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EDITORIAL | As We See It

There is a familiar bit of ancient mythological therapeutics (not included in the President's catalogue) which suggests the treatment of a dog-bite with a hair of the dog that did the biting. An observer from Mars would, we are certain, sometimes wonder if the economic physicians at Washington and elsewhere on the political scene have not adopted a similar notion for application to economic illnesses, real and imaginary. A strong case for believing that they have could certainly be found in the developments during recent weeks. And the facts seem to us to point very clearly to the conclusion that an economy directed, guided, nudged or otherwise under the thumb of government, however well intentioned and however ardent, must come off a poor second to one which is left to make its own decisions as little troubled with political suggestions or political manipulations as may be.

The powers that be are apparently now fully convinced that the recent course of industry and trade is not what it should be. Even if no downturn of importance is in the immediate offing, so it is said, the upward movement is fading much sooner than it should—if indeed it should be permitted to fade at any time—and in consequence it appears almost certain that the politicians will push more vigorously for some of the commonly suggested lines of treatment. It appears distressingly likely that enough agreement can be found among the many attending physicians and surgeons to assure measures in the early future that are of more than passing importance.

Business inventories, alas, are no longer being accumulated as they were some months ago, and the rate at which new plant and equipment are being constructed or installed is disappointing to those who had supposed that somehow or other a new Administration could manage to give longer lives to the upward movement in the business cycle—if not make it virtually perpetual. Unfortunately Administration econo- (Continued on page 26)

Market Decline Does Not Mean The End of an Upward Trend

By Robert G. Wertheimer, *Professor of Economics, Babson Institute and Northeastern University, Mass.*

The causes advanced for the recent market debacle do not fit the facts according to the Massachusetts professor who offers his explanation for the break and sanguinely anticipates a non-vulnerable D-J base of 600 serving as a springboard for an end-of-the-year advance. The writer finds the current economic situation and outlook sound, notes the undiminished long run appeal of stocks, and concludes that the attraction of the market by no means has run its course. By every test, the writer submits, today's market does not portend a bearish future. He suggests the Government fortify a favorable market climate, and doubts stocks can command a yield trend of more than 4 per cent.

Background

While the public, around Christmas time 1961, considered the stock market fairly high, it by no means visualized a sharp decline or wrote off prospects of gradual gains during the first half of 1962. The steady erosion since the December high could still be interpreted as a rolling adjustment within the market and in spite of further sluggishness after tax selling in April, no basic *changement de coeur* was spotted. *Time* Magazine, in its issue of April 27, (p. 81) captured the prevailing mood in an analysis of the trading range by saying that "not even pessimists, however, predict a selling panic, what they gloomily expect is month after tedious month during which stock prices mill around endlessly in the trading range" (then 684).

R. G. Wertheimer

Little forewarned except by the unusual length of the bull market since 1949, and by stock-below-bond yields revising their customary ratios, many could not time the events to their advantage. The request of the Administration to cancel the rise in steel prices—an act of dissuasion as the government has no mandate to set prices—was the big event. This intervention, based on general misunderstanding [see footnote*] apparently started the subsequent panic at the end of May, cutting down market values by another 100 points or 15% below the already reduced D-J industrial average to a low of 534 by June 1962 (200 points below the December high). In a widely fluctuating market, over one-quarter of total losses were recovered since then.

Finds Explanation Unsatisfactory

The break in the market cannot be explained as one of those larger fluctuations typical of any year. We face here, for the first time in the postwar period, panic selling, an apparently entrenched bear market and a basic reappraisal of market values and investments. As there can be little doubt that the action of the government will add to the profit squeeze in the steel industry, it confirmed the views of those who saw in the changed stock prices an immediate reaction to the profit climate. This explanation fails to explain, however, the tremendous preference consistently shown by the public for the appreciation prospects of stocks with a minimum regard to changes in earnings or even their existence. The government intervention, however, signalled to many seasoned investors that new controls over the market economy dealing directly with the ability to make profits, might be at hand. The imposition of such a managed economy, disregarding the essence of free enterprise would depress stock prices anywhere at any time.

We are being told, on the one hand, that inflation was the maker and mover of the bull market and, on the other hand, that its forces have been stopped by the government intervention in steel. Neither of these two assumptions nor a third one, namely, that the collapse of inflation had to be accompanied by the market (Continued on page 24)

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 29.

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

British Petroleum Company, Limited — Creighton Hartill, Security Analyst, W. C. Langley & Co., New York City. (Page 2)

Loblaw Inc.—C. J. Ivory Jr., Vice-President, Simpson, Emery & Co., Inc. Pittsburgh Pa. (Page 2)

CREIGHTON HARTILL

Security Analyst, W. C. Langley & Co., New York City

British Petroleum Company, Limited

This company, better known in Europe, Africa and Asia by its "BP" marketing insignia, is a major factor in the international oil business. Founded in 1909, BP today operates on every inhabited continent, with about 40% of sales currently going to European markets.

Creighton Hartill

Independent authorities estimate BP's proved net crude oil and condensate reserves at 50 billion barrels, the largest of any one organization including such giants as Standard Oil of New Jersey and the Royal Dutch-Shell Group. These are located approximately as follows: Kuwait 60%, Iran 26%, Iraq 12%, other countries 2%. In contrast to the greater geographic diversification characteristic of most similar organizations, reserves are heavily concentrated in the Middle East. However, there are economic advantages offsetting the political risks such as increased royalties or government-company profit-sharing arrangements inherent in any one area. Foremost in the Middle East are the radically lower costs of finding and developing oil as compared with other parts of the world. A leading authority estimates them to average for the past decade 16 cents per barrel versus $1.73 per barrel in the United States, $3.10 per barrel in Canada, 51 cents per barrel in Venezuela, and 82 cents per barrel in the Far East. Second, these discovery and development costs are a rough index of comparative production costs as well.

Apart from economic considerations, there are always political risks involving any natural resource in the ground. Nonetheless, an informed consensus is that on a present discounted basis BP's reserves are worth about five cents per barrel. Using this figure the stock is now worth, after deducting long-term debt and preferred stock from net current assets, about $10 per ordinary (common) share, on the 261 million outstanding shares, or twice its present market price. Moreover, this valuation makes no provision for the company's $1.2 billion net investment in transportation, marketing and refining facilities. Taken at book value this would increase the appraisal per ordinary share to about $15. Contrarywise, at present prices the buyer pays about book value for all assets except production and reserves, which he receives in effect for nothing.

On an operating basis BP, with a volume last year of 587 million barrels, ranks third behind Standard Oil of New Jersey and the Royal Dutch-Shell Group. Sales in 1961 were $2.8 billion, placing the company on a revenue basis between Standard Oil of California at $2.6 billion and Gulf Oil at $3.3 billion. The discrepancy between operating and revenue ranking is due to the fact that BP currently sells a high percentage of its production as crude oil for a much lower price per barrel then refined products command.

On a long-term basis, however, the company is engaged in an extensive program of forward integration, and last year refineries accounted for 19% of total capital expenditures versus an industry average of less than half this figure.

In terms of volume BP has increased its sales by 53% in the past five years versus an average of 32% for the four international oil companies to which it is most comparable; namely Gulf Oil, Socony Mobil, Standard Oil of California and Texaco. Yet at its present price of $5 the stock is selling at 7.8 times 1961 earnings of 64 cents per share versus an average of 12.6 times 1961 earnings for the four American companies. Moreover, in this group only BP and Texaco reported earnings per share last year above those of 1957.

Over the next decade industry sources estimate total Free World petroleum demand will grow at a compound rate of 5% per year. British Petroleum, with its large resources and extensive marketing facilities, appears well able to capitalize on this trend. We believe that at current prices the stock offers an attractive participation in the future growth of international oil together with limited downside risk.

British Petroleum American Depository Receipts trade on the American Stock Exchange and currently pays a dividend at the rate of 26 cents per share annually, thereby affording a yield of 5.2%.

C. J. IVORY, JR.

Vice-President, Simpson, Emery & Co., Inc., Pittsburgh, Pa.

Loblaw Inc.

Loblaw, Inc. is one of the fastest growing chains of supermarkets in the nation. Its record of growth in sales and earnings has been outstanding. From 1949 to 1961, stores operated increased from 128 to 252; sales advanced from $72 million to $306 million; earnings rose from 34c to 98c per share. Conservative dividend payout has been steadily increased to the present annual rate of 40c per share. Book value has grown from $0.94 a common share in 1947 to $8.20 a common share at 1961 fiscal year-end giving effect to 10-for-1 stock split in December, 1959.

C. J. Ivory, Jr.

Loblaw Groceterias, a Canadian grocery chain, owns a controlling stock interest (63%) in Loblaw, Inc. The Canadian company also owns 34% of National Tea's outstanding common stock. Loblaw Groceterias, in turn, is part of the Weston food empire in Canada. Weston's subsidiary and affiliated food companies account for well over $2 billion in volume annually.

On April 30, 1962, at the Weston annual meeting, the Chairman of George Weston Ltd. said that "Accounting and legal work is being done to bring full consolidation of the various businesses within two to three years." Should this consolidation take place, the combined companies would then rank fourth in volume among all food chains.

Strongly entrenched in the Western New York area, Loblaw, Inc. acquired in July, 1961 in exchange for common stock 39 Century Food Market Stores which enabled them to extend their geographic service area to Eastern Ohio and Western Pennsylvania.

Finances are strong. Capitalization of the company is quite simple, the equity shares being preceded by $10,000,000 of 5% notes to insurance companies due Oct. 1, 1978, amortized each year at an average rate of $500,000 and other mortgages payable of approximately $3,000,000. The ratio of current assets to current liabilities is 2.15 to 1.

This is a conservative enterprise; aggressively managed, and should continue to gain in earning power.

For comparison, the price/earnings ratios of the three largest chains in the U. S. are A & P (17) times, Safeway (15) times, Kroger (17) times.

Loblaw, Inc. at its current price of $9½ is selling at less than 10 times 1961 earnings and little more than its book value of $8.20, dividend yield better than 4%. The stock in my opinion offers considerable appeal as a commitment for those seeking reasonable current income with well defined capital enhancement potential.

Loblaw, Inc. is traded in the Over-the-Counter Market and also listed on the Toronto Stock Exchange 1961-62 price range, high 15½, low 8¾.

(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.)

ASE Receives Added Nominees

Edwin Posner, American Stock Exchange Board Chairman, has announced that in accordance with Article III, Sections 7(f) and 11 of the constitution, as amended, William F. Bohner, a commission broker with Hayden, Stone & Co., Inc., was nominated by independent petition to run as a candidate for election to the board of governors to serve until February 1963. A special election will be held on August 7, 1962. On July 24 it was announced that five regular members, Joseph L. Kaufman; Joseph E. Petta; James T. Tobin; Anthony J. Shields, Edwards & Hanly; and John A. Ludlow, J. A. Ludlow & Co., were nominated by independent petition as board candidates and three members, Michael J. Pascuma, Arthur B. Behal and Reginal H. Morgan, as candidates for the nominating committee. A slate of 28 candidates headed by Mr. Posner was named on July 16 by the exchange's nominating committee for election to the board of governors, and seven members were named for election to the next nominating committee.

Seiden & de Cuevas Formed

Seiden and de Cuevas has been formed with offices at 63 Wall St., New York City, to engage in a securities business. Partners are Melvin R. Seiden and John de Cuevas. Both were formerly partners in Treibick, Seiden & Forsyth.

Robt. Krieger Forms Co.

Robert E. Krieger has formed Robert E. Krieger & Co. with offices at 42 Broadway, New York City, to engage in a securities business.

Changing Patterns of Portfolio Management

By Lawrence R. Kahn, Senior Vice-President, Investments, National Securities & Research Corp. (Sponsors and Managers of the National Securities Series of Mutual Funds) and Professor of Finance, Pace College, New York City*

One of New York's top investment analysts discusses the basic investment approach he favors in the light of today's changing market patterns. The former President of the New York Society of Security Analysts finds that real values are again becoming apparent and should be taken advantage of even though the market has yet to re-establish a definite trend. After explaining the causes of the changing market patterns, Mr. Kahn points out that the market break has washed away most of the trick investmant formulas and, thence, proceeds to outline what he calls a "dynamic fundamentals" approach to investment selection. Mr Kahn is Chairman of the Admissions Committee of the Financial Analysts' Federation.

Like many other endeavors in our modern world, investment is a continuous business. It is not a sometime business, and as many have learned to their distress in the past few months, it is not a "do it yourself" business for amateurs. Nor can one think of investments as a set pattern or a set of patterns. We, when we are working on our portfolios and those who are selling the securities, must constantly keep in mind that our field is an ever changing one. Yesterday and today, both in security selection and security sales, can only be used as a stepping stone for tomorrow.

Lawrence R. Kahn

In our ever changing world with its constantly expanding economy (interim dips and frightening fluctuations notwithstanding) successful portfolio management must be attuned to the current business forces and sensitive to the future potentialities. The combination of knowledge of the present and a feeling for the future is and must be the key for the successful selection of securities. Knowledge of the present carries with it the ability to distinguish between market fads and styles and basic economic business and scientific trends. And our markets frequently have styles and fads in them. Sometimes I think that we rival the rag business on Seventh Ave. with our changing favorites, but discrimination between what is ephemeral and what is real is what must underlie intelligent portfolio management.

Non-Emotional Appraisal of Basic Values

My emphasis on the real and on the basic is not intended to convey any idea that our business or our attitudes should be dated or stodgy; believe me, one of the worst investment mistakes a person can make is to invest in last year's leaders; nor to do a successful job can one even be a follower of investment trends. Here, while you are not as far behind the parade as the purchaser of last year's stocks "because they are cheap now," you are simply the boy who buys them higher, when the astute investor has made his purchases, and are frequently left holding the bag, as many of our "hot issue" boys learned in the first half of this year.

To put it more directly, intelligent investment selection necessitates anticipation through careful analysis of the medium and longer term trends. While one can't and shouldn't fight the market, distinction must be made between rationalization of emotions and an understanding and choice of basic values. While we are all human, we at National Securities & Research are trying very hard to eliminate the emotional and to get to basic values, appraise these values and evaluate them.

Last year, the financial community as a whole, and we, too, although to a lesser degree than many, attempted to rationalize an emotional surge. When the "Street" no longer had a sound reason for buying securities, trick investment formulas were evolved. We heard about extrapolated long-term trends. (That's a mouthful, isn't it?) They were long-term, all right, too—in some instances extending to the maturity of our grandchildren. We heard about growth with a capital "G" and this title was applied to anything that was moving up at the moment.

Concept of Dynamic Fundamentals

The market break has washed out most of these trick investment formulas. We never had them here, but they were certainly an influence in financial thinking as a whole. In the place of glib rationalizations and elaborate formulas, I should like to offer Dynamic Fundamentals as a basic investment approach. We intend to use as our fundamental concept, values in securities as based upon earnings now and in the foreseeable future, coupled with that dynamic vitality which distinguishes the above-average company and the above-average showing.

In 1961 we had the excesses of the "growth stocks," real and phony; "hot issues" and the brief and, to many, costly emergence of the small, new, unseasoned companies on the investment scene. These excesses have now been drastically corrected. Actually,

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OBSERVATIONS...

BY A. WILFRED MAY

HAS THE STREET BEEN CLEANED-UP SINCE "1929"?

About the most absorbing reading ever to be found is the actual text of a Congressional Committee's scandal hearings. But their customary excessive length makes this impractical, and emphasizes the importance of an adequate summary.

A score of years ago such interpretative digest was happily brought about by Ferdinand Pecora's authorship of a volume *Wall Street Under Oath*,* capsuling the important portions of the 12,000 pages of testimony of the sensational Senate Hearings on the epochal post-Crash Investigation which has popularly borne his name.

Fortunately, now again following the revelations of the past decade's swindles by the Birrells and Gutermas and the "funny business" on the American Stock Exchange, there is now available a summary volume, thoroughly documented from the SEC's files and restrainedly interpreted, *Wall Street's Shady Side*, by FRANK CORMIER, with an Introduction by Ferdinand Pecora (Public Affairs Press, Washington, D. C., 198 pp., $4.50). The author is a press association reporter who has covered Washington's economic agencies since 1954 and the SEC's day-to-day activities since 1958.

Pecora's Past Qualms

The choice of Judge Pecora as writer of the present volume's introduction is highly appropriate. In the preface to his own volume which covered pre-SEC excesses, published in 1939 he stated:

"Under the surface of the governmental regulation of the securities market, the same forces that produced the riotous speculative excesses of the 'wild bull market' of 1929 still give evidence of their existence and influence. Though repressed for the present, it cannot be doubted that given a suitable opportunity, they would spring back into pernicious activity."

Pecora's Present Worries

Convinced of current confirmation of this pessimistic forecast, Mr. Pecora now asks, "Shall we today refuse to heed the rumblings which Mr. Cormier calls to our attention?"

The *specialist* on our Stock Exchanges, and the Over-the-Counter Market, are the two main activities prompting Pecora's present conclusion that the Street has not been cleaned up.

In stressing the Specialist's anomalous dual role as a broker and dealer, he agrees that the maintenance of a liquid market is desirable, but asks "whether some definite precautions should not be adopted to guard against the creation of a liquidity which could subtly drain the customer's money into the specialist's pocket?" And he asks more concretely, "Might it not be more advantageous to the public, if the specialist's daily operations be subjected to a closer scrutiny than they seem at times to have received from those possessing supervisory powers over him?"

Cormier's Dramatic Documentation

Such qualms over the Floor Specialist system—possibly to remain not wholly resolved even after the salutary reforms already projected—are strikingly documented in Mr. Cormier's reporting of the recent dramatic happenings on the American Stock Exchange. A full measure of space is devoted to the Re case. "clearly the most significant Wall Street scandal since Richard Whitney was sent to Sing Sing in 1938," and exposed in 1961 by the SEC which ordered the expulsion from AmEx, of two of its most prominent specialists, Jerry Re, a member since 1920, and his son, Gerard.

Mr. Cormier shows in graphic detail how they peddled more than a million shares on the floor of the Exchange, via market "rigging" which cost the public more than $10 million and gained for themselves well over a million.

Highlighting the Re's rigging of stocks, following the long embroiled policy of the Exchange to encourage specialists to solicit new stock listings by promising them their subsequent handling on the floor, were the shenanigans practiced in the Rokeach case. The author shows how, while they were part of a syndicate purchasing control of I. Rokeach & Sons, a kosher food manufacturer which later expanded its line to become Exquisite Form Brassiere, the Re's gained the Specializing Floor privilege and subsequently gave the stock the "A-1" manipulating treatment. This included the use of dummy accounts and front men; and "painting the tape" by illegally exploiting discretionary accounts. Furthering the drama of the Re's case is the author's detailed account of their expulsion notification by the SEC by an official who flew to New York arriving on the Exchange floor minutes before the market closed.

On the Biggest Market

Also fascinatingly and seriously treating the other abuse area, cited by Mr. Cormier, the Over-the-Counter Market points out the basic regulatory difficulties arising not only from its exemption from much of the statute, but also from the greater-than-Exchange growth rates during the past decade in the number of issues traded—from 5,200 to 7,500; and in the population of salesmen—from 28,794 to 93,351—registered with the National Association of Securities Dealers, with their alleged proclivity to engage in "glib touting."

Complacency the Devil

Covering many other facets of abuse, including "insiders," "big name bait," "boiler room techniques" and "tipsters and advisers," the author concludes with a plea to refrain from future complacency (such as he thinks was shared by the SEC during the 1950's bull market).

Mr. Cormier in effect agrees with Mr. Pecora's verdict that "The Street" has *not* been cleaned up much above the pre-SEC days.

Irrespective of the validity of this conclusion, deserving greater emphasis is the welcome contrast between today's self-purging, as by the American Exchange, and the Street's intransigeance shown throughout the Pecora Investigation of yesteryear.

* * *

In any event, as interesting and valuable as Mr. Cormier's volume is, we believe that in concentrating on the "rules of the game," in its coverage of Exchange malpractice it blows up their importance unduly, thus obscuring the chronic *honest* excesses of that *game*. Government supervision of a croupier does not change his occupation!

MORE ON THE MARKET BREAK-AND-THE ECONOMY

("CONSUMER CREDIT" vs. STOCK MARKET CREDIT)

In an article, "Bad News For The Consumer Economy—Including Mrs. Tinnen's Super-Market", in this space on July 5 we suggested the increased susceptibility of the consumer economy to damage from Stock Market declines by reason of the increased number of deflated shareholders (to which Stock Exchange President Funston communicated a rebuttal.

Relevant to our thesis we submit the following report by Clyde H. Farnsworth subsequently published in the New York *Times* of July 1.

PAWNSHOPS A PROSPEROUS ISLAND IN A VAST SEA OF ECONOMIC TROUBLES

The sag in the stock market and the drag in the economy have brought smiles to the faces of at least one group of New Yorkers—the owners of the city's pawnshops. Loan volume has been higher. More persons have needed fast cash and hocked their diamond rings, watches, furs, cameras, typewriters — anything of value—to get it.

Some needed cash for margin calls in the stock market. Others needed it for their businesses after regular lines of credit had been stretched as far as they would go...

[Sic.] New Faces Seen

Herbert Levy, owner of the Consolidated Loan Company, at 134 Fulton Street, in the Wall Street area, said his business definitely has picked up because of the stock market skid. He noted that during May, when the drop was the sharpest, he saw more new faces in his shop than at any time since the October, 1929, market crash.

*Publ. by Simon & Schuster, N. Y., 1939; 313 pp.

Wilbur Wittich at Dempsey-Tegeler

Wilbur R. Wittich

Wilbur R. Wittich has become associated with Dempsey - Tegeler & Company, Inc., 80 Pine Street, New York City, as manager of the new business department. Mr. Wittich, who has been in the investment business for many years, was formerly a partner in Hill, Darlington & Grimm.

Forms Harvey & Co.

FAIR LAWN, N. J.—Jay A. Horowitz is conducting a securities business from offices at 30-24 Broadway under the firm name of Harvey & Co.

Charles Stein Opens

Charles Stein is engaging in a securities business from offices at 15 West 44th St., New York City.

Stanley Forbes Opens

BRONX, N. Y.—Stanley Forbes is engaging in a securities business from offices at 2556 Fish Avenue.

American Plan Corp.

MINNEAPOLIS, Minn. — The American Plan Service Corporation is conducting a securities business from offices in the Soo Line Building.

The Calamity of Keynes

By H. L. Spencer, *Pasedena, Calif.*

Only on one point does the West Coast contributor agree with the Administration — that the country faces profound economic problems. Other than that, Mr. Spencer bitterly blames past 30 years' adherence to Keynesian economics for bringing the nation to "the edge of bankruptcy." He abhors the President's recent Yale University commencement address in averring it promises more of the same discredited spending policies. Mr. Spencer finds businessmen refuse to see in Keynes' writings the end to capitalism disguised as the way to save capitalism. He quotes Keynes' disparaging views of business made in 1933; disagrees with Keynes' thesis that permanent quasi-booms can be maintained; credits our 200 years of pre-Keynesian economics for whatever unexpected strength we still possess; and warns we can not continue for long spending more than we tax.

H. L. Spencer

The late Garet Garrett, well known writer and perceptive editor of the 1920s whose keen thinking cut through the illusions of his day like a hot knife through butter, has said that the point where the United States ran out of luck was when it elected Franklin Roosevelt.

In the aftermath of a second world war, followed by a period of fantastic inflation, it can be said that the point where the world ran out of luck was when Roosevelt's early New Deal accepted and gave wide respectability to the corrosive economic doctrines of one John Maynard Keynes, famous British economist, Fabian socialist and prolific author. The impact of this man's twisted thinking upon uncertain nations deeply disturbed and disillusioned by events which followed the first war, has been calamitous and its effects persist today.

There is little doubt that Keynesism, fundamentally a disruptive philosophy that has descended from the fallacious doctrines of Karl Marx, together with its blood brother Fabian socialism, have almost succeeded in tearing down the constructive accomplishments of 200 years of American effort. Together with its offshoots, phony "liberalism" and progressive education, it is basically responsible for revolt of the West against authority, discipline and most of our traditions. This has manifested itself in juvenile, political and educationist delinquency in a stupendous rejection of responsibility everywhere, and the confusions thereby produced have beyond doubt helped prepare a fertile seed bed for Communism all over the world.

It was Keynes and his diciples who promoted our latest venture into inflation when they sold their economic ideas to Roosevelt as the mainspring and inspiration of his New Deal. Keynes' thinking also helped to promote Britain's experiment in socialism, which proved a failure that contributed to the decline in British power and prestige. The various books by Keynes and his followers, including his **General Theory of Employment, Interest and Money**, have established what they believe is a system of New Economics. The fallacies set out therein are defended on the ground that problems are discussed in such complicated terms that no one over 50 is capable of understanding what it is all about. A common sense interpretation in simple non-technical language, however, indicates the following are some of their principal beliefs and recommendations:

Keynesian Precepts

(1) Continued deficit spending to provide additional purchasing power. Balanced budgets are "outworn dogma."

(2) Cheap money, low interest rates, high wages.

(3) Encouragement of the propensity to spend (consume) and discouragement of the propensity to save.

(4) Maintenance of full employment.

(5) Opposition to a gold standard.

(6) Big national debt which there is no need to fear as long as high consumption and full employment are maintained.

(7) High national income to be promoted by expansion of demand through government "investment."

(8) Dependence upon the statistical aggregates of National Income and Gross National Product as indicators of national welfare. This is the heart of the New Economics.

But, since the misleading and intentionally misnamed Gross National Product is a measure of spending rather than production, it follows that, if the fallacies of the New Economics are to be covered up in an illusion of success, we must be beguiled into believing that the more we can spend, squander and throw away the better off we are regardless of a huge and probably unpayable debt piled up in the process, all charged to our grandchildren. There must be a limit, however, to the insanity of such profligacy and the present Public and Private Debt of more than a TRILLION DOLLARS may now be marking that limit.

This urge to spend has become a magic carpet upon which too many politicians have crowded in the belief it will insure their reelection. Keynesism has produced a popular political philosophy of so-called "liberalism" which is just as phony as pre-election promises and a whole generation of our young people have been infected with its virus. The economics department at Harvard was the focus of infection. From there, due to the great prestige of that institution, it has spread to every college in the country so that a conservative teacher of economics now finds it almost impossible to secure employment anywhere.

Out to Destroy, Not Save, Capitalism

A few courageous writers and teachers, however, have shown that Keynesism is more of a political conviction than an economic science—a line of thinking and a prescribed course of action that leads toward socialism and ultimate communism. In later years it has been presented in a more subtle way than Marxism: as a means of saving capitalism rather than of destroying it. *Saving American Capitalism*, edited by Professor Seymour Harris, head of the economics department at Harvard, is a good example of this tongue in the cheek and cynical approach.

But, prior to the modern deception of "saving capitalism," Mr. Keynes spoke out in the *Yale Review* of 1933, when he said:

"The decadent but internationalist capitalism, in the hands of which we found ourselves after the war, is not a success. It is not intelligent, it is not beautiful, it is not just, it is not virtuous—and it does not deliver the goods. In short, we dislike it and are beginning to despise it."

One strong feature of the success of Keynesism has been the head in the sand attitude of many businessmen who refuse to recognize the fact that what Keynes has sought to promote is an end to private enterprise and erection of a new system of socialism on the ashes of our freedom. It should be obvious by now that, in accepting Keynes as the saviour of capitalism, we have been entrusting a wolf to guard the sheep.

In contrast to the sound and normal growth of the economy based on proven and time-tested principles which has given us such great rewards, the spendthrift dynamism of Keynes has produced a rapid and cancerous type of growth based on inflation.

Finds Keynes Errs on Claiming Booms Can Be Perpetuated

This growth, with its illusions of Gross National Product and a huge increase in debt that becomes more evil each day that its repayment becomes more improbable, is actuaully a deadly danger. But it has been considered by this administration as a measure of national welfare that should be increased. One is afforded an insight into that brand of forced growth by an excerpt from page 322 of Keynes' *General Theory:*

"Thus the remedy for the boom is not a higher rate of interest but a lower rate of interest! For that may enable the so-called boom to last. The right remedy for the trade cycle is not to be found in abolishing booms and thus keeping us permanently in a semi-slump; but in abolishing slumps and thus keeping us permanently in a quasi-boom."

Unfortunately, perpetual boom is just about a improbable as perpetual motion, even though Dr. Arthur Schlesinger in the *Saturday Evening Post* of March 19, 1962, claims that democratic parties have learned how to control the business cycle. It is well to remember that this man has said: "There is no inherent obstacle to the gradual advance of socialism in the United States through a series of New Deals." As a Special Assistant to President Kennedy he now has a unique opportunity to translate his beliefs into action.

But whatever may happen to the business cycle, and there appears to be considerable doubt on that point at the moment, there is basic error in Keynes' thinking when he preaches that the more rapidly we spend our income and the less we have, the better off we will be and the richer we become. That is so obviously false in everyone's experience, and so in conflict with the capitalist concept of saving and investing to create more income, that it exposes the fallacy of his whole dream land of economics. It has worked in the past to produce other booms but with the ultimate and inevitable result of reaction, collapse and disaster.

It must be admitted that the problems now facing Congress and this administration are profound. For following the economic signposts of Keynesism in the last 30 years has brought us to an unstable way of life in which we are practicing brinkmanship on the edge of bankruptcy. This is destroying the confidence, not only of our own people but of other nations as well, in the integrity of our government and the stability of our economy. It would almost seem that the keepers of the madhouse that is Washington have lost their minds and sense of direction while management of the institution has been taken over by its deranged occupants.

The United States has been the fortunate possessor of a stalwart economic system. But it has been abused too long by self-seeking politicians and poisoned by their dangerous nostrums. It is remarkable the economy has stood us as well as it has in the face of such mistreatment; a day of reckoning is inevitable, however, and it may not be as remote as some believe. In the face of more than a trillion dollars of debt it is simply not possible that we can continue indefinitely to spend at home and abroad more than we are willing to raise in taxes without tearing down the wonderfully productive edifice we have built here by 200 years of laborious effort.

In his recent speech at Yale the President painted an optimistic picture of more and more spending. He spoke of the myths about money and said some conversations he heard sounded like the playing of old records left over from the middle 30s. The trouble with this deliberately misleading statement is that he has been listening to the wrong set of records—the records whose advise we never followed. The ones whose direction and guidance we have followed are the old, cracked and worn out ones recorded by Keynes and his New Deal disciples—the records designed to "save capitalism" by moving us toward bankrupt socialism — the ones urging continued "liberal" spending with a vast increase in debt there is no need to fear because "we owe it to ourselves." Anyone with the faintest understanding of events in the last 30 years knows it has been the Keynes "liberal" recommendations we have followed rather than those advising a common sense and conservative fiscal policy. The tragic probability is that those making such policies today are too young to realize that all they are offering us now are old worn out New Deal retreads.

Presidential exhortation one day and kicks in the teeth the next will never restore a badly damaged confidence in his policies and his advisors.

Nor will it bring about the "growth" he advocates. For the "moving ahead" now being promoted in Washington is toward a destination no prophet today can predict.

Cruttenden, Podesta Names

CHICAGO, Ill.—Frank J. Horrell has been appointed national manager of the mutual fund department at Cruttenden, Podesta &

Frank J. Horrell Ernest A. Mayer

Miller, La Salle-Jackson Building, members of the New York and Midwest Stock Exchanges, Ernest A. Mayer, general partner (sales), has announced.

Mr. Horrell comes to the coast-to-coast investment firm from the Chicago office of Reynolds & Co., where he was mutual fund manager. Before joining Reynolds, he was Chicago divisional manager for Waddell & Reed, Inc. From 1951 to 1956, he was vice-president and treasurer of Matisa Equipment Corp., in Chicago Heights.

Form Talbot Inv. Co.

ST. MICHAELS, Md.—Harold B. Clark is engaging in a securities business from offices at Clarks Cove, under the firm name of Talbot Investment Company.

Grinnell Corporation, Distinguished Extinguisher

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

A compact comment on this major corporation profitably supplying extensive protective and detective services and devices for business and institutional property.

One hundred and twelve years ago, the Grinnell enterprise of Providence, R. I., began business as a plumbing supply company. It still is, and Grinnell Corp., today, is especially renowned, all over North America, for its automatic sprinkling systems. You've seen them dozens of times—a network of plugs, spaced at even intervals in (or on pipes just below) the ceilings of plants, warehouses, stores, etc. These plug tips melt at a certain temperature, and activate a water spray on the immediate areas below, which retards or extinguishes a fire—even if there is no one on the premises. This is but one of the corporate facets at Grinnell. The company also makes pipes, pipe hangers and valves; heaters, plumbing and heating materials; prefabricated piping and specially-designed high pressure pipe installations; plus, grey and malleable iron, brass, bronze and aluminum castings. Grinnell has developed, over the years, a unique pipe line to profits! Sales, in the United States, Canada and Mexico, are made through the subsidiary companies and implemented by 63 regional branch warehouses and offices.

Investment in American District Telegraph

Outstanding success of Grinnell in fire protection systems led to major investment in other companies engaged in kindred lines of business—automatic fire and burglar alarms. Grinnell acquired, some years ago, (from Western Union) a 76% interest in American District Telegraph Co. ADT, through its subsidiaries, furnishes electric, fire and burglar alarms, watchman and sprinkler supervision to over 75,000 subscribers (banks, factories, stores, etc.) in some 2,250 cities and towns. Canadian subsidiaries provide these services in nine Canadian cities, including Montreal, Toronto and Vancouver.

ADT has been a fine earner, doubling its gross revenues in the past ten years, and increasing its per share net from \$2.90 in 1953 to \$6.76 in 1959 (and in that range for the past two years). ADT common sold as high as 137 in 1961, and is currently quoted at 95.

Other Investments

Holmes Electric Protective Co. (100% owned) provides central station burglar alarm and bank vault protection in New York, Philadelphia and Pittsburgh. Automatic Fire Alarm Co. (in which a controlling interest is held) supplies automatic fire alarm and sprinkler supervision systems in New York, Boston and Philadelphia.

Grinnell also owns a 44% interest in Hajoca Corp. of Philadelphia. Hajoca is a wholesale distributor of plumbing, heating, refrigeration and air conditioning supplies. The company handles over 30,000 separate items, which it distributes within a nine state territory. Grinnell's interest is 40,000 out of 93,600 shares, with a current book value of over \$90 per share.

Diversified Earning Power

From the foregoing, you can see that Grinnell has two sources of earning power and expansion of net worth—its own operations, and dividends and equity positions in these investment affiliates. Holmes Protection and Automatic Fire figures are not available, but we do know that each year, Grinnell is the beneficiary of a substantial equity in undistributed earnings of unconsolidated companies. For Grinnell stockholders, these retained increments totalled \$5.35 per share in 1960, and \$4.84 in 1961, on the common then outstanding.

\$200 Million in Sales

On the financial side, Grinnell is a most impressive company. Net sales crossed \$200 million for the first time in 1959 and reached \$208 million in 1960. Last year, sales dipped somewhat, to \$198.5 million, but net earnings were only \$215,000 below 1960. On a per share basis, the figures were \$11.92 for 1961 and \$12.87 for 1960 (not counting the undistributed earnings mentioned above). For the past decade, reported earnings on Grinnell common have averaged above \$15 per share.

Balance sheet position at the 1961 year end was a banker's dream—with only \$1¼ million in long-term debt, a net working capital of \$64½ million; and a current ratio of over 4 to 1. Book value was \$170 a share.

Elements of Growth

While on an over-all basis, Grinnell Corp. does not evidence the characteristics of a "growth" stock, there are three elements here working steadily and powerfully for continued expansion in stockholders' equity. First there is the growth of the investment subsidiaries, at a much faster rate than the parent. Second, there is the constant rise in the equity in undistributed earnings of these. Thirdly, there is the depreciation plowback. On a "cash flow" basis, annual earnings of ADT are now over \$20 per share, and of Grinnell it self, around \$17 per share. All of which has made Grinnell appear attractive to investors at recent quotations of about \$150 per share.

Two-for-One Split

After considering the matter for some years, Grinnell Corp. has just announced a 2-for-1 split in its common stock, effective July 25. This will increase the outstanding number of shares from 638,142 to 1,276,284, and should substantially broaden the investment following in this issue. Previous dividend rate on the old stock was \$4 in cash, and 5% in stock, annually. This would suggest a \$2 rate on the new shares, but official dividend policy will be defined at the next Directors' meeting on Aug. 22.

After the market first, roaringly acclaimed, and then savagely rejected, a spate of electronic and scientific shares in the past three years, it seems now willing to return to the old fashioned criteria of investment appraisal—demonstrated profit margins, solid balance sheets, durable earning power and dependable dividends. On these standards of value, Grinnell Corp. makes a most logical appeal. It has paid dividends continuously since 1935 and increased them thrice in the last decade. Moreover, it has the cash resources, and the disposition, to acquire other companies, which fit in well with its long-range corporate plans.

Finally, Grinnell supplies quite indispensable and almost utility-like services. The savings in insurance premiums it creates for its customers by its warning alarm and sprinkler services, may run to 50% or 60% below the premiums charged for plants and structures not thus protected. Since these installations pay for themselves, they provide a built-in sales appeal; and subscribing companies are extremely unlikely to cancel.

So, for those interested both in the protection of property and well protected investments, Grinnell Corp. common, selling, after the split, at around 78, may prove a serene and rewarding long-term holding.

Curran V.-P. of Merrill Lynch Co.

Donald L. Curran has been elected a Vice-President of Merrill Lynch, Pierce, Fenner & Smith Incorporated, 70 Pine Street, New York City, members of the New York Stock Exchange.

Clymer V.-P. of Robinson & Co.

PHILADELPHIA, Pa.—Everett S. Clymer has been elected Vice-President of Robinson & Co., Inc., 15th & Chestnut Sts., members of the New York Stock Exchange and other exchanges.

Tax-Exempt Bond Market

By DONALD D. MACKEY

There was but little apparent municipal bond business transacted during the last week, yet the tax-exempt bond market held its level and if any judgment were to be passed on the market's status a reporter would fairly state that the tone is a little better than it was a week ago. Activity has recently been pretty well divided as between new issue offerings and secondary market offerings. While the new issues continue to command relatively fancy prices under very competitive bidding circumstances, the secondary market stuff has been slowly moving out of the market only after price cutting of drastic proportions. The less recent new issue remnants which have been dogging around the market for the past several weeks and even months have been cut in many instances from 25 to 60 basis points before even an interested institutional investor will take a quick look at his basis book.

However, large blocks of secondary offerings have quietly moved out of the market in recent weeks as is substantiated by the advent of shorter dealer offering sheets and the lesser volume of offerings shown in the Blue List. Current (July 25) *Blue List* total is $456,570,000.

No Quick "Sell-Outs"

While the bidding for high grade as well as for good grade issues has been developing a pattern down from 10 to 25 basis points from the May highs, investor interest has not as yet followed along to the extent that new issues are generally well placed within a short offering period.

Most of last week's new issues were actually not much better than 50% sold during their so-called order periods. Sales have been good enough, however, to maintain a tolerable inventory balance while a moderately light new issue calendar has been coincidentally very helpful in this respect.

Treasury Terms Awaited

Financial, economic and political factors have seemingly changed but little in the past week. The Federal Reserve and the Treasury have without doubt closely watched the bond market while preparing the terms of the Treasury financing to be announced today. While the 91-day bill rate allotments were made at an average rate of 2.892% this week as compared with 2.983% a week ago, long-term Treasury bonds have been quiet and somewhat easier as some long-term bond proffer by the Treasury is not ruled out by the experts.

However, the overall bond market reflects the confidence of bond men that the market has been shaped up for a successful offering whatever it may be.

Economic factors *per se* continue at least favorable to the bond market. Although economic conditions do not necessarily predict a recession, in the whole they do partly spell out a forceful case for the careful continuance of monetary ease in the months ahead, barring dangerous symptoms of inflation.

Promise and Performance

In the strict political sphere the President's pronouncements to the west via celestial media on Monday blatantly advised the European states that the United States would not devalue the dollar. This flat statement seemed seriously noted in some areas. Gold stock prices sold off in London and New York and then seemed to steady. Most of the European currencies weakened in relation to the dollar in the New York market. Dollar quoted bond issues were fractionaily better and the general bond market tone seemed to improve somewhat.

In this connection, however, the President's words may soon be forgotten unless buttressed by some meaningful action. Most of the rabbits have now been pulled out of the hat and the audience has become more critical and less cordial. Some of the European financial writers have already been heckling to an embarassing extent.

Yield Index Unchanged

This week the offering side of the state and municipal bond market has shown but little change. The *Commercial and Financial Chronicle's* 20-year high grade bond yield Index averaged out at 3.09% again on July 25. The tax-exempt bond market has languished in this general area for several weeks now and may show but little change for some little time.

Temporarily, at least, the forces for higher long-term bond yields seem effectively off-set by the simple factors of bond market supply and demand. This situation, we allow, is precariously perched on a slim reed of imponderables that might snap on short notice.

Housings Bolster Prospective Business

The new issue calendar is very light even though the Public Housing Administration is going to call for bids on $106,210,000 local housing authority bonds to be opened Aug. 22. Large Chicago, New York and Boston issues are to be included in the offering. At present the total of advertised new issue items through August is about $285,000,000. Even for vacation ridden August this is a skimpy schedule. A red hot negotiated issue is no doubt the market's sorely required antidote but none appears ready for market.

The $40,000,000 Garden State caper wasn't of much help to a generally distraught industry. A $94,000,000 issue is contemplated by the Grant and Kittitas Counties Public Utility District for construction of a large steam generating plant at Cle Elum, Washington.

No dating has been set as yet. It will likely be competitive business.

New York City Award Significant

This week's most notable new issue involved $103,725,000 City of New York serial (1963-1992) general obligation bonds. The group managed by The Chase Manhattan Bank nosed out its traditional rival, the First National City Bank group, in fairly close bidding. The winning bid was the equivalent of a 3.0278 interest cost. The various component issues were reoffered at prices to yield from 1.75% to 3.70%.

This sale pertinently discloses what has actually happened to the tax-exempt bond market during the past few months. In late April, New York awarded a similar offering totaling $108,530,000 to the First National City Bank group at a net interest cost of 2.578%. In three short months, figuratively contemplated, the bid had been reduced by about 53 basis points which figures to be about 2¾ points in rough calculation for these short (6½ years) average life offerings.

The managers report better than half of the current large reoffering has already been placed.

Other Prominent Sales

On Monday (July 23) the City of Dallas, Texas awarded $12,400,000 water works and sanitary sewer system revenue bonds to the group managed by Smith, Barney & Co. and Eastman Dillon, Union Securities & Co. on the high bid which offered a net interest cost of 3.0416%. The runner-up bid was made by the Phelps, Fenn & Co. group which offered a net interest cost of 3.0469%. The Smith, Barney & Co. group is reoffering the bonds maturing from 1963 to 1982 at prices to yield from 1.60% to 3.25%. The issue has gone rather well with about $5,000,000 remaining in account.

On Tuesday the City of Anchorage, Alaska awarded $7,310,000 of various purpose bonds to three separate bidding groups. The $4,250,000 school district issue was awarded to the group headed by Smith, Barney & Co. on a net interest cost bid of 3.85%. The bonds were reoffered to yield 2.25% in 1964 to 4% in 1981. The 1982 maturity bore a 1% coupon and was reoffered to yield 4.75%. Four smaller bond issues were awarded to the John Nuveen & Co. group on interest cost bids ranging to 4.152%. Reoffering yields ran as high as 4.20% on the revenue bond issues. The Byth & Co. group was awarded $400,000 sewer general obligation bonds maturing 1963-1967 which were reoffered at prices to yield from 2.00% to 3.00%.

On Wednesday a large issue of note, $15,000,000 Maryland State Roads Commission Highway Construction revenue bonds, was awarded to the Smith, Barney & Co.-Alex Brown & Sons-Harriman Ripley & Co., Inc. group on a net interest cost bid of 3.1948%. The bonds were reoffered to yield from 1.70% to 3.05% from 1963 to 1976 and the term bonds, 3.20s due in 1977, were reoffered at 100.50 to yield 3.157%. These term bonds met with fair acceptance while the serial bonds sold out of the account almost immediately.

Other prominent members of the winning group were The First Boston Corp., Lehman Brothers, Drexel & Co., Kidder, Peabody & Co., Goldman, Sachs & Co. and R. W. Pressprich & Co. The second bid of a 3.2195% net interest cost was submitted by the Eastman Dillon, Union Securities & Co. and Halsey, Stuart & Co. group. As we go to press the balance of term bonds is reported as $8,509,000.

Wednesday's largest issue involved $20,000,000 State of Lou-

Continued on page 47

MARKET ON REPRESENTATIVE SERIAL ISSUES

	Rate	Maturity	Bid	Asked
California (State)	3½%	1982	3.40%	3.25%
Connecticut (State)	3¾%	1981-1982	3.20%	3.05%
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%	3.05%
Philadelphia, Pa.	3½%	1981	3.35%	3.25%
*Chicago, Ill.	3¼%	1981	3.30%	3.15%
New York, N. Y.	3%	1980	3.50%	3.375%

July 25, 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 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 30 (Monday)			
Texas City, Texas	1,996,000	1963-1981	4:30 p.m.
July 31 (Tuesday)			
Corning School District, N. Y.	4,859,000	1964-1990	2:00 p.m.
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.
Santa Ana Sch. Dist., Calif.	4,000,000	1963-1987	11:00 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.
Newark Special Sch. Dist., Del.	1,230,000	1963-1986	Noon
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)			
Grafton, Mass.	1,200,000	1963-1982	11:00 a.m.
Lincoln Airport Authority, Neb.	2,500,000	1964-1986	11:00 a.m.
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)			
Annapolis, Md.	2,700,000	1963-1987	11:00 a.m.
Dickson County, Tenn.	2,000,000	1963-1982	11:00 a.m.
Fort Worth, Texas	11,600,000	1963-1987	10:00 a.m.
Franklin Township, N. J.	1,100,000	1964-1980	8:00 p.m.
West Allis, Wis.	2,880,000	--------	--------
August 8 (Wednesday)			
Paducah, Ky.	2,400,000	1967-1988	2:00 p.m.
St. Anselm's College, N. H.	1,000,000	1964-2001	11:00 a.m.
San Antonio, Texas	20,000,000	1964-1983	10:00 a.m.
Wichita Sch. Dist. No. 1, Kansas	1,086,000	1963-1982	10:00 a.m.
August 9 (Thursday)			
Somerset County, Pa.	1,400,000	1964-1991	11:00 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.
Maryland State Roads Commission	6,039,000	1963-1977	11:00 a.m.
Outagamie County, Wis.	2,800,000	1963-1982	11:00 a.m.
August 16 (Thursday)			
Hillsdale Sch. Dist., Ohio	1,100,000	1964-1985	1:00 p.m.
Washington Sub. San. Dist., Md.	4,000,000	1963-1992	11:00 a.m.
August 20 (Monday)			
Florida Development Commission	3,550,000	1963-1988	11:00 a.m.
August 21 (Tuesday)			
Lafayette, La.	3,500,000	1965-1991	10:00 a.m.
August 22 (Wednesday)			
Local Housing Authorities	106,000,000	--------	--------
Sept. 1 (Saturday)			
Grandville Sch. Dist., Mich.	2,150,000	--------	--------
Jacksonville, Fla.	7,650,000	--------	--------
Sept. 12 (Wednesday)			
San Jose, Calif.	4,400,000	1963-1982	11:00 a.m.
Sept. 25 (Tuesday)			
Eugene, Ore.	2,500,000	--------	--------
Oct. 2, (Tuesday)			
Los Angeles County Flood Control District, Calif.	15,000,000	--------	--------
Oct. 10 (Wednesday)			
Lexington, Ky.	1,025,000	--------	--------

New Issues **July 25, 1962**

$103,725,000

City of New York

3¼%, 3% and 2½% Serial Bonds

Interest Exempt From Present Federal and New York State Income Taxes

AMOUNTS, MATURITIES AND YIELDS*
(Accrued interest to be added)

$12,785,000	1963	1.75%
12,785,000	1964	2.00
12,785,000	1965	2.20
12,385,000	1966	2.35
12,385,000	1967	2.50
5,885,000	1968	2.60
4,135,000	1969	2.70
4,135,000	1970	2.80
4,135,000	1971	2.90
4,135,000	1972	3.00
1,805,000	1973	3.05
1,805,000	1974	3.10
1,805,000	1975	3.15
1,805,000	1976	3.20
1,805,000	1977	3.25
1,570,000	1978	3.30
1,570,000	1979	3.35
1,570,000	1980	3.40
1,570,000	1981	3.45
1,570,000	1982	3.50
130,000	1983	3.50
130,000	1984	3.55
130,000	1985	3.55
130,000	1986	3.60
130,000	1987	3.60
130,000	1988	3.65
130,000	1989	3.65
130,000	1990	3.70
130,000	1991	3.70
130,000	1992	3.70

*Where the yields and coupon rates are the same, the Bonds are offered at par.

Dated August 15, 1962 **Due August 15, 1963-92, incl.**

$32,700,000 3¼% Bonds, due: $1,570,000 1963-82 and $130,000 1983-92, incl.

$26,825,000 3% Bonds, due: $2,565,000 1963-72 and $235,000 1973-77, incl.

$44,200,000 2½% Bonds, due: $8,650,000 1963-65, incl.; $8,250,000 1966-67 and $1,750,000 1968.

Principal and semi-annual interest (February 15 and August 15) payable in New York City at the office of the City Comptroller. Coupon bonds in denomination of $5,000, convertible into fully registered bonds in denomination of $1,000 or multiples thereof, but not interchangeable.

Legal Investment for Savings Banks and Life Insurance Companies in the State of New York and for Executors, Administrators, Guardians and others holding Trust Funds for Investment under the Laws of the State of New York.

These Bonds will constitute, in the opinion of counsel, valid and legally binding general obligations of the City of New York, all the taxable real property within which will be subject to the levy of *ad valorem taxes* to pay the Bonds and the interest thereon, *without limitation as to rate or amount.*

The above Bonds are offered when, as and if issued and received by us, and subject to prior sale and approval of legality by Messrs. Wood, King, Dawson & Logan, Attorneys, New York, N. Y.

The Chase Manhattan Bank

Chemical Bank New York Trust Company — Manufacturers Hanover Trust Company — Lehman Brothers — Blyth & Co., Inc. — Lazard Frères & Co.

Barr Brothers & Co. — R. W. Pressprich & Co. — Merrill Lynch, Pierce, Fenner & Smith Incorporated — Goldman, Sachs & Co. — Bear, Stearns & Co.

The Northern Trust Company — Equitable Securities Corporation — Drexel & Co. — The Philadelphia National Bank

Hornblower & Weeks — Carl M. Loeb, Rhoades & Co. — Ladenburg, Thalmann & Co. — Wertheim & Co. — Hallgarten & Co.

Paine, Webber, Jackson & Curtis — B. J. Van Ingen & Co. Inc. — The First Western Bank & Trust Company Los Angeles — First National Bank in Dallas

Paribas Corporation — Weeden & Co. Incorporated — Bache & Co. — A. G. Becker & Co. Incorporated — Blair & Co. Incorporated — The Connecticut Bank & Trust Company Hartford — Goodbody & Co.

Hemphill, Noyes & Co. — Hirsch & Co. — The Marine Trust Company of Western New York — F. S. Moseley & Co. — Wm. E. Pollock & Co., Inc. — Swiss American Corporation

Adams, McEntee & Co., Inc. — American Securities Corporation — Baxter & Company — Ernst & Company — Gregory & Sons — J. A. Hogle & Co.

E. F. Hutton & Co. Incorporated — National State Bank Newark — Reynolds & Co. — Dempsey-Tegeler & Co., Inc. — Fahnestock & Co. — Federation Bank and Trust Company

The First National Bank of Memphis — First National Bank in St. Louis — Henry Harris & Sons Incorporated — Kenower, MacArthur & Co. — Mercantile National Bank at Dallas

New York Hanseatic Corporation — Rauscher, Pierce & Co., Inc. — State Street Bank and Trust Company Boston — Stern Brothers & Co. — Stroud & Company Incorporated

Trust Company of Georgia — Chas. E. Weigold & Co. Incorporated — R. D. White & Company — Auchincloss, Parker & Redpath — J. Barth & Co.

The Boatmen's National Bank of St. Louis — The Citizens and Southern National Bank Atlanta — Cooley & Company — Cruttenden, Podesta & Miller

Dewar, Robertson & Pancoast — The Fort Worth National Bank — Robert Garrett & Sons — Green, Ellis & Anderson — J. B. Hanauer & Co.

Harkness & Hill Incorporated — Hayden, Miller & Co. — Lebenthal & Co., Inc. — National Boulevard Bank of Chicago — Newburger, Loeb & Co. — Park, Ryan, Inc.

The Robinson-Humphrey Company, Inc. — Sterling National Bank & Trust Company of New York — Tollner & Bean, Inc. — Tuller & Zucker — Wells & Christensen Incorporated

Wood, Gundy & Co., Inc. — Courts & Co. — Emanuel, Deetjen & Co. — Freeman & Company — Granbery, Marache & Co.

Lyons, Hannahs & Lee, Inc. — Moore, Leonard & Lynch — Schwabacher & Co. — Singer, Deane & Scribner — John Small & Co., Inc.

Starkweather & Co. — Sutro Bros. & Co. — Talmage & Co. — Watling, Lerchen & Co.

DEALER-BROKER INVESTMENT LITERATURE AND RECOMMENDATIONS

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

California Savings & Loan Associations—Report—Hooker & Fay, Inc., 221 Montgomery Street, San Francisco 4, Calif.

Canadian Food Chains—Bulletin—Ross, Knowles & Co., Ltd., 25 Adelaide Street, West, Toronto, Ont., Canada.

Canadian Gold Mining Companies—Memorandum—Charles King & Co., 61 Broadway, New York 6, N. Y.

Canadian Stocks—Selected List—Watt & Watt Ltd., 6 Jordan Street, Toronto 1, Ont., Canada.

Common Stocks Yielding 4.4% or more—Data on 29 issues which appear attractive—Carl M. Loeb, Rhoades & Co., 42 Wall Street, New York 5, N. Y. Also available are reviews of **Calgary Power Ltd., Lockheed,** and **P. Lorillard.**

Corporate Bond Market—Discussion—Salomon Brothers & Hutzler, 60 Wall Street, New York 5, N. Y.

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

Electronics Space Stocks—Bulletin with particular reference to **Avco Corp., Curtiss Wright, Giannini Controls, Hazeltine Corp., Northrop Corp.** and **Thiokol Chemical**—H. Hentz & Co., 72 Wall Street, New York 5, N. Y. Also available are data on **Central Illinois Public Service, Kansas Power & Light** and **Public Service Electric & Gas** and a memorandum on **Dura Corp.**

Favored Common Stocks—Quarterly Review — Eastman Dillon, Union Securities & Co., 1 Chase Manhattan Plaza, New York 5, N. Y.

Federal Reserve Credit Policies—Review — New York Hanseatic Corp., 120 Broadway, New York 5, N. Y.

Insurance Stocks — Memorandum John C. Legg & Co., 22 Light St., Baltimore 3, Md.

Is Inflation Really Dead?—Market analysis—David L. Babson & Co., Inc., 89 Broad Street, Boston 10, Mass.

Is Inflation Really Over? — Discussion in current issue of "Business Briefs" — Chase Manhattan Bank, 1 Chase Manhattan Plaza, New York 15, 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 — Investment Survey — Daiwa Securities Co., Ltd., 149 Broadway, New York 6, N. Y.

Japanese Market — Review — Nomura Securities Co., Ltd., 61 Broadway, New York 6, N. Y. Also available is an analysis of **Mitsukoshi Ltd.**

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

New Depreciation Rules—Discussion—Goodbody & Co., 2 Broadway, New York 4, N. Y.

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.

Overseas Markets — Review — International Bond & Share, Inc., International Building, San Francisco 8, Calif.

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.

Portfolio of selected stocks of companies likely to purchase their own shares during periods of market weakness—Gerstley, Sunstein & Co., 211 South Broad Street, Philadelphia 7, Pa.

Public Bonds — Review — Wm. J. Mericka & Co., Inc., Union Commerce Building, Cleveland 14, Ohio.

Rubber Fabricating Industry — Review — Reynolds & Co., 120 Broadway, New York 5, N. Y. Also available is an analysis of **Jefferson Lake Sulphur Co.**

Small Business Investment Companies—Statistical Study—Greene & Co., 37 Wall Street, New York 5, N. Y.

Small Business Investment Companies—Analysis—W. E. Hutton & Co., 14 Wall Street, New York 5, N. Y.

Sugar Market—Report—Lamborn & Co., Inc., 99 Wall Street, New York 5, N. Y.

Three Growth Portfolios—Suggestions for various investment goals —Currier & Carlsen Inc., 233 A Street, San Diego 1, Calif.

U. S. Banks—Comparative figures on the 15 largest banks in the United States—Bond Department, Bankers Trust Co., 16 Wall Street, New York 15, N. Y.

Utility Common Stocks — Review Hornblower & Weeks, 1 Chase Manhattan Plaza, New York 5, N. Y. Also available are discussions of **Winn Dixie Stores, Public Service Electric & Gas, New York State Electric & Gas, Niagara Mohawk Power, Stone & Webster, Chicago Pneumatic Tool, Chain Belt, Dow Chemical** and **Celanese.**

What Does It Mean For The Stock Market? — Review of current trends—Blair & Co., Inc., 20 Broad Street, New York 5, N. Y.

Yield—List of ten issues with attractive yield—Walston & Co., Inc. 74 Wall Street, New York 5, N. Y.

* * *

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

A. J. Industries—Memorandum—Sincere and Company, 208 South La Salle Street, Chicago 4, Ill.

Albee Homes — Memorandum — Blunt, Ellis & Simmons, 111 West Monroe Street, Chicago 3, Ill. Also available is a memorandum on **Roberts & Porter.**

Alden's Inc. — Memorandum — Estabrook & Co., 15 State Street, Boston 9, Mass.

Allied Radio—Discussion in current issue of "Investor's Reader"—Merrill Lynch, Pierce, Fenner & Smith Inc., 70 Pine Street, New York 5, N. Y. Also in the same issue are discussions of **American Can, Amsted Industries, Bangor & Aroostook, International Shoe, MSL Industries, Railroads, Royal Crown Cola, United Home Life Insurance, White Motors** and **Andrew Jergens Co.**

Alloys & Chemicals Corp.—Memorandum—Joseph, Mellen & Miller, Inc., East Ohio Building, Cleveland 14, Ohio.

American Cynamid — Review — Colby & Co., Inc., 85 State Street, Boston 9, Mass. Also available is a review of **Xerox Corp.**

Ampex —Memorandum—Stewart, Eubanks, Myerson & Co., 216 Montgomery Street, San Francisco 4, Calif.

Andrew Jergens Co.—Analysis—Hill Richards & Co., Inc., 621 South Spring Street, Los Angeles 14, Calif. Also available is an analysis of **Title Insurance & Trust Company**

Anglo Canadian Telephone — Memorandum — Amott, Baker & Co., Inc., 150 Broadway, New York 38, N. Y.

Associated Stationers Supply — Memorandum — Doyle, O'Connor & Co., Inc., 135 South La Salle Street, Chicago 3, Ill.

Belding Heminway Co. — Memorandum—Walcott, Thomsen & Co., 500 Fifth Avenue, New York 36, N. Y.

Broad Street Trust—Memorandum Hallowell, Sulzberger, Jenks, Kirkland & Co., Philadelphia National Bank Building, Philadelphia 7, Pa.

Charter Mortgage & Investment Company — Survey — Johnson, Lane, Space & Co., Inc., 16 North Laura Street, Jacksonville 2, Fla. Also available are surveys of

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The Economics of Survival

By E. Sherman Adams,* *Vice-President, First National City Bank, New York*

Strongly warning of the imminence—not the remoteness generally believed—of the USSR economic threat, Dr. Adams importunes devoting the highest priority to our economic survival. This entails, he says, not a master plan but the setting up and full pursuit of our economic objectives and policies. Dr. Adams suggests three major goals—keeping our economy healthy, employing our resources to combat the Soviet offensive, and accelerating our economic growth rate—and carefully explains their importance. In discussing ways to achieve these imperatives, the author envisions the need to slow down our capital and credit outflow but not our economic aid to underdeveloped countries which he refers to as "a fundamental investment in our own survival." Our problem, he opines, is to accelerate growth through sound measures which will strengthen our free economy. This, he adds, would rule out unsound government spending and the arbitrary fixing of a growth-rate.

Whether we like it or not, we must concern ourselves with the essentials to survival. The Communist menace has become the overriding problem of our time. We have no choice but to cope with it. This problem, has of course, many facets—military, political, ideological, cultural, spiritual, and finally, economic. All are important. To ask which is the most important would be like asking which leg of a chair is most essential. We cannot neglect any one of them.

E. Sherman Adams

In recent years, we have been largely preoccupied with the military and political aspects of this challenge. The military threat has been obvious and urgent, and the necessary answer to it has been clear—the building up of our own military power. The economic threat, on the other hand, has been much less obvious and has seemed less imminent. And as yet we have not agreed upon the necessary answers to it.

Yet in the long run, the economic side of this life-or-death struggle may be decisive. The Communists themselves clearly recognize this fact and are basing their strategy upon it. Indeed, the Free World has responded so vigorously to the Soviet challenge on the military and political fronts that Soviet policy has now shifted to even greater emphasis on long-range economic warfare.

It is therefore high time for us to face up to the implications of this economic offensive. What kinds of objectives and policies must we adopt to deal with it? What are the imperatives of the economics of survival?

The Soviet Economic Offensive

To answer this, let us first examine the nature of the economic threat which confronts us. In this area, the objectives of the Russians are unmistakably clear. Under totalitarian controls, their economy has achieved a remarkable rate of growth. The Soviet leaders will make every effort to continue to build up their economic power as rapidly as possible over the years ahead. They have carefully laid plans for doing so.

Some people like to give you reasons why Soviet growth may slow down over the years ahead. Perhaps it will, but how much? The experts are in complete agreement that even if there is some slow-down, the Soviet economy will in all probability continue to grow at a rapid rate for many years to come. And surely the lessons of recent years should have taught us by now that we will be better off overestimating Soviet potentials than underestimating them.

It is equally clear what the Soviet leaders plan to do with their expanding economic might. One, they will continue to increase their military strength. Two, they will step up their economic penetration of underdeveloped countries. Three, they intend to demonstrate to the uncommitted nations the superior performance of the Communist system. In short, they will utilize their added economic strength to steadily intensify their military, economic and political pressures against the Free World in every way they can. They are determined eventually to bury us by building up their economic power.

This Threat Is Imminent

Some people assume that this threat is remote and that there is little need to be concerned about it now. They have heard that the total output of the Soviet economy is not likely to surpass ours for something like 20 to 30 years and this seems a long way off.

But this is not the point at all. Long before Russia exceeds us in total production, the annual increment to its output will exceed ours. This more critical point may be only about five years away.

But even this is not the most significant aspect of Russia's rapid growth. Although the Russian economy today is only about half the size of ours, the Russians devote a far larger portion of their output to military purposes than we do. Indeed, it is estimated that in terms of U. S. prices, their military outlays are already as large as ours. Russia has therefore already reached the point where, with its totalitarian controls, it can more readily increase its armaments than we can. Five years, ten years from now, there is every reason to believe that the Soviet Union's military outlays will be very much larger than they are today.

This also applies to Russia's potential for economic warfare. The Soviets utilize foreign trade as a prime weapon of political aggression. They use it is a means of gaining power over other nations, of forging bonds that lead to bondage, and of making trouble for us and our allies. In recent years their foreign trade has been expanding rapidly and its pattern clearly reflects their sinister objectives.

Over the years ahead there is

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Britain's Reflation and The Dollar's Prospects

By Paul Einzig

The new cabinet in England is not expected to usher in a lowering of the Bank rate nor, on the surface, lower the government's resistance to excessive wage claims. It may, however, increase government spending which could set the scene for higher wages. Turning to the plight of our dollar, Dr. Einzig reports London concern and states that the screen of short-term credit arrangements accentuates rather than mitigates the problem. The noted foreign exchange expert rcommends authentic net gold data be released not only by ourselves but, also, by England. He praises the plan to sell Ex-Im-Bk notes abroad and recommends, further, other long-term arrangements to sell foreign securities and claims acquired here during the gold surplus and dollar shortage period.

LONDON, England—For an hour or so, the London Stock exchange responded to the dismissal of Mr. Lloyd from the Treasury with a firm tendency in equities. But a reaction soon set in, and before the week was over equities came under the influence of the decline in Wall Street. This means that investors and speculators in Britain don't expect the change to be followed by an expansionary monetary policy. No doubt Ministerial spokesmen will go out of their way in the course of the next few months to pay lip service to resistance to inflation. Already it was declared on the highest authority that Mr. Lloyd's policies—especially the wage restraint—would be maintained in substance. It would indeed be sheer folly to announce that the floodgates for wage plunder are now thrown open. The reconstructed government will no doubt make an effort to resist excessive wage claims, but whether its effort will be even as successful as that of Mr. Lloyd remains to be seen.

What matters is not what Ministers say, nor even whether they are really in favor of holding down wages, but whether their policies will create an economic situation in which trade unions will be in a position to enforce their wage demands. If the Bank rate should be reduced and if credit should be expanded, it would mean showing the green light to bigger and better wage demands. If the government tries to regain some of its lost popularity by handing out social service benefits to lower income groups without securing any **quid pro quo** for it, the resulting revival of consumer demand would further encourage the attempts of organized labor to increase their share of the cake without bothering to exert themselves to increase the cake itself.

By the look of things, reflation in Britain will assume mainly this form of increasing public expenditure rather than relaxing monetary control. A lower Bank rate would mean withdrawals of hot money just at a time when the seasonal factor is beginning to go against sterling. Admittedly the letting loose of an orgy of wage increases through stimulating consumption would produce a similar effect, but its effect might be deferred until the turn of the seasonal tide early next year, when sterling could better afford to face the additional pressure.

U. K. Gold Overstated by I. M. F. Credit

It is arguable that, from the point of view of assisting the dollar, reflation by means of a lower Bank rate would be preferable. Unfortunately in site of the increase of the British gold reserve, the defenses of sterling are still not strong enough and the British Government will have both its hands full defending sterling without having any resources to spare for the defense of the dollar. The actual figure of the gold reserve is grossly misleading, because a substantial amount of International Monetary Fund credit is still outstanding.

In any case, amidst existing conditions the chances are that a lower Bank rate in London would drive hot money not to New York but to Frankfort, Zurich and Paris. Sterling's loss would not therefore be the dollar's gain.

The method with which the United States authorities are trying to support the dollar with the aid of short-term facilities secured from other monetary authorities is viewed with growing concern from London. This was precisely the mistake made by the British authorities at the beginning of 1961. In face of a growing pressure on sterling they papered over the cracks in the wall with the aid of facilities obtained first from Central Banks and later from the International Monetary Fund. The result was that the necessary drastic steps were deferred by some six months because the need for them was effectively camouflaged by these short-term arrangements. When the long-overdue steps were taken they were thoroughly unpopular, precisely because the camouflage effectively concealed from the British public the need for such measures. If only the gold reserve had been allowed to decline, public opinion would have been better prepared for the bitter medicine.

It is indeed remarkable that governments hardly ever learn from the mistakes of other governments. They have to be taught lessons at their own expense and that of their country. Can anybody seriously imagine that, merely because for eight successive weeks the U. S. gold reserve showed no further loss the pressure on the dollar had come to an end? In 1931 during the run on sterling the Bank of England's gold reserve remained unchanged around £130 million, because sterling was supported with the aid of American and French credits of a similar amount. By Sept 21 those credits were practically exhausted and the gold standard had to be suspended. Yet the gold reserve was published week after week at about the figure at which it stood before the beginning of the crisis. The camouflaging of its decline with the aid of Central Bank credits—deceived nobody.

Recommends Authentic Information

It is true, the present position of the United States, with the gold reserve standing at the still formidable figure of $16 billion, bears no comparison with the British position of 1931. The lesson is nevertheless worth remembering. When a wave of distrust develops then the fact that its effect on the gold reserve is disguised behind a screen of short-term credit arrangements is liable to accentuate the distrust rather than mitigate it. In the absence of authentic information rumor-mongers can have a wonderful time. Day after day it is stated in newspapers that both the Central Bank gold pool and the swap facilities granted to the United States authorities are now exhausted. It would be better if authentic information were to be published because in time of scare everybody is inclined to imagine the worst. It should be the accepted rule that governments should publish figures of their *net* gold reserves, that is, gold reserves less the outstanding amount of external short-term credit.

The endeavor to mobilize part of the assets of the Export-Import Bank is an excellent idea. The same principle should be carried further and the United States should unload much of the foreign securities and claims acquired during the long years of gold influx and balance of payments surpluses. What the dollar needs is support by means of such long-term arrangements.

Broad Street Sales Appoints Barnes

LOS ANGELES, Calif. — William A. Barnes has been appointed a district sales manager of Broad Street Sales Corporation, it was announced by Robert H. Brown, Jr., President. Mr. Barnes will serve investment dealer accounts in Northern California, Oregon, and Washington, under the direction of Joseph F. Lynam, west coast Vice-President.

Mr. Barnes, who will begin his new duties immediately, was until recently a registered representative with the Duluth office of Thomson & McKinnon, a member firm of the New York Stock Exchange, with which he served for eight years. Earlier he worked with a brokerage house in Denver, Colorado.

Peters, Writer Names Exec. V.-P.

DENVER, Colo.—John F. Coughenour, Jr. has been elected Executive Vice-President of the Peters, Writer & Christensen Corp., 724 Seventeenth St. members of the New York Stock Exchange. Mr. Coughenour was formerly Vice-President of the firm and is also an officer of Peters, Writer & Christensen, Inc.

Istel, Lepercq Co. Names Vice Pres.

Istel, Lepercq & Co., Inc., 63 Wall Street, New York City, investment managers and financial consultants, announce that Eugene A. De Lutio has been appointed Vice-President in charge of Research and that George J. Bradford and Raphael Yavneh have joined the firm's Research Department.

Rothman Opens N. Y. Br.

Noel N. Rothman & Co. has opened a branch office at 11 Broadway, New York City.

Developments in Banking

By George H. Ellis, President, Federal Reserve Bank of Boston*

Boston central banker examines serious questions and diverse views pointing to a lack of clearly defined commercial banking policies and criteria; discusses three recent innovations in monetary policy; and reviews the objectives of the Federal Reserve System now affected so much by balance of payments considerations. Mr. Ellis criticizes the CED Money and Credit Commission's findings which would abandon the membership-ownership aspect of the Federal Reserve System and centralize monetary controls "in a smaller Board of Governors wrapped intimately into the Executive-side of Government in Washington." Moreover, he opposes reducing the sensitiveness of the Central Bank to the needs of commercial banks. Turning to the new "nudging" policy, Mr. Ellis states it is inaccurate to say the primary objective is to keep long term rates at artificially low levels. Steps taken in forward contracts in foreign currencies and the lifting of Reg. Q ceiling on time deposits to 4% are, also, discussed.

Banking in a democracy is a two-sided coin. On the one hand, we applaud the initiative, efficiency and profit performance of individual banks. On the other hand, we have continually to remember that the commercial banking system as a whole must be operated in the public interest.

George H. Ellis

Here is a critical issue which continuously confronts state and Federal banking authorities. Healthy banking competition must be encouraged and supported to insure the welfare and progress of the nation. At the same time, banking practices which infringe the public interest must be restrained. Where and how you draw the line troubles many of us.

Several members of the Reserve System's Board of Governors have recently discussed some of these problems of banking structure and regulation. Directly and indirectly they raise such fundamental issues as: What kind of a banking system do we want? Or indeed, what kind do we need?

Governor J. L. Robertson said to the Tennessee Bankers Association that we must decide whether we want a continuance of many independent units, a rapid development of branch banking, or perhaps a rapid development of holding company banking. "We must decide whether, in view of the changing size of business units in this country, we wish to have a few large banks with many branches, with a relatively few men dominating the entire banking system . . . or to continue the existing system of numerous institutions . . . We need a supervisory structure that will make it possible to face these issues squarely, reach decisions courageously, and implement them equitably." He went on to suggest a consolidation of all bank supervisory functions in a new Commission that would absorb the present regulatory functions of the Comptroller of the Currency, the Federal Reserve System and the Federal Deposit Insurance Corporation.[1]

Governor George Mitchell raised the question of structure when he spoke to the Independent Bankers Association. He suggested that if the trend in banking today is to size, we might be wise to accept the inevitable and make it as fast and easy as possible for banks to achieve size. But, he continued, "The enormously difficult problem of finding out how big a bank has to be to be efficient enough, and how many banks are needed to maintain competition enough, are not problems that can be solved by armchair logic."

On the other hand, you will remember that the Board of Governors recently denied, as contrary to the public interest, two prominent merger applications in New York, suggesting that the banks involved open new branches instead. The opening of such branches, said the Board, would not endanger the prospects of existing small banks nor threaten "the preservation of a banking structure offering a variety of banks of different sizes." And you will further remember that both of these proposed mergers, as well as the proposed Morgan New York State holding company application, had been approved by New York Bank Commissioner Orin Root as being in the public interest.

Lack of Clearly Defined Policies

These proposals, questions and decisions—and many more like them—serve to underscore the ever changing character of our economy and, even more specifically our banking and central banking systems. Also, they point up the fact that while they are greatly needed, we do not presently have clearly defined, nationally accepted policies and criteria in important fields of commercial banking. This is certainly a matter to be considered by the President's recently-appointed cabinet-level committee on the country's financial institutions.

In his first inaugural address President Woodrow Wilson drew attention to the characteristics of our country. He said: "We shall deal with our economic system as it is and as it may be modified, not as it might be if we had a clean sheet of paper to write upon, and step by step we shall make it what it should be." It seems entirely appropriate that those memorable words are engraved on the marble walls of the Federal Reserve Building in Washington.

Of course the formulation and implementation of monetary policy is a matter of constant evolution. And of course changes in the structure of the Federal Reserve are constantly under consideration in Washington and elsewhere. Let me call to your attention just one of the suggestions for change that would affect most of you directly or indirectly.

Criticizes C. E. D.'s Recommendations

I presume bankers are familiar with the report published last year by the Commission on Money and Credit. It will be remembered that the Committee somewhat absurdly asserted that "it has tried to confine its recommendations and suggestions for change only to situations where the present structure has not worked out well." The Commission then proceeded to present a series of recommendations that would have the effect of reducing the "membership" aspect of the Federal Reserve System and centralizing monetary controls in a smaller Board of Governors wrapped intimately into the Executive-side of Government in Washington.

Perhaps it will be recalled that Commission recommended that "the present form of capital stock of the Federal Reserve banks should be retired. Instead, membership in the System should be evidenced by a nonearning certificate of, say, $500, the same for each member bank."

Of course, retirement of the Federal Reserve Bank stock would eliminate present dividends and reduce the attractiveness of System membership.

On somewhat the same theme, the Comptroller of the Currency has suggested that his Advisory Committee study whether to discontinue the requirement that national banks be members of the Federal Reserve System. Quite obviously this is a very different approach from that of the Commission on Money and Credit, which urges that all commercial banks be required to become System members.

We may confidently expect that both of these views will be considered by the President's new committee on financial institutions.

Meanwhile, in the interest of First District fencemending, I've been studying System membership trends. Over the past 10 years the assets of member banks in Massachusetts dropped from 91% to 89% of total commercial bank assets in the state. This small change is understandable in view of the mergers and consolidations of recent years. The Massachusetts ratio of 89% of all assets is still 5 percentage points above the national average, and both are well above the level needed to ensure prompt transmission of the effects of monetary policy in making reserves more or less readily available.

My concept of "fencemending" is to encourage banks to understand, exercise and affirmatively support those characteristics of the Federal Reserve System that stem from the basic concept of banks qualifying and choosing to become members of a central banking system which assists commercial banks to meet the needs of a large and growing economy. In my view, abandonment of the "membership" character of the System would be a move away from sensitive response by the central bank to the needs of the commercial banks. A post office type of centralization is not an acceptable substitute for the present system.

Three Highlights of Federal Reserve Actions in Past Year

Turning to Federal Reserve responsibilities in the field of monetary policy I propose to discuss three innovations:

(1) Termination of "bills only"

(2) Revival of foreign exchange operations

(3) Relief under Regulation Q or raising interest ceilings

But let me spend a moment setting the stage on which to parade these innovations. Otherwise their relevance may be obscured.

In broad outline, the economic events of the last 18 months have marked the passage from the trough of a moderate business recession, which occurred about February of 1961, to a generally broadly based recovery. Although vigorous in its early stages, the over-all course of rising activity has been supported by forces of only moderate strength. At this writing the prospects continue to be good for further gains. We should note as a characteristic of the business revival, that uncertainties regarding the strength and course of the recovery prevailed during much of the past year, and the unemployment rate has continued at a higher level than in past periods.

Our policy throughout the recent recovery has been one of monetary ease. Reflecting this, member bank reserves have increased, both bank and non-bank liquidity have greatly improved, and interest rates throughout the maturity range have been relatively stable despite an expansion of bank credit and a sharp rise in demand for funds in the capital markets. We have continued ease further into the cycle, as contrasted with the year 1958 when the System moved toward restraint within four months of the trough. The risks of maintaining ease were considerably smaller than in earlier periods since there were no indications of inflationary pressures or speculative build up. Commercial bank liquidity positions had improved only moderately during the down swing and banks were somewhat less liquid in the first half of 1961 than in earlier comparable periods. At the low point in early 1961, money and capital markets had not eased as much as in previous postwar recessions and rates had not declined to characteristic low levels. Complementing our monetary policies debt management and fiscal policy acted as fortunate supplements both in promoting recovery and defending the dollar.

Terminations of "Bills Only"

In 1960, while the United States was sliding into recession, European economies were expanding to new highs. As the Federal Open Market Committee moved to supply reserves to stimulate the domestic economy, interest rates moved downward. Overseas the burgeoning economies of our West European Allies presented investment opportunities and interest rates that grew increasingly attractive for domestic investors.

This was our dilemma. If we continued to bolster bank reserves by buying bills, we realized that we might drive short-term rates low enough to encourage an even greater outflow of funds to foreign markets in search of higher rates. But if we stopped supplying reserves to the banking system because of international problems, we would be shrugging off our responsibility to the domestic economy.

The first step in meeting this dilemma was taken in October of 1960, when the Federal Open Market Committee began modest purchases of short-term securities with maturities exceeding 12 months. A second step was taken in February of 1961, when the Federal Open Market Committee suspended the operating policies which had indicated Federal Open Market Committee preference for operations in bills. Following this action the Committee moved into the one to five year maturities, then the five to 10 year range until it had effectively shaken off the market suspicions that the operation was limited in scope and time. Last Dec. 19, the Committee moved decisively to rescind the "bills preferably" operating policies.

This termination of the "bills only" policy has been popularly referred to as "operation nudge." It has been inaccurately described by some who charge that the primary objective was to move and to hold long and intermediate term rates at artificially low levels. While the change in policy obviously affects the pattern of rates, it is a perversion of fact to substitute this result—for the real objectives — as I have outlined them.

For the future, the important result is that the Federal Open Market Committee has increased its flexibility in exercising the broadening range of System responsibilities.

Revival of Foreign Exchange Operations

The termination of "bills only" leads clearly to the increased importance of the United States balance-of-payments problems. These problems bear central responsibility for the other two highlights of recent Federal Reserve System operations; the revival of foreign exchange operations, and raising interest rate ceilings.

To paraphrase the dilemma I noted earlier, the difficulty of reconciling domestic stability and prosperity with international balance has become the core of the foreign exchange problem today.

Thus, for an unforeseeable period of time it will undoubtedly be necessary to weigh carefully every major monetary and fiscal decision not only for its domestic implications but also for its balance of payments potential.

Three factors account for this. First, the United States international reserve position, while still strong, cannot be permitted to weaken without risking a major crisis. Continued large payments deficits, and continued declines in our absolute reserve position, would accelerate such a development.

Second, the pool of international "hot money" has become very large and highly volatile. In the last three years, convertibility has encouraged the resumption of large scale interest arbitrage between countries and significant speculation in the exchange markets. These operations have involved the key currencies partly because these currencies, by definition, are the ones most widely held by foreigners, and partly because a large imbalance in payments unfavorable to the key currencies has developed. Under adverse economic and political circumstances, such movements could result in the United States' gold losses running to several hundred million dollars within a single week.

Several moves have been made to ward off incipient trouble and gain time while basic adjustments are worked out. On the basis of relatively brief experience, one can say that they are slowing down the snowballing effect which temporary distortions in the world exchange rate system can have. Let me emphasize here that the actions taken are not expected to do any more than this.

"Basle Agreement" Helped England

Without going into substantial detail, the first of the innovations —possibly of historic significance —was the so-called "Basle Agreements" which resulted in inter-central bank co-operation during the sterling strain in early 1961. The huge flow of funds within Europe, which was touched off by the German and Dutch revaluations, resulted in a vicious attack on sterling. The Bank of England had to put up something like $500 to $600 million within a two week period to defend the pound—selling dollars against sterling at rates gradually raising the pound above its post-German appreciation low of 279¼, and by selling gold to other European central banks for dollars. Under the agreements, the central banks receiving large inflows loaned them back to the Bank of England—to the extent of about $900 million—so that the United Kingdom could rebuild its dollar holdings. It is important to note that in these movements of funds and speculative attacks on a particular currency, the U. S. dollar is likely to be involved regardless of the strength of our payments position. European banks typically hold almost all of their non-gold reserves in U. S. dollars, and they support their own countries' exchange rates against all convertible currencies by operating in dollars. This special role of the dollar is based on the assumption that the United States will continue to be the one country in the world ready to convert its currency into gold in transactions with foreign nationals.

It is against this background that the U. S. Treasury and more recently the Federal Reserve System itself, for the first time since

[1] *Commercial and Financial Chronicle*, July 5, 1962.

the 1930's, revived operations in foreign currencies in cooperation with foreign authorities.

German Revaluation

I'm sure all remember the events of March, 1961, when the value of the German mark was increased in relation to the dollar. Anticipating a further increase in the dollar value of the mark, importers and exporters dealing with Germany hastened to buy marks with dollars before the price of marks went any higher. Some bought marks with dollars looking for the profit which further revaluation would bring. Others, to secure forward cover, borrowed dollars, expecting to repay them out of future earnings because of the large premium on forward marks. This borrowing further added to the supply of dollars in Germany. Dollars were also used to convert other currencies into marks. The buyer would sell sterling, for example, to buy dollars, and then sell dollars to buy marks.

Germany was obligated, under the rules of the European Monetary Agreement, to hold the mark within a range of three-quarters of one percent above or below the dollar par value of the mark; and to fill this requirement, as speculation drove the premium on the mark increasingly higher and depressed the value of the dollar, the German central bank was required to buy hundreds of millions of dollars by selling equivalent amounts of marks.

Fortunately Germany didn't redeem her large supply of dollars with United States gold, as she might have. Instead, the German central bank joined with American authorities in an effort to drive down the premium on the mark and stem the flow of dollars into Germany. The United States Treasury began supplying forward marks on the New York exchange markets. The Treasury's outstanding commitments in forward marks reached a peak of about $350 million in mid-June, and aggregated considerably more as some initial contracts were rolled over once or twice. As the supply of marks increased, holders of dollars were less anxious to buy them. As the demand for marks abated, the premium declined.

Other U. S. Forward Exchange Operations

The cooperative efforts of two governments had thus succeeded in relieving a severe strain on the dollar. Since that time, a similar operation was conducted when the threat of war in Berlin placed a high premium on the Swiss franc and drove large amounts of dollars into neutral Switzerland. For roughly similar reasons, comparable operations in Italian lira and Dutch guilders were undertaken early in 1962. All in all, total Treasury operations in forward contracts in these foreign currencies, including roll-over of maturing contracts, have amounted to about $1½ billion in the 14 months following March, 1961.

These incidents illustrate graphically that monetary policy can no longer be considered a strictly domestic issue. In these cases the Federal Reserve Bank of New York acted in the market as fiscal agent for the Treasury. Building on its established position in the world's largest money market, the Reserve System is strengthening its foreign exchange position so that it will be able to act effectively in cooperation with the Treasury to maintain a viable international exchange system and lessen the possibility that a future crisis might threaten international confidence in the dollar.

But our balance of payments deficit is an extremely complex problem. Government action in the foreign exchange market will not solve it. Chairman Martin stated the case when he explained to Congress that "These System operations, along with those conducted by the (Treasury), would have the primary purpose of helping to safeguard the international position of the dollar against speculative flows of funds. They *would not and could not* serve as substitutes for more basic action to correct the deficit in this country's balance of international payments."

Relief Under Regulation Q

The third innovation in monetary policy in recent months was the Board's action in raising the permissible maximum rates of interest payable on time deposits under Regulation Q last December to 4%, an action in which we were joined by the Federal Deposit Insurance Corporation. I personally think that action on this front was long overdue.

The decision to lift the ceiling was made for several reasons. Among the most important was the fact that inflexibility of time deposit rates was contributing to the outward flow of short-term dollar balances, thus aggravating the nation's gold problem. Private foreign balances sought higher yield than those permissible under Regulation Q and some were attracted into investment in the Euro-dollar market. Some of these added to the pool of "hot money" that could be mobilized rapidly for speculative attacks on particular currencies.

Domestically, New York agencies of Canadian and European banks were accepting dollar time deposits on behalf of their parent banks at rates above the maximum on Q. Other practices had grown up, partly as a result of the repressive ceiling, such as repurchase agreements between banks and corporations and the growing volume of "link financing."

Finally the move to raise the rates under the regulation was designed to encourage saving and to redress to some extent the balance of competition between commercial banks and other savings institutions.

The action went into effect January 1. When we surveyed New England banks in February we found that 45% had raised their rates or intended to do so by the next succeeding interest rate period. About one third had already gone to the new ceiling.

The raise in maximum permissible rates, we hope, has enabled New England's commercial banks to compete more effectively. But opportunity in this case, as in most others, carries with it a challenge —a challenge now directed primarily to commercial bank management.

As banks raise their rates they will be confronted with the need to offset rising costs. And the degree to which rising costs will offset the benefits of increased deposits will be directly related to the quality of the decisions as to redistribution of assets and the efficiency of bank operations.

The Reserve System has tried to broaden the range of choice of interest rates—to make them more responsive to market forces. But there is no substitute for rational management decisions. They have been, are, and will continue to be, the dominant need of our banking system.

Conclusion

The sole objective of Federal Reserve System is service.

(1) *In world economy:* through foreign currency operations, in cooperation with foreign central banks, to provide a smoothly functioning international exchange mechanism.

(2) *In domestic economy:* through monetary policy, to support a stable growing economy with full employment of resources.

(3) *In the business of banking:* through operations and supervision, to ensure a sound privately owned competitive banking system as a buttress of a free enterprise system.

Unfettered pursuit of these objectives requires an organization free of political opportunism, able to attract and hold dedicated men seeking to make decisions in the best public interest. My personal objective is to ensure that the Federal Reserve Bank of Boston fulfills its responsibilities in full measure in each of these three areas.

*An address by Mr. Ellis before the Annual Convention of the Massachusetts Bankers Association, Manchester, Vt.

Walter Horn V.-P. Of First Boston

Walter B. Horn has been elected a vice-president of The First Boston Corporation, 20 Exchange Pl., New York City.

Walter B. Horn

He is a member of the National Sales Department in charge of United States Government Bond Sales.

Mr. Horn joined the corporation in 1927. He was appointed a manager in the Government Bond Department in 1946 and an assistant vice president in 1951.

Southeastern Securities

WINSTON-SALEM, N. C.—Southeastern Securities Corporation has opened a branch office in the Nissen Building under the management of Frederick P. Spach.

Joins Powell, Kistler

(Special to THE FINANCIAL CHRONICLE)

FAYETTEVILLE, N. C.—Sanford P. England has become affiliated with Powell, Kistler & Co., 110 Old St., members of the New York and Midwest Stock Exchanges.

Japan Cuts Foreign Invest. Holding Period

Japan has opened its door wider for increased foreign investments.

The long-awaited revision to Japan's Foreign Investment Law, according to The Nomura Securities Co., Ltd., was officially made with the Finance Ministry's announcement that the two-year holding period for Japanese securities purchased by foreign investors had been reduced to six months effective Aug. 1.

The amended law also includes a retroactive clause waiving the two-year deferment or holding period for securities purchased prior to the effective date.

Tadashi Ishida, General Manager of Nomura's New York offices, 61 Broadway, in hailing the Finance Ministry's act as a "truly epoch-making and significant one" predicted that the new law would accelerate and broaden foreign interest in Japanese securities.

Mr. Ishida pointed out that foreign investments in Japanese securities on the Tokyo Stock Exchange at the close of fiscal 1961 (March 31, 1962) totaled $67.8 million. This figure compared to $21.9 million in fiscal 1960 and only $9.55 million in 1959.

He envisioned foreign investments reaching about $100 million in fiscal 1962, ending March 31, 1963.

Foreign investors in Japanese securities totaled 15,032 at the close of the 1961 fiscal year, March 31, 1962. A year ago foreign investors totaled 10,946; and in September, 1961, 13,361.

In April, last year, Japan's Foreign Investment Law was revised from a four-year-and-one-day holding period to two-years. Repatriation of foreign securities prior to this was six-years-and-one-day.

Edmund G. Blackburn With E. F. Hutton Co.

(Special to THE FINANCIAL CHRONICLE)

SAN FRANCISCO, Calif. — Edmund G. Blackburn has become associated with E. F. Hutton & Co., 160 Montgomery St. Mr. Blackburn was formerly manager of the research department for Walston & Co.

Inv. Planning Branch

Investment Planning Group, Inc. has opened a branch office at 40 Exchange Place, New York City, under the management of Morton Feren.

McQuade Branch

CASA GRANDE, Ariz.—R. K. McQuade & Co. has opened a branch office at 420 North Marshall St. under the direction of Charles A. Floyd.

Ozol Opens Branch

WESTFIELD, N. J.—R. J. Ozol & Co. has opened a branch office at 225 East Broad Street under the management of Ida H. Ozol.

Palm Beach Inv. Branch

JACKSONVILLE, Fla. — Palm Beach Investment Company, Inc. has opened a branch office at 2503 Arlex Drive, West under the management of Duane H. Kunde.

Seaboard Secs. Office

Seaboard Securities Corporation has opened a branch office at 80 Wall Street, New York City, under the management of Leon Nash.

A. J. White Branch

Allen J. White & Co., Inc. has opened a branch office at 52 Wall Street, New York City, under the direction of Gerald Kasten.

K. M. Smith Opens

ENGLEWOOD, Fla.—K. McKinley Smith is conducting a securities business from offices here. Mail address is Box 490, Manasota Key.

Growth Companies for Diversified Holdings

By Roger W. Babson

Fifteen companies believed to possess distinct growth possibilities are ticked-off by Mr. Babson. They are in office equipment, camera, new building, drug and home products areas. Diversification's advantages are stressed with the admonition that some of the companies favored are not necessarily invulnerable to disappointment. None of the stocks is endorsed or recommended — but merely discussed.

This is not an endorsement of "Growth Stocks." I do not recommend specific stocks in this column; I will, however, discuss ten companies whose stocks are listed on the New York Stock Exchange that I believe have a bright future.

Office Equipment Companies

Owing to social security, retirement pensions, etc. many men and women who are now doing office work will retire within the next few years—with fewer replacements. This means there will be an increasing demand for machines to do office work now being done by these people—especially speeding up said work.

Among such companies I might especially mention the Addressograph Multigraph Corp. and International Business Machines. I will also include Zenith Radio which hopes to get one million of its TV cabinets into the public schools, hospitals, and office buildings. I believe that TV will revolutionize teaching in our schools. Zenith Radio is also leading in color TV.

Camera Companies

These companies not only make a profit on the sale of their cameras and films to the public; but are also making large sales to the U. S. Government. Families are not content to own one camera, but each member of the family wants one. The family also buys the latest models as they come out.

Among these the Eastman Kodak Co. stands out most prominently. The Polaroid Corp. is very progressive and has many valuable patents for the use of which other camera companies must pay royalties if they want to hold their trade. It is rumored that the Gillette Co. has some plans along these lines, using part of the huge profits made from their razor business. All three of the above should profit from the constantly growing population of the U. S., which should reach 230 million in 1975.

New Building Companies

Although Corning Glass Works is best known for its "Pyrex" glassware, its great growth should come from new modern buildings. More glass is continually being used in new office buildings; while factories will appear as being built of all glass.

As new buildings of all kinds will need automatic heating, cooling, and ventilation systems the products of Minneapolis-Honeywell Regulator may be in great demand. I could also include Minnesota Mining & Manufacturing in this general growth due to their ingenuity and new products. This company is known as the "Three M's."

Drug Companies and "Home Products"

The drug companies probably spend more money on research than any other group. Furthermore, they are on the verge of making some very wonderful discoveries in connection with DNA and RNA; two chemicals which may provide living cells. My first choice is American Cyanamid Co. (which owns Lederle Laboratories). I also think that Bristol-Myers Co. has good growth possibilities; and also Plough, Inc. of Memphis. However, perhaps the best of all is the great duPont Co. of Wilmington.

My mention of "Home Products" in the above heading is because the American Home Products Co. has a very large sales force handling some products ordinarily sold by Proctor & Gamble which could also be listed here. These are two companies that should profit by inflation—toward which we are surely headed. Let me add the steels, coppers, oils and natural gas companies; yes, most companies with great natural resources.

Rely on Averages

This makes 15 corporations in all which I believe have distinct growth possibilities. I suppose my readers would like me to boil the list down to ten companies. I will not do this as so much depends upon the human factor of management which cannot be forecast. I feel, however, that some of the 15 will turn out to be great disappointments, but no living soul can now tell which are the five that should be avoided.

This leads me to emphasize once more the great importance of diversification. Those who had their money distributed over a large number of established companies during the recent great stock market decline have nothing to fear. The dividends need not be cut and prices should hop back. In fact, I believe that the combined average price of the ten "lucky" stocks among those discussed above will some day sell for over $1,000.

Jackson, Lockett & Gieselmann

KNOXVILLE, Tenn. — Jackson, Lockett and Gieselmann, Inc. has been formed with offices in the Burwell Building to engage in a securities business. Principals of the firm are Donald L. Jackson, William E. Lockett and Paul Gieselmann. Mr. Jackson was formerly Knoxville manager for McCarley & Co., Inc., with which Mr. Lockett and Mr. Gieselmann were also associated.

T. King Jr. With Henry F. Swift Co.

(Special to THE FINANCIAL CHRONICLE)

SAN FRANCISCO, Calif. — Thomas E. King, Jr. has become associated with Henry F. Swift & Co., 453 Montgomery St., members of the Pacific Coast Stock Exchange. Mr. King was formerly with Walter C. Gorey Co. and Evans MacCormick & Co. Prior thereto he was in the investment business in Chicago.

Cantor, Fitzgerald Adds

(Special to THE FINANCIAL CHRONICLE)

BEVERLY HILLS, Calif. — Lee Soble has been added to the staff of Cantor, Fitzgerald & Co., Inc., 232 North Canon Drive. He was formerly with Raymond Moore & Co.

With Shearson, Hammill

(Special to THE FINANCIAL CHRONICLE)

BEVERLY HILLS, Calif. — Glen H. Highman has become affiliated with Shearson, Hammill & Co., 9609 Wilshire Blvd. He was formerly with Merrill Lynch, Pierce, Fenner & Smith Inc.

FROM WASHINGTON ... Ahead of the News

BY CARLISLE BARGERON

The little town of Hopedale, Ill., population 500, has worked out its own medicare problem. Within less than five years, it has built a hospital, a nursing home and a home for retired folks. All are operated on a non-profit basis which makes it possible to take care of the needy at no cost or little cost, as the case may be.

The mainspring was Dr. Lawrence J. Rossi, who had opened a part-time office in Hopedale but became so discouraged at the lack of facilities that he decided to speak his mind freely and then close his office.

A meeting was held at the town hall at which about 100 community leaders attended. This resulted in the decision to build a hospital and two weeks later a committee was busy selling bonds for its construction. Within 16 months the hospital was completed with 20 beds and six bassinets. It has general hospital facilities, including surgery, maternity, emergency room, X-ray, laboratory, blood bank, pharmacy with a full time pharmacist, etc. At present, the hospital has eight staff physicians in attendance from the area and over 40 consultant specialists from nearby large cities.

Financially, the hospital has always operated in the black.

After the hospital had been in operation about a year, it was noted that a nurses' residence was needed. Adequate housing for the nurses just didn't exist in this little country town. It was relatively a simple matter to get the job done. Money was borrowed from a savings and loan association, some people donated labor and private financing supplied the remainder. The furnishings were donated by a grateful lady. The residence accommodates six nurses.

At the end of a year it was noted that the patients were not leaving. They stayed and stayed and stayed. Doctors were complaining that beds were not available. The ancillary facilities — laboratory, X-ray and pharmacy all showed declines in income, yet the hospital beds were almost always occupied.

It developed that patients with chronic illness had finally filled the beds. These patients needed nursing care, but not the facilities of a hospital. So it was decided to build a 40-bed nursing home. Private financing built the nursing home, too. Certificates were sold for $750, each redeemable for $1,000 at a stipulated monthly rate per certificate, or payable in cash at face value in 20 years. This method supplied about half the money for construction. The rest was borrowed from a savings and loan association.

Not long after this building was completed, it was noted that some of the patients did not need nursing care but were in the nursing home because they were lonely.

It was decided a build a separate residence for elderly people to remove them from the nursing home atmosphere. The cost to be a resident is only about half that of nursing home care.

Financing was simple. All the complex properties were refinanced and the moving spirits came up with enough money to cover the entire cost of construction. Again the money was supplied by a savings and loan association. The entire job was accomplished with private funds.

The residence for the elderly is simply a place to live. It is a residence, not an institution. Completely fire-proof and of brick and masonry construction, it has many features such as private entrances, aid conditioning, wall-to-wall carpeting, tiled bath and shower, emergency intercom to the hospital, large parlor and dining room, barber shop, beauty shop, hobby and crafts room, a full time activities director and outside recreation facilities. There are four apartments and 18 single room units.

All this has been done by the town of Hopedale without any Federal or state aid.

SBIC Data Given in Study

Nine of the 20 four largest publicly held small business investment companies are selling at substantial discounts from their estimated *cash* value per share, according to a statistical report published by Greene and Co.

The firm also reveals that virtually all of the SBIC's covered in the study are selling at even sharper discounts from estimated asset value per share.

Those companies selling at discounts from cash value are South-eastern Capital (37%), Water Industries Corp. (34%), Westland Capital (26%), St. Louis Capital, (23%), Gulf-Southwest (19%), Sierra Capital (18%), Capital Southwest (14%), S. B. I. C. of New York (11%) and Business Funds (8%).

Total assets, underwriters, shares outstanding offering price, current market price and percentage of assets invested are also listed for each of the 24 companies in the Greene report.

Greene and Company maintains its headquarters at 37 Wall St., New York City. Copies of the report are available for general distribution.

General Motors Common Offered

Morgan Stanley & Co., New York City, heads an underwriting group which is offering for public sale 1,589,680 outstanding common shares of General Motors Corp. at $49⅝ per share.

The shares were purchased from four stockholders: Christiana Securities Co., Delaware Trust Co. as trustee of certain trusts for the benefit of members of the duPont family, Longwood Foundation, Inc. and William du Pont, Jr. None of the proceeds of the sale will go to General Motors.

The shares being offered include stock received by the selling stockholders in the distribution of approximately 23 million General Motors shares on July 9, 1962 by E. I. du Pont de Nemours & Co. to its common stockholders, the first step taken by du Pont in compliance with the Final Judgment entered by the U. S. District Court in Chicago.

Now With Marache

(Special to THE FINANCIAL CHRONICLE)

LOS ANGELES, Calif.—Ray W. Caldwell is now with Marache & Co., 210 West Seventh St., members of the Pacific Coast Stock Exchange. Mr. Caldwell was formerly with Bateman, Eichler & Co. and Dempsey-Tegeler & Co.

Bond Styles Must Change

By Ray F. Myers,* *Vice-President, Continental Illinois National Bank and Trust Company, Chicago, Ill.*

Chicago banker details the pressing need for: (1) streamlining cumbersome, nonuniform bonds; (2) revising outmoded statutes to permit issuance of registered instead of coupon bonds; and (3) standardizing common indenture provisions. The advantages of registered bonds are stressed, and welcome acknowledgement is made of the American Bar Association's independent effort to achieve a model corporate indenture.

Just three years ago, in an article[1] on the new look in municipal bonds, I had the temerity to suggest that the greatly increased volume of municipal financing necessitated a streamlining of some of the cumbersome mechanics of handling new issues. Since that time, many new issues have appeared with the opinion of counsel printed on the back of each bond, rather than in a separate accompanying document.

Ray F. Myers

During this same period, many steps have also been taken to establish some uniformity among bonds. For example, last year the City of Pawtucket, R. I., in cooperation with the First National Bank of Boston, issued a bond 8.2" x 4.7" in size attached to which are books of perforated coupons 3.4" x 1.5" each. On the reverse side of each bond is a reproduction of the legal opinion. Originally there was to be a line of magnetic ink on the back of each coupon to aid in sorting and processing, but this idea was abandoned since it would have required special one-purpose electronic equipment which would have been prohibitively expensive.

More recently, a new bond form has been developed with coupons which can be processed on the equipment presently being used for bank checks. For example, the City of Worcester, Mass., has issued a bond which measures 8.5" x 6", and attached to which is a 6" x 2¾" coupon bearing magnetic ink characters. The coupons are three to a page in book form and perforated to assure uniformity in size. Since all banks do not have electronic equipment, the paying agent bank's name and route number appear on the face of each coupon in large type.

The significance of this development is obvious. Coupon counting and processing has long been a tedious, exacting chore which needed mechanization. Though it is hoped that fully registered bonds will eventually replace coupon bonds in the larger issues, there will probably always be a large volume of coupon bonds which can be efficiently handled on standard bank check equipment.

$5,000 Denomination Bonds

Another encouraging development has been the enthusiasm with which municipal finance officers have embraced the $5,000 denomination bond. The pioneering in this movement is credited to the Town of Greenwich, Conn., which has two issues in this form now outstanding.

In February of this year, the State of New Jersey made history with its $42 million bonds in denominations of $5,000, the largest issue to that date. Since then there have been several other large issues including $79 million in Public Housing Administration bonds and over $89 million City of New York bonds both issued later that month. More recently, the State of Connecticut has issued $53,680,000 in this form. Mr. Felix T. Davis, Vice-President, Federal Reserve Bank of New York, to whom credit is due for much that's been accomplished in this area, has just completed a study of these new issues. He reports that in the period from Jan. 1 to April 10, 1962, some 23 issues totaling in excess of $380 million have been marketed.

The history of this development is most interesting. The movement began with an effort to conserve vault space. Banks and large institutional investors, with literally miles and miles of shelves in their vaults devoted to the storage of $1,000 bonds, were alerted to the possibility of saving as much as 80% of this storage space by purchasing $5,000 denomination bonds. It wasn't long before associations of large investors such as the Life Insurance Association of America, the American Life Convention (which together are composed of over 420 insurance companies), the National Board of Fire Underwriters (212 fire underwriters), and another 140 firms represented in the Association of Casuaty and Surety Companies, all were encouraging finance officers to issue bonds in $5,000 denominations. From that point on the movement has snowballed.

Now a further advantage is coming to the forefront—the substantial savings which municipalities are reporting. The City of New York realized a savings of over $20,000 in the costs of printing and signing their $89 million issue. This amounts to almost a 50% reduction in costs simply by changing from $1,000 denominations to $5,000. Other cities report similar savings of from 30% to 50%, depending on the size of the issue—the larger the issue the greater the savings, of course.

Underwriters, too, are enthusiastic, some reporting that the large denominations have broadened distribution. Apparently, the inertia of strict adherence to the $1,000 bond has now been broken and another archaic financial practice has given way to progress.

Fully Registered Bonds

As enthusiastic as we are with the new coupon bond forms and the larger denomination bonds, these are but interim steps toward the ultimate goal. I refer, of course, to a wider use of fully registered bonds.

I've already related[2] my own bank's amusing tangle with one of the financial columnists, which triggered a detailed discussion of the advantages of fully registered bonds. Very briefly, registered bonds, unlike coupon bonds, can be replaced if lost or stolen, require much less vault space, and interest payments are made by check (in the same manner as stock dividends), thus avoiding the problem of mislaid, mutilated, or lost coupons.

Let me illustrate these savings in dollars and cents. Suppose an insurance company, pension plan, or other large institutional investor has $25 million principal amount of coupon bonds in $1,000 pieces, 25,000 units in all. The cost of the custodian services during the 10-year life of these bonds would total approximately $25,000. Note that this estimate is based on costs—just the basic expenses involved in rental of vault space and the cost of clipping a half million coupons over a 10-year period. By way of contrast, a single $25 million registered bond, on which interest would be paid by check, would entail custodian expenses of only about $420, only about 2% of the cost of handling the coupon bonds.

Issuers, too, have much to gain by issuing fully registered bonds. The initial costs of printing and issuing are smaller, and subsequent clerical and handling costs are greatly reduced. A further advantage is that the company has an up-to-date record of its bondholders.

Why, then, have we seen less progress here than with the $5,000 denomination bond movement? To some extent it's a matter of needed legislation. In a number of states and municipalities, outdated statutes permit the original issuance of only coupon bonds though in many instances these coupon bonds may be exchanged later for registered pieces. These state statutes must be revised.

But even new legislation will not completely overcome the inertia behind this long-standing financial anachronism. Education is also needed. Brokers and underwriters must encourage investors by apprising them of the convenience, economy, and safety in holding registered bonds. Issuers must follow the lead of the U. S. Treasury and American Telephone & Telegraph Company in allowing a purchaser of registered bonds at least one free conversion to bonds in coupon form. This will do much to break down the barrier caused by the traditional premiums at which coupon bonds are sold.

This is all going to take time, but the movement is clearly gaining momentum. Only about 25% of American Telephone & Telegraph's recent $300 million issue was fully registered at the closing. But within two weeks some 44% of the issue had been fully registered. Just as the enthusiastic support of insurance companies helped pace the $5,000 denomination bond movement, so would a carefully guided campaign among brokers, underwriters, and investors accelerate the inevitable acceptance of fully registered bonds. Before too long I expect to see some economy-minded company team up with a farsighted underwriter and pioneer the first fully registered corporate bond!

Can Indentures Be Standardized?

Encouraged by all this progress I would like to propose another important project which I think needs special attention. It has always appalled me that our officers spend hours on end reading proof after proof of indentures containing page after page of virtually standard boiler plate. If you will examine a typical indenture, you will discover that in many instances as much as half the pages are more or less standard language, large parts of it required by the Trust Indenture Act. These provisions deal with reports by the trustee and company, remedies in event of default, trustee's duties, the debenture holders' rights, merger provisions, and several other miscellaneous matters. Time after time our officers wade through these pages, as do underwriters' attorneys, attorneys for both the buyer and seller, and the staff of the SEC . . . a bevy of rather high-priced proofreaders!

Suppose we were to standardize the common provisions and have them set up on plates at the principal financial printing houses. As subsequent indentures are printed, variations in interest payment dates, rates, etc., could be handled in the "definitions" section. Then the standard section could be added as an appendix to each new indenture. Since all of us would be familiar with these provisions, multiple proof-readings would be avoided. Typesetting and printing costs might be reduced. Other factors in the steadily increasing costs of marketing a new issue might be arrested.

Such a system might even go far in reducing the burdens of the SEC. . . .

When I posed this possibility to two of my lawyer friends a few months ago, I learned that a Committee of the American Bar Association is pursuing a similar possibility. Mr. Leonard Adkins, a New York lawyer long recognized as an expert in this field, has been asked by a blue-ribbon committee of lawyers and corporate counsel from all over the country to assist in the development, among other things, of a model corporate indenture. Perhaps portions of this model indenture will become the standard language we are seeking.

*From a talk by Mr. Myers before the Fifth Southern Trust Conference sponsored by the Trust Division of The American Bankers Association, Norfolk, Virginia.

[1] The New Look in Municipal Bonds, *The Trust Bulletin*, Volume 38, May, 1959, pages 24-28.

[2] "What's New in Corporate Trusts," *The Trust Bulletin*, Volume 41, December, 1961, pages 36-42.

With Fulton, Reid

(Special to THE FINANCIAL CHRONICLE)

CLEVELAND, Ohio — Bruce A. Blackie has been added to the staff of Fulton, Reid & Co., Inc., East Ohio Building, members of the Midwest Stock Exchange.

With Christensen Co.

LANCASTER, Calif.—Christensen & Company, Inc. has named Charles O. Schaub registered representative in their Lancaster office, 44921 North Cedar.

R. L. Boorstin Opens

(Special to THE FINANCIAL CHRONICLE)

BEVERLY HILLS, Calif.—Robert L. Boorstin has opened offices at 702 North Bedford Drive to engage in a securities business. He was formerly with Bear, Stearns & Co.

Forms Feren Co.

LIVINGSTON, N. J. — Beverly Feren is engaging in a securities business from offices at 244 West Hobart Gap Road under the firm name of Feren & Co.

Arthur Flowers Opens

LIVONIA, Mich.—Arthur Flowers is conducting a securities business from offices at 35451 Minton St.

Steel Industry's Future

By Rev. William T. Hogan, S.J.,* *Professor of Economics and Director of the Industrial Economics Program, Fordham University, New York City*

Without minimizing today's steel industry problems (profits, costs, substitute and foreign competition, and sluggish economic growth), the situation facing steel is held not to be as grave as the crisis of the early 1930's. True, situations are never the same as changes constantly, and will, occur. Nevertheless, much can be done in the way of steel's economic survival and progress. Father Hogan follows his analysis of steel's reverses and difficulties with a suggested strategy to put steel back on its feet. The difficult problems now facing steel are expected to continue in the next few years and, then, to turn for the better with tax and depreciation reform, research and development of new products and of improved productivity, improved prospects for continued non-inflationary wage bargaining, mergers by small companies, scrapping economically obsolete equipment, and determined cultivation of foreign markets with an assist from attractive financing arrangements.

On Jan. 17, 1961, a Dutch trade report observed: ". . . only recently scientific experts have stated that the iron and steel age is just beginning." The report went on to predict that there would be a substantial increase in steel production during the coming decade. World production, in fact, would be doubled during the next 12 years so that by 1972 ingot output should be in excess of 700 million tons.

Rev. W. T. Hogan, S.J.

In the face of such an optimistic projection, it seems paradoxical at least that our subject should be "The Economic Survival of Steel." The paradox is heightened by the fact that only five years ago there was considerable talk in the iron and steel industry in the United States of the need for 4 million additional tons of ingot capacity every year up to 1970, so that by that time the total ingot capacity would be 185 million tons. This was no idle projection, but one carefully thought out and planned on the basis of increasing population as well as Gross National Product. How can it be then that in 1962 the steel industry should have cause to be concerned about its economic survival?

Such concern is possible because the economic survival of steel means the continued existence, not only of the industry on a profitable basis, but of the companies that comprise the industry, for the industry is a composite of its members and they must prosper individually if the industry is to prosper as a whole.

Downward Profits' Trend

Since in our economic system an industry is in essence a union of private citizens, it must be able from the resources they command to sustain itself, provide for its growth and development and assure a just reward to all who contribute to its operation. An industry, in other words, is not a department of a socialist state financed by the taxes of the citizens according to a political decision of the Government. If an industry, therefore, is to survive it must assure its survival by its own economic power. This means, to be blunt about it, that it must make a profit. Thus, profits are the key to the economic survival of an industry.

If we look at the record of steel on an industry-wide basis, we find that profits have been tending downward for some time. Last year they were considerably below those posted in 1958, 1959 and 1960. Further, the $692 million recorded in 1961 was substantially below the profits recorded for the 1955-1957 period when the average profits were in excess of $1.1 billion a year. The trend in profits has been downward ever since 1957, and although much of this could be accounted for by a drop in volume, there were other factors involved in 1961, for the amount of tons shipped was approximately 6% less than that shipped in 1960, while profits declined by 13%. If we compare shipments and profits for 1961 with 1958 and 1959, we find that 1961's shipments were 4½% below 1959, while profits were down by approximately 16%; 1958 affords a more striking example, for shipments in that year were actually 7% lower than those in 1961, yet profits were 14% higher than those recorded in 1961.

The downward trend in profits in even more evident if we look at the record of a number of individual companies. We see that some of those who fared well up to 1957 have come upon difficult times in the last four years when their profits have been squeezed almost to extinction.

These are the facts. Do they warrant the consideration of a question as alarming as the one we have proposed, or are we making too much of what may be only a short run development? To answer that question it will be necessary for us to investigate some of the basic factors that have been and still are involved in the profitability of steel and upon which its economic survival depends.

My purpose is to try and steer a middle course—not to be unduly optimistic and, on the other hand, not to be pessimistic to an unfounded or unwarranted degree. I shall try to emulate an old professor of mine who used to say, "He always stood in the extreme center."

No Longer Unchallenged

In the first place, the United States no longer has the complete dominance in world steel production it held during and immediately after World War II. For a period of almost 10 years after World War II, the steel industry in this country had little, if anything, to fear from competition by foreign steel producers. The demand for steel and its products both in the United States and throughout the rest of the world, much of which was restoring the ravages of war, seemed almost insatiable.

As the European and Japanese steel industries recovered their former capacity and then expanded it greatly, we began to feel the pressure of competition. In 1947 the United States produced 57% of the world steel; in 1950, this share fell to 44%; and in 1961, dropped to 25%. These figures indicate the drastic decline in our share in the international market as the other nations increased their steel production with great rapidity over the 15-year period. Not only have foreign producers reduced the portion of the world market available to us, they have also captured a portion of our own domestic market. These two developments are now economic facts of life which have had and will continue to have a bearing on the profitability of American steel companies.

Furthermore, total volume of production has declined from a peak of 117 million tons of ingots in 1955 to an average of just under 100 million tons for the past two years. This is only partially explained by the international growth of the industry. It is due also to changes in the structure of the domestic economy which have affected volume and costs, and here it is fitting for us to examine not so much what has happened, for that is already history, but what may well happen to steel volume in the next few years. Such an attempt is fraught with difficulties and pitfalls. However, it must be undertaken if we are to run our affairs on the basis of intelligent and reasonable planning.

The profit rate in any industry is governed by the total income from which it must deduct its cost of operations. Thus we can look briefly at these two basic factors: income and costs. Income is provided by sales.

Sales in the steel industry depend on the activity and prosperity of the industry's customers because the demand for steel is a derived demand. It is the result of the demand for products such as automobiles, appliances, containers, machinery, etc. Thus we can take a look at some of steel's principal consuming industries to determine whether these industries themselves are expanding, remaining stationary, or declining. Then let us see to what extent they have substituted other materials for steel in the fabrication of their products. I will have to make general comments rather than present a detailed analysis of each situation, for that would be beyond the scope of this paper.

Automobile Industry

First the automobile industry: this has long been the principal consumer of steel. The high point was reached in 1955 when it absorbed 18,700,000 tons of steel, or 22% of the industry's shipments. In 1960 it absorbed 20.5% of the industry's shipments, and in 1961, 19.0%.

In regard to the automobile industry we might well ask the question: Is it a growing industry that will provide an increasing market for steel as it did in the 1920's and again in the 1950's? The industry has produced as many as 7,900,000 passenger cars in one year. This was in 1955, and at that time many responsible people in the automobile world spoke in terms of a 10 million car year in the not too distant future. If such a prophecy was realized, unquestionably it would have created a growing demand for steel. However, since 1955 there has been very little talk of a 10 million car year; in fact, average output in the last four years has been considerably less than 6 million passenger cars. Projections for the next few years place the output, at best, at an average of 7 million cars, but more than likely it will be lower. Furthermore, almost one third of these may well be compact cars which use considerably less steel than the so-called standard models. It has been estimated that the compact car requires about 1.3 tons of steel while a standard model requires from 1.8 to 2 tons of steel. Thus we see that there is a considerable reduction in the amount of steel needed to produce the compact car.

In the production of automobiles there has been some tendency to substitute other materials, such as aluminum and plastics for steel. This tendency has not reached serious proportions as yet, but the threat is constantly there. Thus it is difficult to see the automobile market for steel increasing appreciably above the figures it represented during the last three years.

Container Industry

Another customer, which is of great importance as a consumer of steel, is the container industry. During the past 10 years it has taken between 8 and 11% of the steel industry's shipments, principally in the form of tin plate. Last year the tonnage supplied to the entire container industry was 6.6 million or 10% of the steel industry's shipments, and as recently as 1957 predictions were made that the container industry would absorb some 10 million tons of steel by 1965.

In the past two years, these predictions have been scaled down. There are several reasons for this: first aggressive promotion of other materials to be used in packaging; secondly, the fact that under the pressure of competition the steel industry has gradually reduced the weight of tin plate, and during the last year or two has made a drastic reduction in weight with the introduction of thin tin plate. The result has been that much less tonnage will go into the same surface coverage and to complicate the picture further, the steel industry has been compelled to make a considerable investment in facilities capable of producing the lighter weight metal. The total investment in facilities capable of producing the lighter weight metal. The total investment involved in the industry in connection with light weight tin plate will be in excess of several hundred million dollars by the time the production becomes a significant part of total output. It gives us pause to think that this investment is not geared chiefly for expanding production but rather to ward off competition and simply maintain existing markets.

Recently, ominous words for the steel industry were spoken by a representative of one of the large container manufacturers when he stated that there was a strong possibility in the next few years that most, if not all, of the beer can production would be switched to aluminum. This prediction, like so many others, remains to be verified, and it is quite certain that the steel industry will put up a stiff battle in this area, for beer cans represent about one-sixth of total can production. However, there are some signs, such as the aluminum end beer can, which indicate that the statement may well have a foundation in fact. On balance, however, the container industry has been a growth industry for the consumption of steel. This should remain so in the future. However, the rate of growth will be slower, and the fact of growth can by no means be taken for granted.

Oil and Gas

The oil and gas industry is another principal consumer of steel. However, here we see that during the past few years there has been a definite decline in the amount of steel consumed. This is due to the fact that the number of oil wells drilled has fallen sharply within the last five years. From a peak of 58,000 wells in 1956, the number has come down to 47,000 in 1961.

More important than the number of wells is the total footage drilled since this represents a more accurate gage of the demand for steel, and this has fallen from a peak of 234 million feet in 1956 to 192 million feet in 1961. The activity in the peak year was unquestionably due, in part, to the Suez crisis.

Unfortunately, however, the downward trend does not seem to represent a cyclical decline so that the oil industry would, in the next few years, come back with a rapidly accelerated drilling program and thus consume more steel in the form of oil country goods. Some reputable geologists look upon the present situation as a relatively permanent one because they feel that the amount of sedimentary land containing oil deposits that has not been explored is dwindling rapidly. There are two probable exceptions to this: first, the off-shore oil deposits in the Gulf of Mexico present an opportunity for greater discoveries; and secondly, there is speculation on the possibility of drilling for oil at much greater depths than have been reached to date. However, such an operation would require a great deal of development in the tools we have and will be much more expensive.

There is one immediate bright spot in this picture, and that is the increasing demand for natural gas which will require more pipe lines to bring it from the point of production to the consuming centers in the large metropolitan areas. A tremendous amount of line pipe has been laid for gas transmission during the last decade, but there is a continuing demand here, for more and more people would use natural gas if it were made available to them.

The future of the oil industry in the United States will unquestionably be affected by imports from South America, Canada and the Middle East, where deposits have been discovered in abundance. This oil, for the most part, is produced and delivered to the United States at a cost considerably less than it can be produced domestically. The reason for this is the fabulous abundance of oil in these countries as well as the size of the tankers used to transport it. Some of the bulk carriers can take more than one-half million barrels of oil. As a consequence, in a number of instances, crude oil has been put down at eastern seaport refineries for 70 cents to $1.00 less a barrel than oil can be delivered to these same refineries from Texas, Oklahoma and Louisiana. Rather stringent mandatory quotas on imports have been maintained, and to some extent this has kept the situation in balance. However, whether this will continue remains to be seen, for oil imports are very often tied to political considerations.

Another factor which is somewhat ominous in the oil picture is the activity of Soviet Russia. The Soviets have begun to use oil as a weapon in the economic cold war. Their production is now almost half of that of the United States, and, in some instances, they have shipped it abroad to countries in the free world for as much as $1.00 a barrel less than the going price. The Soviets have also made barter deals with the Italians for steel in place of oil and here again the price is lower than the going market price. Thus we have a serious situation here as the price structure comes under pressure and anything that will affect the price of oil will have an effect on the amount that is produced in the United States. This, in turn, will affect the demand that the oil industry has for steel.

Thus it does not appear—although again I want to stress the fact that I am not pessimistic—that the oil industry is going to be a substantially growing market for steel in the years ahead. It should maintain, however, a demand for tonnage which is close to the average of the last three or four years.

Machinery

The machinery industry in all of its phases is another significant consumer of steel. Here there is a considerable market in the replacement of obsolete equipment. In fact, in the next few years it will be much larger than the market for expansion. American industry in general has a substantial degree of obsolete plant and equipment that should, in fact, one

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Office Building Real Estate As a Hedge Against Inflation

By Maynard Hokanson, Former President of the National Association of Building Owners and Managers, President of the Indianapolis Assn., and President of His Own Company, Indianapolis, Ind.*

Former two-term head of national trade association expresses misgivings as to office building real estate as a hedge against inflation, and to certain practices pursued. He warns that inflation: (1) may outrun normal depreciation usage and compel re-sale cycle to set up new depreciation schedules; (2) does not contribute to ownership stability and puts "cash flow" ahead of "net earnings" consideration, and encourages speculative building; and (3) is the factor responsible for successful syndication and public real estate corporations which gamble on eliminating or reducing debt to manageable limits before deflation occurs. Concludes sound financing and management is the best protection against come what may.

This subject of Inflation is so complex that not even our expert economists can reach an agreement of its effect on our economy. I don't even know that there is a generally accepted definition of Inflation. But loosely defined, it is an increase in the supply of money and credit without a corresponding increase in goods and services available for purchase, resulting in a rise in the price level and a corresponding fall in the purchasing power of the dollar or other monetary unit. There have been discussions as to whether the quantity of money and credit is the major determinant of total spending and resulting higher prices or whether it is the availability of money and credit, together with the public's decision to invest or consume, that brings about such higher prices. I do feel we can agree that one of the principal inflationary pressures results from deficit government financing which requires the government to finance its higher outlays by borrowing, such borrowing being tantamount to more money creation. Unless production can be increased commensurately, higher prices cannot help but result.

Maynard Hokanson

Our purpose in this paper is to discuss the effect of inflation on real estate, primarily the type of real estate with which we are primarily concerned, namely, office buildings. I certainly do not pose as an expert in this field. My remarks, therefore, are primarily to promote discussion.

First of all, I am assuming that we can all agree that we have been in an inflationary period even though there is sometimes a dispute over just when we have inflation. It is most often associated with the galloping price increases we had after World Wor II, when we had a pent-up demand for goods and the normal law of supply and demand forced prices upward. Everyone was aware of inflation then. For the past two or three years, it has not been as spectacular—nevertheless prices, on the average, have crept slowly and steadily upward. We might call this "creeping inflation", with a rise of 1½ to 2% per year. This doesn't sound like much but it adds up to 15% to 20% in a ten year period. If we have that much inflation when business has some slack in it, we must recognize the ever present danger that would result with a booming type of economy such as our national government has promised us and is trying to create. Whether they are successful, I believe, is pretty much beside the point. It certainly appears that the long range trend will be persistently inflationary.

The question I would like to raise is this: "What can we in our industry do to face up to this inflationary trend?"

Is Real Estate A Hedge?

It has been argued that you can protect yourself against the disadvantages of inflation and reap its rewards by buying real estate or common stocks. A recent editorial in the *Wall Street Journal* stated, I think cynically: "After all, if inflation has become a way of life, how can the stock market go any way but up?" Well, we have seen very recently the gyrations of the stock market. I have the feeling that if we look at some of our own office buildings, we will find that similar gyratons have been gong on here, primarily in some of the older and marginal buildings which have suffered rather substantial vacancies because of new construction not only downtown but in the suburbs as well. Needless to say, all properties have been faced with the disconcerting cost spiral, our Experience Exchange Reports indicating over a span of years an increase in our operating ratio from approximately 55% to its present 75%.

Being caught in this squeeze raises in my mind a queston as to whether this type of real property is, in fact, what we have always thought, a hedge against inflation. It is possible that the answer could be "No" when it comes to a retention of the actual earning power of the investment as related to purchasing power of the profit from such investments and on the other hand, the answer could be "Yes" when you consider the preservation of investment dollars.

One of the reasons we have witnessed many successful office building syndications and public real estate corporatons has been this inflationary factor. These purchases are always leveraged and of course, it pays to go in debt during periods of inflation. The real gamble is whether or not this debt can be eliminated or reduced to manageable limits before a deflationary trend develops.

One of the aids to such asset preservation is the accelerated depreciation available under today's tax laws. This permits a rather rapid tax free recovery of the equity investment, as well as funds to amortize the debt. This has a beneficial effect on recovery of funds, particularly for those in a relatively high tax bracket. The Treasury refers to it as a tax shelter. One of the President's recommendations has been to eliminate a substantial part of this tax shelter by taxing all or part of the depreciation recovery as ordinary income rather than as capital gain when the property is sold. One of the effects of such legislation would be a reduction in the sale price of a building in the market place, for one of the important considerations in determining the price of a buyer is willing to pay is this tax shelter. This could not help but create a loss in our real estate "hedge" against inflation — and I might add, a less active real estate market.

Inflation, on the other hand, has the effect of defeating the normal usage of depreciation, not only for office buildings but for all capital equipment. As prices rise, depreciaton reserves become insufficient to cover replacement of capital assets. This has been particularly true under straight line depreciation where it has been recovered over a rather long period of time but has been mitigated to some extent by the permissive accelerated depreciation schedules.

This item of depreciation and its attendant tax shelter presents a dilemma with at least two horns. On the one hand, when depreciation has been exhausted, the owner of the property finds that he is stuck in that all the income (really cash flow) becomes taxable. The other side of the coin, however, is that he can find a purchaser who, then, can set up a new depreciation schedule and start the cycle all over again.

"Cash Flow" Concept Instead of "Earnings"

Unfortunately, this has not added to what we formerly considered stability of ownership but has in turn created an active market for what was once considered pretty much a frozen asset. It has created the "cash flow" concept rather than the "net earnings" concept, which has placed owners in the position of obtaining liquidity more easily than in the past.

At the same time, this has resulted in more speculation by investors in the office building field with all of its inherent dangers. It has created opportunities for new construction, perhaps over-building. It has created rising prices for commercial real estate, perhaps too high. Some in the real estate market feel a shakeout is possible. Those of us who were in this field in 1933 recall the tremendous loss in office building investments due to vacancy and price cutting.

The inflationary route that our economy has been following certainly has its signposts of caution. By the same token, it seems inevitable that in the long run an office building that is soundly financed, well maintained, competently managed and with a knowledgeable ownership is and will remain in a strong position come what may.

In these few remarks, I have tried to point out some of the inflationary effects on office buildings with the hope that they would provoke some pointed comments from anyone who would like to comment on the subject. It is my hope that from these discussions, even though we may not reach conclusions, will come a better understanding of the problem involved.

*An address by Mr. Hokanson before the 55th annual convention of National Association of Building Owners and Managers, San Francisco, Calif.

Government Ended Fiscal '62 With $6.3 Billion Deficit

The monthly statement of receipts and expenditures for June shows that Federal budget expenditures for the fiscal year ending June 30, 1962, were $87.7 billion. Budget receipts were $81.4 billion, leaving a budget deficit of $6.3 billion. Both budget receipts and expenditures were less than estimated in January of this year—receipts by $0.7 billion, and expenditures by $1.4 billion. The budget deficit was $0.7 billion less than the January estimate of $7 billion.

Budget receipts were significantly affected by the recession of 1960-1961. If the economy had operated at its full potential, the Federal Government would have realized a substantial surplus in the fiscal year 1962.

$5.7 Billion Cash Deficit

On a consolidated cash basis—including the transactions of Federal trust funds and Government-sponsored enterprises—the excess of payments to the public over receipts from the public in fiscal year 1962 was $5.7 billion. Federal payments to the public in fiscal year 1962 totaled $107.6 billion, or $3.6 billion less that the January estimate. Receipts from the public were $101.9 billion, $0.8 billion lower than the January estimates.

In terms of the national income accounts — including only transactions directly affecting current production and incomes, and measuring receipts and expenditures on an accrual, rather than a cash basis—preliminary estimates indicate expenditures of $106 billion and receipts of $104 billion, for a deficit in fiscal year 1962 of $2 billion, compared with the estimate of $0.5 billion made last January. This change is almost entirely accounted for by a reduction in receipts compared with the January estimate. (These are preliminary estimates and are subject to change when the official Department of Commerce figures are released.)

The following table shows the results for fiscal year 1962 as compared with previous years since July 1, 1958.

Budget receipts and expenditures

Year	Gross receipts	Net receipts	Net expenditures	Budget surplus (+) or deficit (—)
Estimated 1963	$118,581,000,000	$92,999,879,000	$92,536,633,000	+$463,246,000
Estimated 1962	104,910,000,000	82,099,716,000	89,075,469,000	—6,975,753,000
Actual fiscal year '62 (12 months)	103,786,301,777	81,360,367,259	87,667,980,122	—6,307,612,363
Actual fiscal year '61	99,491,341,346	77,659,424,905	81,515,167,453	—3,855,742,548
Actual fiscal year '60	96,962,198,070	77,763,460,220	76,539,412,798	+1,224,047,421
Actual fiscal year '59	83,904,266,060	67,915,348,624	80,342,335,375	—12,426,986,751

The State of TRADE and INDUSTRY

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

In commenting on the recent advice to this country contained in the annual report of the Bank for International Settlements, The Morgan Guaranty Trust Company of New York, suggested how we should go about meeting our international payments and sluggish domestic economic growth problems.

Sizing up our problems in this month's issue of the *Morgan Guaranty Survey*, the Bank reported: "Business statistics continue to show little luster. The rise in the so-called coincident indicators has slowed, while the 'leading' indicators as a group have slipped slightly.

"These signs of fatigue, coupled with the marked deterioration in business and investor sentiment which has occurred during the past three months, deepen the uncertainty of the outlook. There is not sufficient evidence to support a prediction that recession is coming, especially when it is recalled that indicators of the foreshadowing variety have at times in the past given false signals of trouble. The present cyclical expansion, moreover, does not appear to have produced the sort of excesses (such as too-rapid inventory accumulation) that typically generate downturns. Automobile sales and residential construction have maintained vigor through the mid-year; and a new sampling of plans for capital-goods spending by business indicates no over-all paring of programs laid out earlier. Nevertheless, negative psychology seems to characterize the general mood, and a peaking-out of business before the year's end is now being discussed as a distinct possibility.

BIS Advice to U. S. A.

"The resistancy apparent in the economy comes, most inopportunely, just as the dollar is being subjected to new pressure internationally, as evidenced by a strengthening of European currencies in the foreign-exchange markets. This development emphasizes anew this country's continuing balance-of-payments difficulties and clearly signals the need for higher interest rates in the United States money market to discourage the outflow of funds. Awkwardly, this need arises at the very time the domestic economy would appear more receptive to stimulation than to restraint.

"Faced with these conflicting pulls, the Administration and the monetary authorities obviously are engaged at the present time in an assessment of various policy alternatives. President Kennedy has indicated on several occasions that he is weighing the merits of an approach commended to the United States in the recent annual report of the Bank for International Settlements. This BIS prescription calls for a more restrictive monetary policy to put the dollar on a better footing internationally, accompanied by a more expansive fiscal policy to stimulate the domestic economy.

"'The United States,' observes the BIS report, 'is the only country that has not put major emphasis in monetary measures on external requirements, which has been seen to be necessary since the return to convertibility.' The document notes further that 'there is ample European experience to show that the possible internal restraint of a tighter monetary policy can be alleviated by fiscal and other policy means.'

Tax Cut Points of View

"The recent decline in the free reserves of member banks indicates that the Federal Reserve System has begun to move modestly in the direction of tighter money, although not nearly far enough to have significantly favorable impact on the balance of payments. The fiscal theme in the BIS counterpoint harmonizes with a mounting chorus of suggestions — from an impressive diversity of sources in the U. S.— that Federal income-tax rates be cut promptly as a spur to the economy. Proposals for tax relief reflect not only the instinctive desire to head off recession but also a fear that interruption of business expansion this early, when utilization of human and material resources is still well short of capacity, would deal a blow to confidence both at home and abroad.

Opposition to a reduction in taxes seems to be based on one or both of two premises: that the business situation does not yet clearly warrant added stimulus, and that the resulting increase in the Federal deficit would be a rude jolt to business sentiment and to the standing of the dollar. Obviously there are fundamental cleavages between the pro and con positions on cutting taxes now, and a sharp debate appears to be shaping up.

Strong points can be made on both sides. If, on the basis of its assessment of the state of the economy, the Administration should recommend—and Congress should enact—a form of tax reduction, cognizance still would have to be taken of the psychological implications of a substantially increased deficit. In such circumstances, a meaningful reduction in government spending, to offset at least a part of the revenue loss resulting from lower tax rates, would be essential to dispel any doubt as to the continuing U. S. commitment to fiscal responsibility. One of the most persuasive arguments for the principle of cutting taxes as a countercyclical measure is that the virtually certain alternative, if recession in fact comes, is a massive increase in government spending.

"A policy of fiscal stimulus involving a bigger budget deficit could be accepted as consistent with a sound dollar much more readily if accompanied by a simultaneous move toward greater firmness in monetary policy. In fact, such a move would be the most convincing way to affirm U. S. determination to defend the dollar."

Bank Clearings Increase 3.7% Above 1961 Week

Bank clearings this week will show an increase compared with a year ago. Preliminary figures compiled by the *Chronicle*, based on telegraphic advices from the chief cities of the country indicate that for the week ended Saturday, 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 $31,242,975,310 against $30,121,310,996 for the same week in 1961. Our comparative summary for some of the principal money centers follows:

Week Ended July 21	1962 (000's Omitted)	1961 (000's Omitted)	%
New York___	$16,847,426	$16,231,238	+3.8
Chicago ___	1,432,026	1,406,405	+1.8
Philadelphia	1,182,000	1,168,000	+1.2
Boston ____	913,421	850,762	+7.4
Kansas City	602,092	574,602	+4.8

Steel's Output Up 2% From Preceding Week and Down 32.9% From Last Year's Week

According to data compiled by the American Iron and Steel In-

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Clark Cable Corp. Debens. Offered

The unsubscribed portion of the $787,500 issue of Clark Cable Corp. 6½% convertible subordinated sinking fund debentures, due 1972, is being publicly offered today (July 26) at par by an underwriting group headed by Robert L. Ferman & Co., Inc., Miami, Fla.

The company recently offered its stockholders of record July 5 the right to subscribe, at par, to the debentures on the basis of $150 principal amount for each 100 shares held. The subscription offer expired at 3:30 p.m. (EDST) on July 23, 1962.

Officers and directors of the company have agreed with the underwriters to exercise, or cause to be exercised, subscription rights with respect to 40% of the debentures, or $315,000 face amount.

Net proceeds derived from this financing will be used to retire approximately $184,000 in serial notes and to repay short - term bank borrowings incurred in 1962 for such working capital purposes as inventory purchases, research and development costs, engineering and sales promotion.

The debentures are convertible after Oct. 3, 1962, into common stock at the rate of $6.60 a share, and are callable at any time by the company at a redemption price of 105% prior to July 5, 1964, and thereafter at premiums ranging downward to par. Redemptions through the sinking fund will be at par. All redemption prices will include accrued interest.

Headquartered in Cleveland, Ohio, the company and its subsidiaries manufacture and develop electronic, electrical and mechanical systems and components principally for use by the U. S. Government, and wholesale distribution of electrical components to the construction industry, industrial and commercial users, as well as the U. S. Government. Among the items made are: specialty cable assemblies for electronic and electrical applications and replacement parts for missiles, aircraft, naval vessels, tanks, trucks, control devices and other military and defense applications. The company also makes multi-fuel heaters and electronic and hydraulic missile handling systems.

Now Ritten Co.

(Special to THE FINANCIAL CHRONICLE)

MINNEAPOLIS, Minn.—The firm name of Louis N. Ritten & Co., Grain Exchange Building, has been changed to The Ritten Company.

John Hood Co. Formed

John Hood & Co., Inc. has been formed with offices at 54 Wall St., New York City, to engage in a securities business.

L. Noonan Opens

SEATTLE, Wash. — Lawrence Noonan is conducting a securities business from offices at 11726 Fourth Avenue, Northwest. He was formerly with Francis I. du Pont & Co. and Hill, Darlington & Grimm.

Williston, Beane Branch

HUNTINGTON, N. Y.—J. R. Williston & Beane has opened a branch office at 417 New York Avenue, under the direction of Mayer Prior.

Shaw, Darr Branch

Shaw, Darr & Co., Incorporated has opened a branch office at 239 East 58th Street, New York City, under the direction of George Z. Sekely.

The Market . . . And You

BY WALLACE STREETE

Stocks dawdled through largely meaningless trading this week and turnover dropped to the slowest pace since the late May break. The action of the averages indicated little as far as the future is concerned, and an air of caution pervaded Wall Street.

The inaction was heightened by the announcements that no tax cut decisions will be made until the economic indicators for July had been scanned, which postponed any action until mid-August.

Business news wasn't of the type to harden sentiment, the various indicators showing mostly a mixed performance by the various sectors of the nation's economy.

In fact, even some news that in a happier day might have contributed to market pyrotechnics fell flat. A somewhat surprising merger between American Chicle and Warner Lambert was announced. Chicle, simultaneously, had reported a mild increase in earnings. The latter carved out a temporary gain that was about halved even before trading ended, while Warner Lambert beat a fast retreat. Trading interest, in short, was definitely subdued.

Skepticism Over Tax Cut

While the market seemingly was waiting on the tax cut decision for its next decisive move, there was a continuing debate over whether or not such action would provide a stimulant and what the nature of it would have to be to give the market any sustained strength.

There was a considerable body of opinion holding that unless any tax realignment was definitely aimed at bolstering corporate profits, it would be futile both as a market support and as a move to bolster the general economy. The reasoning was that there is plenty of consumer buying power around, as increasing bank deposits indicate, but no disposition to do much with the ready cash at the moment.

What is needed to promote economic well-being is both investment by individuals and investment by business to make jobs and new opportunities, and, the logic goes, it is only business that is obviously in a profit pinch at the moment. But with politics inevitably involved, any measures to lighten the business tax load would have to be offset by relief to wage earners as well.

Consolidation Phase?

Meanwhile, there was moaning because the market action was so bereft of any clues to future action. About the best in the way of hopeful sentiment was that a do-nothing market, technically called a consolidation phase, was the type that over a long enough period can build up a base for a new advance when various economic factors warrant it.

The rally from the June lows was sufficiently sharp so that many individual issues, as well as the averages themselves, need more rest to consolidate their gains before it would be logical to look for additional price improvement on the prospects of a better-than-expected general business outlook for the fall and winter.

Waiting Game in Steels

In steels, particularly, investors were playing a waiting game to see what dividend action would be taken by the top two—Bethlehem and U. S. Steel. The Bethlehem meeting is today (Thursday), that of U. S. Steel next Tuesday. A couple of other companies, seemingly betting on the present rates being maintained by the leading duo, already have decided to hold their payments and have acted accordingly. Moreover, the steel business generally seems to have hit bottom with no way to go but up. And with the new model auto year starting early this year, good fall business from this quarter seems in prospect.

For specific issues, the hunt was still centering off the beaten track to find issues that have been neglected both in the long demand for promising issues, and when the selling struck. Continental Can is a mundane item that has done little, holding in a 10-point range this year and showing no disposition to attempt to reach its 1958 peak despite a good increase in earnings this year that makes the issue a candidate for some dividend improvement this year. Projections of 1962 earnings, which were borne out by results in the first and second quarters when increases ran a fourth above those of a year ago, give the company a good chance to earn nearly double the $1.80 indicated current payout to leave room for some largesse.

A Neglected Issue

Thatcher Glass was not only a slow-moving, neglected item but was held back by a poor first quarter. To those students of the company who keep up with its affairs, this setback will be more than made up in the second quarter to give it a favorable comparison with the first half of last year. Projections still give it the prospect of showing a sizable increase over last year's results. It is conservatively priced, available lately around 11 times earnings and offering a definitely above-average yield of better than 6½%. The payment was adequately covered by last year's earnings and the anticipated improvement this year will make the payment even more secure.

The aluminum companies, which appear to have finally emerged from their own private recession, were culling out new friends, at least among the stock analysts. Their troubles were similar, but came far earlier, to those currently worrying the steel industry.

A Big Diversifier

Olin Mathieson, which half a dozen years ago began to develop as a major, integrated aluminum producer, is far under the 64 peak it reached when there was demand for well-diversified operations. It sold as low as 26 this year. Fitting Olin into any specific industrial category is hard to do, however, since it is important in chemicals, packaging, drugs and arms and ammunition, these activities accounting for from 11 to 26% of its sales. Its work in metals accounts for some 19% of sales, which percentage matches its work in the packaging field.

It was the metals work, and the heavy charges in connection with it, that kept Olin backward so long. There is still some of this interest and amortization to be absorbed, but the charges will end next year and in the meanwhile the aluminum work is starting to contribute to earnings to help minimize the writeoffs. On the earnings potential, once the heavy expenses end, the current price is less than 10 times the expected results for this year, which would indicate that it is conservatively priced.

Ambivalence Toward IBM

Investment sentiment was blowing hot and cold around International Business Machines which took such a drubbing in the market break and, as a matter of fact, even before the general list broke. For one, it is still not selling at what could be termed a conservative price-earnings ratio. Its dividend return is miniscule, at less than 1%. However, the shares have shown a good rebound ability, back some six dozen points from its low at recent standings and continuing to show the superior growth capability that attracted all the attention to it in the first place. Results for this year's first half reached new record levels. Weighing all the factors, and granting that its hard decline from above 600 to 300 at the low has gone a long way to chill new investment sentiment, IBM at best merely works out in most market letters as "not a statistical bargain." Institutional investors feel otherwise, apparently, and have been busy increasing their holdings.

[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.]

Morgan to Be V.-P. Of Amott, Baker

Matthew Morgan will become a Vice-President of Amott, Baker & Co., Inc., 150 Broadway, New York City, members of the New York Stock Exchange, effective Aug. 2.

To Be Officer of Reuben Rose Co.

On Aug. 2, William J. Mandelbaum will become Executive Vice-President of Reuben Rose & Co., Inc., 115 Broadway, New York City, members of the New York Stock Exchange.

Form Petroleum Inv.

BISMARCK, N. Dak.—Petroleum Investment Company is engaging in a securities business from offices in the Provident Life Building. Clyde W. Jones is president of the firm.

Why Not Market a U. S. Multicurrency Bond?

By Jan Popper, *Research Division, Carl Marks & Co., Inc., New York City*

Foreign exchange expert recommends that the Treasury float U. S. bonds abroad with multicurrency clause allowing bondholder redemption option in fixed amount of U. S. dollars, Swiss francs, D-marks, or Dutch florins with coupons, also, payable at fixed rates in foreign exchange.

The gold outflow and the unfavorable U. S. balance of payments, as well as the proposed plan to sell $100 million of Export-Import Bank participation certificates in Europe, are forcing the financially-experienced observer to a suggestion which should be evident to those of our Treasury money managers with a reasonable degree of imagination, audacity and experience.

Historically, some of our gold outflow is due to the fact that many millions of U. S. money have been invested abroad, not only in foreign affiliations, plants, branch offices of U. S. industrial and commercial enterprises, but also quite simply by the purchase of foreign stocks and bonds. These "investments"—clearly of a speculative nature, though frequently (rationalizingly) termed "hedging against (a devaluation of) the dollar"—account for a substantial flight from the dollar.

Some of these funds, plus new American, as well as European money, would presumably flow into the vaults of the Treasury if a U. S. bond issue with a multicurrency clause were offered (here and abroad). These 4½%, 4¾% or 5% bonds should carry a solemn pledge of redemption (or premature call) at par in dollars, or at the equivalent in Swiss Francs (at about $2,300.—Swiss Francs per $1,000.) or in Deutsch Mark (at about DM 2,500.—per $1,000.) or in Dutch currency (at about Fl. 2,780 per $1,000), **entirely at the option of the bondholder.** The coupons should also be payable at fixed rates in foreign exchange, if so desired by the bondholder.

This device is nothing new; multicurrency bonds, giving the bondholder the choice of the most favorable currency at payment date were widely and successfully offered in Europe (England, France and other countries) before the War, and are again, though less frequently used in this post-World War II period.

As to the ability of the debtor country to meet the currency clauses, the influx of new money would permit the acquisition of a fraction of the moneys due much later in foreign hard currencies, thereby demonstrating, not only the pledged willingness, but also the ability of the U. S. Treasury to redeem the coupons or bonds in any of the contractual currencies. Additionally, these moneys would show up under "Gold and Foreign Exchange" in the figures of the International Monetary Fund, and constitute a permanent additional backing of the dollar.

Wedbush & Co. Admits Partner

SAN FRANCISCO, Calif.—Julius B. Feldhorn is being admitted as a partner of Wedbush & Company, 157 Santa Barbara Plaza.

Mr. Feldhorn has been a registered representative of the firm and, prior thereto was an officer of a nationally known manufacturing company.

Programmed Estates

BROOKLYN, N. Y.—Programmed Estates, Inc. is engaging in a securities business from offices at 885 Flatbush Ave.

M. S. Shapiro Opens

Milton S. Shapiro is engaging in a securities business from offices at 60 East 42nd St., New York City.

COMMENTARY...

BY *M. R. LEFKOE*

In a recent story filed from Russia, Vermont Royster, editor of *The Wall Street Journal*, made the following distinction between the American view of journalism and the Soviet view.

"An American newspaperman believes that he should learn all he can to give an honest and balanced report and that truth requires the reporting of what actually transpired. The Soviet view of a journalist's job is that he should inform the people of 'official' truth only, and that if what actually transpired does not reflect the official truth then it is his duty to rearrange things to fit that truth."

The principle underlying Mr. Royster's distinction is freedom of speech, and its corrollary, freedom of the press. These are the principles which act as the ultimate guardians of a country's political freedom and the rights of its citizens. No matter what injustices are perpetrated by a government upon its citizens, as long as written and vocal dissent are still possible, there is still hope for rectifying the injustices. But if the press and individual protests are effectively silenced by a government, that government has become a dictatorship.

Then and Now

There was a time when President Kennedy loudly proclaimed that every American had the right—in fact, the duty—to criticize his government if he disagreed with its policies. But, as has happened in many other instances, our President does not always practice what he preaches. To fully understand the President's changing attitude in matters of this kind, one must understand his attitude toward principles: they are just fine if they sanction his own words and actions; they must be dispensed with if they do not.

Immediately following his election, when estimates of his Administration predominantly took the form of praise, Mr. Kennedy regarded the right to criticize him as an unassailable right of the press. However, as he proceeded in his attempt to gain more and more power over the economy and the lives of each American citizen, many journalists became disenchanted with him. They started to attack his proposals, branding them violations of individual rights and dictatorial in nature.

"Carrot and the Stick"

Suddenly President Kennedy changed his mind about the right of the press to criticize. His response is described in a recent article published by *U. S. News & World Report*, titled: "The Kennedy 'Image'—How It's Built."

"In practical terms, the techniques used by the Kennedy Administration to get across its story in the *desired form* are found to include the following: . . . The 'carrot and stick' approach is used for reporters. The 'carrot' is an invitation for a private talk with the President, the gift of an exclusive story, or favors of various kinds. The 'carrot' is held out for those who write or broadcast *in the way the White House staff likes*. The 'stick' is criticism, sometimes a caustic going-over by the President himself. . . .

Newsmen whose papers are critical of the President sometimes get the silent treatment. Presidential aides refuse to answer questions or give information to them.

"For others, an aide now and then will *suggest the exact language the President would like to see* in a story. If the language does not appear as dictated, there are likely to be telephone calls. It is not unusual for a White House aide to ask to see a story before it is printed.

"Sometimes, the President telephones a reporter to criticize a story. Quite a few correspondents have been called into his office for a lecture from Mr. Kennedy himself. . . .

"Another reporter asked the White House aides for information. He got this response: 'Maybe *if you had co-operated* with us more on your previous stories we would help you now. But you haven't, so all we can say is: Sorry.'" (Italics mine.)

How many journalists and publishers have been coerced into submission is not known. Nevertheless, there are many who have not yet surrendered their right to print the *facts* and their interpretation of them, regardless of White House pressure.

The Winchell Approach

One of those journalists who has continued his criticism of the Administration is Walter Winchell, perhaps the most controversial columnist in America today. His columns, previously filled predominantly with tidbits about celebrities, gossip, and show business, have become a podium for an attack on some of the President's advisors.

Mr. Winchell has been particularly vehement in his censure of Arthur Schlesinger, Jr., a close advisor to President Kennedy and one of his major speech writers.

Soon after he started his attack on Schlesinger and other members of the President's staff, Winchell's readers found that his columns were becoming shorter and shorter. In explaining this phenomenon, Winchell has alleged that some un-named people at King Features (the Hearst subsidiary which syndicates his column) are censoring his criticism of the Administration. Furthermore, Winchell has publicly charged that this censorship is the result of coercion by President Kennedy and his brother, Attorney General Robert Kennedy.

In a recent television interview on KFBM-TV in San Diego, Winchell made some startling accusations. When asked, "Do you feel that the Administration has been putting pressure on the Hearst Press?," he replied, "I don't *feel* it, I *know* it!"

In substantiating this accusation, he told of an alleged meeting between William Randolph Hearst, Jr., the editor-in-chief of the Hearst newspapers, and President Kennedy. Allowing for even the grossest exaggeration (and it is interesting to note that no one has yet attempted to refute his story or sue him for libel), his description of the meeting is as shocking an indictment of President Kennedy's totalitarian methods as has yet been told.

According to Mr. Winchell, "The President said, after one hour and twenty minutes with our hero, William Randolph Hearst, Jr., 'I want you to go in and see my kid brother.' Not the Attorney General of the United States, but *my kid brother*. . . .

"Now, when the President said, 'I want you to go in and see my kid brother,' he [Robert Kennedy] wasted no time with this man. . . . He put a finger under his nose and he said, 'I am fed up with this Winchell and stop it at once or we will throw a suit inquiring about a very peculiar merger on the West Coast.' . . . Already the Department of Justice has filed a suit [under the Sherman Antitrust Act] at the Hearst Corporation. . . .

"This is blackmail! . . ."

Pause for a moment and consider the implications of Mr. Winchell's story. These charges are not being leveled at ordinary hoodlums and racketeers; they are being leveled at the Attorney General and the President of the United States. Even keeping in mind that Winchell has been accused of exaggerations and inaccuracies in the past, these charges are news by any journalistic standard.

Inspired Silence?

Since news is usually reported in newspapers and magazines and on the air, the question now arises as to why there has been virtually no mention of Winchell's accusations in any of the journalistic media. In the same San Diego television interview, Winchell offered an answer to this question for at least one magazine. He alleged that his charges against Robert Kennedy and the President "can't get in print anywhere . . . *Time* won't even print it . . . because apparently somebody down there said—'you have five TV stations haven't you Mr. Luce [the editor-in-chief of *Time Magazine*]? Go ahead and start something!'"

The record of the current Administration is filled with examples of Kennedy's abuse of Presidential power. His personal use of FBI agents to awaken reporters in the dead of night to check their stories, his flagrant abuse of newsmen who have been critical of him, and his totalitarian tactics with the steel industry several months ago are but a few of the many examples.

In view of the numerous instances of Kennedy's dictatorial methods, Winchell's accusations could easily be true. Winchell has asked for the opportunity to prove his charges at a Congressional hearing. His request should be granted and a full investigation held.

An atmosphere of government intimidation of journalists pervades the nation. Freedom of the press and freedom of speech—the guardians of a free society—are in grave jeopardy in the United States today. And remember, when freedom in America has been destroyed, there is no place left to go.

Attending Inv. Symposium at England

Thomas Johnson, Vice-President and Director of Research of Eaton & Howard, Inc., managers of Eaton & Howard Balanced Fund and Eaton & Howard Stock Fund is attending an international investment symposium at Cambridge University. The symposium, being held at Pembroke College, Cambridge, this week is being attended by top members of the financial communities of Britain, the Continent and North America. The program deals with various aspects of international investment against the background of a growing integration and internationalization of the capital markets of the free world. Officials of the European Coal & Steel Community of the Common Market Commission and Sir Edward Boyle, Bart., Financial Secretary to the Treasury are among the speakers.

Thomas Johnson

SECURITY SALESMAN'S CORNER

BY *JOHN DUTTON*

Your Family Might Read This

Unless you are an investment security salesman, or a registered representative, I doubt if you will find many people who understand the nature of the demands made upon your emotional stability and the need for time to study, think, plan and concentrate, that is inherent in this business. The other day I was talking with the sales-manager of a large national security firm, who had come up through the sales force, and had been a salesman for years before he became a salesmanager. We were talking about certain phases of security salesmanship and we understood each other completely. He made the statement, "I don't know exactly what it is, some men have it and some don't. Either you are cut out for this business or you are not."

Then he spoke about the normal frustrations that are part of it. People want to invest in common stocks when they are popular with other investors, forcing the industry to provide securities to meet this demand. The pessimism that accompanies "bear markets", mob psychology, and the cumulative phases of both "bull and bear markets", are part of this volatile business. We understood each other and we didn't have to labor the point. I suppose this is why so many securities men talk shop when they get together; they can't talk with anyone else about it. It would be a foreign language.

Spend Your Energy Wisely

Everyone has a limited amount of energy. We must replenish this reserve every day. Some people go to a routine job and the monotony may be difficult to bear but they can pace themselves. During the week-ends, or in spare time, they can rest or follow a hobby. This is constructive. But an investment man works mentally most of the time. The facts upon which he relies, and that must be analyzed and acted upon change every minute. He can go to bed one night and all is serene. If he goes out on his porch the next morning and picks up his paper, he may be faced with an entirely new set of circumstances that are vital to his clients, his career, and his family. Maybe he has the strength of will to keep his mind from racing to the office and his telephone, but often he will sit down at the breakfast table with a smile on his face and he is already at the office. If her highness gets a perfunctory kiss that morning, and he isn't too cheery when he says goodbye to the children, he isn't inconsiderate of his family—he's already under pressure.

If you find that you are becoming tense, or that you are driving to the office and you don't know how you got there until you put your hat on the rack and sit at your desk, don't be alarmed. This is also an occupational disease. When you work with your mind most of the time you can't turn your thoughts on and off at will. The human brain doesn't operate that way. One thought leads to another. Stimulation provides more motivation and the creative process is mysteriously self-generating. If you find that interruptions begin to jar your equilibrium, that too is a normal reaction.

When you get home at night after a trying day, when markets have been touch and go, while the news has been coming in thick and fast, your clients wish the answers to their problems and concerns, and possibly you have also tried to do three things at once when you should have been working on one task at a time, don't be surprised if you would like to go to your den, or your bed-room, take a shower, lie down and nap for an hour before dinner. It is a wise family that will grant you this privilege.

If you are handling trading accounts and you have the obligation of managing other people's capital, you then have the double responsibility of keeping up with intricate market changes, news, technicalities, and the burdens that a conscientious man must always shoulder. If you are advising investors and you must work out many problems concerning their account, then you not only must know what they need but you must also keep abreast of the news and economic changes that affect their investments. Obviously, to accomplish all these things in their entirety is impossible. You can't read several publications a week, your daily papers, financial papers, watch the "News Tape", make calculations regarding the technical aspects of the stock market, follow individual stocks, be a perpetually calm and happy "nice fellow", and also correct a number of complaints that always arise in servicing investment clients, without draining your store of energy. You can't do this day after day without speeding your mental processes up to a point where your mind may continue working long after you have left your office.

You may come home, walk into the house, greet your family with a smile, and the love and affection you feel for them may be greater than ever before, but until you can throw some ice-water on that highly geared mind you have been working overtime all day—something like this may come out of your mouth—"Grmph, Grrrh," and a weak, "How are you?"

Time for Study

You can't be a successful investment salesman and advisor unless you study a great deal. You must keep up with an ever changing pattern of events. New industries come along, there are underwritings about which you must be informed, accounts to analyze, new people you must meet, new laws, rules, regulations, and those who invest are often very emotional and difficult. I think we see them all. I once had a client who was so emotional he bought four hundred shares of stock at two in the afternoon, went out for a walk around the block, came back and looked at the market; bought four hundred more, then slept on it overnight and came into the office the next day all in a dither and gave me an order to sell the entire lot. I have had customers "second-guess" me and ask, "Why didn't you keep me from doing this, or that?" So has everyone who is actively engaged in servicing the investing and speculating American public.

In conclusion, I believe you must first understand the nature of the business in which you are engaged. Selling is a challenging activity, primarily because you are dealing with, and motivating people. But investment selling is also a volatile and up and down endeavor. Now you see it, and now you don't. It is an ever-changing emotional experience. So live with it. Don't expect anyone who isn't in the business to understand this. Don't feel sorry for yourself — you could be digging ditches and most of us don't have the back for it. Never accept undeserved guilt when things go wrong, providing you have been conscientious and you made the best decision for the client as you saw it at the time. Don't expect to turn your mind on and off like a water spigot; have a hobby instead. Read entertaining books, look at T.V., listen to good music, garden, golf, fish, play with the children, go to church, become interested in community affairs if you have the physical energy for it. Restore your energy not by loafing, but by CHANGING YOUR PACE. This is how you rest and create at the same time.

Enjoy your family, spend time with them, take them out to dinner once in a while, visit with friends, evidence an interest in your children's lives, but at a time when you can give them your attention. An understanding family will appreciate that you often need several hours to yourself in the evening for further study and reading, and they will know that you must do this in order to be successful and provide them with the good things of life.

Correction: In the July 19th column, the time of the "Speculation In Tulip Bulbs" in Holland was incorrectly stated as 1664-67. It should have read 1634-37.

$103,725,000 Bds. Of New York City Publicly Offered

Public offering of $103,725,000 City of New York 3¼%, 3% and 2½% various purpose serial bonds due 1963-1992 was made on July 24 by an underwriting group headed by The Chase Manhattan Bank.

The group bid 100.039999% for the bonds, an annual net interest cost of 3.0278% to the City.

The bonds are being offered at prices to yield from 1.75% for the 1963 maturities to 3.70% for the 1992 maturity.

The offering consists of $32,700,000 of 3¼% bonds due 1963-1992; $26,825,000 of 3% bonds due 1963-1977; and $44,200,000 of 2½% bonds due 1963-1968.

The major portion of the issues is scheduled for redemption in the early years of maturity. The average maturity is 6⅓ years.

The bonds are general obligations of the City, and all real taxable property within the City will be subject to the levy of unlimited *ad valorem* taxes to pay the bonds and interest on them.

Gulf Amer. Land Debs. Offered

An underwriting group headed by Street & Co., Inc., and Morris Cohon & Co., New York City, are offering publicly $10,000,000 of Gulf American Land Corp., 6½% convertible subordinated debentures, due 1977, at par, plus accrued interest.

The new debentures are convertible initially into the company's $1 par common stock at $7.875 per share. The common is listed on the American Stock Exchange.

Gulf American of 557 N. E. 81st Street, Miami, Fla., is engaged in the development of unimproved land as planned communities. It will use the proceeds from the sale to repay bank loans; to complete the second nine holes of a golf course at Cape Coral, one of its communities in Florida; to make down payments on land subject to options owned by the company or which the company has contracted to purchase; and for general corporate purposes.

Vice-Pres. of F. Cole Co.

George M. Yeager has been elected a Vice-President of Franklin Cole & Company, Incorporated, 2 Wall Street, New York City, investment counsellors.

PUBLIC UTILITY SECURITIES

BY OWEN ELY

Central Illinois Public Service Company

Central Illinois Public Service, with annual revenues of $66 million, is one of the three "Central Illinois" electric and gas companies serving important segments of that state. It supplies electricity and gas to a population of some 650,000 in an area of 20,000 square miles in central and southern Illinois, electricity accounting for 88% of revenues and gas 12%. Electric revenues are obtained as follows: 35% residential, 22% commercial, 30% industrial and 10% sales to REAs.

The area has excellent natural resources such as coal and the economy is well balanced between agriculture and industry, which is a stabilizing factor. Industry is mainly in the consumer goods area, with only a small amount of heavy industry; important customers include the Norge Division of Borg-Warner, Case Manufacturing, American Machine & Foundry, Illinois Cereal Mills, Central Soya, American Can, U. S. Industrial Chemicals, International Harvester, Gardner-Denver, the General Chemical Division of Allied Chemical, Olin Mathieson Chemical, etc.

CIPS is well situated with respect to generating capability which totals about 776,000 kw compared with the 1961 peak load of 598,000. The company has a one-fifth interest in the big Joppa Plant of Electric Energy Inc., and has a corresponding claim on any excess energy produced by EEI and not required by the Atomic Energy Commission. The company also has excellent pooling arrangements with neighboring utilities which should obviate the need for any additional generating facilities until 1965. At that time, the company has a 325,000 kw unit scheduled for installation.

Revenues, construction expenditures and credits for interest on construction are projected as follows:

	Revenue (Mill.)	Constn. (Mill.)	Int. on Constn. (000)
1961	$66	$10	$90
1962	71	14	140
1963	75	19	295
1964	79	33	965
1965	84	28	1,350
1966	89	16	190

Regarding future financing, it is estimated that the big new unit can be financed by sale of $10 million bonds in 1963, $15 million in 1964 and $10-15 million in 1965. No equity financing is planned before 1966 at the earliest and President Luthringer, in a recent talk to the New York Society of Security Analysts, stated: "It would hardly seem probable that common stock would be issued within five years of that date because of the build-up of our common equity in the two or three-year period following the completion of the next unit in 1965." The equity ratio at the end of 1961 was 37% and is expected to remain at that percentage in 1965 despite lack of equity financing.

The company has shown good growth, with revenues more than doubling in the years 1951-61. Results in the first quarter of 1962 were excellent with revenues up 10% and net income 14%. In the first five months of 1962, additional industrial loads were connected, and contracts were either signed or are currently under negotiation, all of which should result in additional revenues of $1,763,000.

The company recently made a further reduction in the rate for electric space-heating to 1.5c per kwh. Starting practically from scratch in 1959 it now has 737 residential and 87 commercial space-heating customers. Of the residential installations, 581 were made in new homes and 156 in existing homes.

The company recently made voluntary rate cuts totaling about $1 million per annum, effective July 1 this year, as follows: residential $485,000, commercial $394,000, and industrial $121,000. The new rates are promotional, and with any normal increase in sales the lost revenues should be fully recovered over the next 12-15 months.

In the past the company has been handicapped in expanding its gas business by limitations on the supply received from Panhandle Eastern Pipeline and Trunkline Gas. However, increased supplies were obtained last year enabling the company to issue 261 commercial space-heating units and some 8200 residential permits. When all residential customers on the waiting list are connected the saturation of space-heating will approximate 80%. The company is hopeful of obtaining a substantial additional amount of gas from Panhandle which, together with new peaking capacity to be provided by the Ashmore Storage Project, will permit extending service to 15 additional communities.

Central Illinois Public Service serves 19 rural cooperatives, 16 of which obtain power under long-term contracts. The remaining three have combined to form the Southern Illinois Power Cooperative and have obtained an REA loan to build a 99,000 kw generating station and related transmission facilities. Revenues from these cooperatives amounted to $1,700,000 last year, and when the new station is placed in operation, it would retard by about half a year the forecasted growth of CIPS. However, the new plant will not be completed for several years and it should also be kept in mind that the REAs obtain electricity from CIPs at low rates so that the contribution to share earnings is correspondingly small.

CIPS has been selling recently around 21, the range this year being 25-17. The dividend rate is 76¢ and the yield about 3.6%. Based on the company's estimate of $1.12 for 1962 (with normal weather) the price earnings ratio would be 18.8. Earnings have shown a fair rate of growth since 1953 when 48¢ was reported.

New Name to Be Oppenheimer, Newborg & Neu

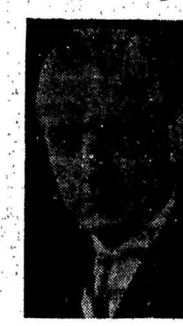
The firm name of Oppenheimer, Neu & Co., 120 Broadway, New York City, members of the New York Stock Exchange, on Aug. 1 will be changed to Oppenheimer, Newborg & Neu. On the same date Frank J. C. Weinberg will become both a general and limited partner in the firm; Herbert J. Marx, Herbert Buschman, Robert D. Hill will become general partners, and Ruth Weinberg, Janet K. Buschman, F. A. Morgan Easton, and Melvin T. Kafka will become limited partners.

The new partners are partners in Newborg & Co. which will be dissolved.

Wellington Mangement Names Names Three Executives

PHILADELPHIA, Pa.—Wellington Management Co., 1630 Locust St., announced over the weekend the election of Walter L. Morgan as Chairman of the Board, Joseph E. Welch as President and Chief Executive Officer, and John C. Bogle as Administrative Vice-President. The company with its subsidiaries, is the investment manager and national distributor of Wellington Fund and Wellington Equity Fund.

Walter L. Morgan



Joseph E. Welch

John C. Bogle

Mr. Morgan, founder of the Management Co. and President since its inception, is one of the pioneers of the Mutual Fund industry. He founded Wellington Fund in 1928 and Wellington Equity Fund in 1958, and over the entire histories of both funds has served as their President, posts he will continue to hold.

Mr. Welch, elected President and Chief Executive Officer, joined the Wellington manager-sponsor organization in 1937, after service with the Federal Reserve Bank of Philadelphia and a Stock Exchange member firm. Mr. Welch was elected a Vice-President in 1947 and Executive Vice-President in 1948. He also has been Executive Vice-President of both funds for many years, and will continue to hold this title.

Mr. Bogle has been with the Wellington Management organization since his graduation from Princeton University in 1951. He was named Assistant to the President in 1955 and Secretary in 1959, and was elected to the Board of Directors in 1960. In the newly-created position, Mr. Bogle will direct the company's administrative, public relations, and promotional activities. He is presently serving on various committees of the Investment Company Institute, including the Institutional Studies Committee, of which he is Vice-Chairman.

Edw. Jones Co. To Relocate

ST. LOUIS, Mo. — Edward D. Jones, Sr. has announced that the New York Stock Exchange firm, Edward D. Jones & Co., will move to the Cotton Belt Building at the corner of Fourth and Chestnut in the very near future. In making the announcement, Mr. Jones stressed his firm's belief that Downtown St. Louis is on the threshold of an important new development and his firm wants to be a part of it.

Edward D. Jones & Co., which has been in the downtown financial district for 91 years, is moving to make way for the $40 million Mansion House Center development which is scheduled to begin this Fall. In moving two blocks south on Fourth Street, the firm is not only staying in the financial district, but is in the center of the downtown redevelopment area.

In addition to their nearness to the Mansion House Center, Edward D. Jones & Co. will be adjacent to both the $89 million Sports Stadium and the Jefferson National Expansion Memorial's Gateway Arch. This area, highlighted by Eero Saarinen's symbolic arch will, in the years to come, be a source of pride not only to St. Louis, but to the nation.

Now Kennedy Investments

TULSA, Okla.—Kennedy Investments, Inc., Enterprise Building, is continuing the investment business of Ed Kennedy Investments. Edward B. Kennedy is President; M. J. Kennedy, Secretary and Treasurer and Gail K. Woodley, Vice-President.

MUTUAL FUNDS

BY JOSEPH C. POTTER

Who's Afraid of the Big Bad Bear?

While no one can say when the next bull market will be born, history probably will record that it was sired by the fundman. Indeed, he is talking as though the period of gestation already were underway. Listen:

Albert M. Sheldon, Jr., President of Imperial Capital Fund, says his company has invested all of its cash in common stocks and is selling government bonds to buy more common stocks. Says he: "We have not seen such investment bargains for years."

John M. Templeton, President of Research Investing Fund, contends the best investment opportunities in more than five years may not be too far ahead and his firm is "well prepared" to exploit the opportunities.

Banker Cornelius C. Van Patten, President of Institutional Investors Mutual Fund, reasons that the sharp drop in common stocks provides unusual opportunities for making new commitments in equities. And he has been backing his beliefs with action: During the quarter ended June 30 his fund increased investments in 31 common stocks while reducing ownership of only four.

And "The Wellington Newsletter" reaches back nearly 200 years to quote Charles Dickens' lines: "It was the best of times, it was the worst of times." It translates this thought into present-day terms as meaning "that even when there is adversity, it exists side by side with opportunity."

The foregoing is but a tiny sample of the kind of talk, combined with action, that prevails in fund circles only a couple of months after Wall Street became reconciled to the demise of the old post-war bull market. It could become contagious, especially in a community which as accustomed itself to asking tirelessly: "What are the funds doing?"

Well, what the funds do will depend, in the final analysis, on what the little lady from Skokie and the big man from Dallas do about buying their wares. And the latest report indicates that if owners of the funds have not rushed to sell, nor are they storming the counter to buy.

Thus, investors purchased less than $219 million worth of shares in June, according to the Investment Company Institute. That's a sizable investment, to be sure, but it's a long way from the more than $292 million of fund purchases made in the like month of 1961, when the old bull market was showing considerable vigor. The next six months should be of especial interest. In the first six months of this year, purchases of fund shares toted up to $1.7 billion, compared with $1.4 billion in the first half of last year.

But it must be remembered that while the stock market showed considerable hesitancy in the early part of 1962, there was no widespread belief that disaster impended. So in the wake of the grim tidings, it will be especially significant to learn whether the backers of the funds are as ebullient as their stewards.

If purchases are down 25%, at least it is comforting to note redemption of shares is off too, on a month-to-month basis. In June, redemptions ran to $107 million, against $121.7 million in May. But it is worth recalling that redemptions in June of 1961 totaled only $91.2 million.

The 172 mutual fund members of the Investment Company Institute reported redemptions for the first six months of this year amounted to $602.4 million, compared with $649 million during the first six months of last year. The redemption trend over the next several months will also bear watching.

Although fund purchases continue to outrun redemptions, the decline in the stock market has reduced their combined assets. These totaled over $20 billion in June of 1961. A year later it was down to around $18.4 billion.

But fund folks never seemed more confident than right now.

The Funds Report

Broad Street Investing Corp. reports that net assets per share at June 30 amounted to $11.36, compared with $14.27 at March 31 and $14.59 at the start of the year. Net assets were $216,695,566 at June 30, against $263,849,030 at the beginning of 1962.

The company reports that during the second quarter it made new investments in C. I. T. Financial, Denver Chicago Trucking, North American Aviation and Schering. At the same time it increased holdings of ACF Industries, American Telephone & Telegraph, Central Hudson Gas & Electric, Ford, General Motors, Pepsi-Cola, Royal Dutch Petroleum, Shell Transport & Trading, Standard Oil of California, Standard Oil (New Jersey) and Texaco. Holding were reduced by sale of National Cash Register and holdings of Firemen's Fund Insurance, New York, Chicago & St. Louis, Texas Gulf Sulphur and U. S. Steel were eliminated.

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Chemical Fund reports assets of $219,435,837, equal to $8.69 per share, at the end of the second quarter. This compares with $297,769,781, equal to $12.26 per share, on June 30, 1961. At the end of 1961 assets were $313,698,314, or $12.38 a share.

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Imperial Capital Fund reports it has added these new issues: Polaroid, Tonka Toys, Time Inc., Imperial Land Co., Worldwide Fund Ltd., Aluminum Co. of America, American Smelting & Refining, Bethlehem Steel, Dallas Power & Light, General Mills, General Motors, Northern States Power, Pacific Gas & Electric, Southern California Edison and Southern Railway.

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Institutional Investors Mutual Fund, Inc. reports net assets at the end of June amounted to $61,423,880, or $208.58 per share. This compares with assets of $74,323,396, equal to $268.91 per share, at March 31. On June 30, 1961, assets were $64,113,148, or $261.82 a share. There were no redemptions of shares during the latest quarter, it was announced.

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Combined net operating income of **Investors Diversified Services, Inc.** and its wholly-owned subsidiaries in the first half of 1962 amounted to $8,867,227, or $6.10 per share, compared with $8,471,357, or $5.82 per share, for the like 1961 period, according to W. Grady Clark, President. Net gains of 4 cents per share were realized from sales of investments in the 1962 period, whereas net gains of 23 cents per share were realized in the comparable six months last year. Total net earnings, including net gains on sales of investments, amounted to $6.14 per share in the first half of this year, compared with $6.05 in the like 1961 period.

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Net assets of the **Lazard Fund** on June 30 amounted to $92,172,285, or $12.90 per share. This compares with $16.40 a share on March 31 and $17.17 on June 30, 1961.

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National Investors Corp. has acquired the assets of General Capital Corp., a $15.5 million publicly-owned mutual fund headquartered in Boston.

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Research Investing Corp. reports changes in its portfolio during the first half of 1962. It made new investments in Agricultural Insurance Co., Bomar Instrument Corp., Carrols Inc., C F M Co., Dresdner Bank ADR, Hitachi Ltd., Jaguar Cars Ltd. ADI, Matsushita Electric Ltd., National Rolling Mills Co., Season All Industry, Tastee Freez Industries, Toyota Motors Ltd. The fund also increased holdings of Delta Airlines. It eliminated Caldor Inc., Gulf American Land and Marrud.

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Whitehall Fund asset value per share was $11.81 at midyear. This compares with $13.56 at March 31 and $13.57 at the start of the year. Net assets at June amounted to $11,874,201, down from the $13,246,934 at Dec. 31, 1961.

During the latest quarter new common stock positions were established by the purchase of Ford, Newport News Shipbuilding, Norwich Pharmacal, Pepsi-Cola and Royal Dutch Petroleum. Holdings of General Motors and International Business Machines were increased. Holdings were reduced by sale of Shamrock Oil & Gas while Dow Chemical and Republic Steel were eliminated.

BANK AND INSURANCE STOCKS

This Week — Insurance Stocks

THE U. S. GOVERNMENT AND THE INSURANCE INDUSTRY

The attention of the insurance industry in recent weeks has focused on Washington, D. C. where significant proposals of the present Administration concerning insurance have been in the headlines.

First, and of greatest importance, was last week's defeat in the Senate of President Kennedy's health care plan for the aged under the Social Security System. The setback for the Administration may well be only temporary, but it will enable private insurance firms to expand their rapidly-growing coverages in the hospital, surgical and medical lines to persons 65 and over, thereby reducing the need for government participation in this area.

There are now over 450 insurance organizations providing health benefits to an estimated 53% of those in the over 65 age bracket. Many companies such as Mutual of Omaha Insurance Co. specialize in this area. The company itself now covers over 1.3 million insured over 65 years of age. Mutual of Omaha, as well as others such as Continental Casualty Co. and Fireman's Fund Insurance Co., in recent years have introduced low cost health insurance plans for elderly persons for a limited period of time. These plans which are sold on a group basis without the standard application forms or physical examinations through mass enrollments, have proven to be immediately successful. More may be expected in the immediate future as politics has made the American public increasingly aware of the needs and advantages of health insurance.

The second Administration move that has brought strong opposition from the insurance industry is the proposal that World War II and Korean War veterans who did not take or did not keep National Service Life Insurance be given an opportunity to obtain $10,000 coverage. Approximately 16 million former and present servicemen would be eligible for coverage under the proposal. National Service Life Insurance is now carried by an estimated six million. No doubt a number of those eligible would accept the lower priced government insurance and drop at least a portion of their present private coverages.

The third area of interest in Washington for the insurance industry has been the Senate Finance Committee's attempt to complete its own version of the tax revision bill already passed by the House of Representatives. At the present writing the bill has bogged down over the complexities of a provision to increase the taxes paid by mutual fire and casualty insurance companies. The proposed bill, which will tax the underwriting income of mutuals for the first time, was originally expected to produce additional Federal revenue of an estimated $40 million. Amendments have reduced this figure somewhat through the exemption of smaller mutual organizations from the law.

Of even greater significance to the insurance industry in the area of taxation was the passage by the Senate with no debate of a measure to permit life and fire and casualty insurance to claim a deduction for tax purposes of 2% of the premium income on individual as well as group accident and health policies. Under present law, the 2% deduction applies only to the group life and group accident and health policies of life insurance companies.

The three areas of political interest concerning the insurance industry at the same time clearly point out the problem of the private insurance industry with increasing government intervention, taxation and regulation in recent years.

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SAFE DRIVER PLAN ABOLISHED IN TEXAS

Effective Aug. 1, the Safe Driver Plan which had been in effect in Texas since Jan. 1, 1960, will be abolished. The action by the Texas Board of Insurance Commissioners came as a surprise despite the constant criticism of the plan and the fact that it became a political issue in the state. The plan was generally favored by the participating insurance companies but was objected to by the public because of the mixing of insurance premiums with law enforcement and the confusion regarding the demerit system. Some agents also complained that drivers with a large number of demerits, and therefore high premiums, were dropping their liability insurance.

A reduction in automobile premiums for Texas motorists equal to $10 million was announced coincidentally with the discontinuance of the Safe Driver Plan. Ironically, it will be the drivers who have attained a large number of demerits that will benefit the most by the rate changes. Drivers that have been receiving credits on their premium rates will revert to normal rates and thus be required to pay more.

NEWS ABOUT BANKS AND BANKERS

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

Burton J. Lee, Vice-President in charge of **First National City Bank's** North Central and Middle Western Districts, died suddenly on June 22. He was 54 years of age.

Mr. Lee joined First National City in September, 1929. He was assigned to the bank's domestic branch division and was transferred to the National Division in 1931. He worked with the Southern District and the Indiana, Ohio, Michigan District. He was with the Central Atlantic District in 1942 when he left for service with the Air Force.

Upon his return to First National City in 1945, Mr. Lee was reassigned to the Central Atlantic District and moved to the Indiana, Ohio, Michigan District in 1947. He was placed in charge of the Middle Western District and the North Central District in 1959.

Mr. Lee was appointed an Assistant Cashier in 1937, an Assistant Vice-President in 1945 and Vice-President in 1951.

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Arthur J. Meuche, Vice-President of the **Chemical Bank New York Trust Company, New York,** died on July 19 at the age of 59.

Mr. Meuche became the pension trust officer of the Chemical Corn Exchange Bank in 1950. He was elected a Vice-President of the bank in 1958, and it was later merged with the **New York Trust Company, New York.**

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William J. Jantzen has been elected President and a Director of **Sterling National Bank & Trust Company of New York,** effective Aug. 1, when he joins the bank.

Mr. Jantzen comes from the **Chemical Bank New York Trust Company, New York,** where he was a regional Vice-President in midtown Manhattan.

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The Lafayette National Bank, Brooklyn, N. Y., has elected A. Miller Corwen a Director.

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The Central State Bank, Brooklyn, N. Y., elected Harold H. Yassky a Director.

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The Board of Governors of the Federal Reserve System announced its approval on July 24 of the merger of **The First National Bank of Perry, Perry, N. Y.,** into **The Citizens Bank of Perry, N. Y., Perry, N. Y.**

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Comptroller of the Currency James J. Saxon announced July 16 that he has approved the consolidation of the **First National Bank of Windsor Locks, Conn.,** and the **First National Bank of Thompsonville, Conn.,** under the charter and title of the Windsor Locks bank. The consolidation is effective on or after July 20.

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Maryland National Bank, Baltimore, Md., elected Reuben Riggs, formerly President of the **Montgomery County National Bank of Rockville, Md.,** which recently merged with the **Maryland National.**

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The Comptroller of the Currency James J. Saxon approved the application to merge **The Montgomery County National Bank of Rockville, Rockville, Md.,** into the **Maryland National Bank, Baltimore, Md.,** effective July 20.

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The Comptroller of the Currency James J. Saxon approved the application to merge **The First National Bank of Baltimore, Baltimore, Md.,** with the **Catonsville National Bank, Catonsville, Md.,** and the **Farmers Banking and Trust Company of Montgomery County, Rockville, Md.,** effective July 20.

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THE FIFTH THIRD UNION TRUST COMPANY, CINCINNATI, OHIO

	Jun. 30,'62	Dec. 31,'61
	$	$
Total resources	389,508,951	405,580,618
Deposits	348,790,306	364,836,937
Cash and due from banks	81,397,043	104,111,842
U. S. Government security holdings	93,026,632	89,915,213
Loans & discounts	186,916,842	190,166,896
Undivided profits	5,275,048	4,677,413

* * *

The State Bank of Salem, Salem, Ind., application for prior consent to acquire the assets and assume liability to pay deposits made in **State Bank of Hardinsburg, Hardinsburg, Ind.,** under the charter and title of **The State Bank of Salem** was approved by the Board of Governors of the Federal Reserve System, effective July 13.

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Glenview State Bank, Glenview, Ill., elected Paul Jones, Chairman, succeeding Richard C. Rugen, who was named Vice-Chairman. Joseph P. Gaffigan succeeds Mr. Jones as President and was named a Director.

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Birmingham - Bloomfield Bank, Birmingham, Mich., elected F. Douglas Campbell, President, Donald H. Parsons, Chairman, and S. Tenney McGraw, Vice-President and Cashier.

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University Bank, Kansas City, Mo., elected W. J. Knipmeyer Executive Vice-President.

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T. R. Reckling, III has been named to the Advisory Board of the **North Side State Bank, Houston, Texas.**

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E. L. Garringer, has been elected Executive Vice-President of the **Harrisburg National Bank, Houston, Texas.**

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Bank of America, San Francisco, Calif., elected Mario F. Franceschini a Vice-President.

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Herbert V. Alward, former Vice-President and Director of **The Bank of California, San Francisco, Calif.,** died July 19 at the age of 82.

Alward began his banking career in 1899. He came to The Bank of California, N. A. with the **Fidelity Trust Company of Tacoma, Wash.,** which was purchased by the bank in 1919. After serving as Assistant Manager of the Tacoma Office until 1925, he served as Joint Manager of the bank's Seattle Office until 1927, when he became Manager of the Portland Office.

He joined the bank's Head Office in San Francisco in 1936 as Vice-President and Cashier and became a member of the Board of Directors in 1946. He retired in July, 1950.

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The Board of Governors of the Federal Reserve System July 20 announced its approval of the merger of the **Farmers and Merchants Bank, of Blythe, Blythe, Calif.,** into **United California Bank, Los Angeles, Calif.**

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The Board of Governors of the Federal Reserve System approved the application of the **United California Bank, Los Angeles, California,** to merge with **Farmers and Merchants Bank of Blythe, Blythe, Calif.,** under the charter and title of United California Bank.

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Union Bank, Los Angeles, Calif., elected Louis Siegel, Executive Vice-President of loans. Harry N. Herzikoff was made Senior Regional Vice-President, Beverly Hills-West Los Angeles regional head office. Warner Heineman and Edwin Ziegler were elected Senior Vice-Presidents. Arthur R. Horne was elected Senior Vice-President and Cashier. Frank H. Rave, John H. Rauch, James A. Martineau and Robert E. Fairfax were also made Vice-Presidents.

Common Market And U. S. Economy

Under the impact of the European Common Market the United States will "face substantial readjustment problems, whatever we do or fail to do on the foreign trade front," according to a report just issued by the Chamber of Commerce of the United States.

"The United States is really left with two alternatives," the Chamber said and listed them as:

(1) Western Europe will be organized as a Common Market but tariffs between Europe and the United States won't be lowered significantly.

(2) Tariffs will be lowered significantly and the tariff cuts extended to other countries.

The 50-page report, titled "The Impact of the Common Market on the American Economy," was issued by the Chamber's Committee on Economic Policy. Robert S. Macfarlane, Chairman, Northern Pacific Railway Co., Saint Paul, Minnesota, is Committee Chairman.

The report said that maintaining tariff walls between Europe and the United States would divide the Free World into two blocs.

This "is economically feasible for the United States only if we increase our productivity and lower costs sufficiently to be competitive," the report said. Otherwise, the United States would lose much of its present large European market because of its tariff wall. The report added:

"But if higher levels of productivity can be reached [by U. S. industry] in comfortable seclusion behind a tariff wall, it is certain that at least equal gains in productivity would occur in a United States unprotected by tariffs."

Maintaining tariff walls, according to the report, "would limit the advantages resulting for trade partners from a greater degree of specialization and better use of resources."

The lowering of tariff walls, the report said, "leads under the pressure of competition to lower costs, to gains in productivity, and to higher income, but at the same time leaves to us the job of making substantial internal adjustments courageously and smoothly."

The report concluded that, "To do nothing is also a choice, but not the best alternative. One option is not open to us, and that is to keep things as they have been. The initiative is not our monopoly, but neither need it be the monopoly of others. Every alternative will have its supporters and its opponents, its virtues and its drawbacks."

Now Corporation

GARDEN GROVE, Calif.—Diversified Church Financing & Building Service, 12112 Brookhurst, is now conducting its investment business as a corporation. Officers are Charles L. McClain, President; Gabriel R. Guedj and William C. Sawers, Vice-Presidents; and William C. Bryant, Treasurer.

Hecht to Admit

Hecht & Co., 14 Wall St., New York City, members of the New York Stock Exchange, on July 26 will admit John J. Grandefeld to limited partnership.

NSTA NOTES

BOND CLUB OF DENVER

The Bond Club of Denver will hold its 28th annual summer party and golf tournament Aug. 9 and 10. A cocktail party and buffet will be held at the Petroleum Club on Thursday, Aug. 9, and on Aug. 10 the annual outing will be held at the Columbine Country Club. Tariff for non-golfing members is $23; for golfing members $30; and for guests $30.

Out of town guests may make reservations through Henry Perry, Bosworth, Sullivan & Company, Inc.

Members of the Outing Committees are:

General Chairman: James Hill, Boettcher and Company.

Tickets: Thomas P. Owen and George Van der Veer, Jr., Peters, Writer & Christensen, Inc.

Entertainment: Louis Gnam, J. K. Mullen Investment Co. and Alan Phillips, Merrill Lynch, Pierce, Fenner & Smith Incorporated.

Golf and Players Pool: Ron Moore, Kircher & Co., and Bernard Woody, Peters, Writer & Christensen, Inc.

Invitations: James Harris and James Sommer, Boettcher and Company.

Reservations: Henry Perry and E. L. Phillips, Bosworth, Sullivan & Company Inc.

Prizes: Victor Gerali and Brock Lippitt, Hornblower & Weeks.

Transportation: James Lee, J. A. Hogle & Co.

Gin Rummy; Bernard Kennedy, Bosworth, Sullivan & Company, Inc.

Special Events: Robert Powell and George Coughlin, Coughlin & Co., Inc.

Publicity: Sam Milliken, Merrill Lynch, Pierce, Fenner & Smith Incorporated.

Credentials: Wilson Birkenmeyer, Birkenmeyer & Co.

Form First Columbia Secs.

WASHINGTON, D. C.—First Columbia Securities Corporation has been formed with offices at 1028 Connecticut Avenue, N. W., to engage in a securities business. Officers are Robert Alker, President and Treasurer; Roger H. B. Davis, Vice-President; and Watson Andrews, Secretary.

Ladden Winston Securities

WASHINGTON, D. C. — Ladden-Winston Securities, Inc. has been formed with offices at 905 Fifteenth Street, N. W., to engage in a securities business. Officers are Edward M. Ladden, President and Treasurer; and D. K. Winston, Vice-President and Secretary.

Form Bagdis Oftring

WORCESTER, Mass. — Bagdis & Oftring, Inc., has been formed with offices at 507 Main Street, to engage in a securities business. Officers are Frank A. Oftring, President; Bernard J. Bagdis, Treasurer and Clerk. Mr. Oftring was formerly Vice-President of S. Romanoff Co. Inc., with which Mr. Bagdis was also associated.

Joins Westheimer Staff

(Special to THE FINANCIAL CHRONICLE)

CINCINNATI, Ohio — Robert L. Anderson has joined the staff of Westheimer and Company, 322 Walnut Street, members of the New York and Cincinnati Stock Exchanges. He was previously with J. N. Russell & Co., Inc.

Steel Industry's Future

Continued from page 14

could say, must be replaced in the near future if we are to increase productivity and efficiency in order to compete with foreign producers. Up until the present time, depreciation reserves have not been adequate to take care of the full replacement requirements of American industry for machinery. Consequently, a gap exists. The Administration and Congress have recognized this fact and a bill is presently under consideration to grant tax incentives for investment in plant and equipment. If this is passed it should create a tremendous demand for new machinery and this will be reflected in an increased demand for steel by the machinery industry. However, without depreciation reform we can look to a steady market for steel in the machinery industry but by no means a rapidly expanding one.

Construction

Construction ranks close to the automotive industry as the prime consumer of steel. In fact, in some post war years it was the principal consumer. This industry covers a wide variety of projects, including commercial construction, such as office buildings; residential construction including both single family dwellings and apartment houses which reach considerable heights in urban centers; and heavy construction which consists of highways, bridges, tunnels, etc.

During the next few years there will be considerable activity in many of the branches of the construction industry. This is particularly true in heavy construction as highways and other facilities are to be expanded, and a great deal of heavy structural steel is used in these projects, particularly for bridges, elevated structures on highways, overpasses, clover-leaves, etc.

In residential construction there are vast projects underway in most of the large cities throughout the country. Here slum clearance requires new structures, and it looks as if this will be a continual operation at least for the next decade. However, many of the new apartment houses are built of reinforced or prestressed concrete rather than structural steel. Therefore, the market here will require concrete reinforcing bars rather than structural members, and this is one instance where substitution has been felt severely by the steel industry. Concrete reinforcing structures are cheaper in many instances, although they take longer to complete. This turn of events has not been particularly felicitous for the steel industry since most steelmakers would rather sell steel structural shapes than concrete reinforcing bars.

Structural steel has one advantage over reinforced concrete in that it can be raised in a shorter time and allows the builder to rent the quarters quicker and thus get his money back more rapidly.

An example of the fierce competition between steel and reinforced concrete is the 49-story hotel in New York City which has been built of concrete. When this contract was awarded it was a great shock to the structural steel people for they never dreamed that such a tall building would be erected without a skeleton of structural steel.

In commercial construction such as office buildings, there has been a tremendous boom since World War II. This appears to be tapering off slightly. However, it has presented a new market to the steel industry in the form of curtain wall steel. Here stainless steel has, in many instances, displaced brick. However, the competition from other materials has been keen, as aluminum, glass, and concrete pre-cast slabs have entered the market.

On balance, the construction industry should continue to offer a market for steel for the next five years quite equal to that which it has in the past. It does not appear at present, however, that it will be a greatly expanding market, although heavy construction programs present an optimistic note.

New Products

In addition to the standard established markets, steel can look for an expansion of volume from new products. Here there has been a change of philosophy in the industry as it has taken aggressive steps to develop campaigns for new uses and new applications of steel. A few examples will suffice to indicate this trend. The industry has been most active in its attempt to capture the soft drink market for the tin can. If this can be done, the expansion in tin plate demand would be truly enormous. It would at least rival, if not surpass, the beer can. However, the contest here will not be an easy one.

Steel has also made an attempt to make inroads in the field of small residential construction. Again the potential is significant. However, the task ahead is not an easy one.

There are other possibilities, perhaps less spectacular, such as the development in the application of steel in certain types of furniture formerly made entirely of wood. Here there is a distinct possibility for an increase in steel market. However, if we wish to be realistic, there is at the present time no development on the horizon that will bring an increased demand for hundreds of thousands or perhaps millions of tons of steel. Such a market could develop over a period of time, and in great part this will depend upon research programs, the skill with which funds are invested in fostering them, and aggressive promotion of products once they have been developed.

The industries I have covered will not present a much greater market for steel than they have in the past few years. Their demand should be sufficient, however, to sustain an ingot rate of about 100 million tons. This may vary slightly, but given the present state of the economy, it seems as though it will be some time before the 1955 to 1957 rate of 115 million tons per year is reached. Therefore, one of the elements in the profit equation, namely, volume is relatively constant, and thus it remains for us to examine costs.

Costs in Steelmaking

Costs in the steel industry, as in any other enterprise, fall into the general categories of employment costs which cover wages and salaries as well as fringe benefits, material costs which include the cost of goods and services; capital costs which, broadly speaking, cover a number of items such as investment, depreciation and interest charges; and finally, taxes, which amount to a considerable figure when one totals up federal, state and local taxes.

Again it is not the purpose of this paper to make a minute and detailed study of the cost picture in the steel industry. However, we can look at the total picture somewhat briefly, and I emphasize the term, total picture. This is significant, for it is of small consolation to have cost reductions in one area if they are more than balanced by increases in another. This has been true where material costs and often unit labor costs have gone down at the expense of capital costs. Thus it gives a false impression to talk about certain areas where economies have been effected without due consideration for the whole structure. I do not wish to minimize cost reduction wherever they take place, but I merely want to stress the fact that profits are determined only when all of the costs have been subtracted from gross income.

On an industry-wide basis, and this perforce is an average which may not correspond to the experience of some individual companies, we see that costs in the past few years have tended to go up. This intensifies the problem in the steel industry, particularly when we relate it to what has been previously said about the volume of production.

Costs are a matter of great concern for management, particularly since it feels that this area is to a great extent under its control. Speaking broadly the total cost picture can be improved if productivity is increased. Here I speak of productivity in the full sense of the term, namely, the ratio between all the input factors of production and the resultant output. Thus a true increase in productivity in all of its respects would mean an increase in efficiency in regard to manpower, raw materials and capital equipment.

Manpower, in this instance, must include every one involved in the task of production from the president of the firm on down. If a company or a firm can get a higher yield on its manpower input, its raw materials and capital investment, it is truly increasing productivity, and will, as a consequence, reduce its costs of production. If, on the other hand, the yield on one of these elements increases at the expense of the others, productivity is not improving.

In the matter of cost reduction there are many approaches that can be followed. However, it is of prime importance to have modern, efficient equipment and machinery. Much has been said at the meetings of American Iron and Steel Institute during the last three or four years on this subject of capital replacement and depreciation allowances, and there is great concern over it, for it is difficult to see how modern equipment can be installed and maintained if there are not sufficient funds to do the job.

Tax Reform Proposals

A number of proposals for reform of the tax structure have been made. The most effective would be one which would allow a corporation to recover the purchasing power of its original investment, so that in the replacement of its plant and equipment some allowance can be made for capital erosion due to inflation.

At the present time an alternative proposal is before Congress which would contribute to the solution of this problem. It will provide a tax credit of 7% or 8% on the total expenditures made for plant and equipment in any one year. The credit will be taken against the following year's taxes. This plan, as I have said, will be of help, although it is not by any means the best type of depreciation reform.

Further, the Administration proposes some minor revisions of Bulletin F which sets forth the length of life of an asset for tax purposes. New plants and modern equipment are necessary for economic survival; they are the most effective means by which costs can be reduced. If depreciation reform is passed by Congress, their installation will be facilitated. However, if this is not done, economic survival, and I stress this term, may require the application of two means of raising capital which heretofore, I, among others, have opposed very strenuously. I have gone on record in other pronouncements against borrowing and the issuance of stock for the replacement, and again the word replacement is stressed, of capital equipment. If one borrows merely to replace his equipment, and has to do so continually, he will soon borrow himself into bankruptcy. Further, if stock is issued to replace plant and equipment and not for purposes of expansion, it will dilute the equity of stockholders and increase the number of shares to be rewarded through dividends. However, if it is a matter of economic survival, companies may have to borrow or issue stock, as indeed some have, to put their plants and equipment in first class operating condition. This cannot go on for any length of time but may be absolutely necessary for a short period.

Another area where costs can be kept in line or possibly reduced is at the bargaining table where labor and management meet. Here progress in the steel industry has been made in the last negotiations where the increase—inflationary or non-inflationary, and this point can be argued—was closer to the advance in productivity than it had been in previous negotiations, and this is significant. Perhaps we are entering an era in which an attitude of statesmanship will prevail in collective bargaining.

The third element in production, namely, raw materials, has received much consideration in the last 10 years in the steel industry. Iron ore and coal are the two principal materials, although limestone, scrap and the attendant services which enter into the production of steel cannot be casually passed by. The mechanization of the coal mines has contributed much to hold down the costs of coal, and substantial iron ore reserves of high quality, or lower quality ores that are easily beneficiated have been developed throughout the world. Further, in the transportation of ores from abroad, large bulk carriers have done much to reduce costs.

Long-Term Problems

On balance the steel industry is facing some difficult problems at present and will continue to do so in the next few years. Volume will probably not fluctuate too much, and costs of production may continue to rise if a constant effort is not made to keep them in line. This is a continuing struggle and one in which energy must be expended and ingenuity applied. If something is not done about costs, the question of economic survival of the steel industry with its constituent companies, as we know them today, will become a very serious one. The current situation demands action and not wishful thinking. We cannot be satisfied with the hope that things will improve in the fourth quarter of this year, or the first quarter of next, or whatever quarter one may wish to state things are bound to be better. We cannot simply count on prosperity befalling us. The industry can have some influence on volume, but to a greater extent it has the cost factor under its control, and here a plan of action is necessary. Any complete plan of strategy demands not only long run but short run tactics. In the short run there are a number of things that the industry has recognized and has turned to and is currently performing. I can only suggest extension as well as an intensification of effort.

One field in particular, namely, research and development, must receive particular attention. Vigorous effort here can produce those improvements which will result in a reduction of costs of production, and it is precisely in this area that major technological breakthroughs can be actually hoped for and achieved. It is mainly through a technological advance that costs of production can be reduced substantially and steel greatly improved. This is evident in the recent application of oxygen in the steelmaking process. Further efforts now being expanded in the development of direct reduction of iron ore, as well as better rolling techniques, may likewise bear fruit.

Genuine technological breakthroughs are few and far between. In fact, we may have to look back as far as the continuous hot strip mill, the cold reduction mill and electrolytic tin plating for the more important ones in the past quarter century. However, research and imaginative planning can speed the realization of these developments, and likewise will do much, if coupled with aggressive promotion, to adapt steel for use in new products. Yet, the point must be stressed that research and development is of little value if the fruits are not applied through capital investment.

Thus the program of modernization, which the steel industry has had underway for some time, must be accelerated and expanded. Here, as mentioned before, the difficulty is one of insufficient capital to replace, not worn out, but economically obsolete equipment and, surprisingly enough in a number of instances, this equipment now obsolete is no more than 10 years old.

Merger Prospects

In the corporate management area there are small companies, both integrated and non-integrated, that have experienced considerable difficulties in recent years in raising capital for modernization of production facilities. Due principally (although not exclusively) to lack of capital, these companies have had a number of lean years. It appears that under the present volume of operations this experience may continue, since there do not seem to be means available for overcoming their major difficulties. Thus, it would be most logical and indeed almost inevitable that one of the long range considerations that should suggest itself to the management of such companies would be a careful pooling of their resources around a strong nucleus. I am talking now about mergers of smaller companies, integrated or non-integrated in the industry. Such mergers may very well be the means for future economic survival for these companies—and this statement is not made lightly. At the present time two of the largest airlines are attempting to merge, as well as the two largest railroads. So, there seems to be no reason why smaller steel companies should not do so, since it may be the only means for their economic survival. Since such mergers are the same type as those which took place in the automobile industry, they would not be in violation of our antitrust laws.

The type of smaller companies to which I have referred have the same labor costs (with some few exceptions) as the larger companies; they have to face the same foreign competition (many plants abroad—recently built or in the planning stage—will have manhour output figures of 12 to 13 hours per ton in the production of steel products). Very few of our plants in this country can match that record. The competition is going to be severe, and it is difficult to see any respite. Therefore, if we wish to face the situation realistically, combinations of companies are a means of survival.

The economy in Europe is substantial and solid at the present time and is growing much as ours did in the 1920's, but if there are two or three years of depressed economic activity abroad one wonders what the foreign steel companies will do with their production. The answer seems to be simple: they will try to dispose of it in the most liquid market in the world—the United States—and at bargain prices of 30 to 40 dollars a ton below our price. How can companies in financial difficulties hope to survive such an onslaught?

Mergers would also give the new entity or entities the advantage of size and product diversification. This is most important, for if a company produces only one or two products and business declines in these lines, there are no others to take up the slack, so a severe strain is placed on that firm. Further, a merger will allow those involved to eliminate obsolete equipment and facilities as well as cut overhead costs substantially and will give a company of this size, possibly 7 or 8 million ingot tons, more access to the capital market. It would, in effect, be one healthy unit in place of several marginal operations.

Obsolete Facilities

Further, it would be highly desirable and economical if the industry in the near future would scrap facilities which are economically obsolete and, in many instances, quite ancient. In basic steel production there are between 20 and 25 million tons of capacity which should be scrapped. This statement is not made lightly, but is the result of a survey of the industry's facilities.

Further, many of these facilities are poorly located in respect to markets, and to attempt to maintain them in a stand-by capacity pending an emergency or a very sharp increase in demand is a delusion. The new equipment that has been installed and the use of oxygen on existing furnaces as well as the new oxygen converters will provide all the steel that we, here in the United States, will need under any circumstances in the next few years. In fact, the potential of oxygen in steelmaking is not yet fully comprehended. When it is, we will find that even with 20 to 25 million tons of obsolete facilities scrapped, there will be more than adequate steel melting capacity in the country to meet peak loads and emergencies. The maintenance of obsolete facilities even in stand-by condition is a costly proposition and, in some instances, scrapping these facilities could even generate cash.

It is possible that the elimination of some facilities may create problems in communities where they are located. This happened in the 1930's when many steel companies were forced to shut down hand sheet mills and concentrate production on continuous hot strip mills and cold reduction mills located in large centralized plants. The communities which lost the hand mills were, in the first place, sick communities, economically speaking. There was not enough business to give them more than two or three days work a week. In the long run, despite some immediate hardship, the people were better off with the change.

The same situation may well prevail today if certain obsolete steel facilities are scrapped. However, it is better economically and socially to make the adjustment, for it will result in a healthier state of affairs rather than perpetuate forlorn hopes which can never materialize.

Part of the strategy for economic survival in steel must deal with our export market, and this is a long-run rather than an immediate or short-run approach. Unquestionably steel markets throughout the world will increase. Under-developed countries are in need of all types of steel products, and although the capacity outside the United States has increased considerably during the last 10 years, there is no reason why we should not think of foreign markets as part of our sphere. Admittedly, during the the past five years our exports have declined and our imports have increased. This trend has continued up to the present, for in the first quarter of 1962 imports of steel were virtually double exports. Nevertheless, the broadest and best opportunity of increased sales of steel in the future will be in foreign markets.

The United States at the present time has a much higher per capita consumption of steel than any other country in the world. Thus, it will be more difficult to increase consumption here than it will be in those countries where it is significantly lower. If, for example, the people in India and China were to use one can per person per week, a market for tin plate would be established which is larger than the present tin plate market in the United States. This is but one example which could be multiplied in relation to other products.

Must Cultivate Foreign Markets

In spite of the fact that we in the United States are at a disadvantage in costs of steel production in comparison with other countries, we cannot abandon foreign markets to foreign competition. These new and expanding markets will not be easy to capture, but it can be done. More than half a century ago in the 1890's we faced the same problem and were able to capture many foreign markets and held them for many years. The situation today differs from that of 60 years ago insofar as the competition abroad not only has lower labor rates, but also has a high percentage of capital equipment which is every bit as good as ours. Thus, the task will not be easy. Nevertheless, with the proper application of manpower, equipment and materials, accompanied by deliberate planning and skillful financing of exports, we can regain the position that has been lost. We might make immediate gains if exports were properly financed, because our competitors abroad very often get orders for steel, not so much on quality and price, but on attractive financial terms and vigorous sales campaigns.

The foreign market is the largest growing market for steel in the world and we cannot let it go by default. This is defeatism—a sentiment we cannot afford.

In addition to the aforementioned strategy I would like to suggest one more item which is of utmost importance to the economic survival of the steel industry, or for that matter any industry in this country. It is the atmosphere or climate in which an industry operates. This may seem to be intangible at first but in reality it is highly significant. I would submit that the most important constituent in this atmosphere or climate is not an economic factor but a psychological one. Men who are in business or who provide and allocate the capital or make the decisions that result in expanded capacity, new products and new methods must feel that they function in a society where there is a reasonable amount of safety and security, and here I want to stress the word reasonable. There must be confidence in the political and social institutions under which they operate. In order for such confidence to exist there has to be understanding and respect among the elements of society directly concerned with the operation of the economy, that is business, labor and government.

Such understanding can be generated neither by reckless aggression nor apologetic defensiveness. It can only be brought about as a result of an educational effort and this effort must be a continuous one in which the problems of the industry are stated with force and skill and without hesitation. It is therefore necessary that there be an understanding of these problems within the industry itself, for it is virtually impossible to communicate to others what is not clearly understood. Further, communication must be maintained continually, not merely in times of strife. Since time, effort and funds are not unlimited, it would seem that the target of the educational effort, in great part, should be the thought leaders and opinion formers, for one cannot expect the men in the street to give time and study to a complex issue. If those who write the editorials and teach in the university class rooms have the facts and have them clearly, they will appreciate the problems and difficulties that the steel industry faces.

Summary

To sum up, we can see that the steel industry today has problems. Some of these are severe. Yet, to maintain that we face the greatest crisis in the history of the industry would be an overstatement of the case. Who among you would trade today's situation for that of the early 1930's? It is true profits are down and competition is severe but there are still profits; whereas in 1932 the industry lost over $300 million.

The struggle for economic survival we face today will continue. There is no answer to it. In fact, we will never reach a point where we have solved all our difficulties. I am sure all of us realize that, and know that the effort must be continuous. What bothers most people is the trend that events have been taking during the last few decades. There have been changes, and most of us fear change. But one must realize that the economy is not the same as it was in 1890, nor in 1920, 1930, or even 1960, and it will not be the same in 1965. Changes will take place, so that sheer resistance to them is not a practical philosophy. We must move out to meet the change and take it, if possible, on our own terms, rather than have it overwhelm us when it comes to pass. Such an approach will help considerably in developing confidence.

The industry can and must survive. Profits may not be as substantial as they were a few years ago, yet ways and means must be found to maintain them if we are going to have economic survival. I believe we will. Despite aluminum, plastics, foreign competition, and adverse economic trends, the steel industry will survive and survive economically. It may be changed somewhat, but as long as energy, ingenuity and vision are applied in a free society, the steel industry will survive.

*An address by Father Hogan before the Annual Convention of the American Iron & Steel Institute, New York City.

Ebin, Robertson Names

MINNEAPOLIS, Minn.—James L. Bergtold has been named manager of the trading department of the recently organized firm of Ebin, Robertson & Company, Inc., Rand Tower. Mr. Bergtold was formerly with Investors Diversified Services as securities buyer.

R. Robert Wyant, recently with Craig-Hallum, Kinnard, Inc., has joined Ebin, Robertson & Company as head cashier.

Principals of the firm, which will specialize in over-the-counter securities, particularly bank and insurance stocks, are John P. Ebin, formerly with the trust investment department of the Northwestern National Bank, and Robert E. Robertson, previously with Northwest Bancorporation and the Northwestern National Bank.

Named Director

Rex Reno, partner in Cruttenden & Co., Inc., member of the Pacific Coast and Midwest Stock Exchanges, has been elected to the Board of Directors of Mackenzie & Co., manufacturers of Kalani Wines.

Norway (Kingdom of) Bonds Offered

An underwriting group jointly managed by Harriman Ripley & Co. Inc.; Kuhn, Loeb & Co. Inc.; Lazard Freres & Co., and Smith, Barney & Co. Inc., New York City, have announced the public offering of $20,000,000 Kingdom of Norway 5½% External Loan Bonds due Aug. 1, 1977, at 96½%. The Kingdom will make application to list the Bonds on the New York Stock Exchange.

Net proceeds from the sale of the bonds will initially be added to Norway's foreign exchange reserves. It is the present intention of the Kingdom of Norway that these net proceeds subsequently will be applied to the acquisition and importation of capital equipment required for the development of the Norwegian economy.

The bonds will be direct, unconditional and general obligations of the Kingdom of Norway and will rank equally with all other loan indebtedness of the Kingdom. Interest on, and principal and premium, if any on the bonds will be payable in currency of the United States.

The bonds are redeemable at the option of the Kingdom at redemption prices ranging from 101% beginning in 1972, to par in 1976 and thereafter to maturity; and for the sinking fund at par; plus accrued interest in both cases. The bonds, which are non-callable for a period of ten years, will have the benefit of a semi-annual sinking fund commencing Feb. 1, 1966, designed to retire all of the bonds by maturity.

Norway is a member of The European Free Trade Association and, on May 2, 1962, applied for membership in The European Economic Community (Common Market). It expects shortly to commence negotiating the terms of its admission with the six member countries (Belgium, France, Italy, Luxembourg, The Netherlands and Western Germany). In addition, Norway is a member of the International Bank for Reconstruction and Development (World Bank), International Monetary Fund, International Finance Corp. and International Development Association, and is a party to the European Monetary Agreement.

Norway in 1961, had an estimated population of 3,626,000, and an estimated 1961 gross national product at current prices of 38,252,000,000 kroner ($5,355,280,000 in U. S. Dollars).

With L. B. Schwinn Co.

(Special to THE FINANCIAL CHRONICLE)

CLEVELAND, Ohio—Virginia B. MacAllister has joined the staff of L. B. Schwinn & Co., Union Commerce Building, members of the Midwest Stock Exchange. Miss MacAllister was formerly with Paine, Webber, Jackson & Curtis and prior thereto was with John P. Witt & Co. in the trading department.

Market Decline Does Not Mean End of Upward Trend

Continued from page 1

break, are supported by facts.

Millions of old and new investors did not use the market in recent years to protect themselves against inflation, simply because we had only moderately rising wholesale prices as they have again and again moved over time in the past. Significantly, prices of raw materials and intermediate products remained stagnant or declined since 1957. The indifference of the investor to real price inflation is striking when we recall that during our most inflationary period from 1945 to 1948, stocks did not move and remained highly undervalued. Inflation fears as a long-term threat to the preservation of wealth were quite a different factor, serving as a most effective argument as to why stocks should be bought for long-term investment with consequent stimulation of market demand and of stock prices. While we should sympathize with government-expressed hopes that inflation is now dead, no evidence is forthcoming that long-term rising price trends have come to an end.

When we assess the deep-seated forces of inflation, we must relate them to a rising demand and spending power of a rapidly growing population, and to fast rising wages paid for a shorter work week without large gains in productivity. We must allow, too, for increasing public expenditures even without deficits; for large business outlays for investment, research and development that are not necessarily cost-reducing; and for the general experience that rapid economic growth, in terms of specialized labor and material use, will increase costs. All these forces in our economy are supported by a credit system that stimulates spending and, thus, there will be more sail than anchor in the price structure of the future. Even an unexpected, longer spell of table prices must not be feared as a market depressant because it would permit a lowering of stock and bond yields which, today, require an extra premium as protection of the investor against the erosion of purchasing power. Obviously, such a situation would create a favorable price climate for stocks.

The Foreign Deficit

References to an unbalanced Federal budget and the deficit in the balance of payments as unfavorable market forces, at present, are absurd. The Federal deficit of the fiscal year just ended, amounted to 1.4% of the Gross National Product and appears not large enough to influence stock prices. The international deficit as related to liquidity and gold outflows, is wrongly interpreted as a signpost to devaluation. But even in the hypothetical case of devaluation which is out of the question, we would deal with a bullish market factor because the former operates as pacemaker of inflation. In case of dominant devaluation fears, stock selling by foreigners to convert their market profits into their own currencies at current $-exchange rates would make sense. Such selling could have been at most marginal and not panicked the American public which holds 98% of all common stocks. Our foreign deficit, caused by our large private capital outflows, should be considered an element of strength of the U. S. dollar, the stock market and the American economy instead of a sign of alarm and a warning that we live beyond our means. Only a prosperous America could afford $4 billion private foreign loans by far exceeding our total deficit of $2.5 billion in 1961.

The German Experience

Germany furnishes a good example of the futility of trying to pin down stock declines on any of the economic factors already mentioned, or many others. The Germany economy remains full employed and continues to grow under the incentives of low personal income and corporation taxes. Her currency is extremely sound, backed by surpluses in the balance of payments (except for special public payments in 1961), and rising gold stocks. Private capital spending continues at historically high rates and both wage income and consumer spending continue to rise at favorable rates. While profits are under some pressure, steadily expanding demand at upward adjusted prices and the full utilization of existing capacities assist in the lowering of unit costs and should bring an early improvement.

In spite of all these favorable aspects, German common stocks have been declining since 1960 from an average high of 800 (Jan. 1, 1954=100), to 600 before the recent panic, and by another 120 points since then. Today, the market value of all German stocks has been reduced to a paltry $20 billion. Obviously, the financial community has a stronger worldwide pattern than any other brotherhood and when Wall Street catches the flue, the European financial markets still get pneumonia.

Views of an Economist

Under these circumstances, the task of the economist seeking to give sense to sudden stock moves and to pinpoint stock trends transcends strictly economic matters. One assertion should be made before any other, namely that the market decline does not predict any recession in 1963. Equally important, the market break will not become the prime mover of a chain reaction forcing the economy down, because the latter is too strong, sound and independent. Even if our fairly good recovery should end right now, freezing industrial production at 118 (of the 1957 level), gross private domestic spending at an annual rate of $80 billion, total public spending at $145 billion, gross corporate profits at $52 billion, without further expansion of consumption, the GNP would come to $540-545 billion for 1962, this would not warrant a stock market reaction of panic.

Actually, instead of a slowdown, we should expect a resumption of faster economic growth later in the year not only because of major efforts of the government in that direction. The relatively low level of investment spending on plant and equipment, not yet geared to the cutting of production unit-costs, cannot last much longer. Moreover, the size and significance of idle capacities has been exaggerated and inventory spending remains moderate. It looks as if the strength of consumer demand based on rising employment and wages will once more turn the tide, apart from the inevitable rise in total public spending.

In all these sectors of the economy, even if the much heralded reductions in personal and corporate income taxes should not take place, the market slump can do little damage. Take for example the argument that a weak stock market will not be able to raise sufficient equity capital to finance expansion. In recent years, not more than $2 billion on the average, were raised annually in this way. On the other hand, corporations can continue to count on internal cash flows (amortization and undistributed profits) of $36-37 billion for 1962 being immediately available for investment spending. As the latter will not exceed $38 billion and newly issued corporate bonds find sufficient buyers, it does not appear as if investment spending might have to be curtailed because of lack of funds.

"What will happen to the consumer?" appears as another frequent question. As long as he stays employed, he faithfully will spend his income on consumption. It does not look either as though he based much of his consumption spending on realized market profits now grown thin or not available. The rising stock market exerted a magnetic attraction for many wage earners and had first claim for all extra funds instead of current consumption. Whenever these investors sold at profits, they ploughed back the entire receipts to remain fully engaged in the market. Under these circumstances, typical consumption spending wil be well maintained at the present annual level of $350 billion, though expensive travels, and the purchase of luxury boats and houses, and so on, are bound to suffer.

How to Evaluate Stocks

While we can safely reject the fear of recession or the concept of "no more inflation", or foreign deficits as the real causes of the market losses, two crucial questions remain to be answered. Firstly, has a basic re-orientation and re-appraisal in the determination of stock values taken place, and second, how much should the aggregate of stocks be really worth according to prudent standards?

There can be no doubt that stocks since the advances of the recent bull market that started in October 1960, have been high by any standard and that no "new era" in any situation has ever arisen where the past could be disregarded and discarded as a guide. While dividend payments doubled since 1948, the market value of stocks increased fourfold to the 1961 High and still is three-times the former level (though stocks were badly undervalued in 1948). As the return in dividends remains the best objective measure of the value of stocks, the question arises whether the investing public has become willing to go below historic stock yields (averaging 4.9%) as income from this most popular wealth-holding instrument.

The capital gains tax makes the shift of assets, either within the market or into other financial instruments, sufficiently expensive to impose on the investor greatest restraint in switching even if dealing with far more attractive yields. Furthermore, the vast amounts of public issues provided in the last twenty years, to which large sums of institutionalized and business savings are regularly added, have created a climate of liquidity, abundance and wealth. In this new situation, it could be argued that a 3.5%-4% yield might represent a more normalized if not sufficient income from stock assets made attractive by rising corporate profits and net worth.

Blames Market Plunge on Yields

Concerning the ratio between stock and corporate bond yields, it moved from an average of 4% for both late in 1958 in opposite directions to 3.3% stock and 4.6% bond yields at the December, 1961 High of the market. This situation called for an adjustment and as neither bond yields declined nor profits sufficiently rose to bring up the yield from stocks, the adjustment had to come from a decline in the market. Today, stocks are back to or exceed long-term average yields of bonds at 4.3%. The argument that larger stock yields than the current ones are necessary to attract buyers and that in a normal market situation they should always exceed bond yields, is not borne out by facts. Over long pre-war periods they continued at equal levels and fell below 4% during one of the most dynamic phases of our economic expansion from 1890 to 1905 with sharply rising stock prices at the end of the period.

No Correlation Between Earnings and Prices

While gross corporate profits should be expected to rise, even if not at the same rate as the projected growth of the Gross National Product, their translation into stock prices should not be expected. No reliable correlation exists, at least year-by-year, between fluctuations of stock prices and earnings that could be used to calculate standards of market values. Presently, the D-J industrial earnings average $36, equivalent to a D-J of 540, computed at the traditional earnings-price-ratio of 15. These ratios, however, have fluctuated between 23 in 1938 and 1945 when stock prices were low and 5.9 in 1948 when they offered no bigger bargains than at a ratio of 12 in 1954 or at 18 in 1943.

With a minimal economic growth rate of 4% annually, our GNP should reach $700 billion by 1967. Under more favorable tax conditions, we should expect that by then D-J industrial earnings might rise to $70. When we apply a price-earnings ratio of 18 in line with our past boom experience, we register a market level of 1260, or more than double our present one. No such rapid advance was ever before accomplished in the post-war period though the years from 1954 to 1959 came close to it. This projection shows that a mechanical application of price-earnings ratios, not allowing either for the major part of internal cash flows and research outlays as supplemental stock value guides, must be used with great scrutiny to give satisfactory results for any one year.

What happened to stock values in recent years has a fairly simple explanation: as an increasing number of investors entered and participated in the market, demand for stocks was sufficiently increased to create a price raising momentum of its own. Until we have proofs to the contrary, stocks have not been down-graded in the public esteem. They will continue to rate high as media of holding rapidly expanding wealth which cannot find other equally attractive forms of asset preservation. We must not forget, either, that the opportunities of genuine risk-taking offered by appreciation greatly appeals to the average American. While most investors realize that money can be lost in the stock market, they also patiently believe in the liklihood of recovery because of the unlimited promise of economic development, expanding markets and needs of a rapidly rising population which has remained real enough. These are some of the reasons why the attachment of millions of investors to the market buying chiefly with their own funds is bound to continue.

Thin Supply Feeds Higher Price Trend

On the demand side for stocks, the selling skills of 150,000 or more representatives who also encourage the switching of stocks, and the regular buying of Mutual Funds, Pension Funds, etc., created a strong market which, however, was not strong enough to resist panic selling. In further support of the upward pattern of price moves, the floating supply of many stocks remained thin, without substantial addition of new equities (net new equity sales of $2 billion annually against $24 billion new debt instruments financed by he public regularly). The long-term investor, holding income-earning stocks also prefers to stay locked in for various reasons. Even if sales were to bring large profits, the 25% capital gains tax had to be paid and wealth was irrevocably lost. Then, too, the almost insolvable question arose as to what to do with the cash in a period of a slowly eroding dollar. Late in May, however, panic overtook many investors who sold to save much or of the profits they saw menaced.

Today, we face many impoverished investors, at least paper value-wise, who bought "appreciation values", uncertain long-term investors who continue to hold stocks of rising yield, and many other investors and liquid asset holders amply supplied with idle cash. Today, the basic economic situation remains favorable while the market offers far better yields than a few months ago. Altogether, the attraction of the market has not run its course nor has a new enthusiasm arisen for different types of investment outlets outside the market. The younger segment of investors, too, who joined the booming market only recently and so became more prone to losses, is not going to quit as that would mean surrendering their invested savings and also their far more important expectations and confidence in the future of America.

Are Stocks Still Overvalued?

While the stock market makes its own prices related to its specific demand-supply situation, and to competing investment instruments, yields and availability of investable funds and wealth, we should look for normative standards that could tell us how much stocks are really worth today. At a D-J IA of 550, the listed stocks are valued at about $350 billion or 60% of the current GNP. Corporate assets underlying this market value will produce $52-54 billion gross profits and $37 billion internal cash flows in 1962. The present net worth of all corporations is $140 billion, and from 1946 to the end of this year, corporations have received over $400 billion internal cash flows and spent $470 billion on new plant and equipment the replacement costs of which would be much higher today. During the same period, corporations will also have earned $350 billion net profits (after taxes), paid out $180 billion in dividends and $330 billion in Federal corporation taxes alone. This balance sheet does not include billions spent on research and development, systematically applied to improve profit-making.

When one analyzes these flows of incomes and growth of assets, one must pay great homage to the shrewdness of those who try buying and selling stocks determine their market prices. The economist cannot say that the present market value of all stocks at $350 billion appears as a bad appraisal. Corporate earning power and available assets seem to be worth at least these amounts.[1] The return of favorable psychological conditions to the stock market could

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*These misunderstandings, partly based on mistaken ideas, were these: Labor did not have to push for "another steel round" even within the limits of prospective gains in productivity. The Administration, taking the cue from the Eckstein Report of 1959, assumed that a rise in steel would lead to another round of general inflation that had to be prevented if our export position and foreign deficits were not to deteriorate. While both arguments might have applied previously, they appeared far less valid for 1962. The steel industry made its basic mistake in not making it clear during negotiations that any wage increase would have to be financed, at least partly, from an increase in prices. The least that can be said is that the badly timed price increase once taken as an inevitable necessity, should not have been canceled.

1 It is interesting to observe that our corporate assets which create billions of incomes, profits and tax-paying ability annually, should about equal in value (measured at a D-J of 550) the total public debt Federal and otherwise. Except for a safe investment outlet, the latter furnishes no further active contribution to the economy though it requires tax funds for interest cost servicing that equal total dividend payments.

lead to an early reappraisal and add 100 or more points to the former low.

The Role of the GNP

Any major advance in the Gross National Product, too, is bound to raise the D-J average to higher levels. Over the last 20 years, the stock market increased at the largest percentages whenever the GNP achieved a sizable dollar gain. For example, when the GNP moved up by $27 billion in 1950, stocks gained $25 billion in value; the advance of the GNP by $35 billion in 1955 (followed up by another $23 billion in 1956), was accompanied by gains in stocks amounting to $70 billion; the growth in the GNP by $40 billion in 1959 (followed by $22 billion the next year), precipitated a stock rise of $80 billion the same year. On the other hand, the weak advance in the GNP by less than $15 billion in 1961 was not sufficient to maintain the very large stock gains of $86 billion that brought on the December high. Relatively small dollar gains in the GNP in any year, or large advances spread over several years provided no pulling power in the stock market and sometimes were accompanied by moderate declines. The recent stock high could not mostly have been maintained, if the dollar gains in the GNP's for 1961 and 1962 together were to show a magnitude of $70 or $80 billion. As the Gross National Product for 1962 will not exceed 1960 by more than $40 billion, the recent stock rise over-discounted, for the first time since 1946, prospective dollar gains in the GNP, with the well known consequences.

Excursion Back to 1929

The market is not out of line with the economy now (64% of GNP) (at a D-J of 550) in contrast to 1929 when the value of stocks equalled GNP. Corporate long-term debt, too, was then almost twice as high a today, calculated as a percentage of the GNP (45% against 27%). Within two years after the 1929 crash, corporate profits literally disappeared. Today, we cannot easily think of a type of recession that could depress annual gross profits below $40 billion. Most importantly, it was the lack of credit that choked off the stock market in 1929. In contrast the ampleness of private funds and of sound bank credit today remains impressive and could justify the dictum that "there can be no bear market" with plenty of cash.

In terms of the general economy, the collapse of demand in 1929 was partly due to an insufficient amount of spending power from wages inspite of full employment. Today, the aggregate of private consumption and public spending is soundly anchored and very large. Private and public wages, and salaries, public spending on goods and services and transfer payments together now amount to 91% of the total annual personal income against a mere 60% in 1929. This enormous increase in self-sustaining spending power shows the new strength of maintainable demand to which the vitally important investment spending, and incomes directly dependent on profits, should be added.

Finally, when we have a look at the very large private debt, though comprising a smaller percentage of the GNP in comparison with 1929 (one-third less), we find a lesser threat from it to economic stability than in the past. The debt is more broadly and better distributed and contains many safeguards against rapid or forced liquidation. To mention only one type of debt that could be dangerous in a period of stock market excesses, the financial and commercial debt obligations amounting to 7% of the GNP today indicate a far lesser involvement in the stock market than the 22% rate that was reached in 1929. Hence, we are not faced by an enormous pressure of forced stock sales originating from margin calls in a declining market leading to cumulative further declines.

Conclusion

The precipitous market selling at the end of May appeared predominantly as a reaction to an incidental, unplanned and sporadic utterance about prices and hence profit levels in the steel industry. The realization that short-run inflationary forces are not advancing presently, as a kind of sequel to the steel case, might also have contributed to the very obvious change in mood of the volatile part of the investing public. The decline was the result not so much of forced liquidation due to speculation, as of fear on the part of many investors that declines would continue. In view of the still high market, decisions were taken to sell while ample profits could still be preserved without regard to tax costs. Investors who sold, on balance, most likely gained more than they lost because many had acquired their assets far below the even reduced market prices of May and June. Today, the public is well supplied with cash and marks time at 4% drawn in savings accounts. The continued strength of Mutual and Pension Funds permits them, too, to accumulate cash for buying selective stocks with good yields and realistic appreciation prospects.

Taking the level of the D-J I A at 550, it appears likely that stocks will fluctuate rather upward for the following reasons. As an after-thought to panic selling, investors will realize that neither the forces of inflation nor the profit-making ability of our market economy have been transformed or basically changed and that, consequently, stocks continue to provide the most active participation in all values steadily created by the American economy. The likely continuation of economic growth into 1963, a decline in the foreign deficit and slowing-down of gold outflows, will restore a favorable market climate.[2] For the millions of newcomers to the market, the mixed results so far achieved should not be interpreted as "never again," while for seasoned investors the return of stock yield levels to that of bonds indicates normalization and new market opportunities. Should bond yields decline due to an easing of credit, a further stimulus for a favorable market climate will have been provided.[3]

Government Action

In strengthening the stock market, the government can play a considerable role. Concerning the psychological climate, it could clear the air still more by a repeated rejection, and ridicule as nonsense of such statements as "The government has turned anti-business or anti-profit." It also should let the public know that it considers a prosperous stock market a reflection of a prosperous, growing economy and that one is not maintainable without the other. Looking at specific measures, a reduction in personal and corporate income taxes and various incentives for business investment spending already under way, have first call. Proposals for dividend tax withholding deductions at the source inject disturbing control aspects of stock ownership and should be modified. The taxing of earnings of American-owned enterprises abroad without regard to the use of these earnings, would not improve the U. S. economy nor that of our Allies, not to speak of its retarding impact on corporate growth.

Concerning the reward for saving, the current rate of 4% perhaps exceeds what can be profitably maintained in our economy where large institutionalized and business saving become regularly available while the demand for investable funds is not pressing. For the time being, corporate profits do not run sufficiently high to encourage a fast expansion of production facilities that might require large borrowing of funds at premium costs. In this connection, it should be mentioned that the largest percentage-wise gains in the stock market, in recent years, came about whenever the Federal Reserve discount rate was set at 2% or below.

When it exceeded 3%, stock prices frequently declined. To sum up, even a minor reduction in the interest rate would move back large amounts of cash into the market, again looking for reasonable yields and tangible appreciation opportunities. All these developments are bound to create a more firm and positive attitude of the investing public and provide a non-vulnerable base for the D-J industrial average at 600 from which advances later in the year offer realistic prospects.

2 As it is likely that private capital outflows will decline in response to prevailing uncertainties, our balance of payments might even show a surplus for 1962. Concerning gold outflows, they could be stopped at any time by co-operative action of the Central Banks of the so-called surplus countries.

3 We can imagine what level the D-J would reach, if bond and stock yields here were similar to those in Switzerland—a financially and gold reserve-wise and extremely sound country. Swiss bonds earned 3% and blue chip stocks 1.23% early in 1962. Even after the Market drop in May, taking stocks down by one-third from their highs, gross yields of stocks did not climb above 1.50%.

Maradel Products Common Offered

Hornblower & Weeks, New York City, is manager of an underwriting group which is offering publicly 263,000 common shares of Maradel Products, Inc. at $13 per share. This is the first public offering of the company's stock.

Of the total 76,000 shares are being reserved for sale to certain persons designated by Maradel.

The proceeds, together with funds from the contemporaneous sales of other securities, will be used in part to complete the purchase of the businesses and assets of M. Pier Co., Inc., Waval-Thermal Co., Beaute Vues Corp. and Sally Hansen, Inc., and in part to repay $2,175,000 of short-term indebtedness. The balance will be added to working capital.

Headquartered at 510 Avenue of Americas, New York City, Maradel manufactures and sells eye make-up, hair coloring, waving and rinsing preparations, and preparations for the care and conditioning of fingernails.

Ram Tool Corp. Securities Sold

Aetna Securities Corp., and Cantor, Fitzgerald & Co., Inc., New York City, are offering publicly in units, $800,000 of Ram Tool Corp., 7% subordinated debs., due July 15, 1972 and 120,000 warrants to purchase a like number of common shares. Each unit, priced at $500, consists of $500 of debentures and 75 warrants. The debentures and the warrants are immediately separately transferable.

The company, of 411 N. Claremont Ave., Chicago, is engaged in the manufacture and sale of electrically powered tools and hand garden tools. It will use the net proceeds from this sale to repay debt and increase working capital.

Berk-Deist Opens

SAN ANTONIO, Texas — Bert-Deist & Co. has been formed with offices at 8035 Broadway, to engage in a securities business. Partners are George B. Berk and Louis B. Deist.

As We See It

Continued from page 1

mists permitted themselves the luxury of making quite optimistic forecasts of gross national product for this year —which now appear to be definitely beyond the realm of probability. And so the popular modern philosophy insists that "something be done about it."

Now let us turn to some of the more obvious reasons for the failure of industry and trade to keep surging upward as the politicians had been hoping. (We can hardly as yet talk about the reasons for a recession which as yet does not exist.) The popular, often rather meaningless, complaint of "lack of confidence" seems this time to have a definite and a particular meaning. Businessmen evidently are in doubt about the rate at which their operations will continue in the months immediately ahead, and so are finding it the part of wisdom to be rather more cautious in building inventories than some observers had thought they might be. We must always remember, whether the politicians do or not, that it is the businessman and not the outside observer, least of all the politician, whose judgment must formulate or direct such policies as these. The same is to be said, of course, of the disappointing (to the political managers) rate at which funds are being poured into new plant and equipment.

Why?

It is, accordingly, in order to inquire what it seems to be that has led businessmen generally to take a long look at the future of their business, and to adopt a certain degree of caution in these matters of inventory and plant construction and improvement.

In very brief what are the obvious reasons for this lack of confidence at this time? The most obvious factor of recent origin is the cost-price squeeze, real and threatening. Across the country from coast to coast come dispatches daily of increases in wages and other forms of remuneration often accompanied by other concessions to the unions which can hardly give much assurance of corresponding increases in output of the worker. The accumulation of the vast number of agreements covering groups and individual businesses too small to attract a great deal of individual attention must, of course, be increasingly depressing to the thoughtful and observant man of business, especially when price adjustments are so violently resented and combatted at Washington.

Vital Factors

Such factors as this must weigh heavily when matters of inventory policy are being considered and, of course, even more so when decisions must be reached about increasing capacity or investing in newer equipment to replace still relatively new and efficient plant. Decisions such as these, particularly those which have to do with new plant and equipment, have to be made well in advance of consummation. It is essential that businessmen take a long, long look at what they must expect, not today or even tomorrow, but next year and perhaps even the next decade in some instances. It is all but universally doubted whether the Administration can really control the large labor unions even if it had the disposition to launch upon so politically risky an undertaking. It is obvious, of course, that the great rank and file of new labor contracts being written can not in any event be supervised by the authorities at Washington. There is some question whether the powers that be can really control prices, though it is obvious that even if they can not control them fully, they can give plenty of trouble to the businessman who defies them or tries to evade their edicts.

Of course all the long range factors which have so plagued businessmen in recent years remain for the most part. The individual businessman must always bear in mind the troubling fact that, should he proceed in what seems to him to be promising business ventures, he may have to pay up to 90% and more of all his profits to the government which, of course, is not fond of helping bear any losses he may suffer in the project. Even corporations must for the most part pay more than half of their profits out to Uncle Sam — a fact which must weigh rather heavily with corporate managers when they are drawing their plans for the future. They are aware, too, of the enormously expensive records which must be kept to comply with the laws of the land in this day and time. And, of course, they can see no reason to suppose that the "take" of the Federal Government will be reduced in any substantial degree at any time in the foreseeable future.

Hairs of the Dogs!

Now these are some, although by no means all, of the current factors which must be in large part responsible for the failure of business—so far as there has been any failure — to proceed as vigorously as politically minded officialdom had hoped and now feel to be almost a political must. And what is the nature of the remedies being proposed? Do any of them seem to promise relief from difficulties of this sort? The reply must, of course, be definitely in the negative. The fact is that they tend on the whole to increase them. Changes in the rules and regulations about depreciation accounting come more nearly filling that bill, than the others—although, of course, it is not altogether on the credit side of the ledger. Tax reduction which, of course, would of necessity be temporary and followed by still higher rates than at present—without any serious effort to reduce expenditures—hardly strikes at the roots of present difficulties. Hairs of the dogs that did the biting seem now to be the most favored remedies.

Elected Directors

David Graham, William P. Frankenhoff and Pomeroy Day have been named directors of C. H. Dexter & Sons, Inc., it has been announced by David L. Coffin, President.

Mr. Graham is a partner of Hornblower & Weeks, 75-year-old brokerage and investment banking firm; he retired recently as Financial Vice-President, director and member of the executive committee of the Standard Oil Company (Indiana), which posts he has held since 1952.

William P. Frankenhoff, a partner in William E. Hill and Company, has worked for more than 15 years in the management consulting field.

Pomeroy Day is President of the Connecticut Bank and Trust Company of Hartford.

Form Western Diversified

MINNEAPOLIS, Minn. — Western Diversified Investments, Inc. has been formed with offices at 3424 East Lake Street, to engage in a securities business. Officers are Timothy K. Roe, President; Dennis R. Neutzling, Vice-President and Treasurer, and John P. Karos, Secretary. Mr. Karos was formerly an officer of York & Mavroulis with which Mr. Roe was also associated.

Now Treibick Forsyth

The firm name of Treibick, Seiden & Forsyth, 63 Wall St., New York City, has been changed to Treibick & Forsyth.

C. G. Roudabush Opens

TAMPA, Fla.—Charles G. Roudabush is conducting a securities business from offices at 4115 West Platt Street.

F. W. Watts Opens

SOUTHFIELD, Mich. — Frank W. Watts is conducting a securities business from offices at 21125 Northwestern, under the firm name of Frank W. Watts & Associates.

Tamir in Secs. Business

Max M. Tamir is engaging in a securities business from offices at 1270 Avenue of the Americas, New York City.

Thunderbird International

MINEOLA, N. Y.—Cyrus J. Fromkin is conducting a securities business from offices at 25 Roslyn Rd. under the firm name of Thunderbird International Investment Co.

In Securities Business

LITTLE NECK, N. Y.—Malvina H. Seligman is engaging in a securities business from offices at 40-01 Little Neck Parkway.

Changing Patterns of Portfolio Management

Continued from page 3

there is nothing new about this. Those who have been in our business for any length of time remember the glory of the liquor stocks in 1935 and 1936 and the huge rise in 1945 and 1946 when some issues reached levels that have not been witnessed since, despite a tripling in the prices of the market as a whole. I can quote lots of other examples, such as the peaks made by the air transports in 1955 and 1956 or by the aircraft manufacturers in 1956 and 1957, or by the heating, air-conditioning and plumbing stocks which were higher in 1936 and 1937 than they are now. Let's take a more major group: the oils made their peak in 1957, five years ago, when they were 15% above their present levels although the market as a whole is now some 14% above the peak of that year.

What do these various things indicate? Simply that ours is a constantly changing field and that intelligent portfolio management must not only stay on top of these changes, but to be successful must be slightly ahead of them. This is what we intend to do.

Causes for Changing Market Patterns

In the title of my paper, and as I have been trying to develop it, I have laid considerable stress on the changing market patterns. What has made for these changes? First, we have had a tremendous rise in the number of stockholders. It is currently estimated that there are now some 17 million stockholders in the country as compared with only 6,490,000 a decade ago. What does this mean from the point of view of portfolio management or security sales? Well, for one thing, it means not only a much broader interest in securities on the part of the public and, incidentally, a much wider market for our shares, but also a considerably greater demand for securities as a whole. As a result of this latter factor, stocks will probably command higher price/earnings ratios than were witnessed in the '40s or the early '50s. There is nothing sacred about any P/E ratio, only sometimes it is too high and sometimes too low — all you have to be able to do is figure out which is which.

Second, shareholders are getting younger. The median age (the same number of people above as below) is now 48 as against 49 only three years ago. While this means that securities will be held somewhat longer, more importantly it means that objectives are different. The younger stockholders are more interested in the longer term participation in the growth of the economy while the older shareholders are more interested in the immediate return. Different stocks and different funds must be used to satisfy both. When I say return, I mean total return without distinction between the sources from which it is obtained. Carrying this a little further, we notice that there has been an extremely rapid growth in stockholders by minors. It is currently estimated that 450,000 minors now own stocks as compared with 197,000 in 1959. Again we have a different objective with this group, and, again here, we find the value that can be obtained from a well planned diversified portfolio.

Other changes can be mentioned such as the rise in income as a whole (the median family income of shareholders has jumped to \$8,600 from \$7,000 in 1959) and the higher educational levels of shareholders which calls for the need for better information and which renders the stockholders more capable of understanding the difference in varying types of securities. Of greatest importance, however, in the changes that have occurred in regard to portfolio management is the development of the corporate pension funds. Currently, it is estimated that these funds have a value of \$32.4 billion of which \$12.4 billion are in common and preferred shares. Only 10 years ago, the total value of these funds was only \$8 billion, of which about \$1.7 billion was in common and preferred stocks. Here, again, we see a tremendous pressure for securities. This has had and will continue to have a material effect on the evaluation of the earnings of the better types of companies which we are all striving to obtain.

These changes in the investment patterns call for the Dynamic Fundamentals which are to be the objectives of our Funds. Basic factors here, which must be ascertained, relate to earnings, yield, financial position, and above all, managerial skills and strength. The dynamic factors call for dominant positions in the proper industry and the satisfactory capitalization, financial position, and management that permit them to capitalize on these factors. Through application of dynamic fundamentals, you buy for tomorrow while having confidence in today. Under no circumstances, can you buy for yesterday.

Short Run Outlook

These are the changing patterns. What do we see immediately ahead? We see a mixed economy, with a slowing down of the recovery but with no great pressure in the correction, as unlike the stock market, business has built up little in the way of excesses. We see a market in which a definite trend has still to re-establish itself, but in which, at the present levels, real values are again becoming apparent and should be taken advantage of. Without going into details I should like to call attention to the fact that the broad 500 Stock Index of Standard & Poor's is now selling at a P/E ratio of about 15.7 times and yielding 3.97% as compared with 20.13 times and a yield of 2.86% at the end of 1961. Furthermore the present price/earnings ratio is lower than the average for any year since 1957 and the yield is better than the average for the past three years and approximates that of 1957 and 1958.

We can nothing wrong with the market "growth" or "long-term" as long as they are defined intelligently and rationally rather than emotionally. We feel that the objectives of our funds can best be achieved by constantly adjusting to the changing investment picture and that we cannot permit outdated yardsticks to hamper the over-all objectives of income, commensurate with preservation of principal, and participation in our economic expansion.

*An address by Mr. Kahn at the Bankers Club of America, New York City, July 25, 1962.

First Mutual Investors

PROVIDENCE, R. I.—First Mutual Investors Corp. is now conducting a securities business from offices in the Industrial Bank Building. Arthur Lefevre, Jr. is a principal.

Forms Rubin Newman Co.

Rubin Newman is engaging in a securities business from offices at 401 Broadway, New York City, under the firm name of R. Newman & Company. He was formerly an officer of Newman, Blume & Co. Inc. and prior thereto was a partner in Diversified Financial Programs.

Continued Good Growth Seen for Paper Industry

Chicago bank's analysis of the paper industry notes that its output in the first four months of this year was 24% higher than corresponding 1957 period as against 15% gain in total industrial output. Problems of diminishing operating rates and high costs are expected to be mitigated by reduced capital spending and technological advances. Foresees new favorable supply-demand relationship, growing market penetration, relative stability in supply and cost—all of which suggest continued good growth for the industry.

The July issue of *Business Comment*, a monthly publication of the Northern Trust Co., Chicago, Ill., offers an encouraging outlook for the paper industry.

The Bank pointed out that the: "output of the paper industry as a whole has generally paralleled the postwar growth trend as well as shorter term fluctuations in total industrial production, reflecting the widespread use and importance of paper and paper products to U. S. industry. From 1947 through 1957, both the paper industry and total industrial output grew at the same over-all rate of about 4.4% per year. However, since 1957, the industry has experienced somewhat better gains than producers as a whole, with average monthly output about 24% higher during the first four months of 1962 than in 1957, in contrast to a 15% increase in total industrial production over this period. This better performance in recent years reflects the moderateness of the output declines experienced in the 1957-58 and 1960-61 business recessions by the paper industry, emphasizing the great diversity of use of paper products.

Wide Range of Products

"The paper industry may be divided into four broad groups of products: printing and writing papers, which account for about 24% of industry volume; packaging products, which account for approximately 62%; sanitary papers, accounting for 6%; and building paper and board, accounting for 8%. Substantial variations in demand occur within the various segments of the paper industry. During the first quarter of 1962, production of container board, which is included in the highly responsive packaging segment, ran 24% ahead of the depressed levels in the comparable months of 1961. On the other hand, sanitary products such as facial tissues, toilet tissues, and table napkins, which are little affected by relatively moderate changes in economic activity, recorded steady gains, with output higher by about 4½% during the first quarter of this year than a year ago. In the category of printing and writing papers, the demand for newsprint and magazine papers depends largely on the volume of advertising. On the other hand, writing papers are one of the more stable segments of the paper industry, reflecting the more steady growth in demand from schools, governments, and for general business forms. The demand for building paper and board closely follows new construction activity.

Problems in Capacity and High Fixed Costs

"Reflecting growth in demand, capacity in all categories has been increased significantly. New facilities were added at a rather modest rate during the immediate post war years, but as the industry continued to operate at close to 95% of capacity, more aggressive expansion was undertaken beginning in 1955. During the following six years over 7 million tons of capacity were added, bringing total industry facilities to 39.7 million tons. Much of the new plant was ready just as demand slackened in 1958 and again in 1960, so that operating rates have generally declined. Whereas the industry's operating rate averaged 93% in the above 1947-56 period, in the five years since 1956 the rate has averaged slightly under 89% of capacity. Only 1 million tons of new capacity will be added in 1962 and slightly over 1 million tons are scheduled for the two years thereafter. Thus capacity may be increased by only 5% in these three years.

"Like most basic industries which require substantial investment in plant and equipment, the cost structure of the paper industry involves a high degree of fixed expense in the form of depreciation and interest. Consequently, profit margins respond quickly to changes in the rate of industry operations during the last five years, pretax profit margins have declined from an average of 12.8% in 1947-56 to 9.7% in 1957-61. Important factors also adversely affecting profit margins were rising employment costs which were not fully offset by higher prices or growth in productivity. Further, expenses incident to starting up new paper making machines have been a regular year - to - year charge against earnings. With less new capacity added this year and in the near future, some relief from these costs should result. Also, better demand so far this year has permitted some selective price increases in various paper grades.

"Much of the growth in the paper industry in the postwar period has been the result of substitution of paper products for other materials. Advances in forestry leading to higher harvesting yields and greater utilization of the tree in manufacturing operations have slowed the rise in cost of this raw material. This, together with technological advances in the treatment of papers, has enabled the industry to compete successfully against metals, wood, and textiles in numerous product applications. Among newer developments, wet strength papers coated with polyethylene and other plastics are finding expanding uses as building paper, shipping sacks, milk cartons, and in other packaging areas. Stretchable paper, which has water resistant characteristics affording better packaging protection, is enjoying excellent initial acceptance in grocery bags and shipping sacks. Research is progressing on paper-based disposable clothing for use in hospitals and scientific laboratories. Paper companies are continuing their active development of wood base chemicals, reflecting the potential of finding new by-product uses for the large chemical content of a tree which is still not utilized.

"The supply - demand relationship in the next few years for most paper products is expected to be more favorable than that of the past five years, suggesting that operating rates should improve. Moreover, the paper industry is one of the few basic industries where the raw material can be continuously replaced, thus providing relative stability to its supply and cost. In addition to these basically favorable factors, the development of new uses for paper and prospects for more intensive penetration of existing markets, together with rising population and standards of living, suggest continued good growth for the paper industry.

Chase Bank Warns On Fast Tax Cut

The Chase Manhattan Bank warned July 25 that a quick tax cut, which failed to take account of fundamental economic problems, might provide no more than a "fleeting stimulus" for the national economy.

Such a tax cut, the bank said in its bi-monthly report entitled Business in Brief, "could complicate the more basic task of breaking the U. S. economy out of the pattern of low-investment, slow-growth, heavy Federal deficits, and the balance of payments problems which has characterized recent years."

"What is wanted is a realistic and well-rounded approach which will bring the truly great potential strengths of America to bear against the challenges of the times," the report said. "Such an approach may well involve tax reductions. But it would go far beyond mere tax cutting, and would call for a new sense of discipline and national purpose in achieving a balanced budget, spurring investment and real economic advance and assuring full confidence in the integrity of the dollar."

Demands for action to stimulate the economy are growing as signs appear that the end of the 17-month-old economic advance may be near. The bank's report lists these signs of weakness:

Industrial production appears to have leveled off.

The kind of strong increase in business investment needed for general prosperity seems to have been ruled out.

Surveys reveal a decline in consumer confidence, and a cut in future buying plans for durable goods.

The rise in industrial production to date in this recovery is the smallest in any recovery since 1919.

Leading indicators, which began to display signs of weakness earlier in the year, now show 8 of the 12 leaders declining.

In appraising any proposals to stimulate the economy, the bank said it is important to remember that the nation confronts a number of basic economic problems. Four of the most important ones, according to the bank, are:

Restoring the vital element of confidence, so that the current trend towards an economic slowdown can be reversed.

Achieving a high rate of business capital investment, which calls for a removal of the squeeze on profits.

Avoiding inflation, which requires responsible budgetary and monetary policies plus greater restraint on the wage front.

Righting the imbalance in our international payments, which can be best accomplished by policies designed to strengthen our competitive position in world markets.

D. G. Aid Opens

(Special to THE FINANCIAL CHRONICLE)

PALO ALTO, Calif.—Douglas G. Aid is conducting a securities business from offices at 972 Elsinore Court.

Now With Birr & Co.

(Special to THE FINANCIAL CHRONICLE)

SAN FRANCISCO, Calif.—Robert H. Wilson has become connected with Birr & Co., Inc., 155 Sansome St., members of the Pacific Stock Exchange. He was formerly with Reynolds & Company.

Eppler, Guerin Branch

SAN ANTONIO, Tex. — Eppler, Guerin & Turner, Inc. has opened a branch office in the National Bank of Commerce Building under the management of Albert G. Engelke, Jr. and Bobby L. Walcowich.

Our Reporter on GOVERNMENTS

BY JOHN T. CHIPPENDALE, JR.

The market for fixed income bearing issues continues to show more than passing signs of uncertainty since much of the financial district is still concerned in some measure as to what is going to be the future trend of business. The money market has been bothered a bit by the higher rates of interest in Canada but this is not looked upon as being a major problem to be contended with.

On the other hand, there is the question as to whether or not the money and capital markets here will tend to harden if the economy should slump. The dollar, our gold holdings, and our international balance of payments are still points of uncertainty as far as near-term and long-term interest rates are concerned. The future business pattern holds the key as to whether or not there will be a cut in income taxes this year which would enlarge the budget deficit and add pressure to the money and capital markets.

Investors Wary

The upward trend in yields of fixed income bearing obligations has created a cautious attitude in the minds of many investors, even though there has been no real change yet in monetary policy. And the existing yields available in governments, tax-exempts and corporate bonds still keeps the return that can be obtained from these securities pretty much within the plateau range that had been expected by most capital market experts.

The uncertainty which has resulted from the sharp setback in the common stock market is responsible in no small measure for a great deal of the caution which is now being found in the bond market. In the first place, there is the big question as to what will happen to the future trend of business because of the severe decline that has taken place in prices of equities. This is most important to the bond market since the future course of the economy will have a very definite influence on what goes on in the market for fixed income bearing issues.

Dollar Must Be Defended

To be sure, the monetary authorities do not have the same leeway now that they had in the past as far as fluctuations in interest rates are concerned because there is a very delicate situation which must be handled with very great care since it entails the future of the dollar and our gold holdings. It is believed that the way in which protection can be given to our monetary unit as well as to our gold holdings is by keeping short-term rates on the high side, so that they are better than competitive with those in other world money centers. Also, there must be a decided change in our international balance of payments if we are to remove the basic cause of the concern about the dollar and our gold holdings. This will take time since the measures needed to bring about such a change cannot be done overnight.

As a stop-gap measure, higher short-term rates along with international cooperation with the various free nations Central Banks can do much to take the pressure off the dollar and our gold holdings. This talk of higher near-term rates brings with it the question as to what effect it will have on long-term rates. A rising short-term rate will result in a higher discount rate and an upward revision in the Central Bank rate should bring about higher long-term rates unless this action has been pretty well discounted ahead of time by the capital market.

Current Bond Yields Attractive

The upward movement in yields of bonds has taken some of these issues down to levels that make them attractive to certain types of investors. And this, in the opinion of some capital market experts, means that in some measure bonds have discounted developments which may not be as adverse as some have been predicting. The much talked about cut in taxes will, if it goes through, further unbalance the budget. In addition, this must be financed and the new money raising by the Treasury will most likely be confined largely to the near-term and intermediate areas of the government market. This would be following the established practice of the administration. However, it would not add to the supply of long-term bonds.

There could be some short-term bonds in this program since an issue or issues with a maturity up to 10 or 12 years with a coupon rate which would meet competitive conditions could be used for new money raising purposes. These would meet the needs of investors who do not want a real long-term bond. Terms of the August refunding operations are expected to be made known today (July 26).

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 21	48.0	47.0	53.5	63.6
Equivalent to—					
Steel ingots and castings (net tons)	July 21	1,398,000	1,370,000	1,563,000	1,858,000
AMERICAN PETROLEUM INSTITUTE:					
Crude oil and condensate output—daily average (bbls. of 42 gallons each)	July 13	7,229,910	7,237,210	7,267,660	6,971,210
Crude runs to stills—daily average (bbls.)	July 13	8,591,000	8,632,000	8,645,000	8,167,000
Gasoline output (bbls.)	July 13	31,200,000	30,627,000	30,622,000	29,558,000
Kerosene output (bbls.)	July 13	2,878,000	2,477,000	2,411,000	2,184,000
Distillate fuel oil output (bbls.)	July 13	13,248,000	13,574,000	13,465,000	12,922,000
Residual fuel oil output (bbls.)	July 13	6,010,000	5,541,000	5,799,000	5,757,000
Stocks at refineries, bulk terminals, in transit, in pipe lines					
Finished gasoline (bbl.) at	July 13	184,480,000	186,478,000	189,965,000	183,448,000
Kerosene (bbls.) at	July 13	30,948,000	30,257,000	28,346,000	30,284,000
Distillate fuel oil (bbls.) at	July 13	127,972,000	123,367,000	112,671,000	121,380,000
Residual fuel oil (bbls.) at	July 13	48,005,000	46,020,000	43,406,000	48,647,000
ASSOCIATION OF AMERICAN RAILROADS:					
Revenue freight loaded (number of cars)	July 14	497,660	419,584	590,332	573,306
Revenue freight received from connections (no. of cars)	July 14	416,474	446,027	495,941	420,340
CIVIL ENGINEERING CONSTRUCTION—ENGINEERING NEWS-RECORD:					
Total U. S. construction	July 19	$506,800,000	$428,300,000	$408,800,000	$509,500,000
Private construction	July 19	235,700,000	228,600,000	175,100,000	202,500,000
Public construction	July 19	271,100,000	199,700,000	233,700,000	307,000,000
State and municipal	July 19	239,800,000	138,500,000	172,200,000	220,800,000
Federal	July 19	31,300,000	61,200,000	61,500,000	86,200,000
COAL OUTPUT (U. S. BUREAU OF MINES):					
Bituminous coal and lignite (tons)	July 14	2,215,000	*1,620,000	8,965,000	7,534,000
Pennsylvania anthracite (tons)	July 14	85,000	112,000	304,000	340,000
DEPARTMENT STORE SALES INDEX—FEDERAL RESERVE SYSTEM—1947-49 AVERAGE=100	July 14	133	*118	156	123
EDISON ELECTRIC INSTITUTE:					
Electric output (in 000 kwh.)	July 21	16,759,000	16,749,000	16,628,000	15,829,000
FAILURES (COMMERCIAL AND INDUSTRIAL) — DUN & BRADSTREET, INC.	July 19	286	253	265	343
IRON AGE COMPOSITE PRICES:					
Finished steel (per lb.)	July 16	6.196c	6.196c	6.196c	6.196c
Pig iron (per gross ton)	July 16	$66.44	$66.44	$66.44	$66.44
Scrap steel (per gross ton)	July 16	$25.83	$25.17	$24.50	$36.67
METAL PRICES (E. & M. J. QUOTATIONS):					
Electrolytic copper—					
Domestic refinery at	July 18	30.600c	30.600c	30.600c	30.600c
Export refinery at	July 18	28.625c	28.525c	28.500c	27.650c
Lead (New York) at	July 18	9.500c	9.500c	9.500c	11.000c
Lead (St. Louis) at	July 18	9.300s	9.300c	9.300c	10.800c
‡Zinc (delivered) at	July 18	12.000c	12.000c	12.000c	12.000c
Zinc (East St. Louis) at	July 18	11.500c	11.500c	11.500c	11.500c
Aluminum (primary pig, 99.5%) at	July 18	24.000c	24.000c	24.000c	26.000c
Straits tin (New York) at	July 18	111.625c	112.375c	111.625c	115.250c
MOODY'S BOND PRICES DAILY AVERAGES:					
U. S. Government Bonds	July 24	87.94	87.83	89.02	87.90
Average corporate	July 24	86.91	87.05	87.45	86.11
Aaa	July 24	90.91	91.19	91.77	90.06
Aa	July 24	88.81	88.95	89.51	88.27
A	July 24	86.78	86.78	87.05	85.33
Baa	July 24	81.78	81.90	81.90	81.29
Railroad Group	July 24	83.53	83.66	83.91	83.53
Public Utilities Group	July 24	88.95	89.09	89.37	87.45
Industrials Group	July 24	88.54	88.67	89.37	87.59
MOODY'S BOND YIELD DAILY AVERAGES:					
U. S. Government Bonds	July 24	3.95	3.95	3.80	3.85
Average corporate	July 24	4.64	4.63	4.60	4.70
Aaa	July 24	4.35	4.33	4.29	4.41
Aa	July 24	4.50	4.49	4.45	4.54
A	July 24	4.65	4.65	4.63	4.76
Baa	July 24	5.04	5.03	5.03	5.08
Railroad Group	July 24	4.90	4.89	4.87	4.90
Public Utilities Group	July 24	4.49	4.48	4.46	4.60
Industrials Group	July 24	4.52	4.51	4.46	4.59
MOODY'S COMMODITY INDEX	July 24	369.8	367.2	371.7	372.4
NATIONAL PAPERBOARD ASSOCIATION:					
Orders received (tons)	July 14	243,439	294,844	351,171	274,741
Production (tons)	July 14	243,508	238,444	361,534	245,221
Percentage of activity	July 14	71	63	98	73
Unfilled orders (tons) at end of period	July 14	506,033	506,838	480,196	478,598
OIL, PAINT AND DRUG REPORTER PRICE INDEX—1949 AVERAGE=100	July 20	116.01	117.25	115.39	113.91
ROUND-LOT TRANSACTIONS FOR ACCOUNT OF MEMBERS, EXCEPT ODD-LOT DEALERS AND SPECIALISTS					
Transactions of specialists in stocks in which registered—					
Total purchases	June 29	4,142,970	2,055,870	7,319,530	2,086,750
Short sales	June 29	939,180	650,750	1,628,760	312,890
Other sales	June 29	3,290,550	2,708,270	6,639,270	1,690,170
Total sales	June 29	4,229,730	3,359,020	8,268,030	2,003,060
Other transactions initiated off the floor—					
Total purchases	June 29	682,500	610,330	496,630	218,140
Short sales	June 29	140,800	120,800	112,900	14,100
Other sales	June 29	502,200	605,230	558,250	244,530
Total sales	June 29	643,000	726,030	671,150	258,630
Other transactions initiated on the floor—					
Total purchases	June 29	1,168,400	963,721	1,458,408	650,490
Short sales	June 29	225,980	193,570	256,400	112,850
Other sales	June 29	1,011,667	1,117,070	1,489,288	588,489
Total sales	June 29	1,237,647	1,310,640	1,745,688	701,339
Total round-lot transactions for account of members—					
Total purchases	June 29	5,993,870	4,629,921	9,274,568	2,955,380
Short sales	June 29	1,305,960	965,120	1,998,060	439,840
Other sales	June 29	4,804,417	4,430,570	8,686,808	2,523,189
Total sales	June 29	6,110,377	5,395,690	10,684,868	2,963,029
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 29	2,361,514	1,981,342	5,218,796	1,464,249
Dollar value	June 29	$107,232,327	$95,423,688	$260,055,556	$75,586,252
Odd-lot purchases by dealers (customers' sales)—					
Number of orders—customers' total sales	June 29	2,003,386	1,744,680	3,835,266	1,370,685
Customers' short sales	June 29	119,886	112,929	92,011	10,647
Customers' other sales	June 29	1,883,500	1,631,751	3,743,255	1,360,038
Dollar value	June 29	$99,991,713	$92,073,594	$201,400,479	$68,634,032
Round-lot sales by dealers—					
Number of shares—Total sales	June 29	537,490	489,320	935,120	417,060
Short sales	June 29	------	------	------	------
Other sales	June 29	537,490	489,320	935,120	417,060
Round-lot purchases by dealers—Number of shares	June 29	878,380	665,330	2,067,430	484,430
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 29	2,218,400	1,771,720	2,881,820	548,120
Other sales	June 29	24,802,200	20,253,500	39,501,190	13,540,480
Total sales	June 29	27,020,600	22,025,220	42,383,010	14,088,600
WHOLESALE PRICES, NEW SERIES — U. S. DEPT. OF LABOR — (1947-49=100):					
Commodity Group—					
All commodities	July 17	100.3	*100.3	100.2	a
Farm products	July 17	96.5	*96.2	95.5	a
Processed foods	July 17	100.7	100.4	100.2	a
Meats	July 17	97.5	*97.3	95.9	a
All commodities other than farm and foods	July 17	100.7	*100.8	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
AMERICAN RAILWAY CAR INSTITUTE—			
Month of June:			
Orders of new freight cars	3,411	3,292	1,214
New freight cars delivered	3,911	3,758	3,142
Backlog of cars on order and undelivered (end of month)	13,274	13,778	11,821
BANK DEBITS—BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM—Month of June (000's omitted)	$292,500,000	$295,600,000	$271,800,000
BUSINESS FAILURES—DUN & BRADSTREET INC.—Month of June:			
Manufacturing number	237	229	218
Wholesale number	131	146	144
Retail number	606	664	696
Construction number	194	237	222
Commercial service number	113	102	123
Total number	1,281	1,378	1,403
Manufacturing liabilities	$32,821,000	$29,659,000	$26,590,000
Wholesale liabilities	9,535,000	10,216,000	8,784,000
Retail liabilities	27,065,000	27,569,000	27,192,000
Construction liabilities	13,627,000	15,798,000	12,500,000
Commercial service liabilities	5,445,000	8,270,000	8,762,000
Total liabilities	$88,493,000	$91,512,000	$83,828,000
COMMERCIAL PAPER OUTSTANDING—FEDERAL RESERVE BOARD OF NEW YORK— As of June 30 (000's omitted)	$1,878,000	$1,869,000	$1,460,000
CONSUMER PRICE INDEX — 1957-59 = 100— Month of May:			
All items	105.2	105.2	103.8
Food	103.2	103.4	102.3
Food at home	101.9	102.1	101.3
Cereal and bakery products	107.5	107.3	105.4
Meats, poultry and fish	99.6	100.1	98.5
Dairy products	103.0	103.7	103.8
Fruits and vegetables	109.4	108.6	107.0
Other food at home	94.4	95.1	95.7
Food away from home (Jan. 1958 = 100)	110.1	109.9	107.4
Housing	104.7	104.6	103.7
Rent	105.5	105.4	104.3
Gas and electricity	107.7	107.8	108.2
Solid fuels and fuel oil	100.1	102.4	100.1
Housefurnishings	99.0	99.3	99.4
Household operation	107.4	107.1	105.8
Apparel	102.7	102.7	102.2
Men's and boys'	103.1	102.9	102.8
Women's and girls'	100.0	100.3	100.0
Footwear	109.1	109.2	107.4
Other apparel	100.6	100.3	100.8
Transportation	107.3	107.2	104.0
Private	106.0	106.0	103.0
Public	115.0	115.6	110.9
Medical care	114.1	113.9	111.0
Personal care	106.4	106.3	104.4
Reading and recreation	109.5	109.4	107.0
Other goods and services	105.1	105.1	104.5
FACTORY EARNINGS AND HOURS—WEEKLY AVERAGE ESTIMATE — U. S. DEPT. OF LABOR—Month of June:			
Weekly earnings—			
All manufacturing	$97.03	*$96.80	$93.03
Durable goods	104.81	*105.22	101.09
Nondurable goods	87.02	*86.15	83.56
Hours—			
All manufacturing	40.6	40.5	40.1
Durable goods	41.1	41.1	40.6
Nondurable goods	40.1	*39.7	39.6
Hourly earnings—			
All manufacturing	$2.39	*$2.39	$2.32
Durable goods	2.55	*2.56	2.49
Nondurable goods	2.17	*2.17	2.11
INDUSTRIAL PRODUCTION—BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM—1957 Average = 100—Month of June:			
Seasonally adjusted	118	118	110
Unadjusted	118	117	111
NEW YORK STOCK EXCHANGE— As of June 29 (000's omitted):			
Member firms carrying margin accounts—			
Total customers' net debit balances	$3,637,000	$4,034,000	$4,076,000
Credit extended to customers	32,000	35,000	51,000
Cash on hand and in banks in U. S.	436,000	426,000	415,000
Total of customers' free credit balances	1,374,000	1,205,000	1,283,000
Market value of listed bonds	105,512,686	106,736,847	109,297,021
Market value of listed shares	298,969,472	326,781,550	348,858,603
Member borrowings of U. S. Govt. issues	482,000	384,000	441,000
Member borrowings on other collateral	2,325,000	2,963,000	2,915,000
SELECTED INCOME ITEMS OF U. S. CLASS I RYS. (Interstate Commerce Commission)— First Quarter:			
Net railway operating income	$112,621,163	------	$23,354,922
Other income	70,690,672	------	83,532,209
Total income	183,311,835	------	106,887,131
Miscellaneous deductions from income	15,323,408	------	15,168,833
Income available for fixed charges	167,988,427	------	91,718,298
Total fixed charges	91,698,625	------	92,364,606
Income after fixed charges	76,289,802	------	—646,308
Other deductions	10,269,651	------	11,607,654
Net income	66,020,151	------	—12,253,962
Depreciation (way & structure & equipment)	160,856,480	------	159,558,470
Federal income taxes	67,320,418	------	38,957,793
Dividend appropriations:			
On common stock	72,216,776	------	73,704,934
On preferred stock	11,674,927	------	12,049,879
Ratio of income to fixed charges	1.83	------	0.99
TIN—CONSUMPTION OF PRIMARY AND SECONDARY TIN IN THE UNITED STATES BUREAU OF MINES—Month of May (in long tons):			
Stocks in beginning of period	33,575	33,370	29,970
Receipts	5,860	7,250	5,985
Supply	39,435	40,620	35,955
Stocks at end of period	32,055	33,575	28,995
Total processed	7,380	7,045	6,960
Intercompany scrap transactions	150	125	100
Consumed in manufacturing	7,230	6,920	6,860
Primary	5,170	4,850	4,380
Secondary	2,060	2,070	2,480

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 was 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.

★ Advanced Micro-Electronics, Inc.
July 13, 1962 ("Reg. A") 75,000 common. **Price**—$4. **Business**—Manufacture of transistor and diode microelectronic circuits, and other electronic components. **Proceeds**—For equipment and working capital. **Office**—99 Bald Hill Rd., Providence, R. I. **Underwriter**—None.

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.

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. (8/29)
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., New York.

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.

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. **Offering**—Indefinitely postponed.

● 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**—Temporarily postponed.

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. (8/1)
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**—4050 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

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(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.

● **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. **Offering**—Imminent.

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. (8/27-31)**
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.**
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. (8/1-3)**
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.

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.

● **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. **Note**—This statement has become effective.

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**—Temporarily postponed.

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 over-

head 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**—Manufactuer of women's and children's tailored panties. **Proceeds**—For debt repayment, inventory and working capital. **Office**—Fajardo, Puerto Rico. **Underwriter** — Schweickart & Co., N. Y.

Canale Chemical Corp.
June 12, 1962 filed $250,000 of 6% convertible subordinated debentures due 1970 and warrants to purchase 25,000 common shares, to be offered in units of one $100 debenture and 10 warrants to purchase one share. **Price**—$100 per unit. **Business** — Manufacture of industrial chemicals for sale primarily to the graphic arts industry. **Proceeds**—For plant expansion, inventory, sales promotion, research and development. **Office**—37 Cottage Row, Glen Cove, N. Y. **Underwriter**—None.

Canaveral Hills Enterprises, Inc.
May 10, 1962 filed 100,000 common. **Price**—$5. **Business**—Company was formed to own and operate a country club and golf course, swimming pool and cabana club, near Cape Canaveral, Fla., and develop real estate, erect homes, apartment houses, motels, etc. **Proceeds**—For debt repayment and expansion. **Office**—309 Ainsley Bldg., Miami, Fla. **Underwriter**—Willis E. Burnside & Co., Inc., N. Y.

Capital Investments, Inc.
May 21, 1962 filed 86,370 common to be offered for subscription by stockholders on the basis of one new share for each two shares held. **Price**—By amendment (max. $10). **Business**—A small business investment company. **Proceeds**—For debt repayment and investment. **Office**—743 N. Fourth St., Milwaukee. **Underwriters**—Marshall Co., and Loewi & Co., Inc., Milwaukee. **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.

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. (8/1-3)**
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. (8/27-31)**
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., New York.

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 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**—Indefinitely postponed.

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.

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.

● **College Publishing Corp. (8/20-24)**
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**—Aug. 1, 1962 (11 a.m. EDST) at company's office. **Information Meeting**—July 27 (during business hours) at same address.

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.

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**—In the Fall.

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 dis-

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count prices. **Proceeds**—For working capital. **Office**—460 Bay St., San Francisco. **Underwriter**—Stewart, Eubanks, Meyerson & Co., San Francisco.

Country Set Inc.
Mar. 2, 1962 filed 150,000 common. **Price**—By amendment (max. $8). **Business**—Design and manufacture of sports and casual wear for girls and women. **Proceeds**—For selling stockholders. **Office** — 1136 Washington Ave., St. Louis. **Underwriter**—Goodbody & Co., N. Y. **Offering**—Temporarily postponed.

● **Courtesy Products Corp.**
May 16, 1962 filed 150,000 common. **Price**—By amendment (max. $5). **Business**—Manufacture, and sale or lease to hotels and motels of electric wall units for the preparation of coffee, and the sale of coffee, tea, cream, etc. **Proceeds**—For debt repayment, advances to a subsidiary and general corporate purposes. **Office**—1411 Palm St., San Diego, Calif **Underwriter**—Pacific Coast Securities Co., San Francisco.

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. **Offering**—Expected in September.

Crowneo
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.

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.**
Feb. 27, 1962 filed 102,000 common. **Price**—$3. **Business**—Production of graded diamond powder and compound. **Proceeds**—For debt repayment, additional personnel, advertising and working capital. **Office**—77 Searing Ave., Mineola, N. Y. **Underwriter**—Magnus & Co., N. Y. **Offering**—Indefinitely postponed.

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 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 Oct.

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.

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.

★ **Ekco Products Co. (8/8)**
July 19, 1962 filed $15,000,000 of s. f. debentures due Aug. 1, 1987. **Price**—By amendment. **Business**—Manufacture of housewares, bakers pans, builders hardware and rigid aluminum foil containers. **Proceeds**—For debt repayment, working capital and other corporate purposes. **Office**—1949 No. Cicero Ave., Chicago. **Underwriter**—Lehman Brothers, N. Y.

● **Electromagnetic Industries, Inc. (8/1-3)**
March 30, 1962 filed $250,000 of 6½% conv. subord. debentures due 1987, also 70,000 common shares, of which 45,000 are to be offered by company and 25,000 by stockholders. **Price**—By amendment (max. $1 per common share). **Business** — Design, production, assembly, distribution and sale of transformers, magnetic components and electronic instrumentation and control devices. **Proceeds**—For equipment, debt repayment, a new plant and working capital. **Office**—Sayville Industrial Park, Greeley Ave., Sayville, L. I., N. Y. **Underwriter**—Pierce, Carrison, Wulbern, Inc., Jacksonville, Fla.

● **Electromagnetics Corp.**
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. **Offering**—Indefinitely postponed.

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 circut TV system. **Proceeds**—For debt repayment, expansion, sales promotion and working capital. **Office** — 103 E. Hawthorne Ave., Valley Stream, N. Y. **Underwriters**—V. S. Wickett & Co., Inc., Thomas, Williams & Lee, Inc., and Crosse & Co., Inc., N. Y.

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.**
May 25, 1962 ("Reg. A") 50,000 common. **Price** — $6. **Business**—Operation of supermarkets. **Proceeds**—For expansion and working capital. **Office**—896 Old Country Rd., Westbury, N. Y. **Underwriter** — Reed, Whitney & Stonehill, Inc., Hempstead, N. Y.

Emcee Electronics, Inc.
June 4, 1962 filed $200,000 of 6¾% conv. debentures due 1974, and $50,000 common, to be offered in units of $200 of debentures and 50 shares. **Price**—$400 per unit. **Business**—Manufacture of precision instruments, and electronic devices for measurement and control. **Proceeds**—For plant expansion, inventory, and equipment. **Office**—1202 Arnold Ave., New Castle, Del. **Underwriter**—Weil & Co., Inc., Washington, D. C.

Equity Funding Corp. of America
March 29, 1962 filed 240,000 common. **Price**—By amendment (max. $6.50). **Business**—A holding company for firms selling life insurance and mutual funds. **Proceeds**—For new sales offices, advances to subsidiaries and working capital. **Office**—5150 Wilshire Blvd., Los Angeles. **Underwriter**—Wisconsin-Continental, Inc., Milwaukee.

● **Esslinger's Industries of Philadelphia, Inc.**
March 28, 1962 filed $850,000 of 6½% conv. subord. debentures due 1977 and 112,500 common shares. **Price**—Debentures, $1,000; stock, $8. **Business**—Brewing of malt beverages, the processing, cleaning and testing of metals and the sale of galvanized iron and steel products. **Proceeds**—For debt repayment. **Office**—10th & Callowhill Sts., Philadelphia. **Underwriter**—Woodcock, Moyer, Fricke & French, Inc., Philadelphia.

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. (8/28-31)**
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. (8/1)**
March 30, 1962 filed 78,500 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. (8/7-10)**
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.

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NEW ISSUE CALENDAR

July 30 (Monday)
Houston Lighting & Power Co.--------Bonds
(Bids 12 Noon EDST) $25,000,000
International Protein Corp.--------Common
(Arnold Malkan & Co., Inc.) $450,000
Prosper-Way, Inc.--------Common
(Crosse & Co., Inc.; V. S. Wickett & Co., Inc. and Thomas, Williams & Lee, Inc.) $256,500
Puerto Rico Brewing Co., Inc.--------Units
(Merrill Lynch, Pierce, Fenner & Smith Inc.) $4,500,000

July 31 (Tuesday)
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
Western Power & Gas Co.--------Preferred
(Paine, Webber, Jackson & Curtis) 150,000 shares
Worth Financial Corp.--------Common
(D. A. Bruce & Co.) $305,000

August 1 (Wednesday)
Admiral Automotive Products, Inc.--------Common
(Baruch Brothers & Co., Inc.) $400,000
American Modular Manufacturing Corp.--------Common
(Equity Securities Co.) $500,000
Beaton (John J.) Co., Inc.--------Common
(Baruch Brothers & Co., Inc.) $750,000
Cemeteries of America, Inc.--------Units
(Bernard M. Kahn & Co., Inc.) $890,000
Columbia Gas System, Inc.--------Debentures
(Bids 11:00 a.m. EDST) $20,000,000
Electromagnetic Industries, Inc.--------Common
(Pierce, Carrison, Wulburn, Inc.) 70,000 shares
Electromagnetic Industries, Inc.--------Conv. Debentures
(Pierce, Carrison, Wulbern, Inc.) $250,000
Financial Federation, Inc.--------Capital
(Kidder, Peabody & Co. and McDonald & Co.) 75,000 shares
Florida Water & Utilities Co.--------Debentures
(Finkle & Co.) $750,000
General Realty Income Trust--------Ben. Int.
(King Merritt & Co., Inc.) 1,000,000 shares
Hart's Food Stores, Inc.--------Common
(Merrill Lynch, Pierce, Fenner & Smith, Inc.) 235,550 shares
Jayark Films Corp.--------Common
(Pacific Coast Securities Co.) 72,000 shares
Kapner, Inc.--------Common
(Arnold, Wilkens & Co., Inc.) $250,000
Met Food Corp.--------Common
(Brand, Grumet & Siegel, Inc.) 34,200 shares
Met Food Corp.--------Debentures
(Brand, Grumet & Siegel, Inc.) $1,500,000
Norfolk & Western Ry.--------Equip. Trust Ctfs.
(Bids 12 noon EDST) $7,950,000
Oceana International, Inc.--------Common
(Baruch Brothers & Co., Inc.) $825,000
Orion Electronics Corp.--------Common
(A. D. Gilhart & Co., Inc.) $250,000
Schlumberger Ltd.--------Common
(Morgan Stanley & Co.) 700,000 shares
Stephens (M.) Mfg., Inc.--------Capital
(Thomas Jay, Winston & Co., Inc. and I. J. Schein & Co.) $300,000
Thermogas Co.--------Common
(A. C. Allyn & Co.) 800,000 shares
Thompson Manufacturing Co., Inc.--------Common
(Packer-Wilbur Co., Inc.) $360,000
Utah Gas Service Co.--------Common
(First Nebraska Securities Corp.) 30,000 shares

August 2 (Thursday)
Belt Railway Co. of Chicago--------Bonds
(Bids 12 noon CDST) $37,250,000

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
Four Star Sportswear, Inc.--------Common
(Magnus & Co., Inc.) $309,000
Goldsmith Bros.--------Common
(Federman, Stonehill & Co.) 125,000 shares
Laminetics Inc.--------Common
(Fabricant Securities Corp) $280,000
RF Interonics, Inc.--------Common
(Arnold Malkan & Co.) $200,000
Saw Mill River Industries, Inc.--------Common
(Arnold Malkan & Co., Inc.) $500,000
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)
First Connecticut Small Business Investment Co.--------Common
(P. W. Brooks & Co.) 200,000 shares
Southwestern Bell Telephone Co.--------Debentures
(Bids 11 a.m.) $100,000,000

August 8 (Tuesday)
Computer Concepts Inc.--------Common
(Doft & Co.) $500,000
Ekco Products Co.--------Debentures
(Lehman Brothers) $15,000,000
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
Midwestern Mortgage Investors--------Ben. Ints.
(Boettcher & Co.) $5,000,000
Regulators, Inc.--------Common
(Myron A. Lomasney & Co.) $375,000
Unison Electronics Corp.--------Common
(Gateway Stock & Bond, Inc.) $150,000
Walston Aviation, Inc.--------Common
(White & Co., Inc.) $562,500

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) $3,540,000
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
College Publishing Corp.--------Common
(James Co.) $155,000
Halsey Drug Co.--------Common
(Packer-Wilbur & Co., Inc. and Alessandrini & Co., Inc.) $318,000
Instromech Industries, Inc.--------Common
(Price Investing Co.) $300,000
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
Stelber Cycle Corp.--------Common
(Lloyd Securities, Inc.) $600,000

August 27 (Monday)
Aubrey Manufacturing, Inc.--------Common
(Pierce, Carrison, Wulbern, Inc. and A. M. Kidder & Co., Inc.) 140,004 shares
Avis, Inc.--------Debentures
(Offering to stockholders—no underwriting) $1,497,300
Centco Industries Corp.--------Common
(Arnold Malkan & Co., Inc.) $600,000
Lewis (Tillie) Foods, Inc.--------Debentures
(Van Alstyne, Noel & Co.) $4,000,000
Massachusetts Electric Co.--------Bonds
(Bids 12 noon EDST) $60,000,000
Massachusetts Electric Co.--------Preferred
(Bids 12 noon EDST) $7,500,000
Tabach Industries, Inc.--------Common
(Costello, Russotto & Co.) $300,000

August 28 (Tuesday)
Fastpak, Inc.--------Common
(Arnold Malkan & Co., Inc.) $625,000
Lewiston-Gorham Raceways, Inc.--------Units
(P. W. Brooks & Co.) $1,000,000

August 29 (Wednesday)
Air Reduction Co., Inc.--------Debentures
(Offering to stockholders—underwritten by Kidder, Peabody & Co. and Dean Witter & Co.) $44,546,300
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
Livestock Financial Corp.--------Common
(Shearson, Hammill & Co.) $2,450,000
Metropolitan Realty Trust--------Ben. Int.
(Eisele & King, Libaire, Stout & Co.) $6,500,000
Moskatel's, Inc.--------Capital
(Thomas Jay, Winston & Co., Inc.) 104,000 shares

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

September 18 (Tuesday)
Shin Mitsubishi Jukogyo, K. K.--------Debentures
(First Boston Corp. and Nomura Securities Co., Ltd.) $10,000,000
Steel Plant Equipment Corp.--------Common
(Joseph W. Hurley & Co.) $208,980

September 24 (Monday)
Lyntex Corp.--------Units
(P. W. Brooks & Co., Inc.) 1,200 units

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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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. (8/1)
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.

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

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. **Note**—This statement has become effective.

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.

★ Garsite Products, Inc.
July 13, 1962 ("Reg. A") 15,000 common. **Price**—$3.33. **Business**—Manufacture of machinery and equipment for the gasoline and oil marketing industries. **Proceeds**—For a selling stockholder. **Office**—4045 Merrick Rd., Seaford, L. I., N. Y. **Underwriter**—Theodore Arrin & Co., Inc., N. Y.

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.
Mar. 14, 1962 filed 200,000 common. **Price**—$7.50. **Business**—A small business investment company. **Proceeds**—For debt repayment and investment. **Office**—348 Orange St., New Haven, Conn. **Underwriters**—Ingram, Lambert & Stephen, Inc., and Reuben Rose & Co., Inc., N. Y.

• General Realty Income Trust (8/1-3)
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**—Sprayregen, 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.
—Van Alstyne, Noel & Co., N. Y.

• Goldsmith Bros. (8/6)
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**

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**—Crutenden & 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.

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. (8/20-24)**
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**—To be named.

Harris (Paul) Stores, Inc.
See Paul, Harris Stores, Inc.

● **Hart's Food Stores, Inc. (8/1-3)**
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.

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.

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**—To be named.

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.

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. (8/20-24)**
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. (7/30)**
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 floor-

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ing, 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. **Offering**—Indefinitely postponed.

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 Real Estate Trust**
July 23, 1962 filed 300,000 shares. **Price**—$10. **Business**—A real estate investment trust. **Proceeds**—For investment. **Office** — 30 State St., Boston. **Underwriter**—Empire Planning Corp., N. Y.

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. (8/1-3)**
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.

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. (8/1-3)**
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.

★ **Keystone-Universal Industries Inc.**
July 24, 1962 filed 100,000 common. **Price**—$3.50. **Business**—Retail sale of carpets. **Proceeds** — For expansion and working capital. **Office**—4042-54 Sawmill Run Blvd., Pittsburgh. **Underwriter** — Strathmore Securities, Inc., Pittsburgh.

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). **Note**—This statement has become effective.

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. (8/27-31)**
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. (8/28-31)**
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 pari-mutuel 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.

● **Livestock Financial Corp. (9/4-7)**
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. **Note**—This registration was withdrawn.

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. (9/24-28)**
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 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.

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.

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.**
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. **Offering**—Indefinitely postponed.

● **Masters, Inc.**
March 22, 1962 filed $1,500,000 of 6% conv. subord. debentures due 1972; also 150,000 common shares, of which 80,000 will be offered by the company and 70,000 by a stockholder. The securities will be offered in units of one $100 debenture and 10 common shares, except that up to $700,000 of debentures and 70,000 shares may be offered separately. **Price**—For debentures, at par; for common, $10. **Business**—Operation of discount department stores selling a wide variety of merchandise. **Proceeds**—For expansion. **Office**—135-21 38th Ave., Flushing, N. Y. **Underwriters**—Sterling, Grace & Co., and Norton, Fox & Co., Inc., N. Y. **Offering**—Indefinitely postponed.

Maxwell Industries, Inc.
June 7, 1962 filed $750,000 of 6½% subord. sinking fund debentures due 1972, 75,000 common and 10-year warrants to be offered in units consisting of a $10 debenture, one common share and one warrant. **Price**—By amendment (max. $21.50 per unit). **Business**—Contract finisher of fabrics used in the manufacture of wearing apparel. **Proceeds**—For debt repayment. **Office**—70 Wall St., N. Y. **Underwriter**—H. M. Frumkes & Co., N. Y.

Mechmetal-Tronics Inc.
May 28, 1962 filed 150,000 shares of 8% convertible cumulative preferred stock. **Price**—$3. **Business**—Design and manufacture of miniature metal bellows and other miniature products. **Proceeds**—For debt repayment, research and development and working capital. **Office**—12 Rochelle Ave., Rochelle Park, N. J. **Underwriter**—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.

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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. **Offering**—Imminent.

★ Midwest Farm Market, Inc.
July 13, 1962 ("Reg. A") 2,750 common. **Price**—$100. **Business**—Operation of an auction market for agricultural products and other merchandise. **Proceeds** — For general corporate purposes. **Address**—Geneseo, Ill. **Underwriter**—None.

Midwest Planned Investments, Inc.
May 28, 1962 filed 250,000 common. **Price**—By amendment (max. $7). **Business**—Company is engaged in the distribution of shares on contractual plan of other mutual funds, in trading in over-the-counter market, and in underwriting. **Proceeds**—For hiring and training of personnel. **Office**—1300 First National Bank Bldg., Minneapolis. **Underwriter**—None.

Midwest Technical Development Corp.
Feb. 26, 1962 filed 561,500 common to be offered for subscription by stockholders on the basis of one share for each two shares held. **Price**—By amendment (max. $7). **Business** — A closed-end management investment company. **Proceeds** — For general corporate purposes. **Office** — 2615 First National Bank Bldg., Minneapolis. **Underwriter**—None.

Midwestern Mortgage Investors (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.

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. (9/4-7)
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, Cundy, Inc., New York. **Note**—This letter 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.).

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 debentures, 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.

● Norda Essential Oil & Chemical Co., Inc.
March 20, 1962 filed 200,000 class A shares. **Price**—By amendment (max. $15). **Business**—Manufacture, processing and distribution of natural and synthetic essential oils, flavor, essences, etc., to food and drug industries. **Proceeds** — For debt repayment, working capital and other corporate purposes. **Office**—601 W. 26th St., N. Y. **Underwriter**—S. D. Fuller & Co., N. Y. **Offering**—Indefinitely postponed.

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.

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 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.

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.

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**—Indefinitely postponed.

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 50,000 common. **Price** — $5. **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 amendment (max. $10.29). **Business** — A mutual fund. **Proceeds**—For investment. **Office**—60 Wall St., N. Y. **Underwriter**—Sackville-Pickard & Co., Inc. (same address).

★ **Pennsylvania Power Co. (9/5)**
July 19, 1962 filed $12,000,000 of first mortgage bonds due 1992. **Proceeds**—For redemption of $8,000,000 of outstanding 5% first mortgage bonds due 1987, and construction. **Office**—19 East 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-Eastman Dillon, Union Securities & Co.-Salomon Brothers & Hutzler-Ladenburg, Thalman & Co. (jointly); First Boston Corp.-Blyth & Co. (jointly). **Bids**—Expected Sept. 5, 1962 at First National City Bank, 55 Wall St., N. Y. **Information Meeting**—Aug. 29 (3:45 p.m.) at 15 William St., N. Y.

Penta Laboratories, Inc.
April 23, 1962 filed 85,920 common. **Price**—By amendment (max. $4.25). **Business**—Development, manufacture and marketing of electron vacuum tubes. **Proceeds**—For selling stockholders. **Office**—312 N. Nopal St., Santa Barbara, Calif. **Underwriter**—Francis J. Mitchell & Co., Newport Beach, Calif.

Perfect Photo, Inc.
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.

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. (7/30-8/3)**
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. (7/30)**
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.

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.**
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. **Offering**—Temporarily postponed.

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. (8/13-17)**
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

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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.

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.

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.

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.
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. **Offering**—Expected sometime in August.

• Royaltone Photo Corp.
Nov. 29, 1961 filed 300,000 common, of which 100,000 are to be offered by the company and 200,000 by stockholders. **Price** — By amendment. **Business** — Develops and prints color, and black and white photographic film. **Proceeds** — For equipment and working capital. **Office**—245 7th Ave., N. Y. **Underwriter** — Federman, Stonehill & Co., N. Y. **Offering**—Indefinitely postponed.

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

• 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. **Offering**—Temporarily postponed.

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. **Note**—This letter was withdrawn.

• Saw Mill River Industries, Inc. (8/6-10)
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**—Expected in late August.

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.
Jan. 26, 1962 filed 200,000 common. **Price**—By amendment. **Business**—Manufacture of alumnium sliding windows and doors. **Proceeds**—For equipment, moving expenses and working capital. **Office**—503 E. Pine Ave., Compton, Calif. **Underwriter**—Vickers. MacPherson & Warwick, Inc., N. Y. **Offering**—Expected sometime in August.

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. (9/18)
June 29, 1962 filed $10,000,000 of convertible debentures due Sept. 30, 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.

• 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**—Postponed.

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.
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.**
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. **Note**—This registration will be withdrawn.

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.

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.

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. (9/18-20)**
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. (8/21)**
Jan. 5, 1962 filed 105,000 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., New York.

● **(M.) Stephens Mfg. Co., Inc. (8/1-3)**
March 28, 1962 ("Reg. A") 75,000 capital shares. **Price**—$4. **Business**—Manufacture and distribution of electrical fittings and connectors. **Proceeds**—For debt repayment, inventory, equipment and working capital. **Office**—814 E. 29th St., Los Angeles. **Underwriters** — Thomas Jay, Winston & Co., Inc., Beverly Hills, Calif., and I. J. Schein Co., N. Y.

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**—Postponed.

● **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 was 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 Pennington, Colket & Co., Philadelphia.

Taylor Publishing Co.
Dec. 21, 1961 filed 152,000 common. **Price**—By amendment. **Business** — Production and distribution of school year-books and commercial printing. **Proceeds**—For selling stockholders. **Office**—6320 Denton Dr., Dallas. **Underwriters**—Merrill Lynch, Pierce, Fenner & Smith Inc., N. Y., and Dallas Rupe & Son, Inc., Dallas, Tex. **Offering**—Indefinitely postponed.

Teaching Systems, Inc.
June 1, 1962 ("Reg. A") 50,000 common. **Price**—$2. **Business**—Production and sale of educational audio-visual teaching aids. **Proceeds**—For equipment, promotion and advertising and working capital. **Office**—1650 Broadway, N. Y. **Underwriter**—Creative Ventures Corp., 733 Third Ave., N. Y.

● **Technical Capital Corp.**
April 30, 1962 filed 500,000 common. **Price**—$10. **Business**—A small business investment company. **Proceeds**—For investment. **Office**—235 E. 42nd St., N. Y. **Underwriter**—Straus, Blosser & McDowell, Chicago.

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. 8/1-3)**
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.

● **Thompson Manufacturing Co., Inc. (8/1)**
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 non-ferrous 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. **Note**—This statement was withdrawn.

Unilux, Inc.
June 12, 1962 filed 40,000 class A shares. **Price**—$10. **Business**—Production of electronic flash systems for photography, etc. **Proceeds**—For equipment, sales promotion, research and development, and other corporate purposes. **Office**—120 Liberty St., N. Y. **Underwriter**—None.

Unison Electronics Corp. (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.

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.

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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. (8/1-3)**
June 18, 1962 filed 30,000 class A common. **Price**—By amendment (max. $10). **Business**—A public utility engaged 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., Los Angeles.

● **Vendex, Inc.**
Jan. 12, 1962 ("Reg. A") 300,000 common. **Price — $1. Business**—Manufacture of coin operated vending machines. **Proceeds**—For an acquisition and general corporate purposes. **Office**—1290 Bayshore Blvd., Burlingame, Calif. **Underwriter**—Pacific Coast Securities Co., San Francisco.

Vending Components, Inc.
March 30, 1962 filed 100,000 common. **Price**—$4. **Business** — Manufacture, design and sale of metal valves, mixers, taps, etc., for vending machines. **Proceeds**—For expansion, new products and other corporate purposes. **Office**—204 Railroad Ave., Hackensack, N. J. **Underwriter**—Keene & Co., Inc., N. Y.

Verlan Publications, Inc.
March 30, 1962 filed 89,500 common, of which 80,000 are to be offered by company and 9,500 by a stockholder. **Price** — By amendment (max. $5.50). **Business** — Preparation and production of books, catalogues and other printed material. A subsidiary publishes photography books. **Proceeds**—For expansion, debt repayment and other corporate purposes. **Office** — 915 Broadway, N. Y. **Underwriter**—Searight, Ahalt & O'Connor, Inc., N. Y. **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.

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. (8/13-17)**
Oct. 30, 1961 filed 90,000 common, of which 60,000 are to be offered by the company and 30,000 by a stockholder. **Price**—$6.25. **Business**—Sells Cessna Airplanes and supplies; also repairs and services various type airplanes. **Proceeds** — For expansion and general corporate purposes. **Office**—Civic Memorial Airport, E. Alton, Ill. **Underwriter**—White & Co., Inc., St. Louis.

Waterman Steamship Corp.
Aug. 29, 1961 filed 1,743,000 common. **Price**—By amendment. **Business** — The carrying of liner-type cargoes. **Proceeds**—For the purchase of vessels, and working capital. **Office**—71 Saint Joseph St., Mobile, Ala. **Underwriter**—Shields & Co., Inc., N. Y. (mgr.). **Offering**—Temporarily postponed.

Welcome Baby, Inc.
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.

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. (7/31)**
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**—To be named.

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 Property 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. **Note**—This registration wsa withdrawn.

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, 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 Allegheny Ave., Philadelphia. **Underwriter**—To be named. The last rights offering in December 1957 was underwritten by Eastman Dillon, Union Securities & Co., New York.

Georgia Power Co. (11/7)
On Jan. 12, 1962 it was reported that this subsidiary of the Southern Co. plans to offer $23,000,000 30-year first mortgage bonds in November. **Office**—270 Peachtree Bldg., Atlanta, Ga. **Underwriters**—(Competitive). Probable bidders: Halsey, Stuart & Co., Inc.; Harriman Ripley & Co., Inc.; Blyth & Co., Inc.; Kidder, Peabody & Co.-Shields & Co. (jointly); Equitable Securities Corp.-Eastman Dillon, Union Securities & Co. (jointly); First Boston Corp.; Lehman Brothers; Morgan Stanley & Co. **Bids**—Expected Nov. 7. **Registration**—Scheduled for Oct. 5.

Georgia Power Co. (11/7)
On Jan. 12, 1962 it was reported that this subsidiary of the Southern Co. plans to offer $7,000,000 of preferred stock in November. **Office**—270 Peachtree Bldg., Atlanta, Ga. **Underwriters**—(Competitive). Probable bidders: Blyth & Co., Inc.; First Boston Corp.; Morgan Stanley & Co.; Eastman Dillon, Union Securities & Co.-Equitable Securities Corp. (jointly); Lehman Brothers. **Bids**—Expected Nov. 7. **Registration**—Scheduled for Oct. 5.

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. Inc.; 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. Louis 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.

★ Norfolk & Western Ry. (8/1)
July 24, 1962 it was reported that this road plans to sell $7,950,000 of 1-15 year equipment trust certificates. **Office**—8 North Jefferson St., Roanoke, Va. **Underwriters**—(Competitive). Probable bidders: Salomon Brothers & Hutzler; Halsey, Stuart & Co. Inc. **Bids**—Aug. 1, 1962 (12 noon EDST) in Room 1015, 6 Penn Center, Philadelphia.

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.

Pan American World Airways, Inc.
Oct. 30, 1961 it was reported that the CAB had approved the company's plan to sell its 400,000 share holdings of National Airlines, Inc. However, it said Pan Am must start selling the stock within one year and complete the sale by July 15, 1964. The stock was originally obtained under a Sept. 9, 1958 agreement under which the two carriers agreed to a share-for-share exchange of 400,000 shares and lease of each other's jet planes during their respective busiest seasons. The CAB later disapproved this plan and ordered the airlines to divest themselves of the stock. **Office**—135 East 42nd St., N. Y. **Underwriter**—Merrill Lynch, Pierce, Fenner & Smith Inc.

Panhandle Eastern Pipe Line Co.
March 8, 1961 it was reported that this company expects to sell about $72,000,000 of debentures sometime in 1962, subject to FPC approval of its construction program. **Office**—120 Broadway, New York City. **Underwriters**—Merrill Lynch, Pierce, Fenner & Smith Inc., and Kidder Peabody & Co., both of New York City (mgr.). **Offering**—Expected in the fourth quarter of 1962.

Pennsylvania Power & Light Co.
Feb. 20, 1962 Jack K. Busby, President and C. E. Oakes, Chairman, stated that the company will require about $93,000,000 in debt financing in the period 1962 to 1970. **Proceeds**—For construction and the retirement of $17,-000,000 of maturing bonds. **Office**—9th and Hamilton Sts., Allentown, Pa. **Underwriters**—To be named. The last sale of bonds on Nov. 29, 1961 was won at competitive bidding by White, Weld & Co., and Kidder, Peabody & Co. Other bidders were Halsey, Stuart & Co. Inc.; First Boston Corp.-Drexel & Co. (jointly).

Public Service Co. of Colorado
March 9, 1962 it was reported that this company plans to sell about $30,000,000 of common stock to stockholders through subscription rights during the fourth quarter of 1962 or the first quarter of 1963. **Office**—900 15th St., Denver, Colo. **Underwriters** — First Boston Corp., Blyth & Co., Inc., and Smith, Barney & Co. Inc.

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.
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). **Note** — The bnod sale, previously scheduled for Aug. 28, has been postponed.

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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stitute, production for the week ended July 21, 1962, was 1,398,000 tons (*75.0%), as against 1,370,000 tons (*73.5%), in the week ended July 14, making a week-to-week rise of 2%.

The latest week ended July 21, 1962, shows a production decline of 32.9% compared to last year's week output of 1,858,000 tons (*99.7%).

Production this year through July 21 amounted to 58,419,000 tons (*108.1%), or 15.5% above the Jan. 1-July 22, 1961, period.

The Institute concludes with Index of Ingot production by Districts for week ended July 21, 1962, as follows:

	* Index of Ingot Production for Week Ended July 21, 1962
North East Coast	80
Buffalo	59
Pittsburgh	69
Youngstown	64
Cleveland	57
Detroit	89
Chicago	84
Cincinnati	56
St. Louis	87
Southern	91
Western	79
Total	75.0

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

Tax Reform Expects to Strengthen Steel Demand

With the steel industry at dead center during this traditionally slow season, steelmakers are hopeful that depreciation tax reform will strengthen fourth quarter demand, **Steel** magazine said this week.

Last week, there were indications it would. Said the sales chief of a major steel company: "An equipment manufacturer tells us that he's already feeling the effect of the depreciation changes—some new orders he hadn't counted on."

The nation's steelmaking rate turned downward last week as sales lagged. Steel estimated ingot output dropped 10,000 tons from the previous week's total. Output this week is expected to be slightly higher than the 1,360,000 tons poured last week.

In contrast, **Steel's** price composite on the key grade of steelmaking scrap, No. 1 heavy melting rose. It was up 67 cents to $26 a gross ton, highest since mid-May. Some analysts see this as a bellwether of an upturn in steelmaking.

But new orders for steel are not increasing as had been expected, **Steel** said. This means groundwork for the anticipated pickup in production in late August and September is not materializing. For the next few weeks, steelmakers expect only gradual improvement in sales. Now they're running only slightly ahead of June's.

Construction is the strongest market. Demand for plates, structurals, galvanized sheets, wire mesh, line pipe, and reinforcing bars is relatively good. Tin plate releases are improving as canmakers prepare for peak seasonal demands.

All that's needed to get the market off center is a resurgence of demand for sheets and bars. It should come next month when automakers place their first big orders for September shipment.

Price Pressure Continues

Until demand improves, there will be no letup in the pressure on prices.

In recent weeks, sharply competitive conditions have forced steel-makers to cut prices on secondary sheets, trim extras on hot rolled and cold finished bars, and reduce quotations on stainless sheets and plates.

Now **Steel** said they've cut prices on some grades of high strength line pipe sold in large quantities. Base prices of the tonnage products remain firm, but users are winning concessions by having extras waived, freight absorbed, and quality upgraded.

Competition is sharpening in Europe's steel market as well. **Steel** reported. Products include concrete reinforcing bars, slabs, structural shapes, and wire rods.

The reason: The Soviet Bloc has been flooding Western Europe with steel at "bargain" prices. Also mills in Belgium and Luxembourg, which have traditionally concentrated on exports, have been striving for a bigger piece of the Continental market because of shaky overseas prices.

In this country, at least a half dozen independent Texas producers are meeting the import price on reinforcing bars.

To counter import competition, major American producers are doing more and more fabricating, which is hurting independent fabricating shops.

Weakening in August Steel Buying Detected

With August only a few days away, steelmakers still can't count on a strong upturn next month, The **Iron Age** reported yesterday.

Most producers look for a definite pickup in new orders and shipments for August. But, with the market still slack, late July orders are trickling in slowly.

Many steelmakers still have only about 50 to 60% of the orders they expect to receive for August delivery. In the case of cold-rolled sheet, where six-week lead times have been normal, mills can now ship in four weeks.

The same rapid delivery exists for many other products. An **Iron Age** monthly check of steel mill delivery lead times shows they haven't increased from June lows.

Many users still count on getting steel in one to four weeks throughout August. Generally, mills are still able to meet these delivery schedules.

Steel buying plans of automakers are another factor clouding the August outlook, the national metalworking weekly reports.

Some auto companies are making fairly heavy buys for August delivery. One of the major automakers has asked steel suppliers for 70% of its normal August tonnage.

However, others are reducing August purchases, in some cases taking only about one-quarter of their usual needs. Also, some auto plants have not firmed up steel specifications for production of 1963 models.

Overall, auto steel orders have picked up some momentum. Several buyers have already given mills orders for September delivery.

Other steel buyers are showing some hesitation about placing new orders. Appliance makers, concerned about their rising factory inventories, are reducing order quantities.

Construction steels, while moving fairly well, are hurt by the slowdown in heavy industrial building. The machinery market for steel is also not too strong. Reduced freight car building has depressed the market for structural shapes.

Steel service centers, seeing a July reduction in their sales, are ordering lightly for August delivery. In some cases, warehouse inventories are still heavy. As a result, some have postponed plans for heavier buying in Auugust.

Annual Auto Model Changeover Now Taking Place

Auto output in the U. S. since Jan. 1 passed the 4,000,000 mark last week, taking a last brief spurt before receding into its annual model changeover, beginning in force this week, Ward's Automotive Reports said in its latest weekly survey.

The statistical agency said auto makers programmed production of 148,806 cars last week, a rise of 1.7% from 146,392 assemblies two weeks ago and 44.6% above 102,-875 passenger cars made in the corresponding week of a year ago.

Ward's said that Ford Motor Co. has scheduled a 5.5% increase in its output this week over last week. Seven of 16 Ford plants have worked daily overtime all week and will extend operations into overtime tomorrow. Two Ford plants, at St. Louis and Wixom (Mich.), resumed work last week after vacationing since June 30.

General Motors, with three Chevrolet division plants, at Willow Run, St. Louis and Janesville (Wisc.) will show a 2.2% rise in output from a week ago, Ward's said.

American Motors has begun to taper output, expecting to end its '62 model making by July 27. Chrysler Corp. assembly plants this week will close down on a staggered basis.

Rail Freight Data Distorted by Change in Coal Miners Vacation

Loading of revenue freight in the week ended July 14 totaled 497,660 cars, the Association of American Railroads announced. This was an increase of 78,076 cars or 18.6% above the preceding holiday week.

The loadings represented a decrease of 75,646 cars or 13.2% below the corresponding week in 1961, and a decrease of 109,154 cars or 18.0% below the corresponding week in 1960. These comparisons are distorted as the second week of the coal miners' annual vacation fell in the 1962 week but not in the corresponding weeks of 1961 or 1960.

There were 11,459 cars reported loaded with one or more revenue highway trailers or highway containers (piggyback) in the week ended July 7, 1962, (which were included in that week's over-all total). This was an increase of 2,528 cars or 28.3% above the corresponding week of 1961 and 2,933 cars or 34.4% above the 1960 week.

Cumulative piggyback loadings for the first 27 weeks of 1962 totaled 356,273 cars for an increase of 61,037 cars or 20.7% above the corresponding period of 1961, and 71,409 cars or 25.1% 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 Up 2.5% Compared to Last Year's Week

Intercity truck tonnage in the week ended July 14 was 2.5% ahead of the volume in the corresponding week of 1961, the American Trucking Associations announced. Truck tonnage was 14.0% ahead of the volume for the previous week of this year. The sharp week-to-week tonnage increase was due largely to a return to normal following the Independence Day holiday which occured on Wednesday of the preceding week of this year. This tonnage increase is consistent with that experienced during 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.

The terminal survey for last week showed increased tonnage from a year ago at 21 localities, while 13 points reflected decreases from the 1961 level. Jacksonville, Louisville, Omaha, and Richmond terminals reflected year-to-year tonnage gains of 25.7, 18.4, 12.2, and 11.3%, respectively. Baltimore terminals experienced the largest decrease—off 10.3%.

Compared with the immediately preceding week, 33 metropolitan areas registered increased tonnage, while only one area, New Orleans, showed a small decrease.

Both the year-to-year and week-to-week gains were achieved despite reports from a number of terminals that vacation shutdowns for some shippers cut into volume during the latest week.

Lumber Output Rises 8.7% Above 1961 Level

Lumber production in the United States in the week ended July 14, totaled 197,588,000 board feet compared with 140,518,000 in the prior week according to reports from regional associations. A year ago. the figure was 181,855,000 board feet.

Compared with 1961 levels, output advanced 8.7%, shipments were 9.4% higher, and orders gained 1.2%.

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

	July 14, 1962	July 7, 1962	July 15, 1961
Production	197,588	140,518	181,855
Shipments	203,800	173,930	186,335
Orders	218,953	185,439	216,339

Electric Output 5.9% Higher Than in 1961 Week

The amount of electric energy distributed by the electric light and power industry for the week ended Saturday, July 21, was estimated at 16,759,000,000 kwh., according to the Edison Electric Institute. Output was 10,000,000 kwh. more than that of the previous week's total of 16,749,000,-000 kwh. and 930,000,000 kwh., or 5.9% above that of the comparable 1961 week.

Business Failures Rebound in Latest Week

Recovering from last week's decline, commercial and industrial failures rose to 286 in the week ended July 19 from 253 in the preceding week, reported Dun & Bradstreet, Inc. However, casualties remained considerably below the 343 occurring in the similar week last year although they exceeded the 259 in 1960 and the pre-war level of 251 in the comparable week of 1939.

There was no change in the failures involving liabilities of $100,000 or more which held at 28 and continued below the 36 of this size a year ago. The week's upturn was concentrated in casualties with losses under $100,000 whose toll climbed to 258 from 225 last week but remained appreciably less numerous than the 307 recorded in the corresponding week of 1961.

Wholesaling failures jumped to 38 from 22 and service to 29 from 21, while milder increases lifted the toll among manufacturers to 51 from 46 and among retailers to 129 from 119. The only week-to-week decline occurred in construction, down to 39 from 45. More wholesalers and service concerns failed than last year, while substantial decreases from 1961 levels prevailed in other lines.

The toll in the East North Central States rose considerably to 62 from 41 and in the South Atlantic to 45 from 37. In other regions, changes were not sizeable. While Middle Atlantic casualties dipped to 82 from 88, those in the Pacific States held almost steady, totalling 54 as against 53. Six of the nine regions suffered noticeably fewer failures than last year. Only in the East North Central and South Atlantic States did tolls exceed year-ago levels, while casualties in the West North Central States held even with 1961.

Canadian failures edged down to 37 from 39 in the prior week, and were off from 45 in the similar week a year earlier.

New Business Incorporations Fall Below Both Previous Month and Year-Ago Levels

Marking the fifth consecutive month-to-month decline, new business incorporations eased down 2.3% to 14,904 in June, reported Dun & Bradstreet, Inc. As a result, new charters sank to the lowest level since March, 1961 ending the ten-month margin held over comparable year-ago levels.

Geographically, the rise from the number of new charters filed in June, 1961 occurred in only three of the nine major regions: New England, West South Central and Mountain. Compared to May, the only increase in new incorporations was registered in the New England States.

Wholesale Commodity Price Index Continues Slow Weekly Climb

Although the general wholesale commodity price level slipped on most days last week it turned up again last Monday to register the sixth straight week-to-week rise, reported Dun & Bradstreet, Inc. Substantially higher quotations at wholesale for silver and rye, and moderate rises in butter, hog and steer prices, helped to lift the index to the highest level since May 10 of this year.

On July 23, the daily wholesale commodity price index edged up to 271.74 from 271.63 in the prior week. While above the comparable month-ago level of 270.92, the current index remained slightly lower than on the similar day last year when it stood at 271.85.

Wholesale Food Price Index Edges Above Prior Week

The wholesale food price index, compiled by Dun & Bradstreet, Inc., inched up 0.5% to $5.90 on July 24 but continued below comparable year-ago levels. It was off 0.9% from $5.95 on the similar date last year and close to the $5.91 in 1960.

Moving higher in wholesale cost were flour, wheat, rye, barley, hams, bellies, beans, peas, and hogs. These increases, however, were almost offset by price declines in corn, oats, sugar, cottonseed oil, cocoa, and potatoes.

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.

Weekly Sales of Retail Stores Gain 4% Over Previous Week

Total sales of all retail stores in the United States during the week ended July 14, 1962, were estimated at $4.4 billion, by the Bureau of the Census, in its Weekly Retail Trade release. This represented about a 4% increase from the previous week. This survey is one of a new series published by the U. S. Department of Commerce which provide estimates of retail sales for the preceding week. Weekly sales estimates beginning with the first week in January 1962 are available upon request to the Bureau of the Census.

The sales estimates are based on the weekly sales of about 2,000 firms whose reports in total cover approximately 40,000 retail stores in the United States. The firms which are cooperating in this weekly survey are part of a larger survey panel which later furnishes figures on a monthly basis. The weekly figures are subject to revision on the basis of estimates derived later from the monthly panel. It is anticipated that the revisions for total retail trade will seldom exceed 1½%.

As weekly data are not available for previous years, comparisons cannot be made with the same week a year ago.

[Ed. Note: Dun & Bradstreet's nationally known survey of retail purchases regularly carried in this space will not be made this week. The data, however, will again be reported next week with the survey covering the period ending July 25, 1962.]

Nationwide Department Store Sales Up 8% From 1961 Week

Department store sales on a country-wide basis as taken from the Federal Reserve Board's index reported a 8% advance for the week ended July 14, 1962, compared with the like period in 1961. For the week ended July 7, sales were similarly ahead by 4% from the corresponding 1961 week. In the four-week period ended July 14, 1962, sales advanced 6% over the corresponding period in 1961.

According to the Federal Reserve System department store sales in New York City for the week ended July 14, were 6% higher when compared with the same period in 1961.

Virginia Electric & Power Company Perferred Offered

Merrill Lynch, Pierce, Fenner & Smith Inc. and Stone & Webster Securities Corp., New York City, are joint managers of a group that is offering publicly today (July 26) 300,000 shares of Virginia Electric & Power Co. $4.80 dividend preferred stock.

The stock is redeemable at $105 through July 31, 1967 (except for refunding through indebtedness or preferred stock at a lower cost of money), at $104 thereafter through July 31, 1972, at $102.50 through July 31, 1977, and at $101 thereafter.

The net proceeds from the sale of the stock will be used to provide for construction expenditures (including the retirement of short-term note indebtedness incurred therefor) or to reimburse the treasury therefor. Construction expenditures for 1962 are estimated at $82,500,000.

Headquartered in Richmond, the company, which was incorporated in 1909, is an electric utility operating in most of Virginia and in parts of North Carolina and West Virginia. The company also has joined with three other utilities in sponsoring the construction of an experimental atomic reactor to produce steam for power generation. The reactor, to be completed this year at a cost estimated at $20,000,000, is of the pressure tube heavy water type.

Mobile Estates Common Offered

Public offering of 80,000 common shares of Mobile Estates, Inc. at $6 per share is being made by Robert A. Martin Associates, Inc., New York City.

Net proceeds, estimated at $396,000, will be used for the purchase of real property, construction and development of mobile home sites, and the formation of sales agencies.

The company, of 26 Dalbert, Carteret, N. J., plans to engage in the development of real property into communities suitable for mobile home sites, and sell mobile homes.

Bioren Adds to Staff

PHILADELPHIA, Pa.—Bioren & Co., 1424 Walnut Street, members of the New York and Philadelphia-Baltimore Stock Exchanges have announced the association with them of George J. Allison and A. James Weiss as Registered Representatives.

Advisory Firm

MINNEAPOLIS, Minn. — The Minnetonka Corporation has been formed with offices in the Soo Line Building to act as investment advisers.

Municipal Gas Entities Form Own Trade Association

Newly formed association of municipal gas utilities is set up to perform for itself what the American Public Power Assn. does for its members. Though there is no direct connection between the two, the new APGA plans to cooperate with the APPA. One by-product effect sought is the encouragement and growth of government in gas.

A number of municipal gas utilities have banded together to form a new association which has been named the American Public Gas Association. With headquarters in Washington, D. C., this new organization promises to become like its counterpart in the electric industry, a force to be reckoned with, according to a statement issued recently by the American Gas Association, New York City.

"The APGA, it was pointed out, came into existence in December of 1961. However, it is only recently that formal organization got under way. At present the membership consists of about 40 municipal utilities, and more are applying for membership, according to Charles Wheatley of the Washington Law firm of McCarty & Wheatley. Mr. Wheatley, an aggressive young attorney in his thirties, is in effect the one-man staff of this new 'trade association.' His firm represents clients before the FPC; one of them is the Seattle Light Department.

October Convention Scheduled

"The first convention of APGA will be held in New Orleans in October according to present plans. At that time, formal policies of the association will probably be set. However, some indication of future policies is already available:

"(1) The new association will cooperate with the American Public Power Association, and endeavor to perform similar functions. (There is, however, no direct connection between the two organizations.)

"(2) The APGA will concern itself mainly with governmental relations. This would include Congress, the Federal Power Commission, the Communities Facilities Administration of the Housing and Home Finance Agency and any other Federal agency with which its members' interests may be invloved.

"(3) The association is quite likely to interest itself in legislation and Federal programs which may make available more low cost financing to its member gas systems.

"(4) It may act as *amicus curiae* in both regulatory and judicial proceedings.

"It appears likely that the new organization may seek to intervene in FPC pipeline certificate and rate cases. Whether it will intervene as an association — as the coal interests have done — or whether it will simply provide assistance to its municipal members is not clear. It may possibly do both. Mr. Wheatley, however, confirms that the APGA will interest itself in pipeline rate cases. His inference was clear that the organization will resist rate increases to its members.

Hope to Encourage Government Ownership

"A side effect of the formation of APGA is likely to be the encouragement and further growth of government in gas. The very fact that an organization exists to assist municipalities in their various activities, both regulatory and legislative, should act as a stimulus to persuade new towns and cities to embrace government ownership. The present potential membership of the Association includes more than 600 municipally owned gas systems or county gas districts. Mr. Wheatley has expressed the opinion that the APGA can count on enlisting a large number of these among its membership.

"Prior to the APGA's initial convention in October, it is expected that a permanent executive director will be chosen and a beginning made on organizing a regular staff. Mr. Wheatley is scheduled to remain as general counsel.

"At this time there is no indication that APGA is going to adopt a strong ideological platform in favor of public ownership of gas utilities vs. investor ownership. Mr. Wheatley has indicated that the new organization will be almost entirely concerned with 'service activities' on behalf of its membership. However, if these 'services' should result in Federal Agencies or Congress, giving preference in gas supply or rates to government-owned systems, then the matter of 'Ideology' would become academic. In this event, the gas industry could find itself faced with the same situation that has obtained in the electric industry since the formation of the American Public Power Association."

Now Morton Planning

The firm name of Morton Investment Co., 119 West 24th Street, New York City, has been changed to Morton Planning Co.

Harris, Logan Branch

FLINT, Mich.—Harris, Logan & Co. has opened a branch office in the Sill Building under the management of Charles E. Bowman.

The Economics of Survival

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every reason to expect a substantial and continuing increase in the resources that the Russians will be able to devote to their economic offensive against the Free World. At the same time, rapid growth will greatly enhance Russia's ability to absorb products from other countries, thereby making them dependent upon her.

So, the Soviet economic threat is not remote at all. It confronts us today and it will rapidly become far more formidable over the years that lie ahead.

Need to Reorient Our Thinking

When we turn to the question of what we should do about this problem, we find considerable confusion. For many years we Americans have been largely preoccupied with other types of economic problems, focused largely on the material well-being of the American public. We are accustomed to thinking primarily in terms of achieving ever-higher standards of living. It is very difficult to break this habit and to think in terms of survival.

Take, for example, the efforts that certain labor unions have been making to gain a further reduction of working hours. Basically, this reflects an ingrained way of thinking that is fundamentally inconsistent with our problem of survival. Certainly we cannot counter the Russian challenge by working less and less.

I mention this particular example only because it is such an obvious one. One could cite plenty more in many different areas. Most of us still think in terms of group interests as usual and cornucopian welfare as usual. We have not yet reoriented our thinking to the problem of self-preservation.

Perhaps I should reassure at this point that I am not going to suggest a master plan for our economy. Democracies do not have master plans. They do, however, have economic objectives and policies. It would be ridiculous to try to draw a detailed blueprint for the future of our economy but it clearly behooves us to reconsider carefully what our economic objectives should be and the kinds of policies we should adopt to achieve them. Let us attempt, therefore to summarize the chief considerations we must bear in mind if we are to cope with the Soviet economic offensive.

Three Major Objectives

These considerations can be summed up, I believe, in three major propositions, as follows:

(1) We must keep our economy healthy.

(2) We must see to it that our resources are employed in ways which will effectively combat the Soviet menace.

(3) We must accelerate our rate of economic growth.

There is admittedly nothing novel about any of these objectives. At first glance, they may even seem platitudinous, almost too obvious to be mentioned.

But I suggest that these generalities may be worth analyzing. You will note that they are worded as imperatives—as things we must do. And if these are indeed imperatives, then certain other goals may have to be subordinated to them. In any event, let us consider each of these general objectives and see what we can say about them.

Maintaining Economic Health

First, why is it imperative and what is involved in keeping our economy healthy?

Confronted with the Communist peril, it would seem axiomatic that we must keep our economy strong at all times. Indeed, the health of the U. S. economy is essential to the security of the entire Free World.

The concept of economic health is familiar enough and I shall not labor it. We must avoid wide swings in prices, production and employment. Either inflation or severe depression could be disastrous. Also, a high rate of chronic unemployment would be a serious matter—an evil in itself, a symptom of poor health and a threat to sensible policies.

It is important to recognize that our economy is already being subjected to extraordinary demands. The enormous outlays we must make for defense necessitate burdensome taxation and make it doubly difficult for us to finance other needed programs. And over the years ahead, we may be forced to spend much more for defense and foreign aid as the Soviets step up their pressures against us. This may require more basic adjustments than we have thus far made if we are to maintain the health of our economy.

Our Balance of Payments Problem

A major area of concern is our balance of international payments. If we fail to defend the dollar, we will be in deep trouble. And it would be equally serious if this problem should cause us to adopt policies which would slow down our economy or weaken our programs for combating the Communist offensive.

One part of this problem is the necessity of keeping U. S. products competitive in our own world markets. To do so, we must pursue conservative fiscal and credit policies and avoid inflationary policies in other areas as well. We must avoid reactivating the wage-price spiral and keep our production costs and prices under control.

But it is at least questionable whether even the best policies we can hope for along these lines will enable us to expand our exports sufficiently to solve our balance of payments problem. We already have a large export surplus and there are limits to its possible enlargement. To correct our payments deficit, therefore, we may need to slow down the outflow of capital and credit from the U. S. to other nations. Also, over the past three years, our military expenditures abroad have amounted to almost 80% of the overall deficit in our balance of payments. This suggests that it may be necessary to persuade our stronger allies to pay a large share of the common defense and aid to underdeveloped countries.

However, even if our allies do shoulder a somewhat larger share of these costs, we can hardly expect nations whose per capita incomes are lower than ours to pay their full pro-rata shares. Also, despite the importance of our allies, the primary responsibility for the common defense will continue to rest with the United States. We must therefore restore the health of the American dollar and again achieve a position of such strength that we can do whatever circumstances may require us to do to defend the civilized world.

Using Our Resources Effectively

Our second major objective is to utilize our economic resources in ways which will effectively combat the Soviet menace.

This is a subject on which the American public has been subjected to a great deal of nonsense. Some popular writers, and even some economists, delight in criticizing our allegedly wasteful, affluent society. They imply that the path to salvation lies in somehow eliminating private expenditures for luxuries—though they do not tell us how this is to be accomplished without resort to totalitarian methods.

Most of us find this sort of thing irritating, naturally, chiefly because it confuses people and distracts their attention from basic problems. Nevertheless, we must not jump to the conclusion that the qualitative aspects of our economy are unimportant. It is perfectly true that we cannot win the struggle for freedom simply by producing more luxuries for ourselves—more swimming pools, more lavish TV shows, more expensive vacations. Survival is not to be achieved by prosperity alone. We must concern ourselves with the uses to which our economic resources are put.

Outlays for defense are the most obvious example and the least controversial. Occasionally we hear people criticize our vast military expenditures, but most Americans have long ago concluded that we can and must spend whatever it may cost to defend our freedom.

Aid to Underdeveloped Nations

But as soon as we turn to areas other than defense, we encounter controversy. From the standpoint of survival, one of the most crucial is how much we should allocate to economic aid for underdeveloped countries. These nations—containing one-third of the world's population—will unquestionably be the chief target of Russia's trade-and-aid offensive. This is an area in which our struggle for survival may be won or lost.

At the present time the American people allocate less than half of one percent of their national output to this purpose. I submit that the facts we have reviewed clearly suggest that we should be doing more.

How much more we should plan to do over the years ahead, I would not presume to say. Some experts have recommended that the more developed nations should approximately double their aid to underdeveloped areas within a few years time. This is a program that we and the other rich nations of the world can easily afford, especially when you consider that it could make all the difference, literally, in the world.

Perhaps we should digress for a moment to clear up a common misconception. It is widely assumed that most of our foreign aid expenditures are made abroad and that therefore any increase in them would threaten our balance of payments position. This is not so. Roughly two-thirds of our outlays for foreign economic aid are spent here in the United States to pay for exports of American products. We could expand this type of aid without affecting our balance of payments. And if our allies would pick up more of the tab for mutual defense, the United States could do even more for the underdeveloped nations.

The task of helping these countries to achieve self-sustaining growth is not one to be minimized. Poverty, ignorance, lack of trained people, overpopulation and high birth rates enormously complicate the problems. Indeed, in many areas, unless a solution can be found to the difficult problem of checking population growth, the task seems all but hopeless. This is not an emergency rescue operation; it will be a long continuing process which will require intelligent handling and patience as well as money. But it may prove to be one of the best investments we can make of a tiny fraction of our resources—a fundamental investment in our own survival.

The western nations do not seem to be fully aware of how much is at stake in this area. If another third of the human race despairs of a free society and chooses instead the path of Communism, the balance of freedom in the world would be perilously upset. Not only would the emergent peoples lose their liberty, the West itself might suffer a breakdown of confidence and loss of nerve.

Other Vital Problems

There is a great deal more that could be said, of course, about the effective use of our resources. What kind of growth would help most to strengthen our world position? How much should be spend for training and education? How much for scientific research? What types of investment should be particularly encouraged? Should certain types of consumption be discouraged? What types of waste of our resources can we least afford? Should some governmental programs be cut back or eliminated? Should others be expanded?

These questions cannot be answered simply by the interplay of supply and demand in the market place; they will require continuing study and debate. No one person can answer them for the American people. We have no intention of answering them by adopting a regimented economy. The answers must be worked out over time by democratic methods. Nevertheless, the answers that we do evolve will enormously affect our future destiny.

In considering these questions, one of the fundamental problems with which we are confronted is this: How important is it that we should accelerate our rate of economic growth? You will recall that I postulated this goal as the third overall objective of the economics of survival. Let us consider how high a priority this goal deserves.

There are many people who do not think much of this objective. Some ridicule the idea that the richest nation on earth should seek salvation by concentrating on becoming richer. It would be tragic, they say, if we were to engage in a mere statistical race with the Russians.

Others fear that if we consciously try to accelerate growth, we may do more harm than good. Efforts to speed up growth may be self-defeating, inflationary, inconsistent with the freedom we prize. Faster growth will involve costs and if one of these costs is loss of freedom, then this cost would be excessive.

Why Faster Growth Is Needed

All of these criticisms dissolve when we analyze the case for accelerating growth, the methods we could employ without undermining our freedom, and the consequences we may face if we refrain from using them.

First, it should be emphasized that the big argument for faster growth is that it will help us to do the things we will need to do to cope with the Soviet onslaught. As we have already seen, we may eventually need to increase substantially our outlays for defense and economic aid. We may also need to spend much more for education and research and for other types of public as well as private investment.

How can these outlays be financed? In the case of public expenditures, there are only two possibilities: inflation and taxation. Inflation would be the height of folly. What about taxation? Tax rates are already high and if possible, should be reduced. An increase in tax rates might jeopardize the health of our economy.

What is more, higher taxes would be strenuously resisted. There are limits to the extent to which the American public is willing to be taxed even for defense and economic aid during "peacetime." Indeed, we may be at or near these limits already, especially in the case of economic aid. Despite the ominous developments of recent years, our outlays for these purposes constitute a smaller proportion of our national income than they did five years ago.

In contrast, it is surely reasonable to believe that the American public would allocate more resources to needed public programs if its income should grow at a faster rate. In this case, no cutback in private consumption would be required. Rapid growth has a more than proportionate effect upon tax revenues, as more taxpayers with rising incomes move into higher tax brackets and as corporate profits expand. This would automatically enable us to increase our outlays for national security and for other needed programs as well.

In other words, if the growth of our economy is sluggish over the years ahead, we may not be able indefinitely to counter the ever-mounting pressures of the Communist bloc. Briefly, unless we grow faster, we may find it increasingly difficult to survive.

More Reasons for Fostering Growth

Another important factor is the matter of American prestige throughout the world. This is not something to be lightly dismissed as being "merely psychological." As one observer has put it, all peoples everywhere are deeply affected by the vision of the United States as being by far the richest and economically strongest country in the world. It is hard to conceive what the world would be like if this were no longer true.

Yet, as we have seen, unless our rate of growth accelerates, it may not be many years before the Soviet economy becomes generally recognized as growing faster than ours not only in percentages but absolutely, not only in spurts but steadily. This could have profound consequences. It could greatly increase the appeal of the Communist system for the uncommitted countries. It could worry other nations about their reliance upon us. It could undermine our own morale.

Still another major point is that rapid growth in the U. S. would help the emergent nations to develop strong, free economies. To develop, they must expand their exports and these exports must have a destination. A rapidly growing U. S. economy can far more readily provide a market for these exports than one which is growing slowly. Indeed, the greatest help we can give these countries would be to consume more of their goods. And if they cannot find markets for their products in the Free World, they must inevitably turn to the Communist bloc—which will be aggressively seeking to entice them.

One could easily cite other cogent reasons for assigning high priority to the acceleration of economic growth. We must grow faster to provide jobs for our expanding labor force. We must grow faster to increase business opportunities and profits. We must grow faster if we are to achieve continuing social progress. And these reasons, too, all relate directly to the problem of survival.

Some persons are complacent about the growth prospects of the U. S. economy because they derive so much comfort from the vigorous economic progress of our European allies. The revival of Western Europe is encouraging, certainly, but it is no cause for complacence. It will be most helpful to have economically strong allies but we obviously cannot rely upon other nations to do all that will need to be done to counter Russia's economic offensive. Primary responsibility for this will continue to rest with the United States no matter how prosperous other nations may become.

In short, we can ignore the need for rapid economic growth only at our peril. It deserves a top priority among our national objectives, not as an end in itself but as a means to essential ends.

Our Approach to the Growth Problem

It should be emphasized, however, that we must be very careful how we approach this problem. The methods we employ are just as important as the objective. Ill-advised measures may in the long run be harmful to growth and may be highly objectionable on other grounds as well.

For example, it would be both self-defeating and highly dangerous to try to stimulate growth by means of massive government spending. Such a course could lead to economic instability, inflation and dollar crises. It is also important to recognize that many types of government spending impede growth by adding to the tax burden and by diverting our resources from more productive uses.

Moreover, we do not want too much tinkering with our private enterprise system in order to get some arbitrarily selected rate of growth. We are determined not to regiment our economy. We refuse to sell our birthright of freedom for a mess of production.

On the other hand, these words or warning definitely do not imply we should not seek to accelerate growth by sound methods. There are admittedly hazards involved in trying to grow too fast but there are far greater risks in growing too slowly. Nor is there any need to choose between rapid growth and freedom. Our problem is to work out policies which will accelerate growth in ways which will strengthen our free economy.

There is no valid reason for assuming that this cannot be done. The United States has experienced a number of prolonged periods of rapid expansion and so have other free economies. Indeed, many of them are growing much faster than we are right now.

We do not have space here to analyze the specific methods we should employ. This a complex subject that will require careful, continuing study. We must remove obstacles to growth and strengthen incentives to business expansion and increased productivity. There are many who pay lip-service to growth but who refuse to face up to what needs to be done to achieve it. We cannot accelerate growth by reducing the work week, by featherbedding practices, by piling up farm surpluses, or by squeezing business profits. There is need for frank recognition of the realities of the sources of growth and the importance of profits to stimulate and finance it. This is essential if we are to unleash the creative, dynamic growth potential of our free society.

How much faster can we grow? I do not pretend to know. Some economists like to set targets; others abhor them. Some are impressed by the difficulties involved in accelerating growth; others by the potentialities. We should not be unrealistic in our expectations, of course, but we should clearly concentrate on doing what we can to promote growth, not on trying to prove it cannot be done.

Since the war we have heard a great deal about the German miracle and more recently about the European miracle. Another American miracle is overdue.

Conclusions

Let us summarize briefly. We know that the Soviet leaders are determined to enslave the world. We know that they are mounting an all-out economic offensive against us. Over the years ahead this attack will become more and more powerful. We face a protracted struggle for survival. In these circumstances, it plainly makes sense for us to give first priority to policies which will enable us to survive.

This means that we must keep our economy healthy and see to it that our resources are utilized effectively. To achieve these goals, we will need to accelerate our rate of economic growth. We must be careful how we go about this but it clearly can be done without sacrificing our basic freedoms. Unless we grow faster, all of our freedoms will be in greater jeopardy.

Stated in these simple terms, these points certainly do not sound like great new discoveries and indeed they are not. But they deserve reiteration and reemphasis, I believe, because their meaning has not sunk in. We have not yet really faced up to their implications. We have not reset our sights and recognized the necessity of subordinating some of our other cherished goals to these imperatives for our survival.

So what are we to do? The temptation is to turn our backs on these problems and to immerse ourselves—or stay immersed—in our own day-to-day business and personal affairs. This is what the citizens of Rome did before the great Roman Empire was engulfed by the barbarians. The world is strewn with the wreckage of once mighty civilizations which neglected the essentials for their survival.

No, we cannot ignore these problems. We have a clear responsibility to contribute to their solution both by helping to create a broader public understanding of them and by helping in whatever ways we can to shape public and private policies to deal with them. This calls for continuing effort on the part of all citizens who occupy positions of leadership in our society.

We stand today at the turning point in history. Difficult decisions and difficult tasks confront us. With faith, intelligence and courage, we can cope with all of these problems. With determination, we can help to build a nation and a world of human well-being and dignity in which the finest qualities of man will flourish.

*An address by Mr. Adams at the School of Banking of the South, Louisiana State University, Baton Rouge, Louisiana, June 20, 1962.

Robbins Adds to Staff

(Special to THE FINANCIAL CHRONICLE)

CLEVELAND, Ohio — Wallace T. Donovan has been added to the staff of William T. Robbins & Co., Inc., Terminal Tower.

With California Inv.

(Special to THE FINANCIAL CHRONICLE)

SAN DIEGO, Calif. — George L. Kappes is now affiliated with California Investors, 1956 Fifth Avenue.

Hemphill, Noyes Branch

MINNEAPOLIS, Minn. — Hemphill, Noyes & Co. has opened a branch office in the Roanoke Building, under the management of John G. Grams.

Stewart, Miller Opens Branch in Boston

BOSTON, Mass.—Stewart, Miller & Co., Inc. has opened a branch office at 140 Federal Street under the management of Griffin S. Fallon, Jr. Mr. Fallon was formerly with Goodbody & Co.

Secs. Research Branch

SAN FRANCISCO, Calif.—Securities Research Corporation has named Jack I. Raichart manager of their newly opened branch office at 120 Montgomery Street.

New Firm Name

PHILADELPHIA, Pa. — Crichton, Cherashore & Cundey, Inc., 123 South Broad Street, has been formed to continue the investment business of Crichton, Cherashore & Co., Inc. The firm maintains a branch office at 170 Broadway, New York City.

TAX-EXEMPT BOND MARKET

Continued from page 6

isiana Fiscal Authority (1965-1987) bonds. This issue is the first installment of a $60,000,000 authorization to fund the states 1981-1962 general fund deficit. The bonds are secured by a pledge of 7% of the proceeds from the state sales tax.

This issue was awarded to the group managed by Blyth & Co.-C. J. Devine & Co. and Ira Haupt & Co. Only one bid was received and it designated a 4.2715% net interest cost. Results of the reoffering are not available as we go to press.

The Morgan Guaranty Trust Co. of New York and associates were the successful bidders for $3,000,000 Charlottsville, Virginia water improvement bonds (1963-1982) at a net interest cost of 2.87%. The bonds were reoffered to yield 1.60% in 1963 to 3.10% in 1982. A few of the underwriters in the winning group are Bache & Co., Weeden & Co. and Johnston, Lemon & Co. of Washington, D. C. The Chase Manhattan Bank group was the second bidder at a net interest cost of 2.89%. As we go to press the balance is about $1,485,000.

Dollar Bonds Steady

The toll road, toll bridge and utility revenue term bond issues have been inactive and steady in the last week. Although fluctuations have occurred daily, the week ended with the *Commercial and Financial Chronicle's* revenue bond Index unchanged at a 3.88% yield.

The Indiana Toll Road Commission reports a banner month for June. While the total number of vehicles using the road in June 1962 increased 3.5% over June 1961, the net income from tolls was 28.6% ahead of June a year ago. The June 1962 interest coverage of 1.859 times was 35.5% higher than the year ago coverage of 1.372 times. This toll road project, although slow in approaching its toll potential, seems well on the way to investment status. Loose talk concerning west-end competition with a free highway would seem to be short-sighted criticism. The cogent correlation and projection of population, automobile production and traffic density with highway system mileage and its relatively slow construction pace shows us short of highways real soon.

Dealer-Broker Recommendations

Continued from page 8

Jackson's Minit Markets and Savannah Sugar Refining Corp.

Connecticut General Life Insurance—Memorandum—Paine, Webber, Jackson & Curtis, 25 Broad Street, New York 4, N. Y. Also available are memoranda on **National Dairy, Consolidation Coal and Idaho Power.**

Control Data—Report—The Robinson Humphrey Company, Rhodes-Haverty Building, Atlanta 1, Ga.

Crown Zellerbach Corporation — Analysis—Laird, Bissell & Meeds, 120 Broadway, New York 5, N. Y. Also available is an analysis of **Irving Trust Company.**

Di Giorgio Fruit—Memorandum—E. F. Hutton & Company, 160 Montgomery Street, San Francisco 4, Calif.

Dresser Industries—Report—Edward A. Viner & Co., Inc., 26 Broadway, New York 4, N. Y. Also available is a review of **Cross Company.**

Edwards Engineering — Memorandum—Alessandrini & Co., Inc., 11 Broadway, New York 4, N. Y.

First Western Financial Corporation—Report—A. C. Allyn & Co., 122 South La Salle Street, Chicago 3, Ill. Also available are analyses of **Dean Milk Company, United Gas Corporation** and a **Portfolio** for attractive income.

Georgia International Life Insurance — Memorandum — Saunders, Stiver & Co., Terminal Tower, Cleveland 13, Ohio.

Golden Gate National Bank—Analysis—Birr & Co., Inc., 155 Sansome Street, San Francisco 4, Calif.

Howard Johnson Co.—Analysis—F. S. Moseley & Co., 50 Congress Street, Boston 2, Mass.

Inland Western Loan & Finance—Memorandum—Lewis E. Offerman Co., 1807 North Central Avenue, Phoenix 4, Ariz. Also available is a memorandum on **National Securities, Inc.**

Intercoast Companies, Inc.—Analysis—Schwabacher & Co., 100 Montgomery Street, San Francisco 4, Calif.

Interstate Vending Company—Analysis—Straus, Blosser & McDowell, 39 South La Salle Street, Chicago 3, Ill. Also available is an analysis of **Champion Parts Rebuilders, Inc.**

International Shoe Company — Analysis—Hardy & Co., 25 Broad Street, New York 4, N. Y.

Kay Windsor, Inc.—Analysis—Filor, Bullard & Smyth, 26 Broadway, New York 4, N. Y.

Miehle-Goss-Dexter—Bulletin—Purcell & Co., 59 Broadway, New York 4, N. Y.

Miehle-Goss-Dexter — Memorandum—Smith, Barney & Co., 39 South La Salle Street, Chicago 3, Illinois.

Minneapolis Honeywell Regulator Co.—Report—A. M. Kidder & Co., Inc., 1 Wall Street, New York 5, New York.

Moore Products Co.—Analysis—Suplee, Yeatman, Mosley Co., Incorporated, 1500 Walnut Street, Philadelphia 2, Pa.

Murphy Finance Co.—Memorandum—Piper, Jaffray & Hopwood, 115 South Seventh Street, Minneapolis 2, Minn.

Northern Ontario Natural Gas—Memorandum—G. W. Nicholson and Company Ltd., 67 Richmond Street, West, Toronto, Ont., Canada.

Papercraft Corporation—Analysis—Reed, Lear & Co., Grant Bldg., Pittsburgh 19, Pa.

Planet Corporation — Analysis — Wm. C. Roney & Company, Buhl Building, Detroit 26, Mich.

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

Reynolds Metals—Memorandum—E. F. Hutton & Company, 7616 Girard Avenue, La Jolla, Calif.

Richardson Company — Analysis Chace, Whiteside & Winslow, Inc., 24 Federal Street, Boston 10, Mass.

Security Life and Accident Company—Analysis—Equitable Securities Corporation, 322 Union Street, Nashville 3, Tenn.

See's Candy Shops, Inc.—Bulletin—Mitchum, Jones & Templeton, Inc., 650 South Spring Street, Los Angeles 14, Calif.

Soss Manufacturing Co.—Memorandum—First of Michigan Corporation, Buhl Building, Detroit 26, Mich.

Suburban Propane Gas Corp. — Data—Herzfeld & Stern, 30 Broad Street, New York 4, N. Y. Also available are data on **Green Shoe Manufacturing Co.** and **Thatcher Glass Manufacturing Co.**

Tip Top Products Company—Analysis—Butcher & Sherrerd, 1500 Walnut Street, Philadelphia 2, Pa.

United Fruit — Memorandum — Shields & Company, 44 Wall Street, New York 5, N. Y.

Western Union—Memorandum—Penington, Colket & Co., 70 Pine Street, New York 5, N. Y.

World Toy House Inc.—Analysis Irving J. Rice & Company Inc., Pioneer Building, St. Paul 1, Minn.

Businessman's BOOKSHELF

Adaptive Program for Agriculture: A Statement on National Policy by the Research and Policy Committee of the Committee for Economic Development — Committee for Economic Development, 711 Fifth Avenue, New York 22, N. Y. (paper), $1.

Billion Dollars at Your Fingertips Frank Russell—A new philosophy of hard selling, with techniques; 15 action tested sales procedures and for developing a winning sales personality, how to find, evaluate and sell prospects, how to demonstrate products dramatically, to win appointments, overcome objections and develop courage, self-confidence, resourcefulness and enthusiasm — Prentice Hall Inc., Englewood Cliffs, N. J. (cloth), $5.95.

Canada—Statistical summary, June, 1962—Bank of Canada, Research Department, Ottawa, Ont., Canada (paper), $25 ($3 per year).

Charting Steel's Progress in 1961 —A graphic facts book on the iron and steel industry—American Iron and Steel Institute, 150 East 42nd Street, New York 17, N. Y. (paper), 50c.

Current Issues in Commodity Policy—Boris C. Swerling—International Finance Section, Department of Economics, Princeton University, Princeton, N. J. (paper), 25c.

Depreciation Guidelines and Rules—U. S. Treasury Department Internal Revenue Service Publication No. 456 (7/62)—Superintendent of Documents, U. S. Government Printing Office, Washington 25, D. C. (paper), 25c.

Fact Sheets on U. S. Nuclear Power Projects—4th edition—Electric Companies Public Information Program, 230 Park Avenue, New York 17, N. Y. (paper), $2.00.

Highway Statistical and Financial Data (Bureau of Public Roads, Tables and other Pertinent Information)—Committee on Public Affairs, American Petroleum Institute, 1271 Avenue of the Americas, New York 20, N. Y. (paper).

Housing and Home Finance Agency: What it is, what it does —Office of the Administrator, Housing and Home Finance Agency, 1626 K Street, N. W., Washington, D. C. (paper).

Industry Wage Survey: Hotels and Motels—U. S. Department of Labor Bulletin No. 1328—Superintendent of Documents, U. S. Government Printing Office, Washington 25, D. C. (paper), 30c.

Investigation and Study of the Federal Home Loan Bank Board (Part 2—Clovis, N. Mex.)—Hearings before a Subcommittee of the Committee on Government Operations, House of Representatives—Superintendent of Documents, U. S. Government Printing Office, Washington 25, D. C. (paper).

Life Insurance Companies in the Capital Market—Andrew F. Brimmer—Michigan State University, East Lansing, Mich. (cloth), $7.50.

WASHINGTON AND YOU

BEHIND-THE-SCENES INTERPRETATIONS FROM THE NATION'S CAPITAL

WASHINGTON, D. C.—The Kennedy Administration is hopeful of preventing another Billie Sol Estes type of thing from happening.

Therefore, there is going to be more scrutinizing and investigations where money is involved than at any time in the history of the Federal Government.

The Bureau of Public Roads during the new 1963 fiscal year which began on July 1 will have more than $1,000,000,000 as Federal aid funds to spend. Congress is going to authorize at this session appropriations of more than $1,100,000,000 for each of the 1964 and 1965 fiscal years.

This is a tremendous amount of money to be spent. When the Federal funds are matched in part by the State funds, obviously the outlays will have a bearing on the economy of this country.

A number of instances of alleged fraud speculation, collusion, and numerous other irregularities have sprung up in at least a half a dozen states since the accelerated highway program began in 1957.

Big Business

Road building in this country is big business and it appears to be growing bigger. Many people in various walks of life are involved in the construction of local, state and Federal highways.

Secretary of Commerce Luther Hodges has directed reorganization of the Bureau of Roads. The Bureau, which works with the highways departments of the various states, is going to have two new offices with police powers. They are going to be the Office of Right-of-Way and Location, and the Office of Audit and Investigations.

Many reports have reached the House Investigating Subcommittee, headed by Representative John A. Blatnik of Minnesota of collusion in land speculation. Some speculators reportedly have gotten wealthy off the rights-of-way.

In the case of the super divided, multi-laned expressways known as the Interstate System, it takes acres of land to build a mile of these stop light-free highways.

The new Office of Rights-of-Way and Location will be responsible to curb any irregularities and help to oversee the purchase of rights-of-way with the aim of stamping out, if possible, speculation and collusion.

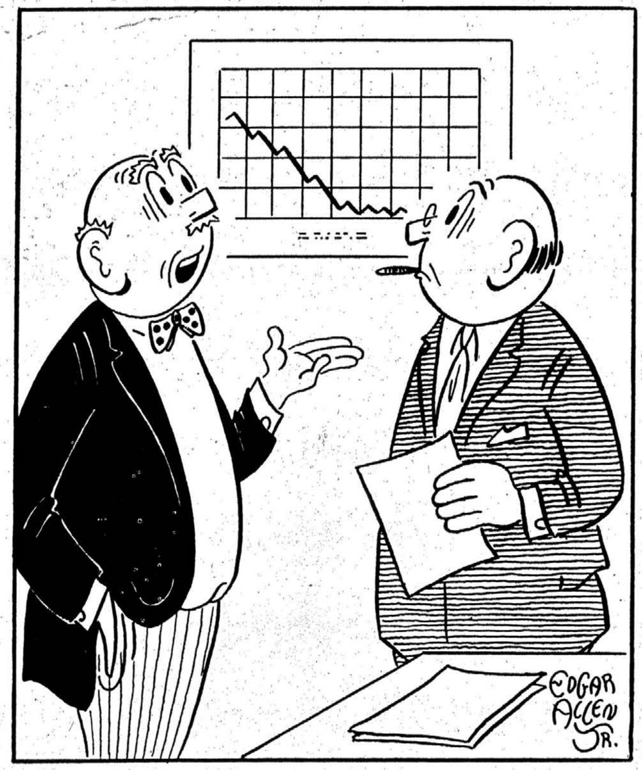
The offce to be known as the Office of Audit and Investigations will direct all investigations of alleged fraud and other irregularities.

Some Minus Signs

This mighty highway construction program is not all good, of course. There are a series of things that are bad about it. In the first place many people are yet to realize that this program is the biggest single construction program that has been undertaken in the world.

Most of the motorists probably realize the plus signs for these safer, faster multi-laned highways. But many of them do not realize that these roads are taking hundreds of thousands of acres of valuable farm, forestry and grazing lands forever out of production. They also probably do not realize that tens of thousands of persons are being uprooted each year from their homes and farms.

The Federal share of the highway funds comes from higher taxes on gasoline, oil, tires, inner tubes, tread rubber, and higher taxes on trucks with a taxable gross weight in excess of 26,000 pounds.



"Let's keep our party small—we'll invite only our customers."

1972 Target Date

Original plans set forth by Congress calls for completion of the Interstate System by 1972. Federal highway officials believe the schedule can be met. When completed, a motorist is supposed to be able to drive from New York to San Francisco or from Miami to Seattle without having to stop for a traffic light.

The construction program is using a tremendous amount of asphalt and concrete, sand and gravel, and all types of road building equipment and machinery.

There has been one thing about this program that has not been generally publicized. While construction costs have gone up since it was accelerated under the 1956 Act, the cost of the program has been fairly well stabilized. The high cost of right-of way has been described as a primary reason why the urban expressways are costing many millions of dollars per mile to construct.

Contractors, taking advantage of technological advantages, have been able to stabilize the actual construction despite the increase in labor, material and equipment.

Contractors in Profit Squeeze

The American Road Builders Association, a trade organization in Washington headed by Major General Louis W. Prentiss, (retired) maintains that an oversupply of construction capacity has forced construction prices to go down, and despite the technological advances made possible by improvements, the "contractor finds no profit." He calls today's market "profitless prosperity."

Meantime, many motorists who have been driving on links of the divided interstate highways like them and are helping the highway industry people beat the drums for more and better roads. It is clearer to many of them now why it costs more than $1,000,000 to build a mile of interstate roads.

There are about 12,000 miles of the multi-laned highways now open to the public.

Railroads Hurt

Federal Highway Administrator Rex Whitton insists that there are two paramount assets of the Interstate System. These are: many, many lives are being saved and injuries prevented, and truckers —and the number is growing all the time—are able to operate their vehicles more efficiently.

While the truckers are happy about the program, the railroads are continuing to charge and recharge that they are being regulated out of business by the Interstate Commerce Commission, the regulatory body.

For instance, the railroads in 1946 hauled about 40% of sand and gravel in this country. Today, according to a recent report, they carry little more than 11%. The blame is being placed on the cost accountants at the ICC for this dwindling short-haul business.

Under the Highway Trust Fund legislation, there is no fixed income, but it appears a certainty unless there is a war or a national calamity, the Trust Fund is going to get billions and billions of dollars from the motorists the next few years to carry on the mighty program.

[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.]

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.