Oil & Chemical Co., Inc.—**Class A**
(S. D. Fuller & Co.) 200,000 shares

August 6 (Monday)

Arnav Industries, Inc.—**Units**
(Gianis & Co., Inc.) 1,200 units

August 7 (Tuesday)

Southwestern Bell Telephone Co.—**Debentures**
(Bids to be received) $100,000,000

August 13 (Monday)

Hydro-Swarf, Inc. —**Common**
(Raymond Moore & Co.) $485,000

August 20 (Monday)

Bruce (Michael) Distributors, Inc.—**Common**
(Gianis & Co., Inc.) $500,000

August 27 (Monday)

Iowa Public Service Co.—**Common**
(Offering to stockholders—Bids to be received) 320,468 shares

September 11 (Tuesday)

Southern Railway Co.—**Equip. Trust Ctfs.**
(Bids 12 noon EDST) $9,450,000

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 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. **Offering**—Imminent.

Greater New York Box Co., Inc.
Dec. 29, 1961 filed 100,000 common. **Price**—By amendment ($7 max.). **Business**—Manufacture of corrugated board and containers. **Proceeds**—For general corporate purposes. **Office**—149 Entin Rd., Clifton, N. J. **Underwriter**—D. H. Blair & Co., N. Y. **Offering**—Temporarily postponed.

Greater Pittsburgh Capital Corp.
Nov. 14, 1961 filed 250,000 common. **Price**—$11. **Business**—A small business investment company. **Proceeds**—For investment. **Office**—952 Union Trust Bldg., Pittsburgh. **Underwriters**—Moore, Leonard & Lynch and Singer, Dean & Scribner, Pittsburgh. **Offering**—Postponed.

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.

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.

Gruman-Bond Equipment Corp.
May 28, 1962 filed 100,000 common. **Price**—$3. **Business**—Furnishing of equipment for operation of coin-operated dry cleaning and laundry establishments. **Proceeds**—For expansion. **Office** — 6400 Chillum Place, N. W., Washington, D. C. **Underwriter**—Shell Associates, Inc., New York.

Gulf American Land Corp. (6/25-29)
Feb. 28, 1962 filed $10,000,000 of 6½% conv. subord. debentures due 1977. **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.

★ **Heck's Discount Centers, Inc.**
June 7, 1962 filed 125,000 common. **Price**—By amendment (max. $5). **Business**—Operation of discount stores. **Proceeds**—For inventory, expansion, debt repayment and working capital. **Office**—6400 MacCorkle Ave., S. W., St. Albans, W. Va. **Underwriter**—Willard Securities, Inc., 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.
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. **Offering**—Temporarily postponed.

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. (6/25-29)**
Jan. 24, 1962 filed 500,000 common. **Price**—$10. **Business**—A closed-end investment trust which plans to become open end. **Proceeds**—For investment. **Office**—2100 East Ohio Bldg., Cleveland. **Underwriter**—Fulton, Reid & Co., Inc., Cleveland.

Hanna-Barbara Productions, Inc.
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.
July 28, 1961 filed 700,000 common shares. **Price**—$1. **Business**—The marketing of gifts, candles and greeting cards through franchised dealers. **Proceeds**—For equipment, inventory and working capital **Office**—11 Tenth Ave., S., Hopkins, Minn. **Underwriter**—None. **Offering**—Expected in July.

● **Hardlines Distributors, Inc.**
Jan. 26, 1962 filed 200,000 common, of which 100,000 are to be offered by the company and 100,000 by a stockholder. **Price**—By amendment. **Business**—Retail sale of housewares, hardware, lighting fixtures, automotive accessories, etc. **Proceeds**—For debt repayment, expansion and working capital. **Office**—1416 Providence Highway, Norwood, Mass. **Underwriter**—McDonnell & Co., N. Y. **Offering**—Temporarily postponed.

● **Hargrove Enterprises, Inc.**
Dec. 8, 1961 filed 160,000 common. **Price**—$5. **Business**—Company plans to own and operate an amusement park. **Proceeds**—For property development, advertising, and working capital. **Office**—3100 Tremont Ave., Cheverly, Md. **Underwriter** — Switzer & Co., Inc., Silver Springs, Md. **Offering**—Imminent.

● **Harley Products, Inc.**
March 28, 1962 filed 75,000 common. **Price**—$4. **Business**—Design, production and distribution of belts and related products. **Proceeds**—For sales promotion, expansion, inventory, and debt repayment. **Office**—476 Broadway, N. Y. **Underwriter**—Finkle & Co., N. Y. **Offering**—Expected in August.

Harrington & Richardson, Inc.
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. **Offering**—Temporarily postponed.

Harris (Paul) Stores, Inc.
See Paul, Harris Stores, Inc.

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. **Offering**—Indefinite.

Hawaii Real Estate Investment Trust
May 18, 1962 filed 1,000,000 shares of beneficial interest and eight-year stock purchase warrants to be offered in units consisting of one share and one warrant. **Price**—$10 per unit. **Business**—A real estate investment trust. **Proceeds**—For working capital. **Address**—Honolulu, Hawaii. **Underwriter**—White, Weld & Co., Inc., 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.

Herlin & Co., Inc.
May 29, 1962 filed 100,000 common, of which 80,000 are to be offered by company and 20,000 by stockholders. **Price**—By amendment (max. $12.50). **Business**—Sale of wrist watches to holders of food chain, cash register tapes. **Proceeds**—For working capital. **Office**—2046 Bell Ave., St. Louis. **Underwriter**—Newhard, Cook & Co., St. Louis.

Hickory Industries, Inc.
Aug. 31, 1961 ("Reg. A") 40,000 common. **Price**—$5. **Business**—The manufacture of barbecue machines and allied equipment. **Proceeds**—For equipment, inventory, sales promotion, expansion and working capital. **Office**—10-20 47th Rd., Long Island City, N. Y. **Underwriter**—J. B. Coburn Associates, Inc., N. Y. **Offering**—Indefinite.

High Temperature Materials, Inc.
Sept. 28, 1961 filed 120,000 common. **Price**—By amendment. **Business**—Manufacture of products from test models. **Proceeds**—For equipment, research and development, leasehold improvements, repayment of debt and working capital. **Office**—130 Lincoln St., Brighton, Mass. **Underwriter**—To be named.

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**—Indefinitely postponed.

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.
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. **Offering**—Temporarily postponed.

Honora, Ltd. (7/2-6)
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. (6/18)
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.

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. **Note**—This registration was withdrawn.

Hyde Finance Co.
May 28, 1962 ("Reg. A") 60,000 common. **Price**—$5. **Business**—A general finance company. **Proceeds**—To finance premiums of automobile insurance policies and business loans. **Office**—164 Milk St., Boston. **Underwriter**—None.

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.

● **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 (max. $20). **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.

Illinois Bell Telephone Co.
May 11, 1962 filed 3,771,577 common being offered for subscription by stockholders on the basis of one new share for each 10 shares held of record May 29, 1962. Rights will expire June 29. A. T. & T., holder of 99.32% of outstanding stock, will subscribe for its pro rata share of the offering. **Price**—$20. **Proceeds**—For debt repayment and general corporate purposes. **Office**—212 W. Washington St., Chicago. **Underwriter**—None.

Income Properties, Inc.
May 18, 1962 filed 200,000 class A shares and three-year warrants to be offered in units consisting of one class A share and one warrant. **Price**—By amendment (max. $12 per class A share). **Business**—Real estate investment and construction. **Proceeds**—For debt repayment, expansion and working capital. **Office**—1801 Dorchester Rd., Brooklyn, N. Y. **Underwriter**—Crow, Brourman & Chatkin, Inc., N. Y.

Index & Retrieval Systems, Inc.
Jan. 29, 1962 filed 125,000 common. **Price**—By amendment. **Business**—Publishes "The Financial Index" and other indexes and abstracts. **Proceeds**—For equipment, promotion, office relocation, and working capital. **Office**—19 River St., Woodstock, Vt. **Underwriter**—Searight, Ahalt & O'Connor, Inc., N. Y. **Offering**—In July.

Industrial Growth Fund of North America, Inc.
April 20, 1962 filed 100,000 common. **Price** — Net asset value (max. $11.50). **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).

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**—

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4 Broadway Plaza, Huntington Station, N. Y. **Underwriter**—Price Investing Co., N. Y. **Offering**—Late July.

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.

International Drug & Surgical Corp. (6/18-22)
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. **Offering**—Expected in August.

● **International Protein Corp. (6/25-29)**
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. **Offering**—July.

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, electromechanical 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.

International Terrazzo Co., Inc.
May 15, 1962 ("Reg. A") 75,000 common. **Price**—$2. **Business**—Manufacture and installation of terrazzo flooring, and the installation of marble and tile. **Proceeds**—For equipment, debt repayment, working capital and other corporate purposes. **Office**—826 62nd St., Brooklyn, N. Y. **Underwriter**—Drourr, Lampert & Co., Inc., New York.

Interstate Equity (6/25-29)
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.

Interworld Film Distributors, Inc.
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. **Offering**—Indefinitely postponed.

Investment Management Corp.
May 10, 1962 filed 100,000 common to be offered for subscription by stockholders on a 2-for-1 share basis. Unsubscribed shares will be offered to the public. **Price**—To stockholders, $2.50; to the public, $3.50. **Business**—Manager and distributor for Western Industrial Shares, Inc., a mutual fund. **Proceeds**—For debt repayment and general corporate purposes. **Office**—818 17th St., Denver. **Underwriter**—None.

Investment Securities Co.
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.

Investors Realty Trust
May 31, 1962 filed 200,000 shares. **Price**—$10. **Business**—A real estate investment trust. **Proceeds**—For construction and investment. **Office**—3315 Connecticut Ave., N. W., Washington, D. C. **Underwriter**—None.

● **Iona Manufacturing Co. (6/25-29)**
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.

Israel Hotels International, Inc.
Feb. 28, 1962 filed $4,036,000 of 6½% sinking fund debentures due 1980-86 and 40,360 common (with warrants) to be offered for sale in units of one $1,000 debenture and 10 common (with 20 attached 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. (7/9-13)**
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.**
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. **Offering**—Indefinitely postponed.

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 subsidiary. **Office**—507 Place D'Armes, Montreal, Canada. **Underwriters** — Stone & Webster Securities Corp. and Greenshields & Co., Inc., N. Y.

● **Jamoco Air Conditioning Corp. (6/25-29)**
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.

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. (6/25-29)**
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.**
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. **Offering**—Temporarily postponed.

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. **Offering**—Expected in mid-July.

Jerlee Products Corp.
May 1, 1962 filed 75,000 common. **Price**—$4.25. **Business**—Processing and distribution of vinyl roll plastic fabric and vinyl tablecloths, and various foam rubber items. **Proceeds**—For equipment, raw materials, debt repayment and working capital. **Office**—596-612 Berriman St., Brooklyn, N. Y. **Underwriter**—R. P. Raymond & Co., Inc., 26 Broadway, 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. (6/29)
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. (6/25-29)
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.

● **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. (7/2-6)**
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 July.

Kelley Realty Corp. (6/25-29)
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. (7/2-6)**
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.

Keystone Discount Stores, Inc.
May 24, 1962 filed 110,000 common. **Price**—By amendment ($5.25). **Business**—Operation of three retail discount stores. **Proceeds**—For expansion. **Address**—R. D. No. 2, North Lebanon Township, Lebanon, Pa. **Underwriters**—Suplee, Yeatman, Mosley Co., Inc. and Woodcock, Moyer, Fricke & French, Inc., Philadelphia.

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.

Kingsberry Homes Corp.
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. **Offering**—Indefinitely postponed.

● **Kinney Service Corp. (6/19)**
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.

(H.) Kohnstamm & Co., Inc.
Feb. 21 1962 filed 160,000 common. **Price** — By amendment. **Business**—Manufacture of colors and flavors for food, drugs and cosmetics; also industrial chemicals. **Proceeds**—For general corporate purposes. **Office**—161 Avenue of the Americas, N. Y. **Underwriter** — Kidder, Peabody & Co., Inc. **Offering**—Temporarily postponed.

Kollmorgan Corp.
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. **Offering**—Temporarily postponed.

Kraft (John) Sesame Corp.
May 24, 1962 filed $225,000 of 6% conv. subord. debentures, due 1972, and 150,000 common to be offered in units consisting of a $300 debenture and 200 shares. **Price**—$900 per unit. **Business**—Processing and distribution of sesame seed. **Proceeds**—For accounts receivable, inventories, plant expansion and working capital. **Office**—2301 N. Main St., Paris, Texas. **Underwriters**—John A. Dawson & Co., and Leason & Co., Inc., Chicago.

● **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**—Indefinitely postponed.

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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.

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.

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 July.

● **Lee Fashions, Inc.**
Dec. 27, 1961 filed 166,667 common. **Price**—By amendment. **Business**—Importing of low priced ladies' scarfs and blouses. **Proceeds**—For debt repayment and working capital. **Office**—2529 Washington Blvd., Baltimore. **Underwriters**—Godfrey, Hamilton, Taylor & Co., N. Y. and Penzell & Co., Miami Beach. **Offering**—Temporarily postponed.

Lee-Norse Co.
May 25, 1962 filed 272,000 common. **Price**—By amendment (max. $20). **Business**—Production of a coal mining machine. **Proceeds**—For selling stockholders. **Office**—751 Lincoln Ave., Charleroi, Pa. **Underwriter**—Moore, Leonard & Lynch, Pittsburgh.

Lehigh Industries & Investment Corp.
Dec. 29, 1961 filed 2,000,000 class A common. **Price**—By amendment. **Business**—A holding company for three subsidiaries which operate utilities, engage in construction, and distribute electronic parts. **Proceeds**—For debt repayment, construction and working capital. **Office**—800 71st St., Miami Beach, Fla. **Underwriter**—Leeco Investors Corp. (a newly-formed subsidiary). **Offering**—Imminent.

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.
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. **Offering**—Temporarily postponed.

Lesser (Louis) Enterprises, Inc. (7/16-20)
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**—Indefinitely postponed.

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 July.

● **Lewiston-Gorham Raceways, Inc. (7/2-6)**
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.

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.
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. **Offering**—Temporarily postponed.

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.

● **Livestock Financial Corp. (6/25-29)**
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. (6/26)
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. **Offering**—Temporarily postponed.

● **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**—Indefinitely postponed.

● **Lunar Films, Inc.**
Aug. 31, 1961 filed 125,000 common. Price—$5.75. Business—The production of television films. Proceeds—For filming and production and working capital. Office—543 Madison Ave., N. Y. **Underwriter**—Fred F. Sessler & Co., Inc., N. Y. **Note**—This firm formerly was named Lunar Enterprises, Inc. **Offering**—Postponed.

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.

Mac-Allan Co., Inc. (6/25-29)
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 .

Magazines For Industry, Inc.
Aug. 2, 1961 filed 100,000 common, of which 80,000 will be offered by the company and 20,000 by stockholders. **Price**—$5. **Business**—The publishing of business periodicals. **Proceeds**—For promotion, a new publication and working capital. **Office**—660 Madison Ave., New York. **Underwriter**—Arnold, Wilkens & Co., Inc., N. Y. **Offering**—Temporarily postponed.

Magellan Sounds Corp.
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. **Offering**—Temporarily postponed.

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 and marketing of magnetic memory units. Company also plans to market transistor logic units and subsystems for use in computers, business machines and data handling systems. **Proceeds**—Expansion of sales and engineering, new product development and equipment. **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. **Offering**—Expected in August.

Mammoth Mart Inc. (7/2-6)
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

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 July.

● **Maradel Products, Inc.**
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. **Note**—This registration was withdrawn.

Marin County Financial Corp. (6/18-22)
May 2, 1962 filed 102,050 capital shares, of which 27,790 are to be offered by company and 74,260 by stockholders. **Price**—By amendment (max. $18). **Business**—A holding company for a savings and loan association. **Proceeds**—For investment. **Office**—990 Fifth Ave. at Court, San Rafael, Calif. **Underwriter**—Dean Witter & Co., San Francisco.

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.
June 27, 1961 filed 95,000 common shares. **Price**—By amendment. **Business**—Conducts research and development in electronics, optics, electro-optics, quantum electronics, etc. **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. **Offering**—Postponed.

Marshall Press, Inc.
May 29, 1962 filed 60,000 common. **Price**—$3.75. **Business**—Graphic design and printing. **Proceeds**—For publishing a sales catalogue, developing a national sales staff and working capital. **Office**—812 Greenwich St., N. Y. **Underwriter**—R. P. Raymond & Co., Inc., 26 Broadway, N. Y.

Martin (L. P.) Maintenance Corp. (6/19)
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. (6/25-29)
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.

Masury-Young Co.
Dec. 4, 1961 filed 100,000 common. **Price**—$6. **Business**—Manufactures commercial and industrial floor maintenance products. **Proceeds** — For repayment of debt, equipment, and other corporate purposes. **Office**—76 Roland St., Boston. **Underwriter**—Chace, Whiteside & Winslow, Inc., Boston. **Offering**—Indefinitely postponed.

★ **Maxwell Industries, Inc.**
June 7, 1962 filed $750,000 of 6½% subord. sinking fund debentures due 1972, 75,000 common and 10-year warrants to be offered in units consisting of a $10 debenture, one common share and one warrant. **Price**—By amendment (max. $21.50 per unit). **Business**—Contract finisher of fabrics used in the manufacture of wearing apparel. **Proceeds**—For debt repayment. **Office**—70 Wall St., N. Y. **Underwriter**—H. M. Frumkes & Co., N. Y.

Mechmetal-Tronics Inc.
May 28, 1962 filed 150,000 shares of 8% convertible cumulative preferred stock. **Price**—$3. **Business**—Design and manufacture of miniature metal bellows and other miniature products. **Proceeds**—For debt repayment, research and development and working capital. **Office**—12 Rochelle Ave., Rochelle Park, N. J. **Underwriter**—Charels Plohn & Co., New York.

Medical Industries Fund, Inc.
Oct. 23, 1961 filed 25,000 common. **Price**—$10. **Business**—A closed-end investment company which plans to

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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.

Memorial Services, Inc.
April 30, 1962 filed 1,200,000 common. **Price**—$1. **Business**—Company plans to acquire and operate funeral homes. **Proceeds**—For acquisitions, debt repayment and working capital. **Office**—315 E. Sixth Ave., Helena, Mont. **Underwriter**—Memorial Securities, Inc., Helena.

Mercantile Stores Co., Inc.
May 24, 1962 filed 169,302 common. **Price**—By amendment (max. $26). **Business**—Operation of a chain of department stores. **Proceeds**—For selling stockholders. **Office**—100 W. 10th St., Wilmington, Del. **Underwriter**—Clark, Dodge & Co., Inc., N. Y.

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.**
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. **Offering**—Temporarily postponed.

Met Food Corp. (6/18-22)
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**
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. **Offering**—Indefinitely postponed.

Micro-Dine Corp. (6/25-29)
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. (6/28)
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 Planned Investments, Inc.
May 28, 1962 filed 250,000 common. **Price**—By amendment (max. $7). **Business**—Company is engaged in the distribution of shares on contractual plan of other mutual funds, in trading in over-the-counter market, and in underwriting. **Proceeds**—For hiring and training of personnel. **Office**—1300 First National Bank Bldg., Minneapolis. **Underwriter**—None.

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 (6/25-29)
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.

Milmanco Corp.
May 2, 1962 ("Reg. A") 75,000 common, of which 64,200 will be sold by company and 10,800 by stockholders. **Price**—$4. **Business**—Company writes, prepares and prints technical manuals for armed forces and industry. **Proceeds**—For debt repayment and expansion. **Office**—620 7th Ave., Renton, Wash. **Underwriter**—Cruttenden & Co., Inc., 618 S. Spring St., Los Angeles.

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. **Offering**—Expected in July.

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. **Underwriter**—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.
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**—To be named.

● **Molecular Systems Corp.**
Dec. 12, 1961 filed 140,000 common. **Price**—$3. **Business**—Production of polyethylene materials of varying grades. **Proceeds** — For equipment, research and development and working capital. **Office** — 420 Bergen Blvd., Palisades Park, N. J. **Underwriters**—Stone, Ackerman & Co., Inc., (mgr.) and Heritage Equity Corp., N. Y. **Offering**—Temporarily postponed.

Monarch Plastics Corp.
May 28, 1962 ("Reg. A") 140,000 common. **Price**—$2. **Business**—Manufacture and sale of plastic letters, embossed sign faces, quantity signs and boat windshields. **Proceeds**—For purchase of land and building, moving expenses, equipment and working capital. **Office**—5606 Stuebner Airline Rd., Houston. **Underwriter**—W. R. Sauve Co., 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.**
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.**
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. **Note**—This registration was withdrawn.

Moskatel's, Inc.
May 28, 1962 filed 104,000 capital shares, of which 20,000 are to be offered by the company and 84,000 by stockholders. **Price**—By amendment (max. $8.50). **Business**—Sale of artificial flowers and florists' supplies. **Proceeds**—For payment of income taxes. **Office**—738 S. Wall St., Los Angeles, Calif. **Underwriter**—Thomas Jay, Winston & Co., Inc., Beverly Hills, Calif.

Mosler Safe Co. (6/25-29)
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. **Offering**—Indefinitely postponed.

Multi State Industries, Inc. (6/25-29)
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.**
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. **Offering**—Imminent.

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.

National Bag-O-Tunes, Inc.
May 11, 1962 ("Reg. A") 50,000 common. **Price**—$5. **Business**—Distribution of phonograph records. **Proceeds**—For expansion of warehouse space, equipment and inventories. **Office**—224-09 Linden Blvd., Cambria Heights, (Queens), N. Y. **Underwriter**—Harrison Securities, Inc., New York.

● **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. **Note**—This registration has become effective.

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. (7/23-27)**
Sept. 28, 1961 filed 105,000 common. **Price**—$3. **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 Security Life Insurance Co. (6/18-22)
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. (6/18-22)
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. (6/25-29)
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.

New Brunswick Scientific Co., Inc. (6/28)
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**
April 12, 1962 filed 872,786 common shares being offered for subscription by common stockholders on the basis of one new share for each 15 held of record June 14 with rights to expire June 29. **Price**—$21. **Proceeds**—For loans to subsidiaries and other corporate purposes. **Office**—441 Stuart St., Boston. **Underwriter**—None.

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 York Testing Laboratories, Inc. (6-25-29)
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.

Nopco Chemical Co. (7/2-6)
May 4, 1962 filed $5,800,000 of conv. subord. debentures due 1987 to be offered for subscription by common stockholders on the basis of $100 of debentures for each 20 shares held. **Business**—Manufacture of industrial chemical specialties, mainly organic in nature, and urethane foam plastics. **Proceeds**—For debt repayment and construction. **Office**—60 Park Place, Newark, N. J. **Underwriter**—White, Weld & Co., Inc., N. Y.

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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. (7/31)
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.

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.

● **Norway (Kingdom of)**
May 28, 1962 filed $25,000,000 external loan bonds due June 15, 1977. **Price**—By amendment. **Proceeds**—For acquisition and importation of capital equipment. **Underwriters**—Harriman Ripley & Co., Inc.; Kuhn, Loeb & Co., Inc.; Lazard Freres & Co., and Smith. Barney & Co., Inc., N. Y. **Offering** — Temporarily postponed.

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-July.

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.

● **Oceana International, Inc. (6/25-29)**
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.

● **Olympia Record Industries, Inc.**
May 29, 1962 filed 66,000 class A shares. **Price**—$4. **Business**—Wholesale distribution of phonograph records and albums. **Proceeds**—For debt repayment, inventory, product expansion and working capital. **Office**—614 W. 51st St., N. Y. **Underwriters**—Gianis & Co., Inc. and Jed L. Hamburg Co., N. Y. **Offering**—In September.

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 July.

Orbit Stores, Inc.
May 28, 1962 filed 100,000 common. **Price**—By amendment (max. $6). **Business**—Operation of two discount type department stores. **Proceeds**—For equipment, inventory, expansion and working capital. **Office**—725 William T. Morrissey Blvd., Boston. **Underwriter**—None.

● **Orion Electronics Corp. (7/2)**
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.

Orr (J. Herbert) Enterprises, Inc.
May 1, 1962 filed 285,000 common. **Price**—$10.50. **Business**—Company's subsidiaries manufacture cartridge tape recorders and programs therefor and men's and boys' dress trousers. **Proceeds**—For debt repayment, advertising and working capital. **Address**—Opelika, Ala. **Underwriter**—None.

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 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.

Packard-Bell Electronics Corp. (6/25-29)
May 4, 1962 filed $5,023,800 of conv. subord. debentures due 1977 to be offered for subscription by stockholders on the basis of $100 of debentures for each 17 shares held. **Price**—At par. **Business**—Design, manufacture and sale of consumer and defense electronic products. Company also installs and services its TV receivers and stereophonic units, and manufactures plywood doors. **Proceeds**—For debt repayment. **Office**—12333 W. Olympic Blvd., Los Angeles. **Underwriter**—Kidder, Peabody & Co., Inc., N. Y.

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.

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.

● **Papert, Koenig, Lois, Inc.**
May 10, 1962 filed 100,000 class A shares. **Price**—By amendment (max. $8). **Business**—An advertising agency. **Proceeds**—For selling stockholders. **Office**—9 Rockefeller Plaza, N. Y. **Underwriters**—Andresen & Co. and Oppenheimer & Co., N. Y. **Offering**—Expected in Aug.

Paragon Pre-Cut Homes, Inc.
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. **Offering**—Postponed.

Parkview Drugs, Inc. (6/18-22)
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.

● **Paul, Harris Stores, Inc. (6/21)**
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 & Miller, Chicago.

Pay'n Save Corp. (6/18-22)
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. (6/25-29)
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. (6/25-29)**
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.

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
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. **Offering**—Imminent.

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. (6/25-29)
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.

Perma-Bilt Enterprises, Inc.
May 28, 1962 filed 230,000 common. **Price**—By amendment (max. $8). **Business**—Merchandising, sale and construction of homes. **Proceeds**—For acquisition and development of land, and other corporate purposes. **Office**—319 MacArthur Blvd., San Leandro, Calif. **Underwriter**—Robert A. Martin Associates, Inc., N. Y.

Permeator Corp.
May 18, 1962 filed 300,000 common to be offered for subscription by stockholders of National Petroleum Corp. Ltd., parent, on the basis of one share for each 15 National shares held. **Price**—$5. **Business**—Manufacture, use and sale of a patented tool, "Permeator," used in completion of oil and gas wells. **Proceeds**—For general corporate purposes. **Office**—445 Park Ave., N. Y. **Underwriters**—Irving Weis & Co., and Godfrey, Hamilton, Taylor & Co., Inc., N. Y.

Perpetual Investment Trust
Nov. 9, 1961 filed 500,000 shares of beneficial interest. **Price**—(For the first 10,000 shares) $10.80 per share. (For the balance) Net asset value plus 8% commission. **Business**—A real estate investment trust. **Proceeds**—For investment. **Office**—1613 Eye St., N. W., Washington, D. C. **Underwriter**—Sidney Z. Mensh Securities Co., Washington, D. C.

● **Pet Milk Co. (6/21)**
May 29, 1962 filed $20,000,000 of s. f. debentures due June 1, 1982. **Price**—By amendment. **Proceeds**—For an acquisition and repayment of debt. **Office**—Arcade Bldg., St. Louis. **Underwriters**—Kidder, Peabody & Co., Inc.; G. H. Walker & Co., N. Y., and Julien Collins & Co., Chicago.

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.
April 3, 1962 filed 6,153,140 common being 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** — $33 per share.. **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-Manager**—Smith, Barney & Co., N. Y.

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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.

Piggyback Transport Corp.
April 30, 1962 ("Reg. A") 40,000 common. **Price**—$5. **Business**—Loading and unloading of trailers and autos from freight cars, and freight consolidation and forwarding. **Proceeds**—For equipment, expansion and general corporate purposes. **Office**—1200 Seaboard Dr., Hialeah, Fla. **Underwriter**—Willard Co., 111 Broadway, N. Y.

Pioneer Restaurants, Inc.
Dec. 21, 1961 filed 125,000 common, of which 75,000 are to be offered by the company and 50,000 by a selling stockholder. **Price**—By amendment. **Business**—Operation of six restaurants in Sacramento. **Proceeds**—For expansion, debt repayment and working capital. **Office**—1626 J St., Sacramento. **Underwriter**—Stewart, Eubanks, Myerson & Co., San Francisco. **Offering**—Temporarily postponed.

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**—Late July.

Playboy Clubs International, Inc.
May 28, 1962 filed 270,000 common. **Price**—By amendment. (max. $7). **Business**—Company is engaged in the ownership and franchising of Playboy Clubs. **Proceeds**—For debt repayment and general corporate purposes. **Office**—232 E. Ohio St., Chicago. **Underwriter**—Divine & Fishman, Inc., Chicago.

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.
Feb. 28, 1962 filed 125,000 common, of which 50,000 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. **Offering**—Postponed.

★ **Premiums Infinite, Inc.**
June 1, 1962 ("Reg. A") 25,250 common. **Price**—$10. **Business**—Development and exploitation of new ideas, designs, products and inventions. **Proceeds**—For equipmetn salaries and other corporate purposes .**Office**—56½ Merchant's Row, Room 523, Rutland, Vt. **Underwriter**—None.

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. **Note**—This registration was withdrawn.

Primex Equities Corp.
Nov. 27, 1961 filed 335,000 class A common. **Price**—By amendment. **Business**—A real estate investment firm. **Proceeds**—For property acquisitions and working capital. **Office**—66 Hawley St., Binghamton, N. Y. **Underwriters**—D. H. Blair & Co., and Troster, Singer & Co., N. Y. **Offering**—Indefinitely postponed.

● **Product Research of Rhode Island, Inc.**
July 28, 1961 filed 330,000 common shares. **Price**—$2.05. **Business**—The manufacture of vinyl plastic products used in the automotive, marine and household fields. **Proceeds**—For repayment of debt, new equipment and working capital. **Office**—184 Woonasquatucket Avenue, North Providence, R. I. **Underwriter**—Fred F. Sessler & Co., Inc., N. Y. **Offering**—Postponed.

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.

Prosperity Cleaners & Laundries, Inc.
May 15, 1962 filed 100,000 common. **Price** — By amendment (max. $5.50). **Business**—Operation of a chain of dry-cleaning and laundry stores. **Proceeds**—For selling stockholders. **Office** — 48-12 25th St., Astoria, N. Y. **Underwriter**—Edwards & Hanly, Hempstead, L. I., N. Y.

Prudent Realty Investment Trust
May 21, 1962 filed 100,000 shares of beneficial interest. **Price**—$10. **Business**—A real estate investment trust. **Proceeds**—For investment. **Office**—1324 Walnut St., Philadelphia. **Underwriter**—None.

Public Loan Co., Inc.
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. **Offering**—Indefinitely postponed.

Public Service Co. of New Hampshire (6/27)
June 5, 1962 filed $24,000,000 of first mortgage bonds, due 1992. **Proceeds**—To redeem outstanding 5⅜% bonds, due 1987, 5⅛% bonds, due 1989, and 5⅛ bonds, due 1990, repay short term loans, and for construction. **Office**—1087 Elm St., Manchester, N. H. **Underwriters**—(Competitive). Probable bidders: Halsey, Stuart & Co. Inc.; Equitable Securities Corp.-Eastman Dillon, Union Securities & Co. (jointly); Kidder, Peabody & Co.-Blyth & Co., Inc. (jointly); White Weld & Co.; Lehman Brothers. **Bids**—June 27 (11 a.m. EDST) in Room 166, Parker House, Boston. **Information Meeting**—June 25 (3:30 p.m. EDST) at the same address.

Publishers Co., Inc.
Nov. 28, 1961 filed 541,000 common. **Price**—By amendment. **Business**—Book publishing. **Proceeds**—For an acquisition and other corporate purposes. **Office**—1106 Connecticut Ave., N. W., Washington, D. C. **Underwriter**—Roth & Co., Inc., Philadelphia.

Puerto Rico Brewing Co., Inc. (6/25-29)
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.

Puget Sound Power & Light Co. (6/26)
June 1, 1962 filed 150,000 preferred (par $100). **Price**—By amendment (max. $103). **Proceeds**—For prepayment of bank loans and construction. **Office**—1400 Washington Bldg., Seattle. **Underwriters**—Blyth & Co., Inc., and Merrill Lynch, Pierce, Fenner & Smith Inc., 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.

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. (7/2-6)**
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. (6/25-29)
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.

Ram Tool Corp.
May 16, 1962 filed $800,000 of 6½% subord. debentures due May 31, 1972 (with attached warrants). **Price**—By amendment. **Business**—Manufacture and sale of electrically powered tools, and hand garden tools. **Proceeds**—For debt repayment and working capital. **Office**—411 N. Claremont Ave., Chicago. **Underwriters**—Aetna Securities Corp., N. Y. and Cantor, Fitzgerald & Co., Inc., Beverly Hills, Calif.

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. **Offering**—Expected in mid-July.

Regulators, Inc. (6/25-29)
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.

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.

Richmond Corp.
Dec. 21, 1961 filed 142,858 common. **Price**—$7. **Business**—A real estate investment company. **Proceeds**—For debt repayment and general corporate purposes. **Office**—220 K St., N. W., Washington, D. C. **Underwriter**—Hirschel & Co., Silver Spring, Md. **Offering**—Indefinite.

Ridgerock of America, Inc.
Dec. 29, 1961 filed 100,000 common. **Price**—$2.50. **Business**—Production of stone facing for buildings. **Proceeds**—For debt reduction and general corporate purposes. **Address**—Sebring, O. **Underwriter**—To be named.

● **Ridgewood Financial Corp. (6/25-29)**
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.

Rite Electronics, Inc. (6/25-29)
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., New York.

● **Roadcraft Corp. (6/25-29)**
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. (6/25-29)**
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.

Rosenfeld (Henry), Inc. (6/25-29)
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 July.

Royalty Stores, Inc.
May 29, 1962 filed 75,000 common. **Price**—$3.75. **Business**—Operation of discount stores and wholesale distribution of general merchandise. **Proceeds**—For expansion, advertising, and other corporate purposes. **Office**—10 Charles St., Floral Park, N. Y. **Underwriter**—R. P. Raymond & Co., Inc., 26 Broadway, N. Y.

Ruby Silver Mines, Inc.
Jan. 2, 1962 ("Reg. A") 2,400,000 common. **Price**—12½ cents. **Business**—Exploration and development of mineral deposits. **Proceeds**—For debt repayment and general corporate purposes. **Address**—Box 1088, Wallace, Idaho. **Underwriter**—Pennaluna & Co., Spokane, Wash.

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.

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• Salant & Salant, Inc. (6/25-29)
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.
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. **Offering**—Imminent.

Sampson Enterprises, Inc. (7/9-13)
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.
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. **Offering**—Expected in late 1962.

Saturn Electronics Corp.
May 3, 1962 ("Reg. A") 80,000 class A common. **Price**—$3.75. **Business**—Design, manufacture, and distribution of high fidelity amplifiers, transformers, etc. **Proceeds**—For equipment, inventory, moving expenses and working capital. **Office**—10665 Harry Hines Blvd., Dallas. **Underwriter**—Reese, Scheftel & Co., Inc., N. Y.

Save-Mor Drugs, Inc.
Dec. 28, 1961 ("Reg. A") $300,000 of 6% 15-year subord. conv. debentures. **Price**—At par. **Business**—Operation of a chain of drug stores. **Proceeds**—For general corporate purposes. **Office**—3310 New York Ave., N. E., Washington, D. C. **Underwriter**—C. A. Taggart, Inc., Towson, Md

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. **Underwriter** — Straus, Blosser & McDowell, Chicago. **Offering**—Temporarily postponed.

• 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. **Offering**—July.

Schaevitz Engineering (6/25-29)
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.

• Schlumberger Ltd.
May 11, 1962 filed 700,000 common. **Price**—By amendment (max. $80). **Business**—Furnishing of electrical logging and related services to oil well drillers, and the design and manufacture of electronic and electromechanical equipment, components and systems. **Proceeds**—For selling stockholders. **Office**—408 Bank of the Southwest Bldg., Houston. **Underwriter**—Morgan Stanley & Co., N. Y.

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.
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. **Offering**—Postponed.

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.
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. **Offering**—Indefinitely postponed.

• Security Aluminum Corp. (6/25-29)
Jan. 26, 1962 filed 200,000 common. **Price**—By amendment. **Business**—Manufacture of alumnium sliding windows and doors. **Proceeds**—For equipment, moving expenses and working capital. **Office**—503 E. Pine Ave., Compton, Calif. **Underwriter**—Vickers, MacPherson & Warwick, Inc., N. Y.

Seg Electronics Co., Inc.
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. **Offering**—Temporarily postponed.

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.

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. (6/25-29)
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. (6/25-29)
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.

Sierra Pacific Power Co. (6/26)
May 11, 1962 filed $5,000,000 of first mtge. bonds due 1992. **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.

Signalite Inc. (6/25-29)
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 company shares held, and one share for each 30 shares of Associated 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. **Underwriters**—Charles Plohn & Co. and B. W. Pizzini & Co., N. Y.

Site-Fab, Inc. (6/29)
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.

• Skiers Service Corp. (7/2-6)
Oct. 30, 1961 filed 550,000 common. **Price**—By amendment. **Business**—Distribution of coin-operated insurance vending machines to brokers at sporting centers. **Proceeds**—For inventory, advertising and working capital. **Office**—420 Lexington Ave., N. Y. **Underwriter**—Pacific Coast Securities Co., San Francisco. **Note** — This firm formerly was named National Vending Ski Insurance Corp.

• Sokol Brothers Furniture Co., Inc. (7/2-6)
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**—Albion Securities Co., Inc., N. Y.

Solid State Products, Inc. (6/25-29)
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.

Solo Amusement & Vending Co.
May 4, 1962 ("Reg. A") 60,000 common, of which 54,000 are to be offered by company and 6,000 by stockholders. **Price**—$5. **Business**—Operation of coin operated amusement rides for children. **Proceeds**—For debt repayment and working capital. **Office**—219—9th St., San Francisco. **Underwriter**—Frank J. Mohr Investment Securities, San Francisco.

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.

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.

★ Southern Discount Co.
June 1, 1962 ("Reg. A") $95,000 of 5% subord. debentures (series H) due 1982. **Price**—At par. **Business**—Company operates a loan and discount business, an insurance agency and life insurance concern. **Proceeds**—For retirement of debentures, and working capital. **Office**—919 W. Peachtree St., N. E., Atlanta, Ga. **Underwriter**—None.

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.

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. **Offering**—Expected in July.

Sportsways, Inc.
Feb. 20, 1962 filed 175,000 common, of which 50,000 are to be offered by company and 125,000 by a stockholder. **Price**—By amendment. (max. $7). **Business**—Manufacture and distribution of skin diving equipment and accessories. **Proceeds**—For working capital. **Office**—7701 E. Compton Blvd., Paramount, Calif. **Underwriters**—Troster, Singer & Co., and Federman, Stonehill & Co., N. Y. **Offering**—Temporarily postponed.

• Stack Electronics, Inc.
May 25, 1962 ("Reg. A") 60,000 common. **Price**—$5. **Business**—Manufacture, sale and distribution of electronic equipment. **Proceeds**—For new products and working capital. **Office**—45 Washington St., Binghamton, N. Y. **Underwriters**—Arnold Malkan & Co., Inc. and Dean Samitas & Co., Inc., N. Y. **Offering**—In September.

Stainless Steel Products, Inc.
May 28, 1962 filed 100,000 capital shares, of which 75,000 are to be offered by company and 25,000 by stockholders. **Price**—By amendment (max. $10). **Business**—Design, development and manufacture of high pressure, high temperature ducting systems for use in aircraft and missiles. **Proceeds**—For plant expansion, equipment and working capital. **Office**—2980 N. San Fernando Blvd., Burbank, Calif. **Underwriter**—First California Co., Inc., San Francisco.

Starmatic Industries, Inc.
Nov. 3, 1961 filed 100,000 common. **Price**—By amendment. **Business**—Manufacture of boxes, brochures, packaging materials and packaging machines. **Proceeds**—For debt repayment and other corporate purposes. **Office**—252 W. 30th St., N. Y. **Underwriter**—R. P. Raymond & Co., Inc., 26 Broadway, N. Y. **Offering**—Expected in late August.

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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. **Note**—This registration was withdrawn.

● **Steel Plant Equipment Corp. (7/2-6)**
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. (6/18-22)
Jan. 5, 1962 filed 200,000 common. **Price**—$3. **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. **Underwriter**—Lloyd Securities, Inc.

● **(M.) Stephens Mfg. Co., Inc. (6/18-22)**
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. **Underwriters** — Thomas Jay, Winston & Co., Inc., Beverly Hills, Calif., and I. J. Schein Co., N. Y.

● **Sterno Industries, Inc. (7/2-6)**
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.

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.

Summit Gear Co., Inc.
May 29, 1962 filed 167,000 common. **Price**—$3.50. **Business**—Development, design and manufacture of gears and gear assemblies, precision instruments and appliances. **Proceeds**—For equipment, working capital and research and development. **Office**—5960 Main St., Northeast, Minneapolis. **Underwriter**—Irving J. Rice & Co., Inc., St. Paul.

● **Sun City Dairy Products, Inc.**
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. **Offering**—Expected in August.

Superior Bakers, Inc. (6-25-29)
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.

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. (6/25-29)
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., 9301 Wilshire Blvd., Beverly Hills, Calif.

● **Tactair Fluid Controls, Corp. (7/2-6)**
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 Pennington, 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. **Underwriters**—Merrill Lynch, Pierce, Fenner & Smith Inc., N. Y., and Dallas Rupe & Son, Inc., Dallas, Tex. **Offering**—Indefinitely postponed.

★ **Teaching Systems, Inc.**
June 1, 1962 ("Reg. A") 50,000 common. **Price**—$2. **Business**—Production and sale of educational audio-visual teaching aids. **Proceeds**—For equipment, promotion and advertising and working capital. **Office**—1650 Broadway, N. Y. **Underwriter**—Creative Ventures Corp., 733 Third Ave., 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.**
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. **Note**—This registration was withdrawn.

Ten-Tex Corp.
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. **Offering**—Expected in August.

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.

Thermogas Co.
May 25, 1962 filed 800,000 common. **Price**—By amendment (max. $15). **Business**—Distribution of LP gas, tanks and accessories, and gas fueled household appliances. **Proceeds**—For acquisitions, debt repayment and equipment. **Office**—4509 E. 14th St., Des Moines. **Underwriter**—A. C. Allyn & Co., Chicago.

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.**
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. **Offering**—Temporarily postponed.

Thompson Manufacturing Co., Inc. (6/25-29)
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.
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. **Offering**—Temporarily postponed.

Top Dollar Stores, Inc.
May 1, 1962 filed 200,000 common, of which 100,000 are to be offered by company and 100,000 by stockholders. **Price**—$5. **Business**—Operation of a chain of self-service retail stores selling clothing, housewares, etc. **Proceeds**—For expansion, equipment and working capital. **Office**—2220 Florida Ave., Jasper, Ala. **Underwriter**—Philips, Rosen, Appel and Walden, N. Y.

● **Tork Time Controls, Inc.**
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. **Offering**—Postponed.

Towers Marts International, Inc. (6/25-29)
Feb. 1, 1962 filed 550,000 capital shares. **Price** — By amendment. **Business** — Company builds and operates retail discount department stores. **Proceeds**—For expansion. **Office**—41 E. 42nd St., N. Y. **Underwriter**—W. C. Langley & Co., N. Y.

Traid Corp.
Feb. 12, 1962 filed 150,000 common. **Price**—By amendment (max. $9). **Business**—Design and sale of special cameras for scientific photography. **Proceeds**—For general corporate purposes. **Office**—17136 Ventura Blvd., Encino, Calif. **Underwriter**—J. A. Hogle & Co., Salt Lake City. **Offering**—Indefinitely postponed.

Trans-Alaska Telephone Co. (6/25-29)
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-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.

Transarizona Resources, Inc.
May 28, 1962 filed 500,000 capital shares. **Price**—$1.50. **Business**—Exploration, development and production of the Lake Shore copper deposit near Casa Grande, Ariz. **Proceeds**—For equipment, exploration and working capital. **Office**—201 E. 4th St., Casa Grande, Ariz. **Underwriter**—None.

● **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. **Note**—This registration was withdrawn.

Transportation for the Handicapped, Inc.
May 2, 1962 filed 80,000 common. **Price**—$2. **Business**—Company plans to sell franchises for "Mobile Care," a specialized method for transporting the aged and handicapped. **Proceeds**—For advertising, equipment and working capital. **Office**—2079 Wantaugh Ave., Wantaugh, N. Y. **Underwriter**—Weisel, Kleinman & Co., Inc., Garden City, N. Y.

Tremco Manufacturing Co.
Feb. 26, 1962 filed 150,000 class A common. **Price** — By amendment (max. $15). **Business**—Producer of protective coatings, sealants, mastics, paints, etc. **Proceeds** — For selling stockholders. **Office**—10701 Shaker Blvd., Cleveland. **Underwriter**—McDonald & Co., Cleveland. **Offering**—Temporarily postponed.

Tronchemics Research Inc.
May 10, 1962 filed 400,000 common. **Price**—$1. **Business**—Research and development and manufacture of products in the fields of data processing, process control and chemical and food processing. **Proceeds**—For research and development, working capital and other corporate purposes. **Office**—7620 Lyndale Ave. S., Minneapolis. **Underwriter**—J. M. Dain & Co., Inc., Minneapolis.

Tujax Industries, Inc. (6/25-29)
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.

Tull (J. M.) Metal & Supply Co., Inc.
May 17, 1962 ("Reg. A") 25,000 common. **Price**—$12. **Business**—Wholesale distribution of ferrous and nonferrous metals and industrial supplies. **Proceeds**—For working capital. **Office**—285 Marietta St., N. W., Atlanta. **Underwriters**—Wyatt, Neal & Waggoner, and Robinson-Humphrey Co., Inc., Atlanta.

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. **Offering**—Expected in July.

● **Tyler Pipe & Foundry Co.**
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. **Note**—This registration was withdrawn.

★ **Unilux, Inc.**
June 12, 1962 filed 40,000 class A shares. **Price**—$10. **Business**—Production of electronic flash systems for photography, etc. **Proceeds**—For equipment, sales promotion, research and development, and other corporate purposes. **Office**—120 Liberty St., N. Y. **Underwriter**—None.

Unison Electronics Corp. (6/18-22)
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.
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. **Offering**—Expected sometime in July.

United Markets Inc. (7/23-27)
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 National Insurance Co.
May 29, 1962 filed 77,000 common. **Price**—$15. **Business**—Sale of automobile insurance, and the writing of fire and extended coverage insurance. **Proceeds**—For expansion. **Office**—225 S. 15th St., Philadelphia. **Underwriter**—Suplee, Yeatman, Mosley Co., Inc., Philadelphia.

United-Overton Corp. (6/25-29)
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 depart-

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ment stores. **Proceeds**—For debt repayment. **Office**—19 Needham St., Nugent Highlands, Mass. **Underwriters**—McDonnell & Co., Inc., and Oppenheimer & Co., N. Y.

United Packaging Co., Inc. (6/25-29)
Nov. 29, 1961 filed 102,000 common. **Price**—$3. **Business**—A general packaging business. **Proceeds** — For new machinery, debt repayment and working capital. **Office**—4511 Wayne Ave., Philadelphia. **Underwriter**—Godfrey, Hamilton, Taylor & Co., Inc., N. Y.

U. S. 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 July.

U. S. Scientific Corp.
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. **Offering**—Expected in August.

● **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. **Offering**—Postponed.

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. (6/25)
Aug. 7, 1961 filed 100,000 common shares. **Price**—$5 **Business** — The importation and distribution of Italian marble and mosaic tiles. **Proceeds** — For the purchase and installation of new moulds, machinery and equipment, research and general corporate purposes. **Office**—250 Goffle Road, Hawthorne, N. J. **Underwriter**—Edward Lewis & Co., Inc., N. Y. **Note**—This company formerly was named Aero-Dynamics Corp.

● **Universal Telephone, Inc. (6/20)**
March 29, 1962 filed 120,000 common. **Price** — $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.
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** — First Nebraska Securities Corp., Lincoln, Neb. **Offering**—Temporarily postponed.

Utah Concrete Pipe Co.
Feb. 8, 1962 filed 110,000 common. **Price** — By amendment (max. $10). **Business** — Manufacture and sale of concrete pipe, masonry products, corrugated metal pipe, telephone conduit and miscellaneous concrete products. **Proceeds**—For debt repayment and working capital. **Office**—379 17th St., Ogden, Utah. **Underwriter**—Schwabacher & Co., San Francisco. **Offering** — Indefinitely postponed.

U-Tell Corp.
Sept. 18, 1961 ("Reg. A") 33,097 common. **Price** — $5. **Business** — Operation of a discount department store. **Office**—3629 N. Teutonia Ave., Milwaukee, Wis. **Underwriter** — Continental Securities Corp., Milwaukee, Wis. **Offering**—Temporarily postponed.

Valu-Rack, Inc. (7/16-20)
May 4, 1962 filed 200,000 common, of which 100,000 are to be offered by company and 100,000 by stockholders. **Price** — $5. **Business** — Wholesale distribution and retail merchandising of health and beauty aids, housewares, kitchenwares, wearing apparel and other goods. **Proceeds**—For debt repayment. **Office**—2925 S. San Pedro St., Los Angeles. **Underwriter**—Garat & Polonitza, Inc.

Vapor Corp.
Feb. 2, 1962 filed 156,762 common. **Price** — By amendment. **Business**—Manufacture of steam generators for diesel locomotives; temperature control systems for rail cars, buses and aircraft; and door control devices for rail passenger cars. **Proceeds**—For selling stockholders. **Office**—80 E. Jackson Blvd., Chicago. **Underwriter**—William Blair & Co., Chicago. **Offering** — Indefinitely postponed.

● **Vendex, Inc. (6/25-29)**
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.

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.

Verian 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 July.

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.

Virginia Electric & Power Co.
May 4, 1962 filed 650,000 common. **Proceeds**—For construction. **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). **Offering**—Temporarily postponed.

● **Voron Electronics Corp.**
July 28, 1961 filed 100,000 class A shares. **Price** — $3. **Business**—The manufacture of electronic test equipment, the sale, installation and servicing of industrial and commercial communications equipment and the furnishing of background music. **Proceeds**—For tooling, production, engineering, inventory and sales promotion of its products and for working capital. **Office** — 1230 E. Mermaid Lane, Wyndmoor, Pa. **Underwriters** — John Joshua & Co., Inc., and Reuben, Rose & Co., Inc., N. Y.

● **Wade Wenger ServiceMASTER Co. (6/18-22)**
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. (7/2)
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.

Wavelabs, Inc.
May 21, 1962 ("Reg. A") 220,000 common. **Price**—$1.25. **Business** — Manufacture of airborne and shipboard vibration monitoring devices. **Proceeds**—For equipment, advertising, marketing and working capital. **Office**—4343 Twain St., San Diego. **Underwriters**—Hannaford & Talbot, San Francisco and S. C. Burns & Co., Inc., N. Y.

Welcome Baby, Inc. (6/18-22)
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 (6/25-29)
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 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 Pioneer Co.
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. **Offering**—Expected in July.

★ **Western Power & Gas Co. (7/17)**
June 12, 1962 filed 150,000 cumulative preferred (no par). **Price**—By amendment (max. $50). **Proceeds**—For prepayment of bank loans, redemption of 4¼% debentures due 1970, construction and other corporate purposes. **Office**—144 S. 12th St., Lincoln, Neb. **Underwriter**—Paine, Webber, Jackson & Curtis, 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. **Note**—This offering was indefinitely postponed.

● **White Lighting Co. (6/18-22)**
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., 9301 Wilshire Blvd., Beverly Hills, Calif.

● **Widman (L. F.), Inc.**
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. **Offering**—Temporarily postponed.

Wiegand (Edwin L.) Co.
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. **Offering**—Temporarily postponed.

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, Friedrichs & Co., New Orleans.

● **Wiggins Plastics, Inc. (6/29)**
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. **Underwriters**—Investment Planning Group, Inc., East Orange, N. J., and Triangle Investors Corp., N. Y.

Willpat Productions, Inc.
May 9, 1962 ("Reg. A") 160,000 common. **Price**—$1.25. **Business**—Production of full-length motion pictures. **Proceeds**—For new films, debt repayment and working capital. **Office**—1025 Connecticut Ave., N. W., Washington, D. C. **Underwriter**—Bevan & Co., Inc., Washington, D. C.

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.

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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. (6/25-29)
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 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. **Offering**—Temporarily postponed.

● **World Scope Publishers, Inc.**
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. (6/18-22)
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.**
June 7, 1962 ("Reg. A") 50,000 common. **Price**—$4. **Business**—Company plans to manufacture and operate in the U. S. a parking device called the "Wulpa Lift." **Proceeds**—For manufacture, purchase or lease of locations and working capital. **Office**—370 Seventh Ave., N. Y. **Underwriter**—I. R. E. Investors Corp., Levittown, New York.

Zayre Corp.
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. **Offering**—Temporarily postponed.

Zeckendorf Properties Corp.
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. **Offering**—Indefinitely postponed.

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.

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Prospective Offerings

★ **Atlanta Gas Light Co. (7/25)**
June 12, 1962 it was reported that this utility plans to sell $7,500,000 of debentures due Aug. 1, 1982. **Office**—243 Peachtree St., N. E. Atlanta. **Underwriters**—(Competitive). Probable bidders: Stone & Webster Securities Corp.; White, Weld & Co.-Kidder, Peabody & Co. (jointly); First Boston Corp.; Shields & Co.; Halsey, Stuart & Co. Inc.; Equitable Securities Corp.-Eastman Dillon, Union Securities & Co. (jointly). **Bids**—Expected July 25 (11 a.m. EDST) at 90 Broad St. (19th floor), New York. **Information Meeting**—July 23 (11 a.m. EDST) at same address.

★ **Atlantic Coast Line RR. (7/11)**
June 13, 1962 it was reported that company plans to issue approximately $3,540,000 of 1-15 year equipment trust certificates. **Office**—220 E. 42nd St., N. Y. **Underwriters**—(Competitive). Probable bidders: Halsey, Stuart & Co. Inc.; Salomon Brothers & Hutzler. **Bids**—Expected July 11 (12 noon EDST).

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).

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.

★ **Columbia Gas System, Inc.**
June 12, 1962 it was reported that the company plans to sell $25,000,000 of securities, possibly debentures, in the Fall. **Proceeds** — For construction. **Office** — 120 E. 41st St., New York City. **Underwriters**—(Competitive). Probable bidders: Merrill Lynch, Pierce, Fenner & Smith Inc.-White, Weld & Co. (jointly); Morgan Stanley & Co.; Halsey, Stuart & Co. Inc.

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.

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.

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. (7/31)**
June 11, 1962 it was reported that this utility plans to issue $25,000,000 of first mortgage bonds due 1992. **Office**—25 S. E. Second Ave., Miami, Fla. **Underwriters**—(Competitive). Probable bidders: Merrill Lynch, Pierce, Fenner & Smith Inc.-Kidder, Peabody & Co. (jointly); Halsey, Stuart & Co. Inc.; White, Weld & Co.; First Boston Corp.; Blyth & Co., Inc. **Bids**—Expected July 31 (11:30 a.m. EDST).

Food Fair Properties, Inc.
May 11, 1962 stockholders authorized the company to issue 756,000 shares of a new convertible preferred stock which will be offered to stockholders through subscription rights on a 1-for-10 basis. **Price**—By amendment. **Business**—Development and operation of shopping centers. **Proceeds**—To retire outstanding 6% preferred stock and purchase up to $6,000,000 convertible debentures of Major Realty Corp., an affiliate. **Office**—223 East Allegheny Ave., Philadelphia. **Underwriter**—To be named. The last rights offering in December 1957 was underwritten by Eastman Dillon, Union Securities & Co., New York.

Georgia Power Co. (11/7)
On Jan. 12, 1962 it was reported that this subsidiary of the Southern Co. plans to offer $23,000,000 30-year first mortgage bonds in November. **Office**—270 Peachtree Bldg., Atlanta, Ga. **Underwriters**—(Competitive). Probable bidders: Halsey, Stuart & Co., Inc.; Harriman Ripley & Co., Inc.; Blyth & Co., Inc.; Kidder, Peabody & Co.-Shields & Co. (jointly); Equitable Securities Corp.-Eastman Dillon, Union Securities & Co. (jointly); First Boston Corp.; Lehman Brothers; Morgan Stanley & Co. **Bids**—Expected Nov. 7. **Registration**—Scheduled for Oct. 5.

Georgia Power Co. (11/7)
On Jan. 12, 1962 it was reported that this subsidiary of the Southern Co. plans to offer $7,000.000 of preferred stock in November. **Office**—270 Peachtree Bldg., Atlanta, Ga. **Underwriters**—(Competitive). Probable bidders: Blyth & Co., Inc.; First Boston Corp.; Morgan Stanley & Co.; Eastman Dillon, Union Securities & Co.-Equitable Securities Corp. (jointly); Lehman Brothers. **Bids**—Expected Nov. 7. **Registration**—Scheduled for Oct. 5.

Gulf, Mobile & Ohio RR. (6/28)
June 6, 1962 it was reported that this road plans to sell $1,575,000 of 1-15 year equipment trust certificates. **Office**—230 S. Clark St., Chicago. **Underwriters**—(Competitive). Probable bidders: Halsey, Stuart & Co. Inc.; Salomon Brothers & Hutzler. **Bids**—June 28 (12 noon CDST) in Chicago.

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).

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).

Iowa Public Service Co. (8/27)
June 6, 1962 it was reported that this utility plans to offer stockholders the right to subscribe for an additional 320,468 common shares on a 1-for-10 basis. **Address**—Orpheum-Electric Bldg., Sioux City. **Underwriters**—(Competitive). Probable bidders: Blyth & Co.; 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**—Expected Aug. 27.

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.

Jersey Central Power & Light Co.
June 6, 1962 it was reported that this company plans to sell $11,000,000 of first mortgage bonds due 1992 in the fourth quarter. **Address**—Madison Ave., at Punch Bowl Rd., Morristown, N. J. **Underwriters** — (Competitive). Probable bidders: First Boston Corp.; Halsey, Stuart & Co. Inc.; Eastman Dillon, Union Securities & Co.-Salomon Brothers & Hutzler-Merrill Lynch, Pierce, Fenner & Smith Inc. (jointly); Kidder, Peabody & Co.; White, Weld & Co.

Merrimac-Essex Electric Co.
May 9, 1962 it was reported that this subsidiary of New England Power Co., plans to merge with two other companies in July after which it will issue $20,000,000 of first mortgage bonds. **Office** — 441 Stuart St., Boston. **Underwriters**—(Competitive). Probable bidders: Halsey, Stuart & Co. Inc.; Kidder, Peabody & Co.-White, Weld & Co. (jointly); Merrill Lynch, Pierce, Fenner & Smith Inc.-Eastman Dillon, Union Securities & Co. (jointly); First Boston Corp.

Missouri Power & Light Co. (7/17)
June 6, 1962 it was reported that this utility plans to sell $6,000,000 of first mortgage bonds due 1992. **Office**—106 West Hight St., Jefferson City, Mo. **Underwriters**—(Competitive). Probable bidders: Halsey, Stuart & Co. Inc.; First Boston Corp.; White, Weld & Co. **Bids**—Expected July 17.

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).

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,

★ **Natural Gas Pipeline Co. of America**
June 12, 1962 it was reported that this subsidiary of Peoples Gas Light & Coke Co., plans to sell $35,000,000 of senior securities later this year. **Business**—Operation of two natural gas pipeline systems extending from Texas to the Chicago metropolitan area. **Proceeds**—For expansion. **Office** — 122 So. Michigan Ave., Chicago. **Underwriter**—Dillon, Read & Co. Inc., New York City.

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. **Office**—2011 Las Vegas Blvd., South, Las Vegas, Nev. **Underwriter**—Eastman Dillon, Union Securities & Co., N. Y.

New England Power Co.
May 8, 1962 it was reported that this utility plans to sell $12,000,000 of 30-year first mortgage bonds in November, 1962. **Proceeds**—For debt repayment and construction. **Office**—441 Stuart St., Boston. **Underwriters**—(Competitive). Probable bidders: Halsey, Stuart & Co. Kidder, Peabody & Co.-White, Weld & Co. (jointly); Inc.; Merrill Lynch, Pierce, Fenner & Smith Inc.-Lehman Brothers-Equitable Securities Corp. (jointly); First Boston Corp.; Kuhn, Loeb & Co.

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New England Telephone & Telegraph Co. (7/10)
May 16, 1962 it was reported that this company plans to sell $50,000,000 debentures due 2002. **Proceeds**—To repay advances from A. T. & T., parent company. **Office**—185 Franklin St., Boston. **Underwriters**—(Competitive) Probable bidders: First Boston Corp.; Morgan Stanley & Co.; Halsey, Stuart & Co. Inc. **Bids**—Expected July 10 at 195 Broadway, 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.

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.

Rochester Telephone Corp. (7/19)
June 6, 1962 it was reported that this company plans to issue $12,000,000 of debentures due 1987. **Proceeds**—To repay bank loans, and redeem outstanding 4% debentures due 1963. **Office**—10 Franklin St., Rochester, N. Y. **Underwriters**—(Competitive). Probable bidders: First Boston Corp.; Eastman Dillon, Union Securities & Co.-Kidder, Peabody & Co. (jointly); Halsey, Stuart & Co. Inc.; Kuhn, Loeb & Co. **Bids**—Expected July 19.

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

★ Southern Railway Co. (7/17)
June 12, 1962 it was reported that this road plans to sell $9,450,000 of 1-15 year equipment trust certificates in July. This is the first instalment of a total $18,900,000 issue. **Office**—70 Pine St., New York. **Underwriters**—(Competitive). Probable bidders: Halsey, Stuart & Co. Inc.; Salomon Brothers & Hutzler. **Bids** — July 17 (12 noon EDST).

★ Southern Railway Co. (9/11)
June 12, 1962 it was reported that this road plans to sell $9,450,000 of 1-15 year equipment trust certificates in September. This is the second instalment of a total $18,900,000 issue. **Office**—70 Pine St., New York. **Underwriters**—(Competitive). Probable bidders: Halsey, Stuart & Co. Inc.; Salomon Brothers & Hutzler. **Bids**—Sept. 11, 1962 (12 noon EDST).

Southwestern Bell Telephone Co. (8/7)
May 29, 1962 it was reported that this A. T. & T. subsidiary plans to sell $100,000,000 of debentures. **Proceeds**—To repay advances from parent, and for construction. **Office**—1010 Pine St., St. Louis. **Underwriters**—(Competitive). Probable bidders: Halsey, Stuart & Co. Inc.; Morgan Stanley & Co. **Bids**—Expected Aug. 7.

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.**

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** — P. O. Box 918, Nassau, Bahamas. **Underwriter** — J. I. Magaril Co., Inc., N. Y.

Some Current Banking And Monetary Problems

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rencies of the world must be freely convertible at fixed exchange rates.

Thus, the Federal Reserve and the United States Treasury are concerned with the promotion of equilibrium in international payments and with the defense of the international position of the dollar.

Balance of Payments Problem

For many years the international balance of payments presented no problem for the United States. Following World War II the United States employed its great productive resources to help rebuild a viable free world economy. Foreign countries acquired dollars through American payments for assistance, military purposes and foreign goods. The foreign countries used the dollars to buy goods and services in the United States and to build dollar assets to serve as working balances and as monetary reserves. The world-wide demand for United States products and services in a world of scarcities led to much talk about a permanent "dollar gap." By the end of 1958, however, the dollar gap had disappeared. The economic resurgence in Western Europe and the increase in that area's gold and dollar reserves enabled the major Western European countries to make their currencies freely convertible into dollars and other currencies for current use by their citizens, and to begin to dismantle the discriminatory barriers which had been maintained against imports from the dollar area.

In recent years United States payments abroad have continued to rise as we have increased our imports from abroad, and as the military spending, economic aid and foreign investment, characteristic of our position of world leadership, have remained high. Despite the substantial relaxation of controls by foreign countries, our receipts from the sale of our products and services abroad and from investments by foreigners in this country have fallen short of our payments abroad by a considerably larger margin than in earlier years.

Today we have before us the highly important problem of reducing substantially our country's adverse balance of payments. Last year our payments deficit was $2½ billion, and the associated decline in our gold stock was $878 million. While the record was better than in each of the three preceding years, it is clear that we still have a hard row ahead of us. Progress in this area comes slowly and only after great effort. That effort must be continued with even greater vigor.

Efforts at Solution

Solution of the problem calls for sustained effort in many directions. The goals of such effort must include:

(1) Increasing our net receipts from business transactions with foreign countries, i. e., our trade balance;

(2) reducing the net outflow of payments by the United States Government without impairing our international responsibilities for defense and economic assistance to other countries needing such assistance;

(3) supplementing our gold reserves through the International Monetary Fund and other cooperative arrangements, which could be used by us, to deal with temporary pressures upon the international payments mechanism; and

(4) having fiscal and monetary policies that will promote equilibrium in the flow of international payments, as well as growth in domestic economic activity and employment.

Strong Domestic Economy

The first and most important line of defense of the dollar is here at home. United States goods and services must remain competitive — rather, they must become even more competitive — with those of the rapidly advancing foreign industrial nations. We must be successful in this respect if we are to attain our national economic goals to which I referred earlier. There is no other way by which we can simultaneously meet our international commitments, advance toward freer trade for the benefit of the United States and the rest of the world, and yet obtain the desired improvement in our balance of payments.

Recognition of this reality is clearly spreading. It is reflected in current fiscal and monetary policies. Thus, the Administration has stressed the importance of a balanced budget for the coming fiscal year, and has devoted considerable attention — as we all know—to the task of holding the wage-price line. It has adopted some plans, and has proposed others, to promote business investments in modernization of plant and equipment. In an atmosphere of over-all price stability, monetary policy has sought to promote a fuller use of domestic resources and the productivity gains this could bring, while seeking to avoid, for balance of payments reasons, very low short-term interest rates.

Sharing of International Responsibilities

Another important goal of the United States has been, and no doubt will continue to be, to encourage other advanced industrial nations to undertake a more equitable share of defense and development assistance expenditures. Specifically, the United States has sought with some degree of success to obtain the prepayment of the indebtedness of other countries to the United States, and the purchase by European countries of a larger portion of their military defense equipment in the United States; these payments by foreign countries partially offset our military expenditures abroad. Our government has also been seeking to persuade other governments to liberalize their controls on capital movements and to develop their own internal capital markets so that they will not have to rely so heavily on our capital market.

The Administration is seeking to expand the international trading opportunities of the United States by negotiating with other countries the liberalization of their import policies, and the reduction and elimination of quotas, tariffs and other restrictive measures. To succeed in such negotiations the United States must, of course, have something to offer other countries in the form of increased access to our markets; the Trade Expansion Act now before the Congress is designed to promote these important goals. Adoption of adequate legislation in this respect is essential.

Continuing Problem

The solution of our balance of payments problem is not a "one shot" proposition. The various components of the balance of payments are dynamic. We must be constantly alert to the forces of change in those components; we must be ready to cope with change. In a world of convertible currencies and increasing freedom of international money flows, the United States will continue over the years to have the problem of how to conduct its affairs so as to avoid a persistently adverse balance of payments.

International Monetary Fund

In recent years the International Monetary Fund has played an increasing role in helping its member countries over critical financial periods. By use of the Fund's facilities, members have obtained the convertible currencies of other countries and have thus increased their international reserves. A recent example is the record $1½ billion drawing (coupled with a $½ billion standby credit) obtained by Britain in August, 1961, almost half of which has already been repaid.

During the last several months, important steps have been taken to enlarge the resouces of the International Monetary Fund. Early this year 10 industrial countries, including the members of the European Economic Community, the United Kingdom, Sweden, Canada, Japan and the United States, agreed, subject to legislative ratification, to provide a total of $6 billion in standby credit facilities to the International Monetary Fund to be used by the Fund in loans to one or more of the participating countries in the event of a threat to the world payments system. The share of the United States in this undertaking is $2 billion. The House of Representatives has adopted, and the Senate now has under consideration, legislation to authorize United States participation.

The new arrangement will provide an important means by which medium - term credits may be available through the Fund to cope with any threat to the stability of the international payments mechanism. The credit facilities may be used while both the deficit countries and the surplus countries take the necessary steps to bring their international payments into balance.

International Financial Cooperation

I would like next to discuss some of the aspects of international financial cooperation in which the Federal Reserve is engaged. In a world of convertible currencies and rising international trade, the volume and volatility of international payments is bound to rise. Thus, when there are economic or political disturbances of any kind, there is always the threat of the spreading and intensification of pressure to the point where the stability of the entire international payments system may be jeopardized. A period of considerable uncertainty early in 1961 led to the renewal, after a lapse of 25 years, of official United States operations in convertible foreign currencies.

Stabilization Fund Operations in German Marks

In March 1961 the German mark and the Dutch guilder were revalued—i.e., their value was increased in relation to the dollar. The revaluation set off a wave of apprehension that there might be additional changes in the par values of various currencies. In particular, it was widely thought that another upward adjustment in the German mark might be inevitable. This brought pressures on the dollar.

Let us see how some of these pressures came about. Some persons who held dollars and would need marks in the future for business purposes were inclined to buy marks with the dollars immediately, before marks became more expensive; they made spot sales of dollars for marks in the foreign exchange market. Other persons with dollars but with no business needs for marks also con-

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verted their dollars into marks just on the chance that they might make a profit on a further revaluation. As dollars were offered for marks, the dollar declined in price in relation to the mark.

Other cases were more complicated. By way of example let us take the case of a German exporter who had sold goods abroad and expected to receive dollars in the future. If he delayed converting the dollars into marks until he was in actual receipt of the dollars, he would incur a loss if, in the meantime, the mark were revalued. Under such circumstances, the German exporter was likely to do one of two things: **One,** he might sell his expected dollar receipts in the forward market for marks, thus fixing in advance the amount of marks he would receive for any given amount of dollars. The cost to the exporter of protecting himself in this way would be the premium on the forward marks. Because so many people wanted to buy marks and sell dollars for future delivery the mark commanded a large premium in the forward market. Holders of marks were reluctant to sell them for dollars for future delivery in spite of the premium. The increased premium and the reduced supply of marks created further apprehension regarding the value of the dollar in relation to the mark.

The other thing the exporter might do was to borrow dollars immediately, perhaps in the United States, and use the dollars to buy an equivalent amount of marks spot, i.e., for immediate delivery, thus assuring himself of receiving marks at the current spot rate. Upon receipt of the dollars arising out of the export, the exporter could use the proceeds to pay the loan. The exporter chose between the two alternatives on the basis of relative costs.

United States importers and other persons owing marks also sought to accelerate their acquisition of marks in order to protect themselves against the possibility that marks might become more expensive in the future. There was, of course, nothing reprehensible in these actions of commercial traders; they were simply seeking to protect themselves against financial loss in an abnormal situation.

Another Source of Dollar Pressure

Another source of pressure on the dollar arose as some holders of sterling chose to convert sterling into marks and other Continental European currencies. Because of the position of the dollar as a key currency, the conversion frequently involved the sale of pounds for dollars and the subsequent sale of the dollars for marks or other desired currencies.

Most of the major European central banks are obligated, under the rules of the European Monetary Agreement, to maintain their currencies within a range of three-quarters of 1% above or below the par value of their currencies in relation to the dollar. Thus each central bank buys its currency and sells dollars when the spot rate on its currency reaches a discount of three-quarters of 1% below the par value of its currency; and it sells its currency and buys dollars whenever the spot rate on its currency reaches a premium of three-quarters of 1% above the dollar. Therefore, if there is a strong demand for the currency of such a country, its central bank is likely to acquire a large amount of dollars.

Different foreign central banks have different practices with respect to the form in which they hold their reserves. Some central banks, pursuant to either statutes or tradition, hold most of their reserves in gold; as such central banks increase their dollar holdings they are immediately faced with the question as to whether they should use the dollars to buy gold from the United States Treasury. Other central banks are willing—and, indeed, anxious—to hold additional dollars which can be invested in interest-earning assets. Whatever its practice may have been, each central bank constantly examines its situation to determine the wisest way in which its reserves should be held.

Because so many people wanted to sell dollars and buy marks last spring the price of the dollar declined and the German central bank was required to buy hundreds of millions of dollars against the sale of an equivalent amount of marks. The liquidity of the German economy was increased and the German central bank was confronted with the question of what to do with the dollars. While the Germans, of course, could have enlarged their gold reserves by buying gold from the United States, they, as well as we, preferred to slow or stop the flow of dollars into Germany.

Successful Foreign Exchange Sale

Accordingly, the American and German authorities took steps to reduce the further conversion of dollars into marks. In particular, the United States Treasury, acting through the Federal Reserve Bank of New York and working in close cooperation with the German central bank, made large forward sales of marks in the New York foreign exchange market. Some of the marks to back this forward operation were provided when, in April, 1961, the United States accepted in marks part of a substantial German prepayment on Germany's indebtedness to the United States. The objectives of the exchange operation were to drive down the premium on forward marks, which reflected apprehension of exchange rate changes rather than normal supply and demand relationships, and to exert a steadying influence on both spot and forward rates for marks in relation to the dollar. As the premium on forward marks declined, holders of dollars were less inclined to convert them into marks right away; and for those who would need marks, forward purchases were a cheap alternative to the immediate borrowing of dollars and their conversion into marks in the spot market.

The operation was successful. Initially, intervention was on a large scale. At one time there were outstanding forward contracts for the sale of more than $300 million worth of marks. The arrangement was liquidated completely within nine months, and the market in German marks is now functioning normally. I believe that the turning of the tide was facilitated because traders everywhere were reassured by this and other demonstrations of international cooperation in defending established exchange rates.

These operations in German marks are a good example of the role that foreign currency operations may play in relieving strains in international money flows rising out of abnormal factors.

Stabilization Fund Operations in Other Currencies

We also had good results from operations in Swiss francs beginning in the summer of 1961 when, as a result of apprehension created by the Berlin crisis, there were heavy flows of funds into Switzerland and the premium on forward Swiss francs rose ubstantially. From the start it was apparent that Switzerland's large trade deficit would eventually tend to strengthen the dollar in relation to the Swiss franc; this is, in fact, what has gradually happened—though not without interruption—since the turn of the year. We have recently made substantial progress in liquidating our forward commitments in Swiss francs.

The Treasury has conducted operations in other European currencies in addition to German marks and Swiss francs. The results of those operations show their value in smoothing out abnormal conditions in the exchange markets. We can anticipate further foreign currency operations in the future. Their objective, however, is only to mitigate conditions similar to those I have described and not to remedy the basic cause of our deficits problem which will require more fundamental measures.

Federal Reserve Operations

While the Treasury was carrying the brunt of the tactical defense of the dollar in the foreign exchange markets—with the Federal Reserve Bank of New York acting as its fiscal agent—the Federal Reserve System as a whole was re-examining its role in this nationally important task. It soon became clear that the Federal Reserve could not follow a policy of detachment. With the rapid progress in the international integration of national money and capital markets, the effects of monetary policy here and abroad were reaching beyond the water's edge from both sides. Furthermore, since we believed we had the capacity to aid the government and the country in the difficult interval that was bound to elapse before the United States balance of payments deficit could be brought under control, we felt a responsibility to do so. Therefore, on Feb. 13, 1962, the Federal Open Market Committee authorized the Federal Reserve Bank of New York to undertake transactions in foreign currencies for the System Open Market Account in accordance with the Committee's instructions.[1]

The basic purposes of System operations in foreign currencies, as stated by the Federal Open Market Committee, are:

(1) To help safeguard the value of the dollar in international exchange markets;

(2) to aid in making the existing system of international payments more efficient and in avoiding disorderly conditions in exchange markets;

(3) to further monetary cooperation with central banks of other countries maintaining convertible currencies, with the International Monetary Fund, and with other international payments institutions;

(4) together with these banks and institutions, to help moderate temporary imbalances in international payments that may adversely affect monetary reserve positions; and

(5) in the long run, to make possible growth in the liquid assets available to international money markets in accordance with the needs of an expanding world economy.

In carrying out these objectives the System, of course, will be moving with caution. Prudence dictates that any such operation go through an initial and experimental phase; in addition, the United States balance of payments position simply is not favorable at the moment to the acquisition of major amounts of foreign currencies through normal market channels.

[1] For the text of the Committee's authorization, see Hearings before House Committee on Banking and Currency on H. R. 10162 (Bretton Woods Agreements Act Amendment), 87th Congress, 2d Sess. (1962) pp. 158-160.

The largest single transaction that has been effected so far for System account is the swap, announced on March 1, of $50 million for an equivalent amount of French francs. This exchange of currencies between France and ourselves, as was stated in our press release at that time, "will facilitate official intervention in the foreign exchange markets in the event that such intervention may become advisable." As further stated in the announcement, "forward cover is provided to both parties."

General Comment on Foreign Currency Operations

Operations by the United States Treasury and the Federal Reserve in foreign currencies cannot, and will not, by any stretch of the imagination, solve our balance of payments problem. Such operations can, however, act as a sort of lubricant of the international payments mechanism and thus smooth out some of the strains in connection with large-scale shifts of funds from one country to another.

Conclusion

In conclusion, I would emphasize that the years ahead will pose stiff tests for all of us, both within and outside the Federal Reserve System. Success will depend upon ingenuity in adapting monetary, fiscal and other governmental policies to a changing environment, upon self-restraint in private price and wage policies, and upon an enlightened response by the general public to the challenges ahead.

*An address by Mr. Treiber before the 59th annual convention of the New Jersey Bankers Association, Atlantic City, New Jersey, May 17, 1962.

TAX-EXEMPT BOND MARKET

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duPont & Co. Scaled to yield from 1.70% to 3.30%, about 70% of the bonds have been sold.

The Town of Hamburg, New York awarded $3,300,000 general obligation (1963-1991) bonds to the group managed by The Marine Trust Co. of Western New York on their bid of 100.38 for a 3.30% coupon. The runner-up bid of 100.09 also for a 3.30% coupon was made by the Kidder, Peabody & Co. account. Other members of the winning group are The Northern Trust Co., Blair & Co., Inc., Roosevelt & Cross, Inc., Manufacturers and Traders Trust Co., Hornblower & Weeks, Hayden, Stone & Co., Wood, Struthers & Co. and W. H. Morton & Co. Reoffered at 1.70% to 3.50%, good investor demand appeared with the present balance being $610,000.

The Buffalo Sewer Authority, New York awarded $3,000,000 revenue bonds due 1967-1986 to Eastman Dillon, Union Securities & Co. and associates at a net interest cost of 3.103%. Other members of the successful syndicate are C. J. Devine & Co., Hornblower & Weeks, Reynolds & Co. and the First Michigan Corp. The bonds were offered to yield from 2.25% to 3.30% for a 3⅛% coupon and initial reception to this high grade revenue bond was good with the present balance of $1,100,000.

On Tuesday evening, $3,465,000 Summit, New Jersey various purpose (1963 - 1982) bonds were awarded to the group managed by Bankers Trust Co. on its bid of 100.4299 for a 2.95% coupon. The bonds are being offered to yield from 1.60% to 3.10% and as we go to press a balance of $1,750,000 remains in account.

Californias Today

Yesterday saw some slackening in the new issue volume which gave underwriters a chance to ponder the $100,000,000 State of California loan scheduled for today. There were, however, two issues of note which sold on Wednesday. A group headed jointly by the Franklin National Bank of Long Island and Eastman Dillon, Union Securities & Co. submitted the best bid for $7,487,000 bonds of Islip, New York Union Free School District No. 12 serial (1963 - 1992) bonds. The group bid 100.91 for a 3½% coupon. This compared favorably with the second bid of 100.79 also for a 3½% coupon which came from the group headed by Halsey, Stuart & Co. The securities are offered to yield from 1.80% to 3.55% and initial demand has been fair with over 45% of the bonds sold.

This week's final new issue of note consisted of $2,875,000 Fairfield, Connecticut school (1963-1982) bonds which were awarded to the Halsey, Stuart & Co. group at a 3.042% net interest cost. Other members of the syndicate included Eastman Dillon, Union Securities & Co., Blair & Co. and Equitable Securities Corp. The bonds were offered to yield 1.70% in 1963 to 3.25% in 1982 for a 3.20% coupon. The second bid was a 3.05% net interest cost entered by the American Securities Corp. syndicate. The present balance is about $140,000.

Dollar Bonds Improve

In the revenue bond area, as strange as it might seem, prices are slightly better this week than they were a week ago. The *Commercial and Financial Chronicle's* revenue bond (toll road, bridge and utility revenue) yield Index averages out at 3.846% this week. A week ago the Index stood at 3.86%, thus indicating that this dollar quoted category of long-term issues had done about one-quarter better on the average during this feverish week.

There are no important negotiated issues ready for marketing in the near future. It was announced on Monday of this week that the Chelan County, Washington P. U. D. No. 1 has planned to issue $41,425,000 revenue bonds to refund $27,628,000 of outstanding bonds and to provide for improvements and extensions to the project. John Nuveen & Co. and B. J. Van Ingen & Co. have been named to handle this financing. Further details are not now available.

Today's $100,000,000 State of California issue would seem to pose no marketing problem. At least three bids should be forthcoming for this large issue and, at the currently generous yield level, widespread investor interest should be generated.

Hadley Inv. Branch

WICHITA FALLS, Tex.—Handley Investment Co. has opened a branch office at 1511 A Beverly Drive under the management of Earl Peronto.

Form City-Wide Inv.

FLUSHING, N. Y.—Paul B. Karsch is engaging in a securities business from offices at 65-94 162nd Street under the firm name of City-Wide Investors Co.

In Securities Business

ORANGE, Calif. — Marion H. Deckard is conducting a securities business from offices at 122½ So. Glassell Street under the firm name of Deckard Investment Co.

Now Boulevard Investors

The firm name of Boulevard Investment Company, 150 Broadway, New York City, has been changed to Boulevard Investors Company.

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The State of TRADE and INDUSTRY

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Industrial Conference Board. Appropriations represent funds set aside by company managements and entered "on the books."

More than 500 companies in seven major metalworking categories responded to the latest Iron Age-NICB Survey. The metalworking weekly reports all data is seasonally adjusted.

Behind the marked rise in capital spending plans of metalworking companies is the high level of production volume and relatively good profits showing in the first quarter and previous two quarters, says the magazine.

Cautions Survey Made Before Market Crash

But NICB economist, Martin Gainsbrugh, and the metalworking weekly caution that appropriation decisions on capital spending were made prior to the stock market jolt last month, and the Presidential slap down of a price hike in steel in April.

However, the extent to which these appropriations are vulnerable to cancellation varies with individual companies. In many cases, in spite of these setbacks, companies are going ahead because of the necessity of cutting production costs and increasing productivity.

During the first quarter, $351 million was appropriated for capital spending in the industry categories that include blast furnaces, steel works and rolling mills, up 118% over the last quarter 1961. And capital spending plans by iron and steel foundries rose 55% in the same period, to $22.5 million.

Biggest gains in first quarter capital spending intentions were scored in fabricated metal products lines. Capital set-asides here rose 81% over last quarter 1961, to $99.3 million.

The metalworking weekly reports that rises in spending plans were also made in electric and nonelectric machinery, transportation equipment, and instrument industries. Only metal furniture makers pulled down their spending sights. The drop in this category was 27% — $4.7 million appropriated in last quarter 1961 — $3.5 million set aside in the first quarter this year.

Economist Gainsbrugh and the magazine point out that while cancellations of appropriated funds will be minimal, only new zip in cyclical business strength can sustain the latest high level of metalworking capital spending intentions.

Lower Foreign Priced Steel Makes Little Dent

Turning to another subject, *The Iron Age* reported that foreign steel is being offered in the U. S. at as much as $20 to $25 below domestic prices.

But importers are not finding it easy to add to their share of the U. S. market. In the current soft market, steel users in the U. S. are reluctant to cut their domestic mill orders further, even to take advantage of the lower import prices.

The result is that foreign mills are not having much luck selling their own excess steel in the U. S. This is in spite of improved delivery and better quality of foreign steel than a few years ago.

Exceptions are rebars, wire rods, barbed wire, nails and staples, and woven fence wire. These are products where cheaper foreign steel has long made major inroads into U. S. markets, particularly in coastal areas.

Imported barbed wire, and nails and staples, for example, account for well over 45% of the domestic market, *The Iron Age* pointed out.

Foreign steel is generally distributed through warehouses or brokers. In many cases, when freight is added to the price of imported steel, the cost to the user comes much closer to the domestic price.

Nevertheless, imported steel is no longer confined to coastal areas. It is showing up in larger tonnages in inland areas through shipments by barge, and through the St. Lawrence Seaway.

There are traditional objections to use of imported steel. These include—

(1) Inconsistent quality.
(2) Lack of flexibility (long-term commitments are frequently necessary).
(3) Delivery costs.
(4) Customer relations.

But there are spot situations where imports have taken over. For example, one user switched to foreign rods because of a saving of $27 a ton. The plant makes wire products and has to use imported steel to meet its competition.

The Iron Age said the effort by foreign steelmakers to increase their share of the market will increase. Traditionally, when the foreign market softens, as it has this year, foreign mills try to keep operating at a level rate of capacity and dispose of production abroad—at cutrate prices if necessary. This is the situation that exists today.

Best June Auto Output Seen Since 1955

Production of the U. S. auto industry's 1962 model cars, barely exceeding the pace of near-record sales in May, will reach another seven-year high in June, according to *Ward's Automotive Reports'* latest weekly survey.

The statistical agency said that output last week, which it estimated at 151,488 units, will set the pace for the entire month, expected to result in upwards of 630,000 cars and the best June volume since 1955.

Last week's car count was scheduled 25% above the 121,152 units turned out last week, when all but three of the industry's 47 assembly plants were closed for Memorial Day. In the corresponding week of a year ago, production was 127,256.

Ward's said that the 1962 model run at the close of last week will total more than 5,567,000 units, compared with 5,408,625 cars made in the entire 1961 run. The 1962 count will top six million by June 30, it was predicted.

Carloadings Slightly Off From Last Year's Week

Loading of revenue freight in the week ended June 2, which included the Memorial Day holiday, totaled 530,829 cars, the Association of American Railroads announced. This was a decrease of 49,532 cars or 8.5% below the preceding week.

The loadings represented a decrease of 876 cars or two-tenths of 1% below the corresponding week in 1961, and a decrease of 44,151 cars or 7.7% below the corresponding week in 1960.

There were 13,943 cars reported loaded with one or more revenue highway trailers or highway containers (piggyback) in the week ended May 26, 1962 (which were included in that week's over-all total). This was an increase of 2,112 cars or 17.9% above the corresponding week of 1961 and 2,383 cars or 20.6% above the 1960 week.

Cumulative piggyback loadings for the first 21 weeks of 1962 totaled 273,724 cars for an increase of 46,065 cars or 20.2% above the corresponding period of 1961, and 52,100 cars or 23.5% above the corresponding period in 1960. There were 59 class I U. S. railroad systems originating this type traffic in this year's week compared with 58 one year ago and 53 in the corresponding week in 1960.

Intercity Trucking Gains 7.8% Over Last Year's Week

Intercity truck tonnage in the week ended June 2 was 7.8% ahead of the volume in the corresponding week of 1961, the American Trucking Associations announced. Truck tonnage was 10.7% behind the volume for the previous week of this year. This decrease is largely attributable to the Memorial Day holiday which fell on Wednesday of the latest week reported.

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

The terminal survey for last week showed increased tonnage from a year ago at 28 localities while five points reflected decreases from the 1961 level. One terminal city, Cincinnati, showed no change from the previous year. Los Angeles and Detroit terminals reflected year - to - year tonnage gains of 22.6 and 21.4%, respectively. Ten other terminal cities showed tonnage increases of more than 10%.

Compared with the immediately preceding week, 33 metropolitan areas registered decreased tonnage while only one area, Houston, showed an increase of 1.1%. The magnitude of the week-to-week decreases is consistent with that experienced during similar Memorial Day weeks in previous years.

Lumber Output Dipped 2.1% Below 1961 Level

Lumber production in the United States in the week ended June 2, totaled 216,320,000 board feet, compared with 245,891,000 in the prior week, according to reports from regional associations. A year ago the figure was 220,943,000 board feet.

Compared with 1961 levels, output declined 2.1%, shipments were 5% higher, and orders gained 10.7%.

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

	June 2, 1962	May 26, 1962	June 3, 1961
Production	216,320	245,891	220,943
Shipments	232,442	252,293	221,424
Orders	233,798	233,549	211,280

Electric Output 5.8% Higher Than in 1961 Week

The amount of electric energy distributed by the electric light and power industry for the week ended Saturday, June 9, was estimated at 15,876,000,000 kwh., according to the Edison Electric Institute. Output was 405,000,000 kwh. more than that of the previous week's total of 15,471,000,000 kwh. and 1,117,000,000 kwh., or 5.8% above that of the comparable 1961 week.

Business Failures Up After Holiday Lull

Recovering from the downswing in the two previous weeks, commercial and industrial failures increased to 306 in the week ended June 7 from 280 a week earlier, reported Dun & Bradstreet, Inc. However, casualties were not as numerous as last year when 349 occurred in the similar week. They did exceed the 1960 level of 283 and ran almost 10% higher than the pre-war toll of 279 registered in 1939.

Failures with liabilities topping $100,000 moved up to 36 from 29 although remaining below the 45 of this size a year ago. Casualties which involved losses under $100,000 rose mildly to 270 from 251, but did not reach their comparable last year's level of 304.

The upturn in the post-holiday week centered in retailing where the toll climbed to 158 from 141 and in commercial services, up to 25 from 18. There was no change in manufacturing at 46 or in wholesaling at 29 while construction inched to 48 from 46. Noticeably fewer businesses failed than a year ago in wholesale trade and construction but casualties continued close to 1961 levels in other industry and trade groups.

Regionally, failures resurged strongly in the Middle Atlantic States to 90 from 56, in New England to 21 from 5, and in the South Central and Mountain. East North Central casualties at 61 and South Atlantic casualties at 40 did not change appreciably from the preceding week. A contrasting downturn prevailed in the Pacific States where the toll plunged to 35 from 72. Comparison with year-ago levels shows five regions with fewer casualties and four with higher—the size of the declines outweighing the increases considerably.

Thirty-five Canadian failures were reported, off from 37 in the previous week and from 44 in the corresponding week last year.

Wholesale Commodity Price Index Dips to New Low for Year

Sliding fractionally through the past week, the general wholesale commodity price level last Friday reached a new record low for 1962 of 269.61. While it eased up to 269.72 this Monday, the index remained lower than either a week ago or a month ago. Substantial declines in the wholesale cost of corn, oats, steers, tin and steel scrap pushed the index below the preceding Monday although slight increases prevailed in several commodities and steep gains were registered in rye and lamb prices.

On June 11, the Daily Wholesale Commodity Price Index dipped to 269.72 from 270.13 in the prior week and from 271.46 a month earlier. However, it remained above the comparable 1961 level of 269.07 by a narrow margin.

Wholesale Food Price Index Up Slightly in Latest Week

After holding steady at a 1962 low for two weeks, the Wholesale Food Price Index, compiled by Dun & Bradstreet, Inc., moved up 1.2% to $5.81 this week. This was the highest level since May 15, but the index remained 1.4% below the $5.89 registered on the corresponding day of both 1961 and 1960.

Hams, bellies and hogs were quoted substantially higher at wholesale markets and moderate increases also were chalked up for flour, rye, beef, lard, cheese, cocoa and eggs. Partially offsetting these increases were declines in wholesale cost of wheat, corn, oats, barley, sugar, cottonseed oil and steers.

The Dun & Bradstreet, Inc. Wholesale Food Price Index represents the sum total of the price per pound of 31 raw foodstuffs and meats in general use. It is not a cost-of-living index. Its chief function is to show the general trend of food prices at the wholesale level.

Weather Stimulates Consumer Buying

Although good weather did not prevail in all areas, it helped in many regions to boost retail purchases in the week ended June 6. Total volume exceeded last year's level by a moderate margin. Stepped-up buying of appliances, sporting goods, garden supplies, and building materials offset some slowing in apparel purchases. New cars continued to sell at a brisk pace. A newspaper strike in Minneapolis and a parcel delivery strike in New York hindered retail activity in those areas. Overall, stock market gyrations appeared to have little effect on consumer buying.

The total dollar volume of retail trade in the reported week ranged from 1 to 5% 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 —3 to +1; Middle Atlantic 0 to +4; New England and East South Central —1 to +3; South Atlantic 0 to +4; West South Central and Pacific +1 to +5; Mountain +4 to +8; and East North Central +5 to +9.

Nationwide Department Store Sales Up 4% From 1961 for Week Ending June 2

Department store sales on a country-wide basis as taken from the Federal Reserve Board's index reported a 4% increase for the week ended June 2, 1962, compared with the like period in 1961. For the week ended May 26, sales were up 7% compared with the corresponding 1961 week. In the four-week period ended June 2, 1962, sales were 6% above the corresponding period in 1961.

Bond, Richman & Gerald

The firm name of Bond, Richman & Company, 160 Broadway, New York City, has been changed to Bond, Richman & Gerald. The firm maintains a branch office in Fair Lawn, N. J.

Greene, Ross & Goldhill

The firm name of the Goldhill Co., Inc., 115 Broadway, New York City, has been changed to Greene, Ross & Goldhill, Inc.

Frumkes Names

CEDARHURST, N. Y.—Stanley I. Opolinsky has been appointed manager of the Cedarhurst office of H. M. Frumkes & Co., 536 Central Avenue.

Joins Garat & Polonitza

(Special to The Financial Chronicle)

LOS ANGELES, Calif.—Helen A. Kilgore has joined the staff of Garat & Polonitza, Inc., 9229 Sunset Boulevard, members of the Pacific Coast Stock Exchange. Miss Kilgore was formerly with Taylor & Company and Dempsey-Tegeler & Co.

First Calif. Adds

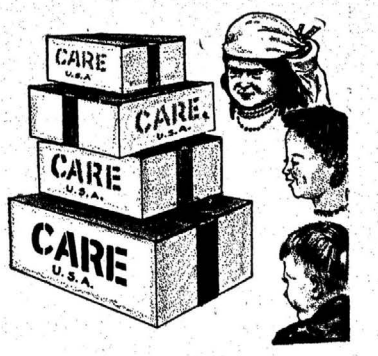
(Special to The Financial Chronicle)

SAN FRANCISCO, Calif.—Harold J. Brumfield has been added to the staff of First California Company, 300 Montgomery Street. He was formerly with Birr & Co., Inc.

Peter H. Ffolliott Joins John Nuveen & Co.

(Special to The Financial Chronicle)

ST. PAUL, Minn.—Peter H. Ffolliott has become associated with John Nuveen & Co., First National Bank Building. Mr. Ffolliott, who has recently been with the McGill Company, in the past was sales manager for Stanley Gates & Co.



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WASHINGTON AND YOU

BEHIND-THE-SCENES INTERPRETATIONS FROM THE NATION'S CAPITAL

WASHINGTON, D. C.—In recommending to Congress an across-the-board reduction in personal income and the corporate income tax, President Kennedy apparently improved the chance of passage of the Administration's tax credit and so-called loophole closing bill this year.

The Senate Finance Committee has almost completed hearings on the House-approved bill. The Committee granted the Treasury Department some additional time next week to present some final testimony before taking final action on the proposal.

The provision in the bill that is of great concern to business and industry in this country involves the tax credit for investment in depreciable machinery and equipment. The bill provides for the deduction of taxes of 7% of the cost of new machinery and equipment.

The United Kingdom, Belgium and the Netherlands presently have in effect similar tax credits for investment stimulation, it was brought out in hearings. Unquestionably, a similar tax credit in the United States would help to stimulate investment and modernization of the industrial capacity which is so badly needed.

Foreign Competition

Why is it needed so badly? The production costs in this country are going up all the time. We are faced with keen competition from other countries as trade barriers are being lowered in those countries. There is strong belief that we should increase our investment in machinery and equipment without delay.

Our Government experts maintain that we have been spending only half proportionately to this kind of capital outlay as has West Germany, and only about 60% as much as the European countries.

The Kennedy Administration, and President Kennedy in particular, have been concerned about the expenditures industry in this country planned to make in new plant investment. This of course is the key to industrial growth and increasing our growth national product.

It is generally conceded now that our country is going to face stiffer and stiffer competition from the European Common Market countries.

Expense Accounts

The loophole that the Administration wants to close most is the one that is the most publicized—expense accounts. Treasury Secretary Douglas Dillon asserts that the problem involving expense accounts is not simply one of avoidance, such as disguising as business expense the entertainment and recreation of the family or the gross overestimating of expenditures on business entertainment.

The House-passed bill requires that entertainment, traveling and business expense be properly substantiated. Tighter enforcement of the laws now on the books is not the answer to the problem, the Treasury Department insists.

Then what is the answer? Under present law use of a yacht to entertain acquaintances ostensibly to seek business, or wining or dining acquaintances in night clubs and at cocktail parties, can be charged against income otherwise taxable. As a result, tax-free personal benefits can be obtained by those offering the entertainment.

"Personal expenses disguised as business expenses present difficult enforcement problems," Secretary Dillon said in testimony before the Senate Finance Committee. "Only clear-cut decisive legislation will remedy this ever-worsening situation."

The Treasury Department is urging Congress that the cost of business entertainment, including club fees, and the maintenance of entertainment facilities, such as yachts, be disallowed in full as a tax deduction. The Department is also asking Congress to place restrictions on the amount to be deducted as business gifts, and on travel expenses for vacations that are combined with business travel.

The House placed a $25 limit on the value of a business gift, which the Treasury believes will curb many abuses.

Tax Withholding

It is estimated that about $3 billion a year in interest and dividends are not reported. As a result, there is a revenue loss of about $800 million a year to the Treasury.

Then Internal Revenue Service believes that the business-like approach about this matter would be the withholding of dividends and interest. That is good with the exception, and it is a big exception, that it would place a real burden on the companies, which are already heavily laden with bookkeeping problems forced on them by governments—Federal, State and local.

The withholding of taxes on wages and salaries is costly to maintain. It is a proven tax gathering method, however. Taking a little tax out of the pay envelop or check intermittently does not cause any great concern to the average taxpayer.

However, if that same taxpayer was faced with a tax bill of several hundred dollars or a thousand or more dollars at tax paying time there would probably be an "uprising" from the taxpayers. The present method is the painless approach, of course, particularly for the tax collectors.

The Treasury Department believes that dividend and interest withholding will be just as simple. This is disputed by many large companies.

The proposed tax revision bill would effect what the Treasury describes as a "more equal treatment of stock and mutual fire and casualty insurance companies. Mutual companies have been taxed since 1942 only on their investment income, subject to a minimum tax of 1% on gross income from all sources. Full corporate taxation which Congress is unlikely to pass, would yield about $50 million a year in additional revenue.

Taxing Financial Institutions

If the Senate passes the tax revision bill, it is expected to generally follow the House-passed measure concerning mutual savings banks and savings and loan associations. Under present tax laws the commercial banks are discriminated against. The House voted in part to reduce this discrimination.

Savings and loan associations and mutual savings banks can deduct from their income amounts added to a reserve for bad debts until reserves, surplus and undivided profits equal 12% of deposits or withdrawable accounts.

Treasury Department records show that because of this tax shelter, during the 1952-1961 decade all mutual savings banks and savings and loan associations paid total Federal income taxes of less than $70 million. At the same time these institutions piled up $5.5 billion as additional to reserves, surplus and undivided profits.

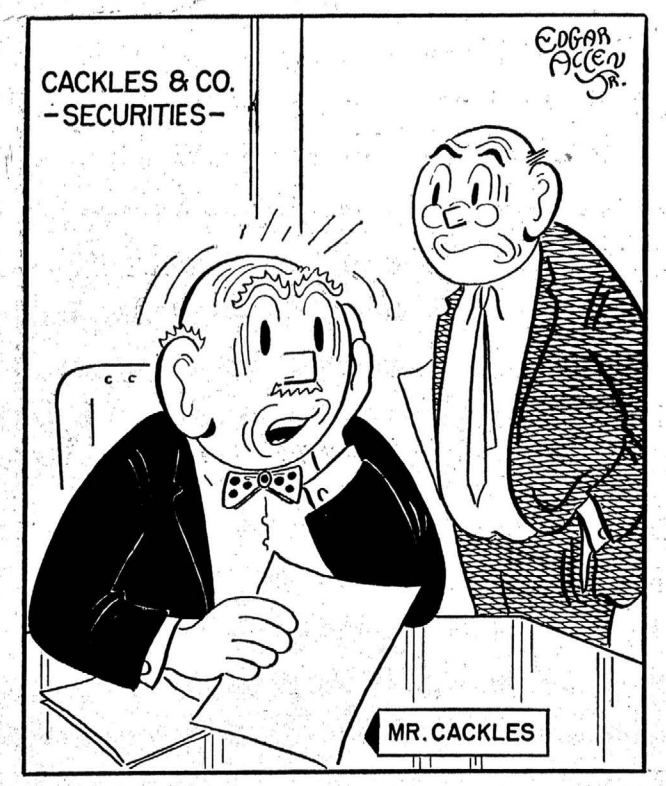
In effect a substantial part of the untaxed additions to bad debt reserves constituted net income. If that same income had been earned by competing financial institutions they would have been subject to corporate income tax.

The bill as passed by the House would substitute for the present reserve provision an annual deduction for reserves of bad debts of either 3% of the net increase in all real estate loans or 60% of the retained income of the mutual savings banks and building and loan associations.

The House-approved amendment would yield an additional $200 million a year. However, the Treasury wants it further tightened to yield $365 million a year or more.

Of course there has been strong opposition to closing the various other so-called loopholes. The recommended cut in personal and corporate income tax, effective next Jan. 1, by the President may result in a tax revision measure being passed by the Senate before adjournment this year.

[This column is intended to reflect the "behind the scene" interpretation from the nation's Capital and may or may not coincide with the "Chronicle's" own views.]



"That efficiency expert I hired to find the deadwood around here found it—ME!"

Now Hinton Jones Granat

SEATTLE, Wash.—The firm name of Blanchett, Hinton, Jones & Granat, Inc., 1411 Fourth Avenue Building, has been changed to Hinton Jones Granat Incorporated.

COMING EVENTS

IN INVESTMENT FIELD

June 14, 1962 (Minneapolis-St. Paul)
Twin City Bond Club 41st annual picnic and golf tournament at 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 (Philadelphia, Pa.)
Philadelphia Securities Association annual outing at Whitemarsh Valley County Club.

June 15, 1962 (New York City)
Investment Association of New York, 16th annual Field Day, at Sleepy Hollow Country Club, Scarborough-on-Hudson, N. Y.

June 17-20, 1962 (Canada)
Investment Dealers' Association of Canada 46th annual meeting at the Manoir Richelieu, Murray Bay, Quebec.

June 19, 1962 (Louisville, Ky.)
Bond Club of Louisville annual summer outing and election at the Big Springs Country Club.

June 22, 1962 (Philadelphia, Pa.)
Investment Association of Philadelphia annual outing at the Philadelphia Cricket Club, Flourtown, Pa.

June 22, 1962 (New York City)
New York Society of Security Analysts 10th annual outing at Westchester Country Club.

June 23-26, 1962 (Santa Barbara, Calif.)
California Group of the Investment Bankers Association of America annual Conference at the Santa Barbara Biltmore.

June 28, 1962 (Des Moines, Iowa)
Investment Bankers Association of Iowa 27th anual field day at the Wakonda Club (a cocktail party and dinner will be held at the Des Moines Club, June 27, preceding the dinner).

Sept. 7-8, 1962 (Gearhart, Ore.)
Pacific Northwest Group Investment Bankers Association Meeting

Sept. 11-12, 1962 (Chicago, Ill.)
Investment Bankers Association Municipal Conference at the Pick-Congress Hotel.

Sept. 12, 1962 (Denver, Colo.)
Rocky Mountain Group Investment Bankers Association Meeting.

Sept. 13-14, 1962 (Chicago, Ill.)
Municipal Bond Club of Chicago outing.

Sept. 13-15, 1962 (Ponte Vedra Beach, Fla.)
Florida Security Dealers Association annual convention.

Sept. 19-21, 1962 (Santa Barbara, Calif.)
Investment Bankers Association Board of Governors Fall Meeting.

Sept. 20-21, 1962 (Cincinnati, Ohio)
Municipal Bond Dealers Group of Cincinnati, annual fall party, with a field day to be held Sept. 21, at the Losantville Country Club.

Sept. 23-26, 1962 (Atlantic City, N. J.)
American Bankers Association annual convention.

Sept. 28, 1962 (Philadelphia, Pa.)
Bond Club of Philadelphia 37th annual outing and field day at the Huntingdon Valley Country Club, Huntingdon Valley, Pa.

Oct. 3, 1962 (New York City)
New York Group Investment Bankers Association Meeting.

Oct. 4-5, 1962 (Cleveland, Ohio)
Northern Ohio Group Investment Bankers Association Meeting.

Oct. 8, 1962 (Detroit, Mich.)
Michigan Group Investment Bankers Association Meeting.

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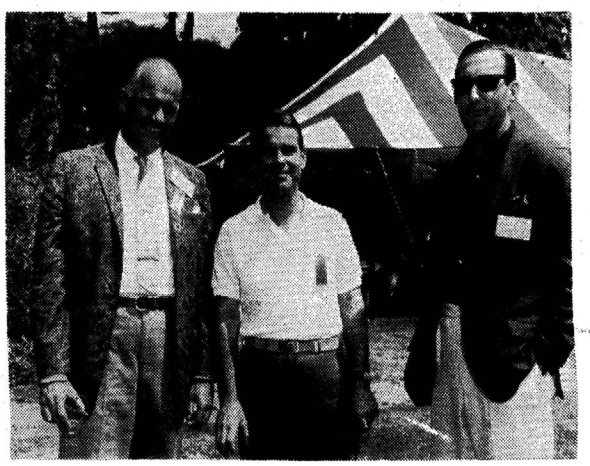

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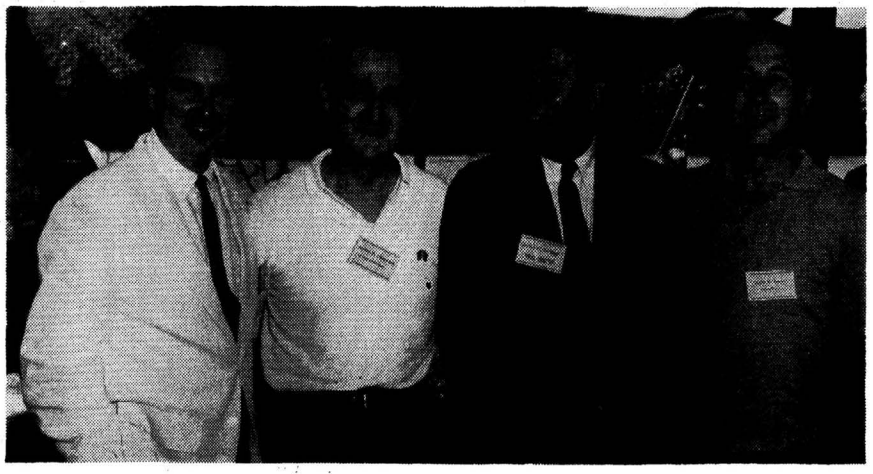

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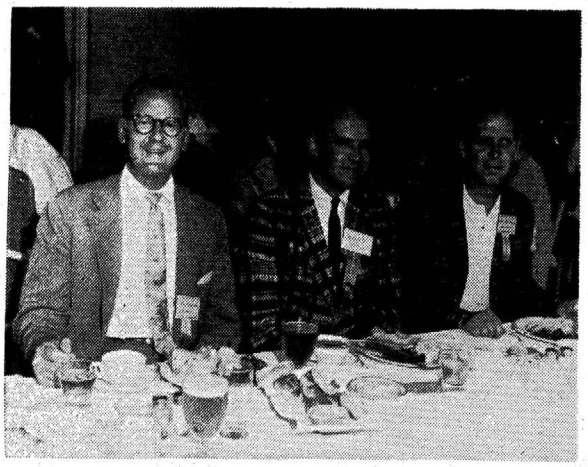

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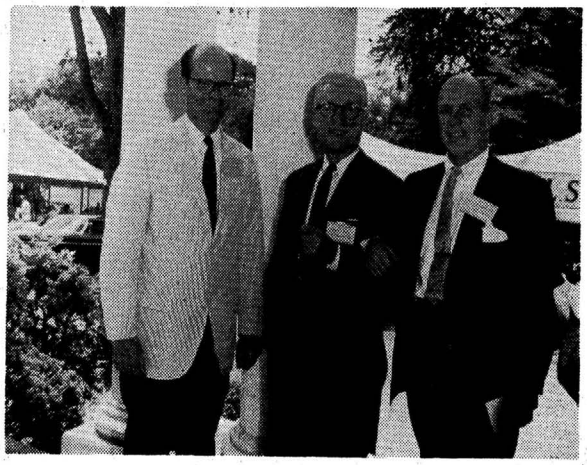

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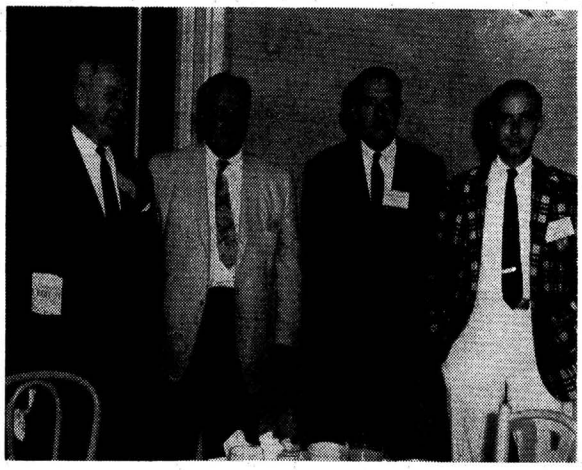

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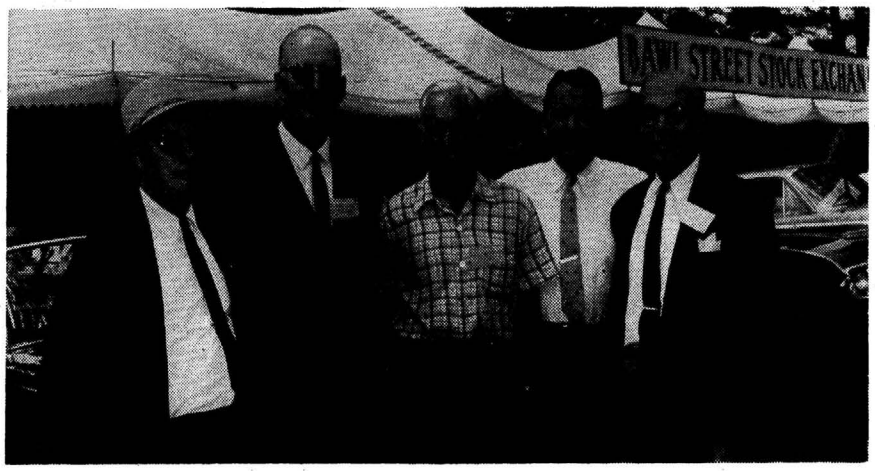

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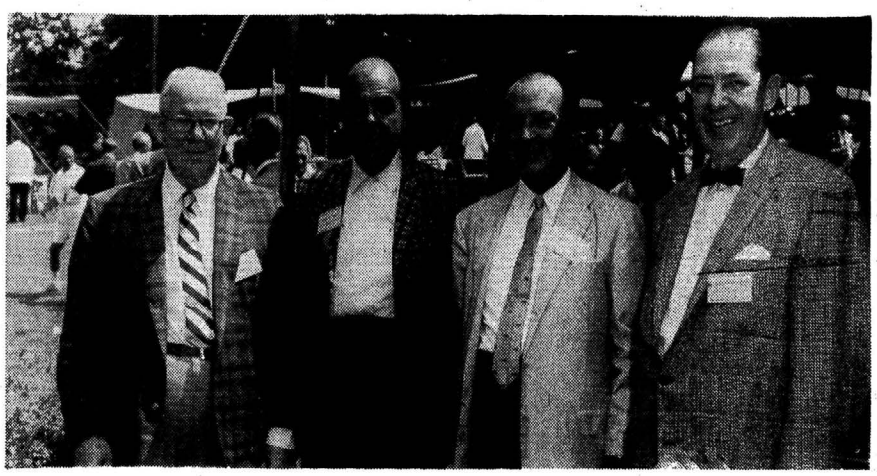

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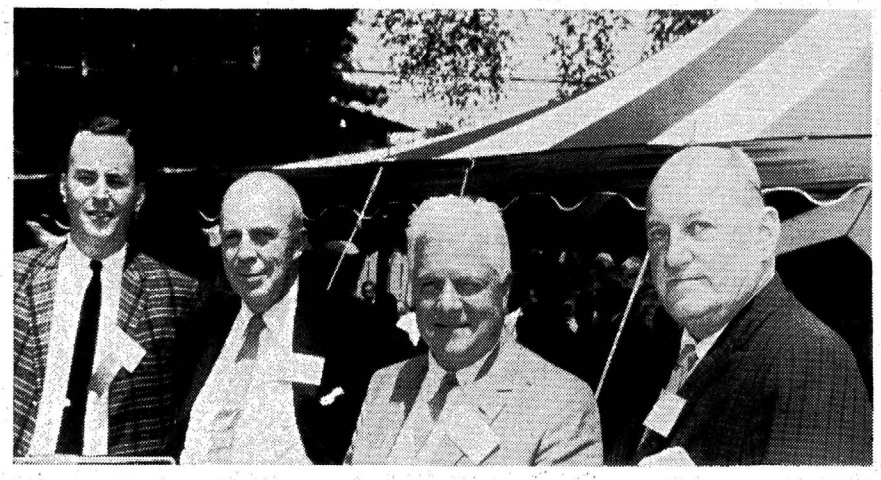
Lewis M. Weston, *Goldman, Sachs & Co.;* Andrew W. Eberstadt, *F. Eberstadt & Co.;* Henry F. Willems, *Hornblower & Weeks;* Chas. Rendigs, Jr., *Bache & Co.;* Frank J. Lockwood, *A. G. Becker & Co. Incorporated*

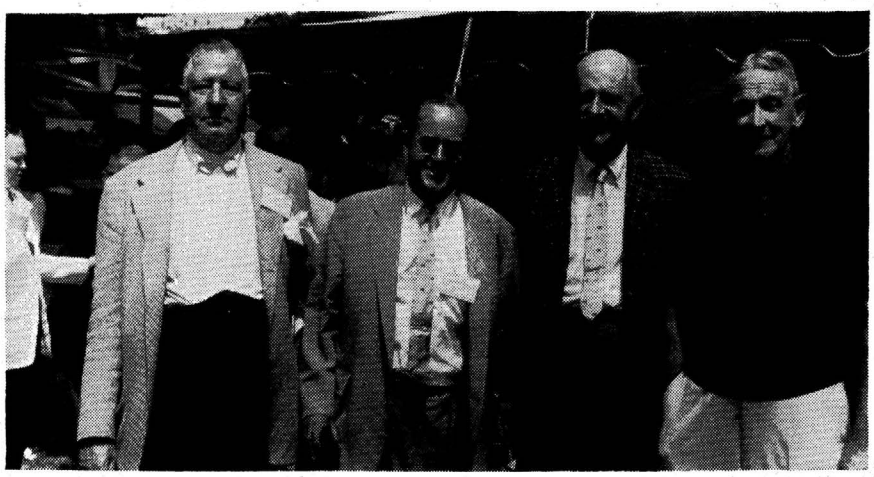
Ernest W. Borkland, Jr., *Tucker, Anthony & R. L. Day;* Robert A. Powers, *Smith, Barney & Co.;* Avery Rockefeller, Jr., *Dominick & Dominick*

B. Winthrop Pizzini, *B. W. Pizzini & Co. Inc.;* Gus Phelps, *Phelps, Fenn & Co.;* Arthur H. Kiendl, *Frederick H. Hatch & Co. Inc.;* Benjamin J. Levy, *Salomon Brothers & Hutzler*

Francis J. Cullum, *W. C. Langley & Co.;* Lee W. Carroll, *Lee W. Carroll & Co.* (Newark, N. J.); Maitland T. Ijams, *W. C. Langley & Co.*



Richard E. Boesel, Jr., *Hayden, Stone & Co., Inc.;* D. Fred Barton, *Eastman Dillon, Union Securities & Co.;* John Ellis, *Eastman Dillon, Union Securities & Co.;* R. Donald Gibson, *Courts & Co.*



Joseph Nugent, *Mabon & Co.;* Kingsley Mabon, *Mabon & Co.;* Frank Charles Roder, *W. E. Hutton & Co.;* Harold Cook, *Spencer Trask & Co.*

Patrick Watson, *Glore, Forgan & Co.;* Frank J. Lockwood, *A. G. Becker & Co., Incorporated;* Martin LeBoutillier, *Dean Witter & Co.;* John P. Garvey, *McDonnell & Co. Incorporated*

Philip W. Carow, Jr., *Harriman Ripley & Co. Incorporated;* John French, *A. C. Allyn & Co.;* Robert E. Clark, *Calvin Bullock, Ltd.*

Edward J. Morehouse, *Harriman Ripley & Co. Incorporated;* Walker Stevenson, *Hemphill, Noyes & Co.;* Stephen C. Renyolds, Jr., *Hemphill, Noyes & Co.*

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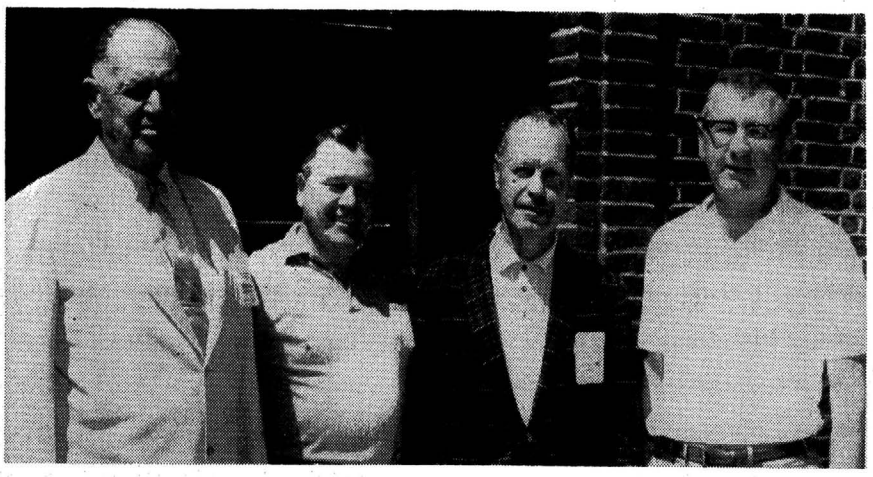
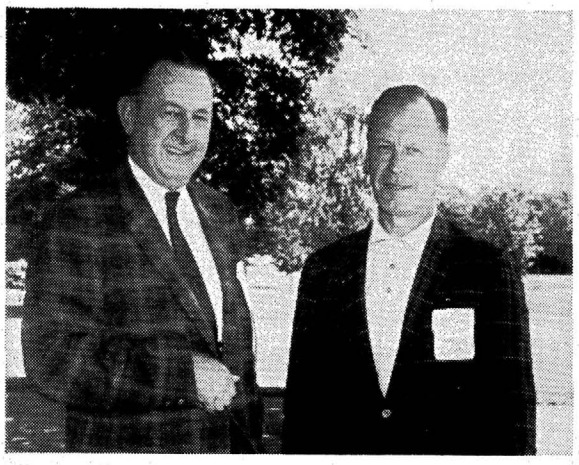
MUNICIPAL BOND CLUB OF NEW YORK

29th Annual Field Day, June 8, 1962

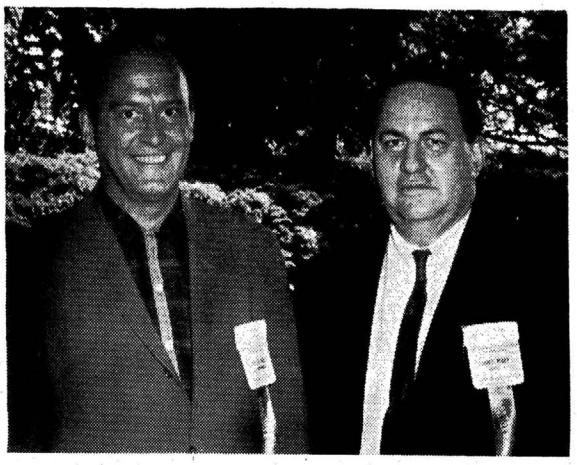


Clifton Hipkins, *Braun, Bosworth & Co., Inc.;* John W. De Milhau, *Chase Manhattan Bank;* R. George LeVind, *Blyth & Co., Inc.;* Miles Pelikan, *John Nuveen & Co.*

Neal Fulkerson, *Bankers Tust Company;* John Clapp, *R. W. Pressprich & Co.;* Ernest Altgelt, *Harris Trust & Saving Bank;* E. A. M. Cebden, *Kean, Taylor & Co.*

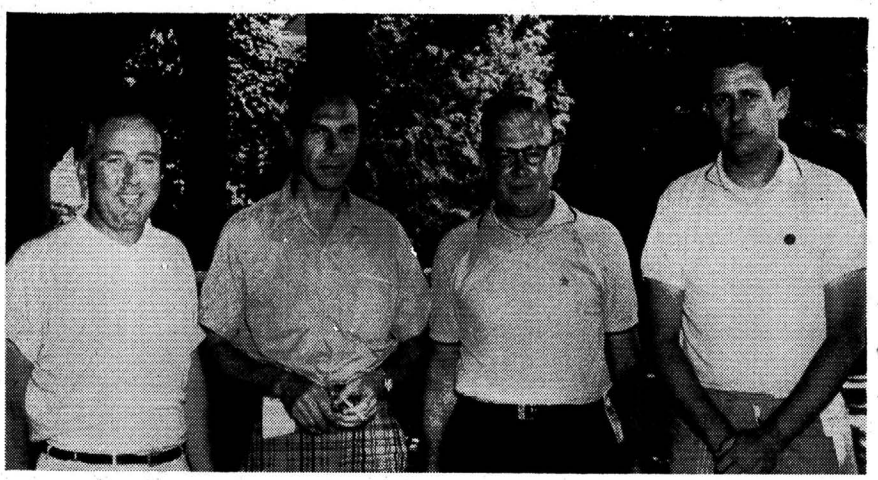


Alfred S. Mante, *Smith, Barney & Co.,* Retiring President; R. George LeVind, *Blyth & Co., Inc.,* Incoming President

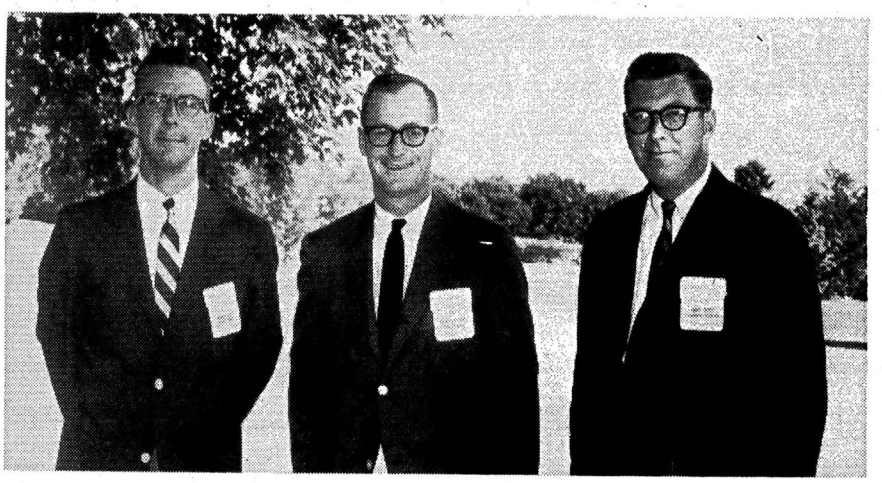


Chester Viale, *L. F. Rothschild & Co.;* James Reilly, *Goodbody & Co.*

William Durkin, *First National Bank of Chicago* (New York City); John Stafford, *Lee Higginson Corporation;* Harry Peiser, *Ira Haupt & Co.*

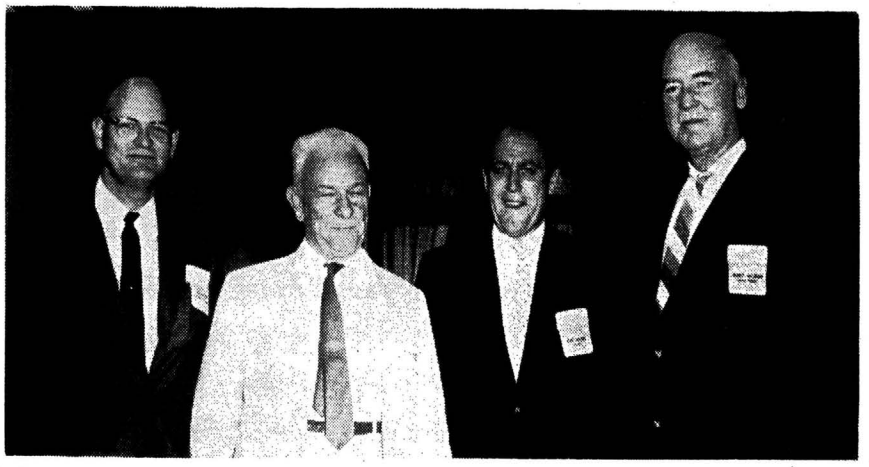


E. C. Byrne, *Phelps, Fenn & Co.;* Daniels C. Brasted, *Evans & Co. Incorporated;* Gilbert Hattier, *Hattier & Sanford* (New Orleans); Jerome Burke, *Dean Witter & Co.*



George Estey, *Merrill Lynch, Pierce, Fenner & Smith Incorporated;* Thomas McEntee, *Adams, McEntee & Co., Inc.;* James Trippe, *Ladenburg, Thalmann & Co.*

Bob Faath, *A. C. Allyn & Co.;* Walter Niebling, *Merrill Lynch, Pierce, Fenner & Smith Incorporated;* Bill McKay, *The Blue List;* Alfred J. Bianchetti, *J. A. Hogle & Co.*



Graham Lynch, *Eastman Dillon, Union Securities & Co.;* William Mezger, *G. C. Haas & Co.;* Henry Dahlberg, *J. A. Hogle & Co.* (Tucson, Ariz.); Francis Gallagher, *Kidder, Peabody & Co.*

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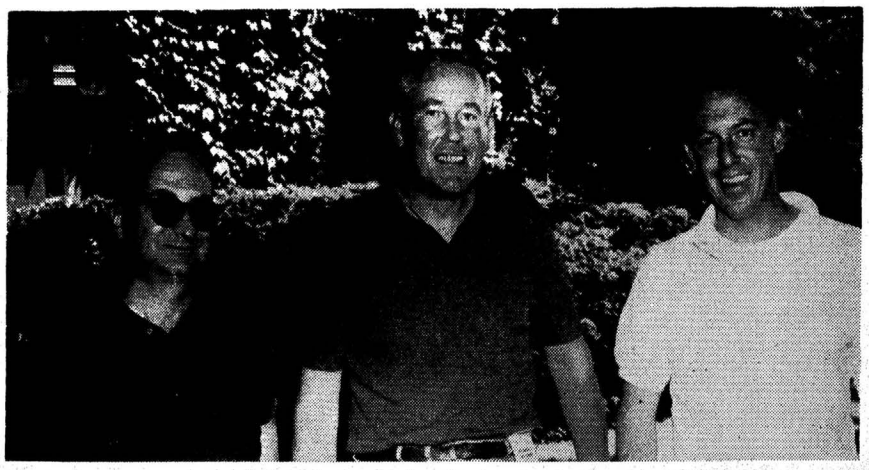
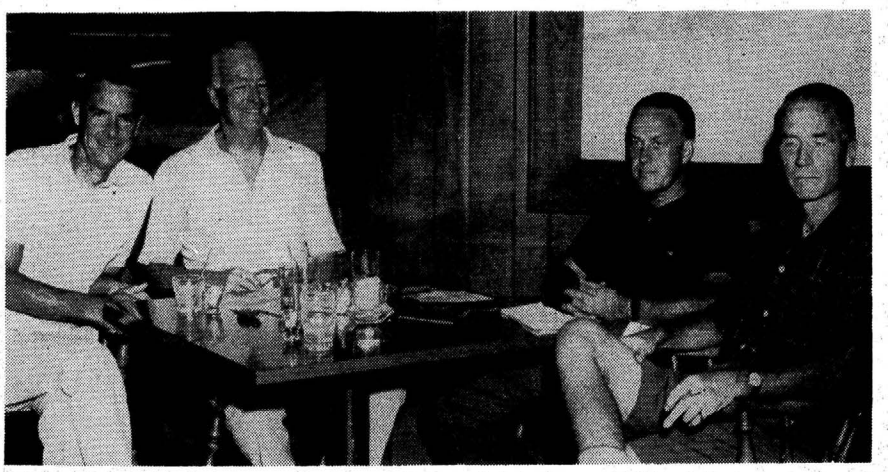
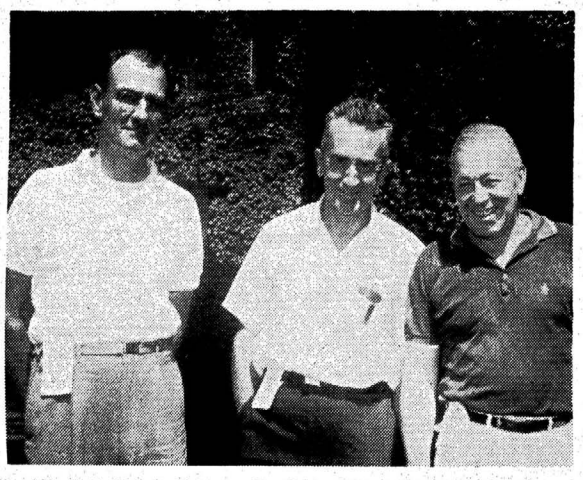


Arthur Guastello, *The Bond Buyer;* William Moser, *James A. Andrews & Co., Inc.;* Robert Wohlforth, *Hemphill, Noyes & Co.*

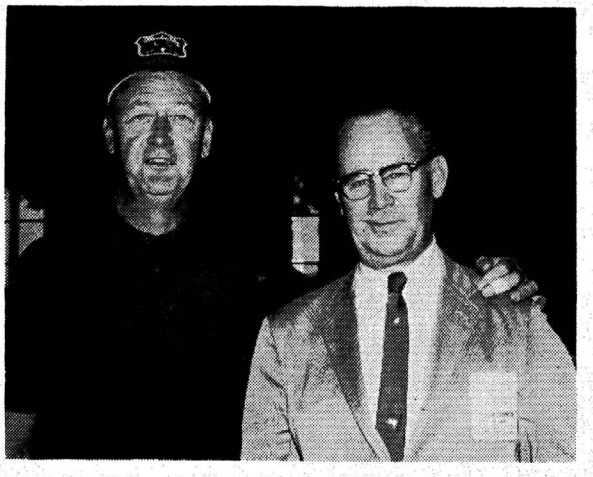


Jack Kenny, *J. J. Kenny & Co.;* F. Bradford Simpson, Jr., *Hallgarten & Co.;* Fred D. Stone, Jr., *Marine Trust Company* of Western New York; *Howard Finney, Jr.,* Bear, Stearns & Co.

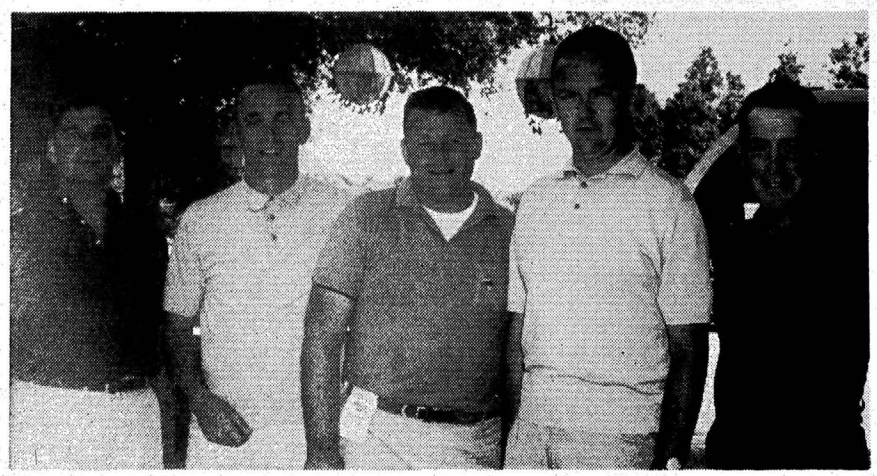


Alfred E. Tonne, *Salomon Brothers & Hutzler;* Joseph Scherer, *Wertheim & Co.;* Denton D. Hall, *Spencer Trask & Co.*

Edwin L. Beck, *Commercial & Financial Chronicle;* Francis Coleman, *Dempsey-Tegeler & Co., Inc.*

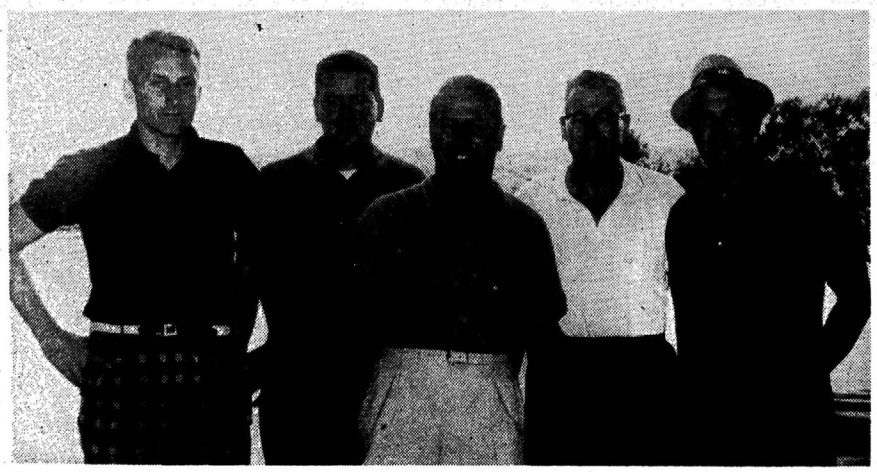


Bill Muller, *Halsey, Stuart & Co., Inc.;* William G. Carrington, Jr., *Ira Haupt & Co.*



George Fox, *Dreyfus & Co.;* Ned Hess, *Bache & Co.;* Rick Ott, *Weeden & Co.;* Charles Murray, *Drake & Company;* Ed Bueltman, *Blair & Co. Incorporated*

Walter Von Seggen,*Wood, Struthers & Co.;* Brenton Harris, *The Blue List;* Bob Hamilton, *Laidlaw & Co.;* Carl Jayson, *Robert K. Wallace & Co.*



Ted Swick, *White, Weld & Co.;* John Pilkington, *G. H. Walker & Co.* (Providence, R. I.); Sid Barrington, *Harry Downs & Co.;* Eugene De Staebler, *Eldredge & Co., Inc.;* J. C. L. Tripp, *Tripp & Co., Inc.*

R. E. Crooks, *Ferris & Company* (Washington, D. C.); David Kratzer, *Stein Bros. & Boyce* (Baltimore); Arthur Friend, *Folger, Nolan Fleming & Co. Incorporated* (Washington, D. C.); Harold Kennedy, *E. F. Hutton & Company*

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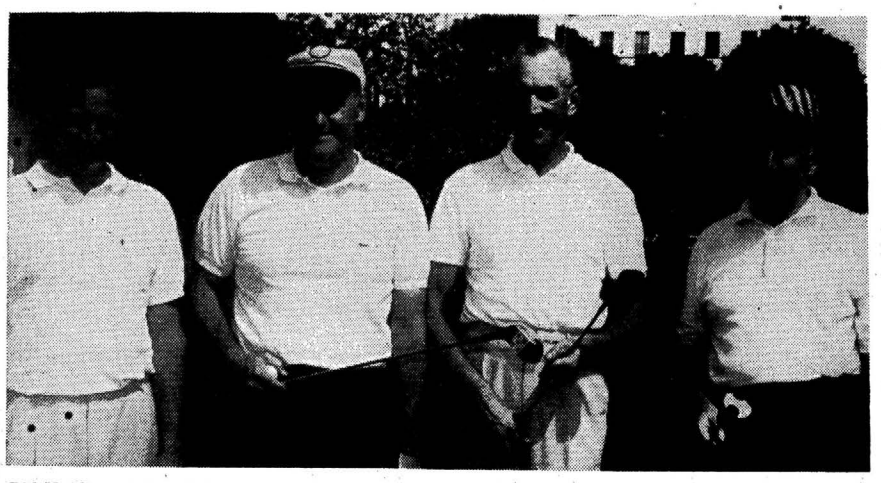
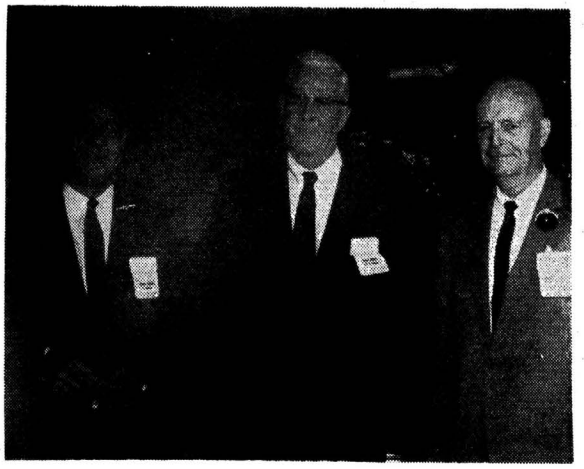


Bill Harding, *Coffin & Burr* (Boston); Rollie Morton, *The Blue List*; William T. King, *White, Weld & Co.* (Boston); John Mitchell, *Caldwell, Mitchell & Trimble*

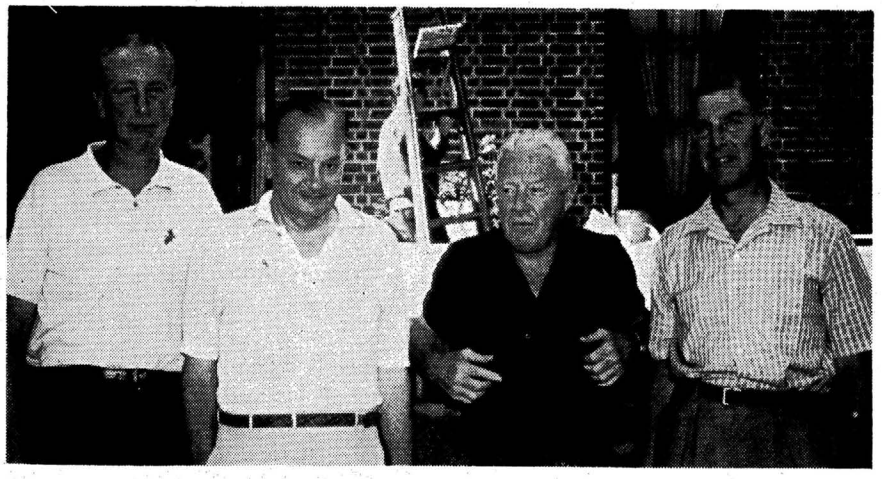
William Laemmel, *Chemical Bank New York Trust Co.*; James Musson, *Newburger, Loeb & Co.*; Ellwood Robinson, *Penington, Colket & Co.* (Philadelphia)

Wendell Erickson, *Stone & Webster Securities Corporation*; Andrew Dott, *Malon S. Andrus, Inc.*; Russell Dotts, *Rambo, Close & Kerner, Inc. (Philadelphia)*

George W. Hall, *Wm. E. Pollock & Co., Inc.*; Joseph McCarthy, *Goodbody & Co.*



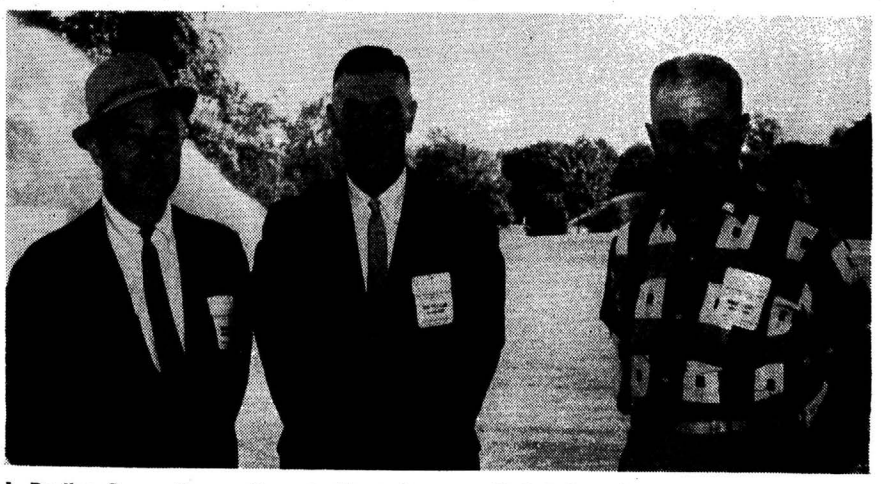
Vernon Kimball, *R. H. Moulton & Company* (San Francisco); Frank Bennett, *Cutter, Bennett & Co.*; Carroll Seward, *Yarnall, Biddle & Co. (Philadelphia)*



Eugene G. McMahon, *J. Barth & Co.*; John Cowie, *Moore, Leonard & Lynch*; C. Milton Osborne, *C. M. Osborne & Co.*; Gene Marx, *Bear, Stearns & Co.*

Warren Ruxton, *First Boston Corporation*; Harry Downs, *Harry Downs & Co.*; Edward Warren, *Morgan Guaranty Trust Company*

Gordon Jamieson, *Blyth & Co., Inc.*; Willard McNair, *Graham-Conway, Co.* (Louisville, Ky.); Reginald MacArthur, *Kenower, MacArthur & Co.* (Detroit); Robert Mitchell, *Mitchell, Shetterly & Mitchell*



J. Bradley Green, *Morgan Guaranty Trust Company*; Neal Fulkerson, *Bankers Trust Company*; Winfield Scott, *Hayden, Stone & Co. Incorporated*

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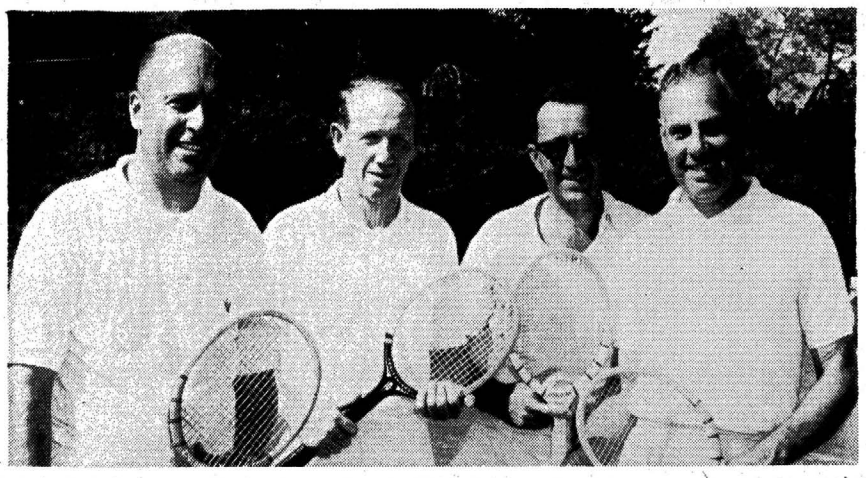
De Witt Hornor, *First National City Bank;* Marsom Pratt, *Estabrook & Co.* (Boston); William Simon, *Weeden & Co.;* Coleman McGovern, *First National City Bank*

Gilbert White, *R. D. White & Co.;* Archibald Galloway, *Sykes, Galloway & Dikeman;* Robert J. Doty, *James A. Andrews & Co., Incorporated*

William Riley, *E. F. Hutton & Company;* Dave Haley, *Harkness & Hill Incorporated* (Boston)

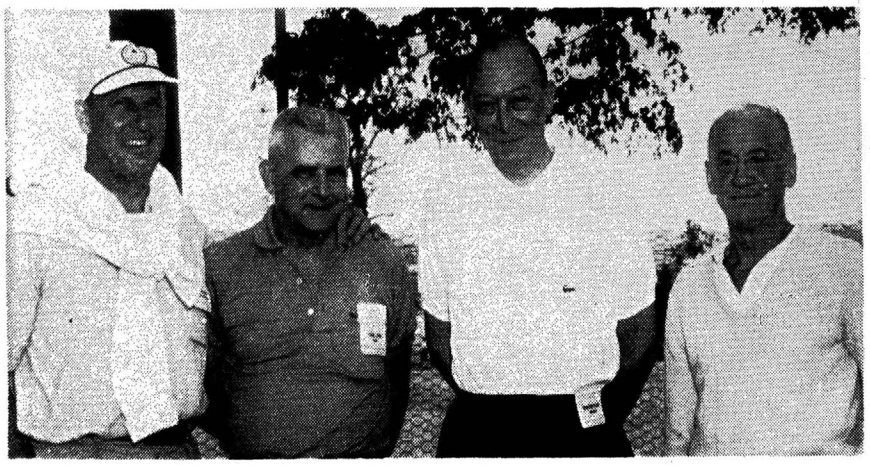
Edward Kelly, *Dean Witter & Co.;* John Senholzi, *Chase Manhattan Bank*

John Fitterer, *Wertheim & Co.;* Daniel Whitlock, *Ladenburg Thalmann & Co.*



Robert Swinarton, *Dean Witter & Co.;* Daniel O'Day, *Northern Trust Company* (New York); Bob Arnold, *White, Weld & Co.* (Philadelphia); Ed Cross, *Roosevelt & Cross Inc.*

W. O. Melvin, *Wertheim & Co.;* Paul Wolf, *Harris Trust & Saving Bank of Chicago* (New York City); William R. McGill, *Wainwright & Ramsay Inc.;* Philip Hiss, *First National Bank of Chicago* (N. Y. C.)



Philip Whitman, *American Securities Corporation;* Frank Lynch, *Blair & Co. Incorporated;* Courtney Keller, *Wertheim & Co.;* Dick Hess, *Blyth & Co. Inc.*

Albert Latto, *First of Michigan Corporation;* William Devlin, *Reynolds & Co.;* John Ward, *Chase Manhattan Bank;* Merrill Freeman, *Salomon Brothers & Hutzler*

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