The COMMERCIAL and FINANCIAL CHRONICLE

Established 1839

Reg. U. S. Pat. Off.

Volume 196 Number 6178 New York 7, N. Y., Thursday, July 19, 1962 Price 50 Cents a Copy

EDITORIAL | As We See It

Some time ago the President included some of the things that are being said about budgetary deficits in his anthology of neo-classical "myths." At the same time, he had some remarks to make about the several "budgets" that are currently compiled and published. The Director of the Bureau of the Budget later returned to the subject with a further elaboration of the characteristics of this, that and the other collection of figures and guestimates which are commonly referred to as "budgets." He is apparently impressed with the working value of the set of figures now commonly included in the national accounts by the Department of Commerce to measure and reveal the operations of the Treasury as part and parcel of that now much revered figure, Gross National Product.

Reason for Uneasiness

For one thing, this compilation of the Department of Commerce sometimes comes up with a much smaller deficit than is to be found in the so-called Administrative Budget, and indeed is quite capable of evolving a surplus when the ordinary budget is reporting a deficit. The French provide the classical case of budgets and other accounts of current governmental operations designed to make the worse appear the better reason. We should not wish to suggest that any of the public officials now laboring in Washington are making an effort to mislead the people about the state of the Treasury or about the real results of its current operations. We must confess to some uneasiness, however, lest the honorable gentlemen conducting the financial affairs of the nation have come under the spell of certain of the "modern" thinkers on these subjects, and are ready themselves to be deceived, if not by some of these more recent compilations, then by what is said about them.

In any event, far too often current discussion and argument about budgets seems to suggest that the matter may be wholly reduced to terms of surpluses and deficits and that these latter be judged (Continued on page 23)

A Federal Tax Cut This Summer—Some Neglected Considerations

By Dr. Charls E. Walker*, *Executive Vice-President, The American Bankers Association, New York City.*

Banker-economist rejects proposals for an immediate income tax cut unless protected by a minimum of five essential safeguards. The principal safeguard would "phase-in" the Chamber of Commerce proposal over a two- or three-year period. Without endorsing any specific proposal, Mr. Walker does agree we need to create a favorable tax climate for economic growth but seriously questions whether it should be done through a quick tax cut this summer. The ex-Treasury official sets forth both the pros and the cons of tax cutting because of the over emphasis placed on the advantages while the dangers have been ignored.

Recent proposals by the United States Chamber of Commerce and others for an immediate cut in Federal income taxes have high-lighted a major issue of public economic policy. My purpose is neither to endorse nor reject any such proposal. What is called for at this juncture is more general recognition of the *dangers* that would accompany such a cut — and these dangers are indeed imposing—as well as recognition of the fact that whether a tax cut would help or hinder our economy would depend importantly on what *kind* of cut it would be.

Charls E. Walker

What we need above all is to create a favorable tax climate for economic growth. Whether this could—or should—be done through a quick tax cut this summer is open to serious question. But of one thing we should be certain: Long-run economic growth will not be fostered by a reduction (to take one extreme proposal) confined to the lower brackets of the personal income tax. No, an effective tax program to promote growth, if and when it comes, must aim at reducing the excessive personal and corporate tax rates which are the heart of our tax problem.

Similarly, a tax reduction program which did not include, as an adjunct to the program, an iron-clad commitment to contain—and where possible, to reduce—Federal spending would surely do more harm than good, both to the cause of long-run economic growth and to confidence here and abroad.

Obviously, a major consideration is the impact of a large income tax cut on the government's fiscal position. Would such a reduction contribute to another large Federal deficit? Clearly it would. What, then, would be the impact of the deficit on confidence here and abroad?

These are but a few of the considerations—some neglected—that must enter into the debate over a quick cut in income tax rates. I shall return to these and other considerations shortly. But first we must look at each of three major reasons that have been advanced in favor of such a cut.

Reasons for Tax Cut

First, the one that has received the most attention is that the 1961-62 recovery in business activity shows signs of peaking out at substantially less than satisfactory utilization of labor and other economic resources. The idea is that a quick cut in tax rates would both remove a cause of the premature peaking out and provide a stimulus to cushion or offset impending recession.

Second, that an immediate reduction in Federal income tax rates would be a simple but powerful way to stimulate long-run economic growth by lowering the tax barriers to private enterprise.

Third, that such a cut, if properly structured and safeguarded, could do much to restore business and investor confidence in the Administration.

Let's examine each of these reasons.

With regard to the first reason, one central question relates to the trend of the economy in coming months. (Continued on page 20)

SECURITIES NOW IN REGISTRATION—Underwriters, dealers and investors in corporate securities are afforded a complete picture of issues now registered with the SEC and potential undertakings in our "Securities in Registration" Section, starting on page 25.

The Security I Like Best . . .

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

This Week's Forum Participants and Their Selections

Control Data Corporation—Henry W. Norton Jr., Vice-President Research, J. M. Dain & Co., Inc., Minneapolis, Minn. (Page 2)

Greater Washington Industrial Investments, Inc.—James F. Ryan, Registered Representative, Fifth Ave. Office, Auchincloss, Parker & Redpath, New York. (Page 2)

HENRY W. NORTON, JR.

Vice-President-Research, J. M. Dain & Co., Inc., Minneapolis, Minnesota

Control Data Corporation

In the summer of 1957, a small group of selected engineers and scientists, led by Mr. William C. Norris, left the Univac Division of Sperry-Rand Corporation to form a new company to pursue the opportunities in electronic data processing. The development of this company, Control Data Corporation, has been one of the great "Cinderella Stories" of modern American business. Sales in the fiscal year ended June 30, 1962, its fifth year of operations, reached an estimated $38 million or more. Net income was more than twice the company's original paid-in capital of $600,000. It is now an important factor in the dynamic scientific computer business and has the only profitable digital computer operation in the industry, other than IBM.

Henry W. Norton, Jr.

Control Data produces a variety of digital computers, computer peripheral equipment, solid state control systems, and other electronic devices. Its principal product is the large-scale CDC 1604 computer, a system which sells for around $1.4 million and rents for about $42,000 per month. These prices are considerably below prices of its major competitors, including the IBM 7090. In addition to the 1604, Control Data produces two small-scale computers, the CDC 160 and 160-A, and has recently announced the development of the giant CDC 3600, currently the largest digital computer system on the market. This system sells for $2-3 million and rents for $60,000 per month or more. Initial reception of the 3600 has been excellent. Finally Control Data has under development its huge CDC 6600 computer, a system which will probably sell in the $8-10 million area. Initial deliveries of the 6600 are not expected until early 1964.

The bulk of Control Data's sales is handled through a network of the company's own sales engineers located in fifteen sales and service offices throughout the country. In addition to its domestic marketing program, the company plans to become active in foreign markets, for it feels that the potential in this area is huge and relatively untapped. Certain negotiations of major importance to the company are now in progress, and definite plans will probably be released in coming months.

Control Data has developed unique policies in the areas of human relations and marketing which have been largely responsible for its extraordinary success. The management team has worked effectively together for many years. Its strengths lie in its ability to attract top scientific talent, to motivate this talent by providing an atmosphere conducive to creative engineering, to provide direction and orientation through careful long-range planning, and to balance these factors with excellent business judgment.

The company has concentrated its computer sales efforts almost entirely in the sophisticated scientific, defense, educational, and engineering data processing markets, in which it has built up its reputation as a highly competent computer manufacturer. By developing and producing equipment which is considered by many trade experts to be the best available for its specific applications, and equally important, by selling this equipment at prices considerably lower than its competitors, Control Data has been able to compete successfully with the giants of the industry. The company has not entered the highly competitive business data processing market, where IBM and most of the other computer manufacturers have concentrated their marketing activities.

There are currently approximately 3,800,000 shares of common stock, 14,000 shares of preferred stock, and just $100,000 of long-term debt outstanding. In addition, a $10 million line of credit with four large banks was obtained during 1961. Due to the vast capital requirements made necessary by the large proportion of the company's equipment which is leased rather than sold outright, additional substantial financing, probably including some equity, is expected during the coming year.

In the fiscal year ended June 30, 1962, sales and rental income reached an estimated $38-40 million, up from $19.8 million in 1961, and $11 million in 1960. Net income was about $1.5 million, or 40 cents per share, compared to $843,000 (24 cents per share) in 1961, and $561,000 (19 cents per share) in 1960. Reported earnings, however, materially understate true earning power because of an unusually conservative accounting system. Depreciation of leased equipment is computed on the double declining balance method over a four year period, which results in a writeoff of 50% in the first year and 25% in the second. This is faster than any of its competitors, and is excessive when compared to the practical economic life of a computer system. In addition all research and development outlays (about $3 million in fiscal 1962) are expensed in the year in which they are incurred. While the rapid depreciation reduces net income, it produces a very large cash flow. Thus in fiscal 1962, cash flow amounted to an estimated $6.6 million, or $1.75 per share. As the leased machines become substantially written off, future rental payments will flow into pre-tax income rather than depreciation reserves.

For the next fiscal year ending June 30, 1963, another very large sales and earnings gain is expected, based on the extraordinary acceptance of the company's products by the military, educational and research institutions, and industry. Sales should rise to at least $60 million, cash flow may approximate $13 million, and earnings may reach, and perhaps exceed, $2.5 million. Per share results will depend on the type of financing utilized, but even after allowing for substantial additional shares, earnings of 60-65 cents per share or more, and cash flow of $3.00-3.25 per share, should be achieved.

It is virtually impossible to make accurate long-range projections for this dynamic company. Nevertheless, it is apparent that growth in sales, cash flow and earnings per share averaging 50% or more annually may well be realized for the next few years.

Since the company's stock was first issued to the public in late 1957 at a price of 33 cents per share (adjusted for a 3 for 1 stock split in September, 1961), it has been carried up to as high as 52 in the Over-the-Counter Market during the growth stock frenzy of 1961.

The stock currently quoted at 29%, down 45% from its high, still has a price/earnings ratio which would appear high in the light of present investor attitudes toward growth stocks and lofty multiples. By taking into account the understatement of earnings and the prospects for a rapid build up in earnings as depreciation accruals from existing rental computers drop and as volume expands, the stock of Control Data appears to offer unusual capital gains potential for the aggressive growth investor.

JAMES F. RYAN

Registered Representative, Fifth Avenue Office, Auchincloss, Parker & Redpath, New York

Greater Washington Industrial Investments, Inc.

Today, as investors look more closely at the progress and promise of the Small Business Investment Company, it is pertinent—and somewhat refreshing—to report on one of the leading organizations in this comparatively new field: Greater Washington Industrial Investments, Inc.

James F. Ryan

In two short years, GWII has built and sustained a reputation for sound growth and judicious investment management. Net asset value has increased from $8.95 a share in 1960 to $12.06, in the fiscal year ended March 31, 1962—a gain of 34%. Despite the recent market decline, net asset value as of June 30 was still a strong $10.10 a share attesting to basic stability of the portfolio. This figure, incidentally, was about $1 over the selling price for GWII shares at the close on July 16.

Although basically a capital gains situation, the company nevertheless reported a net profit from operations of $84,108, or 16 cents a share last year. GWII does not publish quarterly figures; however, officials of the organization report results from operations during the first quarter just completed are "substantially ahead" of the same period a year ago.

After its initial underwriting in April 1960, total net assets were $4.8 million. The figure rose to $6.5 million by March of this year, a substantial gain, particularly in view of a distribution to stockholders last year of nearly $1 million. This, incidentally, was the first instance where an SBIC declared a dividend payable in one of its portfolio securities—in this case CEIR, Inc., a major computer service organization.

Total net assets as of June 30

Continued on page 21

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

Price Stability Key to Dollar Confidence Abroad

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

Treasury official: (1) affirms "beyond a shadow of a doubt absolute essentiality of keeping gold at $35 an ounce and international redemption; (2) stresses imperative need for business initiative to increase our trade surplus as the most promising way to solve our balance of payments problem; and (3) contends that Europeans "are not seriously concerned today about our fiscal policy provided it is disciplined and controlled and is not allowed to contribute to an inflationary surge." Declaring that the latter is most important, Mr. Fowler minces no words in spelling out the cruciality of maintaining reasonable price stability — even to the point of soma sacrifice by management and labor in being content "with somewhat less than they believe the market will bear." Reasons for our payments imbalance, and other measures to rectify the situation such as the tax on foreign earnings and the investment credit plan, are also discussed.

Scarcely five years ago most people in the United States were unacquainted with the term "balance of payments."

Henry H. Fowler

Today the United States balance of payments is a major problem. Our place in world affairs, our free world security and development program, the Free World trade and payments system —all depend upon a solution of our balance of payments problem. We are determined to solve it. We are making significant progress. But we are well aware that for the foreseeable future all our national and international policies will have to take account of our balance of payments position.

Necessarily, the solution of the problem will depend heavily upon the efforts of the American businessman who has an important—indeed, an indispensable—role to play. So, it deserves our attention today.

Our balance of international payments is nothing more than the balance—either net surplus or net deficit—between the payments and receipts during a given period between the United States and the remainder of the world.

Immediately after World War II when much of Europe's industrial capacity had been reduced to rubble, the United States was left as the only major nation with its industrial capacity intact. We exported vast quantities of goods to the rest of the world—a world which, except for raw materials, did not ship very much back to us.

This situation brought about the "dollar shortage," and this was a source of great concern to economists and responsible officials for many years after the war. The problem was not only how to maintain markets for our goods in countries which had no way of obtaining an adequate amount of dollars with which to purchase them, but to give Western Europe the vital purchasing power needed to rebuild its industries.

From Dollar Shortage to Surplus

The problem then was exactly the opposite of the problem now. The change resulted from three major developments.

The first was the decision of the United States to shoulder a heavy share of the burden of the reconstruction and development of the Free World. This decision, as you know, began with aid to Greece and Turkey, and grew into the Marshall Plan of aid to Europe. Economic aid to the emerging nations was the next step and it remains today, a cornerstone of our foreign policy.

The second development was the emergence of the Cold War. This meant that the United States, in order to maintain not only its own security but that of its allies, was obliged to maintain troops, bases and military assistance programs abroad, which, like its aid programs, increased United States payments to other nations without any corresponding increase in receipts.

The third development resulted from the economic recovery and growth of Western Europe in the last Decade. The European integration movement increased the momentum of this growth, and with the development of the Common Market, Western Europe has become a center of prosperity, with a promise for the future even brighter than the past.

The result of the European recovery and expansion and a similar development in Japan was that the United States now had rival producers of exports to the remainder of the world. This new competition for exports—combined with the increase in the amount the United States imported from these nations — put pressure on our trade surplus by squeezing it from both ends. At the same time our necessary foreign aid and overseas defense expenditures were mounting, American private capital was starting to flow abroad in increasing amounts, particularly into Canada, Western Europe, Japan, and to oil producing areas, to take advantage of inviting opportunities there for long-term direct investment.

The result of all this was to change the United States balance of payments position from surplus to deficit. Western Europe, on the other hand, as exports increased,

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The COMMERCIAL and FINANCIAL CHRONICLE

Published Twice Weekly Reg. U. S. Patent Office

WILLIAM B. DANA COMPANY, PUBLISHER

25 Park Place, New York 7, N. Y. REctor 2-9570 to 9576

CLAUDE D. SEIBERT, President

WILLIAM DANA SEIBERT, Treasurer

GEORGE J. MORRISSEY, Editor

Thursday, July 19, 1962

Every Thursday (general news and advertising issue) and every Monday (complete statistical issue — market quotation records, corporation news, bank clearings, state and city news, etc.). Other Office: 135 South La Salle St., Chicago 3, Ill. (Phone STate 2-0613).

Second class postage paid at New York, N. Y.

SUBSCRIPTION RATES

MONDAY AND THURSDAY EDITIONS (104 issues per year)

In United States, U. S. Possessions and members of Pan American Union $65.00 per year; in Dominion of Canada $68.00 per year; other countries $72.00 per year.

THURSDAY EDITION ONLY (52 issues per year)

In United States, U. S. Possessions and members of Pan American Union $20.00 per year; in Dominion of Canada $21.50 per year; other countries $23.50 per year.

OTHER PUBLICATIONS

Bank and Quotation Record—Monthly, $45.00 per year (Foreign Postage extra).

Note—On account of the fluctuations in the rate of exchange, remittances for foreign subscriptions and advertisements must be made in New York funds.

The Unilever Group

By Dr. Ira U. Cobleigh, *Economist*

A consideration, in capsule, of two versatile international corporations, which, together, form the fifth largest company in the world.

Unilever is two companies, separate legal entities, bound together organizationally, so that they operate and are managed as one. The companies are Unilever N. V., headquartered in Rotterdam, and Unilever, Ltd., domiciled at Unilever House, London. Twenty-four men, who are full-time Executive Officers, are directors of both companies, and finance and accounting in both are under the supervision of the same Director. Beneath these two corporations, a series of subsidiary and affiliate companies conduct business, in many countries, with considerable autonomy in national managements.

Unilever is, thus, quite similar in corporate structure to Royal Dutch/Shell and, among European companies, is exceeded in size only by that global petroleum complex.

A general impression has existed that the vast business of Unilever has been primarily dependent on oils and fats. While at one time that was true, it is not true today, and the only side of the business wholly dependent on oils and fats is the margarine, soaps and edible fats.

Lessened Accent on Africa

Further, Unilever has slowly been contracting its African plantation operations, and trading in produce. The direct dealing in oil bearing seeds and in cocoa, which it used to do itself, in Ghana and Nigeria, is now done by local traders. Merchandise sales, too, are increasingly being handled locally, causing Unilever to swing into heavier imports, such as motor vehicles and agricultural equipment. Further, the company is stressing manufacturing facilities in Africa — timber and plywood factories, motor vehicle and bicycle assemly plants, cement works and breweries.

This slow withdrawal from traditional African plantation and trading business, and the creation of new modes of merchandising and manufacturing in that broad area, had the effect of reducing regional earnings, in 1961. While in 1955, African operations contributed 18% of earnings, in 1961 they contributed but 9.7%. In 1955, roughly 28% of company resoces were invested in Africa against 21.6% at the 1961 year-end.

Worldwide Distributor of Consumer Goods

Essentially, Unilever should be regarded, today, as a worldwide producer and distributor of consumer and household goods, in four major categories: (1) margarine, edible oils and fats; (2) soaps and detergents; (3) processed and convenience foods; and (4) toilet preparations, including toothpaste, hair and skin preparations. Of these, processed foods are the most promising and fastest growing group, accounting for 19% of sales in 1961, against 11% in 1950.

Geographically, too, the emphasis has changed, so that over 60% of capital is now employed in Europe, against 50.4% six years ago; and 68% of last year's earnings were derived from European operations. In particular, German sales in 1961 accounted for one-seventh of Unilever's world sales, or $595 million. Lux Toilet Soap is the leading brand in Germany, and Unilever is also the leader in margarine ($213 million in sales last year) and ice cream, and ranks second in production of laundry detergents there. Over 37,000 people are employed in the German division. Headquarters are in Hamburg, where an ultra-modern office building, with three times the floor space of Lever House in New York, is being built.

Excellent Corporate Reporting

Whereas the custom of many English and Continental corporations is to make meager disclosure of operating results and financial information, Unilever has been notable in keeping its stockholders well informed; and a full perusal of its 1961 annual report makes enlightening reading. As far back as 1930, Unilever issued consolidated reports, and has provided, for many years, details of sales and capital spending plans. In 1961, for the first time, it included geographical indication of where the profits are earned. It divides the globe into four major areas: Europe, Africa, North and South America and Rest of the World. In 1961, the Americas delivered 20% of net profits.

Earnings

For 1961, Unilever did a worldwide business of $4 billion, an increase of 4.1% over the preceeding year. Consolidated net profits were $148 million, of which 64% was retained in the business. The official distribution of net earnings worked out to $1.86 per share on the British shares, and $3.10 on the Dutch shares. Unilever, Ltd. pays a dividend of 69 cents (which is subject to a 38¾% witholding tax in Great Britain) and Unilever N. V. pays a net dividend of $1.16. For 1962, an increase of around 5% in net profits has been projected.

The areas of more rapid growth appear to be in the common market countries, and in the United States. Because of the magnitude of its operations, the broad diversity of its product mix and the wide-spread geographic regions from which its earnings are derived, Unilever is regarded as quite well insulated from cyclical trends. Its management is classically excellent; its competence in modern advertising and merchandizing methods is internationally famous; and its research is constantly ideating new and improved products.

Because of narrowing profit margins in many major companies in the United States, and the increased economic importance of the Common Market countries, American investors have, in recent years, been directing their attention to certain European equities, and a number of our major investment trusts have made substantial investment in foreign shares, including, of course, Unilever. Interest has been further stimulated by listing several of these European shares (or American Certificates) on the New York Stock Exchange. Unilever was listed this year, and has attracted a sizable investor following.

There are, totally, 33,702,000 shares of Unilever, Ltd. outstanding, traded as American Shares on N. Y. S. E. The 1961/1962 price range has been between a low of 17 and a high of 32. Current quotation is 20½. Unilever N. V. (ordinary shares) are outstanding in the amount of 23,981,000 shares and are also listed on N. Y. S. E., and currently sell at 41. The two year range of these was between 35 and 59. On this basis, Unilever commons do not seem overpriced in today's market, and represent values comparable with leading seasoned American consumer goods' equities. For women investors, Unilever shares may make a special appeal, because of their familiarity with, and preference for, such household items as Lux Soap, Spry, Lipton Tea, Pepsodent Toothpaste, and the detergent "All."

Nat'l OTC Clearing Plans Advance

The National OTC Clearing Corporation has announced that subscriptions of over $500,000 to its common stock have been received and that it is preparing to go forward with plans to establish, in New York City, the operation of a clearing house for over-the-counter securities.

The stock was originally offered on June 4, 1962 exclusively to members of the National Association of Securities Dealers, Inc. in District No. 12 (New York, Connecticut and a part of New Jersey). The offering, contingent upon receipt of the minimum of $500,000, remains open for additional subscriptions.

Before the operation can begin it will be necessary to retain key executive personnel, to adopt detailed procedures and rules and to locate the base of operations. The board of directors is proceeding with these matters and hopes to have this clearing house functioning within a few weeks.

Markus & Stone to Admit Partner

Markus & Stone, 120 Broadway, New York City, members of the New York Stock Exchange, on July 30 will admit Albert de Jong to partnership in the firm.

McCormick & Co. To Admit Partner

CHICAGO, Ill. — McCormick & Co., 135 South La Salle St., members of the New York and Midwest Stock Exchanges, on Sept. 4 will admit Donald MacArthur to partnership in the firm.

OBSERVATIONS...

BY A. WILFRED MAY

STOCK MARKET CREDIT — AND THE GOVERNMENT'S ENDORSEMENT OF SPECULATION

Last week's margin cut, with its variety of attending circumstances and interpretations, makes this a particularly good time for comprehensive consideration of stock market credit and its regulation.

Government rule over credit on securities was definitely established in 1934, after three years of intense discussion, in the passage of the New Deal's Securities Exchange Act (secs. 7 & 8). This "hot potato," with the duty to formulate elastic rules and administer them in accordance with the relevant provisions of the Act, was sensibly handed over to the Federal Reserve Board, instead of to the newly founded Securities & Exchange Commission (which was charged with carrying out the other provisions of the Act). The major reasons motivating this shifted routine were implementation of the established underlying purpose to prevent the excessive use of credit in purchasing and carrying securities, "to give a government credit agency an effective method of reducing the aggregate amount of the nation's credit resources which can be directed by speculators into the stock market and out of other more desirable uses of commerce and industry. . . . Not to increase the 'safety' of security loans for lenders. . . . Nor is the main purpose even protection of the small speculator by making it impossible for him to spread himself too thinly—although such a result will be achieved as a byproduct of the main purpose."* The Reserve Board was thus better equipped to handle the delicate credit instrument, and would be relieving the SEC of giving the impression that it was protecting the speculator-investor or endorsing a market price level.

Expert Witness

During the past week we have been discussing this genesis of market credit regulation and its 28 years of results, with Judge Fedinand Pecora, who headed the epochal post-1929 Senate Investigation of Stock Exchange Practices, popularly known as the Pecora Investigation. It will be recalled that there emerged therefrom the basic 1934 Act, together with the Securities and Exchange Commission on which he was an initial Commissioner. Judge Pecora feels now as he strongly and effectively did at the time, that the Reserve Board is the appropriate administrative body to supervise stock market credit. But the ensuing enforcement over the years has disappointed him; culminating now in sharp disapproval of the Board's current easing of the *down payment* as a speculative stimulant.

For our part, we feel that, as substantiated again by the current record, there are basic inherent defects in the market credit system far deeper than are concerned with the timing of and degree of change in the margin requirements. We further believe that such broader abuses are, under the existing investment environment, unavoidable under flexible speculative credit rule by *any* government authority.

The Narrower Administration's Questions

To be sure, we are worried over several *detailed* phases of last week's margin reduction to 50% from 70% established in July, 1960, and from the 90% set in October, 1958. As we reported in our preceding article (July 12), there were two questionable facets to the Board's self-ascribed basis for acting on the "abatement of speculative psychology." First, as cited in our preceding article on the subject (July 12), grave doubt as to the completeness of speculative deflation is incited by relevant evidence, as the comparative price/earnings ratios (that is, the market's capitalization of the current earnings, which thus is a measure of the prevalent psychological state, or "confidence."[1]). The current "speculation abated" price/earnings ratio of Moody's 125 industrials is actually 15.9 against 11.7 in April, 1955 when it was deemed wise to change margins in the opposite direction by precisely the same degree, namely via a *rise* from 50 to 70%.

But more important is it that whatever be the true current status of the "psychology market," or its degree of speculative content, the *government* is deemed to be giving it a clean bill of health, with a "green light" to the speculator on both the long and short sides (with the 50% margin enabling him to double the effects, market-wise and personal, of both his winning and losing bets) — with an unwitting *Okay* to the market's price level.

Political Vulnerability

The Fed's rule over this delicate market mechanism will apparently be recurrently subject to political pressures. Chairman Martin and his co-members of the Fed's Board of Governors deserve great credit for fending off persuasion toward a margin cut from the While House and other Administration sources during the six weeks immediately following the May 28 market break. But this surely does not rule out the Reserve Board's future vulnerability—particularly if Mr. Kennedy's proposal to permit incoming Presidents to appoint their own Chairmen is enacted.

The call for more prompt margin reduction following the price drop was no doubt partly based on its non-political motive of alleviating the impact of shareholders' market losses on the economy (which danger we cited in *Observations* of July 5). But the constructive solution for alleviating the natural effects of a market boom surely does not lie in renewed speculative propulsion (the new cut to a 50% margin brings in additional speculative buying power, the effect of whose winning and losing bets, on the market as well as the speculating individuals, has doubled weight). Rather must the cure be effected by getting directly at the cause —by permanently limiting market speculation; or at least refraining from validating it, both qualitatively and quantitatively. In no other way, apparently, can the interdependence of market *speculation-gambling* with broad economic policies (even including drastic tax measures) and political factors be ended.

The "Fed's" Over-Entanglement

"Fed" Chairman Martin, while testifying before a joint Senate-

*From Report of the Committee on Interstate and Foreign Commerce, House of Representatives, on Securities Exchange Bill, 1934.

1 During the formulation of the 1934 Act the Twentieth Century Fund proposed that loan value on securities be fixed on the basis of earnings instead of market price; the maximum on stocks to be twice the aggregate net earning per share for the preceding five years, with a maximum of 60% of the current market price.

House economic subcommittee last Friday, July 13, is reported to have substantiated his judgment that the margin requirements have worked well, exemplified in the recent break, when at an "uneasy" 70%, they "worked to prevent something like 1929, when stocks had to be dumped on the market because of easy margin purchases. The present stock decline would have been much more serious, said Mr. Martin, if it had not been for the high margin requirements.

If this is so, and 70-90% margins prevented "another 1929," why not preserve that fortunate status, instead of ordering the cut to the "easy-credit" 50% level? In effect, this top government authority is, unwittingly, giving the impression of certifying the market's present soundness. If the prospect now is for further margin change in the case of either a market rise or decline, then the government's top monetary authority is in the position, while sanctifying the market with an aura of investment, of telling the players how much they can properly bet; with its sister government agency, the SEC performing in the role of policeman striving to keep the game as honest as possible.

In the use of Bootleg margin credits at cut rates, which are cited by proponents including Stock Exchange President Funston, of lower official margins, at least the non-gambling cloak of government sanctification to the gambling process is avoided.

Chairman Martin further told the Congressional Committee that the reduced margin requirement "will provide more trading ability for adjustment in positions" and therefore is in line with the policy of encouraging, by any proper means, equity financing of business needs.

Capital-for-Industry Illusions

In this writer's opinion, this blessing on credit-aided market trading and "liquidity" as a purveyor of capital to industry, in line with the Stock Exchange's self-justification of active trading markets, is a basic fiction requiring drastic reconsideration.

In the first place, the claim, widely set forth, that more credit (whether or not of the Bootlegged variety) is constructive in aiding the New Issue market is surely negated, by the realization, with the aid of even short-lived memory, that this really would mean destructive blowing-up of the now existing beneficial deflation of the recent years' new issue frenzy.

In the second place, 25% and more of the proceeds of the new common stock offerings, have been going directly into the possession of selling "insider" shareholders, and not to supplying new capital to industry (moreover in some cases the selling expenses are borne by the company, and not the selling individuals—this foisting of the expenses not being barred by the 1933 Act or the SEC.)

What Price the "Exquisite Liquidity"?

Surely great doubt is called for before agreeing with the plea for *liquidity*, in justification of the credit-rooted active trading markets with their fanning of speculation with their anti-social excrescences.

Thomas G. Corcoran, F. D. R.'s "Brains-Truster No. 1-2" in 1934 testifying before the Senate Banking Committee authoritatively explained the two objectives of margin regulation as follows: "One is to protect the lamb; another, and probably the more important of the two, although it does not appeal to one's human instincts as completely, is the protection of the national business system from the fluctuations that are induced by fluctuations in the market, which in turn stem back to the very *exquisite liquidity* you get when you have a lot of borrowed money in the market."

Even if this credo be disagreed with, surely the feeding of speculation by low margin operations, should not have *government* sanctification!

* * *

FROM OUR MAILBOX

Meaning for the Price/Earnings Ratio

The following communication refers to our article "WHAT PRICE/EARNINGS RATIO?" in our June 28 column: in which we stressed the chronic omission of quantitative meaning in the use of the term. Its writer is the author of two classic books, "Stock Growth and Discount Tables," and "True Investment Returns," pioneer efforts in establishing realistic evaluation of the earnings multiplier.

Dear Mr. May:

Your article on price-earnings ratios was very timely and badly needed at this juncture. I was hoping someone would point out the superficiality of the comments of such people as the President and the Secretary of the Treasury. I can't see how the latter could have made such a statement, for the very reasons you mention.

I imagine the vast majority of investors are still using the "By Guess and By Golly" method and I have a sneaking suspicion that a large proportion of professional investors are also living in the Stone Age insofar as relating a stock's future prospects to its current price.

My ambition is to help educate investors to use analogous methods to those used for bonds. This would tend to smooth out wild fluctuations such as we have just witnessed in the stock market, which would be of untold benefit to our whole economy.

S. ELIOT GUILD

Little Babson Island,
Brooklin, Maine

To be V.-Ps. of Hayden, Stone

Hayden, Stone & Co., Inc., 25 Broad St., New York City, members of the New York Stock Exchange, will name the following Vice-Presidents effective Aug. 1: Horace M. Bear of Beverly Hills; Koitcho N. Beltchev; Vernon H. Brown, Jr., Harold R. Holmyard, Charles J. Kelly, Claude R. Kirk, Jr. of Jacksonville; John D. McClure, John B. Stevenson, Robert Strauss, Chicago; Donald R. Stroben, Chicago; Eugene C. Travis, Chicago; James E. Tucker, Los Angeles; and Louis W. Witt, Jr.

S. H. Henderson With Kalman Co.

(Special to THE FINANCIAL CHRONICLE)

ST. PAUL, Minn. — Sidney H. Henderson has become associated with Kalman & Company, Inc., Endicott Building, members of the Midwest Stock Exchange. Mr. Henderson for many years was a partner in Henderson-Weidenborner Co.

Cyrus Lawrence to Admit Partner

Cyrus L. Lawrence & Sons, 115 Broadway, New York City, members of the New York Stock Exchange, on Aug. 1 will admit John L. Fischer to partnership.

Julius Giller Opens

Julius Giller is conducting a securities business from offices at 15 West 44th St., New York City.

FROM WASHINGTON . . . Ahead of the News

BY CARLISLE BARGERON

When you consider how long it has taken Congress to work on a tax revision bill, it is a rather forlorn hope to expect any tax reduction this year as is being advocated by both organized labor and the United States Chamber of Commerce. The pending tax revision bill has been with Congress for more than a year, and there is a serious doubt that the Senate will complete it this year, whereupon it will have to start all over again. It was all last year in the House Ways and Means Committee and the greater part of this year it has been with the Senate Finance Committee where it has already lost provisions for taxing dividends and interest.

Senator Byrd, the powerful Chairman of the Committee, has said he is absolutely opposed to any tax deduction until the budget is balanced, which apparently means that there will never be any tax reduction.

* * *

The fight between the House and Senate Appropriation Committees has already passed the serious stage, and the armistice which was apparently in sight a few days ago is still to come. It started with the simple question on which side of the Capitol the conferees of the two committees should meet to iron out differences in the way the respective houses passed bills.

It has developed into fundamental struggles for power between the two houses. The question of who should preside over the conferees, the House Chairman or the Senate Chairman is foremost. The Senate Chairman, the veteran Senator Carl Hayden of Arizona, has said he is willing to split the Chairmanships if the House will permit the Senate to originate appropriation bills. As it is now, all money bills must originate in the House. The Senate can reduce the amount of the appropriation or increase it, but it can't originate an appropriation. This has unquestionably worked to keep the appropriations down. There was considerable truth in a hot statement by the House Committee that the Senate had over the years increased appropriations by billions of dollars.

Every year the House passes reduced appropriations and the august Senate restores them. What makes the Senators more generous is not known, but they have a habit of taking a broader view than the House. The members of the House are more responsive to public opinion because they represent smaller constituencies and come up for reelection every two years. The House, for that reason, is far more a weather vane than the Senate or the Gallup poll.

It is significant as bearing on Mr. Kennedy's popularity that it is much easier for him to get a controversial bill through the Senate than the House. His highly controversial medicare bill will probably pass the Senate in compromise form but getting it through the House will be another matter. It seems to bear out the Republicans' claim that Mr. Kennedy is more popular than his program.

* * *

Mr. Kennedy has lost his opportunity to put the Republicans in a hole over their vote against his urban affairs bill several months ago. He tied in with this bill his promise to appoint the first Negro Cabinet Officer, the present head of the Housing and Home Finance Agency, Robert C. Weaver. He thought in this way the Republicans would be afraid to vote against the Urban Affairs bill. However, about the time that Urban Affairs was defeated, Secretary of Health, Education and Welfare Ribicoff let it be known that he intended to resign to run for the Senate. The Republicans immediately set up the cry that if Kennedy wanted a Negro in the Cabinet he could appoint Weaver to this post.

Mr. Kennedy surprised everybody by appointing Mayor Celebrezze of Cleveland.

To Be Cruttenden, Podesta Partners

CHICAGO, Ill. — Alan H. Bede and Terrence T. Terrana have been proposed for admission as general partners of Cruttenden, Podesta & Miller, La Salle Jackson Building, according to an announcement from Robert A. Podesta, managing partner.

Subject to New York Stock Exchange approval of the partnership applications, Mr. Bede will be assigned to the Chicago-based firm's expanded New York office, as resident partner in charge of sales, institutional liaison, and underwriting syndication activities. Mr. Terrana will become co-specialist and floor broker on The Midwest Stock Exchange.

Mr. Bede joined the Chicago investment firm of Julien Collins & Company in 1946, becoming a Vice-President and director in 1952.

Mr. Terrana joned the Cruttenden, Podesta & Miller staff in February of 1960, and has been assistant to James R. Cruttenden, the firm's MSE floor partner and specialist.

Middendorf Firm Opens Coast Br.

SAN FRANCISCO, Calif. — Middendorf, Colgate & Co., members of the New York Stock Exchange, has opened a branch office at 233 Sansome Street. William A. McCluskey, Jr., will be resident manager. He formerly served in the same position with Wood, Struthers & Company.

Form Astute Inv. Corp.

Astute Investors Corporation is conducting a securities business from offices at 515 Courtlandt Avenue, New York City. Harold Zipperman, President, was formerly principal of Astute Planning Corp.

Tax-Exempt Bond Market

By DONALD D. MACKEY

Markets for state and municipal bonds have been relatively steady since reporting a week ago, particularly in view of the disturbing admixture of financial, economic and political views deriving from the domestic as well as from foreign scenes. As some newspapers and newscasters have variously played up headlines and scareheads as to what European editors and financial writers think about the inevitability of dollar devaluation, and as the heads of our largest banks have testified at Congressional hearingss on the general desirability of a higher interest rate structure and a lower tax structure, state and municipal bonds have seemed to be in moderately good demand.

Indications of greater demand for gold in the London market, accompanied by a wide interest in gold stocks and the continuing clamor for a fast tax cut from almost all of our articulate pressure groups (some of them on the same side of this or any issue for the first time in the memory of man) have been elements disturbing and even upsetting to the bond market. These factors, however, have not proven frustrating to tax-exempt bond market investor interest during the past week to the extent that might be expected.

New Business Finding Ready Buyers

The rather sizable summer new issue volume was rather bravely taken by our dealer groups this past week in bidding that in retrospect seems to have been almost over-competitive and the volume was disposed of very satisfactorily even though there were no individual sell-outs.

With more than $100,000,000 of new issues handled during this period, more than two-thirds of the volume has seemingly been put away. This has been a striking hot weather performance in view of the prevailing domestic and international financial implications.

Prices Down 2-3 Points From May Levels

The general price level at which high grade 20-year bonds are being offered has changed but little since our last week's report according to *The Commercial and Financial Chronicle's* high grade bond yield Index. Our regular list of 20-year general obligation offerings averages out at a 3.09% yield at this writing as against 3.088% last week. This minute change in terms of yield can hardly be measured in terms of dollars.

However, it might well be noted that the tax-exempt bond market is well off the pace set in April and in early May. High grade tax-exempt bond offerings are off from two to three points since that beatific bond market period when average investor interest was being generally ignored. And this substantial sell-off has occurred without benefit of a formal increase in the discount rate or important change in official monetary policy.

It is also interesting to note that while yields have been increasing 25 basis points on Treasury bills, so have they for 20-year high grade municipal bonds. Should anyone think that the long-term bond market has been accorded tender loving care while short-term rates have been neatly increased in the battle for a better balance of payments, our simple figures indicate that no such financial miracle has been wrought, although a good job may have been accomplished without much fuss under a variety of difficult circumstances.

Dealers Cautious

While state and municipal bond inventories continue to be at least moderately heavy, they are not now seriously detrimental to the market. Some dealers are limiting or diminishing their new issue bidding and their participations therein. This circumstance has encouraged the tendency toward smaller groups with larger member participations rather than developing bids whereat new issue groups could largely be held intact.

It goes without stating that a healthier market circumstance might prevail were bids more representative than they are at present. Despite not infrequent overbidding, the *Blue List* total of state and municipal bonds continues under $500,000,000. The actual total on July 18 was $471,621,400.

Broader Market Necessary

In remarking about the stability of the tax-exempt bond market under the trying political factors that have recently gained emphasis, and in view of the vast volume of municipal bond underwriting (about $5,000,000,000) accomplished during the first half of 1962, it is particularly significant to note that holdings of "other securities" at weekly reporting Federal Reserve member banks has increased $2,200,000,000 during the first half of 1962 as against an increase of $800,000,000 in the like 1961 period. This circumstance should give pause to municipal bond men for reflection and study.

To say the very least, a broader market will soon be required if the indicated volume of tax-exempt bond financing is to be underwritten at or close to present market levels. Our institutional investors are beginning to act as though they very well know it.

New York City Dominates Supply Ahead

The new issue calendar is light as presently constituted and presents no abnormal underwriting problem even from a seasonal slant. A total of less than $250,000,000 is currently scheduled through this month. The $103,000,000 New York City issue set for next week represents almost half of this total. Less than $125,000,000 appears thus far scheduled for August sale.

There appear to be no large negotiated flotations ready for market and more is the pity for the state and municipal bond dealers as a group seem to have been more recently handling a record volume of underwriting largely for the public interest alone.

Recent Awards

There were several interesting new issue sales during the past week. On Thursday, July 12, $25,000,000 Florida Development Commission, University System revenue (1965 - 1990) bonds were awarded to the syndicate managed by White, Weld & Co., B. J. Van Ingen & Co., Inc., Merrill Lynch, Pierce, Fenner & Smith Inc., and John Nuveen & Co. on a net interest cost bid of 4.173%. The bonds were reoffered to yield from 2.50% to 4.15%. The issue has been almost sold out. This interesting obligation is supported by student fees. The State Board of Education, moreover, would seem to be morally involved in the contract thus involving state educational policy.

Another notable Florida issue was reported all sold on Thursday. Eight million dollar Inter-American Trade Center Authority 5½% revenue bonds due June 1, 1982 were negotiated and marketed through the group headed by Goodbody & Co. The bonds were priced at 100. The issue is part of a $21,000,000 authorization that involves important trade and cultural facilities in the Miami district.

The $13,500,000 Tarrant County, Texas Water Control and Improvement District No. 1 (1964-2001) bonds were awarded to the syndicate headed by the Harris Trust & Savings Bank, The Chase Manhattan Bank and The First Boston Corp. on Thursday last. The net interest cost to the district was 3.544%. Reoffering yields ran from 1.90% to 3.60% in 1995. The longer bonds were not publicly reoffered. The issue, a general obligation one, went well with customers as only about $2,500,000 remains in account through a splendid job of distribution.

Also on Thursday, July 12, $7,905,000 Sacramento, California Water System revenue (1963-2000) bonds were awarded to the Halsey, Stuart & Co., Inc. group at a net interest cost of 3.464%. The bonds were reoffered to yield from 1.60% to 3.60%. Other members of the winning group include Kidder, Peabody & Co., Kuhn, Loeb & Co. and Equitable Securities Corp. The issue has gone rather well with only $1,250,000 now in account.

Week's Major Sale

On Tuesday, July 17, the week's largest new issue, $25,000,000 State of Michigan, Trunk Line Highway revenue (1964-1987) bonds were awarded to the Blyth & Co., Inc., Halsey, Stuart & Co., Inc. and First of Michigan Corp. group at an interest cost of 3.55694% to the state. This sizable, good quality issue was priced to yield from 1.75% to 3.75% in 1986. The 1% bonds due in 1987 were not reoffered publicly. The issue met with fairly good investor reception. The present balance in account is less than $9,000,000.

Another good sized Florida issue came to market on Tuesday, $14,000,000 Orlando Utilities Commission, Water and Electric revenue (1965-1992) bonds were awarded to the Halsey, Stuart & Co., Inc. group at a net interest cost of 3.4674%. The bonds were reoffered to yield from 2.00% to 3.50% in 1991. The 2% bonds due 1992 were not reoffered publicly. The issue has been better than half sold. Other underwriters include Kuhn, Loeb & Co., B. J. Van Ingen & Co.,

Continued on page 42

MARKET ON REPRESENTATIVE SERIAL ISSUES

	Rate	Maturity	Bid	Asked
California (State)	3½%	1982	3.40%	3.25%
*Connecticut (State)	3¾%	1981-1982	3.25%	3.10%
New Jersey Highway Auth., Gtd.	3%	1981-1982	3.15%	3.00%
*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%	3.00%
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	3.50%	3.75%

July 18, 1962 Index—3.09%

*No apparent availability.

Larger Issues Scheduled For Sale

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

July 19 (Thursday)			
Haddonfield S. D., N. J.	2,080,000	1963-1982	8:00 p.m.
Iron County, County S. D., Utah	1,000,000	1962-1974	8:00 p.m.
Lincoln Airport Authority	2,500,000	1964-1986	11:00 a.m.
Montgomery Co., Va.	1,500,000	1963-1982	Noon
Quincy, Mass.	1,225,000	1963-1982	11:00 a.m.
Wayne County, Mich.	1,750,000	1963-2000	11:00 a.m.
July 23 (Monday)			
Boca Raton, Fla.	1,450,000	1964-1994	4:00 p.m.
Dallas, Texas	12,400,000	1963-1982	1:45 p.m.
Maricopa Co. of Mesa S. Dists., Arizona	2,100,000	1964-1977	11:00 a.m.
Rocky River, Ohio	1,300,000	1963-1987	Noon
July 24 (Tuesday)			
Anchorage, Alaska	3,060,000	1963-1982	10:00 a.m.
Anchorage Indep. S. D., Alaska	4,250,000	1964-1982	10:00 a.m.
Calvin College & Seminary (Grand Rapids), Mich.	1,600,000	1964-2001	10:00 a.m.
Dekalb County, Ga.	4,350,000	1963-1986	Noon
Mississippi (State of)	2,000,000	1972-1982	10:00 a.m.
New York City	103,000,000	1963-1992	11:00 a.m.
Titusville, Fla.	1,000,000	1964-1991	7:30 p.m.
July 25 (Wednesday)			
Charlottesville, Va.	3,000,000	1963-1982	Noon
Hardin County, Ky.	1,100,000	1963-1982	11:00 a.m.
Louisiana (State of)	20,000,000	1962-1987	11:00 a.m.
Maryland State Roads Commission	15,000,000	1963-1977	11:00 a.m.
State University of Iowa	3,500,000	1966-1987	--------
July 26 (Thursday)			
Hammond Sanitary District, Ind.	3,750,000	1964-1988	2:00 p.m.
Hudson County, N. J.	2,557,000	1963-1987	Noon
Iowa State Board of Regents	3,500,000	1964-1987	11:00 a.m.
July 27 (Friday)			
St. Joseph Hospital, Chicago, Ill.	1,000,000	1964-2001	10:00 a.m.
July 31 (Tuesday)			
Murray State College, Ky.	1,469,000	1964-2001	11:00 a.m.
Ohio State Univ., Bd. of Trustees	5,300,000	1963-2000	11:00 a.m.
San Diego Unified Sch. Dist., Calif.	14,827,000	1964-1983	10:30 a.m.
Union County, N. J.	2,035,000	1963-1978	11:00 a.m.
August 1 (Wednesday)			
Hempstead Union Free Sch. Dist. No. 14, N. Y.	1,075,000	1963-1982	1:00 p.m.
St. Louis, Mo.	10,000,000	1966 1995	11:00 a.m.
Scranton School District, Pa.	1,000,000	1964-1983	Noon
August 2 (Thursday)			
Stockton Redevelopment Agency, Calif.	1,205,000	1992	11:00 a.m.
August 3 (Friday)			
Pacific Lutheran University Assn., Wash.	1,100,000	1964-2001	10:00 a.m.
August 4 (Saturday)			
Universities and State College of Arizona	1,500,000	1965-2002	10:00 a.m.
August 6 (Monday)			
Bridgeton School District, N. J.	1,125,000	1964-1987	8:00 p.m.
Yuma Co. Jr. College Dist., Ariz.	1,555,000	1965-1974	2:00 p.m.
August 7 (Tuesday)			
Franklin Township, N. J.	1,100,000	1964-1980	8:00 p.m.
Los Angeles, Calif.	7,250,000	--------	--------
West Allis, Wis.	2,880,000	--------	--------
August 8 (Wednesday)			
Paducah, Ky.	2,400,000	1967-1988	2:00 p.m.
San Antonio, Texas	20,000,000	1964-1983	--------
Wichita Sch. Dist. No. 1, Kansas	1,086,000	1963-1982	10:00 a.m.
August 14 (Tuesday)			
Eugene, Oregon	3,100,000	1963-1982	10:00 a.m.
Oklahoma City, Okla.	10,195,000	--------	9:00 a.m.
Pennsylvania General State Auth.	40,000,000	--------	--------
August 15 (Wednesday)			
Beverly, Mass.	2,000,000	--------	--------
Edmonds School District 15, Wash.	1,100,000	1964-1977	3:00 p.m.
Jacksonville, Fla.	7,650,000	--------	10:00 a.m.
Jacksonville, Fla.	7,650,000	--------	11:00 a.m.
Outagamie County, Wis.	2,800,000	1963-1982	11:00 a.m.
August 21 (Tuesday)			
Lafayette, La.	3,500,000	1965-1991	10:00 a.m.
Sept. 1 (Saturday)			
Grandville Sch. Dist., Mich.	2,150,000	--------	--------
Jacksonville, Fla.	7,650,000	--------	--------
Sept. 12 (Wednesday)			
San Jose, Calif.	4,400,000	--------	--------

The Business Outlook

By George W. Coleman,* *Economist, Mercantile Trust Company, St. Louis, Missouri*

St. Louis bank economist postulates a slowly upward business trend for the immediate future, and an almost certain decline after the first of the year. Factors responsible for the occurrence, let alone the depth, of the decline are analyzed and their effect on the business trend is said to depend not only on their number but, also, their coincidence. After painting a bearish picture of the longer-range factors which may come to a head, Mr. Coleman cautions against jumping to the conclusion that a major depression is due simply because one has occurred once every generation and we haven't had one since 1929.


George W. Coleman

One of the most respected British economic publications—*The Economist*—recently stated that, while trends in the stock market do not always foreshadow trends in business activity, they frequently give "a whiff of the future." The decline in the New York stock market since last December has been sharp. It fell from approximately 735 in December to a recent low of about 536. The question now being asked is whether such a decline will mean a decline in business activity. In short, are we going to have a depression? Although stock prices are regarded by the National Bureau of Economic Research as a "leading" indicator, they are not always so. The NBER studies show that on occasions the stock market has gone through cycles of its own, and other studies have confirmed that argument. But the fact remains that stock prices are regarded as a leading indicator and the sharp decline has raised questions.

Actually, there is doubt about some other trends and this reinforces the feeling of uncertainty. Although it would be difficult to prove statistically, I believe that it could be shown from a study of the past that several economic forces must be unbalanced before a major recession occurs. This was undoubtedly the case in 1929. There is no intention in the following paragraphs to suggest the imminence of a major recession. I intend, rather, to try to examine the extent and force of the expansionary factors in the economy and then to determine the possible trend of business activity.

Business Investment Prospects

In the private sector, one of the most important factors is business investment. Early this year a survey was taken by the SEC-Department of Commerce which showed that businessmen planned to invest about 8% more this year than last year. In a recent survey, that figure was not changed, although it had been hoped that an increase would be reported. The reasons why no increase was observed are many. Perhaps the most important is the existence of excess capacity in many lines. The steel industry, for example, is operating at about 53% of capacity. Other industries are operating at unsatisfactory rates. This discourages investment more than any other one thing. Another factor is that some industries are not advancing so rapidly as had been hoped. The utility industry may be reducing its estimates somewhat, because single family housing starts are running below previous expectations.

To try to stimulate business investment the government is doing, or planning to do, several things. It is placing more durable goods orders and it is planning to speed up depreciation rates. While that latter policy may stimulate investment it is probably more likely that it will permit corporations to accumulate larger amounts of cash for investment. In short, at a time when investment is slow, accelerated depreciation policies may generate more cash, but not necessarily greater use of those funds. Actually, corporations are probably coming closer to being able to finance their projected investment without resorting to the capital markets than at any time in the postwar period. This means that the outlet for individual savings has been reduced sharply. Corporate investment is, thus, not a stimulating factor.

There is some question about whether inventory accumulation will continue. From the first quarter, 1961 to the first quarter, 1962, inventory accumulation amounted to $10.8 billion of the total increase in gross national product of $48 billion. There now seems to be some evidence that the rate of inventory accumulation is decreasing. It is almost certain that it will not be a stimulating factor in the immediate future.

Consumer Spending

The attitude of consumers is also important. In terms of spending it is twice as important as all other sectors of the economy combined. Personal income continues to set new records month after month, and the amount individuals have left over after paying taxes also continues to advance. In previous periods of recovery individuals have tended to spend freely and, therefore, to reduce savings. While savings in the last three quarters of last year were less than in preceding years, they are above both 1959 and 1960. Individuals have demonstrated their willingness to spend, but not to spend aggressively. The market for automobiles has been very good, although there are signs that it is now slowing down. This is also true of appliances. After being stable in the early part of the recovery, retail sales have risen and have reached a new all-time high. The figure for May is slightly below the figure for April. This trend seems to suggest that retail sales are not keeping pace with the advance in disposable personal income. To put it in another way, the consumer is spending at a satisfactory level but he is not spending in such a way as to induce a boom.

Government Spending

If neither business investment nor consumer expenditures are showing much tendency to advance, that is not true of government expenditures. There is considerable argument about what the Federal Government should do and what it should not do. Without attempting to argue what is myth and what is fiscal irresponsibility, at least one thing is clear. The present tax structure produces a balanced Federal budget before full employment is reached. This point has been made a number of times. Arthur Burns of the National Bureau of Economic Research, indicated that one of the reasons for the 1960 recession, was that the cash budget shifted from a deficit to a surplus too rapidly. This is one of the basic reasons why there is talk of reducing taxes and adopting a policy of balancing the budget only at full employment levels.

There are, of course, many aspects of the problem of budget balance and economic activity. The experience of the past may not be decisive, but it does suggest that the government, through fiscal policy, can influence the trend of industrial activity. The European experience, since the end of the war, shows that the government can influence the level of demand. Moreover, American experience has also demonstrated, e.g. the latest Eisenhower deficit, that demand can be influenced by fiscal policy.

Deficit May Not Be Serious

One of the difficulties is that unbalanced budgets may lead to a lack of confidence in the dollar. It has frequently been pointed out that domestic needs may conflict with the function of the dollar as a key reserve currency. The various techniques now utilized may minimize this conflict. A budgetary deficit may not be quite so serious as was originally feared. The recovery in Europe is slowing down perceptibly, and, consequently, the flow of capital funds, which complicates the balance of payments problem, may be reduced. It is possible that American private investments could be repatriated. Certainly, private capital outflow is likely to be reduced and lower interest rates abroad are likely to disuade short-term movements. The dollar is not without real defenses based upon economic factors. And this conclusion can be reached without engaging in wishful thinking.

In summary, therefore, the trend of business activity in the immediate future is likely to be slowly upward but after the first of the year, a decline almost certainly will occur. How much of a decline will be analyzed later. Up to now the decline in the stock market represents a reappraisal of values. Last year some experts were explaining the height of the stock market by saying that prices were capitalizing not only the future but the hereafter. Now, there seems to be some doubt about the value of the hereafter.

If business activity is going to decline sharply, it will result from more basic factors than slight changes in the rate of consumer spending, inventory policy, or business investment. It might be well to examine some of these factors.

Why Business May Decline In 1963

The rate of growth of the American economy has slowed in the postwar period. The reasons have been widely analyzed. Not only is the growth rate slower, but there is a tendency for relatively wide fluctuations in business activity about that growth trend and they have been occurring with greater frequency. These assertions are, of course, difficult to prove because recoveries in the postwar period have been complicated by unusual circumstances. Both the Korean War and the Suez crisis served to lengthen recoveries that might have otherwise been much shorter. One effect of these trends has been that the rate of unemployment has not declined as much in the later recoveries as it did in the earlier recoveries. These facts might be illustrated by the fact that in the first 14 months of the present recovery, employment increased only 1.5%, while industrial production rose almost 15% and the gross national product rose 8%. This indicates the extent to which increased production can be achieved without enlarging the labor forces.

Another factor which is extremely important is the fact that inflation as measured by commodity prices has not been a factor in the economy for more than four years. At the present time prices are actually weak. The end of the inflationary psychology is undoubtedly having an impact upon production, investment, inventory accumulation, and income. This is a world-wide factor in which the terms of trade are tending to run against the raw materials producing countries, and it makes more difficult the financing of their activities. This could explain, in part, some slowing down in world-wide industrial progress.

The international political situation remains critical but it does not seem to suggest the prospect of war, and, consequently, the fear that prices will advance, inventories will be accumulated, or that governments will embark upon heavy military expenditures has been reduced. In other words, at the present time, the prospect of war is not great enough to anticipate that it will have an impact upon economic expenditures.

The behavior of money and interest rates must also be reviewed as long-range factors. To the extent possible the monetary authorities are likely to adopt measures that will provide little restraint upon business expansion. How effective changes in the money supply are in influencing the trend of business activity is a much disputed point, and the evidence is not all in. The money supply does have some influence but the direction of causation is not always clear.

Current Political Scene

No paper on general trends of business activity should conclude without some reference to the current political scene. It is customary to blame the king, the president, or the premier for all ills of business, and this custom is being followed fervently at the present time. The present President admits that is what presidents are paid for. This tendency to attribute failures to the ruling party is comfortable but probably inaccurate. The sweep of the economic tides is too great to be influenced solely by governmental decisions. But the government must bear some share. After all, it strains logic to argue, on the one hand, that the government has no responsibility for downturns and, on the other, that it can through appropriate policies maintain a high and stable rate of economic growth.

This is a brief summary of the longer-range factors which may be influencing the economy. As I said at the outset, it takes a number of unfavorable factors occurring simultaneously to cause a major downturn in industrial activity. This analysis indicates clearly that these factors could come to operate simultaneously within the next year. Perhaps more so than any time in the postwar period the conditions exist which could lead to a major downturn in industrial activity. But major downturns in business activity occur infrequently. About once every generation a major depression occurs. It is true that a whole generation has elapsed since the collapse in 1929, but there is no necessary reason to believe that such a catastrophe is now due. The most that can be said is that the conditions are now more favorable — if that is the proper word—than at any time in the last 15 years. There is no reason at present why forecasters should speak in the words of Cassandra, but that proscription does not exclude words of extreme caution.

*An address by Mr. Coleman before the Kiwanis Club, Palmyra, Missouri, June 28, 1962.

Pershing Co. Will Admit Partner

Pershing & Co., 120 Broadway, New York City, members of the New York Stock Exchange, on Aug. 1 will admit to partnership Barant V. Merrill, a member of the Exchange.

DEALER-BROKER INVESTMENT LITERATURE AND RECOMMENDATIONS

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

Building Industry—Analysis with particular reference to **Armstrong Cork, Georgia Pacific** and **Johns Manville** — Purcell & Co., 50 Broadway, New York 4, N. Y. Also available is a report on **Philadelphia & Reading Corp.** and **Certain-Teed Products.**

California Savings & Loan Companies — Memorandum — Orvis Brothers & Co., 30 Broad Street, New York 4, N. Y.

Capital Efficiency and Tax Planning in the 1962 Stock Market — Survey — E. F. Hutton & Co., 1 Chase Manhattan Plaza, New York 5, N. Y. Also available are memoranda on **Silver, Beaunit** and **Cessna.**

Chemical Industry — Analysis — Dean Witter & Co., 45 Montgomery Street, San Francisco 6, Calif.

Con-truction Industry—Bulletin—Goodbody & Co., 2 Broadway, New York 4, N. Y.

Decennial Adjustment—Review of the current market action—C. F. Childs & Co., Inc., 141 West Jackson Boulevard, Chicago 4, Ill.

Electric Power Industry—Review — David L. Babson & Co., Inc., 89 Broad Street, Boston 10, Mass.

Fire and Casualty Insurance Companies — Comparative Study — A. M. Kidder & Co., Inc., 1 Wall Street, New York 5, N. Y. Also available are data on **Mercantile Stores, Falls Corp., Munsingwear,** and **Automatic Canteen Co. of America.**

Fire and Casualty Insurance Stocks — Report with particular reference to **Great American Insurance** and **Home Insurance Co.** — The Milwaukee Co., 207 East Michigan Street, Milwaukee 2, Wis.

Food Service Industry — Memorandum — Hayden, Stone & Co., Inc., 141 West Jackson Boulevard, Chicago 4, Ill.

Gold Mine Prospects—Analysis—Draper Dobie & Co. Ltd., 25 Adelaide Street, West, Toronto, Ont., Canada.

Graduation Industry — Memorandum — Reuben Rose & Co., 115 Broadway, New York 6, N. Y.

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

Japanese Economy — Quarterly Review — Yamaichi Securities Co. of New York, Inc., 111 Broadway, New York 6, N. Y. Also available are reports on the **Confectionery** and **Food Seasonings Industries,** and comments on **Kansai Electric Power Co., Kyushu Electric Power Co.** and **Tokyo Electric Power Co.**

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

Liberia — 20 page study of the country — Bankers Trust Co., 16 Wall Street, New York 15, N. Y.

Market At Mid Year—Review—H. Hentz & Co., 72 Wall Street, New York 5, N. Y.

Market Outlook — Review — Emanuel, Deetjen & Co., 120 Broadway, New York 5, N. Y.

Men's Clothing Industry—Review — Henry Bach Associates, Inc., 245 Fifth Avenue, New York 16, N. Y. ($1.00 per copy)

New York City Bank Stocks — Comparison and analysis of ten leading New York City banks — Laird, Bissell & Meeds, 120 Broadway, New York 5, N. Y.

New York City Bank Stocks — Bulletin — Reynolds & Co., 120 Broadway, New York 5, N. Y. Also available are bulletins on **Armstrong Cork Company** and **North American Van Lines.**

Nickel Industry — Analysis with particular reference to **International Nickel Co. of Canada, Falconbridge Nickel Mines,** and **Sherritt Gordon Mines Ltd.**—Equitable Brokers Ltd., 60 Yonge Street, Toronto 1, Ont., Canada.

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.

Over the Counter Stocks—Comments on **Swank, Inc., California Interstate Telephone, Universal Publishing and Distributing, National Periodical Publications, Anheuser-Busch, Whitin Machine Works, Yardney Electric, Mine Safety Apliances, Transogram Co.,** and **Oil Recovery Corporation**—Troster, Singer & Co., 74 Trinity Place, New York 6, New York.

Portfolios—Composed of stocks of certain concerns operating in the Long Island area—Butler, Herrick & Marshall, 76-11 Thirty-seventh Avenue, Jackson Heights 72, N. Y.

Railroads — Report — Vilas & Hickey, 26 Broadway, New York 4, N. Y.

South America—Bulletin of news items of Inter-American interest—Latin American Mines Ltd., 88 University Avenue, Toronto, Can.

Steel Industry — Analysis — L. F. Rothschild & Co., 120 Broadway, New York 5, N. Y.

Stocks for Long Term Investment —Bulletin—Stanley Heller & Co., 44 Wall Street, New York 5, N. Y.

Telephone Equities — Analytical brochure discussing 24 companies —Stearns & Co., 80 Pine Street, New York 5, N. Y. Also available are comments on **IBM, Control Data, Giannini Controls, Jarrell Ash** and **Kawecki Chemical.**

Tobacco Industry — Review — Thomson & McKinnon, 2 Broadway, New York 4, N. Y.

What Happened to the Stock Market? — Discussion in July issue of "The Exchange" — The Exchange Magazine, 11 Wall Street, New York 5, N. Y.—20c per copy, $1.50 per year. Also in the same issue is a list of the listed companies which have paid dividends for 50 years or more, and briefs on **Gibson Greeting Cards, Inc., Chesebrough Pond's Inc., Pendleton Tool Industries, CTS Corp., Hess Oil & Chemical Corp.** and **Belco Petroleum Corp.**

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

Allied Radio Corp. — Analysis — First California Co., Inc., 300 Montgomery Street, San Francisco 20, Calif.

American South African Investment—Memorandum—Edwards & Hanley, 100 North Franklin St., Hempstead, N. Y.

Ampex Corporation — Review — Schweickart & Co., 29 Broadway, New York 6, N. Y. Also available is a review of **Automatic Canteen Co. of America.**

Associated Truck Lines, Inc.—Detailed analysis—Moreland & Co., Penobscot Building, Detroit 26, Mich.

Avco Corp. — Analysis — J. R. Williston & Beane, 2 Broadway, New York 4, N. Y.

Blaw Knox — Review — Colby & Co., Inc., 85 State Street, Boston 9, Mass. Also available is a review of **Western Union.**

Bolsa Chica Oil Co. — Report — Bregman, Cummings & Co., 4 Albany Street, New York 6, N. Y.

Burlington Industries—Memorandum—Kidder, Peabody & Co., 20 Exchange Place, New York 5, N. Y. Also available is a memorandum on **Hamilton Management Corp.**

Calgary Power Limited—Analysis —Royal Securities Corp., Ltd., 244 St. James Street, West, Montreal 1, Que., Canada.

Campus Casuals of California — Analysis — Hill Richards & Co., Inc., 621 South Spring Street, Los Angeles 14, Calif.

Caterpillar Tractor — Review — Hornblower & Weeks, 1 Chase Manhattan Plaza, New York 5, N. Y.

City National Bank of Beverly Hills—Data—Wedbush & Co., 157 Santa Barbara Plaza, Los Angeles 8, Calif. Also available are data on **Hamilton Management.**

Consolidated Foods Corp.—Analysis—A. C. Allyn & Co., 122 South La Salle Street, Chicago 3, Ill.

Customline Control Panels—Analysis—Samson, Graber & Co., Inc., 39 Broadway, New York 6, N. Y.

Denver Chicago Trucking—Report — Amos C. Sudler & Co., 818 Seventeenth Street, Denver 2, Colo. Also available are reports on

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Capital Spending and the Business Cycle Outlook

By Robert S. Schultz III,* *Director of Statistical Analysis, Union Bag-Camp Paper Corporation, New York City*

A modest increase in capital spending over the next half year and manufacturing production reaching a peak in the next few months are expected to be followed by a mild decline which is seen turning around in mid-1963 into a stronger recovery than the past two previous ones. Pacing the turnabout, Mr. Schultz predicts, will be a sharp upturn in capital spending induced by rapid rate of technological progress which could set off another major boom. The fall-off in capital spending and the mildness of our recoveries are blamed on the over-investment of 1955-57. Noted is encouraging posture of construction, and new orders in paperboard, within the otherwise generally discouraging pattern of leading business cycle indicators.

President Kennedy has suggested that we should free our minds of worn-out myths and stale clichés. This is an excellent idea, and an instance where the President should certainly offer leadership.

Robert S. Schultz

As a starter, he should certainly free his mind of the cliché that the transient occupant of 1600 Pennsylvania Avenue can better judge the national interest in wages and in prices than can the market place of the U. S. economy. Cluttered though it may be with monopolistic trade unions, and with vast aggregations of capital, the market remains the only suitable judge of the wage rates, the prices, which are appropriate to the national interest.

Let's not kid ourselves—there are limits to the efficacy of market adjustments. Market adjustments do not, for instance, prevent the business cycle. And market adjustments cannot guarantee an adequate money supply for the economy. But when it comes to wages and prices, the verdict of the market place is the conclusive verdict, and the discipline of the market place is the effective discipline.

The signals of the market place are the reliable signals.

I begin this discussion of the outlook for capital goods—and for manufacturing generally — with a discussion of the discipline, the signals, of the market place because the market place—I don't mean the stock market — has signals for capital goods as well, and also imposes its discipline on investment demand.

Ostensibly, we know the demand for capital goods. We do not need to interpret the signals of the market place; we can consult the intentions surveys. Among the surveys of intentions, the most important are the quarterly SEC-Commerce surveys of business anticipations for plant and equipment expenditures, and the semi-annual McGraw-Hill surveys. As we know, the general pattern of these surveys has been favorable. The McGraw-Hill survey of November, 1961, indicated that 1962 capital spending would be 4% above 1961 spending; the SEC-Commerce survey of March, 1962, indicated an increase of 8%; the McGraw-Hill survey of April, 1962, indicated an 11% increase. This was the typical pattern: as business improved, businessmen's spending plans for the year improved. Then along came the June SEC-Commerce survey, which indicated a total of $37.16 billion for the year: changes in sub-groups, but the total identical with that of the March survey, 2% below the preceding McGraw-Hill total.

Modest Increase Depicted

On the basis of this most recent survey, using a little interpolating, we get a picture of a modest increase in business spending for plant and equipment over the next half year. Expenditures are estimated at $36.95 billion for the current quarter, at an annual rate, with third quarter expenditures planned at 2.0%, and fourth quarter, 3.6%, above the second quarter level.

At the time of the April McGraw-Hill survey *Business Week* commented that the outlay indicated "a steady rise, but no boom." These more conservative figures suggest that the emphasis should be on steadiness, not on rise.

This is the picture as shown by the intentions surveys. It certainly is no surprise to those who have been following the signals of the market place.

For instance the figures on capacity, where available, compared with existing, or feasible, levels of production, showed no need for any capital goods boom.

I come from the paper industry, which is keenly conscious of capacity, and which has been accused of much excess capacity. I can assure you the extent of the excess has been greatly exaggerated. But I can also assure you that the paper industry does not need any program of heavy further expansion of capacity. There are individual firms, or mills, where some kind of expansion is called for: to round out a product line, to improve exploitation of timber resources, to take advantage of some new technological development. But this is all.

And this, with some modifications from industry to industry, I take to be characteristic of American industry generally. Steel, petroleum, textiles, cement —there is no capacity shortage. The McGraw-Hill index for manufacturing, the FRB index for major materials — all indicate no major need for capacity expansion. Selective rounding out may be called for, as it always is, but

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New Dimension Is Needed To Art of Security Analysis

By Dr. Edward H. Erath,* *Senior Staff Physicist, Hughes Aircraft Co., Culver City, Calif., and Technical Consultant, Electronics Investment Management Corp., San Diego, Calif.*

California scientist describes the growing inadequacy of traditional securities analysis caused by the burgeoning rise of scientifically oriented companies. He suggests spanning the financial and technical worlds by the formation of consultant brokerages which can locate various experts for investment and product evaluation. No financial organization, he adds, can afford to keep such a staff to gauge a scientist's ability to create new products, or to measure the potential impact of today's wonder products.

In the not-too-distant past, when present day technology was only embryonic, an experienced analyst could examine almost any company and make a fairly accurate evaluation of its products, problems, and prospects. For example, everyone knew what a railroad was and whether its rights of way, road bed, and rolling stock were in good shape, and any good securities man could tell you what oil reserves we had, what current and projected production and consumption were, and how these affected rail shipments and the financial well-being of both the railroads and the petroleum industry. Industries and their technology were simple enough and had been around long enough for everyone to become familiar with them and to know their interrelationships.

Edward H. Erath

Customary Analysis Is Outdated

But let's look at 1962. Modern industry is made up of specialities like thermionic energy conversion, magneto-hydrodynamics, cybernetics, cryogenics, and solid-state physics; and their products —MASERS, LASERS, cryotrons, cyclotrons, and tunneltrons—are even more abstruse. Even a practicing scientist would be hard pressed to define many of these terms; let alone understand the science and engineering arts involved, and be able to predict their economic importance. Where does this leave the man working outside of the engineering and scientific world; the man who, for example, must analyze the economic significance of what the scientist is doing and decide whether or not the scientist's efforts represent good investment opportunities? Unfortunately, it leaves him out in the cold; for the plain fact is that, not only is the technology new but the yardsticks never existed before. Traditional economic indicators are simply not applicable to the new and next generation of scientifically oriented companies, and something new must be added to the science of securities analysis.

The shortcomings of the old, tried-and-true indicators used to appraise the stocks of these companies are demonstrated in the market place almost every day. A pure financial analysis alone is no longer sufficient. The analyst must go beneath the surface and evaluate the only true asset that many of these companies have; the creative ability of their key scientific and engineering personnel. Management skills are relatively easy to assess because we can understand and observe the achievements of a good businessman, but can we determine a scientist's ability to create new products to replace those that are displaced by technological progress? Or, for that matter, can we evaluate the potential impact of the products he is developing, when the technology involved is an abstract creation of the scientific mind, when the product may have no moving parts and be so small that it can only be seen through a microscope, but when that product performs the function of a cabinet full of conventional electronic and mechanical devices? The answer to both of these questions is "No." Scientific and engineering specialties are so narrow in scope and so highly professional that it is necessary to be a competitive practitioner in a field to understand its current state, and have a reasonable chance to make worthwhile predictions regarding its future. Analysts will have to supplement their investigations with technical evaluations performed by qualified scientists and engineers.

As systems become more complex the need of sound technical evaluations will be even more critical. Everywhere the emphasis is on scientific advance. Increasing manufacturing costs are bringing about factory automation, competition forces companies to continually improve and expand their product lines, the world political situation demands imaginative space programs, and the need to continue the balance of military power pushes the extension of the military systems' capability.

Everybody seems to have concluded that science can do all of these things for us. Governmental scientific organizations that didn't exist 10 years ago have, or soon will have, annual budgets that are larger than those of the largest corporations. NASA's budget for example is expected to double each year for the next four years and few if any believe that this growth will be impeded. According to James E. Webb, "Fifty per cent of NASA's budget is spent on electronic devices," and these are undoubtedly esoteric devices that function because of an abstract theory that only a handful of technicians understand, and to the eye they don't appear to be working at all. How can anybody other than the specialist evaluate the prospects of such devices? Even the vast majority of scientists don't understand why they work, or what their applications are. What analyst would be foolhardy enough to risk technical evaluations that he is so ill-prepared to make? By his own admission he is in over his head with current technology.

Bridging the Financial and Technical Worlds

Financial institutions that want to pick the survivors of the technological revolution cannot expect their financial analysts to substitute for scientists and engineers. No one can expect an analyst to be a qualified scientist too, and conversely, it is just as unrealistic to expect scientists to become financial analysts. All professions are full-time jobs, and demanding double duty dilutes the individual's ability to perform his job satisfactorily. This is especially true of scientists and engineers. A solution to this problem might be achieved by letting technicians who are working at their specialties make technical evaluations for financial institutions in the same way that military agencies rely on specialists in their systems management and operations analysis organizations; but the technician is difficult to get along with. He has a tendency to be reticent and usually has an aversion to all non-technical business activity. To utilize the technician's intimate knowledge of his field, it will be necessary to improve communications with him. Those capable of understanding his language and his problems will have to stimulate his interest in the business aspects of technology. The field I like to call scientific-economics will have to develop to span the gap between the financial and technical worlds just as bionics, geo-physics, nuclear medicine, and chemcial physics arose to connect various technical fields.

Some private research organizations consult with financial organizations and various investment houses have hired in-house scientific and engineering specialists, but both of these are at best stop-gap approaches. No single R & D organization could have the right in-house capability to match the requirements of even the non-diversified financial organization, and no finincial organization could afford its own staff of specialists even if the concept were feasible—but it isn't—it would be impossible to anticipate need and to utilize this talent efficiently once it was on the pay-roll full-time. Add to this the fact that these individuals would cease to be experts after a year or so of being separated from the scientific environment, and it is obvious that a different approach is necessary.

Suggests Creation of a Consultant Brokerage

What is needed is a consultant brokerage. An organization of international scope that is directed by people who are equally at home in both the scientific and the financial worlds; people who understand business problems and the language of the scientific community. These people wouldn't be technical specialists themselves, but would have the ability to locate experts in industrial organizations and academic institutions for consultation on specific investment problems. In addition to consulting on individual problems, experts could write reports describing their fields and evaluating the commercially available equipment they use. After all, every engineer and scientist does a lot of product evaluation work as a normal part of his job; why not leverage this effort. With such reports, both specific and general in nature, and in seminars for analysts and scientists, understanding of the problems of both groups would improve. Analysts could get objective appraisals of highly technical companies and scientists could learn how to increase their usefulness to the financial community. The continuing revolution in a field like electronics justifies such collaboration; the overall scientific evolution makes it absolutely necessary.

*An address by Dr. Erath before the 15th annual convention of the Financial Analysts Federation, Detroit, Mich.

Rothschild Co. To Admit Partner

CHICAGO, Ill.—Rothschild & Co., 135 South La Salle St., members of the New York and Midwest Stock Exchanges, on Aug. 1 will admit Burton E. Kesner to partnership in the firm.

The Investment Dealers' Assn. of Canada Urges Sound Fiscal Policy

OTTAWA, Canada — Immediate adoption of a sound fiscal policy by the Federal Government has been urged by the Investment Dealers' Association of Canada.

David S. Beatty

Arthur J. Milner

The government objective should be to match recession-year deficits with surpluses in prosperous times, the IDAC said in a brief to the Royal Commission on Banking and Finance.

The 550-page brief was presented to the commissioners by a delegation of investment dealers headed by IDAC President, D. S. Beatty, Burns Bros. & Denton Limited, Toronto, and immediate Past-President, Arthur J. Milner, Mills, Spence & Co. Ltd., Toronto. They represented some 190 investment firms from all parts of Canada.

The brief covered broad areas of federal, provincial, municipal and corporation finance. In general, the IDAC said it would prefer to see its recommendations implemented through the use of incentives, rather than through changes in the law.

On taxation, the IDAC asked for the formation of a select committee to study Canada's entire tax structure. Specific areas of study suggested by the investment dealers were the incentive method of applying taxation and the use of indirect taxation in place of some income taxes.

The investment dealers urged that the commission recommend a change in federal-provincial tax arrangements that would minimize the temptation to provincial governments to expropriate electric utilities. (The British Columbia Government last August expropriated British Columbia Electric Co., the major subsidiary of investor-owned British Columbia Power Corp.)

The brief said that a growing country like Canada may occasionally need to import substantial amounts of foreign capital to ensure a rate of growth consistent with national objectives. The IDAC recommended that where foreign capital is required, it should be sought in the form of debt rather than equity. Where possible, Canadians should be encouraged to participate in the ownership of domestic enterprises.

The brief also suggested the adoption of a policy similar to that of the U. S. Small Business Administration to encourage Canadian financial institutions to invest in small business investment companies.

The brief suggested that the Commission consider recommending less emphasis on government financing through Canada Savings Bonds, and a limitation on similar issues by provincial governments.

It also asked for changes in Provincial Securities Acts, to permit investment dealers to distribute preliminary prospectuses to potential purchasers of securities.

The brief emphasized the importance of permitting the unimpeded flow of short-term capital funds into our money market and recommended that any withholding taxes which do impede such flow be repealed.

Among other recommendations, the Investment Dealers' Association asked:

That the directors of the Bank of Canada should be men experienced in finance and should actively participate in formulating central bank policies.

That the Bank of Canada, the government's fiscal agent, be urged to clarify its functions and actions through the publication of periodical pamphlets.

That an improved procedure be established for the resignation, voluntary or otherwise, of the Bank of Canada's governor.

That the federal budget be brought down each April, with the government making a state-of-the-nation statement every October.

That the extension of long-term lending by banks be discouraged.

R. W. Fremont Opens

MIAMI SHORES, Fla.—Robert W. Fremont is conducting a securities business from offices at 9301 Northeast Sixth Avenue under the firm name of Fremont & Company. He was formerly with Griffin McCarthy Inc. and Oscar E. Dooly & Co.

Frankfurt Zurich Secs.

Ernest Apfelbaum is now sole proprietor of Frankfurt-Zurich Securities Co., 150 Broadway, New York City.

Taking a Long-Term Look At the Common Market

By L. R. W. Soutendijk,* *Manager, Brown Bros. Harriman & Co., New York City*

Instead of judging the European Common Market's progress on the basis of daily developments, examine its trend. Following his own advice, Mr. Soutendijk is encouraged by the progress being made and he is convinced that it will continue. Country by country examination reveals gains made. The countries are praised for their fight against inflation, and willingness to enter into coordinated monetary policy and to bring about increasing productivity. Mr. Soutendijk stresses the advantages of lower tariffs but hastens to add, however, that the new spirit of business, too, has made a contribution to the greatly expanded trade. Great Britain, as well as several other countries, are expected to become members with resultant mutual benefits.

Any forecast has a danger. In 1957 the officials of the Common Market tried to make predictions as far as different branches of industry are concerned. They thought that some industries would go well, and others would not. Nothing came out as they predicted. They now say that the only thing you can state is that the dynamic companies have benefited from the Common Market and the less dynamic companies have suffered.

L. R. W. Soutendijk

I'd like to cite some figures.

In the first place, as to population, one book on the subject of the European economy starts in 1955 and compares '55 to '70; the population in Germany will go up 14%, Belgium 6%, France 13%, Italy 8%, and The Netherlands 18%.

The working population will go up in the countries as well; in Germany with 11%; in Belgium with 4; in France with 9; in Italy with 22 and in The Netherlands with 22 also.

Another source compares '60 to 1970. Of course, Germany must be quite different now. We all know that the working population of Germany has been going up with leaps and bounds between '55 and '60, so the percentage for Germany is only 3½ for the increase in working population between 1960 and 1970; for France, 7 and for Italy, 5%. So much for the figures.

Let me only say something about private consumption in 1970—it will go up in Germany to 64% of the GNP; in 1955 it was 57%; in France, these percentages are 67 and 65. Germany has more space to increase its consumption than other countries. The Netherlands was also low in 1955, 59% of the GNP; it will be 65% in 1970. The total of the Common Market countries will go up from 63 to 66%. Belgium and Italy will show a somewhat lower percentage than in 1955.

I feel that I have to say something about the GNP of the individual countries. Here, again, the differences in estimates in lower and upper variations make a forecast extremely difficult. The economic growth problem was discussed in November 1961 by the OECD. The Ministers of the countries discussed the economic prospects of the 20 members, 500 million people, in trying to establish the target for economic growth. They came to 50% increase of the GNP for the next 10 years, for the years '60 to '70. This may vary as far as the years are concerned. It may also vary from country to country. It was stated that a 50% increase of Gross National Product in 10 years will require deliberate national policies. Price stability will be of the highest importance and the interdependency of the countries was specially stressed.

I would like to give some insight as to what is happening, what is going on in Europe at the moment; what the economic policies are; and what advices the EEC has given to the member countries in some respects. And maybe we can come to some indications as far as the future is concerned. I will refer to the latest report of the EEC which was published in March of this year; it describes 1961 and gives a forecast of '62, together with some recommendations.

Germany

I would like to start with Germany where we can expect for 1962 a smaller increase in the national product than we have seen in the last year. The export is expected not to increase, may even go down somewhat. On the one side we have the influence of the slowing investment boom in many countries. On the other hand, we have the effect of the revaluation of the DM and rising costs. We find another problem in Germany. The higher wages lead to lower profits and that permits less possibility for self-financing. This will result in a larger demand on the capital market, especially since it might be expected that companies will invest more. The labor shortage and the higher labor costs in Germany force companies to rationalization.

The economic task of the Germany Government is difficult. They have, in the first place, to maintain the domestic demand but, on the other hand, a steep rise of costs should be avoided.

The Netherlands has a statistical labor shortage at the moment of 2.7%. This means that there are more places to work than there are people available. The labor costs went up 7% in 1961, as in Germany. Moreover, other countries are becoming more and more aware of the dangers of inflation. The President of the Central Bank, who just published his annual report in April, advised his Government to follow a policy against overspending and further cost rises. There are higher costs in The Netherlands for two reasons; first, the revaluation of the Dutch guilder, which was intended to have that effect. The Netherlands had a rather remarkable surplus in its balance of payments, which can lead to inflation. Therefore, it was hoped to stimulate imports and to have less export; the balance of payments surpluses should be lower and the cost difference with other countries less. So far so good. But then came the 45 hour work week. What was thought to be a gradual movement turned out to be an epidemic. Some companies started with the 45 hour work week and closed on Saturdays. This meant a loss of production but it was hoped that this could be compensated by higher productivity. It proved impossible, however, to introduce the free Saturday gradually. When the first companies started, all the others had to follow in order not to lose their labor to those companies. The movement, begun in May of last year, was practically completed in June. Nobody expected this. It proves again how difficult it is to give a forecast and how easily forecasts can be upset.

With regard to The Netherlands, the EEC report recommends a careful restriction of the credit expansion of the government's expenses; measures should be taken to enlarge the labor supply and the productivity should be stimulated.

France

In France we have seen in 1961, and we still see in '62, a remarkable expansion. In '57 when the Common Market was discussed, the French industry was fearful that they would not be prepared and adequate to compete with the other countries of the Common Market. Things have turned out much better than had been expected. French industrialists have found that they can compete and when you read now the publications of the "Patronat francais," it is quite a different tone than you found in 1957. The steel industry in France, for instance, belongs to the most modern ones in the world and can very well compete with other countries.

Large investments will be needed to save labor and to have lower costs. The aim of price stabilization will be difficult to attain. We see here again what you have in most countries: a restrictive monetary and budget policy on one hand; the measures to promote economic expansion on the other hand. These are often working against each other. The EEC report considers it necessary that the labor supply be enlarged which could be done by organizing the labor market better and by importing labor. Moreover, there should be a better cooperation between employers, employees and the government.

Italy has still large reserves of productive capacity. The surpluses of its balance of payments make it seem logical that imports should be stimulated which would help to avoid rising prices.

In Belgium there is no scarcity of labor yet although in some fields schooled labor is becoming difficult to get. In '61 there was a wage rise which was somewhat lower than the rise in productivity; this held prices stable. Exports and private consumption went up somewhat; investment has decreased. The EEC recommends the establishment of a national investment bank; also recommended are a reorganization of the capital market and a reorganization of the tax system.

For Belgium as well as for Luxembourg, steel is very important and their economies are largely dependent on it. This has been an unfavorable factor in 1961. We see that clearly in Luxembourg. The prices of exports compared to the prices of imports have deteriorated somewhat; for this country higher governmental and private investments are recommended.

European Coordination to Fight Inflation

This survey shows the importance of government policies. I have pointed out before that there is a constant weighing in most of these countries between what is needed to have an economic expansion and what is required to avoid inflation. The countries are becoming more and more inflation conscious. In organizations like the OECD in Paris and the EEC organization in Brussels, the countries become increasingly aware of the fact that the actions and policies of other countries have influence on the development of one country. It is, therefore, considered to be immensely important that the countries coordinate their policies and the advices of the OECD and the EEC are constantly stressing this.

Growing Steel Output

There is one field in the Common Market about which I can be somewhat more exact as far as a forecast is concerned—namely, the steel and coal industries. It is well known that since 1950 we have had the European Coal and Steel community in Luxembourg. The Coal and Steel Community has made a general forecast for steel and coal. The raw steel capacity at the moment is about 93 million tons. In 1965 it will be 103 million tons. The maximum production is expected to be 99 million tons, due to interruptions such as strikes, working accidents, etc. The demand is estimated at 89 million tons but if the boom in Europe continues, it is expected to be 10% higher which will bring it to 98 million tons. This doesn't leave much leeway on one hand but on the other hand the expansion which is contemplated seems enough for the time being.

Germany is still expanding. Italy and The Netherlands are doing so even stronger. In Belgium you have the so-called Sidemar plant being built and in France we find the Usinor plant near Dunkirk as an example of the extension and modernization that is going on there.

Diminishing Use of Coal For Power

The coal production of the six member countries of the Coal and Steel Community at the moment is 230 million tons. This is 60 million tons less than the peak in 1957. The expectation is that it will not be any higher and it won't be much lower in the next 10 years. This is not alarming; it is just what we have seen in the United States around 25 years ago.

The importance of coal as a source for power is diminishing. In 1951 the power in the Community was based for 70% on coal; in 1960 this was 50%; and in 1970 it will be 40%. The other sources are oil, gas, water, and atomic energy. The latter source is still in an experimental stage; the production costs are not expected to be competitive before 1970.

It is interesting to mention that the total value of the production of the coal and steel companies, which are located in the countries of the Coal and Steel Community, was $4.8 billion in '53. It was $9.5 million in 1961. Coal was in '53 52% and in '61 only 30% of this total production. This again is an argument as to how difficult it is to make predictions. In 1950 it was feared that it would not be possible to produce enough coal to supply Europe but today it is a question how to sell all the coal being produced and how to compete with U. S. coal.

E.C.M. Monetary Committee

I would like to bring up another point. I have mentioned several times in connection with the national policies and the national problems of the different countries, that when productivity rises less than wages, prices go up and this has, of course, consequences for the competitive positions of the countries. We have seen that the European countries are more and more aware of the danger of inflation. In this connection, I want to mention the Monetary Committee of the Common Market which has, for instance, studied the "Instruments for monetary policy" in the member countries of the EEC and is about to publish a lengthy report on this subject. This Committee is active in coordinating the internal monetary policies of the countries and promotes a cooperation of the external monetary responsibilities. In addition, there was the Dec. 13, 1961 agreement between the 10 European countries and the IMF and the so-called agreement of Basle in the spring of 1961.

Productivity Studies

There is quite some literature about productivity. One of the interesting publications in this field is a monthly, published by the OEEC in Paris. It contains many studies about international productivity. Just to mention a few subjects: an article about an international comparison in the tomato concentrate industry, another about the French corrugated cardboard industry and one about the French coal-mining industry. There is one which I would like to mention especially—an article entitled "Productivity Measurement in The Netherlands." Permit me to say something more about this subject.

In The Netherlands there has been since 1945 a close cooperation between the government, the employers and the employees; there has resulted a formula in which productivity was expressed in the wages, the aim of which was to allocate to the workers a fair share in the national income and to obtain economic stability, full employment and a balanced balance of payments. It based itself in the first place on the productivity of the branch of industry concerned but recently it has been extended to productivity in general in the country.

If other countries would join in this and take this over we could be reasonably assured that the risk of inflation would be rather small in Europe. Unfortunately, political internal considerations make it unlikely to expect that this will be realized in the near future.

The most spectacular aspect of the Common Market has undoubtedly been its lowering of internal tariffs. They have been brouht down by 50%. The internal trade between the member countries went up by 65% to 70% between '58 and '61. The production of the Common Market countries went up by 8 to 10% a year during this period. Trade with third countries increased by a total of 24% in those years. In the years '52 to '59 production went up 7 to 9% a year; internal trade 9%, and trade with third countries 7½%. The remarkable growth of internal trade in the last four years can certainly for a part be attributed to lower tariffs but other factors must have been of influence also.

More Than Tariffs Account for The Rise in Trade

Experience shows that lower tariffs are not so much of an influence on cost of exports that it can explain a rise in internal trade that is about double the increase of the external trade of the Community. A new spirit in business has also contributed.

Industrial manufacturers, or rather business in general, has shown a changed attitude. They have seen larger markets. They have been trying to anticipate the market as one unit and they have been sending out their men to make new relations in the other member countries.

Marginal factories have disappeared and a greater efficiency is the result. Mergers are the next step. This all makes that the internal trade in the market has gone up.

Mention has been made of the fact that a boom in Europe has a stimulating influence on exports from the United States to Europe. You can say in general that when countries have a higher standard of living and a good economic expansion, they deal more with each other than they did before. It might therefore be expected that when Great Britain will join the Common Market, both Great Britain and the Common Market countries will benefit from this in their mutual trade.

A membership in the Common Market has some other aspects for Great Britain. Fifteen per cent of its exports go to the Common Market countries and 45% go to Commonwealth countries. The national income of the Common Market countries is much higher than that of the Commonwealth and their market should, therefore, offer good prospects for the U.K. Other countries will benefit as well from an association between the U.K. and the Six. Let me relate, in this connection, an example from the Benelux. When it started in 1950, both The Netherlands and the United Kingdom exported for an amount of £68 million to Belgium. In a period of 10 years the share of The Netherlands became twice as high as that of Great Britain. The British had gone up 60%, the same percentage with which the Belgian national product increased. The Dutch share of the Belgian imports, however, went up by 120%.

I expect that something more should be said about new members of the Market. It is rather difficult to understand the present state of the negotiations with the U.K. when you read the papers; you get different opinions, but an opinion I am inclined to accept is the one I heard in Brussels recently, namely, that it is felt that the negotiations are bound to succeed. It would be a disaster to the Western world if the parties could not come to an agreement. The Commonwealth countries will have a conference in September; the British Conservative party in October. It is to be expected that we will know more by the end of the year than at the moment; there are still many problems but the general expectation in Europe seems to be that the British will become members.

The Common Market forms an attraction to other countries too. There are many that want to belong to it. It seems that they follow the old saying: "If you can't lick them, join them." Norway and Denmark have applied for membership; so has Ireland; Greece has already been admitted to an associate membership; Turkey has been mentioned as a possibility; and so there are others, including the so-called neutral countries and Spain. In view of the favorable development of trade between countries when tariffs are lowered, I think this is quite understandable.

As a general conclusion in saying something about the future of the Common Market, I might say that one should not just try to base it on daily developments. One day the papers are gloomy, another day things look bright. We should see the Common Market as a trend, not only for the next four or five years but for the next 50 years. It may very well be that we will have to follow this development for the rest of this century and that it will only be in the next century that we will see the European countries associated with each other in all fields mentioned in the Treaty, be it in an economic, political, monetary, social or fiscal way. It does not matter so much whether it will at a certain moment be somewhat ahead of schedule in some respects, or somewhat behind schedule in others. The main thing is that progress is being made and it is my definite conviction that this is the case.

*An address by Mr. Soutendijk before the National Industrial Conference Board, New York City.

Thomson & McKinnon to Admit to Firm

Thomson & McKinnon, 2 Broadway, New York City, members of the New York Stock Exchange, on July 26 will admit to partnership Alexander S. Carroll, James S. Davis, Charles N. Sayre, and Earl A. Taylor. Mr. Carroll and Mr. Taylor will make their headquarters in the firm's Indianapolis office. Mr. Sayre will be cated in Chicago.

MUTUAL FUNDS

BY JOSEPH C. POTTER

The Law of Averages

No matter what happens to stocks in the months ahead, it will have to be recorded that in the early summer days of 1962, after going through a bout of illness that would have killed an ordinary market, it showed amazing vigor. Even as the Cassandras of the Canyon were busily brushing off their most solemn prose to explain the causes of the malady, the bargain-hunters were rushing in to claim the cadaver.

Now, talk of a selective revival predominates. Those who believe that there are bright days ahead for certain segments of the list will find a recent issue of "Brevits," published by Vance, Sanders & Co., of prime interest.

It reviews the performance of the 30 stocks in the Dow-Jones Industrial Average over the past decade. This is a statistical study that demonstrates graphically there is a tide in the affairs of companies in the market place. And if anyone thinks you need only buy the quality stocks (and the Dow is top quality) to be assured of good results, then he would do well to examine this statistical report.

A fund salesman might well use it to drive home the point that today's star may be tomorrow's discard and vice versa. Thus, back in 1952 Chrysler outperformed every other issue in the Dow. The very next year it turned in the worst showing of the group. In 1958, Chrysler again trailed the 29 other Dow stocks, but in 1959 it was No. 4. It was No. 30 once more in 1960.

This charting by Vance, Sanders of relative performance of top-flight equities was not designed to make Chrysler the whipping boy of irregulars. As the study discloses, irregularity is a way of life in the marketplace. There is Anaconda, as an example, which over the 10-year span wound up last twice and next to last in two other years. Yet it was No. 5 in 1954 and again in 1958.

Or look at United Aircraft: among the top 10 in the first five years of the survey, only to slump to 25th, then to 29th and 30th in the following years.

Then look at that old stock market bellwether U. S. Steel, which as been badly buffeted the past two years and fallen from fund favor. How many market dabblers can recall that as recently as 1958, Big Steel was the leading performer among the Dow stocks?

Finally, consider America's premier investment, American Telephone & Telegraph. It was No. 25 in 1952, No. 28 in 1954 and No. 24 in 1955. Indeed, it was No. 21 as recently as 1959. In 1960, Telephone was third.

"What this all boils down to," the study concludes, "is that people should be far less concerned with 'how a stock has acted' than with the basic facts which are indicative of intrinsic value. If intrinsic value factors are favorable, one can assume that a stock represents relatively sound value; if they are unfavorable, one can assume the reverse. In either case, market action will, over the long run, follow the direction in which intrinsic value factors point."

It adds what is the reason for existence of the mutual funds:

"One of the chief difficulties of investing is appraising these factors correctly; and because even the most careful analysis cannot guarantee accurate appraisal, professional investors such as the managers of investment companies diversify investments over a broad list of securities, thus enlisting the aid of the law of averages toward the achievement of satisfactory investment results."

If nothing else, the 1962 table of performance will be eagerly awaited by an investment community that even now is recasting its thinking.

The Funds Report

De Vegh Investing Co. reports that during the quarter ended June 30 it made these new acquisitions: International Business Machines, Columbia Gas System, Detroit Edison and Wisconsin Electric Power. Over the same period it eliminated Ametek, International Packers Ltd., Aluminum Ltd., Lucky Friday Silver-Lead Mine, Westcoast Transmission, Crown Zellerbach and International Paper.

* * *

De Vegh Mutual Fund, Inc. reports that during the quarter ended June 30 it made these new acquisitions: Financial Federation, Houston Lighting & Power, Sterling Drug, Trans-Coast Investment Co., Warner-Lambert Pharmaceutical and Wesco Financial Corp. It eliminated Beryllium Corp., Brush Beryllium, Crown Zellerbach, Government Employees Insurance Co., International Packers Ltd., International Paper, Litton Industries, Oscar Mayer & Co., Marsh & McLennan, Westcoast Transmission.

* * *

Delaware Income Fund, in its semi-annual report, announces assets reached a new high of $14,568,385 on May 31. This compares with $12,819,537 on Nov. 30, 1961. W. Linton Nelson, President, credits the rise to record sales of new shares with "redemptions continuing at low levels."

Net asset value on May 31 amounted to $9.49 per share, against $10.27 reported six months earlier.

* * *

Net assets of **The Dominick Fund, Inc.** at June 30, 1962 totalled $33,047,375, equivalent to $18.37 per share on 1,798,627 shares outstanding, Gardner D. Stout, President, reported in the company's annual report. These figures compare with net assets of $43,633,212, equivalent to $24.90 per share on 1,752,085 shares as of June 30, 1961 and $44,877,315 or $25.61 per share on 1,752,085 shares on December 31, 1961.

Common stocks comprised 87.7% of the company's assets on June 30 compared with 92.7% at the same date last year.

During the three months ended June 30, 1962 the company made new purchases of Aluminum Co. of America, Carter Products, Inc., Kellwood Co., Warner-Lambert Pharmaceutical, and Weyerhaeuser Company. Holdings were increased in Avco Corp., Consolidated Electronics Industries Corp., duPont, General Electric, International Telephone & Telegraph, Johns-Manville, Perkin-Elmer Corp., Philips Incandescent Lamp Works, Reynolds Metals, and Thompson Ramo-Wooldridge Inc.

The company eliminated from the portfolio all its former holdings of Firestone Tire & Rubber, General Development Corp., Martin Marietta Corp. and United States Steel. It reduced its holdings of Campbell Soup Co., First Charter Financial Corp., General Tire & Rubber, Great Western Financial Corp., Industrial Acceptance Corp. Ltd., IBM, Union Carbide and Xerox Corp.

* * *

Energy Fund reports that at June 30 total net assets amounted to $22,491,082. On March 31, assets amounted to $28,733,916 and on Sept. 30, 1961, it was $24,320,490. Asset value per share was $17.36 at June 30, $23.21 at March 31 and $22.77 at Sept. 30, 1961.

* * *

General Public Service Corp., a closed-end investment company, reports net assets at market value on June 30 of $67,267,840, equivalent to $5.54 per share. Asset value was $6.80 a share at the close of last year and $6.81 at March 31, 1962. On June 30, 1961, net assets were $55,857,732 and per-share value $7.07.

During the second quarter the company increased holdings of Continental Oil, Northern Natural Gas, Socony Mobil, Texas Gas Transmission and Transcontinental Gas Pipe Line. Sales included substantially all of the Beckman Instruments holdings and all of Colorado Interstate Gas.

* * *

A semi-annual sales volume of $85,732,000 was reported by **Investors Planning Corp. of America**, second highest six-month total in its history.

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Loomis-Sayles Canadian & International Fund Ltd. has announced basic changes in the investment policy of the fund. In a letter to shareholders the fund's President, Maurice T. Freeman, informed them of the action taken at a shareholders' meeting June 21 in Montreal.

At this meeting, changes in the investment policy of the fund were approved to provide greater flexibility in regard to investment of the fund's assets outside Canada and the United States. The new policy, under normal conditions, calls for a minimum of 25% of the value of the fund's assets to be invested in Canada and 25% in other foreign countries. The balance of its assets may be invested either in Canada or other international areas. At the same time express authority was given to the fund to hold currencies of any country. Reflecting the broader scope of the fund's operations, its name was changed from Loomis-Sayles Fund of Canada Ltd. to Loomis-Sayles Canadian & International Fund Ltd.

A. M. Lerner Names Jannette & Plumridge

A. M. Lerner & Co., Inc. have announced the association with them of Frank Jannette as Manager of the trading department, and Theodore E. Plumridge as Manager of Dealer relations. Mr. Plumridge and Mr. Jannette have recently been with Frank Investors Corp. Prior thereto, Mr. Plumridge was President of EasternSecuritiesInc.

Frank Jannette Theo. E. Plumridge

A. M. Lerner & Co., Inc. have also announced the removal of their offices to new quarters at 150 Broadway, New York City. Telephone number is now WO 4-0600.

Harry V. Keefe Forming Own Co.

Harry V. Keefe, Jr. has formed Keefe & Co., Inc. with offices at 1 Chase Manhattan Plaza, New York City, to engage in a securities business. Mr. Keefe is President of the new firm; Gene F. Bruyette is Vice-President, and Sally Ann Stowe, Secretary. Mr. Keefe was formerly a partner in Tucker, Anthony & R. L. Day, with which Mr. Bruyette and Miss Stowe were also associated.

Meeting the Threat to International Investment

By John Fayerweather, *Managing Editor, "The International Executive" and Professor of International Business, Graduate School of Business Administration, New York University. Author of "Facts and Fallacies of International Business"*

Administration's drive against foreign investment abroad is viewed as no less ruinous to our economy than the result of the Smoot-Hawley Tariff Act of 1930. International trade publicist and economist outlines type of explanations which the public can understand, and which must be made, if public opinion is to support international investment as they did the Reciprocal Trade program and do the present tariff measures. Mr. Fayerweather labels as a myth the "exporting jobs" charge; terms the "tax haven" or "evasion" charge libelous; and warns that any postponement of capital outflow would hurt our country economically. The writer avers individual hardship in our exports is due to a shift toward high technological products which spell real gains for economy; says stockholders who are taxed on paid and not on retained domestic earnings should not be treated differently by being taxed on foreign unrepatriated earnings; and explains that a temporary cessation of investments overseas would place us at a competitive disadvantage which we cannot afford.

Our democracy has a distressing way of slipping into unsound national policies in response to pressures from a few special interest groups armed with slogans which catch the public eye. The course of national policy in international investment is a prime example. A coalition of extreme "liberals" and labor leaders are propelling us toward policies which are just as bad in today's world situation as was the Smoot-Hawley protectionism of 1930. The charges they level at international investment — "exporting jobs" and "tax havens= tax evasion" have won wide support from the unsophisticated public, much of it ever ready to accept any criticism of business. As a result we are seeing the slow evolution of a national policy which, despite anything Mr. Kennedy and Mr. Dillon may say, is directed at restricting U. S. foreign investment.

John Fayerweather

It is of the utmost importance that this trend be checked before it seriously impairs our international business. We need but contemplate the severity of the blow the Smoot-Hawley Tariff Act dealt to our international trade and the slow painful process of undoing the damage to appreciate the risks of the current attack on international investment. If our foreign investments are retarded now, we will suffer the consequences in loss of competitive status abroad for many years and it will be a slow process to reverse the national policy and rebuild our competitive position.

What can be done to check the trend and set the nation on a course to sound policies? Over the past year international businessmen, individually and collectively, have done a fine job of presenting statistically based arguments to Congress establishing the value of overseas investments to our country, especially to the balance of payments. While these efforts were soundly conceived and well executed, the fact that Congress is on the verge of adopting tax provisions which are nearly as harsh as those proposed by the Kennedy Administration proves that the work to date has not been sufficient to do the job.

New Approach Must Reach The Public

A new approach is needed, one which goes beyond Congress — back to the grass roots public opinion which determines how Congress acts. We must convince the general public of the hazards of the attack against international investment before we can hope for sound legislation. This is a much harder job than testifying to Congressional committees. But it can be done. The success of the Reciprocal Trade Agreements program over the years has been due in large part to a broad body of sympathetic opinion among groups like the League of Women voters. The same support can in time be generated for international investment.

How can this job be done? It calls for persistent and intelligent explanations of the key issues of overseas investment in layman's terms at every opportunity. Some such efforts have of course already been made. The Committee for a National Trade Policy has made contributions in this direction though its major effort has been thrown into the tariff issue. *Economic World*, published by Eric Johnston's Center of International Economic Growth reaches many opinion leaders among the general public.

Several CED publications deal with some aspects of the subject. My new book is written for the layman with precisely this objective. But a much greater effort is needed, especially in the form of a broad wave of speeches and articles with a wide impact on Lions Clubs, Rotary Clubs, League of Women Voters chapters, church groups and the like.

This educational program should aim at creating understanding of just a few basic aspects of the international investment situation. Once these are understood, we can expect that the public will take a sensible view of individual issues as they arise.

Here are the questions on which we must concentrate:

(1) **Are We Exporting Jobs?** Does foreign investment hurt employment at home? In answering these questions the essential point which must be put over to the public is that there are two major aspects to the story. First, there is the direct effect of a specific investment on the employment situation in a specific U. S. industry. Second, there is the total pattern of evolution of domestic and world business of which the specific investment and its effects are just a part. The crux of the misunderstanding in the nation today is that the public has grasped the first with scarcely any concept of the second.

The Typewriter Example

In 1960, Smith-Corona shifted its production of portable typewriters from a plant in Syracuse, N. Y., to a new factory in Europe. RCA is investing in a Mexican operation to make electronic tubes which have previously been exported from U. S. plants and it probably will ship part of its production to the U. S. Such stories are the substance of the "exporting-jobs" thesis. To much of the public they are clear cut proof that foreign investment means that work that might have employed Americans is being taken over by foreign labor. Q. E. D. We are exporting jobs.

There is no point in dodging the consequences in these and hundreds of other specific cases. They are clearly there and unquestionably the loss of work for many employees has been a real hardship. But there is a great deal more to this picture and that is what we must emphasize.

The two key points which must be grasped are that checking foreign investment would not in most specific cases protect the U. S. jobs and that the specific losses are part of a transition in our pattern of business which is bringing compensating gains of employment in other sectors of industry.

Those who are attacking foreign investment would have the public believe that U. S. business has a free choice as to whether to manufacture here or abroad; and that by restricting the rate of new investment we can assure that production will continue to flow from domestic, not foreign sources. But this is not usually the case. Rather the alternative for the U. S. company is to set up a foreign plant or lose foreign and domestic markets to others who do produce abroad.

The typewriter situation is an excellent example. Through the 1950's the U. S. companies working from domestic production sources were steadily losing ground to the foreign producers such as Olivetti. They simply could not compete with the lower costs achieved by mass production and lower wages in Europe. The steady deterioration of the market positions and profits of Smith-Corona, Underwood and Royal was ample evidence that the alternative to foreign operations was bankruptcy. Certainly they could not preserve the jobs of their workers by persistence in a losing battle.

Forced Foreign Investment

In a large portion of other new investment situations, the decision is based on import restrictions or other forces beyond a company's control which force it to invest or lose a market which has been built up by exports from the United States. The automobile industry has been through this experience in one country after another.

Right after World War II the Australians closed their country to imports of cars, giving a protected market to the company which was willing to invest in local productions. General Motors made the most of the situation, developing a highly profitable operation around its Holden car. Some production workers in Detroit did not have work that they might have had if exports to Australia had continued. But to say that checking investment would have prevented the export of jobs is dead wrong. The exports were lost whether GM made its investment or not. The only question was whether GM or another U. S. company would keep their position in the market or whether it would be surrendered to an English or perhaps a German firm.

That in fact is what happened in 1954 in India where the U. S. companies were told to manufacture or get out. Ford and GM felt the market was too small to justify manufacture. So they closed down the plants in which they had been assembling cars exported from the U. S., and British, German and Indian firms took over the market. In Argentina, Brazil and Mexico similar pressures have forced the auto companies into manufacturing investments though they would have preferred to continue exporting-assembly type operations.

This pattern of investment under pressure of import restrictions has played a major part in the overseas business of virtually every U. S. industry — drugs, radios, tires and so on. They had to invest or give up promising future markets and write off the years of effort already expended in building acceptance of their brand names, distribution systems and other existing assets.

Adds to Our Exports of Parts, Supplies, and Machinery

Furthermore, by investing in manufacturing operations these companies have retained at least a portion of the market for U. S. exports — and export producing U. S. labor. According to the latest Commerce Department statistics, U. S. foreign operations obtain some $2 billion of parts and supplies from the United States. That means that 10% of our exports are shipped to U. S. controlled plants abroad. When Ford manufactures cars in Brazil or Mexico, it still buys a substantial number of parts from Detroit. But, if it was unable to invest and Fiat or Volkswagon took over its share of the market, the parts would be bought from Italy or Germany, not the United States. In addition U. S. companies use a large amount of U. S. machinery in their foreign plants. According to a *Business Week* survey about 40% of the $1.7 billion of new investment in 1960 was expended on equipment and other material exported from here.

If these realities of the evolution of our overseas manufacturing investments can be made clear to the public, the "exporting jobs" argument will collapse because it is so completely wrong. Retarding investments will not save jobs because we will lose the export markets anyway and it will mean the loss of the portion of exports that would be kept in the form of purchases of parts, supplies and machinery from the U. S.

Total Exports Rose

But this is only an answer to the negative side of the issue. On the positive side there has been a steady expansion of the general level of our exports, the total approximately doubling since World War II. While exports of some products like automobiles have slipped, others have moved ahead impressively. Exports of chemical specialities have quadrupled from a 1946-1950 average of $155 million to $663 million in 1960; industrial machinery more than doubled in the same period from $1,178 million to $2,529. The nature of these items tells the story. They are the products in which U. S. research and production technology are superior, — the handiwork of the most advanced industrial system in the world. To those who worry about "exporting jobs" the answer is that we are passing on to other nations the less skilled (and less well paid) jobs and concentrating more and more of our labor and our export effort in the advanced technological industries which offer the greatest rewards.

This is not a story of losses, it is a story of progress and of profit for the nation — both business and labor. It may be a little hard for the public to grasp but it can be made clear if cast in terms which relate to common experience. We need only ask whether it is better for a research chemist to devote a large part of his time to milking his own cows, building his own house, etc., or whether it is better for him to specialize, selling his services in chemical research to society for a high salary and buying the services of the less skilled farmer, carpenter, etc. The answer will be immediately obvious to the average man.

And the essence of the transition in our export trade is just the same. In the world society, the United States as a nation is the leading research chemist, electronic engineer, etc. It is just as sound for us as a nation to be specializing in these skilled fields and delegating less skilled forms of production to other nations as it is for the skilled individual to profit by specializing in the most advanced skills which he can attain. If we can communicate this simple concept to the people, the public will see that the individual hardships which are criticized as "exporting jobs" are in fact but one part of an over-all process and that the shift of our export business toward the high technology products spells real economic progress for the nation.

(2) **Are Foreign Investments Evading Taxes?** In a recent article in *Business Horizons*, Stanley Ruttenberg of the AFL-CIO says in a matter of fact manner ". . . tax havens (an evasion of taxation) . . . ." This is characteristic of the thinking which has become widespread among the general public. Tax matters are always confusing to the public and foreign taxation of business is especially so. The President, Secretary Dillon and other leading political figures while stopping short of the "tax evasion" term have talked provocatively about "tax deferral privileges" given to overseas retained earnings. But their statements have provided the base from which less responsible people, especially in the extreme "liberal" group and in labor circles, have propagated the idea that overseas operations are evading U. S. taxes.

Calls Tax Evasion Charge Libelous

This charge borders on a libelous character assassination of respectable American businessmen. And even the more temperate positions adopted by Administration officials are unsound because they run counter to commonly accepted fundamentals of law.

These are the points which must be conveyed to the public. First, that the U. S. Government has no legal right to tax foreign corporations whether they are U. S. owned or not and second, that tax haven companies are no different from any foreign corporation in their fundamental propriety and rights.

The first point rests upon the basic concepts of the legal independence of the corporate identity and of territorial sovereignty which denies to any nation the right to tax the citizens of another nation for their activities within that nation.

The British Ford subsidiary is an English corporation. The fact that a U. S. company owns its stock is not pertinent to questions of its legal rights. Under fundamental legal concepts it is a self contained entity subject only to the laws and taxes of Great Britain. The Kennedy Administration has spoken repeatedly about the "privileges" of deferral of taxes on the retained earnings of foreign subsidiaries as though the U. S. Government were making a special concession to companies like Ford in England in taxing only the dividends they pay, rather than their profits as earned. But this attitude is entirely contrary to the true facts. The deferral is a basic right not a privilege.

The understanding of this issue in the public mind is very vague indeed. To the average man concepts like the corporate entity and national sovereignty mean very little. It is much easier just to accept the simple assertions of the Kennedy administration and men like Mr. Ruttenberg, especially as these again fit the feelings of those who are antagonistic toward business anyway.

We Don't Tax Retained Domestic Firms' Earnings

But a proper public understanding can be achieved if the issues are recast in terms of common experience. A large portion of Americans now own stock in corporations—GE, GM, AT&T and the like. Their individual situation is fundamentally no different from that of the U. S. company and its foreign subsidiary. The GM stockholder pays taxes only on the dividends he receives from the company, not on the total profits the company makes. In 1960 for example GM earned $3.35 for each share of stock but paid only $2 dividends. Every GM stockholder certainly understands that his obligation to pay taxes only on the $2 he received is a *right* not a privilege. In view of the public resistance to the dividend withholding tax, it takes little imagination to visualize the hue and cry that would be raised if Mr. Dillon proposed to tax each stockholder for the earnings retained by the corporation.

If the public sees that the proposal to tax retained earnings overseas as exactly the same type of proposition (which it is) international business can hope for a far more sympathetic hearing. It should be particularly stressed to the public that, if the Kennedy proposals are accepted, a fundamental precedent has been set which could open the door to taxing individual stockholders for corporate retained earnings and other violations of the legal corporate identity.

The second point, that tax haven companies are no different from other foreign corporations, seems obvious but the tax haven idea has been so distorted in the public eye that it requires special and energetic attention. We might in presenting our case to the public delve into the varied tax positions of categories of citizens, into tax exemption for municipal bonds, and other situations which, like the low taxes on base companies in Switzerland are part of the natural evolution of the world. But I think such sophisticated discussions are a mistake because they confuse the public, and once confused they suspect that there is something tricky and evil going on if they could only understand it. Therefore, I think it is better, and actually most accurate, to simply repeat with emphasis the basic argument that a tax haven corporation, like any corporation, is a legal entity within the sovereignty of another nation and we have no right to tax it.

(3) Will Checking Foreign Investment Help the Balance of Payments? The fact that sensible men like Mr. Kennedy and Mr. Dillon have gone along with the "exporting jobs" and "tax havens-tax evasion" ideas is due in part to a political need to curry labor union favor and in part to well justified worry about our balance of payments situation. If the deficits which have added up to $12.5 billion over the past four years are not soon corrected, we risk a serious international financial crisis. To our national leaders burdened with a dangerous problem, restraining the outflow of direct investment seems an easy way to an immediate solution. If a portion of the outflow which has been running around $1.5 billion a year could be checked, it would take a big slice out of the deficit. And, while we can argue that eventually investments bring back more in profits than we initially export in capital, the immediate gain to the balance of payments is real. Because the inflow of profits currently running around $2.5 billion is from old investments it will not stop even if new investments are cut off.

Gov. Development Bank Names Four

Salvador Rodriguez — Mario Rodriguez — Juan Martinez — Policarpo Olano

Four new Vice-Presidents of the Government Development Bank for Puerto Rico have been appointed, Dr. Rafael Pico, President of the bank, has announced. They are Salvador Rodriguez, Mario Rodriguez and Juan Martinez, all former Assistant Vice-Presidents of the bank, and Policarpo Olano, who will continue as Auditor of the bank.

All four were graduated from the University of Puerto Rico with degrees in business administration and have been with the Government Development Bank for various periods from eight to ten years.

What We Risk in Postponing Capital Outflow

But this is not sound national policy and we must convince the public that it will hurt our country economically. Everyone agrees that over the long run investments are beneficial to the balance of payments. From 1951 through 1960 for example, we earned $21.3 billion compared with an outflow of only $12.2 billion. So the crux of the issue is whether restricting the outflow of investments for a few years till the balance of payments improves is a sound short term solution to the balance of payments problem. The Kennedy Administration says, yes. International businessmen say, no.

Does the position of the international business community rest on a logic which is sound and can be put across to the general public? I think it does though the success on the latter respect is not great to date. The failure again I think lies in over reliance on statistics and sophisticated logics. The position both logically and for effective communication can be related directly to events which the general public sees in its own lives.

Business Must Invest or Lose Out

As we have noted, virtually all manufacturing investments today are the result of pressures either to meet lower costs possibly by foreign production or to preserve markets which will be cut off by import restrictions. The situation is essentially the same as that of a local businessman when the character of business in his field changes; for example the movie houses when drive-ins appeared or the grocers when supermarkets took hold. The businessman must either invest in the new facilities or face a loss in his sales.

Now let us add to the picture the fact that the local businessman at this crucial moment finds he is short on funds because he is sending two children to college, supporting an invalid mother and generally over extended in his obligations. What do we prescribe? Do we say, "This is no time to invest. Wait till your finances are in better shape?" Certainly not. That would be business suicide, for unless the man keeps his position in the market his finances will get ever worse. So we would say, "Tighten your belt somewhere along the line, maybe borrow some money if you have to, but above all else make your investment and keep your business strong."

And this is exactly the position we are in as a nation. The new character of business for us is not a new mechanism like the supermarket but a basic shift to overseas production. It looks different but the essence of the problem is precisely the same — we must adapt or lose our market.

Can we wait until our finances are in better shape? No. Indeed, to add to the supermarket, drive-in theater simile, we find ourselves in much the position of a businessman confronted not just by the change in methods but also by a rapidly expanding community. We risk not just losing the market but losing a position at a very crucial point. In Europe, an extraordinary economic revolution is creating in a few years a mass, middle class economy. In the underdeveloped areas the basic foundations of industrial economies are being laid in country after country. The companies who invest now are establishing themselves under the most favorable conditions—rapidly expanding sales—often with benefits of tax concessions, import restrictions, etc., and with the fundamental strength that always goes to the company that gains the first broad market acceptance.

This problem should be easy for the general public to understand. It is just the same as that of the grocer who let someone else come in with the new supermarket. A year or two later he sets up his own, probably at the second best location and must fight an uphill battle to win back the customers he lost while he was getting around to adapting to the new conditions.

Summary

This is a very brief outline of the type of explanations of international business issues which I think we must communicate to the general public. Having written a book (albeit a short one) developing these ideas, I am conscious of the gaps in such a brief outline. I believe, however, that it is sufficient to convey a basic understanding of my thesis—that the international business community must talk to the general public about its problems in terms that it can readily understand. International businessmen have been guilty — not of deliberate exporting of jobs, not of tax evasion—but of telling their story to too limited a public and in too sophisticated terms. If we are to meet the threat to international investment which has grown so rapidly and forcefully among the public in the past couple of years, the story must be told broadly and in such understandable terms as I have outlined.

Joins Hemphill, Noyes

(Special to THE FINANCIAL CHRONICLE)

BOSTON, Mass.—Burton S. Singer has become connected with Hemphill, Noyes & Co., 10 Post Office Square. He was formerly with Jennings, Mandel & Longstreth.

Management's Duties In Publicly Owned Real Estate

By Louis J. Glickman,* *President and Chairman of the Board, Glickman Corporation, New York City*

Changes in real estate managerial responsibilities wrought by the transition from personal, limited ownership to the present new era of public ownership — via syndications, real estate corporations and investment trusts — are traced by expert intimately involved in real estate operations for 35 years. Three areas requiring progress are: custodianship, technology, and knowledge of real estate in particular and the economy in general. Mr. Glickman notes that competition for good properties are increasing and profit margins narrowing—hence, the need for research and development, revolution in real estate technology, and keeping properties long life income producers. Mr. Glickman also addresses himself to the charges made that real estate has lowered its standards, and caused booms and busts.

There is no professional association with which I can identify my life's work more closely than that of the Building Owners and Managers. After all, for 35 years, I have made a comfortable living by owning and managing buildings — for myself, for my syndications, and now for the corporation I'm privileged to head. While I have witnessed many changes in the real estate industry in the course of these 35 years, none have been as significant and as dramatic as those which developed as we entered the era of public ownership of real estate.

Louis J. Glickman

And, indeed, we have entered a new era. An era in which man has taken some of the most aggressive and most far-reaching steps in search of a better life. An era in which tremendous strides have been made in the fight against disease. An era in which man has attained the virtual conquest of space. An era, also, in which man has begun to realize his desire to share the basic wealth of our country—its land and the structures above it.

Let us not underestimate this new complexion of property ownership. This shift in the ownership of real estate—from the hands of the wealthy few to the domain of the millions—has been an evolutionary change on the American scene, in fact, it has been revolutionary in its scope. And this has been a natural and predictable development. Why? Because the values of properties have risen to such an extent that the individual investor can no longer afford to own large prime urban real estate alone. For some years now, the multi - million - dollar individual investor has been fading from the scene because of our national tax structure and is now practically extinct. To replace him in the real estate market, we now have group ventures, such as syndications, publicly owned companies and investment trusts, which have stepped in and taken up the slack. And this is as it should be.

Now what does this revolution mean to those who manage buildings of all kinds? It means that those who do not already manage properties for large group ventures should look forward to the day, perhaps very soon, when you will be doing so. And it is this new dimension that I want to discuss in some detail. Basically, it can be broken down into three essentials. One is a new look at the custodianship in managing properties for thousands of absent and faceless owners. Second, is the absolute need to adopt modern technology; just as every industry had to do as it faced the challenges of the Twentieth Century. And third, we will have to become even keener judges of the real estate market and the economy general than ever before.

Custodianship for Absentee Owners

Let's look at the first of these—custodianship. Managing properties for syndications, real estate corporations and trusts, means serving a new type of master. That master is the millions of thrifty Americans who have set aside a part of their incomes to invest in the skylines of our cities. And I am one who believes that this is a trust. We cannot default. I became alert to it when public syndications began about a decade ago, when hundreds and sometimes thousands of people — strangers to each other — became partners in the ownership of large properties. I realized then that I was no longer managing properties for my own account, but that I was the guardian of the cherished investment of others. This same feeling has become intensified since my enterprise, like many others, became a publicly held stock company in which people from all walks of life can invest their hard-earned money without even the benefit of direct contact with the man at the wheel.

Let's look at a simple example of where the burden of this custodianship has changed with the advent of public ownership. A responsible and far-sighted managing agent may know that a major renovation of a particular building is in order. He knows what the job will cost and also what that cost will do to the cash flow of that property. What's more, he knows the consequences of delaying the needed renovation. Now, in managing that building for an individual or a small group of owners whom you know personally, you can call them in and lay the cards on the table. The chances are that they'll rely heavily on your judgment and tell you to do what you think is best. But, at least, they have been consulted and, regardless of the outcome, there is a sense of shared responsibility between owner and manager.

But you can't call in 16,000 stockholders and discuss management problems with them. You have to make these decisions for them — courageously and in good faith — and you can't palm off any of the responsibilty for the consequences of your decision. In the case of the renovation I've used as an example, I say that if you are thoroughly convinced that the costly pill of renovation, if swallowed today, can bring about a brighter day tomorrow, it is your responsibility to have the courage of your convictions — and renovate. It's the same kind of courage a doctor needs to muster when it would be easier to spare an anxius patient some unpleasant therapy. We are professionals, too, and our investors look to us for the same kind of professional judgment and courage in the custodianship of their properties.

Real Estate Industrial Revolution

Next we must consider the means by which we can become as modern in our techniques as the modern look of our industry requires. And what are the hallmarks of modern industry? One is the broad base of ownership. We have that. Another is automation. We don't have it yet. And then there is research and development. Another field in which we are lacking today. Let's face it, the development of the publicly owned real estate company is only the beginning of what may be considered the industrial revolution of property ownership and management.

We are already seeing some strong competition developing among these groups for desirable properties and several hundred million dollars is in the market looking for sound investments. The narrowing profit margins will bring about the next major change in property ownership. While ingenuity, imagination and know-how have always been of prime importance in the management of property, this growing competition will compel us to apply new, Twentieth Century technology. This new technology is needed not only to cut costs, but — and this is far more important — it is needed to make our operations more efficient and to provide better service in order to remain competitive.

An important step in this direction is automation. Since the first of this year — after many months of planning and preparation — our company has been feeding all figures relating to the operation of our properties into giant computers. Since the first of May, all tenant billings, payments, and arrears followups have been handled automatically by our data processing devices. But this can be only a beginning. Research and development is our biggest challenge today. In other industries a company is judged largely by the research and development it carries on. We, too, will be judged in the same way mighty soon, and we must be ready for it.

Some may ask—Where does research and development fit into a program of property management? The answer to this is important and, what's more, the lack of an answer can be fatal in managing properties for publicly held ventures. The competition for good properties is mounting now and will continue to mount. This means that profit margins are likely to narrow, unless we can compensate elsewhere in the balance sheet. That elsewhere must be found and the degree of compensation must be increased. And this means constant research into both physical and financial technology. It means not only searching for better ways to operate our buildings and serve our tenants. But it also means finding more efficient means of minding our own stores to reduce overhead without diluting our effectiveness. It means finding even better ways of using the purchasing power that large property portfolios give us. Only if we tackle our jobs with the modern approach, through research, can we make this public ownership principle meaningful and beneficial to the millions who cast their lot with us.

Our third important task is to become keener judges of the economy in general and of the real estate market in particular. Our industry has come under some sharp criticism during recent months—both in highly respected journals and even in the corridors of government. Charges have been leveled at us in the real estate industry for riding the crest of a boom, completely oblivious to the bust which is said to be just around the corner. And charges have been leveled at us that we have diluted our high standards in our financial dealings, in construction and in other phases of our business.

Denies Real Estate Caused Booms and Busts

Now, I have never found that real estate has been identified with frequent and artificial booms or busts. I have never subscribed to the idea that the vast construction of the post-war years has been a boom in any sense of the word. First of all, it was necessary to make up for the underbuilding of the 1930s and during the war years. Beyond that, it was a natural expansive movement, no more than in line with the expansion of our population and our economy.

Our nation's population is expanding to a point where the figure of 200 million people is only a decade or so away. Our gross national product has soared over the $500 billion mark and is still increasing steadily. For 200 million people to produce and consume $500 billion worth of goods and services, we will need more space of all kinds, and common sense tells us that we must be ready for it by creating this space in the years immediately ahead, beginning right now. And may heaven help us if we do not keep pace with the growth of our country.

Poor Construction and Lowering Of Other Standards

The second charge, that of dilution of our high standards, should concern us just as much. Our industry has been charged by its critics with undermining the vitality of the central city by developing the suburbs too much. And it has been charged, at the same time, with overcrowding our central city. Our industry has been accused of producing chintzy office buildings by hanging flimsy curtain walls around thinly disguised loft space. And, at the same time, it has been accused of trying to hide the age of our older buildings behind the cosmetics of remodled lobbies and elevators. We have been maligned for building too much, too quickly. And we have been chided for building too little and too late.

In other words, to listen to our critics we're damned if we do and we're damned if we don't. But isn't it just possible that some of those who snipe at our industry are out of touch with reality—with the reality of the times we live in? Let's look and see for ourselves.

What has really happened during the past decade is a two-fold development. First we have had, as I mentioned before, a phenomenal expansion of our economy. From our point of view, as owners and managers of office buildings, this has meant a tremendous demand for office space to accommodate new industries as well as new and growing companies in existing industries.

Second, through syndication, publicly held real estate companies and now the investment trusts, a growing number of office buildings in and around our cities have become the property of millions of people who have no experience in property management. These people look to you to make and keep these properties productive through imaginative leasing practices, resourceful financing and a keen sense of the markets in which to buy or sell properties for these portfolios.

Vacancy Rental Rates

That we have done a good job so far is self-evident from the available statistics. Figures gathered by the National Association of Real Estate Boards tell us that in 71% of our prime urban office buildings, the vacancy rate is no more than 5%. Indeed, it is 2% or less in 34% of our prime urban office buildings. And what about residential properties? The same source tells us that in 25% of all rental multiple family units—and I'm speaking only of habitable units—in 25% of all rental multiple family units the vacancy factor is 2% or less. And it is 5% or less in nearly two-thirds of all these dwelling units. I think we can look anyone squarely in the eye and say that we have kept our inventory of buildings productive.

But where do we go from here? Let's look first at our existing inventory of buildings—I don't like to call them old because age has little to do with quality. I am convinced that a prime property can be kept prime through imaginative management, regardless of its age. Let us remember that buildings become prime real estate because they're put up for the right use at the right place. We can keep them prime by applying the modern technology of which I spoke before. This is where research and development comes in. Our research should delve into finding methods of predicting, with a measure of certainty, who the future tenants of these buildings are likely to be,

A Significant Triumph

The whole world was thrilled last week when the successful launching of *Telstar* started a new era in global communication. Not only did friendly allies praise the American achievement but there were favorable comments even in the Soviet Union which is well known to be far behind the United States in this vital area.

Two facts are significant in this successful transmission of television across the oceans. One is that this is definitely an accomplishment which should bring about closer relationships and better understanding with peoples in distant lands. Mention is already being made of the possibility of transmitting educational programs to underdeveloped nations on other continents. The benefits in entertainment and cultural exchange are well nigh unlimited, if wisely used.

Second, this has been one of the clearest demonstrations of what can be done through the scientific research of private enterprise. Millions of dollars have been expended by the Bell Telephone System in building the satellite Telstar with all of its intricate mechanism. It was propelled into orbit by the National Aeronautics and Space Administration. This is an ideal illustration of what wonders can be accomplished when government and private industry unite their forces.

HARRIET SEIBERT

what their needs are and what services they would reasonably expect.

Threshhold of Real Estate Technology

Our research should stay a pace, if not a step ahead, of the changing patterns in the lives of our cities, to make certain that we are prepared for changes when they come. And our research should determine well in advance what physical amenities it will take to keep our prime properties prime. Today we talk about automated elevators and central air conditioning. But if we apply ourselves diligently to our research, these may be only horse-and-buggy conveniences compared to the ones we may someday offer our tenants. In the fields of communications and tarnsportation, to name just two, lie untold advances by which we may someday equip our buildings with time-savers, money-savers and —tenant-savers. As I said before, we're only at the very beginning of a new era of real estate technology.

Prime real estate, if properly managed, can produce steady income for a long time. But income is only part of the picture. What we are sometimes tempted to forget — and something which we must never, never forget—is that income is only one of the benefits for which the investor buys real estate through publicly held group ventures. Far more important, I think, is growth of equity, and it is growth we should keep in mind when we plan and when we execute our plans.

So, as we manage properties for public ownership, our strategy remains the same, but our tactics may change. Where older prime buildings once commanded the tenancy of our largest and most highly rated tenants, they now command the patronage of the smaller and newer enterprises that make our economy grow. And it is an old axiom of leasing practice that the rents per square foot are higher for small tenants than they are for giant space users. Consequently, I have no fear for the well located and well managed skyscraper built a generation or two ago.

What about the new towers that grace our city skylines? Are they chintzy? Are they a drug on the market? Not in my book. Criticism, especially in the fields of art and architecture, must be subjective and controversy just can't be avoided. But the new towers, sheathed in various combinations of metal, glass and masonry are representatives of a new technology and, in most cases, of new concepts in space planning.

Most certainly they are needed. Again, I point to our economic expansion. If the lure of new buildings has caused a certain degree of fluidity in the commercial leasing market, I welcome it. It makes it possible for us to engage in imaginative planning and leasing of the type that keeps buildings productive. The fact that the concentration of these new structures has created entire new business neighborhoods is also a healthy sign. I consider them no threat whatsoever to our established financial and mercantile districts where the older buildings stand.

But those of you who manage these gleaming new towers must use foresight also. Today, these new buildings, many of which are publicly owned, are new and shiny. But they, too, will be superceded by others and they will pass into the realm of the old-fashioned. Therefore, you, too, must undertake serious research into methods for keeping them competitive and productive. In short, you must prepare today for tomorrow just as those whose properties have already been steam-cleaned once or twice. Your time for research and planning is now, especially if you bear the responsibility of running these properties for thousands of unseen stockholders.

Perhaps the government, in its desire to define corporations for tax purposes, has put its finger on a principle which we, as property managers, would be wise to consider. One of the characteristics of a corporation, government tax manuals say, is continuity. And it is continuity which we should keep in mind in managing properties for our stockholders in the modern economy. They have invested their funds in real estate because they consider it less fickle, less volatile and considerably more stable than many other investment opportunities offered to them.

Neither Fickle Nor Volatile

It is our job, then, to live up to these expectations. Real estate, if properly managed, is not fickle or volatile. In fact, I'd say it is one of the most stable industries I know. There is not an industry which does not have its ups and downs; which does not react to the vagaries of the national economy and foreign developments; and which does not, to some degree, affect the national economy in turn. We, in the real estate industry, also have our ups and downs, and I think we are all aware of the fact that a major disaster in our economy is certain to affect us in due time. But I look for no disaster in our economy and, as a result, I do not look for a disaster in our industry. As a matter of fact, historically, real estate is the last facet of our economy to react to recessions—although, admittedly, it is also late in responding to the upturn when it comes.

As long as we act responsibly in the ownership and management of properties, as long as we use the tools of modern technology, as long as we prepare for the future through research and planning, we can insure the stability of our industry. Let no one forget that the real estate industry is stable and sound, and that it deserves the respect of the community and the public. We are not saints and we are not masterminds. But we have a long and honorable heritage, and it is about time we blew our horns about it. I know that ours is an industry which is only on the threshold of a bright new age.

*An address by Mr. Glickman before the convention of the National Association of Building Owners and Managers, San Francisco, Calif.

Millikan Named In Fund Campaign

John H. Millikin, Senior Vice-President of Bankers Trust Company, has been named general chairman of the 1962 United Hospital Fund campaign. His appointment was announced by Donald M. Elliman, President of the Fund. Mr. Elliman is administrative Vice-President of The Marine Midland Trust Company of New York.

Thomson, Kernaghan In New York City

Thomson, Kernaghan Inc., an affiliate of Thomson, Kernaghan & Co. of Toronto, has been formed with offices at 1 Chase Manhattan Plaza, New York City. Alfred M. Erlich, formerly an officer of Watt & Watt, Incorporated, will be New York manager.

David Gillman Opens

BROOKLYN, N. Y.—David Gillman is conducting a securities business from offices at 83 Dumont Avenue.

A Sterling-Dollar Crisis

By Paul Einzig

Possibility of a joint sterling-dollar crisis in the not too distant future is raised by Dr. Einzig. He, also, expresses alarm at the not too well known substantial increase in his country's long-term indebtedness. Usually the ups and downs of sterling were opposite of those of the dollar but this has not been the case lately. Dr. Einzig points out what has been happening to the two currencies and the fact that whatever strength they may obtain will come not from what is done domestically to improve the situation but from wage rises in other countries. The writer terms a recent official forecast of a 5% rise in exports as irresponsible.

LONDON, England—Throughout the post-war period, and even during the period of inter-war stability and fluctuations, sterling's meat was almost invariably the dollar's poison, and *vice versa*. Whenever one of the two currencies was weak its weakness manifested itself in the firmness of the other currency. Until recently the only notable exception was the experience of 1957 when both dollar and sterling were weak simultaneously in relation to third currencies, especially in relation to the D. mark. Sterling was weaker than the dollar, so that the latter appeared to be firm in relation to the former. This pattern has come to be followed regularly during recent weeks. The sterling-dollar rate has nowadays its ups and downs—insofar as its natural movements are not disguised by official intervention—but the undertone of both is distinctly weak in relation to several continental currencies.

It seems, therefore, that we shall have to envisage the possibility of a joint sterling-dollar crisis in the not too distant future, possibly in the late summer or the autumn. How the sterling-dollar rate will develop is anybody's guess, but it seems highly probable that both will be weak in relation to the French franc, the Swiss franc and the D. mark.

Both the United States and Great Britain have an adverse balance of payments, even if the deficit is not as big as it was until recently. In the case of the United States the effect of the trade deficit is likely to be aggravated by the continued outflow of foreign funds, especially if Wall St. should remain as unattractive to investors as it has been lately, and especially if, the solution of the Algerian problem should lead to heavy repatriations of French funds. The latter factor is liable to affect sterling, too, but not nearly to the same extent.

Rise in U.K.'s Long Term Indebtedness Abroad

Moreover, the effect of Britain's adverse balance is partly camouflaged by invisible exports on capital account which escape attention but which constitute none the less an important factor in the situation. When there is a large transaction, such as the acquisition of the British Ford by the American Ford in 1960, everybody takes notice. But when various British firms borrow in New York, Zurich or Amsterdam a few million pounds or when they place a block of their equities in overseas Stock Exchanges, the event is only reported in brief paragraphs and few people realize that the sum total of such moderate transactions is a substantial increase of Britain's long-term indebtedness abroad, in return for an immediate relief to the currency situation.

The question is, is the balance of payments of either Britain or the United States likely to improve further, and if so, will the improvement materialize soon enough to avert an autumn crisis? There are tendencies at work in Western European countries which, if they proceed far enough, might offset the advantages of the French, German and Swiss currencies in relation to sterling and the dollar. Wages are on the increase everywhere, and it seems that continental industrial workers, too, have caught the Anglo-Saxon disease of short-sighted greed, indolence and malevolence towards their employers, and of callous indifference towards the community. It remains to be seen whether that disease will henceforth proceed faster on the continent than in Britain and the United States. If so, sterling and the dollar might escape a crisis, not through their own strength but through a relative weakness that would develop in continental currencies.

Calls Export Gain Forecast Irresponsible

Meanwhile the British authorities administered an overdose of optimism to the British public by announcing in all seriousness that British exports will increase by 5% in 12 months. I suppose there must be many nincompoops who are impressed by that kind of forecast which actually succeeded in improving the trend in equities on the London Stock Exchange for an hour or so. As the forecast was made by the Treasury, those who took it seriously must have imagined that it was based upon scientific calculation of all the factors. It is easy to impress the credulous by putting forward some such "calculation" with a cocksureness worthy of a better cause, and the more definite and precise the figure is the more it is calculated to impress. Ninety percent of the public does not realize that the amount of next year's exports depends on a hundred or more unknown factors, and that what is presented as a forecast is no more than a pious wish. If the officials responsible thought of that figure between their drinks at the Reform Club they might happen to guess correctly with luck. But the figure might well prove to be twice or three times higher, or it might prove to be a sharp decline.

It is a mistake to try to generate unwarranted optimism by such irresponsible forecasts. Admittedly, British exports have been increasing. But to conclude from their increase that they would continue to increase at a comparable rate—or indeed that they would continue to increase at all —is based on the primitive assumption that any trend which happens to exist must go on. Submen, such as speculators, may be forgiven for harboring such assumption. But super-men of the Treasury ought to know better.

SECURITY SALESMAN'S CORNER

BY JOHN DUTTON

Inflation Protection!

During periods when public optimism is high, political spokesmen constantly give forth reassurances that the great expansion of credit that accompanies advancing prices and depreciating currency, is well under control. To take issue with public opinion, or the government sponsored news releases, is in bad taste and frowned upon. John Law, who was the father of the widespread use of bank credit, lived to see his life work despoiled by the over enthusiastic mis-use of credit. A willing public during an inflationary era always joins with the ruling politicians. The Speculation in Tulip Bulbs in Holland in 1664-67, the South Sea Bubble in 1720, and Law's "Mississippi Company," are historical events the informed investment salesman should study.

There is also a similarity between the public psychology which created the Florida Land Boom in 1926, the Stock Market Crash in 1929, and to an extent the recent public willingness to pay hysterical prices for so-called growth stocks in 1960 through early 1962. Those who have seen their investments in these so-called growth stocks depreciate from 50 to as much as 90% have also suffered losses comparable to earlier periods of over-valuation, and subsequent dissipation of their invested capital.

The people who paid these fantastic prices for glamour and growth items during the past few years may yet be proven to be correct—it was their timing that was in error. Law's Mississippi Company more than fulfilled its promoter's promises. The territory the United States purchased from France, known as the "Louisiana Purchase", has become one of the greatest real-estate bargains in history. Law's investors were wrong only in their timing — in this case by three hundred years. The value of Dade County real-estate has more than exceeded the hopes of the promoters who sold lots in Miami in 1925 and 1926—their timing was wrong a quarter of a century.

Don't Keep It All In Dollars

I recently read a news item about a lady in Kansas, who is a grandmother, who has sold about $10,000,000 in Mutual Funds. When asked if her business declined due to the recent drop in the stock market she replied that her customers buy for income, long-term investment, and the supervision and diversification they obtain in Mutual Funds. She also stated, I ask them, "Remember what happened to the German mark?"

As all good citizens hope, I firmly pray that this nation will some day place politicians in office who understand our capitalist system and the importance of maintaining a sound currency. Meanwhile, I do not know of a shorter, more emphatic, convincing sales talk, for mutual funds, or a program of good common stocks, than the question, "You remember what happened to the German mark?"

Chambreau With Francis I. duPont

SAN FRANCISCO, Calif. — William W. Chambreau, Jr. has become associated with Francis I. duPont & Co. as manager of the San Francisco office, 317 Montgomery St., and assistant to Edward A. White, the firm's resident partner in northern California, it has been announced.

Mr. Chambreau had previously been with Merrill Lynch, Pierce, Fenner & Smith Inc. for 15 years, most recently as manager of its Austin, Texas, office, and prior to that as manager of its Fresno, Calif., office.

Mr. Chambreau was formerly President of the Austin Investment Association, an organization of banks, trusts and institutional investors.

J. Rubenfeld Forming Own Co.

Jack Rubenfeld will form J. Rubenfeld Company, with offices at 67 Broad St., New York City, to engage in a securities business. Mr. Rubenfeld is in the Syndicate Department of S. Schramm & Company, Inc.

DIVIDEND NOTICES

UNITED STATES LINES COMPANY

Common Stock DIVIDEND

The Board of Directors has authorized the payment of a dividend of fifty cents ($.50) per share payable September 7, 1962, to holders of Common Stock of record August 17, 1962.

THOMAS R. CAMPBELL, *Secretary*
One Broadway, New York 4, N. Y.

Public Service Electric and Gas Company

NEWARK, N. J.

QUARTERLY DIVIDENDS

The Board of Directors has declared the following dividends for the quarter ending September 30, 1962:

Class of Stock	Dividend Per Share
Cumulative Preferred	
4.08% Series	$1.02
4.18% Series	1.045
4.30% Series	1.075
5.05% Series	1.2625
5.28% Series	1.32
$1.40 Dividend Preference Common .	.35
Common	.55

All dividends are payable on or before September 29, 1962 to stockholders of record August 31, 1962.

J. IRVING KIBBE
Secretary

PUBLIC SERVICE
CROSSROADS OF THE EAST

DIVIDEND NOTICES

R. J. Reynolds Tobacco Company

Makers of
Camel, Winston, Salem & Cavalier cigarettes
Prince Albert, George Washington
Carter Hall
smoking tobacco

QUARTERLY DIVIDEND

A quarterly dividend of 40c per share has been declared on the Common Stock of the Company, payable September 5, 1962 to stockholders of record at the close of business August 15, 1962.

WILLIAM R. LYBROOK,
Secretary

Winston-Salem, N. C.
July 12, 1962

Sixty-two Consecutive Years of Cash Dividend Payments

DIVIDEND NOTICES

COMMONWEALTH OIL REFINING COMPANY, INC.

DIVIDEND NO. 2

The Board of Directors has declared a dividend of 12½ cents per share on the company's outstanding shares of common stock, payable September 1, 1962 to stockholders of record July 31, 1962.

The declaration of future dividends will be considered semi-annually.

Beneficial owners of the stock are urged to have their shares transferred into their own names prior to July 31, 1962.

RICHARD deY. MANNING
Secretary

San Juan, P. R. July 16, 1962

THE SOUTHERN COMPANY
(INCORPORATED)

The Board of Directors has declared a quarterly dividend of 37½ cents per share on the outstanding shares of common stock of the Company, payable on September 6, 1962 to holders of record at the close of business on August 6, 1962.

L. H. JAEGER,
Vice President and Treasurer

THE SOUTHERN COMPANY SYSTEM
Serving the Southeast through:
ALABAMA POWER COMPANY
GEORGIA POWER COMPANY
GULF POWER COMPANY
MISSISSIPPI POWER COMPANY
SOUTHERN ELECTRIC GENERATING COMPANY
SOUTHERN SERVICES, INC.

SUBURBAN PROPANE

66th Consecutive Quarterly Dividend

Common Stock — 31c per Share

Payable August 15, 1962 to stockholders of record August 1, 1962

R. Gould Morehead
Vice Chairman of the Board & Financial Vice President

The State of TRADE and INDUSTRY

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

The end of the second quarter data tabulated this week by the Federal Reserve indicate a disappointing leveling-off in the economy — neither the hoped for marked advance continuing the first quarter's gains over the recession's trough nor, fortunately, retrogression. The severe decline in steel output did not reduce the Index of Physical Production nor did gains in other sectors maintain the pre-May pace.

According to the Federal Reserve Board of Governors' National *Summary of Business Conditions* released this week:

"Most measures of business activity changed little in June. Industrial production and nonagricultural employment remained at the May levels while construction activity increased and retail sales declined. Commercial bank credit rose further. While the money supply changed little, time deposits at commercial banks continued to expand. Between mid-June and mid-July bond yields increased. Common stock prices declined further to a low in late June but then advanced moderately. Commodity prices generally were stable.

Industrial Production

"Industrial production was maintained in June at 118% of the 1957 average. Output of iron and steel declined further, as inventory liquidation accelerated, and production of autos was curtailed by a strike. Output of most other materials and consumer goods expanded, however, and production of business equipment continued to increase.

"Auto assemblies in June were 8% below the advanced May rate, but, with the strike ended, current schedules for July indicate recovery in output. In June, meanwhile, there were further increases in production of television sets, furniture, and some other home goods, and in production of consumer staples. Among business equipment, output of commercial and farm machinery continued to advance and output of other equipment was maintained.

"Production of iron and steel, which had been curtailed 14% from April to May, declined 8% further in June. However, output of construction materials and of most nondurable materials rose further.

Employment

"Seasonally adjusted employment in nonfarm establishments remained at 55.4 million in June. Manufacturing employment was unchanged as small additional increases in the machinery and equipment industries were offset by a substantial further decline at steel mills. Among non-manufacturing industries, employment rose in the service sector and in state and local government, but declined somewhat in construction. The average factory workweek again declined a little. The unemployment rate, at 5.5%, was up slightly.

Construction

"The value of new construction activity, which had advanced sharply in May, increased further in June to a seasonally adjusted annual rate of $63.0 billion. Most private and public types of activity continued to rise. With residential construction and highways showing the largest gains.

Distribution

"Retail sales declined 2% in June as decreases were reported for most types of stores. The number of new cars sold fell 7% from the advanced level in May and sales of used cars also declined. In the second quarter as a whole, retail sales were up 2% from the first quarter and 8% from the spring quarter of 1961.

Commodity Prices

"The wholesale commodity price index was unchanged between early June and early July and was close to the level of a year earlier. Average prices of industrial commodities remained stable in the recent period and changes among foodstuffs were generally small and were offsetting. Steel scrap prices advanced somewhat, following a substantial decline through the spring, but prices of other sensitive industrials materials continued to change little.

Bank Credit and Reserves

"Total commercial bank credit rose substantially in June. Loans and holdings of non-government securities increased and holdings of U. S. Government securities declined less than usually. The seasonally adjusted money supply changed little. Time deposits and U. S. Government deposits at commercial banks rose further.

"Total reserves and required reserves of member banks continued to expand in June. Excess reserves declined and member bank borrowings from the Federal Reserve rose. Reserves were absorbed principally through currency outflows and were supplied through increases in float and in Federal Reserve holdings of U. S. Government securities.

Security Markets

"Yields on both corporate and state and local government bonds increased somewhat from mid-June through early July. Yields on all maturities of U. S. Government securities also rose. The market rate of three-month Treasury bills increased to about 2.95% and the average yield on long-term bonds rose to slightly over 4%.

"Average prices of common stock declined further to a low on June 26 that was 28% below the record high established last December. Since late June prices have recovered about one-fourth of the decrease."

Bank Clearings Increase 4.9% 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, July 14, data from all cities of the United States from which it is possible to obtain weekly figures will be 4.9% above those for the corresponding week last year. Our preliminary totals stand at $31,027,112,681 against $29,566,970,532 for the same week in 1961. Our comparative summary for some of the principal money centers follows:

Week End. July 14—	(000s omitted) 1962	1961	%
New York___	$16,976,155	$15,917,222	+ 6.7
Chicago ___	1,401,302	1,469,030	— 4.6
Philadelphia	1,129,000	1,124,000	+ 0.5
Boston ____	835,681	788,298	+ 6.0
Kansas City	580,384	582,962	— 0.4

Steel's Output Up 10.6% From Preceding July 4 Week Which Had Dropped 17.5%

According to data compiled by the American Iron and Steel Institute, production for the week ended July 14, 1962, was 1,370,000 tons (*73.5%), as against 1,239,000

Continued on page 41

The Market . . . And You

BY WALLACE STREETE

With industrials apparently stalled by heavy overhead resistance around the 600 level, the stock market this week was called on to absorb some new selling that brought in new jitters after three weeks of spirited recovery.

On the basis of closing levels, industrials now have built up a fairly wide trading range between 535 and 590 since the market broke on May 28 and continued to decline for almost a month. The support in recent weeks was helped along by various actions taken in Washington, but was still dubbed a technical rally by the majority of market analysts.

Hope Pinned on Tax Relief

As a technical rally, the good action solved little and the onus was still on future market action to indicate what comes next. The big, bright hope for external help was still a swift cut in taxes, chiefly tax relief for business, to inspire the market to better action for more than a limited period.

There was no clearcut agreement that tax relief would end the bear market for good, and there were a few in the minority who maintained stoutly that it would be futile since the general economy was showing trouble spots. It would be unlikely that the market at this stage would be discounting the end of a business recession that hasn't even started, assuming that there is to be one late this year or next year.

In any event, there was little incentive for the bulk of investors to take aggressive action in picking up seeming bargains, particularly since there was much talk about where the eventual low would be found to end the bear swing. Moreover, there was also a rather strident bit of advice coming from many quarters, admonishing investors to upgrade their portfolios on any sustained strength. This is just about the most effective sort of advice that could kill off rallies and keep overhead progress restricted.

A Departed Era

The points of agreement among market men were negative for the most. There was something approaching near agreement that the excessive enthusiasm for "growth" at any price belongs to a dead era and hopes that some of the glamour issues would return speedily to the high price-earnings ratios of the past has pretty much disappeared.

There was much being made that the market correction was a realization, finally, by the public that prices of many issues were too high. But they have been too high for a long while even in the many cases where a price readjustment had been underway for months. It would seem to be better described as a widespread realization by many investors not that prices were too high but that they had departed from the era when prices that were too high meant little as long as they were going even higher.

Reasonable Values Ignored

The flow of suggested issues that represented basic value at a reasonable price, issues that seemed already to have completed their own correction, and items that seemed clearly oversold fell pretty much on deaf ears in view of all the uncertainties in the background.

The prevailing opinion was that it would take at least until Labor Day to get any accurate ideas of how business will fare in the fall and winter and on into next year. If at that time there is no more convincing evidence of any widespread recession in the offing, a reappraisal of individual stocks would be called for then.

There were issues that merited attention not only on their prospects but on their resistance to the downturn as well. Avco was one that was getting favorable mentions from several analysts at any particular time. This issue has been no favored item in recent years when aircraft issues were in the doldrums. The shares could have been acquired for less than $6 in 1958 and from 1959 through 1960 for between $10.50 and $17. The current price is 22.

Last year Avco emerged as a space age item for its work in heat shields and nose cones for spacecraft and missiles. Despite the soggy markets of this year, its low around $16 was a good three points above last year's low, and it posted a high this year of nearly $29. Throughout most of the recent selling it has been able more times than not to hold half a dozen points above this year's low.

Reviving Bull Market Exile

Celanese is another item that was pretty much left out of the bull market, but is getting favorable attention currently. Some commentators are anticipating a new peak in earnings this year which would be convincing evidence of the rehabilitation of this company since it lessened its dependence on acetate fibers from 85% of sales to less than 60% through expansion in chemicals and plastics.

The price action of Celanese is also at variance with the general picture of an old-fashioned bear market. The shares were below $11 in 1957 and could have been acquired in the low 20's in 1959, 1960 and 1961. Apart from a momentary dip under the 30 line to post a 1962 low, they have been holding in the $30 bracket through the recent selling.

The Problem Area

Steels were still the problem section, particularly since it won't be until the final days of this month when it will become public record whether in the current profit squeeze the two top companies—Bethlehem and U. S. Steel—will be sufficiently confident to maintain their present dividend rates. Pricewise, both have shown good ability to hold above their lows for this year, but whether this is merely misplaced hope or shrewd guesswork won't be known for a couple of weeks.

A Low P/E Item

Fischbach & Moore, one of the giants of the electrical contracting field and a recent addition to the wares of the New York Stock Exchange, has had its own friends on its record earnings last year and prospects of an even better showing this year. Also adding to the attractiveness is a price-earnings ratio of around 10-times which is even conservative against the whittled down ratios showing currently for depressed issues that had commanded a far larger ratio when confidence abounded.

Part of the company's work is installing control and power systems at rocket and missile launching centers. This is bolstering its commercial work that, among other things, included the Pan American building in New York and will entail work on the World's Fair of 1964 in New York.

For the first half of its fiscal year, ending March 31, Fischbach & Moore showed a good increase in earnings depsite the unusually bad weather in various parts of the country during the winter. The second half of its fiscal year traditionally is the one that shows the better results since the weather in that period is far more conducive to construction work. The company hasn't been paying cash dividends, instead rewarding the holders in the last couple of years with a 6% stock payment. The prospects for this year are sufficiently encouraging for the company to announce that it is now on the verge of considering a cash payment but that won't be until fall when the results of the full fiscal year are known.

A Favored Aircraft

Grumman Aircraft was favored in spots because it, too, shows a low price-earnings ratio and a thoroughly respectable yield well into the 4% bracket. The company was able to post a good increase in earnings for the first quarter of this year.

Grumman has several potentials, still vague, but they could add significantly to the company's prospects if they work out. One is the new type of high-speed ships that rely on hydrafoils to escape the friction of an immersed hull. The other is the new experimental fighter plane the Defense Department is planning, in which Grumman is teamed with General Dynamics. It won't be until fall that a decision is made on where the development contract will land.

[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.]

Christy Mun. Mgr. For Reynolds Br.

CHICAGO, Ill. — William L. Christy has joined the staff of Reynolds & Co., as Manager of

William L. Christy

the municipal bond department, in the Chicago office, 135 South La Salle Street, it was announced by James W. Cunningham, Chicago resident partner. Mr. Christy was formerly associated with Braun, Bosworth & Co. in the municipal and sales departments.

Parker, Ford to Be NYSE Member

DALLAS, Tex.—Parker, Ford & Co., Inc., Vaughan Building, will become members of the New York Stock Exchange, as of Aug. 1, when Norman C. Roberts of San Diego becomes a Senior Vice-President of the firm.

Mr. Roberts is President of N. C. Roberts & Co., Inc., of San Diego, which will be dissolved. E. Keene Wolcott, W. Duncan Waterman, James A. Corder, and Helen M. Thompson, officers of N. C. Roberts & Co., Inc., will also become officers of Parker, Ford & Co.

Two With Peters, Writer

(Special to THE FINANCIAL CHRONICLE)

DENVER, Colo. — Charles Baker and William B. Campbell have become connected with Peters, Writer & Christensen, Inc., 724 Seventeenth Street.

Our Reporter on GOVERNMENTS

BY JOHN T. CHIPPENDALE, JR.

The money and capital markets are still shrouded in uncertainty because there is pressure being applied to move up near-term rates. This is undoubtedly part of a deliberate plan to keep the most liquid Treasury issues attractive enough so that those funds which are temporarily invested here will continue to remain in this country. Thus some of the burden would be taken off the dollar and our gold holdings.

The higher near-term rates are having sympathetic influence on not only the intermediate maturities but also the most distant obligations. Yields on these two types of maturities have gone up even though they still remain pretty much within the plateau they have been in during the past half year or so. However, until some of the uncertainties are resolved, interest rates are quite likely to remain a bit on the defensive side.

Increase in Discount Rate Presaged

Another upward movement in the yield of short-term securities would appear to indicate that an increase in the discount rate is to be expected. It is evident that if the bill rate (yield for the 91-day obligation) goes over the 3.00% level, the Central Bank rate now also at the 3% level will not be there too long since the discount rate is generally above the bill rate. This gives it at least some semblance of being an effective discount rate even though it is very seldom used as a penalty rate in this country. However, in order that the whole system of loaning rates be in proper alignment, the discount rate should not be at a level which would make possible the discounting of eligible paper at a profit, since this would defeat the purpose of the tightened money and capital market conditions.

This brings up the question as to why the higher rates at this time when the stock market has just suffered a severe decline in prices and there is more than a passing amount of opinion that the economy of the country will turn down in the foreseeable future. This would be among the few times in history in which a recession in business would be combatted by means of rising interest rates.

A New Approach to Declining Economy

In the past generation or thereabouts, the way in which the economy has been put back on the right track has been through the use of methods that involved the ample availability of credit and decreasing interest rates. This time if there should be a decline in the business pattern it seems as though there will have to be other ways and means found for putting an end to it other than that of using an ample supply of credit along with declining interest rates. We have the position of the monetary unit to protect as well as the gold supply and one of the ways in which this can be done, according to the monetary experts, is by the use of higher interest rates.

It is believed by these experts that higher short-term rates will keep funds here that would move to other world monetary centers if the rate of return were to be more attractive there. By keeping these readily shiftable monies here the position of the dollar as well as our gold holdings would not be disturbed to any great extent.

On the other hand, what will be the effects on the economy of higher interest rates with the business pattern declining? The availability of credit, under conditions of advancing interest rates, usually declines also because the monetary authorities see to it that credit is curtailed in order to keep the cost of borrowings or the interest rate on the high side. It may be that the powers that be will find ways in which the economy can be stimulated if and when a downturn comes along even with rising interest rates being employed to help the position of the dollar and our gold holdings.

Danger of Deflation

If the higher interest rates should not work as predicted then what? It seems as though there is much more to be fearful about in this country from a deflationary trend since it is evident that a severe recession in the United States may have a correspondingly similar effect on the rest of the free world.

Therefore, it seems as though it would be to the advantage of most of the free nations to go along with whatever plans we may have to meet a business recession if it should come along. These plans no doubt would include ways and means of protecting the dollar and our gold holdings. The only gainers from a revaluation of gold would be Russia and South Africa.

Goodbody & Co. To Admit Partner

Goodbody & Co., 2 Broadway, New York City, members of the New York Stock Exchange, on Aug. 1 will admit James V. Esposito to partnership.

Edwards Names Co-Mgrs.

TULSA, Okla. — Dudley D. Morgan, Jr. and Henry White have been appointed co-managers of A. G. Edwards & Sons' recently opened office in the First National Building.

COMMENTARY...

BY M. R. LEFKOE

No government should be allowed to require its citizens to accept any ideas, even if the majority of its citizens profess to already believe in them. When stated in this abstract manner, most Americans would agree with this principle. However, if a specific idea in which they themselves strongly believed was involved, an alarming number of Americans would actually demand that the government require its acceptance.

This contradiction is currently illustrated by the vociferous protest which arose following the recent Supreme Court decision which held that the recital of an officially prescribed prayer in public schools is unconstitutional. Predicting dire consequences if the decision were allowed to stand, Congressmen, religious leaders, and other public figures hastily issued statements denouncing the Court, newspapers and magazines devoted their lead editorials to condemning the decision, and people from all fields of endeavor sent a stream of protesting letters across the desks of editors, demanding a reversal of the Court's decision by means of a constitutional amendment.

Those who claim to be protesting the Court's judgment have failed to recognize that what they are really protesting is the Court's refusal to violate a principle—the principle that no government should be allowed to require its citizens to accept an idea even if the majority of its citizens profess to already believe in it.

The Background

In order to explain this conclusion regarding the essential nature of the protests made, let us examine the facts of the case, identify their implications, and judge their meaning.

The prayer which initiated the chain of events culminating in the Court's verdict was composed by the New York State Board of Regents, and recommended by them for recital in public school classes at the start of each school day: "Almighty God, we acknowledge our dependence upon Thee, and we beg Thy blessings upon us, our parents, our teachers and our country."

As the Court itself acknowledged, the prayer is both "denominationally neutral" and "its observance on the part of the students is voluntary." Nevertheless, one could not—and would not—pray *without professing a belief in a God*. And, since the belief in God is the belief in an idea—one which has been seriously challenged by philosophers—to require one to believe in a God is to require one to believe in an idea.

Furthermore, to offer as justification for the prayer the fact that participation was voluntary is to commit a gross equivocation. The very existence of an "official prayer" in public schools—or even a specific time regularly set aside for individual prayer—implies that the government sanctions and concurs in the belief that a God exists. In addition, the burden of proof is shifted from those claiming there is a God, to the child, who then becomes required to prove the non-existence of a God in order to justify not taking part in a prescribed school activity.

The Crucial Principle

Thus, the crucial principle at stake in this case is whether a government can ever be justified in requiring its citizens to profess a belief in a God, or in any other idea—whether it can ever be justified in violating man's freedom of thought.

All of the critics of the Court's decision would deny that they are in favor of violating man's freedom of thought. Most of them have claimed, nevertheless, that they are seriously concerned about the effects of the decision which they predict will follow. Therefore, they believe that they are justified in attacking the principle upheld by the Court in order to avert the disastrous consequences it will engender.

While a rational justification for violating any of man's rights can not possibly exist, the very number of those who have attempted to offer one makes it legitimate to consider several of the most-often voiced protests.

One of the fears expressed has ensued from concluding that the verdict will result in prohibiting teachers from using historical documents and works of art which contain references to a God. The fallacy involved in this conclusion consists of equating the teaching *of* religion with teaching *about* religion.

To conduct prayer in a classroom is to teach religion—implicit in the act of conducting a prayer is the teacher's claim that a God does exist and that prayer is appropriate. To discuss historical documents and works of art is to teach facts—some historical personages did believe in a God and some artistic works do refer to a Supreme Being. The former situation consists of actively instilling religious ritual in children; the latter situation consists of merely imparting knowledge about what other people have believed or used as themes in their artistic endeavors.

Minority Decision Faulty

The two other most often repeated criticisms presented by those who favor the over-throw of the Court's verdict can best be analyzed by examining them as they appear in the dissenting opinion offered by Supreme Court Justice Potter Stewart. He stated:

"With all respect, I think the Court has misapplied a great constitutional principle. I cannot see how an 'official religion' is established by letting those who want to say a prayer say it. On the contrary, I think that to deny the wish of those school children to join in reciting this prayer is to deny them the opportunity of sharing the spiritual heritage of our Nation. . . ."

The first criticism hinges upon Justice Potter's use of the word "letting." One must make a distinction between a teacher who begins the school day with the words, "Now let us bow our heads and pray," while leading her students in prayer, and a teacher who never raises the issue of religion or prayer during school hours. In other words, there is a crucial difference between a teacher who *leads* her class in prayer and a teacher who *lets* her students pray if they themselves desire to do so.

The second criticism illustrated in this dissenting opinion is invalid for a similar reason. Justice Potter's use of the words "to deny" appears to be based on a faulty understanding of the Court's majority ruling. Contrary to popular opinion, prayer has not been found to be illegal as a result of the Court's ruling. The decision forbids the state from participating in, requiring, or urging religious observances, including prayer. Children remain free to initiate silent prayer at any time during school hours and to attend whatever religious ceremonies they wish outside of school. Again, there is a crucial difference between a teacher who *denies* a student permission to pray and a teacher who *never raises the issue.*

If those who are attempting to violate the principle upheld by the Court in its decision were to stop and consider the crucial relationship between moral principles and a political system, they would not have time to devise justifications which will subsequently be exposed as blatantly fallacious.

Moral Principles Endangered

A political system is necessarily founded upon a set of moral principles. These principles then serve as a standard to delineate the government's functions and guide it in every specific action it subsequently takes. If any one of the moral principles is not treated as an absolute and is violated in any single instance for any reason whatsoever, it can no longer be used as a standard and is effectively destroyed as a guide to action.

If our government were to require, either explicitly or implicitly, the belief in a God or any other idea, it would have violated a moral principle—the right of each individual to freedom of thought. From that point on, our government would cease to be governed by that principle and we would have to prepare ourselves for further action on its part which also ignored the principle. Those actions could be expected to take the form of arbitrary edicts and unjust laws.

If those who now are demanding that the Court be over-ruled succeed in obtaining an amendment to the constitution to effect that purpose, they will have accomplished far more than they bargained for — they will have amended the constitution out of existence.

Solo Amusement & Vending Co. Stock Offered

Public offering of 60,000 no par capital shares of Solo Amusement & Vending Co., is being made by Frank J. Mohr Investment Securities, San Francisco. Of the total, 54,000 shares are being sold by the company and 6,000 by certain stockholders.

Net proceeds to the company, estimated at $229,500, will be used for repayment of debt, and working capital.

The company of 219-9th St., San Francisco, is engaged primarily in the placement of coin operated amusement rides known as "Kiddie Rides" in supermarkets and other suitable public locations in northern California. Each ride has a meter on it which provides a one minute cycle for 10 cents. The equipment is installed and serviced by the company on the premises of retail stores, usually major national chains, which receive a percentage of the gross.

Sutro Adds to Staff

(Special to THE FINANCIAL CHRONICLE)

BEVERLY HILLS, Calif. — Lewis A. Bracker has been added to the staff of Sutro & Co., 9804 Wilshire Blvd. He was previously with Stern, Frank, Meyer & Fox.

Form Plaza Securities

MILWAUKEE, Wis.—Plaza Securities Inc. has been formed with offices at 612 North Water Street, to engage in a securities business. Officers are Julius R. Atkins, President; Robert Agulnick, Vice-President; Henry Stark, Executive Vice-President, and Nathan Wahlberg, Secretary and Treasurer.

NEWS ABOUT BANKS AND BANKERS

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

Patrick K. Healey has been appointed Assistant Vice-President of **The Chase Manhattan Bank, New York,** at the bank's Beirut branch, President David Rockefeller announced. In addition, John C. Richey and David H. Sambar were appointed Assistant Managers at Beirut.

Joseph W. Miller, Jr., and Luis H. Moreno, Jr., were also named Assistant Managers of the bank's branches in Panama.

* * *

First National City Bank, New York, opened a branch in Maspeth, Queens, July 16. Located at Metropolitan and Flushing Avenues, this is the Bank's 92nd domestic branch and 18th in Queens.

Heading First National City's newest branch is Manager Joseph P. O'Shea, who has been with the Bank and its domestic branches for over 25 years. He has been Manager of the Bank's Ridgewood, Brooklyn, branch for the past four years. Mr. O'Shea is assisted in Maspeth by Walter J. Bakanau, Jr., Assistant Manager, and Arthur T. McConnell, Official Assistant.

* * *

First National City Bank, New York, July 16, became the first American bank in South India as it opened its 88th overseas branch in Madras. The bank's other Indian branches, in Bombay and Calcutta, were established nearly 60 years ago.

Madras, located on India's southeastern coast, is the country's third largest port and has become the center of a growing industrial and agricultural area.

Heading the Madras branch is Michael V. Stolen, Manager. Mr. Stolen has been with First National City Bank for seven years and, since 1956, has served with its branches in Singapore, Manila, Calcutta and Bombay. He is assisted by S. N. Vittalrau and Robert D. Grant.

* * *

William J. Gallo has been elected a Vice-President of **Manufacturers Hanover Trust Company, New York,** the bank announced July 16. Mr. Gallo has charge of commercial letter of credit operations in the international division.

He began his banking career with the **National Bank of Commerce** in 1918. Ten years later he joined **Pacific Trust Company** as Assistant Manager in the foreign department. Pacific Trust merged with the then **Manufacturers Trust Company** in 1930.

Manufacturers Hanover also announced the election of six Assistant Vice-Presidents: William E. Callaghan, personal trust custody; Hector P. Capogrosso, Empire State office; John F. Cooper and Charles J. McGee, international division; Robert F. Shea, Brooklyn Trust office; and Emil C. Wahl, Maintenance and construction department.

* * *

Thomas B. Hawes and Alexander E. Susong have been appointed Assistant Trust Officers of **Chemical Bank New York Trust Company, New York,** it was announced by Chairman Harold H. Helm. Yerbury G. Burnham, Arthur F. Thompson, III and Grover R. Castle have been named Assistant Secretaries

* * *

Kenneth P. Steinreich, has been elected to the Board of Directors of **Sterling National Bank and Trust Company of New York.**

William E. Robinson was elected a Trustee of the **Harlem Savings Bank, New York.**

* * *

Mr. Richard C. Bain was elected a Trustee of the **Excelsior Savings Bank, New York,** on July 9.

Mr. Bain, joined the bank's staff as Vice-President and Counsel in October of 1958 and was elected First Vice-President July 1, 1961.

* * *

COMMERCIAL BANK OF NORTH AMERICA

	June 30,'62	Dec. 31,'61
	$	$
Total resources	290,995,723	226,195,947
Deposits	257,754,857	201,772,154
Cash and due from banks	36,932,552	31,787,071
U. S. Govt. security holdings	68,386,960	46,806,603
Loans & discounts	151,428,680	128,773,674
Undivided profits	2,925,861	2,583,592

* * *

THE STERLING NATIONAL BANK AND TRUST COMPANY, NEW YORK

	June 30,'62	Dec. 31,'61
	$	$
Total resources	167,241,854	185,844,442
Deposits	149,587,087	168,816,572
Cash and due from banks	29,278,897	40,352,630
U. S. Govt. security holdings	31,798,780	31,807,487
Loans & discounts	101,948,639	110,604,650
Undivided profits	2,235,806	2,170,640

* * *

UNDERWRITERS TRUST CO., NEW YORK

	June 30,'62	Dec. 31,'61
Total resources	$53,526,755	$54,923,016
Deposits	49,111,776	50,490,675
Cash and due from banks	6,209,198	8,566,431
U. S. Govt. security holdings	18,723,830	18,088,874
Loans & discounts	24,501,021	24,570,254
Undivided profits	850,840	1,078,898

* * *

The Franklin National Bank of Long Island, Mineola, N. Y., has appointed George C. Herrmann as Assistant Vice-President, business loan department, and William

O'B. Kelly as Assistant Manager, branch loan department.

* * *

THE CORPORATION TRUST COMPANY, NEW YORK

	June 30,'62	Dec. 30,'61
Total resources	$6,128,333	$5,146,776
Deposits	1,629,271	636,924
Cash and due from banks	3,545,223	2,603,068
U. S. Govt. security holdings	600,337	600,273
Undivided profits	934,759	814,844

* * *

Joseph Virdone has been elected a Director of the **Meadow Brook National Bank, Springfield Gardens, N. Y.**

* * *

The Canal National Bank, Portland, Me., and the **American Trust Co., Lewiston, Me.** consolidated. Effective as of June 25, consolidation was effected under the charter and title of "Canal National Bank," with capital stock of $3,000,000, divided into 300,000 shares of common stock, $10 par value.

* * *

City Trust Co., Bridgeport, Conn., elected Magnus Wahlstrom, a Director.

* * *

The First National Bank of Princeton, Princeton, N. J., increased its common capital stock effective June 28 from $600,000 to $800,000 by a stock dividend and $800,000 to $1,000,000 by the sale of new stock.

* * *

Russell E. Vunderink has been elected a Vice-President in the trust department of the **Girard Trust Corn Exchange Bank, Philadelphia, Pa.**

* * *

Pittsburgh National Bank, Pittsburgh, Pa., elected Carl A. Erikson a Vice-President in charge of the Homestead, Pa., office, replacing B. R. Ferris, who retired. Robert M. Ingram, Jr., has been elected a Vice-President.

* * *

Broad Street Trust Co., Philadelphia, Pa., elected Edward L. R. Wood, Jr., a Vice-President.

* * *

The Windber Bank and Trust Company, Windber, Pa., absorbed **Central City National Bank, Central City, Pa.,** effective July 2.

* * *

The Security Trust Company, Wheeling, W. Va., and **The National Bank of West Virginia at Wheeling, Wheeling, W. Va.,** merged under charter of The National Bank of West Virginia at Wheeling, and title of **Security National Bank & Trust Co.** effective July 2.

* * *

The Bank of Wood County Company, Bowling Green, Ohio, and **Perrysburg Banking Co., Perrysburg, Ohio,** consolidated under charter and title of **The Bank of Wood County Co.,** effective July 2.

* * *

CONTINENTAL ILLINOIS NATIONAL BANK & TRUST CO., CHICAGO

	June 30, 1962 $	Dec. 31, '61 $
Total resources	3,644,444,590	3,777,466,985
Deposits	3,181,244,392	3,312,740,729
Cash and due from banks	698,068,066	1,089,021,062
U. S. Govt. security hold'gs	398,439,377	494,877,845
Loans & discts.	1,736,704,168	1,591,199,157
Undivid. profits	15,762,297	29,069,676

* * *

First National Bank, Chicago, Ill., elected Philip M. Hiss, Robert R. Manchester, John R. Mitchell and John S. Dean, Vice-Presidents.

* * *

Bruce H. De Swarte has been elected a Vice-President of the **First National Bank and Trust Company, Evanston, Ill.**

* * *

THE NATIONAL BANK OF DETROIT MICHIGAN

	June 30, 1962 $	Mar. 31, '62 $
Total resources	2,311,898,075	2,136,319,115
Deposits	2,105,286,932	1,932,434,857
Cash and due from banks	500,998,398	413,355,893
U. S. Govt. security hold'gs	579,470,986	569,913,475
Loans & discts.	901,413,013	839,250,534
Undivid. profits	26,254,685	24,573,000

* * *

The common capital stock of **The American National Bank and Trust Company of Kalamazoo, Kalamazoo, Mich.,** was increased effective June 28 from $1,500,000 to $2,000,000 by the sale of new stock.

* * *

Frank R. Welsher and John William Butler, a Vice-President and Cashier of **The Michigan Bank,** Detroit, Mich., have been elected to the Board of Directors of the bank.

* * *

The Grosvenor Savings Bank, Jonesville, Mich. and **The Hillsdale County National Bank of Hillsdale, Mich.,** consolidated under charter of The Hillsdale County National Bank of Hillsdale, and title of **Hillsdale County National Bank,** effective July 2.

* * *

The Spring Lake State Bank, Spring Lake, Mich., and **The Peoples Bank and Trust Company, Grand Haven, Mich.,** consolidated under charter and title of **The Peoples Bank and Trust Company,** effective July 2.

* * *

By a stock dividend effective June 22, the common capital stock of the **First National Bank in Moorhead, Moorhead, Minn.,** was increased from $400,000 to $500,000.

* * *

The Farmers State Bank, Scribner, Neb., has changed its title to **Scribner Bank.**

* * *

The Lawrence National Bank, Lawrence, Kan., increased its common capital stock effective June 22 by a stock dividend from $200,000 to $400,000.

* * *

The Farmers National Bank of Salina, Salina, Kan., has changed its title to **The First National Bank and Trust Company of Salina.**

* * *

A charter has been issued to **The First National Bank of Midwest City, Midwest City, Oklahoma County, Okla.** The bank has a capital of $300,000 and a surplus of $576,826. The President is Henry Croak and the Cashier is Virgil E. Smith. This is a conversion of **American State Bank, Midwest City, Okla.,** effective June 25.

* * *

Citizens & Southern National Bank, Atlanta, Ga., elected Philip H. Alston, Jr., a Director.

* * *

A charter has been issued to the **American National Bank of Riverton, Riverton, Fremont County, Wyo.** The bank has a capital of $100,000 and a surplus of $400,000. The President is D. M. Crouse and the Cashier is Kenneth A. Link.

* * *

By the sale of new stock effective June 28 the **Valley First National Bank, Cupertino, Cupertino, Calif.,** increased its common capital stock from $533,190 to $666,487.50.

* * *

The Bank of America, San Francisco, Calif. on July 17 announced its Board Chairman, Jesse W. Tapp, will also head its general trust committee.

* * *

Elliott McAllister, Chairman of the Board of **The Bank of California, San Francisco, Calif.,** announced the following executive appointments.

Named Assistant Vice-Presidents at the bank's Head Office were Raymond W. Day, Jr., Cashier's Department; Malcolm S. Graham, Business Development Department; and Lawrence H. Smith, Research and Development.

Wayne E. Lucas was appointed Manager and Frank F. Haggery Assistant Cashier of the bank's new Fremont Office, which is scheduled to open during September in the new Fremont Hub Shopping Center.

Appointed Assistant Cashiers at the Head Office were: Albert B. Austin, Proof & Transit Department; Michael King and Angelo Venturelli, Computer Center; Irvine P. Sicotte, Credit Department and Addison C. Smith, New Accounts.

Frederick A. Frederickson was advanced to Assistant Cashier at the bank's Sutter-Stockton Office (San Francisco).

* * *

Seattle-First National Bank, Seattle, Wash., elected Roy B. Anderson and Gus Asplund Vice-Presidents and David E. Ellison Vice-President and Trust Officer.

* * *

The formation of a new Moroccan affiliate was announced July 11, by the **Societe Generale,** the second largest banking institution in France.

The new bank, **Societe Generale Marocaine de Banque,** incorporated under Moroccan law with an initial capital of four million dirhams (approximately $800,000), began operations on July 2, the same day it acquired former branches of Societe Generale in Casablanca, Meknes, and Kenitra.

Jacques Ferroniere, President of Societe Generale, was named Chairman of the Board of the Moroccan affiliate and Henri Thomas was named to the post of Managing Director.

BANK AND INSURANCE STOCKS

This Week — Bank Stocks

SIX MONTHS EARNINGS PERFORMANCE—

Banks generally showed better second quarter earnings results than during the first quarter of 1962. The 25 major commercial banks had a decline of 3.4% in the second quarter versus 5.1% in March. New York bank earnings tended to be divergent with no marked trend as percentage variations are slight in 1962. The one exception in New York is the Manufacturers Hanover which has had penalized earnings due to the merger in the latter part of last year. Although earnings are still off appreciably, the decline is less than in the first quarter. The First National Bank of Boston showed a comparable performance to many of the New York banks—slight increases or decreases in the two periods.

More startling is the performance of banks in the Mid-West and Far West which were expected to be unduly penalized by the rise in interest paid on time deposits. Although the First National Bank of Chicago did not report in March, June earnings are not off as much as had been anticipated. The Bank of America, which also does not report quarterly, showed a excellent earnings record for the six months period in view an announcement to the effect that earnings in 1962 might be down 12-15% from the previous year. Also impressive is the record of the other California banks.

In view of better earnings than anticipated for this year, one must look to management as the key. There have been no beneficial rate increases for banks (prime rate), and loan demand has not been unusually strong. Obviously the results have occurred due to cutting costs and making wise investments. Although there have been no announcements to the effect that salaries would be cut, some institutions have eliminated profit sharing in 1962. Postponement of building and willingness to let the work force fall as retirements occur are also beneficial.

As to investments, major commercial banks were active in acquiring tax exempts and did so early after the announcement of Regulation Q by the Federal Reserve Board in December of 1961. Also, portfolios were lengthened in the government as well as the municipal category giving banks greater return on their investments.

Although very little has happened so far to help bank earnings, there have been some recent developments which should mean a continuation of the turn in bank earnings. Deposits are growing in the commercial banks and much of this may be attributed to the sale of common stocks by individuals and this money appears in the time deposit category. The other factor in the increase in deposits is the Federal Reserve Board which has promoted freer credit. Although a growth in the time category is often considered detrimental, it is interesting to note that the New York City banks have only 25% in this category. Of this amount, less than half are passbook deposits which are the more costly deposit. Also, the percent of passbook deposits to total time deposits is on the decline.

In addition, the bill rate is running higher, free reserves have been running at a lower level, and New York City bank loans are tending higher. These further factors are influential and should continue to promote favorable earnings for the second half of 1962.

3 Month and 6 Months Earnings Per Share for Selected Banks

	% Inc. or Dec. 1st Quar.	% Inc. or Dec. 2nd Quar.	% Inc. or Dec. 6 Months
Bankers Trust Company	1.9	1.7	1.8
Chemical Bank-New York Trust Co.	5.0	5.4	5.2
First National City Bank	0	— 2.1	— 1.8
Manufacturers Hanover Trust Co.	—12.0	— 6.5	— 9.2
Morgan Guaranty Trust Co.	3.1	.6	1.3
First National Bank of Boston	2.5	— 2.5	0
First Pennsylvania Banking & Trust Co.	— 4.0	16.0	5.4
Philadelphia National Bank	— 9.1	— 4.2	— 7.2
First National Bank of Detroit	—14.2	— 3.3	—10.0
First National Bank of Chicago	N. A.	N. A.	— 9.6
Republic National Bank	— 5.3	—10.0	— 8.9
Wachovia Bank and Trust Co.	5.0	9.0	6.4
Bank of America	N. A.	N. A.	— 6.8
Crocker Anglo National Bank	—25.4	16.9	— 7.8
Security First National Bank (L. A.)	—12.5	— 5.1	— 8.8

N. A. Not Available.

A Tax Cut This Summer—Some Neglected Thoughts

Continued from page 1

Is a recession imminent? If so, the 1961-62 business recovery will be the shortest and most unsatisfactory since the Second World War. Moreover, the onset of recession within the next few months would lend considerable support to the view, now endorsed by a substantial number of economists of both liberal and conservative persuasion, that the automatic increase in income tax payments in recovery periods is too powerful as a built-in stabilizer—that such rapid increases in tax liabilities, by diminishing buying power, contribute to a topping out of consumer and business demand before full recovery is achieved. Advocates of this view can point to the fact that the 1958-60 business expansion also stopped short of full recovery.

But, to subscribe to this view is not to conclude that a recession is imminent, though it seems clear that the recovery is losing steam. Moreover, there is a substantial body of opinion that the drastic drop in stock prices and the spreading uneasiness among businessmen concerning the Administration's role in wage-price decisions are bound to have an adverse effect.

The second reason advanced for a cut in Federal income tax rates —to stimulate long-run economic growth — should find widespread acceptance in the business and banking community. A tax cut which would focus on the core of our tax problem — the excessive rates — would in the long run increase the supply of capital available for investment, as well as increase incentives for people to put that capital to work, thus giving a bigger thrust to the driving force for progress in our free enterprise economy. This view is strongly supported by the solid statistical studies of Dr. Simon Kuznets, who has concluded that our ultrahigh marginal tax rates draw off a large portion of the current income that would otherwise go to support productive investment, but which is instead channeled into government expenditures with only a relatively small productive investment component.

The proponents of a tax cut to stimulate long-run growth argue, moreover, that tax rate relief in the United States is long overdue. It is a real question as to how long American industry can go on paying the highest taxes and the highest wages in the world without losing its position in the export markets of the world.

But to admit, as most observers do, that our archaic tax structure obstructs economic growth is not by any means to endorse an immediate tax cut of the magnitude now under discussion. Some argue that we should wait until a Federal surplus of about the same amount is in sight, so that the tax cut would not throw the budget into deficit. Others maintain that the chances of achieving such a surplus are slim because of the perverse nature of the tax structure; that is, the rapid automatic increase in tax revenues during business expansion tends to choke off the recovery and bring on recession—with an automatic decline in revenues and a resultant deficit—before the projected surplus is achieved. Advocates of this view point to the incomplete recovery of 1958-60 and the recession of 1961; the recession cut Federal revenues some $6 billion short of the initial estimate, helping to convert a $4 billion projected surplus into a $4 billion deficit. Thus, on this view, waiting for a big surplus to justify tax reduction would simply perpetuate a bad tax situation indefinitely.

Still other opponents of an immediate tax cut to foster growth admit that our present tax structure makes surpluses extremely difficult to achieve but argue that tax-rate reduction should await comprehensive reform of our income tax structure. They would like to close various so-called "tax loopholes" to recapture much of the revenue that would be foregone by a substantial reduction in rates, thereby reducing the budget impact. But advocates of an immediate cut retort that comprehensive tax reform, however desirable, will take a very long time to achieve; and they point to the slow progress and uncertain future of the current tax bill, introduced in the spring of 1961, which contains only relatively modest revision of the tax code. These people also assert that the pull and tug of legislative pressures, over a period of several months, could convert a soundly conceived tax cut to stimulate long-run growth into vote-getting reductions in the lower brackets which in the long run would stimulate consumption rather than investment.

Restore Confidence Argument

A third reason that has been advanced to support an immediate tax cut is to help restore business and investor confidence in the Administration. Those who advance this argument are alarmed over the rapid deterioration in the business atmosphere in recent weeks. Although the full implications of this deterioration in internal confidence are not yet apparent, few will deny that such deterioration has occurred and that, furthermore, such weakening of domestic confidence is especially disturbing at a time when foreign confidence in the dollar is anything but robust.

Thus these people favor a bold stroke by the Administration to indicate a deep belief in the importance of adequate business profits as a stimulus for enterprise, investment, and growth in a free market economy. They maintain that no better way of *demonstrating* this belief could be found than the introduction and unstinting support of top-priority legislation to cut individual and corporate income tax rates. Indeed, these people argue, the Administration could restore a large part of the recently lost confidence of businessmen and investors by introducing as legislation the plan advanced by the United States Chamber of Commerce, one of the nation's leading business groups. (Under the Chamber's proposal, personal income tax rates would drop from 91% to 65% in the top bracket, from 20% to 15% on the first $1,000 of taxable income, and all rates in between would be reduced proportionately; the corporate tax rate would be cut from 52% to 47%.)

$8 Billion Gamble?

How sound are these reasons for an immediate tax cut? And what would be the dangers of such action? Even its staunchest advocates admit that a cut such as that proposed by the Chamber would be a calculated risk; measured against present income levels, it would cost $8 billion or more. This is a lot of money. But the advocates of a quick cut argue that to measure its cost in this way is to miss the point. They reason that *if* the cut were successful in avoiding or at least cushioning an impending recession, *if* it contributed to achieving a faster rate of economic growth, and *if* it in some measure restored business and investor confidence in the Administration, which is now so sadly lacking and so badly needed—*if* it did all or even a part of these things, then in their view a tax cut such as that proposed by the Chamber would easily be worth the price.

But would it do these things? Furthermore, in view of the massive budget impact, could such a tax cut really bolster confidence; or would it have the reverse effect?

One point to note is that if a recession is in fact just over the horizon, a substantial Federal budget deficit is likely to occur regardless of near-term action on tax rates. This is not theory; it is clearly demonstrated by postwar experience. Indeed, about half of the record peacetime deficit of fiscal year 1959 resulted from a shortfall of revenues below the projected levels. Thus the advocates of immediate tax relief point out that the simple arithmetic of tax cuts is not so simple as it might appear — that a tax cut which helps to ward off or at least cushion a recession may help pay for itself by generating more taxable personal and corporate income than would otherwise accrue. Moreover, they argue that a properly structured cut—one such as the Chamber's proposal, which is carefully designed to increase incentives to work and invest — could generate sufficient additional individual and corporate income to reduce the impact of the cut significantly. Those who press this argument point out that within two years after $7.4 billion of tax cuts in 1954, Federal revenues rose nearly $4 billion beyond the pre-tax-cut level.

Despite the force of these arguments, it should be clear that the intentional enlargement of the deficit already expected for fiscal 1963 by several billion dollars would be fraught with danger. In my judgment, the risks involved would be so great that the question of making an immediate income tax cut should be flatly rejected unless the Administration establishes, as a minimum, five safeguards.

Tax Cut Should Have Five Safeguards

First: A pledge by the Administration that Federal spending for the next two fiscal years (1964 and 1965) will be kept within the budgeted 1963 level as reflected in Congressional action this summer. As difficult as it might be to make and hold, this pledge would be absolutely essential — vague and generalized statements that restraint in spending will be exercised simply will not do. An ironclad commitment of this type would be necessary for at least three reasons: To protect and bolster confidence both here and abroad; to assure that the tax cut would be permitted through economic growth to generate the surpluses that would be appropriate in a strong business situation, such as would be achieved if the tax cut fulfilled the hopes of its proponents; and to evidence an understanding within the Administration (heretofore not apparent) that the true wellspring of growth in a free enterprise economy is not Federal spending but private initiative and investment.

Second: A firm endorsement by the Administration of the continuation of a truly flexible monetary policy, free to shift to the degree of firmness or ease warranted by both domestic and international consideration, during the period of deficit financing associated with any such tax cut. This does not mean that monetary conditions during the deficit period should be either artificially tight or artificially easy; it does mean that the temptation to promote an excessively high rate of monetary growth, in order to permit easy financing of the deficit, would have to be stoutly resisted. It would be expected, of course, that if the tax cut fostered expansion as envisaged by its advocates, at some stage of the expansion the total of public and private credit demands would begin to press against the supply of real savings. Under these conditions, interest rates should be expected — and permitted — to rise. Moreover, Treasury debt management would also have to be carried out in a manner consistent with financial and monetary discipline.

Third: The scheduling of legislation effecting such a tax cut as top priority and firm insistence that, if a cut were to be voted, it would have to embody the basic principles of the Chamber of Commerce proposal — namely, reduction of excessive rates for individuals and businesses in order to stimulate economic growth. As noted earlier, it would be essential to avoid the legislative pull and tug that could easily convert a soundly structured, growth-stimulating tax cut into a vote-getting measure—especially in an election year. The ideal situation would involve broad bipartisan support for a measure embodying the principles of the Chamber's proposal. But the important point is that the *kind* of tax cut would be crucial to the attainment of its advocates' purposes.

Fourth: Strong emphasis by the Administration that the purpose of the tax cut is not to create a deficit so that government spending will ward off a recession, but to create a tax climate conducive to the attainment of a high and sustainable rate of economic growth. This is not merely a play on words; the difference is fundamental to an understanding of the problem that confronts our economy. Any deficit resulting from such a cut should be viewed, not as the *purpose* of the cut, but as the *price* of it—a price which would have to be paid through strict discipline in the monetary and debt management policies used to finance the deficit.

The fact that the deficit resulting from an immediate tax cut should be viewed as the *price* and not the *purpose* of such a cut leads to the fifth and in many respects most important stipulation:

Suggests "Phasing In"

That the Administration, if it decides to propose an immediate income tax cut, recognize the fact that a budget deficit in fiscal year 1963 even larger than the $7 billion deficit of 1962 could raise grave doubts concerning the future strength of the dollar. Thus, if the Administration were determined to push a tax cut through the Congress this summer and, given such determination, it further recognized the merit of the Chamber of Commerce Proposal as the best method of stimulating economic growth, it should consider the "phasing in" of the Chamber proposal over a two- or three-year period. Otherwise, the immediate massive impact of the Chamber's proposal, regardless of the existence of other safeguards, would raise specters of a record peacetime budget deficit. By such a "phasing in," the impact of the Chamber's proposal in fiscal year 1963 (in which several months probably would have elapsed by the time a cut could be enacted) would be reduced from the $7 to $9 billion range to about $3 billion, but with little impact on either the immediate psychological or the long-range effects of the cut.

I hope I have succeeded in making clear the huge stakes involved in the discussions now taking place in Washington. Let there be no mistake about it; the question of an immediate, large cut in income tax rates is under intense discussion within the Administration. The stakes are these: the continued prosperity and success of our free enterprise economy; our leadership in the free world; and, as a consequence, the prospects for the free world itself. It is because these stakes are so high that I have explained what I believe to be the major considerations involved in what may well be the most crucial economic decision of our generation.

*Remarks of Mr. Walker before the Southwestern Graduate School of Banking, Southern Methodist University, Dallas, Texas. July 16, 1962

Chemical Bank New York Trust Expanding Investments Abroad

One of America's leading banks, Chemical Bank New York Trust Company, is expanding its interests abroad with equity capital through a wholly-owned Edge Act subsidiary, Chemical International Finance, Ltd. Shown above are Francisco del Rosario, youthful President of First Acceptance & Investment Corporation of Manila, The Philippines, signing an agreement with William S. Renchard (right), President of the bank and a director of CIF, Ltd., at the bank's headquarters, 20 Pine Street, New York. Standing is Charles B. Love, Vice-President in charge of Chemical New York's Far Eastern business.

Joins Hornblower Weeks

(Special to THE FINANCIAL CHRONICLE)

LOS ANGELES, Calif.—Harold J. Pandzic has joined the staff of Hornblower & Weeks, 600 South Spring St. Mr. Pandzic was previously with Currier & Carlsen, Inc. and J. Barth & Company.

Successful Bidders for Puerto Rico Bonds

A group of investment banking firms which included The First Boston Corp.; Ira Haupt & Co., and B. J. Van Ingen & Co. Inc., was high bidder July 11 for an issue of $22,000,000 Puerto Rico Water Resources Authority Electric Revenue Bonds (series 1962-refunding) at an interest cost of 3.66261%. Photo shows left to right: William G. Carrington, Jr., Ira Haupt & Co.; Abner Kalisch, Vice-President, Banco Popular De Puerto Rico; Rafael V. Urrutia, Executive Director, Puerto Rico Water Resources Authority; Brainerd H. Whitbeck, Vice-President, The First Boston Corp.; Eduardo Lube, Assistant Executive Director Finance, Water Resources Authority; Esteban A. Bird, Executive Vice-President, Banco Credito Y Ahorro Ponceno; Jose I. Diaz, Controller, Water Resources Authority, and Francis Bowen, Senior Vice-President, Government Development Bank For Puerto Rico.

THE SECURITY I LIKE BEST...

Continued from page 2

were $5.5 million, reflecting an adjustment to current market conditions.

People and portfolio hold the key to GWII's success to date: people—management, board of directors and technical advsory panel; portfolio companies—a balanced group with dramatic growth potential.

Dr. Arch Scurlock, president, heads a hard-driving, fast-moving staff of business, financial and technical specialists who sift hundreds of situations before selecting one. Dr. Scurlock, a chemical engineer, was a co-founder of Atlantic Research Corporation in 1949. The board of directors comprises leaders from industry and banking in the Washington, D. C area.

One of GWII's unique assets is its group of technical advisors who support management in evaluating the scientific and engineering potential of possible portfolio additions. In addition, this team of experts consults, when requested, on technical activities in affiliated companies.

GWII's portfolio is an outstanding example of planned diversification over the past two years. A recent breakdown shows the following classification by industry:

Industry	Funds Committed
Electronics	27%
Data Processing	20
Technical & Information Services	14
General Research/Development	13
Reinforced Plastics	12
Metalworking	9
Special Research/Development	5
	100%

GWII's broad-based portfolio provides investors with somewhat more protection against sudden downturns in any vertical area such as electroncs. Furthermore, in view of the increasing number of GWII portfolio companies which enjoy public market for their securities, net asset value will be less influenced by the price fluctuations of a single company.

GWII began its current fiscal year with an unrealized appreciation of $1.7 millon in three investments: CEIR, Human Sciences Research and Cal-Val, and an unrealized depreciation of $100,000 in one investment: W. R. Chance. Among other companies in the portfolio whose stock is traded publicly and where significant appreciation is expected over the near term are: Lamtex, Conductron, Renner, Prodelin and Super-Temp. Depending on market conditions, others in the portfolio may offer their stock to the public at some future date.

GWII offers a major advantage to the investor through certain provisions in the tax laws. Losses, for example, can be written off —without limitation—in any given year against the ordnary income of the taxpayer.

To the qualified small business, GWII offers a source of funds which might not otherwise be attainable in today's market via a public offering. Firms which meet the requirements can receive financial support from GWII and possibly gain more in the long run—through sound fiscal guidance and management counsel—than could be derived from an ordinary underwriting.

To date, GWII has made 23 investments in the form of loans or purchase of convertible debentures, stock or warrants. A typical investment may involve long-term 8% debentures, subordinated to the company's bank credt so they are considered equivalent to equity for purposes of increased bank borrowing. Usually, GWII seeks to gain a long-term option to buy, at a mutually agreeable price, an amount of stock equal to the debenture. Mr. Scurlock and his associates believe this insures that GWII will share with the company's management and stockholders in any direct or indirect rewards from the financing. Average investment is less than $250,000; smallest was $30,000 and largest $900,000.

By last November, GWII had completely invested or committed all its original capital. In order to continue its active program of portfolio acquisition, a line of credit was arranged with four Washington area banks which allows GWII to borrow $3 million at 5% interest until the end of this year. Management recognizes that the GWII operation is fast approaching the point where additional permanent capital will be required, and various means of developing these funds are now under consideration.

Although GWII was founded originally to facilitate business and industrial growth in the Washington area, its interests now span the continent. Mr. Scurlock claims that the success of GWII in "local" situations has resulted in an increasing number of attractive opportunities from other parts of the country.

In recent weeks, GWII has come out for a liberalization of certain aspects of the Small Business Invsetment Act to stimulate interest in the SBIC's by private capital. Testimony was presented to support this thesis before the U. S. Senate Select Committee on Small Business.

Whether or not the present legislation is revised, this writer believes the perfomance record of GWII warrants continuing interest in and support of this dynamic investment group as a vehicle for long-term capital appreciation.

The initial income cash dividend of 20 cents a share payable as of Sept. 1, to record date of Aug. 1, was announced by the company on July 16.

Jesup & Lamont To Admit Sullivan

John J. Sullivan will acquire a membership in the New York Stock Exchange and will become a partner in Jesup & Lamont, 26 Broadway, New York City, members of the New York Stock Exchange, on July 26.

With Shearson, Hammill

(Special to THE FINANCIAL CHRONICLE)

SAN DIEGO, Calif. — John M. Ridenour and Bruce E. Pearson have become affiliated with Shearson, Hammill & Co., 604 A St. Both were formerly with Currier & Carlsen, Inc.

Morgan Adds to Staff

(Special to THE FINANCIAL CHRONICLE)

LOS ANGELES, Calif.—Lawrence I. Kravetz has been added to the staff of Morgan & Co., 634 South Spring St., members of the Pacific Coast Stock Exchange. He was formerly with Kerr & Bell.

PUBLIC UTILITY SECURITIES

BY OWEN ELY

Arizona Public Service Company

Arizona Public Service provides electricity and gas in ten of Arizona's fourteen counties. Of the total population of this area, 865,000 in 1960, about half is located in Phoenix, the capital city. The service area of some 40,000 square miles is well diversified, major activities being mining, agriculture (including cattle raising), and the tourist business —as well as light manufacturing which now contributes more than five times as much to the state's economy as in 1960. The company's revenues are 71% electric and 29% gas. Residential sales account for 29% of electric revenues, commercial 33%, industrial (including irrigation) 28% and miscellaneous 10%. Gas business is 59% residential.

Arizona is a rapidly growing state and the population of the service area increased 74% in the decade ending 1960, with Phoenix showing a gain of 311%. The area population is expected to double during 1960-70, new industries associated with the "space age" adding a new stimulus to the economy. The management has projected an annual growth rate of nearly 12% in revenues over the period 1961-65 and hence is planning to spend some $262 million for construction during the four years (compared with $272 million net plant at the end of 1961).

The company has actively promoted both electric and gas sales, particularly in off-peak seasons. Dealers have been encouraged to sell clothes dryers, refrigerator-freezer combinations, electric heat pumps and other major appliances and excellent gains in some of these items were made last year. In the gas division the company has made a special campaign in recent years to promote the use of large tonnage gas air-conditioning equipment, which has been installed by hospitals, churches, schools and large commercial enterprises. Gas air-conditioning and irrigation-pumping now account for over 30% of the summer gas load (based on 1961 sales).

The company spent about $61 million on construction last year and this year's budget approximates $95 million with average annual amounts to be spent over the three following years estimated at $65 million. Total generating capacity at the end of 1961 was 634 000 kw, with other system resources bringing the total to 808,000 kw. The company's own plants are expected to have nearly 1,100,000 kw at the end of next year. The new capacity will include the 115,000 kw Cholla plant recently placed in operation and the two 175,000 kw generators at the new Four Corners Plant in northwest New Mexico. Both of these plants will burn coal mined nearby. Cholla will receive its supply by rail from nearby mines while Four Corners will be a mine-mouth operation using coal deposits on the Navajo Indian Reservation. The 1961 peak load was 713,000 kw.

In the past the company has obtained a considerable amount of its electric requirements from the Colorado River but some of this public power is subject to recapture for the use of "preference customers" as the needs of the latter increase. The company also has under way construction of interconnections with Utah Power & Light and Public Service of New Mexico. This will permit exchange of blocks of power due to differing hours for peak loads. New generating units constructed by the three companies can be "staggered" in future with resultant savings in investment costs.

To take care of its $156 million construction program in 1961-62, the company last year sold common stock on a rights basis and made substantial offerings of preferred stock and bonds, also arranging a $25 million line of bank credit. The company's capitalization as of March 31, 1962 (pro forma to reflect private placement of $25 million mortgage bonds in 1962) was as follows:

Long-term debt	$162,799,000	52.8%
Preferred stock	52,562,000	17.0
Common stock and Surplus (7,823,780 shs.)	93,101,000	30.2
	$308,462,000	100.0%

1961 operations made a good showing, with the number of electric customers increasing by 6,375 and gas customers by 10,979. The company obtained a gas rate increase which was effective for the entire year 1961, estimated at $1,516,000 or about 9 cents a share on the present number of shares outstanding. However, litigation contesting the gas rate increase and various rate adjustments was still pending several months ago and it is not clear how soon this will be ended.

Favorable operating results continued into 1962 and for the twelve months ended March 31 revenues increased by 8.4% and share earnings were $1.22 vs. $1.07 in the previous twelve months. Earnings for the calendar year 1962 are estimated by Standard & Poor's at $1.45 and by Argus Research Corp. (which recently issued a bulletin on the company) at $1.35. However, much of the anticipated gain over the $1.17 reported for 1961 will be due to an increase in the credit for interest on construction, which is expected to increase by 25 cents or more per share this year.

During the five-year period ending 1961 earnings increased at an average annual rate of about 7% but if tax savings resulting from the use of accelerated depreciation had been normalized instead of allowed to "flow through," the rate of gain would have been about 5%, or about the industry average.

Arizona Public Service has been selling recently on the New York Stock Exchange around 29, the approximate range for 1961-62 being 44-24. The dividend which last year was 28% "tax free" affords a yield of 2.8%. The price-earnings ratio which last fall at the record high price around 44 approximated 38, is now only about 21 times this year's estimated earnings.

Joins Frank Knowlton

(Special to THE FINANCIAL CHRONICLE)

OAKLAND, Calif. — Anthony O. Walk is now with Frank Knowlton & Co., Bank of America Bldg. He was previously with Reynolds & Company.

Form Great States Inv.

SPRINGFIELD, Ill.—Great States Investment Brokers, Inc. has been formed with offices at 311 East Monroe Street to engage in a securities business. Officers are Lowell W. Franklin, President and Treasurer; Fred W. Sueltman, Vice-President and Secretary; and Ross L. Enfield, Vice-President and Assistant Secretary.

Price Stability Key to Dollar Confidence Abroad

Continued from page 3

and American investment funds flowed in, began to experience a steady rise in its balance of payments surpluses. Those surpluses, of course, were in large part the counterpart of our deficits.

It is not surprising, then, that all during the Fifties, the United States balance of payments position was in deficit, with the exception of 1957, when the closing of the Suez Canal temporarily raised our export level to a very high point.

Dollars Gave Way to Gold

Early in the 1950's the deficits averaged only about a billion dollars a year, and were not accompanied by any appreciable net reduction in our gold stocks, because other nations were more than happy to rebuild the low level of their dollar reserves. But late in the Fifties the deficit rose sharply. For the past four years our deficits have averaged almost $3.5 billion a year, of which almost $1.5 billion per year resulted in gold losses. Also, late in 1960, speculation, often in the background of the international exchange markets, became a factor. This speculation, combined with an outflow of short-term capital from the United States by those who found they could get a greater interest return in other than dollar investments, greatly increased the deficit, to a level of almost $4 billion. About $1.7 billion of this deficit was reflected in gold withdrawals.

This piling up of deficits year after year, and the loss of gold by the United States, represents the disequilibrium in the international payments system which must be corrected. There is nothing alarming in this situation, but it emphasizes the considerable importance of the confidence of foreign central bankers in the dollar and of their willingness to hold dollars rather than convert them into a call on our gold reserves.

When President Kennedy took office, he immediately began a vigorous program to reduce and eventually eliminate the deficit in our balance of payments, and initiated a series of measures to build up confidence in and protection for the dollar.

The near-crisis of confidence in the dollar of late 1960 was soon dissipated and the improvement in our position during 1961 was significant. The overall annual deficit was cut by a third, from $3.9 billion in 1960 to $2.5 billion in 1961, and the gold outflow was cut in half.

So far this year the reduction in our balance of payments deficit has continued. Compared to last year's $2.5 billion, to date this year it has run at an annual rate of about $1.5 billion. Our target is the elimination of the deficit entirely, and we hope to reach that by the end of next year. Whether we will or not depends upon too many factors to make any definite promises, but I will give you my assurance that the United States Government will continue to do everything in its power to restore an equilibrium.

Payments Balance Improves But Not Gold Outflow

Our gold losses so far this year are greater than they were for the same period last year, despite the improvement in our payments position. This is partly the result of a shift in dollars among countries abroad, to those countries which traditionally hold gold rather than dollars in their reserve. It is quite possible this year that there will be improvement in our payments position, without improvement in our gold position. Indeed, our deficit may turn out to be lower, and yet we could lose more gold.

We are convinced beyond the shadow of a doubt that it is absolutely essential that the dollar be maintained in a fixed relationship to gold that we continue to offer gold for sale at the fixed price of $35 an ounce.

At present we have roughly 40% of the gold reserves of the Free World, and these reserves are important to maintaining confidence in our currency and in assuring the continued smooth functioning of the international monetary system. But the essential factor is the confidence others have in our currency, and in the health and competitive efficiency of our economy, and gold can never be a substitute for that confidence. The way to maintain this confidence and arrest the gold outflow is to reduce and eliminate our balance of payments deficit.

No Single Factor Causes Imbalance

This raises properly the question—why does the United States have a deficit at all? Since the balance of payments is made up of a number of different categories of payments and receipts, one might say that if exports were higher we would have no deficit, or if there were less long-term private U. S. capital investment placed each year in other countries we would have no deficit, or if imports were lower we would have no deficit, and so on.

The deficit is frequently blamed on the cold war, by pointing to our defense expenditures abroad, which last year had an impact of nearly $3 billion on our balance of payments position.

But that does not mean that U. S. defense spending abroad alone—or indeed, any one single factor — causes the deficit. The deficit is the result of all the different payments and receipts, and no single one of them by itself can be pointed to as the cause of our problem. Thus, it would be possible to have a deficit without any defense expenditures abroad, or to continue defense expenditures abroad on a scale adequate for our security and still eliminate the deficit—which is just what we plan to do.

We have sought to reduce the deficit by reducing or off-setting the impact of governmental expenditures outside the United States for aid and defense. The use of U. S. goods instead of dollars in foreign aid is being maximized to reduce the effect on our balance of payments, and at present only about one aid dollar out of every three is being spent abroad. This ratio, however, is lower in recent aid commitments; the objective is to get it down to one dollar in five.

Furthermore, the cost of our military aid is being increasingly offset by military procurement by our allies through purchases from the United States. This year, for instance, our military expenditures will be offset by about $1.2 billion in military receipts, a sharp increase over last year. This will reduce by more than a third the impact on our balance of payments of our defense expenditures overseas.

Taxing Foreign Earnings

So much for the balance of payments impact of our foreign aid and defense spending. Our efforts in both areas are continuing, to expand the significant progress already made. There is still the short-term effect on our balance of payments of long-term private investment abroad by U. S. companies. The government does not wish to interfere with the free flow of that investment, where it is based on practical business and competitive considerations of a long-term nature rather than short-term desires to avoid U. S. taxes.

The proposed tax bill would limit certain existing special tax preferences which favor investment and earnings by American citizens and corporations outside the United States, thereby encouraging the repatriation of these earnings and discouraging outflows primarily motivated by tax considerations. This proposal would result, among other things, in improving our balance of payments position.

So much for the attack upon the elements that have contributed most substantially to our basic balance of payments deficit in recent years. Let us look for a moment at a more mysterious area — short-term capital movements.

Short-Term Sector

Last year the dollar outflow from short-term capital and unrecorded transactions totaled $1.9 billion, almost as great as in the preceding year, 1960. But it is precisely here that the importance of the form of this movement is demonstrated. While the overall figures are nearly the same, close analysis reveals that the underlying causes of much of the short-term flow in 1961 were considerably different from those of 1960. There was an absence of the speculation against the dollar which had been a disruptive influence in 1960, and which had played such an important role in the sudden worsening of the situation late in 1960.

This lack of speculation reflected the much improved atmosphere of international financial cooperation, and the speculators belief that such cooperation would thwart attempts to profit by speculating in the international money markets.

Also, the international interest rate differentials that encouraged large movements of short-term funds in 1960 became less pronounced in 1961, in some cases, due in part to this cooperation.

Of the $1.4 billion in recorded U. S. private capital outflow in 1961, almost half represented commercial bank credits to Japan, largely to finance U. S. exports. We are happy to see our exports rise, and we should recognize that money borrowed to buy exports is a useful form of extension of credit.

Growing International Cooperation

One of the signs of our progress is the increasing atmosphere of international cooperation which is perhaps the most important single factor currently aiding our efforts. This attitude is based on the realization that it is not merely the United States payments position that is involved, but the trade and payments system of the Free World which is based, in large part, on the soundness of the dollar. There is a growing awareness in other nations that while the primary responsibility for ending our payments deficit rests with the United States, the cooperation of other nations is essential to the success of our efforts, and that our success is just as vital to those other nations as it is to the United States.

The greatly increased international cooperation has considerably improved the ability of the major industrial nations to prevent or cope with the threat of sudden disruptive flows of short-term capital. In addition, it has given rise to an even more important manifestation, which has been largely overlooked. I refer to two areas in which our allies are aiding directly in our efforts to reduce our balance of payments deficit: first, as I mentioned earlier, by their increased military procurement in the United States, and second, by prepayment of debts owed to the United States.

In the case of the Federal Republic of Germany, our receipts from military sales are being raised to the point where the $700 million balance-of-payments impact of gross U. S. defense expenditures in foreign exchange in that country will be completely offset this year. Similar arrangements will be sought wherever practicable with our other major allies. Our objective, as I noted earlier, is to achieve a total in military cash receipts of $1.2 billion this year.

Debt prepayments scheduled for this year are already approaching the quarter - of - a - billion - dollar mark, with almost $60 million from France and the recent arrangement for payment from Italy in July of $178 million. Last year's military receipts ran about $400 million, and with debt prepayments of almost $700 million, provided more than a billion dollars in international receipts. This year we expect to exceed that overall total. The willingness of our allies to make these contributions to improvement of our payments situation also provides a basis for the broader questions of a more equitable sharing of the cost of defending and developing the Free World.

There are other ways in which cooperation can be used to increase the efficiency and stability of the international monetary system. Among the indirect ways is the opening up of European capital markets. There has lately been an increasing tendency for Europeans and others, governmental bodies and private businesses, to gravitate toward the United States in the search for new capital. This is natural. Our capital markets have played an important role in the industrial and economic progress of our nation, and they now offer an economical and highly reliable market for foreign governments and concerns seeking investment funds.

We have neither the desire nor the intention to take any action which would inhibit the free flow of capital between nations.

Europeans' Inadequate Capital Markets

It is important to the sound development of the European countries — whose surpluses are the counterpart of our deficits — that they expand and improve their own capital and savings markets, and make every effort to remove the many restrictions which burden these markets and inhibit the movement of funds into investment in other countries and areas. This will provide a sound basis for future European expansion, while at the same time removing a drain on U. S. capital which contributes to the deficit in our balance of payments. It will also create increased opportunities for the flow of European funds into increased direct and portfolio investment into other parts of the Free World including the United States.

I should add that the full benefits of this removal of restrictions on the free flow of capital by other countries in the Free World can only be achieved if U. S. businessmen themselves voluntarily encourage the sort of response that is necessary. It is, for example, important to the nation and to American firms themselves, to encourage increasing interest in investing in American securities and in the American capital market by European institutions and individual investors. The shares of major American corporations should be listed on foreign stock exchanges, particularly in Europe and Japan, in greater numbers. American firms might also explore and seek out more fully opportunities for borrowing abroad, especially in support of the operations of their own foreign branches and subsidiaries, instead of relying as heavily as they do on the easy alternative of seeking funds from familiar American sources.

I might also add, in a similar vein, that U. S. businesses operating abroad should not neglect to fully explore possibilities for procuring their supplies, equipment, and services from American sources on an economical basis.

Finally, we come to the most important aspect of our balance of payments program—the development of commercial exports of U. S. goods and services in quantities sufficient to assure an increasing trade surplus. Only an increasing trade surplus will wipe out our deficit without weakening our national security position overseas, diminishing our vital role in helping the growth of the developing countries of the Free World, or inhibiting U. S. business in its legitimate and proper investment activities abroad.

Increasing Our Exports

It is to the American businessman that the nation must look to provide this trade surplus on which our international position depends. For, in the final analysis, it is the American businessman—on the land, in the plant, or in the channels of distribution —who must sell U. S.-made products and services abroad and at home in competition with foreigners on a scale, at a price, and with the quality that will assure the expanding trade surplus the nation requires.

If, for instance, we could have doubled our commercial export trade surplus last year, we would have wiped out our payments deficit and replaced it with a small surplus.

Doubling our export surplus may sound like an impossible job, but actually, since the surplus on non - U. S. financed exports totalled $3 billion, it would have required only a 15% increase in overall exports to achieve that result—assuming a constant import level.

That need to expand exports is the real key to improving our balance of payments situation, and that is why President Kennedy places such stress on it. That is why he has asked businessmen to cooperate, by forming a balance of payments group in the U. S. Chamber of Commerce, and another in the Business Council. These, as well as a number of similar groups already in existence, are important in finding new ways to expand exports, and in improving the old ways. The revival of the wartime "E" flags for those industries making a significant contribution to our program of export expansion is another step in the campaign to raise American exports, and particularly to find ways to bring the creative, driving enterprise of American business to this task.

Our job—business and mine—is to make every American producer and businessman export-conscious, and to urge that each of them give serious consideration to what they can do to initiate or expand export production, not only for their own profit—and export trade can be highly profitable — but even more important, for the profit of their country, and for the important contribution a higher export level will make to the international stability of the dollar.

This need to expand our export trade is the basic reason behind President Kennedy's trade program. The fantastic growth of Western Europe in the last decade has created vast new markets for just the kind of goods that our own manufacturers are so skilled and experienced in producing. New cars, new highways, new shopping centers, new suburban developments—all these are characteristic of the rapidly expanding European scene. As the Common Market takes in new members, and as this self-stimulating growth continues, these markets will grow also.

It is essential for the maintenance of United States export trade that we have a part in this future. If we fail to maintain our access to European markets at this critical time when new trade patterns are being evolved, when new customers are forming preferences, we may find ourselves at some later date unable to regain that access, no matter what concessions we may be prepared to offer, because the pattern may have been set without us. This goes much deeper, of course, than customer preferences. It encompasses the whole range of business relationships, both here and abroad. Firms will be either geared to deal with the United States, or not. Furthermore, the more we allow this new pattern to be set without us, the more difficulty we will have in dealing with a Europe whose own special interests will have become accustomed to a Europe-oriented market, and which may look upon exports from the United States as a disturbing and threatening influence.

Must Not Delay Entry to ECM

Now is obviously the time to deal with the Common Market—and with other nations — on the vital question of mutual tariff reduction. Mutual tariff reduction now will require some readjustment on our part, and the program provides for assisting those workers and those industries which will be obliged to adjust to the imports that will result from lower tariffs. The important thing, however, is to see to it that American goods are in from the beginning, and in force, in the new and growing markets of Western Europe.

Export trade offers today, as never before, a new frontier for American business, comparable to the days when our own mighty internal market was developing and expanding. Now is the time for American business, which has used its competitive ability and resources to help this nation develop the highest standard of living on the face of the earth, to use that same talent, drive and enterprise to maintain our position as the greatest trading nation in the world.

This new competitive frontier for American producers means they will have to have cooperation from government, and we are making every effort to provide that cooperation.

It is well known that Western European producers have been modernizing more rapidly than have producers in the United States, and that their productivity has been increasing as a result. This allows them, through improved quality and lower unit costs, to be more competitive than ever in world markets. We need the trade program to ensure that our goods have access to European markets, but that is not the end of the story. Once there, they must be competitive, and that is an area where we are moving forward on several fronts.

Investment Credit Plan and Modernization

At present the tax measure before the Senate Finance Committee provides for a tax reduction or credit equal to 7% of the expenditure of a businessman or farmer for new machinery or equipment used in his business We are attempting to have that increased to 8%, but the important thing is that this measure—too often misunderstood in the business community — is a really effective tool in assisting business to modernize to meet foreign competition.

The importance of the need to modernize to meet foreign competition was underlined in the recent episode over steel prices. If you recall, that was the reason given for seeking the price increase. There are other ways of financing modernization besides price increases however, ways which would not damage the economy as widespread price increases might. The investment credit is one of them, and an essential one. It is far more effective and efficient than other alternatives, such as the various forms of accelerated depreciation, in that it offers a maximum of stimulus to modernization for each dollar of tax revenue lost.

The proposed investment tax credit to stimulate modernization is linked with the Treasury Department's administrative program for overall revision of guidelines and procedures affecting depreciation of equipment—a program which we will announce early in July. These two programs—depreciation revision and the investment credit—will give our businessmen and farmers using substantial quantities of machinery and equipment a tax treatment which is on a par with that received by their major foreign competitors.

The government is initiating other measures to fulfill its responsibility to cooperate with business in efforts to expand exports, and to make sure that this will be both a successful and a profitable enterprise. At present the Commerce Department has greatly increased its listing of export trade opportunities, and the publication and distribution of these opportunities has been widened.

Export Credit Insurance

Even more important is the new export credit insurance system, which went into effect early this year. Through this, American exporters for the first time can avail themselves of insurance and guarantee benefits comparable to that provided their foreign competitors. Later this year, when medium-term insurance becomes available, the protection afforded exporters will be even greater.

What this insurance amounts to is a network of 67 private insurance companies, working in cooperation with the U. S. Export-Import Bank, a government agency, to write policies covering both political and commercial export credit risks. The Bank underwrites the political risks and shares with the pool the commercial risks. Hundreds of exporters have already taken out insurance binders totalling hundreds of millions of dollars and hundreds more have requested detailed information on the program. As time goes on, this can be expected to have an increasing effect on our overall export level and is particularly important in encouraging new firms to enter the export field.

In summary, then, increasing our trade surplus is the most promising way of solving our balance of payments problem. While government will help where it can, the primary responsibility for this expansion will depend, in the end, upon the imagination, ability and energy of the American businessmen. Upon their ability to increase the efficiency of their own manufacturing, distribution and research and development, the future of the international position of the United States primarily depends.

In the face of the excellent recovery and the promising outlook for the economy, we can take great satisfaction in the fact that there has been substantially no inflation. Prices have remained virtually stable, and both industrial and wholesale price indices have actually declined. The consumer price index rose about 1% during the recovery, but most of this reflected the increasing cost of services rather than goods.

Sacrifice to Keep Prices Stable

This brings me to the final and perhaps the most important point I have to make. That is simply this: all our efforts to restore international stability will be undermined if we are unable to continue to maintain reasonable price stability.

European bankers today are aware of this. They are not seriously concerned today about our fiscal policy provided it is disciplined and controlled and is not allowed to contribute to an inflationary surge. They do, however, have considerable concern over our capacity to maintain price stability, and what failure in this area would do to our payments position. While there is no great danger of inflation at present, we must not forget for one instant that continued price or wage increases beyond average productivity gains could represent a real threat to our international economic position. A higher export level is dependent on price stability. Excessive price rises could do serious damage by reducing our share of trade in world markets.

The President's Council of Economic Advisers has already laid down valuable guidelines for evaluating the significance of productivity in wage increases. These merit careful attention. It will require cooperation by government, business, labor and the financial sectors of our society if we are to meet our problems at home and abroad without resorting to unnecessary monetary or other restrictions.

Without question, at least for the next 12 months, some self-restraint and possibly some sacrifice is called for to avoid excessive wage or price increases at this very sensitive time when our economy is moving toward full employment and an equilibrium in our balance of payments. This means, in blunt terms, that both management and labor, acting on a voluntary basis, should content themselves with somewhat less than they believe the market will bear. If they do so, and price stability is maintained, we can expect the measures we have taken and will take to have the desired effects. If, however, short-sighted leaders of business or labor pursue limited special interests to the exclusion of the national interest, the natural laws of domestic and international economics will see to it that their gains are short-lived, and they, as well as the nation, will have lost something of lasting value — our strategic position in Free World security, economic development, and its trade and payments systems.

If, on the other hand, we all act in the public interest, we can confidently expect that our problems—both in the balance of payments area and in our domestic economy—will prove amendable to solution, and that the solutions to both will not be in conflict, but will harmonize to provide greater prosperity at home and an extension of the frontiers of freedom and security abroad.

*An address by Mr. Fowler before the Commerce Department Regional Conference, Atlanta, Ga., June 20, 1962.

With Hannaford Talbot

(Special to The Financial Chronicle)

BEVERLY HILLS, Calif.—Monroe R. Stark has become associated with Hannaford & Talbot of San Francisco. He was formerly with J. B. Hanauer & Company.

Two With V. K. Osborne

(Special to The Financial Chronicle)

BEVERLY HILLS, Calif.—Robert A. Fidler and Matthew C. Wilkin have joined the staff of V. K. Osborne & Sons, Inc., 241 North Beverly Drive, members of the Pacific Coast Stock Exchange. Both were formerly with Garat & Polonitza, Inc.

As We See It

Continued from page 1

solely by the state of the economy at the time of the appraisal. Deficits may be helpful or harmful depending upon the situation in which they develop, and much the same can be said of surpluses, according to these easy reasoners—and that is about all that is to be said on the subject.

With such notions as these we must heartily disagree. We believe that deficits, particularly when the shortage is to be made up by bank borrowing, should in general be avoided like the plague. When they are unavoidable—as occasionally they may be—then they should be brought to an end as soon as feasible. As to surpluses, they, of course, must be governed by reason and good sense. When feasible they certainly should be encouraged so long as the public debt is as large as it is now — and the funds thus available devoted without hesitation to the retirement of debt.

But — and this is a point that is all too frequently overlooked sometimes by the very elect—there are many, many other defects a budget may develop without either evolving serious deficits or accumulating burdensome surpluses. Of course, the manner in which funds are to be raised, the kinds and amounts of taxes to be levied are of the first rate importance, as is probably rather generally understood and realized, but these matters are ordinarily regarded as in a realm somewhat apart from the budget and its operations. They may well be left to a discussion of the principles of taxation and the like.

Asking Too Much

What we have in mind at this moment is this: A budget may be perfectly balanced and still be open to the most serious sort of criticism. It may be balanced by the levy of taxes to which no one can take valid objection, and still be worthy of the strongest condemnation. It may be taking entirely too much of current output for use by government—a criticism that is valid today whether we confine our attention to the Federal budget or include in our observations also the budgets of the lesser political subdivisions which, while possibly not sinning as badly as the national government, certainly have not been prudent in the management of their financial affairs. There is no doubt in our mind that at present this infirmity in Washington and throughout the country is fully as much to be regretted as the all too often carelessness of officialdom about holding their outlay within their income.

It is a matter of little concern whether we seek substantiation of such charges in the so-called Administrative Budget or in some compilation such as that the Department of Commerce has evolved in the development of their so-called national accounts. Outlays as reported in the Treasury figures are many, many times what they used to be or what we in our saner moments believe they ought to be. The rate at which these figures have grown is much greater than the rate at which population has increased, than the rate at which inflation has proceeded, and than the growth that has taken place in our income as a people.

Historical Changes

We find total government expenditures in 1961, as reported in the national accounts by the Department of Commerce to be 15 times what they were in 1929. Gross National Product was only 5 times as great in 1961 as it was in 1929. Even if we take some year after the end of the war, say 1947, we find that government outlays for that year have to be multiplied by 3.5 to match those of 1961. We find that in 1929 less than one wage or salary earner in every 10 was working for the government; by 1960 one out of every six or less was on government payrolls. If we take the amount of wages and salaries paid out in these years we find the same kind of story. In very brief, government, state and local, as well as Federal is costing us too much, far too much. It is costing us far too much whether we gauge it by what we can pay or by the degree and extent that the figures reveal that government in this country has permeated our lives and our economic activities.

It will, of course, be noted at once that this is not a matter of whether we tighten our belts and pay as we go or whether we delay the day of reckoning — and soothe our conscience with smooth talk of the Keynesian or neo-Keynesian notions. It simply has to do with the amount of government we need. The ideas of many, many "modern" thinkers are at sharp variance with American traditions, and, we believe, with sound and valid ideas on the subject. It is time, long past time, that we as a people come to a realizing sense of this simple but very vital fact —and did something about it. Until we do we may expect nothing from the politicians.

With F. I. Du Pont

(Special to The Financial Chronicle)

LINCOLN, Neb.—John W. Clark is now affiliated with Francis I. du Pont & Company.

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)	July 14	47.0	42.5	54.5	63.6
Equivalent to—					
Steel ingots and castings (net tons)	July 14	1,370,000	1,239,000	1,587,000	1,779,000
AMERICAN PETROLEUM INSTITUTE:					
Crude oil and condensate output—daily average (bbls. of 42 gallons each)	July 6	7,237,210	7,260,260	7,196,960	7,014,910
Crude runs to stills—daily average (bbls.)	July 6	8,632,000	8,635,000	8,526,000	7,954,000
Gasoline output (bbls.)	July 6	30,627,000	30,957,000	30,632,000	28,636,000
Kerosene output (bbls.)	July 6	2,477,000	2,830,000	2,558,000	1,995,000
Distillate fuel oil output (bbls.)	July 6	13,974,000	13,652,000	13,521,000	12,560,000
Residual fuel oil output (bbls.)	July 6	5,541,000	6,014,000	5,591,000	5,227,000
Stocks at refineries, bulk terminals, in transit, in pipe lines					
Finished gasoline (bbl.) at	July 6	186,478,000	187,271,000	168,507,000	184,611,000
Kerosene (bbls.) at	July 6	30,257,000	29,682,000	26,541,000	29,771,000
Distillate fuel oil (bbls.) at	July 6	123,367,000	118,005,000	95,628,000	116,297,000
Residual fuel oil (bbls.) at	July 6	46,020,000	44,726,000	27,924,000	48,641,000
ASSOCIATION OF AMERICAN RAILROADS:					
Revenue freight loaded (number of cars)	July 7	419,584	589,656	581,336	424,192
Revenue freight received from connections (no. of cars)	July 7	446,027	484,559	478,836	414,240
CIVIL ENGINEERING CONSTRUCTION—ENGINEERING NEWS-RECORD:					
Total U. S. construction	July 12	$428,300,000	$543,800,000	$478,000,000	$594,600,000
Private construction	July 12	228,600,000	168,100,000	213,300,000	185,700,000
Public construction	July 12	199,700,000	375,700,000	264,700,000	408,900,000
State and municipal	July 12	138,500,000	245,700,000	195,600,000	312,200,000
Federal	July 12	61,200,000	130,000,000	69,100,000	96,700,000
COAL OUTPUT (U. S. BUREAU OF MINES):					
Bituminous coal and lignite (tons)	July 7	1,565,000	*9,115,000	8,740,000	1,422,000
Pennsylvania anthracite (tons)	July 7	112,000	332,000	303,000	63,000
DEPARTMENT STORE SALES INDEX—FEDERAL RESERVE SYSTEM—1947-49 AVERAGE=100	July 7	119	130	152	114
EDISON ELECTRIC INSTITUTE:					
Electric output (in 000 kwh.)	July 14	16,749,000	15,442,000	15,991,000	15,071,000
FAILURES (COMMERCIAL AND INDUSTRIAL) — DUN & BRADSTREET, INC.	July 12	253	284	354	304
IRON AGE COMPOSITE PRICES:					
Finished steel (per lb.)	July 6	6.196c	6.196c	6.196c	6.196c
Pig iron (per gross ton)	July 6	$66.44	$66.44	$66.44	$66.44
Scrap steel (per gross ton)	July 6	$25.17	$25.17	$24.50	$36.67
METAL PRICES (E. & M. J. QUOTATIONS):					
Electrolytic copper—					
Domestic refinery at	July 11	30.600c	30.600c	30.600c	30.600c
Export refinery at	July 11	28.525c	28.625c	28.750c	27.875c
Lead (New York) at	July 11	9.500c	9.500c	9.500c	11.000c
Lead (St. Louis) at	July 11	9.300c	9.300c	9.300c	10.800c
‡Zinc (delivered) at	July 11	12.000c	12.000c	12.000c	12.000c
Zinc (East St. Louis) at	July 11	11.500c	11.500c	11.500c	11.500c
Aluminum (primary pig, 99.5%) at	July 11	24.000c	24.000c	24.000c	26.000c
Straits tin (New York) at	July 11	112.375c	112.000c	114.250c	116.875c
MOODY'S BOND PRICES DAILY AVERAGES:					
U. S. Government Bonds	July 17	87.83	87.61	89.25	87.58
Average corporate	July 17	87.05	87.05	87.59	86.11
Aaa	July 17	91.19	91.19	91.91	90.06
Aa	July 17	88.95	88.95	89.78	88.27
A	July 17	86.78	86.78	87.18	85.46
Baa	July 17	81.90	81.66	82.03	81.29
Railroad Group	July 17	83.66	83.53	84.04	83.53
Public Utilities Group	July 17	89.09	89.09	89.37	87.45
Industrials Group	July 17	88.67	88.54	89.64	87.59
MOODY'S BOND YIELD DAILY AVERAGES:					
U. S. Government Bonds	July 17	3.95	3.98	3.77	3.88
Average corporate	July 17	4.63	4.63	4.59	4.70
Aaa	July 17	4.33	4.33	4.28	4.41
Aa	July 17	4.49	4.49	4.43	4.54
A	July 17	4.65	4.65	4.62	4.75
Baa	July 17	5.03	5.05	5.02	5.08
Railroad Group	July 17	4.89	4.90	4.86	4.90
Public Utilities Group	July 17	4.48	4.48	4.46	4.60
Industrials Group	July 17	4.51	4.52	4.44	4.59
MOODY'S COMMODITY INDEX	July 17	367.2	368.7	368.0	371.0
NATIONAL PAPERBOARD ASSOCIATION:					
Orders received (tons)	July 7	294,844	326,698	379,243	228,454
Production (tons)	July 7	238,444	361,631	345,766	202,725
Percentage of activity	July 7	63	99	94	55
Unfilled orders (tons) at end of period	July 7	506,838	450,536	496,282	449,261
OIL, PAINT AND DRUG REPORTER PRICE INDEX—1949 AVERAGE=100	July 13	117.25	115.40	113.72	114.00
ROUND-LOT TRANSACTIONS FOR ACCOUNT OF MEMBERS, EXCEPT ODD-LOT DEALERS AND SPECIALISTS					
Transactions of specialists in stocks in which registered—					
Total purchases	June 22	3,055,870	4,221,590	3,740,800	2,485,440
Short sales	June 22	650,750	754,260	543,320	413,390
Other sales	June 22	2,708,270	3,231,730	2,694,790	2,179,400
Total sales	June 22	3,359,020	3,985,990	3,238,110	2,592,790
Other transactions initiated off the floor—					
Total purchases	June 22	610,330	635,310	534,100	291,870
Short sales	June 22	120,800	115,620	56,150	24,800
Other sales	June 22	605,230	541,330	410,530	345,140
Total sales	June 22	726,030	656,950	466,680	369,940
Other transactions initiated on the floor—					
Total purchases	June 22	963,721	1,284,598	1,088,871	770,937
Short sales	June 22	193,570	169,460	127,500	133,400
Other sales	June 22	1,117,070	1,071,083	890,983	800,361
Total sales	June 22	1,310,640	1,240,543	1,018,483	933,761
Total round-lot transactions for account of members—					
Total purchases	June 22	4,629,921	6,141,498	5,363,771	3,548,247
Short sales	June 22	965,120	1,039,340	726,970	571,590
Other sales	June 22	4,430,570	4,844,143	3,996,303	3,324,901
Total sales	June 22	5,395,690	5,883,483	4,723,273	3,896,491
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	June 22	1,981,342	2,584,011	2,114,001	1,699,060
Dollar value	June 22	$95,423,688	$137,945,360	$126,270,333	$89,780,909
Odd-lot purchases by dealers (customers' sales)—					
Number of orders—customers' total sales	June 22	1,744,680	2,294,052	2,145,014	1,664,644
Customers' short sales	June 22	112,929	153,083	92,415	13,982
Customers' other sales	June 22	1,631,751	2,140,969	2,052,599	1,650,662
Dollar value	June 22	$92,073,594	$135,923,674	$129,435,325	$83,616,620
Round-lot sales by dealers—					
Number of shares—Total sales	June 22	489,320	630,470	644,180	527,180
Short sales	June 22	———	———	———	———
Other sales	June 22	489,320	630,470	644,180	527,180
Round-lot purchases by dealers—Number of shares	June 22	665,330	977,452	644,390	546,380
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	June 22	1,771,720	2,171,940	1,373,130	733,490
Other sales	June 22	20,253,500	26,008,830	22,412,730	16,021,130
Total sales	June 22	22,025,220	28,180,770	23,785,860	16,754,620
WHOLESALE PRICES, NEW SERIES — U. S. DEPT. OF LABOR — (1947-49=100):					
Commodity Group—					
All commodities	July 10	100.2	100.1	100.1	(a)
Farm products	July 10	95.9	95.6	95.3	(a)
Processed foods	July 10	100.4	100.0	99.8	(a)
Meats	July 10	97.2	95.4	94.3	(a)
All commodities other than farm and foods	July 10	100.7	100.7	100.7	(a)

*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. a Not available.

	Latest Month	Previous Month	Year Ago
ALUMINUM (BUREAU OF MINES)—			
Production of primary aluminum in the U. S. (in short tons)—Month of May	184,211	173,659	157,543
Stocks of aluminum (short tons) end of May	137,764	154,529	252,864
AMERICAN IRON AND STEEL INSTITUTE—			
Steel ingots and steel for castings produced (net tons)—Month of May	7,589,000	9,235,881	8,980,626
Shipments of steel products (net tons)—Month of May	6,183,099	6,783,398	6,047,691
AMERICAN ZINC INSTITUTE INC.—Month of June:			
Slab zinc smelter output all grades (tons of 2,000 pounds)	72,927	83,026	72,816
Shipments (tons of 2,000 pounds)	71,199	82,286	78,050
Stocks at end of period (tons)	147,068	145,340	207,820
BANKERS' DOLLAR ACCEPTANCES OUTSTANDING — FEDERAL RESERVE BANK OF NEW YORK—As of June 30:			
Imports	$472,814,000	$461,930,000	$395,245,000
Exports	751,011,000	787,084,000	895,824,000
Domestic shipments	24,783,000	23,247,000	24,321,000
Domestic warehouse credits	91,817,000	121,658,000	182,502,000
Dollar exchange	144,690,000	96,102,000	69,819,000
Based on goods stored and shipped between foreign countries	857,128,000	854,804,000	702,970,000
Total	$2,342,243,000	$2,344,825,000	$2,270,681,000
CIVIL ENGINEERING CONSTRUCTION—ENGINEERING NEWS RECORD — Month of June (000's omitted):			
Total U. S. construction	$1,821,000	$2,252,000	$2,392,000
Private construction	814,000	1,142,000	1,115,000
Public construction	1,007,000	1,110,000	1,277,000
State and municipal	725,000	924,000	947,000
Federal	282,000	186,000	330,000
COAL EXPORTS (BUREAU OF MINES)—Month of May:			
U. S. exports of Pennsylvania anthracite (net tons)	118,541	53,352	94,809
To North and Central America (net tons)	62,968	42,610	81,239
To Europe (net tons)	53,417	6,935	13,451
To South America (net tons)	168	457	45
To Asia (net tons)	1,988	3,350	———
To Australia (net tons)	———	———	74
COAL OUTPUT (BUREAU OF MINES)—Month of June:			
Bituminous coal and lignite (net tons)	38,145,000	37,140,000	31,844,000
Pennsylvania anthracite (net tons)	1,336,000	*1,315,000	1,344,000
COPPER INSTITUTE—For month of June:			
Copper production in U. S. A.—			
Crude (tons of 2,000 pounds)	116,196	*137,801	113,125
Refined (tons of 2,000 pounds)	159,062	166,056	141,140
Delivered to fabricators—			
In U. S. A. (tons of 2,000 pounds)	138,555	144,313	139,700
Refined copper stocks at end of period (tons of 2,000 pounds)	69,838	71,040	89,006
INTERSTATE COMMERCE COMMISSION—			
Index of Railway Employment at middle of June (1957-59=100)	80.0	80.4	80.7
CONSUMER CREDIT OUTSTANDING—BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM—REVISED SERIES—Estimated short and intermediate term credit in millions as of May 31:			
Total consumer credit	$57,593	$56,650	$54,196
Instalment credit	43,893	43,285	41,584
Automobile	17,683	17,343	16,933
Other consumer credit	11,423	11,333	10,929
Repairs and modernization loans	3,131	3,094	3,100
Personal loans	11,656	11,515	10,622
Noninstalment credit	13,700	13,365	12,612
Single payment loans	5,238	5,111	4,717
Charge accounts	4,683	4,451	4,380
Service credit	3,779	3,803	3,515
MOODY'S WEIGHTED AVERAGE YIELD—100 COMMON STOCKS—Month of June:			
Industrials (125)	3.82	3.49	3.10
Railroads (25)	5.86	5.40	5.07
Utilities (not incl. Amer. Tel. & Tel.) (24)	3.65	3.42	3.26
Banks (15)	3.74	3.56	3.27
Insurance (10)	2.86	2.59	2.48
Average (200)	3.79	3.48	3.16
NEW CAPITAL ISSUES IN GREAT BRITAIN MIDLAND BANK LTD.—Month of June	£144,085,000	£43,401,000	£93,275,000
REAL ESTATE FINANCING IN NONFARM AREAS OF U. S. — HOME LOAN BANK BOARD—Month of April (000's omitted):			
Savings and loan associations	$1,210,274	$1,172,389	$1,037,724
Insurance companies	89,431	89,641	89,392
Banks and trust companies	481,510	442,024	386,300
Mutual savings banks	131,149	119,611	114,337
Individuals	299,869	305,376	287,952
Miscellaneous lending institutions	492,180	498,210	441,872
Total	$2,704,413	$2,627,251	$2,357,577
RUBBER MANUFACTURING ASSOCIATION, INC.—Month of May:			
Passenger & Motorcycle Tires (Number of)—			
Shipments	10,755,156	10,238,101	10,031,919
Production	10,353,772	9,619,974	8,536,225
Inventory	23,686,037	24,055,398	22,669,299
Tractor Implement Tires (Number of)—			
Shipments	422,630	417,136	339,752
Production	370,590	349,096	344,667
Inventory	950,775	986,469	955,977
Passenger, Motorcycle, Truck and Bus Inner Tubes (Number of)—			
Shipments	3,223,447	3,239,661	2,795,080
Production	3,426,732	3,413,331	3,189,825
Inventory	9,074,531	8,793,762	9,487,374
Tread Rubber (Camelback)—			
Shipments (pounds)	43,055,000	39,472,000	38,424,000
Production (pounds)	43,491,000	38,499,000	40,581,000
Inventory (pounds)	16,299,000	16,156,000	16,861,000
Truck and Bus Tires (Number of)—			
Shipments	1,328,936	1,326,928	1,159,777
Production	1,357,984	1,286,512	1,108,634
Inventory	3,820,397	3,782,552	3,833,507
TREASURY MARKET TRANSACTIONS IN DIRECT AND GUARANTEED SECURITIES OF U. S. A.—Month of June:			
Net sales	$8,718,000	———	———
Net purchases	———	$39,909,400	$15,351,000

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.

Abbott Realty Fund, Inc.
June 29, 1962 filed 380,000 class A common. **Price**—$10. **Business**—Real estate ownership and management. **Proceeds**—For debt repayment and general corporate purposes. **Office**—292 Madison Ave., N. Y. **Underwriters**—Morris Cohon & Co. and Street & Co., Inc., N. Y.

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.

Admiral Automotive Products, Inc. (8/1-3)
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.**
July 11, 1962 ("Reg. A") $300,000 of 6% convertible debentures. **Price**—At par. **Business**—Operation of restaurants, motels and hotels. **Proceeds**—For general corporate purposes. **Office**—29 S. Bellevue Blvd., Memphis. **Underwriter**—James N. Reddoch & Co., Memphis,

Adtek, Inc.
May 21, 1962 ("Reg. A") 100,000 common. **Price**—$1.15. **Business**—A general advertising and technical publishing service. **Proceeds** — For salaries, sales promotion and working capital. **Office**—Statler Bldg., Park Sq., Boston. **Underwriter**—Paisley & Co., Inc., 120 Broadway, N. Y. **Offering**—Expected in late August.

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.

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. **Note**—This registration was withdrawn.

Air Master Corp.
May 26, 1961 filed 180,000 common, of which 90,000 will be sold for company and 90,000 for stockholders. **Price**—By amendment. **Business** — Manufacture 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** — Clayton Securities Corp., Boston. **Note**—This offering has been 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.

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.

★ **Albany Hotel Corp.**
July 10, 1962 ("Reg. A") 1,975 common. **Price**—$50. **Business**—Operation of a hotel. **Proceeds**—For debt repayment and working capital. **Address**—Albany, Dougherty County, Ga. **Underwriter**—None.

Alcolac Chemical Corp.
March 23, 1962 filed 50,000 common. **Price**—By amendment (max. $6). **Business**—Manufacture of specialty chemical products. **Proceeds**—For general corporate purposes. **Office**—3440 Fairfield Rd., Baltimore. **Underwriter**—Robert Garrett & Sons, Baltimore. **Offering**—Indefinitely postponed.

Allegheny Aluminum Industries, Inc.
Dec. 21, 1961 filed 100,000 common. **Price**—$4.25. **Business**—Manufacture of aluminum and fiberglass awnings and aluminum combination storm-screen windows and doors. **Proceeds** — For an acquisition, debt repayment and general corporate purposes. **Office**—5007 Lytle St., Pittsburgh, Pa. **Underwriter**—First Madison Corp., N. Y.

Allied Doll & Toy Corp.
Feb. 27, 1962 filed 133,333 common. **Price**—$3. **Business**—Manufacture and sale of dolls. **Proceeds**—For equipment, advertising, and working capital. **Office**—4116 First Ave., Brooklyn, N. Y. **Underwriter** — Theodore Arrin & Co., Inc., N. Y.

Allied 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.

Alsco Electronics, Inc. (9/4-7)
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.

Amerel Mining Co. Ltd.
July 31, 1961 filed 400,000 common shares. **Price**—50¢. **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.
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 Brokerage Co., Inc.**
July 2, 1962 ("Reg. A") 250,000 common. **Price**—$1. **Business**—Purchase of installment credit notes. **Proceeds**—For capital funds. **Office**—3915 Main—Kansas City, Mo. **Underwriter**—None.

American Cardboard & Packaging Corp.
Jan. 5, 1962 filed 150,000 common. **Price**—$3.50. **Business**—Manufacture and sale of cardboard boxes, display boards, etc. **Proceeds** — For general corporate purposes. **Office**—1101 W. Cambria St., Philadelphia. **Underwriters**—Milton D. Blauner & Co., Inc., M. L. Lee & Co., Inc., N. Y., and Hallowell, Sulzberger, Jenks, Kirkland & Co., Philadelphia. **Offering**—Expected in August.

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. (8/6)
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 Kosher Provisions, Inc.
June 25, 1962 filed 130,000 common. **Price**—$5. **Business**—Manufacture and sale of a variety of kosher and non-kosher meat and meat products. **Proceeds** — For debt repayment, expansion and working capital. **Office**—39 Norman Ave., Brooklyn, N. Y. **Underwriter**—Willard Securities, Inc., N. Y.

American Laboratories, Inc.
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. **Offering**—Indefinitely postponed.

● **American Modular Manufacturing Corp. (7/30-31)**
Nov. 27, 1961 filed 200,000 common. **Price**—$2.50. **Business**—Manufacture of a type of component constructed home. **Proceeds**—For debt repayment, equipment, and working capital. **Office**—4950 71st Ave., North, Pinellas Park, Fla. **Underwriter**—Equity Securities Co., N. Y.

American Mortgage Investors
Feb. 8, 1962 filed 1,300,000 shares of beneficial interest. **Price**—$15. **Business** — A newly-formed business trust which plans to invest in first mortgages. **Proceeds**—For investment. **Office**—305 S. County Rd., Palm Beach, Fla. **Underwriter**—Hayden, Stone & Co., N. Y. **Note**—This company was formerly named American First Mortgage Investors.

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 Pacific Fund, Inc.**
July 9, 1962 filed 94,500 common. **Price**—Net asset value. **Business**—An open-end management company specializing in life, health, casualty and accident insurance. **Proceeds**—For investment. **Office**—1523 Kalakaua Ave., Honolulu. **Underwriter**—American Pacific Management Corp. (same address).

American Phoenix Corp.
Jan. 24, 1962 filed 315,000 class A shares. **Price**—$10. **Business**—General real estate. **Proceeds**—For corporate purposes. **Office**—320 Park Ave., N. Y. **Underwriter**—Interamerica Securities Corp., N. Y.

American Plan Corp.
March 30, 1962 filed $2,480,000 of convertible debentures due 1982 and 248,000 common shares (of which 218,000 will be sold for the company and 30,000 for stockholders). The securities will be offered in units of one $10 debenture and one share. **Price**—By amendment (max. $22.50 per unit). **Business**—Production and servicing of physical damage insurance on automobiles, trucks and mobile homes. **Proceeds**—To purchase American Fidelity Fire Insurance Co. **Office**—American Plan Bldg., Westbury, N. Y. **Underwriter**—Bear, Stearns & Co., N. Y.

American 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
Feb. 12, 1962 filed 1,000,000 common. **Price**—$11. **Business**—A real estate investment company. **Proceeds**—For investment. **Office**—800 Hartford Bldg., Dallas. **Underwriters**—Kidder, Peabody & Co., N. Y. and Rauscher, Pierce & Co., Inc., Dallas. **Offering**—Temporarily postponed.

American Strategic Minerals Corp.
July 9, 1962 filed 400,000 common. **Price**—By amendment (max. $3). **Business**—Company plans to explore for strategic minerals. **Proceeds**—For debt repayment, exploration and working capital. **Office** — 527 Failing Bldg., Portland, Ore. **Underwriter**—To be named.

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.
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. **Note**—This registration is being withdrawn.

Angler Industries, Inc.
June 15, 1962 ("Reg. A") 120,000 common. **Price**—$2.50. **Business**—Manufacture of electronic hardware, and the assembly of products for the electronics industry. **Proceeds**—For debt repayment, equipment, advertising and working capital. **Office**—107 Trumbull St., Elizabeth, N. J. **Underwriter**—Edward H. Stern & Co., Inc., N. Y.

Arde Inc.
March 30, 1962 filed 100,000 common, of which 80,000 are to be sold by the company and 20,000 by stockholders. **Price**—By amendment (max. $8.50). **Business**—Research, development and engineering under defense contracts. **Proceeds**—Repayment of bank loans, equipment, plant expansion and working capital. **Office**—Paramus, N. J. **Underwriter**—McDonnell & Co., N. Y.

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).

Aries Corp.
June 27, 1962 filed 200,000 common. **Price**—$1.15. **Business**—Company plans to provide consulting services in the area of programming, applications engineering, and operations analysis. **Proceeds**—For working capital. **Office**—7722 Morgan Ave., So., Minneapolis. **Underwriter**—Bratter & Co., Inc., Minneapolis.

Artlin Mills, Inc.
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.
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. **Offering**—Indefinitely postponed.

Atlanta Gas Light Co. (7/25)
June 29, 1962 filed $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 Bowling Corp.
June 18, 1962 filed $810,000 of 6% subordinated convertible debentures due 1972 to be offered for subscription by common stockholders at the rate of $100 of debentures for each 200 rights acquired (on the basis of three rights for each share held). **Price**—At par. **Business**—Operation of bowling centers in Rhode Island and Massachusetts. **Proceeds** — For debt repayment, expansion and working capital. **Office** — 100 Medway St., Providence. **Underwriter**—None.

● **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. **Note**—This registration was withdrawn.

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.

Aubrey Manufacturing, Inc. (8/27-31)
March 28, 1962 filed 140,004 common, of which 100,000 shares are to be offered by company and 40,004 by stockholders. **Price**—By amendment (max. $7). **Business**—Design, manufacture and sale of kitchen range hoods, exhaust fans and kitchen cabinet hardware. **Proceeds**—For plant expansion, equipment, debt repayment and working capital. **Office**—South Main St., Union, Ill. **Underwriters**—Pierce, Carrison, Wulbern, Inc., Jacksonville, Fla. and A. M. Kidder & Co., Inc., N. Y.

Automatic Controls, Inc. (8/20-24)
Dec. 28, 1961 filed 50,000 common. **Price**—$4. **Business**—Design, manufacture and installation of electrical, pneumatic, hydraulic and mechanical systems, controls and devices to control and automatically operate industrial machinery and processes. **Proceeds** — For general corporate purposes. **Office**—3601 Merrick Rd., Seaford, N. Y. **Underwriter** — S. Schramm & Co., Inc., N. Y.

Automatic Marker Photo Corp.
Dec. 1, 1961 filed 150,000 class A shares, of which 125,000 are to be offered by the company and 25,000 by stockholders. **Price**—By amendment. **Business**—Sale and distribution of a photocopy machine and supplies. **Proceeds**—For equipment, expansion, and working capital. **Office**—153 W. 36th St., N. Y. **Underwriter**—None.

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.

Avis, Inc.
June 22, 1962 filed $1,497,300 of subordinated convertible debentures due 1972 and 499,101 common to be offered for subscription by stockholders on the basis of $100 of debentures for each 100 shares held and one new share for each three shares held. **Price**—For debentures, at par; for common, $5. **Business**—Rental and leasing of automobiles and trucks. **Proceeds**—For debt repayment, construction and relocation, and working capital. **Office**—18 Irvington St., Boston. **Underwriter**—None.

● **Babs, Inc.**
Nov. 27, 1961 filed 150,000 common. **Price**—$4. **Business**—Sale of dairy products, through "Dairy Drive-ins." **Proceeds**—For debt repayment and working capital. **Office**—32550 Pulaski Dr., Hayward, Calif. **Underwriter**—Pacific Coast Securities Co., San Francisco. **Offering**—Imminent. **Note**—This statement has become effective.

Bank "Adanim" Mortgages & Loan Ltd.
Dec. 29, 1961 filed $556,000 of 6% cumulative preference dividend participating dollar-linked shares. **Price**—By amendment. **Business** — A mortgage lending company. **Proceeds**—For general corporate purposes. **Address**—108 Achad Haam St., Tel-Aviv, Israel. **Underwriter**—Adanim American Israel Investment Co., Inc.

Barish Associates, Inc.
Sept. 1, 1961 ("Reg. A") 50,000 common. **Price**—$4. **Business**—Aeronautical research and development. **Proceeds**—For working capital. **Office**—224 E. 38th St., N. Y. **Underwriter** — Gianis & Co., N. Y. **Offering**—Postponed.

Barker Bros. Corp.
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. **Offering**—Postponed.

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.

Basic Properties, Inc.
June 29, 1962 filed 400,000 class A common. **Price**—By amendment (max. $12). **Business**—Real estate investment. **Proceeds**—For debt repayment, acquisition of a building and other corporate purposes. **Office**—521 Fifth Ave., N. Y. **Underwriter**—Hornblower & Weeks, 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 field 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.
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.
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. **Note**—This letter is being withdrawn.

Berne of California, Inc.
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.

● **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. **Note**—This letter was withdrawn.

Blanche (Ernest E.) & Associates, Inc.
March 15, 1962 filed 80,000 class A common. **Price**—$3. **Business**—Application of electronic and mechanical data processing techniques to solution of problems for government and industry. **Proceeds**—For equipment, sales promotion and expansion. **Office**—10419 Fawcette St., Kensington, Md. **Underwriters**—Jones, Kreeger & Co., and First Investment Planning Co., Washington, D. C. **Offering**—Postponed.

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 Building 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.

★ **Blue Magic Co. of Ohio, Inc.**
July 16, 1962 filed 100,000 common. **Price**—$4. **Business**—Manufacture of liquid starch, a rinse, and spray starch for household use. **Proceeds**—For equipment, plant expansion and working capital. **Office**—901 Florence Ave., Lima, Ohio. **Underwriter**—Hallowell, Sulzberger, Jenks, Kirkland & Co., Philadelphia.

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.
March 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.
April 2, 1962 filed 225,000 common. **Price** — By amendment (max. $10). **Business** — Design, manufacture and sale of various type toys. **Proceeds**—For a proposed acquisition of another toy company. **Office**—200 Fifth Ave., N. Y. **Underwriter**—Milton D. Blauner & Co., Inc., N. Y. **Offering**—Sometime in August.

Cable Carriers, Inc.
June 22, 1962 filed 1,015,564 capital shares to be offered for subscription by stockholders on the basis of four new shares for each share held on Feb. 14, 1962. **Price**—25 cents. **Business**—Manufacture and sale of overhead trolley conveyers, vertical tray lift systems, floor and overhead tow systems, etc. **Proceeds**—For working capital. **Office** — Kirk Blvd., Greenville, S. C. **Underwriter**—None.

Caldwell Publishing Corp.
June 13, 1962 filed 100,000 common. **Price**—$3.50. **Business**—Company plans to publish classics. **Proceeds**—For general corporate purposes. **Office**—339 W. 51st St., N. Y. **Underwriter**—S. B. Cantor Co., 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. (9/4-7)
Feb. 12, 1962 filed 200,000 common, of which 120,000 are to be offered by the company and 80,000 by stockholders. **Price**—$5. **Business**—Manufacturer 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. **Offering**—Temporarily postponed.

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.

Career Academy, Inc.
June 29, 1962 filed 100,000 common. **Price**—By amendment (max. $3.25). **Business** — Operation of technical schools. **Proceeds**—For debt repayment, expansion and general corporate purposes. **Office**—135 W. Wells St., Milwaukee. **Underwriter**—Divine & Fishman, Inc., Chi.

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¢. **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 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. **Note**—This registration was withdrawn.

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 Coating Corp.
June 29, 1962 filed 70,000 common. **Price**—$5. **Business** —Company plans to operate a painting contracting business and manufacture paints. **Proceeds**—For general corporate purposes. **Office**—Santurce, P. R. **Underwriter**—Arnold Malkan Investment Growth of Puerto Rico, Inc., 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, Texas. **Distributor**—Associates Management, Inc., Fort Worth.

Cincinnati & Suburban Bell Telephone Co. (7/25)
July 6, 1962 filed $20,000,000 of debentures due Aug. 1, 2002. **Proceeds**—To reimburse treasury for construction expenditures and repay borrowings from banks and A. T. & T., (owner of 29% of outstanding stock). **Office** —225 East Fourth St., Cincinnati. **Underwriters**—(Competitive). Probable bidders: First Boston Corp.; Morgan Stanley & Co.; Halsey, Stuart & Co. Inc.; White, Weld & Co. **Bids**—Expected July 25 (11 a.m. EDST) at 195 Broadway, 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 being offered for subscription by common stockholders on the basis of $150 of debentures for each 100 shares held of record July 5 with rights to expire July 22, 1962. **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.

College Publishing Corp. (8/1-3)
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., New York.

Colonial Board Co.
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.

Columbia Gas System, Inc. (8/1)
June 22, 1962 filed $20,000,000 of debentures due 1987. **Proceeds**—To refund $17,560,000 of outstanding 5½% series H debentures, due June 1, 1982, and increase working capital. **Office**—120 E. 41st St., N. Y.—**Underwriters**—(Competitive) Probable bidders: Merrill Lynch, Pierce, Fenner & Smith Inc.-White, Weld & Co. (jointly); Morgan Stanley & Co.-First Boston Corp. (jointly); Halsey, Stuart & Co. Inc. **Bids**—Expected Aug. 1, 1962 (11 a.m. EDST) at the company's office.

Columbia Realty Trust
June 18, 1962 filed 420,000 class A shares of beneficial interest. **Price**—$10. **Business**—A real estate investment company. **Proceeds**—For debt repayment and investment. **Office**—1415 K St., N. W., Washington, D. C. **Underwriter** — Norman Bernstein Securities, Inc., (same address).

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.

★ **Commodity Futures Fund, Inc.**
July 2, 1962 ("Reg. A") 4,000 common. **Price** — $50. **Business**—A mutual fund specializing in commodity futures. **Proceeds**—For working capital. **Office**—95 State St., Room 918, Springfield, Mass. **Underwriter**—None.

Computer Applications Inc.
March 23, 1962 filed 87,000 common. **Price**—By amendment (max. $5). **Business**—Furnishing of services related to use of electronic data processing equipment. **Proceeds**—For expansion and working capital. **Office**—30 E. 42nd St., N. Y. **Underwriter**—L. M. Rosenthal & Co., Inc., N. Y.

Computer Components, Inc.
Dec. 6, 1961 filed 120,000 common, of which 90,000 are to be offered by the company and 30,000 by stockholders. **Price**—$3. **Business** — Manufacture of miniature coils for relays used in computers, aircraft, missiles and guidance systems. **Proceeds**—For general corporate purposes. **Office**—88-06 Van Wyck Expressway, Jamaica, N. Y. **Underwriter**—To be named.

● **Computer Concepts Inc. (8/8)**
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.

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.

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.

Consumers Mart of America, Inc.
Jan. 8, 1962 filed 72,000 common. **Price**—By amendment. **Business**—Operation of discount department stores. **Proceeds**—For expansion and working capital. **Office**—4701 N. Harlem Ave., Chicago. **Underwriters**—Rittmaster, Voisin & Co., N. Y. and Midland Securities Co., Inc., Kansas City, Mo.

Continental 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. (9/10-14)
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**—Indefinitely postponed.

Cooke (F. L.), Inc.
Dec. 29, 1961 filed 125,000 common. **Price**—$3.75. **Business**—Manufacture of high vacuum systems and electronic equipment. **Proceeds** — For debt repayment and general corporate purposes. **Office**—145 Water St., South Norwalk, Conn. **Underwriters**—John R. Maher Associates and Bull & Low, N. Y. **Offering**—Expected in early Fall.

Corporate Funding Corp.
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. **Offering**—Indefinitely postponed.

Cosnat Corp.
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. (7/23)**
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.

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.

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.

C-Thru Products, Inc.
June 22, 1962 ("Reg. A") 90,000 common. **Price**—$1.50. **Business**—Design and manufacture of flexible, re-usable vinyl packages. **Proceeds**—For debt repayment, sales promotion, equipment, research and development, and working capital. **Office** — 2401 Pacific St., Brooklyn, N.Y. **Underwriter**—Broadwall Securities, Brooklyn, N.Y.

D. C. Transit Systems, Inc.
April 30, 1962 filed $6,250,000 of 6½% conv. subord. debentures due 1977 and five-year warrants to purchase an aggregate of 187,500 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.

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. (7/23)**
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.**
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. **Offering**—Indefinitely postponed.

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. (7/31)**
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 Advertising Promotions Unlimited, Inc.**
July 5, 1962 ("Reg. A") 3,000,000 common. **Price**—10 cents. **Business**—Conducts advertising and promotional programs for clients. **Proceeds**—For working capital and general corporate purposes. **Office**—7724 Morgan Avè., South Minneapolis. **Underwriter**—None.

Diversified Collateral Corp.
June 13, 1962 filed 77,050 common. **Price**—By amendment (max. $11.75). **Business**—A real estate investment company. **Proceeds**—For investment. **Office**—8397 N. E. Second Ave., Miami, Fla. **Underwriter**—Karen Securities Corp., N. Y.

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.

Diversified Realty Investors
June 28, 1962 filed 1,900,000 certificates of interest. **Price**—$1 per interest. **Business**—A real estate investment trust. **Proceeds**—For investment. **Office**—19 E. First South, Salt Lake City. **Underwriter**—Realty Securities, Inc., Salt Lake City.

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 Properties Corp.
March 6, 1962 filed 173,000 class A. **Price**—$10. **Business**—General real estate. **Proceeds**—For debt repayment. **Office**—50 Broad St., N. Y. **Underwriter**—Jackson Capital Corp., 400 Madison Ave., New York.

★ **Duke Power Co. (8/16)**
July 11, 1962 filed $50,000,000 of first and refunding mortgage bonds due 1992. **Proceeds**—To refund a like amount of 5⅛% first and refunding mortgage bonds due 1990. **Office**—30 Rockefeller Plaza, N. Y. **Underwriters**—(Competitive). Probable bidders: First Boston Corp.; Stone & Webster Securities Corp.; Halsey, Stuart & Co. Inc.; Morgan Stanley & Co. **Bids**—Aug. 16, 1962 (11 a. m. EDST) in Room 5400. One Chase Manhattan Plaza, N. Y. **Information Meeting**—Aug. 9 (3:30 p.m. EDST) at Morgan Guaranty Trust Co., (Mezzanine B) 60 Liberty St., N. Y.

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.
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. **Note**—This registration is being withdrawn.

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.

Dyna Mfg. Co. (8/6)
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.

Dynamic L. P. Industries, Inc.
June 21, 1962 filed 75,000 common. **Price**—$4. **Business**—manufacturing, labeling and packaging of long playing stereophonic and monaural phonograph records for label record companies. **Proceeds**—For equipment and working capital. **Office** — 900 Passaic Ave., East Newark, N. J. **Underwriter**—Mortimer B. Burnside & Co., Inc., New York.

Eastern Camera & Photo Corp.
March 28 1962 filed $500,000 of 6% conv. subord. debentures due 1972 and 50,000 common shares (of which 25,000 will be sold by the company and 25,000 by stockholders). The securities are to be offered in units of one $100 debenture and 10 shares. **Price**—By amendment. **Business**—Operation of retail camera stores and department store concessions. Company also processes black and white film and repairs photographic equipment. **Proceeds**—For debt repayment and working capital. **Office**—68 W. Columbia St., Hempstead, N. Y. **Underwriters**—Edwards & Hanley, Hempstead, L. I., and Street & Co., Inc., N. Y. **Offering**—Indefinitely postponed.

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.
June 15, 1962 filed $1,400,000 of 6½% subord. conv. debentures due 1977, and 70,000 common shares to be offered in units of one $100 debenture and five common. **Price** — $150 per unit. **Business** — General real estate. **Proceeds**—For general corporate purposes. **Office**—261 Madison Ave., N. Y. **Underwriter**—Fleetwood Securities Corp. of America, N. Y.

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.

Electromagnetic Industries, Inc. (7/30-31)
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

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NEW ISSUE CALENDAR

July 19 (Thursday)

Rochester Telephone Corp.----Debentures
(Bids 11 a.m. EDST) $12,000,000

July 23 (Monday)

Courtesy Products Corp.----Common
(Pacific Coast Securities Co.) 150,000 shares

Decorative Interiors, Inc.----Common
(Lancer Securities Co.) $52,000

Jayark Films Corp.----Common
(Pacific Coast Securities Co.) 72,000 shares

Roblin Seaway Industries, Inc.----Debentures
(Brand, Grumet & Siegel, Inc.) $1,000,000

Saw Mill River Industries, Inc.----Common
(Arnold Malkan & Co., Inc.) $500,000

Skiers Service Corp.----Common
(Pacific Coast Securities Co.) 550,000 shares

Vendex, Inc.----Common
(Pacific Coast Securities Co.) $300,000

Western Power & Gas Co.----Preferred
(Paine, Webber, Jackson & Curtis) 150,000 shares

July 24 (Tuesday)

International Protein Corp.----Common
(Arnold Malkan & Co., Inc.) $450,000

Maradel Products, Inc.----Common
(Hornblower & Weeks) 335,000 shares

Radio Electric Service Co. of New Jersey, Inc.----Common
(Lee-Mosson & Co., Inc.) $300,000

July 25 (Wednesday)

Atlanta Gas Light Co.----Debentures
(Bids 11 a.m. EDST) $7,500,000

Cincinnati & Suburban Bell Telephone Co.----Debs.
(Bids 11 a.m. EDST) $20,000,000

Ellner & Pike, Inc.----Common
(Reed, Whitney & Stonehill, Inc.) $300,000

Fastpak, Inc.----Common
(Arnold Malkan & Co., Inc.) $625,000

General Motors Corp.----Common
(Morgan Stanley & Co.) 1,589,680 shares

July 26 (Thursday)

Virginia Electric & Power Co.----Preferred
(Merrill Lynch, Pierce, Fenner & Smith, Inc. and Stone & Webster Securities Corp.) 300,000 shares

July 30 (Monday)

American Modular Manufacturing Corp.----Common
(Equity Securities Co.) $500,000

Barogenics, Inc.----Common
(Globus, Inc.) $750,000

Electromagnetic Industries, Inc.----Common
(Pierce, Carrison, Wulburn, Inc.) 70,000 shares

Electromagnetic Industries, Inc.----Conv. Debentures
(Pierce, Carrison, Wulbern, Inc.) $250,000

Esslinger's Industries of Philadelphia, Inc.----Com.
(Woodcock, Moyer, Fricke & French, Inc.) $900,000

Esslinger's Industries of Philadelphia, Inc.----Debs.
(Woodcock, Moyer, Fricke & French, Inc.) $850,000

First Connecticut Small Business Investment Co.----Common
(P. W. Brooks & Co.) 200,000 shares

Houston Lighting & Power Co.----Bonds
(Bids 12 Noon EDST) $25,000,000

Instromech Industries, Inc.----Common
(Price Investing Co.) $300,000

Kapner, Inc.----Common
(Arnold, Wilkens & Co., Inc.) $250,000

Roadcraft Corp.----Common
(Vickers, MacPherson & Warwick, Inc.) 400,000 shares

Security Aluminum Corp.----Common
(Vickers, MacPherson & Warwick, Inc.) 200,000 shares

Spears (L. B.), Inc.----Common
(Arnold Malkan & Co., Inc.) $325,000

Steel Plant Equipment Corp.----Common
(Joseph W. Hurley & Co.) $208,980

Thompson Manufacturing Co., Inc.----Common
(Packer-Wilbur Co., Inc.) $360,000

Walston Aviation, Inc.----Common
(White & Co., Inc.) $562,500

July 31 (Tuesday)

Diamond Dust Co., Inc.----Common
(Magnus & Co.) $306,000

Electronic Transmission Corp.----Common
(V. S. Wickett & Co., Inc.; Thomas, Williams & Lee, Inc. and Crosse & Co., Inc.) $375,000

Florida Power & Light Co.----Bonds
(Bids 11:30 a.m. EDST) $25,000,000

Gaslight Club, Inc.----Common
(Myron A. Lomasney & Co.) 100,000 shares

Stephens (M.) Mfg., Inc.----Capital
(Thomas Jay, Winston & Co., Inc. and I. J. Schein & Co.) $300,000

Worth Financial Corp.----Common
(D. A. Bruce & Co.) $305,000

August 1 (Wednesday)

Admiral Automotive Products, Inc.----Common
(Baruch Brothers & Co., Inc.) $400,000

College Publishing Corp.----Common
(James Co.) $155,000

Columbia Gas System, Inc.----Debentures
(Bids 11:00 a.m. EDST) $20,000,000

Electromagnetics Corp.----Common
(Glanis & Co., Inc.) $375,000

General Investment Co. of Connecticut, Inc.----Com.
(Ingram, Lambert & Stephen, Inc. and Reuben Rose & Co., Inc.) $1,500,000

Met Food Corp.----Common
(Brand, Grumet & Siegel, Inc.) 34,200 shares

Met Food Corp.----Debentures
(Brand, Grumet & Siegel, Inc.) $1,500,000

Oceana International, Inc.----Common
(Baruch Brothers & Co., Inc.) $825.000

Orion Electronics Corp.----Common
(A. D. Gilhart & Co. Inc.) $350,000

Puerto Rico Brewing Co., Inc.----Units
(Merrill Lynch, Pierce, Fenner & Smith Inc.) $2,500,000

Regulators, Inc.----Common
(Myron A. Lomasney & Co.) $375,000

Schlumberger Ltd.----Common
(Morgan Stanley & Co.) 700,000 shares

August 2 (Thursday)

Belt Railway Co. of Chicago----Bonds
(Bids 12 noon CDST) $57,250,000

Martin (L. P.) Maintenance Corp.----Common
(Johnson, Lane, Space Corp.) $500,000

August 6 (Monday)

American Gas Co.----Common
(Offering to stockholders—underwritten by Cruttenden, Podesta & Miller) 548,532 shares

Dyna Mfg. Co.----Common
(Raymond Moore & Co.) $300,000

Founders Financial Federation, Inc.----Class A
(Edward Lewis Co., Inc.) $810,000

Four Star Sportswear, Inc.----Common
(Magnus & Co., Inc.) $309,000

Laminetics Inc.----Common
(Fabricant Securities Corp) $280,000

RF Interonics, Inc.----Common
(Arnold Malkan & Co.) $200,000

Servotronics, Inc.----Capital
(General Securities Co., Inc.) $375,000

Sperti Products, Inc.----Common
(Blair & Co.) 230,000 shares

United Markets, Inc.----Common
(Moran & Co.) $500,000

August 7 (Tuesday)

Southwestern Bell Telephone Co.----Debentures
(Bids 11 a.m.) $100,000,000

August 8 (Tuesday)

Computer Concepts Inc.----Common
(Doft & Co.) $500.000

New York, Chicago & St. Louis RR.----Equip. Trust Ctfs.
(Bids 12 noon CDST) $2,600,000

August 9 (Thursday)

Universal Industries, Inc.----Common
(Edward Lewis Co., Inc.) $500,000

August 13 (Monday)

Lesco Automotive Corp.----Common
(M. H. Meyerson & Co., Inc.) $300,000

Lewiston-Gorham Raceways, Inc.----Units
(P. W. Brooks & Co.) $1,000,000

Midwestern Mortgage Investors----Ben. Ints.
(Boettcher & Co.) $5,000,000

Unison Electronics Corp.----Common
(Gateway Stock & Bond, Inc.) $150,000

August 14 (Tuesday)

New York State Electric & Gas Corp.----Debentures
(Bids 11 a.m. EDST) $15,000,000

August 15 (Wednesday)

Atlantic Coast Line RR.----Equip. Trust Ctfs.
(Bids 12 noon EDST) $3,840,000

Worcester Gas Light Co.----Bonds
(Bids 11:30 a.m.) $5,000,000

August 16 (Thursday)

Duke Power Co.----Bonds
(Bids 11 a.m. EDST) $50,000,000

August 20 (Monday)

Automatic Controls, Inc.----Common
(S. Schramm & Co., Inc.) $200,000

Bruce (Michael) Distributors, Inc.----Common
(Glanis & Co., Inc.) $500,000

Montebello Liquors, Inc.----Common
(Street & Co., and Morris Cohon & Co.) 160,000 shares

Optech, Inc.----Common
(Stone, Ackerman & Co., Inc. and Heritage Equity Corp.) $480,000

August 21 (Tuesday)

Public Service Electric & Gas Co.----Bonds
(Bids 11 a.m. EDST) $40,000,000

August 27 (Monday)

Aubrey Manufacturing, Inc.----Common
(Pierce, Carrison, Wulbern, Inc. and A. M. Kidder & Co., Inc.) 140,004 shares

Massachusetts Electric Co.----Bonds
(Bids 12 noon EDST) $60,000,000

Massachusetts Electric Co.----Preferred
(Bids 12 noon EDST) $7,500,000

Moskatel's, Inc.----Capital
(Thomas Jay, Winston & Co., Inc.) 104,000 shares

Tabach Industries, Inc.----Common
(Costello, Russotto & Co.) $300,000

August 28 (Tuesday)

Southern California Edison Co.----Bonds
(Bids 8:30 a.m. Calif. Time) $50,000,000

August 29 (Wednesday)

Iowa Public Service Co.----Common
(Offering to stockholders—Bids 11 a.m. EDST) 320,468 shares

September 4 (Tuesday)

Alsco Electronics, Inc.----Class A
(Albert Teller & Co., Inc. and H. A. Riecke & Co., Inc.) $300,000

Cameo Lingeries, Inc.----Common
(Schweickart & Co.) $1,000,000

Hydro-Swarf, Inc.----Common
(Raymond Moore & Co.) $485,000

Metropolitan Realty Trust----Ben. Int.
(Eisele & King, Libaire, Stout & Co.) $6,500,000

September 5 (Wednesday)

Pennsylvania Power Co.----Bonds
(Bids to be received) $12,000,000

September 10 (Monday)

Continental Telephone Co.----Common
(Allen & Co. and E. F. Hutton & Co.) 475,000 shares

Grand Bahama Development Co., Ltd.----Common
(Allen & Co.) 250,000 shares

Jaap Penratt Associates, Inc.----Common
(R. F. Dowd & Co., Inc.) $300,000

September 11 (Tuesday)

Pacific Northwest Bell Telephone Co.----Bonds
(Bids to be received) $50,000,000

Southern Railway Co.----Equip. Trust Ctfs.
(Bids 12 noon EDST) $9,450,000

September 17 (Monday)

Playboy Clubs International, Inc.----Common
(Divine & Fishman, Inc.) 270,000 shares

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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Park, Greeley Ave., Sayville, L. I., N. Y. **Underwriter**—Pierce, Carrison, Wulbern, Inc., Jacksonville, Fla.

● **Electromagnetics Corp.** (8/1-3)
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. (7/31)
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 circuit 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.

Electronic Wholesalers, Inc.
June 18, 1962 filed 75,000 common. **Price**—By amendment (max. $15.50). **Business**—A distributor of electronic supplies, TV replacement parts, and hi-fi and stereophonic sound reproduction equipment. **Proceeds**—For debt repayment, inventory, expansion and working capital. **Office**—2345 Sherman Ave., N. W., Washington, D. C. **Underwriter**—Auchincloss, Parker & Redpath, Washington, D. C.

Ellner & Pike, Inc. (7/25)
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. (7/30)
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.

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.

Fairlane Finance Co., Inc.
June 13, 1962 ("Reg. A") $300,000 of 6½% sinking fund junior subordinated debentures due 1977. **Price**—At par. **Business**—An automobile and consumer finance company. **Proceeds**—For debt repayment, working capital and expansion. **Office** — Greenville, Rd., Easley, S. C. **Underwriter**—Alester G. Furman Co., Inc., Greenville, S. C.

Fairway Mart, Inc.
March 19, 1962 ("Reg. A") 100,000 common. **Price**—$3. **Business**—Operation of five discount merchandise centers. **Proceeds**—For expansion, advertising, inventories, working capital and other corporate purposes. **Office**—801 Market St., Youngstown, Ohio. **Underwriter**—A. J. Carno Co., Inc., N. Y. **Offering**—Postponed.

Falcon National Life Insurance Co.
June 25, 1962 filed 300,000 common to be offered for subscription by stockholders on the basis of one new share for each three shares held. **Price**—$1.20. **Business**—Life insurance. **Proceeds** — For investments. **Office**—1330 Leyden St., Denver. **Underwriter**—None.

Fastpak, Inc. (7/25-27)
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 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.

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.

First Colorado Bankshares Inc.
June 29, 1962 filed 37,000 common. **Price**—By amendment (max. $15). **Business**—A bank holding company. **Proceeds**—For capital funds, reserves and working capital. **Office**—3311 S. Broadway, Englewood, Colo. **Underwriter**—Bosworth, Sullivan & Co., Inc., Denver.

First Connecticut Small Business Investment Co. (7/30-31)
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 Income Realty 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. **Note** — This company formerly was known as Perpetual Investment Trust.

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 Southern Realty Trust
June 15, 1962 filed 600,000 shares of beneficial interest. **Price** — $5. **Business** — A real estate investment trust. **Proceeds**—For investment. **Address**—Little Rock, Ark. **Underwriter**—To be named.

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 Jai Alai, Inc.
June 28, 1962 filed 400,000 common. **Price**—$5. **Business** — Operation of Jai Alai games and pari-mutuel betting. **Proceeds**—For rent, purchase of leased quarters, building improvements, working capital. **Office**—Fern Park, Fla. **Underwriter**—To be named.

Florida Power & Light Co. (7/31)
June 26, 1962 filed $25,000,000 first mortgage bonds, due 1992. **Proceeds**—For retirement of outstanding 5¼% first mortgage bonds, due 1989, plus premium and accrued interest, and construction. **Office** — Ingraham Bldg., 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). **Information Meeting**—July 30 at 2 Rector St., N. Y.

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.

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.
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. (8/6-10)
May 4, 1962 filed 135,000 class A. **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.

Four Star Sportswear, Inc. (8/6)
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., New York.

Frazier-Walker Aircraft Corp.
Jan. 26, 1962 filed 140,000 common. **Price**—By amendment. **Business**—Company plans to produce its Gyrojet FW-4, a four-passenger amphibious autogiro. **Proceeds**—To produce prototype models, and finance general overhead and operating expenses. **Office**—10 E. 52nd St., N. Y. **Underwriter**—None.

Frederick's of Hollywood, Inc.
March 26, 1962 filed 150,000 capital shares, of which 70,000 are to be offered by company and 80,000 by a stockholder. **Price**—$5. **Business**—Operation of a mail order business and a chain of women's apparel stores. **Proceeds**—For expansion and other corporate purposes. **Office**—6608 Hollywood 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.

Fund Investments, Inc.
June 28, 1962 filed 80,000 class B common. **Price**—$5. **Business**—Retailing of mutual fund shares. **Proceeds**—For working capital and debt repayment. **Office**—1301 E. Morehead St., Charlotte, N. C. **Underwriter**—None.

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.

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.

Gamma Corp.
June 29, 1962 filed 80,000 common and 80,000 five-year warrants to be offered in units consisting of one share and one warrant. **Price**—$4.50 per unit. **Business**—Design, manufacture and sale of ladies' handbags and related items. **Proceeds**—For a new plant, sales promotion and working capital. **Office**—288 Plymouth Ave., Fall River, Mass. **Underwriter**—Hampstead Investing Corp., New York.

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. (7/31)
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. (8/1-3)
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 Motors Corp. (7/25)
July 10, 1962 filed 1,589,680 common. **Price**—By amendment (max. $52). **Proceeds**—For selling stockholders.

Office — 1775 Broadway, N. Y. Underwriter — Morgan Stanley & Co., 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.

Girard Industries Corp.
March 28, 1962 filed $250,000 of 6% conv. subord. debentures due 1972 and 90,000 common shares to be sold by certain stockholders. The securities are to be offered in units consisting of a $100 debenture and 36 shares. **Price**—By amendment. **Business**—Manufacture of restaurant and other type furniture which it sells principally to dealers in Puerto Rico. **Proceeds**—For equipment and general corporate purposes. **Address**—San Juan, Puerto Rico. **Underwriter**—Edwards & Hanley, Hempstead, N. Y. **Offering**—Indefinitely postponed.

★ **Glasco Pacific, Inc.**
July 12, 1962 filed 250,000 class A and 250,000 common shares to be offered in units of one clsas A and one common share. **Price**—$5.05 per unit. **Business**—Company plans to manufacture flat glass mirrors and sliding wardrobe mirror doors and related products. **Proceeds**—For equipment, inventory and working capital. **Office**—1299 N. First St., San Jose, Calif. **Underwriter**—Wilson, Johnson & Higgins, San Francisco.

Glensder Corp.
March 23, 1962 filed 150,000 common, of which 60,000 are to be offered by the company and 90,000 by the company's parent, Glen Modes, Inc. **Price**—By amendment (max. $7). **Business**—Design, production and sale of women's fashion accessories, and sportswear. **Proceeds**—For general corporate purposes. **Office**—417 Fifth Ave., N. Y. **Underwriter**—Spravregen, Haft & Co., N. Y. **Offering**—Indefinitely postponed.

Global Construction Devices, Inc.
June 29, 1962 filed 100,000 common. **Price**—$10. **Business**—Manufacture, sale and lease of steel supports and beams used in construction. **Proceeds**—For debt repayment, expansion, research, and inventory. **Office**—545 Cedar Lane, Teaneck, N. J. **Underwriters**—Winslow, Cohu & Stetson and Laird, Bissell & Meeds, N. Y.

Gold Leaf Pharmacal Co., Inc.
March 13, 1962 filed 80,000 common. **Price**—$4. **Business**—Manufacture, development and sale of pharmaceutical and veterinarian products. **Proceeds**—For advertising, research, debt repayment and working capital. **Office**—36 Lawton St., New Rochelle, N. Y. **Underwriter**—Droulia & Co., N. Y.

Goldsmith Bros.
June 29, 1962 filed 125,000 common, of which 62,500 are to be offered by company and 62,500 by stockholders. **Price**—By amendment (max. $8). **Business**—Retail sale of stationery office supplies and department store merchandise. **Proceeds**—For expansion and working capital. **Office**—77 Nassau St., N. Y. **Underwriter**—Federman, Stonehill & 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., New York.

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.
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.

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.

Grand Bahama Development Co., Ltd. (9/10-14)
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 general corporate purposes. **Office**—116 John St., N. Y. **Underwriters**—Emanuel, Deetjen & Co., and Zuckerman, Smith & Co., N. Y.

Great Plains Corp.
March 26, 1962 ("Reg. A") 60,000 class A common. **Price**—$5. **Business**—Company plans to establish an industrial bank and an insurance agency. **Proceeds**—For working capital, debt repayment and expansion. **Office**—368 Main St., Longmont, Colo. **Underwriter**—Birkenmayer & Co., Denver.

Greater McCoy's Markets, Inc.
June 28 1962 filed 219,150 class A common. **Price**—By amendment (max. $14). **Business**—Operation of 16 supermarkets in the Los Angeles area. **Proceeds**—For selling stockholders. **Office**—17602 Bellflower Blvd., Bellflower, Calif. **Underwriter**—Morris Cohon & Co., New York.

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.

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.

Gulf American Land Corp.
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. **Offering**—In August.

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.

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, candies and greeting cards through franchised dealers. **Proceeds**—For equipment, inventory and working capital. **Office**—11 Tenth Ave., S Hopkins, Minn. **Underwriter**—None.

Hardlines Distributors, Inc.
Jan. 26, 1962 filed 200,000 common, of which 100,000 are to be offered by the company and 100,000 by a stockholder. **Price**—By amendment. **Business**—Retail sale of housewares, hardware, lighting fixtures, automotive accessories, etc. **Proceeds**—For debt repayment, expansion and working capital. **Office**—1416 Providence Highway, Norwood, Mass. **Underwriter**—McDonnell & Co., N. Y. **Offering**—Temporarily postponed.

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.

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.

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.

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.

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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.
Nov. 29, 1961 ("Reg. A") 76,500 common. **Price**—$3.75. **Business**—Purchase of cultured pearls in Japan and their distribution in the U. S. **Proceeds**—For general corporate purposes. **Office**—42 W. 48th St., N. Y. **Underwriter**—Sunshine Securities, Inc., Rego Park, N. Y.

House of Koshu, Inc.
March 29, 1962 filed 75,000 class A common. **Price**—$5. **Business**—Importing of Japanese liquors. **Proceeds**—For debt repayment, advertising, inventory and working capital. **Office**—129 S. State St., Dover, Del. **Underwriter**—P. J. Gruber & Co., Inc., New York.

House of Vision, Inc.
March 29, 1962 filed 150,000 common. **Price**—By amendment (max. $17). **Business**—A dispensing optician and a manufacturer and distributor of optical equipment. **Proceeds**—For selling stockholders. **Office**—137 N. Wabash Ave., Chicago. **Underwriter**—Hornblower & Weeks, Chicago.

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.

Houston Lighting & Power Co. (7/30)
July 9, 1962 filed $25,000,000 of first mortgage bonds due 1992. **Proceeds**—For repayment of bank loans and construction. **Office**—900 Fannin St., Houston, Tex. **Underwriters**—(Competitive). Probale bidders: Lehman Brothers - Eastman Dillon, Union Securities & Co. - Salomon Brothers & Hutzler (jointly); Kidder, Peabody & Co.-Equitable Securities Corp. (jointly); Halsey, Stuart & Co. Inc.; Blyth & Co., Inc.-First Boston Corp.-Lazard Freres & Co. (jointly). **Bids**—July 30, 1962 (12 noon EDST) at 2 Rector St., N. Y. **Information Meeting**—July 27 in Room 2044, same address.

Hydro-Swarf, Inc. (9/4)
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.

● **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. **Note**—This registration was withdrawn.

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**—Indefinitely postponed.

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. (7/30)
March 30, 1962 ("Reg. A") 100,000 common. **Price**—$3. **Business**—A contract manufacturer of precision products. **Proceeds**—For acquisition of land and building, equipment, inventory and other corporate purposes. **Office**—4 Broadway Plaza, Huntington Station, N. Y. **Underwriter**—Price Investing Co., N. Y.

Instron Engineering Corp.
March 26, 1962 filed 120,000 common. **Price**—By amendment (max. $14). **Business**—Development and production of equipment for use in testing the physical characteristics of various materials. **Proceeds**—For selling stockholders. **Office**—2500 Washington St., Canton, Mass. **Underwriter**—None.

Instrument Components, Inc.
June 11, 1962 ("Reg. A") 135,000 common. **Price** — $1. **Business** — Manufacture and distribution of electromechanical rotating devices. **Proceeds**—For debt repayment, sales promotion and other corporate purposes. **Office**—312 Mt. Pleasant Ave., Newark, N. J. **Underwriter**—Gold-Slovin Co., Inc., N. Y.

International Drug & Surgical Corp.
March 23, 1962 filed 150,000 class A shares. **Price**—$4. **Business**—Importing, licensing, and manufacturing of pharmaceutical and medical instruments. **Proceeds**—For working capital and other corporate purposes. **Office**—375 Park Ave., N. Y. **Underwriters**—Seymour Blauner Co., and Wm. Stix Wasserman & Co., Inc., N. Y.

International Plastic Container Corp.
March 26, 1962 filed 200,000 common. **Price**—$2.50. **Business**—Manufacture of plastic products produced by extrusion and thermoforming. **Proceeds**—For equipment, rent, salaries and working capital. **Office**—818—17th St., Denver. **Underwriter**—Amos C. Sudler & Co., Denver. **Offering**—Expected in August.

International Protein Corp. (7/24)
Jan. 26, 1962 filed 90,000 common. **Price**—$5. **Business**—Distributes fishmeal and animal by-product proteins. **Proceeds**—For expansion, machinery, and working capital. **Office**—233 Broadway, N. Y. **Underwriter**—Arnold Malkan & Co., Inc., N. Y. **Note**—This firm formerly was named Marine & Animal By-Products Corp.

International Realty Corp.
April 27, 1962 filed $18,000,000 of s. f. debentures due 1977, 360,000 common shares and five year warrants to purchase 540,000 common shares to be offered in 180,000 units, each unit consisting of $100 of debentures, two common shares and warrants to purchase three additional shares. **Price**—By amendment (max. $110 per unit). **Business**—Real estate investment. **Proceeds**—For debt repayment, construction, and other corporate purposes. **Office**—919 N. Michigan Ave., Chicago. **Underwriter**—Kidder, Peabody & Co., N. Y.

International Systems Research Corp.
March 30, 1962 filed 110,000 class A common and 9-month warrants to purchase 110,000 class A shares at $4 per share, to be offered in units, each consisting of one share and one warrant. **Price**—$4 per unit. **Business**—Design, development and manufacture of mechanical, 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.

International Vending Corp.
June 27, 1962 ("Reg. A") 60,000 class A common. **Price**—$5. **Business**—Installation and servicing of coin-operated vending machines. **Proceeds**—For debt repayment, consolidation of offices and working capital. **Office**—1028 Commonwealth Ave., Boston, Mass. **Underwriter**—Gianis & Co., Inc., N. Y.

Interstate Equity
March 30, 1962 filed 1,605,100 shares of beneficial interest. **Price**—(max. $10). **Business**—A real estate investment company. **Proceeds**—For investment. **Office**—450 Seventh Ave., N. Y. **Underwriter**—Van Alstyne, Noel & Co., N. Y.

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. **Offering**—Indefinitely postponed.

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.
Jan. 26, 1962 filed 140,000 common, of which 125,000 are to be offered by the company and 15,000 shares by a stockholder. **Price** — $6. **Business**—Manufacture of household electric appliances and electric motors. **Proceeds**—For new products and working capital. **Office**—Regent St., Manchester, Conn. **Underwriters**—Richard Bruce & Co., Inc., and Reuben Rose & Co., Inc., N. Y.

● **Iowa Public Service Co. (8/29)**
July 3, 1962 filed 320,468 common to be offered for subscription by stockholders on the basis of one new share for each 10 held of record Aug. 28. **Price**—By amendment. **Proceeds**—For debt repayment, and construction. **Office**—Orpheum-Electric Bldg., Sioux City, Iowa. **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**—Aug. 29 (11 a.m. EDST), Second Floor 44 Wall St., N. Y. **Information Meeting**—Aug. 23 (11 a.m. EDST) at same address.

Jaap Penraat Associates, Inc. (9/10)
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.
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. (7/23-25)**
Aug. 24, 1961 filed 72,000 common of which 50,000 are to be offered by the company and 22,000 by stockholders. **Price**—By amendment. **Business**—The distribution of motion picture and television films. **Proceeds**—For production of films and working capital. **Office**—15 E. 48th St., N. Y. **Underwriter**—Pacific Coast Securities Co., San Francisco.

Jaylis Industries, Inc.
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.

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.**
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. **Note**—This registration was withdrawn.

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.

Kaltman (D.) & Co., Inc.
June 28, 1962 filed $1,650,000 of conv. subord. debentures due 1977 to be offered for subscription by stockholders on the basis of $100 of debentures for each 100 shares held. **Price**—At par. **Business**—Operation of a wholesale drug business. **Proceeds**—For debt repayment and working capital. **Office**—425 Park Ave., N. Y. **Underwriter**—None.

● **Kapner, Inc. (7/30-31)**
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.
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.

Kelley Realty Corp.
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. **Offering**—Postponed.

Kenner Products Co.
March 30, 1962 filed 542,000 common, of which 205,000 are to be offered by company and 317,000 by stockholders. **Price**—By amendment (max. $24). **Business**—Manufacture, design, and distribution of plastic toys. **Proceeds**—For general corporate purposes. **Office**—912 Sycamore St., Cincinnati, Ohio. **Underwriter**—Kuhn, Loeb & Co., New York.

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.

(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., New York. **Offering**—Indefinitely postponed.

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. (8/6-10)
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.

● **Lee Fashions, Inc.**
Dec. 27, 1961 filed 163,667 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. **Note**—This registration will be withdrawn.

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).

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., New York.

Lesco Automotive Corp. (8/13-17)
June 28, 1962 ("Reg. A") 50,000 common. **Price**—$6. **Business** — Company buys and sells automotive parts. **Proceeds** — For debt repayment and general corporate purposes. **Office** — 430 Hegeman Ave., Brooklyn, N. Y. **Underwriter**—M. H. Meyerson & Co., Inc., New York.

Lesser (Louis) Enterprises, Inc.
March 30, 1962 filed 1,000,000 class A common. **Price**—$10. **Business**—Real estate management and construction. **Proceeds**—For debt repayment and general corporate purposes. **Office**—8737 Wilshire Blvd., Beverly Hills, Calif. **Underwriters**—Morris Cohon & Co. and Leiberbaum & Co., N. Y.

Levine's, Inc.
March 19, 1962 filed 80,000 common. **Price**—By amendment (max. $17.50). **Business** — Operation of a chain of clothing and dry goods stores. **Proceeds** — For selling stockholders. **Office** — 8908 Ambassador Row, Dallas. **Underwriter**—Kidder, Peabody & Co., N. Y. **Offering**—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.

Lewiston-Gorham Raceways, Inc. (8/13-16)
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. **Note**—This registration was withdrawn.

Livestock Financial Corp.
Feb 23, 1962 filed 245,000 common. **Price**—$10. **Business**—An insurance holding company whose subsidiaries insure the lives of all types of animals. **Proceeds**—To form new subsidiaries. **Office**—26 Platt St., N. Y. **Underwriter**—Shearson, Hammill & Co., N. Y.

Lockfast Mfg. Co.
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. **Offering**—Expected sometime in August.

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.

Lyntex Corp.
June 29, 1962 filed $600,000 of 6½% s. f. debentures due 1977 and 120,000 common to be offered in units consisting of $500 of debentures and 100 common. **Price**—By amendment (max. $720 per unit). **Business**—Manufacture of light gauge vinyl plastic film and sheeting. **Proceeds**—For acquisition of predecessor's business and working capital. **Office**—40 E. 34th St., N. Y. **Underwriter**—P. W. Brooks & Co., Inc., N. Y.

Mac-Allan Co., Inc.
Feb. 23, 1962 filed 130,260 of class A common, of which 65,130 are to be offered by the company and 65,130 by stockholders. **Price**—$5. **Business**—Sale and distribution of costume jewelry, ladies' handbags, and accessories. **Proceeds** — For working capital. **Office** — 1650 Broadway, Kansas City, Mo. **Underwriter**—George K. Baum & Co., Kansas City. **Offering**—Indefinitely postponed.

McGrath (John W.) Corp.
June 28, 1962 filed 253,875 common. **Price**—By amendment (max. $15). **Business**—Contract stevedoring and related operations. **Proceeds**—For selling stockholders. **Office**—39 Broadway, N. Y. **Underwriter**—Bear, Stearns & Co., N. Y.

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

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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.
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.

● **Maradel Products, Inc. (7/24)**
March 12, 1962 filed 335,000 common. **Price**—By amendment (max. $20). **Business**—Manufacture of tolietries and cosmetics. **Proceeds**—For acquisition, dept repayment and working capital. **Office**—510 Ave. of the Americas, N. Y. **Underwriter**—Hornblower & Weeks, N. Y.

Marin County Financial Corp.
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. **Offering**—Indefinitely postponed.

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.

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. (8/2)**
March 23, 1962 filed 100,000 common, of which 20,000 are to be offered by company and 80,000 by a stockholder. **Price**—$5. **Business**—Cleaning and maintenance of buildings and the sale of janitorial supplies and equipment. **Proceeds**—For debt repayment and working capital. **Office**—840 DeKalb Ave., N. E., Atlanta. **Underwriter**—Johnson, Lane, Space Corp., Atlanta.

Masters, Inc.
March 22, 1962 filed $1,500,000 of 6% conv. subord. debentures due 1972; also 150,000 common shares, of which 80,000 will be offered by the company and 70,000 by a stockholder. The securities will be offered in units of one $100 debenture and 10 common shares, except that up to $700,000 of debentures and 70,000 shares may be offered separately. **Price**—For debentures, at par; for common, $10. **Business**—Operation of discount department stores selling a wide variety of merchandise. **Proceeds**—For expansion. **Office**—135-21 38th Ave., Flushing, N. Y. **Underwriters**—Sterling, Grace & Co., and Norton, Fox & Co., Inc., N. Y.

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**—Charles 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 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. (8/1-3)**
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 (9/4)
Dec. 20, 1961 filed 1,000,000 shares of beneficial interest. **Price**—$6.50. **Business**—A real estate investment trust. **Proceeds**—For general corporate purposes. **Office**—1700 K St., N. W., Washington, D. C. **Underwriter**—Eisele & King, Libaire, Stout & Co., N. Y.

Micro-Dine Corp.
Feb. 13, 1962 filed 200,000 common. **Price**—$3.50. **Business**—Manufacture, sale and operation of vending machines. **Proceeds**—For debt repayment, inventories and general corporate purposes. **Office**—6425 Oxford St., St. Louis Park, Minn. **Underwriter**—Irving J. Rice & Co., Inc., St. Paul.

Microdot Inc.
April 30, 1962 filed $2,500,000 convertible subordinate debentures due 1977. **Price**—At par. **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. **Note**—This statement was withdrawn.

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 (8/13-17)**
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 August.

Minichrome Co.
June 18, 1962 ("Reg. A") $50,000 of five year 7% subordinated convertible debentures to be offered in denominations of $500 due Nov. 1, 1967. **Price**—At par. **Business** — Processes Kodachrome film. **Proceeds**—For working capital. **Office**—980 W. 79th St., Minneapolis. **Underwriter**—Continental Securities, Inc., Minneapolis.

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. **Underwriter**—To be named. **Note**—This registration was withdrawn.

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. (8/20-24)**
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.

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.

● **Moskatel's, Inc. (8/27-31)**
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.
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.
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. **Offering**—Temporarily postponed.

Multronics, Inc.
Jan. 5, 1962 ("Reg. A") 100,000 capital shares. **Price**—$3. **Business**—Production of electronic parts and components and the furnishing of consulting services in the radio-engineering field. **Proceeds**—For debt repayment, equipment, and working capital. **Office**—2000 P St., N. W.

Washington, D. C. **Underwriter** — Switzer & Co., Inc., Silver Spring, Md.

Municipal Investment Trust Fund, 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, New York.

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 Bank of Israel Ltd.
June 22, 1962 filed 1,050,000 ordinary shares and 3,190,000 "A" ordinary shares. **Price**—By amendment (max. 75c). **Business**—A general banking business. **Proceeds**—For general corporate purposes. **Office** — Tel-Aviv, Israel. **Underwriter**—None.

National Car Rental System Inc.
March 19, 1962 filed 200,000 common being offered for subscription by stockholders of record June 13 with rights to expire Sept. 11, 1962. **Price**—$10. **Business**—Rental of vehicles and related activities. **Proceeds**—For expansion. **Office** — 1000 Milner Bldg., Jackson, Miss. **Underwriter**—None.

● **National Directories, Inc.**
March 29, 1962 ("Reg. A") 100,000 common. **Price**—$2.75. **Business**—Compilation and publication of regional classified telephone directories. **Proceeds**—For general corporate purposes. **Office**—3306 Lancaster Ave., Philadelphia. **Underwriter** — Crichton, Cherashore & Co., Inc., New York. **Note**—This registration will be withdrawn.

● **National Equipment & Plastics Corp.**
Sept. 28, 1961 filed 105,000 common. **Price**—$5. **Business**—Operation of a cleaning and pressing plant and affiliated stores. **Proceeds**—For debt repayment, store expansion and working capital. **Address** — Portage, Pa. **Underwriter**—Cortlandt Investing Corp., N. Y. **Offering**—Indefinitely postponed.

National Security Life Insurance Co.
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. **Note**—The SEC has questioned the accuracy and adequacy of this registration statement.

● **National Semiconductor Corp.**
May 11, 1961 filed 75,000 shares of capital stock. **Price**—To be supplied by amendment. **Business**—The design, development, manufacture and sale of quality transistors for military and industrial use. **Proceeds** — For new equipment, plant expansion, working capital, and other corporate purposes. **Office**—Mallory Plaza Bldg., Danbury, Conn. **Underwriters**—Lee Higginson Corp., N. Y. C. and Piper, Jaffray & Hopwood, Minneapolis (mgr.).

● **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. **Note**—This registration was withdrawn.

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 York State Electric & Gas Corp. (8/14)**
July 17, 1962 filed $15,000,000 of sinking fund dedentures, due June 1, 1992. **Proceeds** — For construction. **Office**—108 E. Green St., Ithaca, N. Y. **Underwriters**—(Competitive) Probable bidders: Kidder, Peabody & Co.-Salomon Brothers & Hutzler (jointly); Halsey, Stuart & Co. Inc.; Blyth & Co., Inc.; Harriman Ripley & Co., Inc.; First Boston Corp.-Glore, Forgan & Co. (jointly). **Bids**—Aug. 14, 1962 (11 a.m. EDST) at 61 Broadway (Room 2017), New York City. **Information Meeting**—Expected Aug. 9 at same address.

New York Testing Laboratories, Inc.
Jan. 29, 1962 filed 50,000 common. **Price**—$5. **Business**—Analyzing and testing of electronic, chemical and other materials. **Proceeds**—For plant relocation, equipment, and working capital. **Office**—47 West St., N. Y. **Underwriter**—Robbins, Clark & Co., Inc., N. Y.

Nordon Corp., Ltd.
March 29, 1962 filed 375,000 capital shares, of which 100,000 are to be offered by company and 275,000 by stockholders. **Price**—By amendment (max. $6). **Business**—Acquisition and development of oil and natural gas properties. **Proceeds**—For drilling expenses and working capital. **Office** — 5455 Wilshire Blvd., Los Angeles. **Underwriter**—Gregory-Massari, Inc., Beverly Hills, Calif.

Norda Essential Oil & Chemical Co., Inc.
March 20, 1962 filed 200,000 class A shares. **Price**—By amendment (max. $15). **Business**—Manufacture, processing and distribution of natural and synthetic essential oils, flavor, essences, etc., to food and drug industries. **Proceeds** — For debt repayment, working capital and other corporate purposes. **Office**—601 W. 26th St., N. Y. **Underwriter**—S. D. Fuller & Co., N. Y.

Nortex Oil & Gas Corp.
April 27, 1962 filed $5,000,000 of 6% conv. subord debentures due 1977. **Price**—By amendment. **Business**—Production of crude oil and natural gas. **Proceeds**—For debt repayment, working capital and other corporate purposes. **Office**—1900 Life Bldg., Dallas. **Underwriter**—Carreau & Co., N. Y.

★ **North American Equitable Life Assurance Co.**
July 2, 1962 ("Reg. A") 25,000 common. **Price**—$6. **Business**—Sale of life insurance. **Proceeds**—For capital and surplus. **Office**—52 E. Gay St., Columbus, Ohio. **Underwriter**—None.

North Battleford Brewing Co., Ltd.
June 21, 1962 filed 443,565 common. **Price**—$1. **Business**—Company intends to equip and operate a brewery. **Proceeds**—For construction and debt repayment. **Office**—North Battleford, Saskatchewan, Canada. **Underwriter**—None.

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.

Northwest Securities Investors, Inc.
June 25, 1962 ("Reg. A") 80,000 common. **Price**—$3.75. **Business**—Acquisition of second-trust notes secured by real estate property. **Proceeds**—For general corporate purposes. **Office**—922 You St., N. W., Washington, D. C. **Underwriter**—Clarence E. Shaw & Co., Washington, D.C.

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 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.

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. (8/1-3)
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. (8/20-24)
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.

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. (8/1-3)**
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.
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.

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.**
April 2, 1962 ("Reg. A") 26,000 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. **Offering**—Indefinitely postponed.

Pay'n Save Corp.
April 27, 1962 filed $1,200,000 of conv. subord. debentures due 1977, also 40,576 common shares to be offered by stockholders. **Price**—By amendment (max. $17 for common.). **Business**—Operation of hardware, drugstore and nurseries businesses. **Proceeds**—For expansion, working capital and other corporate purposes. **Office**—514-524 Pike St., Seattle. **Underwriter**—Dean Witter & Co., San Francisco. **Offering**—Indefinitely postponed.

Peerless Radio Corp.
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

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amendment (max. $10.29). **Business** — A mutual fund. **Proceeds**—For investment. **Office**—60 Wall St., N. Y. **Underwriter**—Sackville-Pickard & Co., Inc. (same address).

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.
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. **Offering**—Expected in late Fall.

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.

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.

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. **Note**—This registration is being withdrawn.

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., Inc., New York. **Note**—This registration was withdrawn.

● **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. **Note**—This registration was withdrawn.

● **Playboy Clubs International, Inc. (9/17-21)**
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.

Polytronic Research, Inc.
June 7, 1961 filed 193,750 common shares, of which 150,000 will be sold for the company and 43,750 for stockholders. **Price**—By amendment. **Business**—Research and development, engineering and production of certain electronic devices for aircraft, missiles, oscilloscopes, electronic vending machines and language teaching machines. **Proceeds**—For expansion, repayment of debt and working capital. **Office**—7326 Westmore Rd., Rockville, Md. **Underwriters**—Jones, Kreeger & Co., and Balogh & Co., Washington, D. C. **Note**—This offering was postponed indefinitely.

Potomac Real Estate Investment Trust
July 6, 1962 filed 1,000,000 shares of beneficial interest. **Price**—By amendment (max. $5). **Business**—A real estate investment trust. **Proceeds**—For investment. **Office**—880 Bonifant St., Silver Spring, Md. **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.

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. **Offering**—Indefinitely postponed.

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.

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. (8/1)**
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.

● **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 registration was withdrawn.

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.

R E D M Corp.
June 29, 1962 filed 125,000 common, of which 50,000 will be offered for the company and 75,000 for certain stockholders. **Price**—By amendment (max. $6). **Business**—Engaged in manufacturing, engineering and research under Defense Department contracts; also manufactures ball point pens, points, mechanical pencils and desk sets. **Proceeds**—For equipment and working capital. **Office**—Little Falls, Passaic County, N. J. **Underwriter**—Meade & Co., Inc., N. Y.

RF Interonics, Inc. (8/6-10)
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. (7/24)
Jan. 23, 1962 ("Reg. A") 55,000 common, of which 50,000 will be offered by the company and 5,000 by stockholders. **Price**—$5. **Business**—Wholesaling of electronic parts, supplies and equipment and the retailing of high-fidelity and stereophonic equipment and components. **Proceeds**—For debt repayment, expansion, moving expenses and working capital. **Office**—513-15 Cooper St., Camden, N. J. **Underwriter**—Lee-Mosson & Co., Inc., N. Y.

Real Properties Corp. of America
April 27, 1962 filed 300,000 class A shares. **Price**—By amendment (max. $16). **Business**—Company owns certain real estate, general insurance agency, and a mortgage servicing company. **Proceeds**—For debt repayment. **Office** — 745 Fifth Ave., N. Y. **Underwriter** — Stanley Heller & Co., N. Y. **Offering**—Temporarily postponed.

Regulators, Inc. (8/1)
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.

Richard Gray & Co., Inc.
June 21, 1962 ("Reg. A") 60,000 common. **Price**—$5. **Business** — A securities broker-dealer. **Proceeds** — For working capital and other corporate purposes. **Office**—237 W. 51st St., N. Y. **Underwriter**—Richard Gray Co., New York.

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.

Ridgway (L. L.) Enterprises, Inc.
June 27, 1962 filed 155,000 common, of which 130,000 are to be offered by company and 25,000 by a stockholder. **Price**—By amendment (max. $10). **Business**—Company furnishes commercial reproductions, manufactures sensitized papers, cloths and films for blueprinting and printing, and sells architectural, engineering and commercial reproduction equipment and supplies. **Proceeds**—For plant expansion, equipment and working capital. **Office**—5711 Hillcroft Ave.. Houston. **Underwriters**—Underwood, Neuhaus & Co., Inc. and Rotan, Mosle & Co., Houston.

Ridgewood Financial Corp.
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. **Offering**—Indefinitely postponed.

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.
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. (7/30)
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. (7/23-27)
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.

Rochester Telephone Corp. (7/19)
June 21, 1962 filed $12,000,000 of debentures due 1987. **Proceeds**—To repay bank loans, and redeem outstanding 4% debentures due 1963. **Office**—10 Franklin Street, 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 (11 a.m. EDST).

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.

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.

Salant & Salant, Inc.
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. **Offering**—Temporarily postponed.

Sampson Enterprises, Inc.
Feb. 28, 1962 filed 450,000 common. **Price** — By amendment (max. $8). **Business**—A holding company for a real estate concern, motor inn, shopping centers, bowling establishments, etc. **Proceeds**—For debt repayment and working capital. **Office**—222 E. Erie St., Milwaukee. **Underwriters** — Straus, Blosser & McDowell, Chicago and Dempsey-Tegeler & Co., Inc., St. Louis.

San Francisco Capital Corp.
April 23, 1962 filed 60,000 common. **Price**—$12.50. **Business**—A small business investment company. **Proceeds**—For investment. **Office**—400 Montgomery St., San Francisco. **Underwriter**—Cantor, Fitzgerald & Co., Inc., Beverly Hills, Calif.

Santa Fe Drilling Co.
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.

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. (7/23-27)
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.

Schaevitz Engineering
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. (8/1)**
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.

Schwartz (Sidney) Realty Corp.
June 13, 1962 filed 500,000 class A shares. **Price**—$10. **Business** — Real Estate investment. **Proceeds** — For acquisitions and working capital. **Office**—560 Fifth Ave., N. Y. **Underwriters**—Morris Cohon & Co. and Lieberbaum & Co., N. Y.

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.

Seaboard Life Insurance Co. of America
June 29, 1962 filed 256,097 common to be offered for subscription by stockholders on 1-for-5 basis. **Price**—By amendment. **Business**—Writing of life, accident and health insurance. **Proceeds**—For purchase of a building, debt repayment, reserves and other corporate purposes. **Office**—1451 N. Bayshore Dr., Miami. **Underwriter**—None.

Security Aluminum Corp. (7/30)
Jan. 26, 1962 filed 200,000 common. **Price**—By amendment. **Business**—Manufacture of aluminium 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.

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. (8/6-10)**
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.

Shin Mitsubishi Jukogyo K. K.
June 29, 1962 filed $10,000,000 of convertible debentures due Oct. 1, 1977. **Price**—By amendment. **Business**—Manufacture of pulp and paper equipment, ships, aircraft, automobiles, trucks, construction and industrial machinery, etc. **Proceeds** — For general corporate purposes. **Office**—Tokyo, Japan. **Underwriters**—First Boston Corp., and Nomura Securities Co., Ltd., N. Y. **Offering**—Expected in late September.

Signalite Inc.
Jan. 29, 1962 filed 126,000 common. **Price**—$4.50. **Business**—Manufacture, sale and development of glow lamps for use as indicators and circuit components. **Proceeds**—For debt repayment, equipment and working capital. **Office**—1933 Heck Ave., Neptune, N. J. **Underwriter**—Milton D. Blauner & Co., N. Y. **Offering**—In August.

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.
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. **Offering**—Expected in early Fall.

Skiers Service Corp. (7/23-26)
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.
Sept. 28, 1961 filed 160,000 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., and Price Investing Co., N. Y.

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.

★ **Southwestern Bell Telephone Co. (8/7)**
July 13, 1962 filed $100,000,000 of debentures due 1997. **Price**—By amendment (max. 103%). **Proceeds**—To repay advances from A. T. & T., parent company, and for other corporate purposes. **Office** — 1010 Pine St., St. Louis. **Underwriters**—(Competitive). Probable bidders: Halsey, Stuart & Co. Inc.; Morgan Stanley & Co. **Bids**—Aug. 7 (11 a.m. EDST) in Room 2315, 195 Broadway, N. Y.

Spears (L. B.), Inc. (7/30)
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.

★ **Spee Dee Service Systems, Inc.**
June 29, 1962 ("Reg. A") 100,000 common. **Price** — $3. **Business**—A messenger and parcel delivery service. **Proceeds** — For general corporate purposes. **Office** — 309 Fourth Ave., Pittsburgh. **Underwriter**—Franke, Joseph & Co., Inc., N. Y.

Sperti Products, Inc. (8/6-10)
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.

● **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., New York. **Note**—This registration was withdrawn.

● **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. **Note**—This letter was withdrawn.

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.

Standard Security Life Insurance Co. of New York
June 29, 1962 filed 230,000 common. **Price**—By amendment (max. $12). **Business**—Writing of life, accident and health insurance. **Proceeds**—For investment and other corporate purposes. **Office**—111 Fifth Ave., N. Y. **Underwriter**—Ira Haupt & Co., N. Y.

● **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. **Note**—This registration was withdrawn.

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.

Steel Plant Equipment Corp. (7/30)
Oct. 2, 1961 ("Reg. A") 69,660 common. **Price**—$3. **Proceeds**—For equipment and working capital. **Address**—Norristown, Pa. **Underwriter**—Joseph W. Hurley & Co., Norristown, Pa.

Stelber Cycle Corp.
Jan. 5, 1962 filed 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. **Offering**—Expected in August.

● **(M.) Stephens Mfg. Co., Inc. (7/31)**
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,

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Winston & Co., Inc., Beverly Hills, Calif., and I. J. Schein Co., N. Y.

• Sternco Industries, Inc.
Feb. 21, 1962 filed 75,000 class A, of which 25,000 are to be offered by the company and 50,000 by stockholders. **Price**—$5. **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.

Suburban Water Service Co.
June 29, 1962 filed 30,000 preferred and 30,000 common shares to be offered publicly; also 3,398 preferred shares (par $16) to be offered for subscription by common stockholders on a share-for-share basis. **Price** — By amendment (max. $17). **Business**—A holding company for water supply firms. **Proceeds**—For advances to subsidiaries. **Office**—Clinton, Conn. **Underwriter**—Putnam & Co., Hartford.

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.
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. **Note**—This registration will be withdrawn.

• Tabach Industries, Inc. (8/27-31)
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.
March 29, 1962 filed 90,000 common. **Price**—By amendment (max. $7.50). **Business**—Manufacture of fluid control equipment used in missiles, helicopters and aircraft. **Proceeds**—For selling stockholders **Address**—Bridgeport, Conn. **Underwriters**—Stroud & Co., Inc. and Penington, Colket & Co., Philadelphia.

Taylor Publishing Co.
Dec. 21, 1961 filed 152,000 common. **Price**—By amendment. **Business** — Production and distribution of school year-books and commercial printing. **Proceeds**—For selling stockholders. **Office**—6320 Denton Dr., Dallas. **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. **Offering**—Expected sometime in October.

★ Techni-Rite Electronics, Inc.
July 2, 1962 ("Reg. A") 76,250 common to be offered for subscription by stockholders on a 1-for-6 basis; unsubscribed shares will be sold to the public. **Price** — To stockholders $2; to public $3. **Business**—Manufacture and marketing of electronic recording instruments. **Proceeds**—For working capital. **Office**—65 Centerville Rd., Warwick, R. I. **Underwriter**—None.

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. **Note**—This registration was withdrawn.

Thompson Manufacturing Co., Inc (7/30)
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. **Note**—This registration will be withdrawn.

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.
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.

Trailer Train Co.
June 29, 1962 filed $4,000,000 of serial equipment trust certificates, series 1, due 1963-82. **Business**—Acquisition and furnishing of flat cars to railroads. **Proceeds**—Purchase of additional flat cars. **Office** — 6 Penn Center Plaza, Philadelphia. **Underwriters**—(Competitive). Probable bidders: Halsey, Stuart & Co. Inc.; Salomon Brothers & Hutzler; R. W. Pressprich & Co.

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.

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.

• Tujax Industries, Inc.
Mar. 23, 1962 filed 150,000 class A shares, of which 100,000 are to be offered by company and 50,000 by stockholders. **Price**—$8. **Business**—Through its subsidiaries the company is engaged in the wholesale distribution of electrical supplies and equipment. **Proceeds** — For debt repayment and working capital. **Office**—514 E. 73rd St., N. Y. **Underwriters**—Richard Bruce & Co., Inc., and Reuben Rose & Co., Inc., N. Y.

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.

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. (8/13)
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 Markets Inc. (8/6-10)
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.
Mar. 26, 1962 filed 450,000 common, of which 90,897 are to be offered by the company and 359,103 by stockholders. **Price**—By amendment (max. $18). **Business**—Operates hard goods' departments in discount department stores. **Proceeds**—For debt repayment. **Office**—19 Needham St., Nugent Highlands, Mass. **Underwriters**—McDonnell & Co., Inc., and Oppenheimer & Co., N. Y.

• United Packaging Co., Inc.
Nov. 29, 1961 filed 102,000 common. **Price**—$3. **Business**—A general packaging business. **Proceeds** — For new machinery, debt repayment and working capital. **Office**—4511 Wayne Ave., Philadelphia. **Underwriter**—Godfrey, Hamilton, Taylor & Co., Inc., N. Y. **Note** — This registration will be withdrawn.

• 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. **Note**—This letter was withdrawn.

• 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. **Note**—This registration was withdrawn.

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. (8/9)
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.

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.

Utah Gas Service Co.
June 18, 1962 filed 30,000 class A common. **Price**—By amendment (max. $10). **Business**—A public utility en-

gaged in the purchase, distribution and sale of natural gas in eastern Utah. **Proceeds**—For selling stockholders. **Office**—511 Deseret Bldg., Salt Lake City. **Underwriter**—First Nebraska Securities Corp., Lincoln, Neb.

Utah Gas Service Co.
June 18, 1962 filed $1,100,000 of 6% first mortgage bonds due 1982, of which up to $800,000 will be offered in exchange for an equal amount of outstanding 6% first mortgage bonds due 1975, and the balance, together with any unchanged bonds, will be offered for public sale. **Price**—At par. **Business**—A public utility engaged in the purchase, distribution and sale of natural gas in eastern Utah. **Proceeds**—For general corporate purposes. **Office**—511 Deseret Bldg., Salt Lake City. **Underwriter**—First Nebraska Securities Corp., Lincoln, Neb.

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.
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.

● Vendex, Inc. (7/23-27)
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. **Offering**—Indefinitely postponed.

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. **Note**—This registration was withdrawn.

Virginia Electric & Power Co. (7/26)
June 27, 1962 filed 300,000 shares of cumulative preferred ($100 par). **Price**—By amendment (max. $105). **Proceeds**—For construction. **Office**—700 E. Franklin St., Richmond, Va. **Underwriters** — Merrill Lynch, Pierce, Fenner & Smith Inc., and Stone & Webster Securities Corp., New York.

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.

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. (7/30)
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. **Note**—This letter was withdrawn.

Welcome Baby, Inc.
Dec. 28, 1961 filed 75,000 common. **Price**—$2. **Business**—Company renders direct mail public relations, sales promotion and advertising services to mothers on behalf of retail stores. **Proceeds**—For debt repayment and general corporate purposes. **Office**—210-07 48th Ave., Bayside, N. Y. **Underwriter**—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
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. **Offering**—Imminent.

★ Western Building Review Corp.
June 29, 1962 ("Reg. A") 7,000 common. **Price** — $10. **Business**—Publication of a magazine for the lumber industry. **Proceeds**—For debt repayment, equipment and working capital. **Office**—917 S. W. Oak St., Portland, Ore. **Underwriter**—None.

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.

● Western Power & Gas Co. (7/23-27)
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 Photo Offset, Inc.
July 13, 1962 filed 100,000 common. **Price**—$3.50. **Business**—Photo-offset printing. **Proceeds** — For debt repayment, equipment and working capital. **Office**—142 W. 26th St., N. Y. **Underwriter** — K-Pac Securities Corp., New York.

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.
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**—Leib, Skloot & Co., Inc., Clifton, N. J.

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.

Wolf Corp.
Jan. 26, 1962 filed $4,500,000 of 6.5% convertible subordinated debentures due 1977 (with attached warrants) to be offered for subscription by stockholders of class A stock on the basis of $500 debentures for each 100 class A shares held. **Price**—$500 per unit. **Business**—Real estate. **Proceeds**—For debt repayment and realty acquisitions. **Office**—10 E. 40th St., N. Y. **Underwriter**—S. E. Securities, Inc., 10 East 40th St., New York.

Wolverine Aluminum Corp.
March 5, 1962 filed 100,000 common. **Price** — By amendment (max. $6.50). **Business**—Processing and manufacturing of aluminum building products. **Proceeds**—For a new building and equipment. **Office**—1650 Howard St., Lincoln Park, Mich. **Underwriter**—F. J. Winckler & Co., Detroit. **Offering**—Expected in mid-August.

Worcester Gas Light Co. (8/15)
June 29, 1962 filed $5,000,000 of first mortgage sinking fund bonds, series D, due 1982. **Proceeds**—For debt repayment and construction. **Office**—130 Austin St., Cambridge, Mass. **Underwriters** — (Competitive). Probable bidders: First Boston Corp.; Halsey, Stuart & Co. Inc.; Kidder, Peabody & Co.-White, Weld & Co. (jointly). **Bids**—Aug. 15, (11:30 a.m. EDST) at above address. **Information Meeting**—Aug. 9, 1962 (10:30 a.m. EDST) at 60 School St., Boston.

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. **Note**—This registration will be withdrawn.

Worth Financial Corp. (7/31)
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.

Zestee Foods, Inc.
June 8, 1962 ("Reg. A") 85,700 common. **Price**—$3.50. **Business**—Manufacture and sale of jellies and preserves. **Proceeds**—For equipment, advertising, plant expansion and inventory. **Office**—2808 S. Western Ave., Oklahoma City. **Underwriter**—F. R. Burns & Co., Oklahoma City.

Prospective Offerings

● Atlantic Coast Line RR. (8/15)
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., New York. **Underwriters**—(Competitive). Probable bidders: Halsey,

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Stuart & Co. Inc.; Salomon Brothers & Hutzler. **Bids**—Expected Aug. 15 (12 noon EDST).

● **Belt Railway Co. of Chicago (8/2)**
July 18, 1962 it was reported that this company plans to sell $37,250,000 of first mortgage sinking fund bonds, series A, due Aug. 15, 1987. **Office**—Dearborn Station, Chicago. **Underwriters** — (Competitive). Probable bidders: Kidder, Peabody & Co.-New York Hanseatic Corp. (jointly); Salomon Brothers & Hutzler; Halsey, Stuart & Co. Inc.; First Boston Corp. **Bids**—Aug. 2, 1962 (12 noon CDST) at the company's offices.

Central Illinois Public Service Co.
July 10, 1962 it was reported that this company plans to issue about $10,000,000 of first mortgage bonds in 1963. **Proceeds**—For construction. **Office**—607 E. Adams St., Springfield, Ill. **Underwriters**—(Competitive). Probable bidders: Eastman Dillon, Union Securities & Co.-Equitable Securities Corp. (jointly); Blyth & Co.-Kidder, Peabody & Co.-Merrill Lynch, Pierce, Fenner & Smith Inc. (jointly); Halsey, Stuart & Co. Inc.; Salomon Brothers & Hutzler; First Boston Corp.; Lehman Brothers-Bear, Stearns & Co. (jointly).

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.
June 14, 1962 it was reported that this company plans to sell about $40,000,000 of securities, probably first mortgage bonds in the 4th quarter. **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.

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 Alleghany 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.

Illinois Power Co.
Feb. 28, 1962 it was reported that this utility expects to sell $25,000,000 of debt securities in late 1962 or early 1963. **Office**—500 South 27th St., Decatur, Ill. **Underwriters**—To be named. The last sale of bonds on May 21, 1958 was made through First Boston Corp. Other bidders were: Halsey, Stuart & Co. Inc.; White, Weld & Co.-Merrill Lynch, Pierce, Fenner & Smith, Inc. (jointly); Eastman Dillon, Union Securities & Co.; Harriman Ripley & Co., Inc.-Glore, Forgan & Co. (jointly).

Jamaica Water Supply Co.
March 20, 1962 it was reported that this utility plans to sell $3,000,000 of mortgage bonds and $2,000,000 of preferred and common stocks. **Proceeds**—For debt repayment, and construction. **Office** — 161-20 89th Ave., Jamaica, N. Y. **Underwriters**—To be named. The last sale of bonds on May 3, 1956 was made by Blyth & Co. Other bidders were: Halsey, Stuart & Co. Inc.; Kidder, Peabody & Co.; White, Weld & Co. The last several issues of preferred were sold privately. The last sale of common on May 9, 1956 was made through Blyth & Co., Inc.

Japan Development Bank
July 3, 1962 it was reported that the Japanese Finance Ministry has authorized the bank to issue an additional $22,500,000 of bonds in the U. S. It is expected that a major portion of this financing will be completed by the end of 1962. **Business**—The bank was incorporated in 1951 as a Japanese Government financial institution to supply long-term funds to Japanese industry for the promotion of economic reconstruction and industrial development. **Office**—Tokyo, Japan. **Underwriters** — First Boston Corp.; Dillon, Read & Co. Inc.; Smith, Barney & Co., Inc., N. Y.

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.

Massachusetts Electric Co. (8/27)
June 25, 1962 it was reported that New England Electric System, parent, plans to merge Lynn Electric Co., Merrimack-Essex Electric Co., Suburban Electric Co., and Massachusetts Electric Co. The latter, as survivor, would then issue up to $60,000,000 of first mortgage bonds, and $7,500,000 of preferred stock. **Proceeds**—To redeem certain outstanding bonds, notes and preferred stock of merging companies. **Office**—441 Stuart St., Boston. **Underwriters**—(Competitive). Probable bidders: (Bonds)—Merrill Lynch, Pierce, Fenner & Smith Inc.-Eastman Dillon, Union Securities & Co. (jointly); Halsey, Stuart & Co. Inc.; First Boston Corp.-Kidder, Peabody & Co.-Blyth & Co. Inc.-White, Weld & Co. (jointly). (Preferred)—Merrill Lynch, Pierce, Fenner & Smith Inc.-Eastman Dillon, Union Securities & Co. (jointly); Kidder, Peabody & Co.-White, Weld & Co. (jointly). **Bids**—Aug. 27, 1962 (12 noon EDST).

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, Pierce, Fenner & Smith Inc., New York.

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.

★ **New York, Chicago & St. Lous RR. (8/8)**
On July 17, 1962 it was reported that this road plans to sell $2,600,000 of equipment trust certificates. **Office**—Terminal Tower Bldg., Cleveland, O. **Underwriters**—(Competitive). Probable bidders: Salomon Brothers & Hutzler; Halsey, Stuart & Co. Inc. **Bids**—Aug. 8, 1962 (12 noon CDST) at 905 Terminal Tower Bldg., Cleveland.

Nippon Telegraph & Telephone Public Corp.
July 3, 1962 it was reported that the Japanese Finance Ministry has authorized the company to issue an additional $20,000,000 of bonds in the U. S., by the end of 1962. **Business**—The company was formed in 1952 to take over from the Government the furnishing of public telephone, telegraph and related communication services in Japan, and is the only company furnishing such services in Japan. **Office**—Tokyo, Japan. **Underwriters**—Dillon, Read & Co., Inc.; First Boston Corp.; Smith, Barney & Co.

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.

Pacific Northwest Bell Telephone Co. (9/11)
July 3, 1962 it was reported that this A. T. & T. subsidiary plans to sell $50,000,000 of debentures due Sept. 1, 2002. **Proceeds** — For reduction of debt due Pacific Telephone & Telegraph Co. **Office** — 1200 Third Ave., Seattle, Wash. **Underwriters** — (Competitive). Probable bidders: Morgan Stanley & Co.; Halsey, Stuart & Co. Inc. **Bids**—Expected Sept. 11.

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 Co. (9/5)**
July 18, 1962 it was reported that this company plans to issue $12,000,000 of first and refunding mortgage bonds, due 1992. **Proceeds**—For redemption of $8,000,000 of 5% first mortgage bonds, due 1987, and for construction. **Office**—19 E. Washington St., New Castle, Pa. **Underwriters** — (Competitive). Probable bidders: Halsey, Stuart & Co. Inc.; Kidder, Peabody & Co.-White, Weld & Co.-Equitable Securities Corp.-Shields & Co. (jointly); Lehman Brothers; Merrill Lynch, Pierce, Fenner & Smith Inc.-Dean Witter & Co. (jointly). **Bids**—Expected Sept. 5, 1962 at First National City Bank, 55 Wall St., New York City. **Information Meeting**—Expected Aug. 29. **Registration**—Imminent.

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.

Public Service Electric & Gas Co. (8/21)
On June 26, 1962 it was reported that this company is considering a public offering of $40,000,000 of first and refunding mortgage bonds, due Aug. 1, 1992. **Proceeds**—For construction. **Underwriters**—(Competitive). Probable bidders: First Boston Corp.; Halsey, Stuart & Co. Inc.; White, Weld & Co.-Blyth & Co., Inc.-Goldman, Sachs & Co.-Harriman Ripley & Co., Inc. (jointly). **Bids**—Aug. 21, 1962 (11 a.m. EDST) in Newark, N. J.

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 California Edison Co. (8/28-9/6)
July 3, 1962 it was reported that this company plans to sell $50,000,000 of first and refunding mortgage bonds, series P, due 1987. **Proceeds**—For debt repayment and construction. **Office**—601 W. 5th St., Los Angeles. **Underwriters**—(Competitive). Probable bidders: Blyth & Co., First Boston Corp.-Dean Witter & Co. (jointly); Halsey, Stuart & Co. Inc.; Kuhn, Loeb & Co.-Equitable Securities Corp. (jointly). **Bids** — Expected at the company offices between Aug. 28 and Sept. 6 at 8:30 a.m. (Calif. Time).

Southern Electric Generating Co. (11/28)
On Jan. 12, 1962 it was reported that this subsidiary of the Southern Co. plans to offer $6,500,000 30-year first mortgage bonds in November. **Office**—600 N. 18th St., Birmingham, Ala. **Underwriters** — (Competitive) Probable bidders: First Boston Corp.; Halsey Stuart & Co., Inc.; White, Weld & Co.-Kidder, Peabody & Co. (jointly); Merrill Lynch, Pierce, Fenner & Smith Inc.-Blyth & Co., Inc. (jointly); Eastman Dillon, Union Securities & Co.-Equitable Securities Corp.-Drexel & Co. (jointly); Morgan Stanley & Co. **Bids**—Expected Nov. 28. **Registration**—Scheduled for Nov. 1.

Southern 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).

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.

The State of TRADE and INDUSTRY

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tons (*66.5%), in the week ended July 7. Making a week-to-week rise of 10.9%. This did not quite recover the 17.5% weekly decline in the prior July 4 week.

The latest week ended July 14, 1962, shows a production decline of 26.4% compared to last year's week output of 1,860,000 tons (*99.8%).

Production this year through July 14 amounted to 57,021,000 tons (*109.3%), or 17.1% above the Jan. 1-July 15, 1961, period.

The Institute concludes with Index of Ingot production by Districts for week ended July 14, 1962, as follows:

	* Index of Ingot Production for Week Ended July 14, 1962
North East Coast	75
Buffalo	58
Pittsburgh	65
Youngstown	57
Cleveland	86
Detroit	89
Chicago	78
Cincinnati	67
St. Louis	77
Southern	91
Western	85
Total	73.5

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

Steel Imports Hit Two-Year High And U. S. Exports Rise 8%

The May total of steel imports, according to the Department of Commerce, came to 412,000 tons, worth $47,000,000, and was the highest since March, 1960, which amounted to 459,000 tons worth $62,000,000. The May, 1962, total was 88,000 tons more than April's.

Contributing factors cited by the Commerce Department were softening demand abroad leading to recent price cuts, and a heavy tonnage of steel from Canada sent here for processing which will be reflected in our exports when returned to that country.

Steel imports for the first five months of this year came to 1,700,000 tons, or 700,000 tons more than the comparable 1961 period. The Commerce Department said that the five-month import figure came to 4.8% of our total new steel supply for the corresponding period.

U. S. exports of steel in the same period came to 801,000 tons which is less than half of the import level and marks an 8% export rise compared to the 1961 period. The exports would have been less were it not for the stimulus provided by foreign aid financing of steel to Pakistan and India.

Steelmakers Will Step Up Shipments in August

Steelmakers will step up shipments next month in response to rising demand from three of their best customers — the automotive, construction and container industries, *Steel* magazine said this week.

Automakers will take their first sizable shipments of steel to be used in production of 1963 models in August.

At the same time, steel requirements of structural fabricators, road builders, pipeline companies, and canmakers will be rising to seasonal peaks.

Usage in other industries will be trending upward as vacations taper off, and users who have completed inventory adjustments will be coming back into the market.

Result: August shipments will be 5 to 10% higher than July's.

Because of inventory cutbacks, vacations, and the usual end-of-model-run drop in automotive steel buying, July shipments will be 10 to 15% under June's.

Although some steelmakers who are disappointed with the current level of business may feel their customers did more strike hedging than industry analysts estimated, chances are the estimates are accurate.

At the end of April, user inventories were about five million tons higher than they were at the start of the year. The trouble is that liquidation started slowly, did not reach sizable proportions until June and won't be completed before October.

Statistics indicate the mills shipped a lot of steel in May that they had melted in previous months. In June, liquidation started in earnest. Result: User inventories dropped by at least one million tons. They will drop that much or more this month and next.

Ingot Output on Uptrend

Ingot output this week will be higher than the 1,350,000 tons that *Steel* estimates were made last week. Output then was 9% above the July 4 holiday week.

Sluggish demand continues in the steel scrap market. *Steel's* price composite on the key grade, No. 1 heavy melting, held at $25.33 a gross ton.

Steel contacted metalworking managers in a spotcheck to determine the effect of the new depreciation tax policy on capital equipment outlays announced last week.

Consensus: The new policy is more than most managers hoped for — though short of what they consider i d e a l. The optimum (which few people really hoped to get) would take into account replacement cost rather than original purchase price.

Tempering the optimism of some executives: The law is a dramatic improvement — but only if properly administered — and fully utilized by industry.

Most steelmakers, machine tool builders, and automakers agree that the new schedules will spur new investment in capital equipment.

Appliance makers say short range effects will be hard to measure, but they look for the new rules to be beneficial over the long term.

Makers of material handling equipment and conveyors are not unanimous in their outlook. Some see a sprightly pickup. Others are disappointed in orders from the textile industry given a depreciation break last winter.

Steel Buying Resumption Expected Late August or September

Steel users are still reducing inventories, but the cutbacks have slowed down, *The Iron Age* reported yesterday.

Working against further cutbacks is the present low rate of steel consumption. As a result, many steel buyers won't be ready to order "normal" monthly tonnages until late August or September.

A special *Iron Age* Survey of Steel Purchasing Agents reveals these facts about inventories:

Many users are still carrying more-than-normal steel stocks.

At present rates of chew-up, the inventory workoff won't be over until September.

Even steel users who report normal inventories don't expect to step up buying until next month or in September.

Auto suppliers have on hand a 45- to 60-day steel inventory. For many of them stocks are slightly above normal. This is not surprising as the auto industry and its suppliers doubled inventories during the first quarter. Most mention last August or September as the time to increase ordering.

For now automakers are virtually out of the market as they get ready for model changeovers. One big automaker is cutting inventories and reducing August buying. Others are taking only token tonnages.

August orders for some mills are improved over July levels. However, July orders are not impressive. The latest gains, increases of 15 to 20% in some cases, will only return the order rate to low June levels.

Week's Auto Output Up 13.3% Over Last Year's Week

The auto industry's output of 1962 model passenger cars by the close of last week will be over 1,000,000 units ahead of 1961 production at the same time a year ago, *Ward's Automotive Reports* reported.

Assembly of some 6,204,000 cars thus far in the current model year has already eclipsed total output for any period since 1957. *Ward's* has predicted that 1962 model making, slated for conclusion by mid-August, will reach nearly 6.7 million units to rank as second-best (to 1955) on record.

The statistical agency said that factory output last week reached 144,110, up 28.3% from 112,327 units completed two weeks ago, when assembly was interrupted by the July 4 holiday. Last week a year ago, 127,157 cars were made.

Most of Ford Motor Co.'s plants have been scheduling daily overtime seeking to make up production losses sustained following the recent strike at its Cleveland stamping plant, which eventually affected all of its 16 car-making complexes. Two Ford plants, at Wixom, Mich. and St. Louis, had been closed all week for employee vacations.

Elsewhere in the industry, overtime work appears diminishing as plant "run-out" schedules become fixed. General Motors Corp. assigned Saturday work last week to only two plants — Chevrolet division's huge Chevy II-Corvair facility at Willow Run, and to a combination Buick - Oldsmobile - Pontiac installation at South Gate, Cal.

Chrysler Corp. and American Motors programmed normal Monday - through - Friday operations, although Rambler output at Kenosha, Wisc., remains on two shifts. Studebaker Corp., at South Bend, Ind., completed its 1962 model making as of June 28 for the domestic market.

Of last week's output, General Motors is expected to account for 54.2%; Ford Motor Co., 29%; Chrysler Corp., 10.3%; American Motors, 6.4%; and Studebaker, 0.1%.

U. S. Factory Production

	To Date 1962	To Date 1961
Cars	3,877,433	2,950,050
Trucks	681,199	614,234
Total	4,558,632	3,564,284

Freight Carloadings Slip 1.1% Below Last Year's Week

Loading of revenue freight in the week ended July 7, which included the first week of the coal miners' annual vacation and the Independence Day holiday, totaled 419,584 cars, the Association of American Railroads announced. This was a decrease of 170,072 cars or 28.8% below the preceding week.

The loadings represented a decrease of 4,608 cars or 1.1% below the corresponding week in 1961, and a decrease of 38,195 or 8.3% below the corresponding week in 1960.

There were 15,196 cars reported loaded with one or more revenue highway trailers or highway containers (piggyback) in the week ended June 30, 1962 (which were included in that week's over-all total). This was an increase of 3,271 cars or 27.4% above the corresponding week of 1961 and 3,500 cars or 29.9% above the 1960 week.

Cumulative piggyback loadings for the first 26 weeks of 1962 totaled 344,814 cars for an increase of 58,509 cars or 20.4% above the corresponding period of 1961, and 68,476 cars or 24.8% above the corresponding period in 1960. There were 60 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.

Truck Tonnage Travels 7.1% Further Than Last Year's Week

Intercity truck tonnage in the week ended July 7 was 7.1% ahead of the volume in the corresponding week of 1961, the American Trucking Association announced. Truck tonnage was 20.9% below the volume for the previous week of this year. The week-to-week decrease is largely attributable to the Independence Day holiday which depressed traffic during the latest week reported. This tonnage decrease is consistent with that experienced during the comparable periods in past years.

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

Lumber Output Rises 8.2% Above 1961 Level

Lumber production in the United States in the week ended July 7, totaled 140,518,000 board feet compared with 220,713,000 in the prior week, according to reports from regional associations. A year ago the figure was 129,809,000 board feet.

Compared with 1961 levels, output advanced 8.2%, shipments were 13.7% higher, and orders gained 16.1%.

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

	July 7, 1962	June 30, 1962	July 8, 1961
Production	140,518	220,713	129,809
Shipments	173,930	250,200	152,870
Orders	185,439	252,065	159,848

Electric Output 11.1% Higher Than in 1961 Week

The amount of electric energy distributed by the electric light and power industry for the week ended Saturday, July 14, was estimated at 16,479,000,000 kwh., according to the Edison Electric Institute. Output was 1,307,000,000 kwh. more than that of the previous week's total of 15,442,000,000 kwh. and 1,678,000,000 kwh., or 11.1% above that of the comparable 1961 week.

Business Failures Drop From Week Ago

Commercial and industrial failures dipped to 253 in the week ended July 12 from 284 in the preceding week, reported Dun & Bradstreet, Inc. Reaching the lowest level since the first week of January, 1961, casualties also fell substantially below the comparable year-ago level of 304, and were off slightly from the 258 in 1960. As well, 7% fewer failures occurred than in 1939, when the pre-war toll was 272.

Failures with liabilities topping $100,000 or more declined sharply to 28 in the latest week from 45 a week earlier and 31 in the comparable week of 1961. A downturn also appeared among casualties involving liabilities under $100,000 which fell to 225 from 239 in the previous week and 273 a year ago.

Wholesale Food Price Index Dips Again in Latest Week

The Wholesale Food Price Index, compiled by Dun & Bradstreet, Inc., edged down this week to $5.87 on July 17 and was 0.7% below the $5.91 registered in the preceding week. The index continues below the levels established in 1961; in the current week it was down 1.0% from the $5.93 a year ago.

Food commodities quoted lower in price were wheat, corn, rye, hams, bellies, cottonseed oil, cocoa, eggs, potatoes and steers. Higher in price were flour, lard, butter and sugar.

The Dun & Bradstreet, Inc. Wholesale Food Price Index represents the sum total of the price per pound of 31 raw foodstuffs and meats in general use. It is not a cost-of-living index. Its chief function is to show the general trend of food prices at the wholesale level.

Wholesale Commodity Price Index Edges Up From Prior Week

The general wholesale commodity price level rose slightly in the week just ended. Reaching 271.63, this was the fifth straight week-to-week rise, reported Dun & Bradstreet, Inc. The increase reflected appreciably higher prices at wholesale for hogs, steers and hides as well as slight advances for flour and sugar. Declines were registered for the following: corn, rye, oats, lard, lambs, cotton and rubber.

On July 16, the Daily Wholesale Commodity Price Index stood at 271.63, exceeding slightly the week-ago level of 271.61 and substantially higher than the 270.90 of a month ago but was only fractionally lower than the 271.71 on the comparable date a year ago.

Clearances Spur Consumer Buying

Retail purchases, helped by clearance sales and good weather but hindered by Saturday closings and vacations for many shoppers, made moderate headway in the week ended July 11. Over-all volume continued to register a mild advance from the corresponding 1961 level. Sales of children's wear strengthened and activity continued lively in both men's and women's swim suits and casual clothing. However, interest in furniture and appliances was spotty. While auto purchases slowed slightly from the pace in recent weeks they maintained their substantial margin over last year.

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: New England —2 to +2; Middle Atlantic —1 to +3; West North Central 0 to +4; East North Central +1 to +5; West South Central & Mountain +2 to +6; South Atlantic and East South Central +3 to +7; Pacific +4 to +8.

Nationwide Department Store Sales Up 4% From 1961 Week

Department store sales on a country-wide basis as taken from the Federal Reserve Board's index reported a 4% advance for the week ended July 7, 1962, compared with the like period in 1961. For the week ended June 30, sales were similarly ahead by 4% from the corresponding 1961 week. In the four - week period ended July 7, 1962, sales advanced 3% over the corresponding period in 1961.

According to the Federal Reserve System department store sales in New York City for the week ended July 7, were 6% higher when compared with the same period in 1961.

Security Management

TOPEKA, Kansas—Security Management Company, Inc. is engaging in a securities business from offices at 700 Harrison. Officers are Dean L. Smith, President and Treasurer; William J. Miller, Jr., Secretary; and Robert E. Jacoby, Vice-President.

Henry Shelor Opens

SUMTER, S. C.—Henry H. Shelor is engaging in a securities business from offices in the Shelor Building. He was formerly with G. H. Crawford & Co.

Capital Spending and the Business Cycle Outlook

Continued from page 8

no major investment program is needed.

Now of course, the stock answer to this question of adequacy of capacity is that the capital spending is for modernization, not expansion. But it is difficult to spend any significant amount of money on modernization without expanding capacity, and it seems unlikely that we could generate a heavy capital goods program on the basis of modernization and replacement.

But in any case we have the signal of the market place. Profit is the return on capital; the profit squeeze is the market's signal that the demand for capital is limited, that no boom in fixed investment is justified.

I have been accused of advocating a new theory of secular stagnation in the demand for capital. This is not the case. Our current problem in the capacity field is that we added to capacity at an excessive rate during 1955-57.

Blames 1959-1960 Overexpansion

Far from believing in secular stagnation in the demand for capital, I believe that the rapid rate of technological progress will increase the demand for capital goods, and increase it sharply. But having gotten ahead of ourselves a few years ago, and having generally caught up with the economy's demand for capital equipment, we must face some delay. This is the basic factor behind the mildness of the recovery in 1959-60, and behind the mildness of the current recovery. Having overextended ourselves we have been unable to generate a strong demand for capital goods, and without strength in capital goods demand a free economy does not develop a real boom.

This stability in investment demand, this lack of boom, conditions the outlook for manufacturing generally—mild stimulus from investment; no major stimulus from other sources. Inventories, while not excessive, are only about in line with sales needs, so no significant inventory building can be expected. A sharp increase in government spending was a major factor in ending the 1960-61 recession but the rate of increase happily sems to be leveling off; consumers are in a relatively solvent position, and able to incur considerably more debt, but net increases in installment credit, the net additions to the spending stream, are likely to rise only slightly above the (April) jump of $517 million, and on the basis of past patterns should peak in a few months and then decline.

Thus even without allowing for the difficulties of the stock market, the balance of payments, the specie base for the free world's currency, the current outlook for manufacturing seems to be for stability at best. When we allow for these other disturbing potentials, a decline seems quite likely.

Actually, there are several discouraging signs, even without allowing for these special factors. The generally disappointing pattern of new orders for durable goods is well known, but some of this reflects the steel situation. However, new orders for durable goods, excluding steel and automobiles, after remaining comfortably above sales through the second half of 1961, have been declining since January, in March and April were running slightly below sales, and apparently continued about the same in May. This is not definitive, but is certainly suggestive of an incipient decline.

Again, production of non-durable goods has been running above its long-term trend value for 12 months. The excess is not great, but such a pattern in the past has signalled some inventory building, and the consequent need, at the very least, to reduce production to a consumption basis.

The generally discouraging pattern of the leading indicators is well known, with construction and paperboard new orders among the few bright stars in a cloudy sky.

On the basis of this general pattern I conclude that manufacturing production will reach a peak in the next few months, and than begin to decline.

Since there have been no particular excesses in the current recovery, the decline should be relatively mild. Industrial production, 118 in May, should peak a little above 120, and decline to a low in the 105-110 range. This low point should be reached somewhere about the middle of 1963—a date I believe has been suggested by others as the peak of the current recovery. The subsequent recovery should be better than the two most recent ones, unless the problems symbolized by the stock market decline turn this coming recession into a major depression. If we can solve these various problems we should shortly be set to begin another major boom, with an increased rate of economic growth, based on the rapid technological changes of recent years, which we have only begun to exploit.

*An address by Mr. Schultz at the conference on the Business Outlook for the last half of 1962 sponsored by the Chamber of Commerce of the United States, Washington, D. C., June 29, 1962.

Dealer-Broker Recommendations

Continued from page 8

Gem International, Inc. Midwestern Financial Corp., Mountain States Telephone & Telegraph, and **Pacific Power & Light.**

Detroit and Canada Tunnel — Analysis—Armstrong, Jones, Lawson & White, Inc., Penobscot Building, Detroit 26, Mich.

Devoe & Raynolds Co.—Memorandum—Parker, Ford & Co., Inc., Vaughn Building, Dallas 1, Tex.

Distillers Corp.-Seagrams Ltd. — Analysis — Doherty Roadhouse & Co., 335 Bay Street, Toronto 1, Ont., Canada.

E M C Corp.—Analysis—Naftalin & Co., Inc., 207 South Sixth Street, Minneapolis 2, Minn.

Eastern Gas & Fuel Associates—Bulletin—Winslow, Cohu & Stetson, 26 Broadway, New York 4, N. Y.

Eastman Kodak—Memorandum—Fershing & Co., 120 Broadway, New York 5, N. Y.

Emerson Electric Manufacturing—Bulletin — Auchincloss, Parker & Redpath, 2 Broadway, New York 4, N. Y. Also available is a discussion of **Van Raalte Co., Inc.**

Eon Corp.—Analytical Brochure—L. H. Rothchild & Co., 52 Wall Street, New York 5, N. Y.

Erie Resistor — Memorandum — Noel N. Rothman & Co., 300 West Washington Street, Chicago 6, Ill.

Ets-Hokin & Galvin Inc. — Analysis—Charles A. Taggart & Co., Inc., 1616 Locust Street, Philadelphia 2, Pa.

Fishbach and Moore, Inc.—Report — Hertzfeld & Stern, 30 Broad Street, New York 4, N. Y.

Ford Motor Company — Report — Carl M. Loeb, Rhoades & Co., 42 Wall Street, New York 5, N. Y. Also available are reports on **American Can Co., Continental Can Co., Rexall Drug & Chemical,** and **Worthington Corporation.**

General America Corp.—Analysis — Pacific Northwest Co., United Pacific Building, Seattle 24, Wash.

General Mills — Memorandum — Sincere & Co., 208 South La Salle Street, Chicago 4, Ill.

General Motors — Bulletin — The Kentucky Company, 320 South Fifth Street, Louisville 2, Ky.

General Telephone Co. of California—Bulletin—Mitchum, Jones & Templeton, Inc., 650 South Spring Street, Los Angeles 14, Calif.

Green Shoe — Survey — Shields & Co., 44 Wall Street, New York 5, N. Y. Also available are reports on the **Aluminum, Auto, Electronics** and **Petroleum Industries**, and a list of selected stocks for dollar averaging.

International Business Machines Corp. — Review—Vanden Broeck, Lieber & Co., 125 Maiden Lane, New York 38, N. Y. Also available are reviews of **Minnesota Mining and Manufacturing Co.** and **Corn Products Co.**

Interstate Life and Accident Insurance Co. of Chattanooga — Analysis — Equitable Securities Corp., 322 Union Street, Nashville 3, Tenn.

Kern County Land Company—Report—Shearson, Hammill & Co., 14 Wall Street, New York 5, N. Y. Also available are reviews of **Crown Cork & Seal, Decca-MCA, Devoe & Raynolds, Graniteville Co., Heinicke Instruments** and **Henry I. Siegel.**

Lane Bryant—Bulletin—Evans & Co., Inc., 300 Park Avenue, New York 22, N. Y. Also available are data on **Southeastern Public Service.**

MacMillan, Bloedel and Powell River Limited — Analysis — McLeod, Young, Weir & Co., Ltd., 50 King Street, West, Toronto, Ont., Canada.

Maryland Cup Corp. — Report — Robert Garrett & Sons, Garrett Building, Baltimore 3, Md.

Massy Ferguson—Review—Hemphill, Noyes & Co., 8 Hanover St., New York 4, N. Y. Also available are data on **King's Department Stores, Kratter Corp., Swingline, Western Massachusetts Companies** and **Alside.**

J. W. Mays, Inc. — Analysis — Bioren & Co., 1424 Walnut Street, Philadelphia 2, Pa.

Melnor Industries, Inc.—Analysis Newburger & Co., 1401 Walnut Street, Philadelphia 2, Pa.

Pacific Coast Properties—Analysis — Dempsey-Tegeler & co., Inc., 100 Locust Street, St. Louis 1, Mo. Also available is an analysis of **Van Camp Sea Food Co.**

Public Service Electric & Gas — Analysis — Robinson & Co., Inc., 15th & Chestnut Streets, Philadelphia 2, Pa.

Sunset House Distributing Corp.—Memorandum — Crowell, Weedon & Co., 629 South Spring Street, Los Angeles 14, Calif.

Thompson Ramo Wooldridge — Review — Fahnestock & Co., 65 Broadway, New York 6, N. Y. Also available is a review of **Union Electric**, and a list of **Common Stocks** which appear interesting.

United Utilities—Memorandum—Blair & Co., Inc., 20 Broad Street, New York 5, N. Y.

Woolworth — Memorandum — Courts & Co., 11 Marietta Street, N. W., Atlanta 1, Ga. Also available is a memorandum on **Interstate Department Stores.**

Now Sole Proprietor

STUDIO CITY, Calif.—Charles E. Greenblatt is now sole proprietor of Pacific Investors Securities Co., 12077 Ventura Place.

New Jersey Highway Authority Sells $40,000,000 Bonds

The New Jersey Highway Authority yesterday delivered $40,000,000 of bonds to 48 investors at ceremonies at The Chase Manhattan Bank. Lehman Brothers assisted the Authority in arranging the financing. Proceeds of the bonds will be used to assist in the financing of the East-West Freeway (Interstate Route 280) in Essex County, to provide an interchange between Garden State Parkway and the East-West Freeway, and for various other improvements.

Pictured above, seated, left to right, are Dr. John B. Townsend, Vice-Chairman of the Authority, and John W. de Milhau, Vice-President of Chase Manhattan. Standing are, left, D. Louis Tonti, Executive Director of the Authority, and Harold J. Szold, partner in Lehman Brothers. Mr. de Milhau is shown handing 48 checks to Dr. Townsend.

The investors include insurance companies and banks located in New Jersey, New York, Massachusetts, Connecticut, Pennsylvania, Maryland, Ohio, Illinois, South Carolina, Tennessee, Minnesota and Michigan.

The bonds bear 4¼% interest and were sold at par value plus accrued interest. They are dated July 1, 1962, due Jan. 1, 1977 and are redeemable at the option of the Authority on and after July 1, 1972.

TAX-EXEMPT BOND MARKET

Continued from page 6

Lehman Brothers, John Nuveen & Co. and many local members.

Other Large Emissions

On Wednesday, the week's only so-called triple A offering was bid for. $13,645,000 Milwaukee County (1963-1982) bonds were awarded as two separate issues. Phelps, Fenn & Co. and associates won the $8,100,000 Expressway (1963-1982) issue at a 2.891% interest cost and reoffered the bonds to yield from 1.60% to 3.10% with a 2.90% coupon. The $5,545,000 Metropolitan Sewerage (1963-1977) issue was won by the Halsey, Stuart & Co., Inc.-Morgan Guaranty Trust Co. group at a net interest cost of 2.758%. These bonds were reoffered to yield from 1.65% to 2.95% with a 2.80% coupon. Balances are not as yet reported.

Wednesday's only other large issue offered for competitive bidding was $8,217,000 Suffolk County, New York (1963-1982) bonds. Bankers Trust Co. and their associates won the issue in close bidding. The reoffering was made at yields ranging from 1.70% to 3.20% with the issue bearing a 3.10% coupon. Suffolk County is an infrequent borrower and its bonds generally interest all New York investors. The unsold balance is not as yet reported.

High Coupon Dollar Bonds Best Gainers

The toll road, bridge revenue and public utility revenue issues have done better during the last week. There has been a general improvement in this list since the lows were reached in late June and early July but the snap-back has been most pronounced in the high coupon issues. Revenue trends for the toll road projects have been improved this year.

This summer's improvement is best reflected by the Illinois Toll Highway on which figures are available weekly. For this system average daily maintenance and bond interest requirements total $65,385. This year, to July 5, the average daily toll revenue has been $66,903. For the week ending July 5 the average daily take was $98,154. For the year 1962 the coverage of interest after maintenance and operational costs is estimated at 119.9%. The improvement expressed in this instance is being approached by most of our toll road projects.

Rothwell & Williams Open

SMITHTOWN, N. Y.—Rothwell & Williams has been formed with offices at 21 Dogwood Drive, to engage in a securities business. Partners are Aubrey W. Williams and M. G. Williams.

Shaw, Darr & Co.

GARDEN CITY, N. Y. — Shaw, Darr & Co. Incorporated, is engaging in a securities business from offices at 106 Seventh Street. Robert F. Shaw is Chairman of the Board and Treasurer; Grayson P. Darr, President, and John F. Andrews, Vice-President and Secretary.

The People and Progress

"Because our system is designed to encourage both differences and dissent, because its checks and balances are designed to preserve the rights of the individual and the locality against pre-eminent central authority, you and I, Governors, both recognize how dependent we both are, one upon another, for the successful operation of our unique and happy form of Government. Our system and our freedom permits the legislative to be pitted against the executive, the State against the Federal Government, the city against the countryside, the party against party, interest against interest, all in competition or in contention one with another.

Pres. J. F. Kennedy

"Our task—your task in the State House and my task in the White House—is to weave from all these tangled threads a fabric of law and progress. Others may confine themselves to debate, discussion and that ultimate luxury—free advice. Our responsibility is one of decision, for to govern is to choose."—President John F. Kennedy to an Independence Hall audience that included the Governors of the States of the U. S.

"A fabric of law and progress!" Certainly a fine phrase, but in light of current events it is in order to suggest that, after all, the vast majority of the decisions that must be made are the responsibility of the people themselves.

Inv. Bankers Form Spanish Venture

After almost a year of study and discussions, a group of New York, London, and Paris investment bankers joined last Friday, July 13, 1962, in Madrid with the leading Spanish private bank to form a new Spanish venture designed to promote and participate in the economic growth that the principals believe will be realized in Spain in the future.

The new company is the "Corporacion Espanol de Financion International, S.A." ("Spanish International Finance Co."). Its organizers and stockholders are Banco Urquijo (Madrid), Banque de Paris et des Pays-Bas (Paris), Lehman Brothers, New York, and J. Henry Schroder, Wagg & Co. (London). The authorized capital of the company is 100,000,000 pesetas, approximately $1,660,000.

The Chairman of the new venture will be the Marques de Bolarque, Vice-Chairman of the Banco Urquijo, and presently Spanish Ambassador to the Government of West Germany at Bonn.

The directors consist of the following: the Spanish interests will be represented in addition to the Marques de Bolarque, by Emilio G. Orbaneja, Managing Director of Banco Urquijo, and Ignacio Herrero, Director of Banco Urquijo, and Chairman of "Union Espanol Explosivos." The French will be represented on the board of directors by Jean Reyre, President and Vice-Chairman of the Banque de Paris et des Pays-Bas (Paris), and by Messrs. B. de Margerie and J. Rambaud, Directors and Vice-Presidents of the Paris Bank. Lehman Brothers will be represented by Frederick L. Ehrman, Frank J. Manheim, and Marcel A. Palmaro, partners. The British Directors are Charles Villiers, Lord David Ogilvy, and V. Lada-Mocarski.

It is said that the new international capital and banking consortium is the first of its kind to be established in Spain.

It reflects the opinion of its founders that Spain, which has already requested affiliation with the Common Market, will increase its participation in the western or Atlantic economic and financial community.

According to a spokesman for the new company, the rapidly rising standard of living in Spain, the virtual removal of restrictions on investments by foreigners, the improved productivity and availability of its labor force in a labor-tight Europe, and a favorable governmental and social climate all suggest that Spain is on the eve of a prosperous growth period.

Among the objectives of the new international company is to assist in the accelerating industrialization of Spain and in the modernization and expansion of its production and distribution resources. It was stated that Spain's capacity for the export of manufactured goods, largely because of the favorable labor factor can be greatly increased to the advantage of the country's balance of trade.

It will be the new venture's intention to encourage American and European capital and industry to invest in Spain. The industrial clients and connections of the foreign investment banking firms include many of the largest European and American companies.

The position of the Banco Urquijo is a leading one as an industrial or merchant banker in Spain, and parallels that of its partners in the Corporacion Espanol de Financion Internacional.

In addition to its original capital, the new company will seek to raise in America and Europe, both long- and short-term credits, as well as equity capital, for ventures that will be of interest.

Curtice-Burns Formed

ROCHESTER, N. Y. — Curtice-Burns, Inc. has been formed with offices at 328 Main St., East, to engage in a securities business.

Form Eldon Associates

Eldon Associates Corporation is engaging in a securities business from office at 176 Broadway, New York City.

First Commonwealth Opens

First Commonwealth Corporation is engaging in a securities business from offices at 420 Lexington Avenue, New York City.

Jack Davis Associates

MINEOLA, N. Y.—Jack Davis Associates is conducting a securities business from offices at 290 Old Country Road. Jack Davis and Samuel Rowe are partners.

Etkes & Co. Opens

Etkes & Co., Inc. has opened offices at 16 East 52nd Street, New York City, to engage in a securities business. Officers are Asher B. Etkes, President and Treasurer, and Hirsch Kaplan, Secretary.

Wall St. Art Assn. Exhibit

An exhibit of paintings and sculpture by persons employed in "financial firms" has been set by the Wall Street Art Association for October 23 through November 2. The works will be on display during the two-week period at East River Savings Bank, 26 Cortlandt Street.

At least 200 pieces of art are expected to be in the show, according to Victor Roudin of Shearson, Hammill & Co., who is President of the Association. They will be judged by a panel of outside art experts, and awards will be made. Later the award-winning works are to be shown across the United States and at an exchange exhibition in Tokyo's financial district.

Anyone who works in a financial, banking or insurance organization may join the Association and enter a work in the exhibition, Mr. Roudin said. The group's purpose is to stimulate the exercise of artistic talents by members of the financial community. Further information may be obtained by calling the Association at CO 7-4481.

I. S. Drosnes Opens

I. Stutz Drosnes is conducting a securities business from offices at 20 West 43rd St., New York City.

WASHINGTON AND YOU

BEHIND-THE-SCENES INTERPRETATIONS FROM THE NATION'S CAPITAL

WASHINGTON, D. C.—Before the 1960 presidential election, high ranking Democrats tried to whip up a full blown recession and place the blame on a Republican in the White House.

The campaign year theme in effect was a Republican President and hard times are synonymous, while a Democrat President and good times are synonymous. Some voters no doubt fell for this political flim-flam.

Now Republican bigwigs in Washington are beating the bushes trying to convince the country that a recession is upon us and President Kennedy and the New Frontiersmen surrounding him are the culprits.

It is apparent there has been a minor slump — some perhaps would call it major—because the stock market declined sharply. While more people are employed than at any time in history, there has been a rise in unemployment simply because more and more young people are coming into the job market each day.

Recession Forecast

The Republican Congressional Committee in its publication, (Newsletter) declares that 20 of the 30 "leading indicators set up by the Eisenhower Administration to measure business activity point to a recession, perhaps within the next two or three months."

In support of the contentions that we are on the verge of a recession, the Republican Congressional Committee insists that more people are moving into the unemployment lines every day, some 744,000 more in June than in the preceding month; that the stock market has dropped sharply; the steel industry has moved downward to less than half of its productive capacity; farmers are moving off the farms at a record rate as foreclosures mount; businesses are moving abroad where governments and taxes are more tolerant of free enterprise.

These are but some of the recession arguments that the Republicans are making. However, some neutral observers in Washington with no axes to grind do not believe that the economic situation is nearly as bad as the Republicans are picturing it.

At the same time, it is true that the average work week of a score or more of manufacturing industries is down, and that initial claims for unemployment insurance are up a bit.

Plus Signs Ignored

There are a whole series of plus signs that the G. O. P., in this congressional campaign year, has by political oversight failed to mention, such as the record year in the construction industry that is currently being chalked up.

President Kennedy did leave business and industry somewhat stunned in his battle with the big steel industry. It emphasized what only a few people had stopped to realize: the power of the United States Government when unleashed at a particular thing is absolutely appalling.

Meantime, Congressional offices in Washington are currently receiving many queries from their constituents. They want to know: Will there be a tax cut this year?

Tax Cut Doubtful

There is no question that there is an acute need for a tax cut in the United States, but the question is when should it take place — now or when we get our government's financial house in order? It is in disorder at this time, with the big deficit the past fiscal year which ended on June 30 and another one apparently in the making.

Despite all the talk about cutting taxes, it is still doubtful whether there will be a reduction this year.

There shouldn't be a cut until the budget of the United States Government is balanced. The way conditions are now shaping up we are going to have to raise our national debt ceiling again next year.

The so-called emergency tax reduction would be aimed at giving the economy a stimulant by permitting the individual taxpayers to take the money that normally would be paid into taxes, and spend it on goods and services they need and want.

Senator Byrd's Thesis

As it was pointed out here recently, both the United States Chamber of Commerce and labor want the taxes cut, but Senator Harry Flood Byrd, the powerful Chairman of the Senate Finance Committee, is vigorously opposed to it. He wants the budget balanced first.

Two or three weeks ago the odds seemingly were against a tax cut for individuals and business this year. Now the guessing on Capitol Hill is that there is a 50-50 chance of a reduction by about 3%.

Meantime, the Kennedy Administration apparently is out to woo business and industry. This was apparent when the Treasury Department announced its new depreciation rules on machinery and equipment and many other things to the tune of about $1.5 billion a year.

Following close on the heels of the action by the Department of the Treasury, the Senate Finance Committee approved a provision in the tax revision bill that would allow businessmen to deduct as much as 7% for new machinery and equipment when they make out their income taxes.

Martin on Stock Margins

There were a number of other important economic observations and actions taken in the nation's capital the last few days, Chairman William McChesney Martin, Jr., of the Federal Reserve Board, made a highly pertinent statement in his appearance before the joint Senate-House Economic Committee.

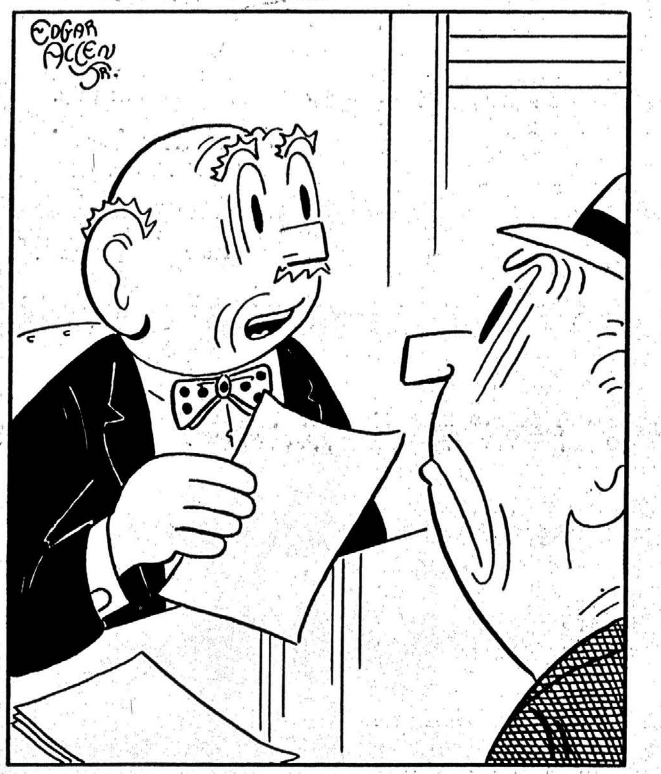
Mr. Martin said the stock market tumble in May would have been more comparable to the 1929 crash if the laws did not require higher margin requirements. Chairman Martin also took the occasion to defend the board's action by cutting 20% off the cash requirements for purchases of stocks.

The reduced margin will stimulate more trading, said he. More trading means more business activity.

On another legislative front there is still a great deal of doubt whether Congress will pass: The postal rate increase; mass transit legislation to aid traffic choked central cities; the United Nations bond issue (Senate has already passed it), and the Federal pay raise bill. The Senate-passed public works bill is also in the doubtful category.

It appears that Congress will enact a reciprocal trade program. The bill authorizing the National Aeronautics and Space Administration, our fastest growing agency, to spend $3,749,515,250, plus $71,000,000 as supplemental for 1962, has passed both houses and is now in conference.

[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.]



"This stock is sluggish—has a low yield—no growth—and, frankly, those are its GOOD points!"

Two With Metropolitan

(Special to THE FINANCIAL CHRONICLE)

ST. LOUIS, Mo.—John C. Birdell and Dorothy Steiner have joined the staff of Metropolitan Securities Corporation, 418 Olive Street.

Now S & S Inv. Service

The firm name of S. & S. Investment Advice and Securities Dealers Co., 52 Wall Street, New York City, has been changed to S. & S. Investors Service Co.

First Jersey Secs. President

NEWARK, N. J.—Norman R. Berson has been elected President of the First Jersey Securities Corporation, 671 Broad Street, it was announced by the board of directors.

Mr. Berson, former Associate Director of Sales for First Jersey, will also incorporate those duties in his new position. He also has been elected a member of the board.

Inv. Fund Consultants

FT. LAUDERDALE, Fla.—Investment Fund Consultants, Inc. has been formed with offices at 2787 East Oakland Park Beach Boulevard to engage in a securities business. Officers are Richard C. Perry, President; and William E. Rosenvold, Secretary and Treasurer. Both were formerly with Goodbody & Co.

COMING EVENTS

IN INVESTMENT FIELD

Aug. 9-10, 1962 (Denver, Colo.)
Bond Club of Denver 28th annual summer outing at the Columbine Country Club.

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.

Oct. 8-9, 1962 (San Francisco)
Association of Stock Exchange Firms Fall Meeting at the Mark Hopkins Hotel.

Oct. 9-10, 1962 (Minneapolis, Minn.)
Minnesota Group Investment Bankers Association Meeting.

Oct. 11-12, 1962 (Los Angeles)
Association of Stock Exchange Firms Board of Governors meeting at the Ambassador Hotel.

Oct. 19-20, 1962 (Philadelphia, Pa.)
National Association of Investment Clubs Twelfth Annual Convention at the Sheraton Hotel.

Oct. 24, 1962 (Cincinnati, Ohio)
Ohio Valley Group Investment Bankers Association Meeting.

Oct. 26-28, 1962 (Hot Springs, Va.)
Southeastern Group Investment Bankers Association Meeting.

Nov. 4-9, 1962 (Boca Raton, Fla.)
National Security Traders Association Convention at the Boca Raton Hotel & Club.

Nov. 25-30, 1962 (Hollywood, Fla.)
Investment Bankers Association Annual Convention at Hollywood Beach Hotel.

April 27-May 1, 1963 (Boston, Mass.)
National Association of Mutual Savings Banks 43rd annual conference at the Hotel Statler.

May 12-15, 1963 (Chicago, Ill.)
Financial Analysts Federation annual convention at the Palmer House.

With Bache Newark Branch

NEWARK, N. J.—Arthur L. Delan has been named manager of the commodity department and Philip E. Lawrence manager of the financial planning department of Bache & Company's recently opened office at 10 Commerce Court. Peter R. Newman is resident manager.

Associated with the office as registered representatives are Kay Berman, Robert C. Cease, Melvin Friend, Joseph A. Glennon, Jerry D. Goldstein, James Z. Hotchkiss, Richard F. Kurutz and Frederick C. Waldron, Jr.