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## EDITORIAL | As We See It

The President took occasion at his last week's press conference to lay down once again a challenge to the Republican party—and one must add to the not altogether negligible proportion of his own party which has so consistently declined to go along with him on his various programs. "I think the choice is very clear," he said. Then he added these words: "November, 1962, presents the American people with a very clear choice, between the Republican party, which is opposed to all of these measures, as it opposed the great measures of the Nineteen Thirties, and the Democratic party—the mass of the Democratic party—the Administration, two-thirds or three-fourths of the Democratic party, which supports these measures. Fortunately, the American people will have a choice and they will choose, as I have said, either to put anchor down or to sail."

The Chief Executive had a moment before made quite clear what it was that he was talking about. "I think what the American people have to understand," he said, "is that the Republican party, by and large, with very few exceptions, have opposed every measure that we have put forward, whether it's in agriculture, whether it's in medical care, whether it's in public works, whether it's in mass transit, whether it's in urban affairs—and they have been joined by some Democrats who, for a great many years, have opposed a good many Democratic programs.

* * *

"If the American people are against these programs, then, of course, they'll vote Republican and we will have a state of where their President believes one thing and Congress another for two years, and we'll have inaction.

"And there are those who believe that that's what we should have. I do not."

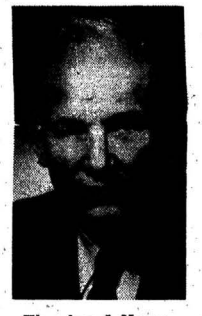
Mr. Kennedy disavows any intention of making the mistake that Franklin Roosevelt made in trying to "purge" members of his own party (Continued on page 21)

# The Money and Capital Markets Face Prosperity With Competition


*By* Dr. Theodore J. Kreps,* *Professor of Business Economics, Graduate School of Business, Stanford University, Stanford, Calif.*


**Poignant assessment of the belated, but nevertheless welcomed, return of realism to the stock market and of competition to the economy explains why the "sixties" now have a chance to prosper. The ex-Joint Economic Committee staff director credits the regenerative influence of the saver and the consumer now in the saddle, and describes the manifold implications of the intensified competition for savings on the money and capital markets. The economist describes portfolio changes, costs, and other problems facing banks and other thrift institutions; and foresees a firmer basis for returning prosperity as lower stock prices set a level where equity yields will exceed bond's to equal risk differences.**

Production and productivity may yet soar in the sixties. Work, increasing the sum of useful goods and services, is being restored in public esteem above sterile money-making which though raising prices adds nothing to real wealth. The virulent stock market fever has broken, though not yet down to healthy levels. Character-enervating, seductive "fast buck" operations more frequently come a cropper. Thriftless spenders are losing their glamor. Savers are regaining free and equal status in the money market. Tried principles of prudent investment now yield their merited reward in the mortgage market since inflation no longer can be counted on to bail out slovenly lending and unsound risks. Senior securities, especially bonds, are being given appropriate preference and respect in investors' portfolios. Intensified competition is bolstering invigorating dynamism and integrity in the managements of thrift institutions. The outlook for healthy growth based on hard work and genuine service to the public is unsurpassed.



Theodore J. Kreps

### Wall Street Smog

In the superb surroundings of Seattle, with its clean western breezes and its fair with a flair for the future, one finds it difficult to give serious audience to the gloom-and-doom dispensers in the murky financial ghettos of New York, Chicago or Philadelphia. More than two years ago various advisory services were pointing out that stocks were then overcapitalizing earnings by a larger amount than at any previous market peak—1929, 1937, 1946 or 1957. About a year ago several of them warned against a major downward readjustment within 12 to 18 months. Now the bubble has burst.

But except for tangential impact on some of the commercial banks, notably those with borrowers who despite contrary affirmation siphoned bank credit into the stock market, the readjustment of illusions and falsely based hopes is healthy. The U. S. A. is vastly larger than the small segments of the population substantially affected by stock market quotations. Most of them lost what they never had: paper profits. The unintelligent small fry and Johnny-come-latelies who "invested without investigating" will have profited more than they now realize if their losses teach them the salutary lesson that what steadily goes up frequently rapidly comes down. The men who play the stock market are not 12 feet tall. By far the great majority of them are holders of less than 100 shares. Millions own less than 10. They are not economic experts. They are predominantly ordinary people working hard at full-time occupations and as ignorant about stocks as teachers and college professors. The stock market merely adds up each day this multi-million ignorance coupled with hopes, fears, greed, cunning, and a modicum of expert knowledge. It records the result in the averages.

To understand the stock market requires long and persistent full-time (Continued on page 22)

**QUARTERLY FUND ANALYSIS NEXT WEEK—The "Chronicle's" June quarter analysis of mutual fund and closed-end portfolio transactions, the most comprehensive study of the subject will appear in the Aug. 9 issue.**

# The Security I Like Best...

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

MERRITT F. BEAL
*Analyst, Peter P. McDermott & Co., New York City*
*Members New York Stock Exchange*
*Members American Stock Exchange*
*Members Chicago Board of Trade*

**Sinclair Oil Corporation**

Sinclair is one of the major independent oil companies. For 1961 its gross income was above $1.2 billion. It is actively engaged in every phase of the industry, producing, transporting, refining and distributing, and it is also heavily in petrochemicals. The company owns 30.3% of Richfield Oil, 28% of Texas Pacific Coal & Oil, 45% of Calumet Nitrogen Products (55% owned by S. O. Indiana) and 50% of Sinclair - Koppers Chemical Company. It is 8th in domestic refining capacity and has one of the longest pipeline gathering and transportation systems. The company pays dividends liberally and, at current prices, its stock yields over 6%. It has made cash dividends distributions uninterruptedly for the past 28 years.


Merritt F. Beal

We are in parlous times and the stock market following the crack in May-June is a mystery to even the most experienced investors and traders. The extravagences of the past decade—individuals, corporations, governments—are beginning to call for offsetting factors on the other side of the ledger. The public hugs the sidelines, awaiting the appearance of bargains. In my opinion Sinclair is a real bargain both now and for the pull. One of the most attractive divisions of the market takes in the oils, and those companies associated with the oil industry. They have all the good qualities attendant on natural resources, on products which are consumed and a steady increase in demand for their products. What other solid category can offer such actual and potential values as the oils?

It is not difficult to visualize in the future of the oil industry as great proportionate use of petroleum products in all the nations of the world as is now witnessed in the United States. Automobiles, trucks, busses, airplanes, oil burners, ships, in fact all the various machinery that requires energy and lubrication have found, and will continue to find, petroleum, in all its shapes and forms, the major source of power. Continued growth of the use of oil is inevitable and a temporary surplus of oil is a wonderful condition to behold for it pictures clearly the long life of the industry of which Sinclair is one of the important parts.

Looking at Sinclair particularly we find a book value of above $65 a share, twice the current price of the stock, built up over the years from conservative cash distributions as compared to earnings. Equities of this kind give a solidity to the company that encourages the astute stockholder in the belief that he is in very good company. The earnings of Sinclair have been large and irregularly upward. At no time since 1953 have gross operating income figures been under $1 billion and in 1957 they reached a billion and a quarter. Last year, due to gasoline price wars and many other of the hazards that beset the industry from year to year, gross was $1,207,300,000 with earnings per share $2.38 and a cash flow of $10.25 per share. There are ample reasons for believing that earnings per share for 1962 should be substantially in excess of those reported for 1961.

Considered from every statistical angle, and with an unfaltering belief in the tremendous future prosperity of the oil industry in general and Sinclair in particular, it seems to me that the stock market conditions warrant buying the oils in preference to practically every other division, therefore to me Sinclair is a favorite issue now. It is listed on the New York Stock Exchange.

DAVID SHAPIRO
*Analyst, Model, Roland & Co., New York City*
*Members, New York Stock Exchange*

**United Utilities, Inc.**

It is only within the past few years that the investment public has become generally aware of the fact that there is more to the telephone industry than the Bell System. There are today about three thousand telephone companies in this country which are independent of the Bell System. These companies operate in two-thirds of the nation's geographic areas and service one telephone in six. The independents do not compete with the Bell System since each company is restricted by franchise to a specific geographic area. In general, the Bell System services the larger metropolitan areas while the independents operate mostly in smaller towns and cities and rural areas. There are, however, independent companies servicing such cities as Rochester, New York; Lincoln, Nebraska; Tampa, Florida; and Santa Monica, California. In addition, the entire State of Hawaii is serviced by an independent company.


David Shapiro

The Bell System controls the long lines but the independents have agreements with the Bell System providing for a division of revenues on long-distance calls originating from independent telephone company facilities.

The independents have shown a faster rate of growth in total revenues and net income during the past five years than has the electric utility industry. Based on figures supplied by the Federal Reserve Board and the U. S. Independent Telephone Association, we have found that the electric utility industry has increased its operating revenues by 39% since 1956 while the independent telephone industry has increased its operating revenues by an estimated 75% during the same period of time. This results in a compound annual rate of growth of 6.8% for the electric utility industry as compared with 11.8% for the independent telephone companies.

With regard to the growth in net income, the figures follow much the same trend. Electric utilities increased their net income since 1956 by some 42% while the independent telephone companies showed a growth of about 69%. Translated into compound annual rates of growth, the figures work out to 7.3% for the electric utility industry and 11.1% for the independent telephone industry.

It is also interesting to compare the figures for the Bell System and United Utilities in this regard. During the past five years, the Bell System has increased its operating revenues by 7.6% compounded annually, while United showed an increase of 10.4% on a compound annual basis. In the area of net income the Bell System showed a growth rate of 11.5%, compounded annually, as against 19.7% compounded annually for United Utilities. The independents have also demonstrated their recession resistant character in recent cyclical declines.

Current population trends tend to favor the independents. Recent census data shows conclusively that population growth in smaller towns and cities has outstripped that of the large metropolitan areas, during the past 10 years. In the decade of the 1950's, cities of a million or more barely maintained their population figures. In 1950, these cities had a total population of 17.4 million and in 1960, the figure went to something less than 17.5 million. In fact, some metropolitan areas have even been losing population. During this same 10 year period, places of 25,000 to 50,000 population increased their population by over 69%. Sizable increases in the population of places ranging from 2,500 to 25,000, are also reported in recent census data.

These figures reflect not only the move to the suburbs but also a strong trend toward decentralization of manufacturing facilities generally. Industry has been quick to recognize a number of advantages that location in smaller towns and cities affords such as lack of congestion and various tax benefits. The independent telephone companies located as they are in rural and suburban areas are among the beneficiaries of these trends. It appears quite likely that these tendencies will continue in the years to come.

United Utilities is the second largest independent telephone company in the United States. It services over 500,000 telephones. The company's service areas extend from the Eastern States to the Pacific Coast and include territories in such States as Kansas, Iowa, Indiana, Missouri, and Arkansas.

United has compiled an enviable record during the past five years. Starting with only 38% of its telephone in dial operation in 1957, it has now almost completed its telephones in dial operation in At the same time, it increased earnings per share by 55% and is currently paying a dividend which is higher than its earnings per share were in 1957. This performance is among the finest in the entire utility industry. For the six months ended June, 1962, per share earnings are estimated at 73.2 cents vs. 64.7 cents for the same period last year. This is a gain of 13%.

Capitalization currently consists

*Continued on page 18*

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

**This Week's Forum Participants and Their Selections**

# The Outlook for Plant and Equipment Expenditures

By Louis J. Paradiso,* *Assistant Director-Chief Statistician, Office of Business Economics, Department of Commerce, Washington, D. C.*

**Capital spending study contains projections for the mid-1960's, compares present with previous trends, and reviews factors determining corporate investment decisions. Holds that there has been an investment lag which has contributed to our retarded economic growth rate in recent years and to persistent unemployment, and observes that our postwar production facilities have been more efficient than during the prewar years. After citing the necessary assumptions, Dr. Paradiso arrives at a $70 billion plant and equipment outlay for 1965 and a $50 billion cash flow. The latter is broken down into $34 billion capital consumption allowance and $16 billion retained earnings. The economist foresees a bright business future, with interruptions the exception, based on the stimulative effects of R/D, government incentives, improved profits margins, and business initiative.**

In appraising plant and equipment prospects centering on the year 1965, a brief review of past trends and present position is useful in viewing future tendencies.

Louis J. Paradiso

I want to make it clear at the outset that throughout this discussion I shall define plant and equipment in accordance with the concepts used in the GNP accounts, i.e., the total of producers' durable equipment and construction other than residential; this would include farm and nonfarm, and also equipment charged to current accounts.

Business purchases of new plant and equipment in the postwar years have not kept pace with the growth in national output. The present fixed investment-GNP ratio is 25% below that of 1948. Also, the postwar ratios have been lower than those in the 20's and in the years immediately preceding World War I. The postwar average growth rate of real plant and equipment investment has been 3% per year (1950-57), whereas the growth of real GNP in the same period has been 3½%. A larger long-term annual increase in investment in the pre-1929 high employment years was accompanied by a smaller output rate. This suggests that the postwar productive facilities have been more efficient than those of earlier periods.

Also, even more important, is the fact that since 1957 plant and equipment outlays have been depressed relative to their postwar trend. In fact, before full recovery from the 1958 recession occurred, these outlays turned down again in 1960. There is no question that this investment lag in our economy has been a contributing factor in the retarded rate of economic growth in recent years and in the persistence of high unemployment rates.

This year plant and equipment expenditures are expected to rise nearly 10% over 1961 and if this gain should materialize, the 1962 total would be $50 billion—only 5% above the previous top in 1957; in contrast, the rise in GNP has been 25%. Also, the total for this year is below that needed for a full employment economy. If the economy were at full employment this year, a consistent plant and equipment expenditures total would be $60 billion, or 30% more than in 1961.

The postwar lag of fixed investment is traceable in large part to the pattern of equipment purchases as against plant. Early in the postwar period, real equipment purchases rose rapidly and by 1947 the level was double that of 1929. Since 1947, however, the movement has been basically sidewise. The exceptions were in 1956 and 1957 when the spurt in equipment expenditures was sparked in part by faster depreciation allowances permitted in the 1954 tax law and by businessmen's anticipations of sharp increases in demand for goods and services. As a result, industrial capacity to produce was greatly enlarged. Since the actual demand proved to be far short of expectations, a sharp adjustment in equipment investment occurred in 1958, followed in 1959 by a return to the pre-1956 level.

In contrast, plant purchases moved steadily upward through 1957, although the initial postwar increase was substantially smaller than that of equipment. In 1957 plant purchases were one-third above 1929. Following the 1958 and 1959 setbacks, these purchases have reached new peaks; buying of equipment, on the other hand, is still 5% below 1957.

Thus, even allowing for the improvement over the past year, present outlays for plant and equipment are low, both in relation to the growth in GNP and to the earlier postwar trend of these expenditures.

### Factors Affecting Investment Decisions

I shall now set forth some observations stemming from an evaluation of various factors affecting investment decisions during the postwar period.

(1) The size and direction of business investment are influenced by many factors and the importance on investment decisions of any particular one varies from time to time. In fact, some of the relevant variables are themselves

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### Regular Features



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# OBSERVATIONS...

BY A. WILFRED MAY

## THE TREND-CHASERS' EXODUS TO THE GOLD MARKET

Included in the "out-flow" of statements on the present-day worrisome course of our gold stock, are the traditional references to "those" dollar-raiding speculators—with their impact on the gold market motivating internationally-shared protective measures. At the same time, also as usual, there has been a paucity of available specifics concerning identity of the rascals and what makes them tick.

A substantial number of the present persistent bull operators in the international gold market, as is suggested by a highly-placed fiscal official, comprises transients from the worldwide stock market communities; and are motivated by their endemic foibles.

These Johnny-come-lately anti-fixed interest security folks' advent to glamorous gold speculation following their souring on the bearish stock market, have thus joined the *trend-chasers* previously cited in this space. In their concept of a lessening of the stock market's attractiveness *after* a 20-25% "Slide-Break" they, along with the short interest whose total as of July 13 reached a 46-month high, being up 50% from last December when the market averages were 30% *higher*, are embracing the upsidedown theory of "Value" that the greater the price reduction, the *less attractive* the investment.

### The Mining Boom

In any event, the South African gold mining companies, together with their economies, which so largely depend on them, are enjoying prosperity which is as fortuitous as it is great (even enabling them to relax the exchange controls on their citizens).

Gold Fields of South Africa, Ltd., for the quarter ended June 30 has just reported the amount of gold produced and the working profit as "the highest on record." Free State Geduld, with no increase in the tonnage milled, but as a result of enjoying the higher gold prices, reported a substantially higher profit for the month of June.

At the same time it must be realized that present switchers to the gold sector of stock markets are taking quite a lengthy step up the price hill. A full dozen gold company shares hit new highs for the year on the Johannesburg Stock Exchange during the week ended July 20; and indicating the rampant bullishness, the *Johannesburg Sunday Times* opines, "the whole tone of the market has caused pundits to declare that the strong bull market should continue."

* * *

### Governmentalization "There" —And Here Too

Argentina Minister of Economy Alvaro C. Alsagoray's visit here over the past week highlights a major point of similarity in the balance-of-payment battle, as conducted by both Latin American countries and *nouveau pauvre* Uncle Sam; namely, the high degree of *governmentalism* being injected, domestically and internationally. In fact, a single agency, the International Monetary Fund, which directly and indirectly now has its coffers open to us, is committed to supply to Argentina $100 million of the $500 million of credits just arranged here by Sen. Alsagoray.

Interviewed on NBC-TV's "Meet the Press" on July 8, IMF's Board Chairman and Managing Director Per Jacobsson agreed that present arrangements are leading to a "kind of International Federal Reserve System."

Significantly too, the $100 million tranche of the $500 million expected by the Argentinas from two New York City private commercial banks, which is the only non-governmentally sourced credit expected, is the only section of the new aid arrangement that is still in doubt.

On Argentina's domestic-front governmental direction, disclaimed as anything but democratically beneficent, is evidently being maintained at full blast. Interestingly, evidencing its "managerial" prerogatives, the government is withholding until mid-September next, payment of the wages earned from July 15 on by the railroad workers, who are Federal employes. As explained here by Minister Alsagoray, this step embodies "a non-Fascist policy to avoid use of the printing press."

### Alliance for Progress and the Inter-American Development Bank

While the Alliance for Progress and the Inter-American Development Bank embrace a multitude of varied operations, that are far-flung and varied, it is surely to be concluded that their very set-ups ensure the concentration of their direction at the government level. The extension of the "Executive Director" routine practiced by the World Bank and Fund to the Bank's management makes this certain at that institution, the top dispenser of the Alliance credits.

The Inter-American Bank disburses moneys from three main sources. Ordinary Operations, the Fund for Social Operations, and the more recently added so-called Social Progress Trust Fund—the latter being administered by the Bank from outside moneys appropriated by the U. S. Congress.

The Trust Fund in the amount of $250 million together with the $126 million from the bank's resources is expected to contribute one-fifth of the $2 billion annual Alliance for Progress Program.

### The Remaining Key Question

While the above-cited "cooperative" steps are commendable in purpose and have been quite successfully effected, the key goal remains, namely, the provision of an interesting climate, importantly including incentive, for private investment, to be furnished both domestically and from abroad (at the Punta del Esta Meeting $6 billion of the $20 billion total of Alliance Funds, and about $50 billion of the moneys to be provided at home, were set as the *private* sector's goals).

Broadly embodying one of the stumbling blocks to private capital investing are the apparently overhanging inconsistencies in our political-aid decisions as in our government's "punishing" of the Peruvian military *junta-ists* after our excusing aid-wise the similar take-over in Argentina. Unavoidable though such inconsistencies may be, they can only provide another vital source of uncertainty to deter our potential foreign lenders.

But the *overall* deterrent to private investment abroad remains, in the form of governmental proliferation—as both in North and South America stemming from measures seeking to alleviate balance-of-payments troubles. (Such as our Administration's proposed on-the-spot taxation of profits abroad).



## Three With Reynolds

PHILADELPHIA, Pa.—Reynolds & Co., 1526 Chestnut Street, members of the New York Stock Exchange and other leading exchanges, announce that Hugh A. Beahm, Elmer A. Marquardt and Joseph L. O'Brien, Jr., are now associated with their Philadelphia office as account executives.

## Goodbody Adds

(Special to THE FINANCIAL CHRONICLE)

ATLANTA, Ga.—Hugh P. Stubbs, Jr. has been added to the staff of Goodbody & Co., 59 Marietta Street, N. W.

## H. Qualls Opens

BIRMINGHAM, Ala. — Herbert Qualls, Jr. is conducting a securities business here under the firm name of Qualls & Company. Mail address is P. O. Box 1615.

# United States Industry Can Meet German Competition

By Albert H. Deuble, *Manager, Frankfurt/Main, Germany, Office of Oppenheimer & Co., Members of New York Stock Exchange*

**Former New York broker-dealer contends United States business community can meet German industry in many fields in the world markets on an equal basis provided both Labor and Industry practice discipline. Says German production costs are rising on a wide front, profit margins are shrinking, and complaints about the quality of German industrial goods are increasing.**

*FRANKFORT, Germany* — If American labor would have enough sense to be satisfied with its high wages and short hours, combined with the fat fringe benefits, and if the American Businessman would be smart enough to hold the price line and even shade his prices whenever and wherever possible, there might be a fair chance that within 12-18 months the United States could lick or at least meet on practically even terms its most formidable industrial and commercial competitor in the markets of the world (including our own at home): Germany.

Albert H. Deuble

This contention is by no means absurd or far fetched. The only thing needed for its realization is a rebirth of the trait we used to be very proud of at one time: *Good American horse sense!* Naturally, there will always be some exceptions because each country has some special industries where competition would be senseless. In Western Germany, for example, this would appear to be particularly true in the case of a car such as the Volkswagen. But speaking in broad terms, things in Germany are going in favor of the United States for the following reasons:

### Factors Favoring U. S.

(1) In Germany costs are rising on a broad front and many prices are the highest in all of Europe. For several years the purchasing power of the Mark showed a declining trend and it is estimated that during the next 12 months there will be a rise in the general price index of between 3% and 6%. Critics of Adenauer claim that he is too much preoccupied with foreign policy and is too easy going in wage conflicts. In this respect, this strong man of Germany seems to be following the American habit of trying to pacify the electorate. Only the other day the coal miners received a substantial wage increase at the expense of the German taxpayer. In February the metal workers received a pay increase of about 10.7% while the chemical workers got 11.4%. Industry as a whole. will have to pay during 1962 about 10% more in labor costs than in 1961.

(2) In general it can, therefore, be said that labor costs are higher in Germany than anywhere else in Europe. Even Switzerland has lower wage rates and has at the same time the competitive advantage of a longer work week. It is estimated that German wages are one-fourth above those of France, Britain and Switzerland. A few years ago (1958) German wages were lower than in these and other competing industrial European countries. During 1960 the hourly wages of the German worker rose by 9.5% and in 1961 by 11.4%. At the same time the general productivity increased only by 6.5% and 3.7% respectively. But the labor market remains so tight that the unions hold the whiphand and make full use of it. In fact, it is rumored here that American union agents are sometimes around and play a part in raising the demands of their German counterparts. Union demands and ideas "made in USA" have become an export article. Here, in the Federal Republic and in West Berlin there are hardly 100,000 jobless. Germany urgently needs an additional 600,000 workers and is scraping the barrel at home, in Spain, Italy, Greece and other European countries. There are already 600,000 foreign workers employed here. This number will reach 700,000 by the end of the year.

(3) Labor in Germany, once highly praised for its industry and efficiency, is getting lazy and arrogant. Openly, the German press speaks of a new class called "Bummelanten" or loafers. The very generous sick laws and social regulations even create an incentive to play sick and stay away from the job without loss of pay.

(4) The profit situation in several German industries is already critical, e.g., in paper, coal, coke, steel, iron and ship building. Several insolvencies have occurred or are in the rumor stage. The very poor weather in Europe during the first seven months of 1962 did not do any good either and the famous "Sommer Schulssverkauf", the traditional summer bargain sales (limited by law to the first two weeks in August) is very energetically advertised in order to make room for the fall merchandise.

Regarding the feared American competition the "Frankfurter Allgemeine Zeitung" stated on July 6th as follows: "The great unknown factor which many a German enterprise considers the sword of Damocles is the strategy of the USA. Big American firms have indicated during the last few years that they consider Germany and the other countries as a highly interesting market in the future. There are indications that the great offensive of the Americans is still to come. . . . The export competition of the Americans in Germany and on the world markets is more and more felt. Already today American industry has conquered many markets which were once the hunting grounds of German or other European industries. . . ." This newspaper, probably the best of its kind in Germany, refers to the tough foreign competition in chemicals (esp. from the American side), in tractors, farm machinery, paper, synthetics and cellulose. And this is only the beginning.

### Mark Devaluation Discussed

(5) German ability to compete in the world markets has decreased to such an extent that we hear very often talk about a devaluation of the Mark which would mean a return to the old and cheaper exchange rate existing at the beginning of 1961 (then DM. 4.20 for one dollar, at present 4DM for one dollar). The upward revalution of the mark about 15 months ago was partly a political move in order to help Washington and also to bring additional imports into Germany in order to stem the boom. Looking backward many important people feel that this move was a mistake. During

the first six months of 1962 German foreign trade balance showed a surplus of DM. 1.6 billions (equal to 400 million dollars) compared with Dm. 3.6 billions (900 million dollars) in the same period 1961. It is estimated that imports increased in the first half of 1962 by about 17% while exports decreased 3%. The German foreign exchange reserves are not expanding any longer and the Federal Government has increasing difficulties to make both ends meet because the German politicians are getting just as wasteful as our own brand at home. There is only one kind of statesmanship at work in Bonn, the Federal capital: How can I assure my next election and keep my well paid job in the Bundestag (parliament)? In the worst sense of the word: The German politicians are getting Americanized rapidly.

**Bonn Is Getting Worried**

Only a few days ago there was an important economic conference between Chancellor Adenauer, the ministers Erhard (Economics) and Starke (Finance), Blessing (President of the German Central Bank) and such important bankers and businessmen as Abs (Deutsche Bank); and Messrs. Butschkau, Dietz, Muenchmeyer and Pferdemenges also attended. The discussion lasted three hours and the results were nil. Erhard seems to have lost his magic touch in the last few months and has played a rather sad part in German public life lately. His warnings regarding price rises in the automobile industry have been in vain. More and more it is realized that the credit for the tremendous German boom during the last 12 years (the foreign trade balance alone in this period was in favor of Germany by almost $9 billion) really belonged to the German businessmen and the workers who were for a long time very docile and are only lately getting out of hand.

Now it is realized that the bear market in German shares which started in the early half of 1961 had as its real basis, not only the threats of Russian aggression but perhaps even more so the realization of the fact that the German economy was beginning to loose a great deal of its momentum. The markets in Frankfurt, Muenchen, Duesseldorf and Berlin showed excellent farsightedness and the German "Boersianer" can be very proud of his sixth sense in sizing up the internal developments long in advance of other important exchanges of the world.

The decline in the security markets in West Germany has more or less confirmed the facts; on the other hand the prices now have already discounted to a great extent the adverse factors of the German economy.

**Solution for U. S.**

The United States can regain the initiative in the world markets if labor and industry would follow an enlightened policy! Time is working in its favor but only under one condition: an end to price rises and wage increases. The U. S. does not have to be ashamed of its mass-produced merchandise. It is in general well regarded in Europe and often imitated. In fact, the Germans are getting worried about the deterioration of the quality of their own products. The other day I saw in Wiesbaden the famous traveling comedians of the "Kom(m)oedchen" of Duesseldorf. One of the hits of the evening was a parody on the "German Wertarbeit," a very sharp and ironical attack on industry and labor for their sloppy and careless work. "Made in Germany" is no longer a guarantee for quality. The "Frankfurter Alggemeine Zeitung" found it necessary to print a big story about this serious development containing critical reports from several European capitals.

"Made in the USA" will come into its own again if we have sense! Clearly the United States has an opportunity to regain its competitive initiative in world markets in a number of fields! However, this can only be accomplished within the framework of national discipline!

# Houston Bank Opens Bond Dept.

HOUSTON, Texas—First City National Bank has opened a bond department with A. Gene Owen, prominent investment company executive, as its manager, it was announced by J. A. Elkins, Jr., President of the bank.

Providing an additional service for customers of the bank the department will underwrite, buy and sell securities of political subdivisions and of the Federal Government and its agencies.

Mr. Owen has been employed by Rauscher, Pierce & Co., Inc., in Houston since 1955. He was previously associated with the bond departments of the National Bank of Tulsa and Merrill Lynch, Pierce, Fenner & Smith Inc., in Houston.

## Rejoins Fusz-Schmelzle

(Special to THE FINANCIAL CHRONICLE)

ST. LOUIS, Mo.—Samuel Ginsberg has rejoined Fusz-Schmelzle & Co., Inc., 522 Olive St., members of the New York and Midwest Stock Exchanges. Mr. Ginsberg has recently been with Cruttenden, Podesta & Miller.

# More Unilateral Concessions To British Trade Unions

*By Paul Einzig*

**The recent creation of a powerless fact finding National Incomes Commission, another in a series of steps to curb inflationary wage rises in Britain, is given a thorough raking over the coals by Dr. Einzig. The distinguished writer is most troubled by the ease with which British labor obtains concessions without any quid pro quo. The only reason why the balance of payments is not imperiled, he writes, is because West German and other economic rivals of Britain are facing similar problems and, as a result, provide an unexpected breather. This, Dr. Einzig warns, is a short run and not a long run alleviation of problems facing the British economy.**

*LONDON, Eng.*—It is a popular saying that whenever Germans are confronted with a stalemate they try to get around it by inventing another of their delightful long words. Similarly whenever a deadlock is reached in Britain the government invents a new committee with a popular name. Thus the wage deadlock was sought to be dealt with by the appointment of the Committee of the "Three Wise Men."

The latest in the series is the National Incomes Commission—popularly nicknamed "Nichie"—announced by Mr. Macmillan in his speech in the House of Commons on July 26. It will have no executive power but will merely pronounce its judgment on major wage demands, before or after they are conceded.

Mr. Macmillan hopes that the views expressed by this Commission will influence public opinion sufficiently to act as an effective deterrent to excessive wage demands. I only wish I could share his optimism. There is indeed every need for mobilizing public opinion but it is highly doubtful whether the pronouncements of the body to be set up would carry sufficient weight to make up for the government's singular incompetence in stating its own case and in debunking Opposition criticism.

In any case, as a Socialist Member rightly pointed out, the terms of reference of the National Economic Development Council popularly nicknamed "Neddie"—set up only a few months ago already covers the functions which the new Committee was to fulfill. The Trade Unions Council, taking a leaf out of the book of Charles James Fox, who declared on a memorable occasion that he did not know what the government's policy was but he was opposed to it, announced that it would have nothing to do with the new body.

**Assurances By Mr. Macmillan**

Mr. Macmillan was at pains to reassure the trade unions and the Labor Party that there was no question of attempting to interfere with the existing machinery of collective wage bargaining. He went further by promising that should wage restraint lead to higher profit the government would take such measures as required to prevent it. This means that the wage plunders would merely evoke pompous pronouncements of disapproval by a Committee whose opinion the trade unions intend to treat with contempt, while any increase of profits or dividends might lead to fiscal measures or statutory limitations of dividends.

The government has thus made another major unilateral concession to organized labor without even attempting at ensuring a *quid pro quo*. It is indeed amazing that after the long experience of 12 years in office Conservatives have not tired of throwing pearls to unappreciative swine. Another major pearl thrown to them was the decision to introduce legislation fixing a minimum period of notice to be given to workers when dismissed. Details will not be announced till later, but even if the period of notice should be brief the precedent created will be all important. The next Labor Government is certain to extend the notice considerably. This is only natural. After all, the Socialists have to justify their existence as a separate Party and, if the Conservative Party chooses to steal all their thunder, the former's only remedy is to produce bigger thunders than they would have produced in the absence of Conservative competition.

**Work in Reverse**

It is a mystery to me why the Prime Minister's advisers imagine that this device will facilitate the transfer of manpower from declining to expanding industries. Surely at best it would merely slow down that process. At worst it would encourage unofficial strikes by small groups of workers in key positions, who would earn the gratitude of the rest of the workers by ensuring that they would be laid off with full pay during the duration of the unofficial strikes.

It is not clear whether the proposed National Incomes Commission will take the place of the present official efforts to keep down wage increases to 2½%. This seems to follow logically from the new scheme, since the government is hardly in a position to disregard the findings of the new Commission even though they might well endorse wage increases many times larger than 2½%.

On the other hand, fears that the reconstructed government would embark on an active policy of reflation have been somewhat allayed by the new Chancellor of the Exchequer, Mr. Maudling, who emphatically disclaimed such intentions until he was satisfied that it was possible to reflate "without reducing the prospects of growth in the future." But, even in the absence of active reflation measures, wage inflation is certain to continue. There is absolutely nothing in the measures announced by the Prime Minister that would check or slow down the rising trend of costs.

**No Payments Crisis**

In spite of this there is no reason for anticipating a new balance of payments crisis. This is because wages in Germany and in other continental countries have been rising in recent months even faster than in Britain. West Germany is beginning to experience the demoralizing effects of over-full employment, and other industrial rivals of Britain, too, are having their doses of difficulties. So quite conceivably Britain may be saved not through her own exertions but through inadequate exertions by other countries. The immediate advantages of this would be heavily outweighed in the long run by the demoralizing effects of such an undeserved escape.

## Glore, Forgan Adds

(Special to THE FINANCIAL CHRONICLE)

SAN FRANCISCO, Calif.—John D. Kall is now connected with Glore, Forgan & Co., Russ Building. He was formerly with Dean Witter & Co.

# Tax-Exempt Bond Market

*By DONALD D. MACKEY*

The markets for tax-exempt bonds fluctuated within narrow limits during most of last week and in general effect there has been little change in the price level. The *Commercial and Financial Chronicle's* yield Index, which is averaged from preselected high grade medium maturity bond offerings, shows yields to be .025% higher this week; thus the market is three-eighths of a point lower in terms of dollars. The Index is 3.115% against 3.09% a week ago. This slight sell-off particularly reflects the price reductions recently made in order to effect substantial sales from many of the slow underwritings of recent date.

**More Bidding Realism Desirable**

Since middle May there have been but few new issue flotations that have been wholly marketed on the terms originally set by the underwriters. The number might be counted on one's fingers. Despite these recent frustrating financial experiences, dealers continuously persist upon approaching the deliberations for new issues in a strictly competitive attitude rather than upon realistic considerations based upon distribution.

This manner of competing for new issues has long since conditioned the professional buyers of tax-exempts, as well as many of the amateurs, to a patient wait-and-see procedure which usually gets them their bonds at prices where they originally wanted them. This repetitious behavior on the part of many investment bankers should begin to be humiliating; it has already been downright unprofitable for months.

**Yields Attractive to All Investors**

For the dealers' hopefulness, if not naivete, there is some small reason. The yields now available from tax-exempts make considerable sense to almost all classes and types of investors. Average yields are now back where they were in early February (*Commercial and Financial Chronicle* Index 3.12% on Feb. 14, 1962) from which level the bull market carried the Index as low as 2.96% in early May.

However, investors generally just are not buying the market, better than average yields or not, to the extent that the market possesses a healthy supply and demand condition. The subtle and complex facets of the politico-economic situation appear now beyond individual comprehension and investors as well as others seem tired of guessing about them. The headlines and the editorials have left them befuddled as somewhere in the press or on radio or television they are daily confronted and confounded by predictions of tax cuts, deliberations on dollar revaluation and confusing evidence on the economic state of the nation.

There should be but little wonder that the investor resists expansive purchases of long-term bonds at a time when their issuance has attained record volume. Even though the yields are satisfactory, but few are indulging in spontaneous market participation.

This is not because investors are altogether too smart but because as a group they are not altogether too stupid. Were it not for the institutional buying programs motivated by their exacting actuarial requirements, the bond market would be much less orderly than at present. The present spectacle, involving tax rates that are too high to cut because of debt and budget problems that approach unsupportable limits, excepting as the economy be expanded at a rate close to arithmetical progression, is beginning to frighten even those who once thought that debt is an innocuous statistic, since we merely owe it to ourselves.

**The Right Approach to the Tax Situation**

All of these factors are now building up as massive pressures against the dollar and as such are directly affecting the bond market climate. The continuing outflow of gold, the break in the stock market, the build-up of recessionary factors and world-wide competition have been lately focused as if in conspiracy, on the weakening dollar and its counterparts.

It is reported that the chances of a "quickie tax cut" have taken an unfavorable turn with opposition deriving from the Republican leadership. This constructive development may lead to the development of more basic measures involving general tax structure reform. A quick tax cut, if passed at this session, is likely to defer much needed tax revision at least until it's too late.

**Favorable Tax-Exempt Market Factors**

Factors presently favorable to the municipal bond market include a relatively favorable inventory situation and a light supply of new issues scheduled for August. *Blue List* offerings continue to indicate secondary offerings are being taken in substantial volume. For the last month the *Blue List* totals have been generally under the $500,000,000 level. Presently the total of state and municipal offerings is $460,542,500.

The calendar through Labor Day as presently advertised totals less than $400,000,000. This is light even for August, particularly since one issue comprises more than one-quarter of the amount, the Aug. 22 offering of $106,210,000 Public Housing Authority issues. Various smaller offerings may be added in the course of the month but the inclusion of king size items appears remote. It would appear that volume alone will be no problem for underwriters in August.

The past week has seen but a handful of new state and municipal issues sell at competitive bidding with the total of bonds being offere amounting to only $61,887,000. However, there is rarely a week in the year with no issues of general market importance to bid for and this week was not an exception.

**Recent Awards**

Thursday (July 26) saw the sale of $3,750,000 Hammond, Indiana sanitary district (1964-1988) bonds to the syndicate headed jointly by Continental Illinois National Bank & Trust Co., Harris Trust and Savings Bank and The First National Bank of Chicago at a net interest cost of 3.3716%. The runner-up bid, designating a net interest cost of 3.392%, was made by the Halsey, Stuart & Co., Inc. group.

Other major members of the winning syndicate include: Blyth & Co., Inc., John Nuveen & Co., Hornblower & Weeks and A. G. Becker & Co. Reoffered to yield from 1.90% in 1964 to 3.50% in 1988, this issue to date has generated fair investor interest, with the present balance $1,725,000.

The syndicate managed by Bear, Stearns & Co. was the successful bidder for $3,500,000 State of Iowa, State Board of Regents Memorial Union (1964-1987) revenue bonds with a net interest cost bid of 3.5525%. This bid compared very favorably with the second bid, a 3.556% net interest cost, which was made by the William Blair & Co. account.

Associated with Bear, Stearns & Co. as major members of the successful group are J. C. Bradford & Co., Francis I. duPont & Co., Hayden, Stone & Co., Inc., Fahnestock & Co., Dempsey-Tegeler & Co., Inc., E. F. Hutton & Co. and The First of Iowa Corp.

These bonds are being issued to pay the cost of additions to the Memorial Union on the Iowa City campus of the State University. They are payable solely from the revenues of the Iowa Memorial Union including a first lien on student fees allocated therefor and the new operating revenues of the Union. These are not obligations of the State of Iowa. The bonds are offered to yield from 2.25% in 1964 to 3.70% in 1987, with the present balance $2,050,000.

Last Friday and this Monday

*Continued on page 7*

**MARKET ON REPRESENTATIVE SERIAL ISSUES**

| | Rate | Maturity | Bid | Asked |
|---|---|---|---|---|
| California (State) | 3½% | 1982 | 3.40% | 3.30% |
| Connecticut (State) | 3¾% | 1981-1982 | 3.20% | 3.00% |
| New Jersey Highway Auth., Gtd. | 3% | 1981-1982 | 3.15% | 3.00% |
| *New York State | 3¼% | 1981-1982 | 3.15% | [illegible] |
| 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% | [illegible] |
| Baltimore, Md. | 3¼% | 1981 | 3.20% | 3.10% |
| *Cincinnati, Ohio (U. T.) | 3½% | 1981 | 3.25% | [illegible] |
| Philadelphia, Pa. | 3½% | 1981 | 3.40% | 3.30% |
| *Chicago, Ill. | 3¼% | 1981 | 3.30% | 3.20% |
| New York, N. Y. | 3% | 1980 | 3.55% | 3.45% |

August 1, 1962 Index=3.115%

*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.**

| | | | |
|---|---|---|---|
| **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. |
| Greenville Mun. Sep. S. D., Miss. | 1,460,000 | 1963-1982 | 4:00 p.m. |
| Islip & Smithtown U. F. S. D. No. 6, New York | 3,526,000 | 1962-1991 | 11:00 a.m. |
| Radnor Tp. S. Auth., Pa. | 1,625,000 | 1963-1992 | 8:00 p.m. |
| West Allis, Wis. | 2,880,000 | 1963-1982 | 2:00 p.m. |
| **August 8 (Wednesday)** | | | |
| Paducah, Ky. | 2,400,000 | 1967-1988 | 2:00 p.m. |
| Ponce, P. R. | 2,300,000 | 1963-1980 | 11:00 a.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)** | | | |
| Greenburgh Union F. S. D. No. 4, New York | 1,850,000 | 1963-1985 | 2:00 p.m. |
| Port of New York Authority | 5,475,000 | 1962-1966 | 11:00 a.m. |
| Somerset County, Pa. | 1,400,000 | 1964-1991 | 11:00 a.m. |
| **August 13 (Monday)** | | | |
| Albany Medical Center Hospital, New York | 1,500,000 | 1964-2001 | 2:00 p.m. |
| Dodgeville, Ridgeway, etc., Jt. S. D. No. 1, Wis. | 1,250,000 | 1963-1982 | 1:00 p.m. |
| Multnomah Co. David Douglas S. D. No. 40, Ore. | 1,147,500 | 1964-1983 | 8:00 p.m. |
| N. Y. State Dorm. Auth. | 6,931,000 | 1963-1992 | 11:30 a.m. |
| Stockton, Cal. | 1,740,000 | 1963-1982 | 8:00 p.m. |
| **August 14 (Tuesday)** | | | |
| Alpine S. D., Utah | 1,300,000 | 1968-1972 | 8:00 p.m. |
| Eugene, Oregon | 3,100,000 | 1963-1982 | 10:00 a.m. |
| Jackson, Tenn. | 1,150,000 | 1963-1982 | 11:00 a.m. |
| King Co. Lake Wash. S. D. No. 414, Wash. | 1,000,000 | 1964-1972 | 11:00 a.m. |
| Oklahoma City, Okla. | 10,195,000 | 1965-1987 | 11:00 a.m. |
| Pennsylvania General State Auth. | 30,000,000 | 1965-1989 | Noon |
| St. Paul, Minn. | 9,662,000 | 1965-1971 | 10:00 a.m. |
| Wappinger, Poughkeepsie, etc., Central S. D. No. 1, N. Y. | 1,962,400 | -------- | -------- |
| **August 15 (Wednesday)** | | | |
| Beverly, Mass. | 2,000,000 | -------- | -------- |
| Edmonds School District 15, Wash. | 1,100,000 | 1964-1977 | 3:00 p.m. |
| Houston, Tex. | 16,000,000 | 1963-1982 | 10:00 a.m. |
| Jacksonville, Fla. | 7,650,000 | 1963-1981 | 10:00 a.m. |
| Maryland State Roads Commission | 6,039,000 | 1963-1977 | 11:00 a.m. |
| Midland, Mich. | 2,350,000 | 1973-1977 | 7:00 p.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. |
| Syracuse University, N. Y. | 3,000,000 | 1964-2001 | 11:00 a.m. |
| Washington Sub. San. Dist., Md. | 4,000,000 | 1963-1992 | 11:00 a.m. |
| **August 17 (Friday)** | | | |
| Elizabethtown College, Elizabethtown, Pa. | 1,000,000 | 1964-1995 | 2:00 p.m. |
| **August 20 (Monday)** | | | |
| Bowling Green City S. D., Ohio | 2,040,000 | 1964-1983 | Noon |
| Florida Development Commission | 3,550,000 | 1963-1988 | 11:00 a.m. |
| Garfield Heights City S. D., Ohio | 1,000,000 | 1964-1983 | 1:00 p.m. |
| **August 21 (Tuesday)** | | | |
| Albuquerque, N. Mex. | 7,759,000 | 1963-1982 | 10:00 a.m. |
| Essexville-Hampton S. D., Mich. | 2,600,000 | 1963-1979 | 8:00 p.m. |
| Lafayette, La. | 3,500,000 | 1965-1991 | 10:00 a.m. |
| **August 22 (Wednesday)** | | | |
| Local Housing Authorities | 106,210,000 | -------- | -------- |
| **Sept. 1 (Saturday)** | | | |
| Grandville Sch. Dist., Mich. | 2,150,000 | -------- | -------- |
| Jacksonville, Fla. | 7,650,000 | -------- | -------- |
| **September 5 (Wednesday)** | | | |
| Southeast Missouri State College | 2,500,000 | 1965-2002 | -------- |
| **September 10 (Monday)** | | | |
| Jackson Tp. S. D., N. J. | 2,000,000 | -------- | 8:00 p.m. |
| **Sept. 12 (Wednesday)** | | | |
| San Jose, Calif. | 4,400,000 | 1963-1982 | 11:00 a.m. |
| **September 17 (Monday)** | | | |
| Warrensville Hghts Village Local S. D., Ohio | 1,600,000 | -------- | -------- |

# Tax-Exempt Bond Market

*Continued from page 6*

were without any important sales, but Tuesday (July 31) saw three loans of importance offered for public bidding. The largest loan of the week, $14,827,000 San Diego, California Unified School District (1964-1983) bonds attracted four bids, with the syndicate headed by Bank of America, N. T. & S. A. the high bidder with a net interest cost of 3.189%. Second best bid for the bonds, a net interest cost of 3.269%, came from the group headed jointly by Blyth & Co., Inc. and Security First National Bank of Los Angeles.

Other major members of the winning syndicate include Morgan Guaranty Trust Co., The First Boston Corp., Smith, Barney & Co., The Northern Trust Co., Continental Illinois National Bank and Trust Co., Merrill Lynch, Pierce, Fenner & Smith Inc., Dean Witter & Co., Wells Fargo Bank, Weeden & Co., Inc. and Seattle First National Bank. The bonds were offered to yield from 1.90% in 1964 to 3.40% in 1982 and upon offering about 70% of the bonds were sold. The 1983 maturity carried a one-quarter of 1% coupon and were committed pre-sale.

The City School District of Corning, New York awarded $4,859,000 school building (1964-1990) bonds to the account headed jointly by First National City Bank and Marine Trust Co. of Western New York on a dollar price bid of 100.42 for a 3¼% coupon. The second dollar price bid, 100.38 for a 3.30% coupon, was made by the Halsey, Stuart & Co., Inc. account.

Other major members of the winning group include Harris Trust and Savings Bank, The Northern Trust Co., Roosevelt & Cross, Inc., Manufacturers and Traders Trust Co., Wood, Struthers & Co. and Braun, Bosworth & Co., Inc. The bonds are offered to yield from 1.80% in 1964 to 3.45% in 1990 and the present balance is $1,090,000.

**Large Insurance Co. Demand**

The Ohio State University Board of Trustees awarded $5,000,000 dormitory revenue (1963-2000) bonds to the syndicate managed jointly by Blyth & Co., Inc. and The Ohio Co. at a net interest cost of 3.8447%. Runnerup bid for this issue of a 3.868% net interest cost came from John Nuveen & Co. and associates.

Other members of the winning syndicate include Merrill Lynch, Pierce, Fenner & Smith Inc., Eastman Dillon, Union Securities & Co., White, Weld & Co., Braun, Bosworth & Co., Inc., Fahey, Clark & Co., Field, Richards & Co. and the First of Michigan Corp. The bonds were offered to yield from 2.00% to 4.25% and initial insurance company demand was good, with over 80% of the bonds sold.

Wednesday saw only one sale of importance, $10,000,000 St. Louis, Missouri airport revenue (1966-1995) bonds come to market and competition for this issue was very keen. The group headed by Smith, Barney & Co. submitted the best of four bids for the issue naming a net interest cost of 3.8772%. The second best bid for the bonds, offering a 3.881% net interest cost, came from the group headed jointly by Halsey, Stuart & Co., Inc. and Lehman Brothers.

Other major members of the winning account include Kuhn, Loeb & Co., Salomon Brothers & Hutzler, Shields & Co., R. W. Pressprich & Co., Blair & Co., Inc. and L. F. Rothschild & Co. The bonds are being offered to yield from 2.50% in 1966 to 4.00% in 1995 and as we go to press a balance of $1,750,000 remains in account.

**West Virginia Turnpike Gains**

The toll road, toll bridge and public utility revenue issues have done a little better than the market during the past week. The *Commercial and Financial Chronicle's* revenue bond Index averaged out at a 3.872% yield this week after averaging at 3.88% for the past two weeks. The market betterment, about one-eighth of a point, is negligible but it indicates some token recognition of the general improvement in revenues being experienced by our toll and revenue projects this summer. Records in this respect continue to be broken.

The West Virginia Turnpike, the only such pike to experience serious financial difficulties, has recently enjoyed substantial gains. Total revenues for June 1962 were 8.2% better than a year ago. Net revenues covered interest 0.75 times in June and about 0.60 times for the year to date. The Calumet Skyway, also experiencing financial difficulties showed net revenues covering interest 0.64 times in June against a 0.55 times coverage in June 1961 even though recent strikes have adversely affected the volume of traffic.

## Opens Branch Office

ELMONT, N. Y.—Nelson Broms has opened a branch office at Great Eastern Mills, Hempstead Turnpike.

## Dishy Co. Admits

Dishy & Co., 40 Exchange Place, members of the American Stock Exchange on July 24 admitted Stanley Easton to partnership.

## Pasternack Partner

Pasternack & Co., 29 Broadway, New York City, members of the American Stock Exchange, have admitted Stanley R. Pasternack to partnership.

## With California Inv.

LOS ANGELES, Calif.—Varick R. Ross has become affiliated with California Investors, 3544 Olympic Boulevard, members of the Pacific Coast Stock Exchange.

## Irving Lundborg Adds

(Special to THE FINANCIAL CHRONICLE)

SAN FRANCISCO, Calif. — John B. Booth has been added to the staff of Irving Lundborg & Co., 310 Sansome Street, members of the New York and Pacific Coast Stock Exchanges. He was formerly with Henry F. Swift & Co.

## With Ebin, Robertson

(Special to THE FINANCIAL CHRONICLE)

MINNEAPOLIS, Minn.—James L. Bergtold has been added to the staff of Ebin, Robertson & Company Inc., Rand Tower.

## Joins Goodbody Co.

(Special to THE FINANCIAL CHRONICLE)

MILWAUKEE, Wis. — Frederick Jeppsen has joined the staff of Goodbody & Co., 111 East Wisconsin Avenue. He was formerly with Robert W. Baird & Co. for many years.

## Merrill Lynch Adds

(Special to THE FINANCIAL CHRONICLE)

RALEIGH, N. C. — James W. C. Daniel, Jr. has joined the staff of Merrill Lynch, Pierce, Fenner & Smith Incorporated, 324 South Salisbury Street.

# DEALER-BROKER INVESTMENT LITERATURE AND RECOMMENDATIONS

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

**Aerospace Industry**—Analysis of outlook with particular comment on **Avco Corp., Bendix Corp., Lockheed Aircraft Corp.** and **McDonnell Aircraft Corp.**—Eastman Dillon, Union Securities & Co., 1 Chase Manhattan Plaza, New York 5, N. Y. Also available is an analysis of **James B. Beam Distilling Co.**

**Banks & Trust Companies of Northern New Jersey** — Comparative figures on leading companies —Parker and Weissenborn, Inc., 24 Commerce Street, Newark 2, N. J.

**Canadian Preferred Shares**—Bulletin—Wills, Bickle & Co., Ltd., 44 King Street, West, Toronto 1, Ont., Canada.

**Canadian Pulp and Paper Industry** — Review — James Richardson & Sons, Inc., 14 Wall Street, New York 5, N. Y.

**Common Stocks for Varying Investment Goals** — Two selected lists of common stocks, with brief comments on each company: 30 common stocks yielding 4.4% or more; and comparative data on 96 electric utility companies with special comment on 15 selected growth utilities — Carl M. Loeb, Rhoades & Co., Dept. FC, 42 Wall Street, New York 5, N. Y.

**Corporate Bond Financing**—Discussion of impact of new depreciation allowances — Salomon Brothers & Hutzler, 60 Wall St., New York 5, N. Y.

**Electric Utilities**—Analysis—G. A. Saxton & Co., Inc., 52 Wall Street, New York 5, N. Y. Also available are comparative figures on **Public Utility Common Stocks.**

**Electric Utility Industry**—Study—Goodbody & Co., 2 Broadway, New York 4, N. Y. Also available are memoranda on **Borg Warner, Federation Bank & Trust Co., Plough,** and **White Motor Co.** and bulletins on **Atchinson, Topeka & Santa Fe, General Electric Co., Green Shoe, Swingline Inc., Symington Wayne** and **Union Electric Company.**

**Fire & Casualty Insurance Stocks** —Bulletin—Reynolds & Co., 120 Broadway, New York 5, N. Y. Also available are reports on **Consolidated Edison Co. of New York** and **International Silver.**

**Food Chains** — Report — David L. Babson & Co., Inc., 89 Broad St., Boston 10, Mass.

**Gold Stocks** — Analysis — Hooker & Fay, Inc., 221 Montgomery St., San Francisco 4, Calif.

**Growth Stocks**—Review with particular reference to **Bristol Myers, General Foods, International Business Machines, Minnesota Mining & Manufacturing** and **Reynolds Tobacco**—Hirsch & Co., 25 Broad Street, New York 4, N. Y.

**Growth Stocks**—Bulletin on eight issues which appear interesting—Edwards & Hanly, 100 North Franklin Street, Hempstead, N. Y.

**Japanese Auto Industry** — Review with particular reference to **Nissan** and **Toyota**—Yamaichi Securities Co. of New York, Inc., 111 Broadway, New York 6, N. Y. Also available are comments on **C. Itoh & Co., Ltd., Mitsubishi Shoji Kaisha, Ltd.** and **Mitsui & Co., Ltd.**

**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.**

**Life Insurance Company Stocks**—10th annual edition of brochure discussing in detail 23 companies, with extensive comparative statistical data—First Boston Corp., 20 Exchange Place, New York 5, N. Y.

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

**Natural Gas Shares** — Report — Evans & Co., Inc., 300 Park Ave., New York 22, 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.

**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.

**Petroleum Situation** — Review — The Chase Manhattan Bank, 1 Chase Manhattan Plaza, New York 15, N. Y.

**Quality Growth Stocks** — Guideposts to values—A. M. Kidder & Co., Inc., 1 Wall Street, New York 5, N. Y.

**Switch Suggestions** — Bulletin — Walston & Co., Inc., 74 Wall St., New York 5, N. Y.

**Treasury Financing**—Discussion—Park, Ryan, Inc., 70 Pine Street, New York 5, N. Y.

**U. S. Banks and Trust Companies** —Quarterly comparison of leading banks and trust companies of the United States — New York Hanseatic Corp., 120 Broadway, New York 5, N. Y. Also available is a bulletin on current **Treasury Financing.**

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**Aerojet-General Corp.**—Review—Colby & Co., Inc., 85 State Street, Boston 9, Mass. Also available is a review of **Lucky Friday Silver-Lead Mines.**

**L. J. Aksman & Co.**—Memorandum — Rothenberg, Heller & Co., 55 Liberty Street, New York 5, N. Y.

**Algoma**—Memorandum—Jackson, McFadyen Securities Ltd., 11 Adelaide Street, West, Toronto 1, Ont., Canada. Also available are memoranda on **Dominion Foundries** and **Steel Co. of Canada.**

**Alico Land Development Co.** — Analysis—T. L. Watson & Co., 25 Broad Street, New York 4, N. Y.

**Allied Chemical**—Data—Peter P. McDermott & Co., 42 Broadway, New York 4, N. Y. Also available are comments on **Burlington Industries and F. W. Woolworth.**

**Allied Chemical Co.** — Review — Edward D. Jones & Co., 300 North Fourth Street, St. Louis 2, Mo. Also available is a review of **Spencer Chemical Company.**

**Almo Industrial Electronics** — Memorandum—C. C. Collings and Co., Inc., Fidelity Philadelphia Trust Building, Philadelphia 9, Pa.

**American Biltrite Rubber Co., Inc.** —Analysis—A. C. Allyn & Co., 122 South La Salle Street, Chicago 3, Ill. Also available is an analysis of **Kentucky Central Life & Accident** and a memorandum on **Swift.**

**American Cyanamid** — Report — H. Hentz & Co., 72 Wall Street, New York 5, N. Y. Also available is a report on **W. R. Grace.**

**American Cyanamid** — Memorandum — Rittmaster, Voisin & Co., 260 Madison Avenue, New York 16, N. Y.

**American Metal Products**—Memorandum—E. F. Hutton & Co., 1 Chase Manhattan Plaza, New York 5, N. Y. Also available are memoranda on **Crown Cork & Seal, Brunswick** and **Consolidated Cigar.**

**American Viscose**—Memorandum — Chas. W. Scranton & Co., 209 Church Street, New Haven 7, Conn. Also available are memoranda on **Seaboard Finance** and **Midwest Oil.**

**Black and Decker Manufacturing Company** — Report — Robert Garrett & Sons, Garrett Building, Baltimore 3, Md.

**British Columbia Forest Products Ltd.** — Analysis—McLeod, Young, Weir & Co., Ltd., 50 King Street, West, Toronto, Ont., Canada.

**British Newfoundland Corp. Ltd.**—Analysis—Greenshields Inc., 507 Place d'Armes, Montreal, Que., Canada. Also available is an analysis of **MacMillan, Bloedel** and **Powell River Ltd.**

**Cities Service Co.** — Review — Hemphill, Noyes & Co., 8 Hanover Street, New York 4, N. Y. Also available is a review of **Wilson & Co.**

**Clevite Corp.** — Analysis — Schweickart & Co., 29 Broadway, New York 6, N. Y.

**Columbus & Southern Ohio Electric**—Memorandum—Paine, Webber, Jackson & Curtis, 25 Broad Street, New York 4, N. Y. Also available is a memorandum on **General Precision Equipment.**

**Commonwealth Financial Corp.**—Analysis—Suplee, Yeatman, Mosley Co., Inc., 1500 Walnut Street, Philadelphia 2, Pa.

**Container Corp.** — Bulletin — Purcell & Co., 50 Broadway, New York 4, N. Y.

**Continental Oil**—Memorandum—Pershing & Co., 120 Broadway, New York 5, N. Y.

**Edwards Engineering**—Memorandum—Irving J. Rice & Co., Inc., Pioneer Building, St. Paul 1, Minn.

**Florida Gas Co.**—Memorandum—Saunders, Stiver & Co., Terminal Tower, Cleveland 13, Ohio.

**Giddings & Lewis Machine Tool Company**—Analysis—Loewi & Co. Inc., 225 East Mason Street, Milwaukee 2, Wis. Also available is an analysis of **Kern County Land Co.**

**Hudson's Bay Company**—Analysis —Royal Securities Corp. Ltd., 244 St. James Street, West, Montreal 1, Que., Canada. Also available are analyses of **Dominion Tar & Chemical Co., Ford Motor Co. of Canada, Maritime Telegraph and Telephone Co., Moore Corp., Simpsons Ltd. and George Weston Ltd.**

**Inland Underground Facilities, Inc.** — Analytical Brochure — Scherck, Richter Co., 320 North Fourth Street, St. Louis 2, Mo.

**Josten's Inc.** — Memorandum — A. G. Becker & Co., Inc., 120 South La Salle Street, Chicago 3, Ill.

**Kromex** — Memorandum — P. W. Brooks & Co., Inc., 120 Broadway, New York 5, N. Y.

**Littelfuse, Inc.** — Analysis—Cruttenden, Podesta & Miller, LaSalle-Jackson Building, Chicago 4, Ill. Also available is an analysis of **Pepsi-Cola General Bottlers, Inc.**

**Lockheed**—Analysis—Dean Witter & Co., 45 Montgomery Street, San Francisco 6, Calif.

**R. H. Macy & Co.** — Review — Fahnestock & Co., 65 Broadway, New York 6, N. Y. Also available is a review of **Gulton Industries.**

**National Fuel Gas** — Analysis — Bache & Co., 36 Wall Street, New York 5, N. Y. Also available is the mid-year edition of the firm's **"Selected List."**

**National Research Corporation**—Analysis—J. R. Williston & Beane, 2 Broadway, New York 4, N. Y.

**Newark Electronics Corp.**—Report —H. M. Byllesby & Co., Inc., 135 South La Salle Street, Chicago 3, Ill.

**Oak Manufacturing Co.**—Analysis —Blunt Ellis & Simmons, 111 West Monroe Street, Chicago 3, Ill.

**Occidental Petroleum Corp.**—Analysis—Winslow, Cohu & Stetson, Inc., 26 Broadway, New York 4, N. Y.

**Originala, Inc.** — Memorandum — Dempsey-Tegeler & Co., Inc., 1000 Locust Street, St. Louis 1, Mo.

**Richfield Oil Corp.** — Analysis — Mitchum, Jones & Templeton, Inc., 650 South Spring Street, Los Angeles 14, Calif.

**Scully Recording** — Memorandum — Moran & Co., 10 Commerce Court, Newark 2, N. J.

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

**Southern California Edison Co.**—Review—L. F. Rothschild & Co., 120 Broadway, New York 5, N. Y.

**Sunset House Distributing Corp.**—Analysis—Crowell, Weedon & Co., 629 South Spring Street, Los Angeles 14, Calif.

**Toro Manufacturing Co.**—Analysis —J. M. Dain & Co., Inc., 110 South Sixth Street, Minneapolis 2, Minn.

**Tuboscope Co.** — Memorandum — Rowles, Winston & Co., Bank of the Southwest Building, Houston 2, Tex.

**Union Oil of California** — Memorandum — E. F. Hutton & Co., 7616 Girard Avenue, La Jolla, Calif.

**United Fruit**—Report—Shields & Co., 44 Wall Street, New York 5, N. Y. Also available is a discussion of **Riegel Paper** and data on **Grumman Aircraft Engintering, Philadelphia & Reading** and **Fruehauf Trailer.**

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

**United Scientific Laboratories** — Memorandum—Fred F. Sessler & Co., Inc., 505 Park Avenue, New York 22, N. Y. Also available is a memorandum on **Valtronics Corp.**

**United States Lines Co.**—Analysis —Hornblower & Weeks, 1 Chase Manhattan Plaza, New York 5, N. Y.

**U. S. Natural Gas Corp. (Bolsa Chica Oil Corp.)** — Analysis — Bregman, Cummings & Co., 4 Albany Street, New York 6, N. Y.

**Wesco Financial Corp.**—Analysis —Hill Richards & Co., Inc., 621 South Spring Street, Los Angeles 14, Calif.

**Westchester Fire Insurance Co.** — Report—Newburger & Co., 1401 Walnut Street, Philadelphia 2, Pa.

**F. W. Woolworth** — Data — Courts & Co., 11 Marietta Street, N. W., Atlanta 1, Ga. Also available are comments on **Union Carbide Corp., Socony Mobil Oil,** and **Oxford Manufacturing Co.**

# Socony Mobil Oil Co., Inc.

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

**A review of some of the factors which have caused this distinguished international oil company to be currently favored by analysts and by individual and institutional investors.**

An international oil company is, in itself, a quite diversified investment. Its operations embrace the four major subdivisions of the petroleum industry — production, transportation, refining and marketing. In recent years, a fifth subdivision has been added, petrochemicals, the manufacture of useful by-product chemicals from hydrocarbon fractions. In all of these departments, Socony Mobil is a major factor, ranking as the third largest marketer of oil products in the world, and a large producer in most of those sections of the globe where oil is found in significant quantities.

Despite the diversification it provides in its operations and its geographical spread, the business of Socony Mobil is essentially the production and processing of crude oil, and finding and filling the market needs for petroleum end-products.

### Reserves and Production

The supply comes first. In this department, Socony Mobil is favorably situated. At the end of 1961, its world-wide oil reserves totalled a fabulous 11.4 billion barrels, an increase of 11% over the preceeding year. Gross global crude oil production increased 4.3% during 1961, to a level of 831,000 B/D (barrels per day); and gross production of natural gas in Canada and the United States was at a record high of 1.169 billion cubic feet daily. The company has major production in Iran, Saudi Arabia, Iraq, French Africa, Venezuela, the United States and Canada; lesser production in Indonesia, Germany and Austria, and important discoveries in Libya and Turkey. Company crude met about 80% of its average daily refinery requirements.

### Transportation

Transportation is provided by a large tanker fleet, recently augmented by several 50,000 ton supertankers, and by a network of pipelines in North America, Europe and the Near East, which is steadily being expanded.

### Refining

Socony Mobil conducts a huge refinery business throughout the world, processing, totally, an average of 1,041,000 B/D of crude oil. Mobil shares the ownership in a number of Near Eastern refineries, and has six wholly-owned refineries in Europe, with an average daily capacity of above 200,000 B/D, and a 50,000 B/D refinery in Venezuela. It has interests in refineries at Mersin, Turkey; Algiers, Algeria; Karlsruhe, West Germany, Strasbourg, France; Adelaide, Australia; and an improbably named place called Whangarei, New Zealand. All this, in addition to its vast North American refinery capacity.

### Global Marketing

In marketing, the Mobil name is known almost everywhere. The company is selling petroleum products at a rate of about 1,200,000 B/D. This includes the sale, not only of automotive, aviation and marine fuels and lubricants; industrial and domestic power and heating oils; but industrial products, including asphalt coke, liquified petroleums, special fuels and petrochemicals.

Regionally, Mobil furnishes about 16% of the gasoline in Puerto Rico, 12% in Venezuela, 20% in Columbia, 11% in Japan. It has well over 1,000 service stations in Great Britain. Altogether, Mobil had, at the 1961 year-end, 29,900 retail outlets in the United States, and 10,554 foreign stations.

### Petrochemicals and Research

In 1960, Mobil Chemical Company was formed to carry on a world-wide business in petrochemicals. Sales are now well in excess of $50 million annually. Its new ethylene plant, one of the world's largest, went "on stream" last summer. Petrochemicals represent the most rapidly growing segment of the oil business, and Mobil's earnings from this division should continue to expand significantly.

Supplementing and broadening the five-fold company operations swiftly outlined above, is a research program, involving an outlay of over $25 million annually, ideating new and improved production methods, and end-products. Last year, research produced a new catalyst that may increase, by as much as 10%, the gasoline derived from a barrel of oil.

### Improved Efficiency

In the past five years, Socony Mobil has embarked on a program of efficiency which has achieved notable results. Operating, selling and general expenses, which were $2.97 per barrel of sales in 1957, were reduced to $2.72 in 1961. Between 1958 and 1960, a 12% reduction in payroll was accompanied by a 24% increase in sales. Partly as a result of this, net earnings have been showing a rewarding uptrend.

### Earnings

Capitalization of Socony Mobil consists of $168.2 million in long-term debt, a $5.5 million minority interest, and 48,612,482 common shares, actively traded on NYSE. The common has ranged, this year, between a low of 44 and a high of 56⅜ and, at current quotation of 49¾, is considerably below its 1957 high of 65⅜. Present dividend is $2 regular, plus a probable extra of $.25. On this basis, the stock yields 4½%, an attractive return on an equity of such proven quality.

For those who like to predicate their investment decisions on rising earning power, Socony Mobil common is of definite interest. Per share net has risen steadily: $3.24 in 1958, $3.37 in 1959, $3.76 in 1960 and $4.35 in 1961. Second quarter net for 1962 was $1.19 per share, $.18 above last year. These earnings have been responsible for inclusion of Socony Mobil common among the recent purchases of a number of investment institutions, and on the "recommended" lists of several major brokerage houses. Book value, (if such an old-fashioned financial benchmark is still of interest) was $55.72 a share at the end of 1961.

If we assume that the oil industry today is a reasonably attractive field for investment, then Socony Mobil common should probably be on investors' shopping lists. Socony has shown a "nose" for finding oil, as evidenced by its steadily expanding reserves. Its acquisition of Republic Natural Gas greatly increases gas production and sales. It has excellent geographic diversification, providing major representation in the most promising oil fields in the world (especially the Sahara) and excellent merchandising facilities not only in the U. S. (from whence 38% of its profits now come) but in the European markets, which are now growing more than twice as fast as our own.

At a time when market projections seem uncertain, and when many companies are having a tough time in maintaining profit margins, Socony Mobil is turning in an impressive performance. Its common stock seems to make a quite logical appeal to prudent investors, at around the 50 level.

# Many Factors Involved

"Investment decisions are influenced by so many factors that it is difficult to forecast what effect, if any, the investment-incentive credit would have on our capital outlays. There can be little doubt that, over all, faster recovery of cost for tax purposes plays some part in determining the level of capital expenditures. . . . However, in our opinion no incentive by the Federal Government is needed to induce a taxpayer to exercise sound business judgment in its capital expenditures."—Unnamed industrialist quoted by The Conference Board.

**"Sound business judgment" is what is needed. No artificial incentive is needed to support it—and none should be permitted to replace it.**

# U. S.-German Tax Treaty Revisions To Be Discussed

Representatives of the State and Treasury Departments will meet later this year with representatives of the Federal Republic of Germany to discuss possible revisions in the existing income tax convention for the elimination of double taxation between the United States and Germany.

Among the subjects expected to be discussed are: possible modification of the withholding tax rate on intercorporate dividends, which is now generally limited to a maximum of 15%; the question of whether royalties, which are tax-free under the convention, include payments for "know-how"; the appropriate tax treatment of gains from the sale by a stockholder in one country of stock in a corporation located in the other country when the seller has a "substantial" interest in the corporation.

The method of applying German turnover taxes to imports from the United States may also be considered, although the convention does not apply to turnover taxes. The German tax on imports is designed to compensate for the fact that no German turnover taxes have been paid on such goods during the production process.

Interested persons in the United States who desire to submit comments on the scope of the discussions or to submit information pertinent to the subjects mentioned are invited to send their views to Assistant Secretary Stanley S. Surrey, Treasury Department, Washington 25, D. C. Deadline for receipt of such comments is Sept. 10, 1962.

# Dempsey-Tegeler Names Lange

Dempsey-Tegeler & Co., Inc., 80 Pine Street, New York City, has appointed Fred W. Lange Director of research in New York. Mr. Lange was formerly with Orvis Brothers & Co.

# Warren G. Shore Joins H. C. Shore

Warren G. Shore is now associated with Harold C. Shore & Co. Inc., 50 Broad Street, New York City. Mr. Shore, a graduate of Ogelthorpe University, was formerly in the trading department of George O'Neill & Co., Inc. with which he had been associated for six and one-half years.



# Bergleitner Forms Inv. Co.

Bergleitner & Company, Inc. has been formed with offices at 50 Broad Street, New York City, to transact a general investment, brokerage and securities business. George C. Bergleitner, Jr., formerly a partner in Christopher & Co., is a Principal of the firm.

# Pershing Admits Merrill to Firm

Pershing & Co., 120 Broadway, New York City, members of the New York Stock Exchange, have announced that Barrant V. Merrill, a member of the New York Stock Exchange, has been admitted to general partnership in the firm effective Aug. 1.

## Two With Lundborg Co.

CARMEL, Calif.—Fred H. Kurz and James G. Town have joined the staff of Irving Lundborg & Co., Dolores and Sixth Streets. Both were formerly with Reynolds & Co.

# Expanding Role of Savings Bank Investment Officer

*By August Ihlefeld*, President, Savings Banks Trust Co., New York City*

**The problems and challenges facing the savings bank industry make it necessary that the investment officer no longer remain strictly a "bond man". Mr. Ihlefeld recounts the intensified competitive position of commercial banks provided by Reg. "Q" and says it is imperative that savings banks redress the competitive balance. In suggesting ways to do this, the banker points out it would be quicker to obtain a higher average rate of return on earning assets so as to restore the former favorable interest rate differential on savings deposits. Six major problems in improving earnings are discussed with stress placed on improving the portfolio return, better planning of liquidity and cash flow needs, use of warehousing and borrowing, minimizing the tax burden, seizing opportunities in equities, and developing new avenues for earnings such as personal loan services.**

Let us take a backward glance at changes which have taken place over the past two decades.

In the 1940's the savings bank investment officer was given the task of finding adequate outlets for a heavy influx of funds in a wartime economy. Skillful management of the Government bond portfolio not only provided such outlets, but also helped to rebuild surplus ratios from the lower levels to which they had fallen in consequence of the depression.

August Ihlefeld

In the 1950's, Government-underwritten and other quality mortgages offered higher rates of return, and savings banks increased their mortgage ratios sharply. The investment officer was given the problem of cutting back the U. S. Government security portfolio and maintaining liquidity in a decade of rising interest rates and falling bond prices. In 1953 the legal investment framework for savings banks was expanded to include equity investments. The investment officer had opportunities also to acquire corporate bonds at attractive yields in periods of higher interest rates like 1957 and 1959.

### The Mutual Savings Banks Competitive Environment

A major change this year in the competitive environment in which mutual savings banks conduct their business, and the intensely competitive environment now in anticipation for the 1960's, pose new problems and new challenges for the savings bank investment officer.

Mutual savings banks are not now permitted to provide the wide variety of financial services that commercial banks can offer their customers. Nor do they presently have comparable branch office privileges.

To offset these restrictions, mutual savings banks have hitherto been able to pay a rate of return to savers higher than that of commercial banks. Until this year, commercial banks could not pay more than 3% on savings deposits under Regulation Q. Mutual savings banks in New York could pay ½% to ¾% more. This rate differential counterbalanced in large part the service and convenience handicaps to which savings banks have been subjected by law.

The raising of the rate ceiling under Regulation Q to 3½%, and to 4% for savings and time deposits left with a commercial bank for one year or more, has eliminated a large part of the rate differential that has hitherto prevailed. It is now a mere ¼ of 1% for the savings deposit rate, and it has been eliminated entirely for deposits left with the bank for one year and less than two years.

With the lifting of the Regulation Q ceiling, commercial banks have intensified their efforts to attract more savings deposits. Now that the rate relationship has been changed in their favor, they are seeking to exploit their service and convenience advantages to the full.

### Redressing the Competitive Balance

There are two ways to redress the competitive balance between mutual savings banks and commercial banks.

One is for savings banks to offer a fuller and more convenient range of services. This would involve obtaining the authority to make personal loans, to open personal checking accounts, to provide a personal trust service and to establish additional branches on a freer basis. The State Association has already asked for some of these powers. It is evident, however, that enactment of requisite legislation will be a long, drawn out, process at best.

The second way to redress the competitive balance between savings banks and commercial banks is to concentrate on the objective of raising further the average rate of return that savings banks realize on their earning assets, as a necessary prerequisite for increasing the rate of return paid depositors. True, savings banks must obtain approval by the State supervisory authorities of increases in rates paid depositors. However, when earnings of most savings banks justify payment of higher rates, it is improbable that such approval will be withheld for long.

A higher average rate of income on earning assets would enable savings banks to restore a wider differential over the interest rates paid on savings deposits by commercial bank competitors. This is the most effective immediate step that can be taken to reestablish a competitive balance in the savings field.

### The Role of the Investment Officer

The investment officer can take a leading part in solving or helping to solve the following six major problems that will confront savings banks in the years ahead:

(1) Overall portfolio planning to raise the average rate of return on earning assets.

(2) Planning for adequate immediate liquidity and for a balanced cash flow in the future.

(3) Use of warehousing and borrowing.

(4) Minimizing the tax burden.

(5) Realizing benefits from equity investment as opportunities develop.

(6) Helping to study and to implement new avenues for profitable investment, including efforts to secure requisite enabling legislation.

I would like to discuss briefly each of these tasks, in the solution of which the savings bank investment officer is bound to have a leading part.

### Over-All Portfolio Planning

Savings banks can raise the average rate of return realized on their portfolios by:

(1) Increasing the proportion of funds invested in higher yielding classes of assets.

(2) Increasing the rate of return realized on each class of earning assets.

Hitherto, the most effective way to increase a savings bank's rate of return has been to step up the proportion of assets invested in mortgages. Currently, the savings banks of the country have invested 67.3% of their assets in mortgages. Many individual savings banks have a lower ratio of mortgages to total assets, just as some have a higher ratio. So long as mortgages offer higher effective rates of return than other classes of assets, and so long as quality mortgages are available, many savings banks will continue to step up the mortgage ratio as one method of raising the average rate of return. The lack of vigor in the demand for homes combined with increased competition for mortgage loans from commercial banks raise questions about the future availability of mortgages at attractive rates.

In today's highly competitive environment, no expedient that increases the rate of return obtained from the several classes of earnings assets should be overlooked.

Insurance companies and other institutions by acquiring issues through direct placement rather than public offering are improving the rate of return obtained from their corporate bond investments. Conventional mortgages may provide a higher rate of return than government-underwritten mortgages. Lengthening maturities of government obligations when attractively higher yields are obtainable can enhance the rate of return from this part of the savings bank's portfolio.

These policies can help solve the earnings problem where quality and liquidity considerations do not conflict. The investment officer, experienced in managing portfolios to achieve quality, liquidity and yield objectives, is the one best qualified to carry out such over-all planning to lift earnings. He is constantly appraising demands for funds in the economy, interest rate trends and differentials between yields on different classes of investments in the capital markets. He is in position to recognize promptly opportunities for obtaining higher rates of return for the savings banks, and to adopt portfolio policies to these opportunities.

### Adequate Liquidity and a Balanced Cash Flow

Intensified competition for savings deposits on the one hand, and a higher mortgage ratio and the acquisition of bond issues by direct placement on the other, add to the need for adequate liquidity and careful planning of future cash flow by savings banks.

Liquidity is needed by a savings bank to meet future net deposit outflows and to take up mortgage or other forward commitments as they mature. Intensified competition can make future deposit experience more erratic. A higher mortgage ratio and the negotiation of direct placements both tend to add to the volume of commitments that a savings bank may have to take up in the future. Moreover, these forward commitments will not be evenly spaced nor will they be synchronized with cash inflow.

Planning for a balanced cash flow lessens the possibility that liquidity will become impaired. The more carefully the prospective cash flow is projected, the smaller the margin of current liquidity required to protect against the possibility of a drain on a savings bank's cash over a period of time.

In liquidity and cash flow planning, cooperation between investment officers and controllers of savings banks has produced constructive results and advances in techniques and their applications. The savings bank's investment officer, in addition to his other duties, inevitably finds himself cast in the role of liquidity manager for his institution. On the basis of cash flow projections, he can determine how much liquidity is required in the portfolio and how this can be provided with least sacrifice of earnings. Liquidity resources can then be supplemented with borrowing or mortgage warehousing should an interruption of the inflow of deposits or the maturing of commitments cause a temporary strain on the bank's liquidity position. These expedients avoid the necessity for disposing of desirable longer-term investments at a sacrifice.

Savings Banks Trust Company has sought to help in the solution of liquidity and cash flow problems under changing conditions. We seek and maintain diversity of form, term and rates in our time deposits structure so that cash resources of savings banks deposited in their Trust Company will have a fair rate of interest return as well as availability. We have expanded our liquidity facilities for savings banks desiring to use external funds to include the purchase of mortgages from savings banks and from mortgage originators for the account of savings banks under repurchase arrangements with savings banks. We welcome the opportunity to work with the investment officer in analyzing and helping to solve specific liquidity and cash flow problems and their suggestions on the further improvement of the Trust Company's services in this area.

### The Economics of Borrowing

Most savings banks have made little or no use of borrowing as a means of balancing cash flow. Traditionally, savings banks have relied upon their own internal liquidity to offset fluctuations in cash outflow; borrowing has constituted a last resort to be used only in emergency. Indeed, until as recently as 1953, the laws of New York State restricted the authority to the purpose of meeting deposit withdrawals. However, since 1953 a bank may borrow for purposes other than meeting deposit withdrawals although the amount of such borrowing is limited to 5% of assets and may be subject to such restrictions as the Banking Board finds to be necessary and proper.

In spite of the fact that savings banks have this authority to borrow, they have made little or no use of it. Evidently, a stigma still attaches to borrowing, as such, by savings banks. The taboo against borrowing is not based on an entirely rational method of calculation. As investment officers well know, many savings banks have established warehousing lines of credit which permit them to honor maturing mortgage loan commitments by warehousing the mortgages. The mortgages are taken out of warehouse at a later date as cash inflow permits. These arrangments, euphemistically referred to as "warehousing," are tantamount to borrowing. Interestingly enough, the Banking Department has prescribed the manner in which warehousing agreements shall be drawn so as not to constitute a loan.

The distinction between warehousing and borrowing may be of some legal significance devolving as it does on the question of liability for loss on the investments in warehouse. However, from the point of view of cash flow management, warehousing and borrowing amount to the same thing since both involve an engagement to pay at some future time. In mortgage warehousing there exists an agreement to repurchase except in the case of a mortgage in default. This agreement is just as real an obligation as one to repay the proceeds of a loan.

Investment officers are well aware of the advantage of warehousing and of borrowing. Warehousing developed as a counterpart of the forward commitment. Funds were needed to finance the interim between the commitment and the take-down since deliveries could not be made to correspond with cash availability. The warehousing device is admirably suited for synchronizing the acquisition of mortgage investments with cash inflow. However, a loan would offer a similar facility and, moreover, if secured by U. S. Governments, or by mortgages, could be obtained presently at a lower cost than is charged for warehousing.

Both warehousing and borrowing permit the conservation of cash and liquid assets. The use of external funds enables a bank to keep itself more fully invested than if it had to liquidate other assets from time to time in order to take up new mortgage investments.

Borrowing may prove to be more economical than the use of liquid assets if the amount borrowed and the period of borrowing can be closely synchronized with the actual need for cash as the circumstances evolve. However, these advantages of borrowing are confined to short term temporary needs and are predicated on the assumption of a future inflow of cash sufficient to retire the loan.

Borrowing has a legitimate use for certain purposes such as:

(1) To regulate the outflow of cash to permit the take-down of mortgages and other investment commitments.

(2) To meet seasonal needs for funds arising, for example, from deposit swings over dividend, tax or other quarter dates.

(3) To avoid liquidating bonds or other assets at a loss in unfavorable markets.

In short, borrowing is an economical means of stabilizing temporary and predictable fluctuations in cash flow. Provided the level of future commitments is not excessive in relation to the normal long run level of cash inflow, borrowing affords an economical means of taking up investment commitments that are irregularly spaced and of covering seasonal deficiencies in cash inflow.

The use of borrowing as a means of permanently expanding the investment portfolio, is fraught with difficulties. Inability to forecast the path of interest rates and the rate of cash inflow for extended periods into the future makes it impracticable if not hazardous to use borrowing for such purposes.

Borrowing power should be reserved in large measure for the emergency or the unexpected need and it should never be fully engaged except under the most necessitous circumstances.

I speak so at length on the economics of borrowing mainly to depict another area of financial management—one of perhaps increasing importance—in which the savings bank investment officer is by training and experience fully qualified to participate.

### Minimizing the Tax Burden

Changes in savings bank taxation that come in a period of intensified competition may make doubly difficult the maintenance of a desired surplus ratio. The payment of taxes, like the payment of a more competitive rate to the saver, curtails additions to surplus from year to year. Reduction of the tax burden will become

a challenge new to management in many savings banks.

Should savings banks become taxable as under the Revenue Act of 1962 (House Version), tax planning will enter into investment decision making in savings banking as never before. For example, timing of investment shifting and when to take security profits and losses will come up for important reconsideration. Investment in tax-exempts and in preferred and common stocks that give an 85% intercorporate dividend credit will come under renewed examination.

In formulating a program for minimizing the tax burden the question of how important it is for each savings bank to plan for additions to surplus and reserves will require critical reconsideration. While a large surplus is always desirable this must be weighed against the disadvantages of weakening a savings bank's competitive position in the effort to realize this objective.

Here again are the kind of problems to the solution of which the investment officer, accustomed as he is to project future trends and weigh the consequences, can make a major contribution.

### Investment in Equities

Investment in equities has been limited to a very small percentage of a savings bank's portfolio. Yet it has proved of material value in overall portfolio management results in terms of income, net realized capital gains and net market value appreciation.

In the past a number of savings banks have been able to offset a part of the losses arising from the depreciation in the bond portfolio caused by the rise in interest rates with realized gains on sales of equities. Realized profits on equities have also contributed to the growth of surplus.

The savings bankers who played the leading role in drafting and in gaining legislative approval of the statute which permits savings banks to invest in equities came from the ranks of the Association. A few savings banks, which by their size can afford to do so, will maintain their own organization and facilities for direct investment inequities under the direction of the investment officer. A far greater number of the savings banks will continue to invest in equities through the purchase of shares in their own investment company, such as the I.I.M.F. Inc. Members of our Association have served with distinction in the past and are among the members today on the Board of Directors of that Fund.

Investing in equities involves complex selection and timing problems. The volatility of equities gives rise to hazards as well as opportunities. The demands on the investment officer in this area will grow with his effort to maintain in the expanding equity portfolio the growth elements which produce future earning power.

### New Investment Outlets

The savings bank investment officer, in appraising the outlook for interest rates and bond prices, has to study all demand and supply factors in the capital market, and to compare relative investment values. He is eminently qualified, therefore, to explore and appraise new investment outlets that will enable savings banks to increase earnings on portfolios so as to pay competitive rates of return on savings.

A measure of flexibility in utilizing new, more income productive investment outlets is provided by Subdivision 21 of Section 235 of the Savings Bank Law of the State. More investment officers may want to consider fuller use of this subdivision. The Association may want again to look into the desirability of recommending some legal expansion of its provisions.[1]

Personal loans, which have contributed substantially to the increase in the rate of return commercial banks earn on their portfolios, are a promising asset for savings banks as well. The State Association has asked the legislature to authorize savings banks to make personal loans of up to $2,500. I believe this authority should be granted. With strong support from savings bankers, savings bank trustees and the public, I believe it can be obtained.

Establishing personal loan departments, once the requisite legislation has been enacted, will involve careful planning. The large commercial banks, by centralizing credit, collections and accounting, and by decentralizing interviews with borrowers, have reduced costs, minimized losses and maximized customer good will in their personal lending.

The investment officer, as analyst, will doubtless be called on to weight the relative attractiveness of personal loans against other earning assets, after allowing for costs and the depositor goodwill that a personal loan service produces for a bank.

In time, savings banks may receive other powers, such as the authority to manage smaller personal trusts and to offer special investment savings accounts where the funds deposited are invested in specially authorized securities permitting a more attractive dividend rate than on ordinary savings accounts. These are activities that fall entirely within the professional competence of the investment officer. They will impose new responsibilities and provide new opportunities for service to his institution.

### Conclusion

The savings bank investment officer is going to be a very busy man in the years ahead in tackling these new problems and opportunities, while carrying on his regular function of managing the securities portfolio and safeguarding the bank's liquidity.

There was a time when the investment officer was primarily the bank's "bond man," and this title was usually applied to him. Today's investment officer is concerned to an ever increasing extent with responsibility for overall asset and earnings planning. His functions are of crucial importance in an era when a higher rate of return on earning assets is the key to the restoration of the competitive position of mutual savings banks in the savings field.

[1] In summary—Subdivision 21 authorizes savings banks to purchase interest bearing securities not otherwise eligible for investment, with a maturity of not less than five years from date of issue, provided such purchases together with investments in common, guaranteed and preferred stocks do not exceed the combined surplus fund, undivided profits and surplus reserves of the savings bank. The main purpose of this subdivision is to provide a limited "Prudent Man Rule" investment privilege which, however, some savings bank investment officers consider too restrictive. They would like authority to purchase bonds (including private placements) not otherwise eligible for investment, up to 25 per cent of assets.

In contrast to subdivision 21 of Section 235 of the New York State Banking Law, Section 21, subdivision 1, of the New York State Personal Property Law permits a fiduciary to invest up to 35 per cent of the aggregate market value of the fund "in such securities as would be acquired by prudent men," subject to certain qualifications in subparagraph (m).

*An address by Mr. Ihlefeld before the Investment Officers Association of the Savings Banks of New York State, New York City.

## R. S. Dodge to Admit

R.S. Dodge & Co., 61 Broadway, New York City, members of the New York Stock Exchange, on Aug. 9 will admit Jacob Hees to partnership.

## Lieberbaum Partners

Lieberbaum & Co., 50 Broadway, New York City, members of the New York Stock Exchange, have admitted to limited partnership Harry Archer, Jack Warsaw and Sanford L. Wartell.

# MUTUAL FUNDS

*BY JOSEPH C. POTTER*

## With Their Slip Showing

Much in the manner of the typical Fifth Avenue young lady, who has spent long hours teasing her hair, coloring her face and selecting her foundation, mutual fundmen these days are spending a good deal of time worrying about their image. Their slip, in assets behind each share, has been showing this summer, which may account for their preoccupation with the attitude of the patrons.

Thus, last month the Investment Company Institute, the service organization of the country's funds, was busy disclosing results from surveys of their customers. The findings contained more solace than was to be found on the market pages of the newspapers.

There was one study that was heralded: "Survey Shows Public Confidence in Mutual Funds." It found that more than one-half of the persons holding fund shares would step up their investment if they could and that another 36% would continue at their present level. Only 3% of the shareholders interviewed indicated that they would reduce their investment and 8% said that they had no opinion.

Two days later the Investment Company Institute was at it again: this time with what it termed "a study in depth." Holders of fund shares, we were told, now regard management as an outstanding feature of this kind of investment. Among accumulation-plan holders, those building an estate through monthly or quarterly purchases, four out of 10 picked management as the feature they liked best. Four years ago, the management feature was listed by 22%.

In the latest survey, 38.4% of the accumulation-plan holders said that diversification was the best-liked feature. Four years ago, diversification brought the top rating from over 49%.

It seems that among regular account-holders, management has gained status, but diversification still stands as the best-liked feature. In the latest survey, 36.8% of the respondents listed management as their first choice. This compares with 24.4% in 1958. Diversification brought the highest total of first choices in the latest survey with a figure of 42.4%, but dropped considerably from the 55% recorded four years ago.

There is more of this sort of thing—much more—in the best fashion of Gallup and Roper. And it must be nice to know, after a fierce bear market rampage, that you still enjoy the confidence of the customers and that they like your management and diversification specialties.

All this, aside from the percentages, the fundmen knew all along. You don't have to be an Arthur Wiesenberger to realize that this is why people buy mutual funds.

The big question, which no polltaker can answer, is, as the late James J. Walker wrote: "Will You Love Me in December as You Did in May?" The answer—and it will be some time in coming—will be found on the financial pages and not in door-to-door polls.

For not only growth stocks, but all stocks, will decline in vogue and price if the Government continues to fumble, if the economy declines and other factors, at home and abroad, cause business to contract and profits to dwindle.

Whatever the future may hold in store, this much is certain: the basic idea of mutual funds is as sound as the dollar used to be. The record of the leaders of this field is outstanding. It may be that the days ahead will be lean, but it would be a man of little vision who counted out the mutual funds, which have been haven and boon to the investment-minded man and woman of this country.

## The Funds Report

**Abacus Fund** in its semi-annual report shows net assets of $32,266,500, or $37.71 per share, at June 30. The closed-end investment company showed net assets of $46,121,471 and $53.90 a share on Dec. 31, 1961, and assets of $44,172,697 and $51.62 a share at June 30, 1961.

* * *

**Aberdeen Fund** reports net assets amounted to $18,173,851, or $1.77 a share, on June 30. This compares with assets of $23,873,677, equal to $2.48 a share, at the end of last year.

* * *

Total net assets of **Carriers & General Corp.** at June 30 were $16,109,344, compared with $20,594,213 at the end of 1961. Net asset value per share of common stock on June 30 was $28.72, against $36.71 six months earlier.

During the six-month period the company bought ACF Industries, American Telephone & Telegraph, Consolidated Edison of New York, Harnischfeger 6% convertible preferred, Sterling Drug and Toledo Edison. It increased holdings of General Portland Cement and Westinghouse Electric. At the same time it eliminated Allegheny Power, Continental Baking and Public Service Electric & Gas while reducing holdings of American Electric Power, Chemical Bank New York Trust Co. and General Motors.

* * *

**Century Shares Trust** announces its shares were valued at $10.51 on June 30, against $12.31 at the end of the corresponding period last year and $14.78 at the close of 1961. Total net assets of $77,453,847 at midyear compare with $81,658,054 a year earlier and $100,571,587 on Dec. 31, 1961.

* * *

Record first-half sales by **Delaware Fund** and **Delaware Income Fund** were reported by W. Linton Nelson, President of Delaware Management Co., national distributor for both funds.

Delaware Fund sales ran 67% ahead of those in the same period last year — $15,913,265 against $9,501,150. Redemptions were down 42%—$2,068,829 from $3,558,903—and the fund also recorded its best June with gross sales totaling $2,190,503, up from $1,419,171 in June of 1961.

First-half sales of Delaware Income Fund shares totaled $3,761,262 against $1,981,667 in the 1961 period. Sales also were at an all-time high for the month—$442,999 against $282,220.

* * *

**Eaton & Howard Balanced Fund** reports that at June 30 net assets amounted to $193,149,249, or $11.04 a share. This compares with $213,240,169 and $12.37 a share a year earlier.

* * *

**Eaton & Howard Stock Fund** puts net assets as of June 30 at $162,459,835, equal to $11.31 per share. This compares with $192,383,768 of assets and $14.01 per share at June 30, 1961.

* * *

**Investment Co. of America** reports total net assets at June 29 were $213,585,208, equal to $8.59 per share. This compares with share value of $11.71 at Dec. 31, 1961.

During the latest quarter these new names appeared in the portfolio: Crocker-Anglo National Bank, Parker-Hannifin, Imperial Chemical Industries and Xerox Corp. These were eliminated: Brunswick, Fansteel Metallurgical, Johns Manville, Reynolds Metals and Schering Corp.

* * *

**Nelson Fund** reports that at June 30 net assets were $3,998,818, or $1,950.52 per share. This compares with assets of $5,038,845 and per share value of $2,477.31 a year earlier.

* * *

Total net assets of **The One William Street Fund** were $223.1 million on June 30 or $10.66 per share against $2.88 million of assets and $14.44 a share a year earlier.

* * *

**Pioneer Fund** net assets on June 30 were $42,956,902, or $8.14 a share, compared with $51,539,357 and $10 a share on Dec. 31, 1961.

* * *

**Selected American Shares** reports that at the end of the first half total assets were $94,893,973, equal to $7.75 a share, against $115,646,848, or $10.16 a share, on June 30, 1961.

## Jones, Kreeger Admits

WASHINGTON, D. C.—Jones, Kreeger & Co., 1625 Eye Street, N. W., members of the New York Stock Exchange, have admitted Clarence F. Burton to limited partnership in the firm.

# The Stock Market Decline And College Enrollments

*By* Roger W. Babson

**The effect of the stock market decline upon college enrollments is viewed in terms of the 1960's economic conditions compared to the 1930's. Mr. Babson depicts the size of tomorrow's college population, and is sure that every "worthy" student lacking financial support need not do without a higher education. The writer is concerned, however, with the families in the $5,000 to $15,000 income bracket who own no stocks and have insufficient savings. He is, also, concerned with the financial plight of private liberal arts colleges.**

Because of the multi-billion-dollar losses in stock values since last May, many have asked me how the stock market will affect college enrollments. Will parents be able to meet college expenses, or will students be withdrawn and enrollment slump?

**Most Parents Can Make Payments**

No one knows how many parents have suffered serious losses in the market. But I suspect some parent-investors may find it difficult to put their hands on large amounts of ready cash this Fall. We know that many parents have been investing in stocks because fixed - income securities just haven't seemed to keep pace with rising educational costs.

College authorities tell me that parents who have sizable investments tend to give their children relatively rich college budgets. These often include late - model cars, generous sums for personal services and amusement items. Heavy cutbacks could be made in budgets of this kind without sacrificing education! Most college financial officers believe also that with the great variety of college loan programs no worthy student will be forced out of college for lack of funds.

**Parents With No Stocks**

I am considerably more concerned about another group of parents—those in the $5,000-$15,000 income bracket. College financial officers tell me that the financial statements submitted by these parents when their children apply for loans or scholarships indicate a generally serious financial situation. Very few own stocks—have perhaps a few shares of Mutual Funds. Most carry heavy mortgages and are paying for late-model cars out of current earnings. An appalling number either have no savings accounts, or at best but a few hundred dollars.

I am glad to say that many carry some life insurance. They do what they can toward the education of son or daughter. However, if any great number in this group were to be thrown out of work or if the many working mothers in these families should lose employment, college enrollments might be affected.

**The Thirties and the Sixties**

College enrollments in 1927-38 totaled 1,053,955. In '28-'29 (the panic year) enrollments did not drop, but increased by 24,000. And in '30-'31 another 27,000 were added, for a total of some 1,127,000. Not until 1932-33 was the crash reflected in enrollments, and that was but a 5% drop. Therefore I believe most parents will have no trouble financing WORTHY children.

The 1960's cannot be compared with the 1930's. Our credit structure, under the watchful eye of the Federal Reserve, is on a vastly sounder basis. Banks have been insured against the kinds of runs that took place in the 1930's. Most home mortgages are guaranteed. Many new industries — such as electronics, chemicals, and the preparedness effort—have made our economy considerably more dynamic. By law (Federal Employment Act of 1946) the government is obliged to try to offset depressive economic factors.

**The Problem: The Small Privately Endowed College**

College enrollments have tripled since 1929-30, to over 3,500,000 in 1960. Dr. Ronald Thompson, an authority on college population projections, estimates that this Fall's enrollments will reach 4,234,769. By 1965, his studies predict, 5,206,493 will be enrolled; and by 1975, 8,480,676! The question is not one of the effect of the current market gyrations on 1962-63 enrollments, but rather of how to find the faculties and facilities to meet the fantastic increase in demand.

The real developing problem is this: Public colleges and universities supported by taxes are already increasing their facilities at a rapid rate. Small privately endowed "liberal arts" colleges will be harder and harder pressed to compete . . . or even to maintain what they already have. There must be considerably more financial support of the small privately endowed "liberal arts" college.

Parents who see the uncertainties of life ahead are willing to go into debt for education and things worthwhile. Many say, "What's the use of saving . . . we all may be 'blown up' before long? And if there is no nuclear war surely inflation is ahead, so let us take a chance for the children's sake." I think they are wise if the children are **worthy.**



# Hauser Director of Selected American

CHICAGO, Ill. — Dr. Philip M. Hauser was elected a director of Selected American Shares, it was announced here by Edward P. Rubin, President of the Chicago-managed fund.

Prof. P. M. Hauser

Dr. Hauser, one of the country's top authorities on social sciences, is an internationally known authority on population statistics, which are of increasing investment significance. He is Professor and Chairman of the Department of Sociology of the University of Chicago. Widely travelled, Dr. Hauser has conducted statistical and population missions in South America, South and Southeast Asia, and will head such a mission for two months in the Fall under the auspices of the Ford Foundation.

Currently he is President of the American Statistical Association, fellow of the American Association for the Advancement of Science, member and former Chairman of the Board of Trustees of the Library of International Relations, Chicago.

He has served the U. S. Government in many capacities as administrator and consultant, including acting and deputy director of the Census Bureau, assistant to the Secretary of Commerce, and expert consultant to the Secretary of National Defense, Research and Development Board. He was U. S. representative to the U. N. Population Commission and has been technical and statistical consultant to several foreign governments.

He has authored numerous books (the latest "Population Perspective" 1961) and been editor or co-editor of various publications dealing with population.

# Cyrus Lawrence Appoints Two

John L. Fischer has been admitted to general partnership and James E. Moltz has been appointed manager of the investment research department of Cyrus J. Lawrence & Sons, 115 Broadway, New York City, the New York Stock Exchange member firm has announced.

# FROM WASHINGTON . . . Ahead of the News

*BY CARLISLE BARGERON*

The House sub-committee on Foreign Relations has reported after a long study that the United States has wasted millions of dollars in cooperating with the Chinese Reds and Russians in setting up "show cases" in Cambodia. They have thrown our money in with that of the Russians and Red Chinese in enterprises for which the latter get all of the credit and no visible evidence exists to show that we had anything to do with it.

The sub-committee, known as the Hardy Committee, claims that the United States aid team "had a deliberate and premeditated determination to finance and construct" two radio studios which became an adjunct to a Red Chinese gift, a radio broadcasting complex.

The studios are now connected with a control center built by the Chinese Communists. Programs originating in the studios constructed with American aid are broadcast through the Communist portion of the radio complex over Red transmitters.

One high ranking U. S. aid official in Cambodia objected strenuously to the mixing of American and Red Chinese funds in the radio operation. He told associates it would appear to the Cambodians to be a show of cooperation with the Chinese Communists, contrary to both American policy against recognition of Red China and to the basic aim of our foreign aid program to combat Communism. The sub - committee reported, however, that his reasoning was not sufficient to break through "the solid wall of apparent ICA/Washington indifference or insensitivity."

The sub - committee, composed of four Democrats and two Republicans, told also of other examples where American dollars were spent on Communist projects, even though the oral agreement with the Cambodian government prohibits the mixing of American and Communist gifts. A Soviet power plant designed to operate a Red - built hospital proved to be inadequate. Instead of letting the Communists stew in their own juice, U. S. aid dollars bailed out the "show case" hospital with new, American supplied transformers.

The lax U. S. officials in Cambodia and Washington said they had been unaware of the transformers' use for approximately one year. Furthermore, when it was learned what the transformers were being used for, the U. S. officials made no effort to let the people of Cambodia know that it was American aid that made the hospital operative.

Materials for the construction of this 500-bed showpiece, the committee also found, had been supplied by the United States. When this fact was brought to the attention of U. S. officials, they not only failed to investigate and take prompt action, but they reprimanded and eventually fired Jerry M. Jackis, the man responsible for the exposure.

Jackis had been hired by the former Foreign Operations Administration in 1954 and had a superior record of service, including a virtually unprecedented two jump raise from grade F-SS-9 to F-SS-7 in 1956.

He was caused to be reduced to a relatively unimportant place in Washington and denied all foreign service. He was finally fired altogether and, although he appealed, it was without avail. He was hired again in May due to pressure exercised by Congressmen Hardy and H. R. Gross, R., of Iowa.

Marlin Haas, the official under whom all the waste happened and whom the sub-committee cited as being responsible for numerous foreign aid blunders in Cambodia, has been promoted to Foreign Reserve Officer class 9, at a salary of $13,000 a year. He is presently employed by the Agency for International Development in Washington and is attending the Johns Hopkins School for Advanced Studies under a special program to prepare "promising agency personnel" for higher duties.

# E. F. Hutton to Incorporate

The New York Stock Exchange firm of E. F. Hutton & Co., 1 Chase Manhattan Plaza, New York City, a partnership since its founding in 1904, will become a corporation on October 1, it has been announced by Sylvan C. Coleman, senior managing partner.

Sylvan C. Coleman

From the date of the changeover the firm will be known as E. F. Hutton & Co., Inc. In addition to the Hutton partnership, its underwriting affiliate, E. F. Hutton & Co., Inc., will become a part of the new corporate structure.

Officers will be elected on the effective date of the incorporation, Oct. 1.

# Robert Timpson To Admit Partner

Robert Timpson & Co., 63 Wall St., New York City, members of the New York Stock Exchange, on Aug. 9 will admit Alexander C. P. Papamarkou to partnership in the firm.

# Schiffman With Ruffer Ballan

Ruffer Ballan & Co., Inc., 79 Wall Street, New York City, announced that Sheldon Schiffman has been appointed head of their Mutual Fund Department.

# D. Haigney Jr. With Shearson

BOSTON, Mass.—Dayton P. Haigney, Jr. has become associated as a registered representative with Shearson, Hammill & Co., 21 Congress Street. Before being assigned to the Boston office of Shearson, Hammill & Co., he was a junior analyst in their New York office for a year.

Mr. Haigney, a son of Dayton P. Haigney, attended the Fessenden School, Choate and St. Lawrence University.

# The State of TRADE and INDUSTRY

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

The current business expansion has ground to a halt in this its 17th month. The survey group of the National Association of Purchasing Agents reluctantly notes that, beginning with October, 1961, the rate of improvement gradually lost steam and now is stalled on dead center.

The purchasing agents who comprise the N. A. P. A. Business Survey Committee do not know whether this is a temporary pause, accentuated by the usual summer doldrums before moving on to higher ground, or the jumping-off spot for the next recession. They can only wait until time will tell. While it is possible that we may drift sideways for some short period, commitment to one direction or the other is inevitable.

For the first time since the 1960-1961 recession bottomed out, those reporting the new order situation as "worse" outnumber those reporting "better." While it is true that only 1% separates the two categories, this crossing is significant. Production figures moved to within 1% of crossing, the closest they have been since February, 1961.

| | Better | Same | Worse |
|---|---|---|---|
| **New Orders** | | | |
| July | 25 | 49 | 26 |
| June | 27 | 49 | 24 |
| **Production** | | | |
| July | 25 | 51 | 24 |
| June | 29 | 53 | 18 |

Although history is not infallible, the situation noted in the above-mentioned indicators warrants a review of their past behavior. It is alarming to note that, in every postwar expansion, when those reporting better new order and production figures dropped below those reporting worse, we have gone into a recession within three to eight months. It must be noted, however, that certain variables are now present; the absence of a steel strike, a severe stock market slump, a depreciation law change, and much talk about a tax cut.

### Commodity Prices

General price levels failed to muster any strength in July, and the percentages registered are exactly the same as last month. Lower prices were recorded by 10% of our respondents, while 6% generally paid more for the products they purchased. Vendors are reported to be aggressively searching out new business, with special concessions and allowances reflecting the fierceness of competition.

Last month, we drew a corollary between the stable-to-weak price pattern going into the 1960 recession and the present situation. July's figures give no cause to be less interested in this similarity. Observation over the next few months may well determine the significance of historical repetition as far as this indicator is concerned.

### Purchased Materials Inventories

The inventory liquidation noted last month continues at an accelerated rate. Only 17% report higher levels, the smallest percentage so reporting in 12 months, thus continuing the very sharp drop noted since the March high of 44%. Lower levels are reported by 32%, continuing the rise in number so reporting from the February low of 10%. The figures are more meaningful when one notes that the February figure was the smallest on record since the pre-steel strike month of April, 1969, and the March figure was the highest for the same period.

### Employment

The June report suggested that the rate of improvement in employment figures noted since the first of the year may have stalled. July figures indicate that the expected slowdown in rate has occurred: 24% report more employees, down from 28% last month; 16% report less, and 60% say payroll levels are unchanged. This normally lagging indicator is behaving as expected.

### Buying Policy

A modest lengthening of commitments is noted this month in the production materials and M. R. O. supplies categories. At first thought, this would seem to be incompatible with the trend of other indicators. Comments from our members, however offer possible explanations. Some Purchasing Executives, though reducing inventories, remain confident of the future, and are offsetting such reductions by extending their commitments. Liberal inventories on the shelf may not be prudent, but commitments which later can be canceled or delayed are quite another thing. Strikes and threats of strikes reported by some may also be adding to the need for at least temporarily extended buying.

Capital commitments shortened, but only slightly. The long-awaited and much-heralded new depreciation guidelines were released by the Administration early in July. But, as this report goes to press, very little comment has been received from our committee. A special question will be submitted to members in August, to determine what changes, if any, in capital spending plans have been made as a result of the revised schedules.

| | Percent Reporting | | | | |
|---|---|---|---|---|---|
| | Hand | | | | 6 Mos. |
| | to | 30 | 60 | 90 | to |
| July | Mouth | Days | Days | Days | 1 Yr. |
| Prod. mater'ls | 8 | 34 | 38 | 17 | 3 |
| MRO supplies | 24 | 49 | 22 | 3 | 2 |
| Cap'l expends. | 15 | 6 | 17 | 24 | 38 |
| June | | | | | |
| Prod. mater'ls | 8 | 40 | 33 | 15 | 4 |
| MRO supplies | 29 | 43 | 21 | 6 | 1 |
| Cap'l expends. | 12 | 8 | 15 | 24 | 41 |

### Specific Commodity Prices

The reports of price changes are again few in number, and more "down" than "up." Weaknesses seem most apparent in the chemicals and metals, although among the latter, steel scrap showed signs of stiffening during the past month. Shortages exist only in memory, although one committee member reports a scarcity of "customers."

On the *up* side is: Steel scrap.

On the *down* side are: Copper, stainless steel, tin, glycerine, fumaric acid.

In *short* supply: None.

The Chairman of the Business Survey Committee is E. F. Andrews, Vice-President in Charge of Purchases, Allegheny Ludlum Steel Corp., Pittsburgh, Pa.

### Bank Clearings Increase 0.8%

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 28, data from all cities of the United States from which it is possible to obtain weekly figures will be 0.8% above those for the corresponding week last year. Our preliminary totals stand at $28,225,498,328 against $27,991,698,138 for the same week in 1961. Our comparative summary for some of the principal money centers follows:

| Week End. | (000s omitted) | | |
|---|---|---|---|
| July 28— | 1962 | 1961 | % |
| New York | $14,885,124 | $15,416,893 | — 3.4 |
| Chicago | 1,240,970 | 1,247,183 | — 0.5 |
| Philadelphia | 1,054,000 | 1,076,000 | — 2.0 |
| Boston | 820,203 | 815,378 | + 0.6 |
| Kansas City | 530,939 | 518,677 | + 2.4 |

### Steel's Output Up 7.6% From Preceding Week and Down 17.3% From Last Year's Week

According to data compiled by the American Iron and Steel Institute, production for the week ended July 28, 1962, was 1,504,000 tons (*80.7%), as against 1,398,000 tons (*75.0%), in the week ended July 21, making a week-to-week rise of 7.6%.

The latest week ended July 28, 1962, shows a production decline of 17.3% compared to last year's week output of 1,818,000 tons (*97.6%).

Production this year through July 28, amounted to 59,923,000 tons (*107.2%), or 14.4% above the Jan. 1-July 29, 1961, period.

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

| | *Index of Ingot Production for Week Ended July 28, 1962 |
|---|---|
| North East Coast | 81 |
| Buffalo | 65 |
| Pittsburgh | 74 |
| Youngstown | 65 |
| Cleveland | 74 |
| Detroit | 92 |
| Chicago | 89 |
| Cincinnati | 74 |
| St. Louis | 102 |
| Southern | 94 |
| Western | 88 |
| Total | 80.7 |

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

### Steel Output Rises 5% in Third Consecutive Week of Rise

The nation's steel production rose last week for the third consecutive week and to the highest level since June, *Steel* magazine said this week.

It estimates output at 1,470,000 ingot tons, 5% above the previous week's. *Steel* looks for the production uptrend to continue this week.

Part of the improvement is attributed to delayed recovery from the July 4 holiday curtailment, part to increased orders for finished steel from customers.

The magazine's price composite on the key grade of steelmaking scrap, No. 1 heavy melting, held last week at $26 a gross ton.

While the outlook for steel business is brighter, mill operators are not anticipating a rapid recovery. They expect a gradual upturn in production and look for August shipments to be 5% to 10% higher than July's.

In the Chicago area, they are thankful for small favors: Backlogs are leveling off after an extended period of steady decline.

In the East, mills note that customers are fairly optimistic about the fall months. Distributors forecast better sales for September and predict October will be one of the best months of the year.

Steel demand during August should rise moderately as vacations taper off and automakers place their first big orders for metal for the 1963 model runs.

Detroit sources expect Chrysler and the Chevrolet and Cadillac divisions of General Motors to place their first major sheet orders in mid-August (for mid-September shipment).

Because of model changeovers, the auto industry will build only 197,000 cars in August (vs. 583,000 in July). Studebaker closed two weeks ago. Chrysler and American Motors started to shut down last week. Most Ford Motor Co. plants will continue building into August —as will the majority of General Motors Corp. plants.

Auto industry output for September is slated to be 473,000 cars

*Continued on page 42*

# BANK AND INSURANCE STOCKS

**This Week — Bank Stocks**

*HAWAIIAN BANKS*

In the summer of 1961 Hawaiian banks were discussed with the thought that the major banking institutions in this new state were reasonably priced in view of the multiples at which other bank stocks were selling at that time. Also the growth rate of these banks was very favorable as compared with the major commercial banks in the country.

Following that discussion there was a rapid rise in the prices of the stocks of the Bank of Hawaii and First National Bank of Hawaii. The subsequent ruling by the Federal Reserve Board regarding Regulation Q, the rapid decline in the stock market, and the economic problems confronting Hawaii have served to reduce prices of these stocks to realistic levels.

The economy of the islands is still principally based on defense, agriculture, and tourism with the importance of each in that order. Federal, miltary and civilian employment provide close to 35% of wages and salaries. Expenditures for defense are dependent upon Washington and it would appear that current defense expenditures will remain stable. The principal agricultural products are sugar and pineapples. Certain problems have affected the sugar industry in the past and the recent strike on the islands has affected the economy in 1962. Also of importance to the overall economy is tourism which has been on the decline for the past 18 months.

In spite of these factors the outlook for the Hawaiian economy over the long run is favorable. The importance of the islands from a defense standpoint is not expected to lessen. The strike settlement will return agricultural income to former levels and the long trend of tourism is favorable.

Of the principal banks the Bank of Hawaii is slightly larger with deposits of close to $350 million. The growth rate has been very favorable with deposits showing a 50% increase and a comparable increase in the capital account over the five-year period shown. Although the earnings growth has not quite kept pace, it still is outstanding. Branch banking is permitted in Hawaii and this institution has 31 branches in the state plus five other branches in Guam, Wake Island, and other Pacific islands.

The First National Bank has 33 branches but is concentrated on the five islands of Hawaii. Here, also, automation has been in effect and is nearing completion. Although this bank has had a deposit growth of 33%, earnings increases have been very favorable. Reported six months earnings for 1962 are $1.57 as compared to $1.61 for the first six months of 1961. In view of the fact that 42% of deposits are in the time category the earnings performance has been better than originally expected.

On the basis of earnings the First National Bank has a low dividend payout. The expectations for 1962 are for no increase here although over the long-run a dividend increase could be expected before an increase for the Bank of Hawaii.

Interim earnings are not reported for the Bank of Hawaii but earnings are expected to be comparable to those of 1961 in view of those figures reported below. Although payout is not excessive the capital position warrants extension of a high percent of retained earnings, at least through 1963.

* * * * *

### BANK OF HAWAII

| Current Market | Est. Earnings 1962 | Dividend | P/E Ratio | Yield |
|---|---|---|---|---|
| $39½ Bid | $2.30 | $1.20 | 17.1x | 3.04% |

| Years Ended 12/31 | Deposits —(Millions)— | Capital* | Per Capital Share† Book Value* | Net Oper. Earnings | Dividends Paid | Price Range High | Low |
|---|---|---|---|---|---|---|---|
| 1961 | $345 | $27 | $24.13 | $2.28 | $1.02 | 84 | 39¼ |
| 1960 | 326 | 21 | 20.96 | 2.71 | 0.96 | 40 | 29⅝ |
| 1959 | 303 | 19 | 20.53 | 2.46 | 0.92‡ | 32⅜ | 23⅞ |
| 1958 | 253 | 15 | 19.85 | 2.23 | 0.78 | 23⅝ | 15⅝ |
| 1957 | 227 | 13 | 17.37 | 1.85 | 0.72 | 20⅛ | 15½ |

* Excludes reserves. ‡ Plus stock dividends less than 10%.
†Adjusted for stock splits and/or stock dividends of 10% or more.

### FIRST NATIONAL BANK OF HAWAII

| Current Market | Est. Earnings 1962 | Dividend | P/E Ratio | Yield |
|---|---|---|---|---|
| $48 Bid | $3.60 | $1.40 | 13.1x | 2.91% |

| Years Ended 12/31 | Deposits —(Millions)— | Capital* | Per Capital Share† Book Value* | Net Oper. Earnings | Dividends Paid | Price Range High | Low |
|---|---|---|---|---|---|---|---|
| 1961 | $316 | $23 | $32.65 | $3.54 | $1.40 | 91 | 42 |
| 1960 | 310 | 22 | 30.74 | 3.47 | 1.35 | 46½ | 39¾ |
| 1959 | 285 | 18 | 29.26 | 3.25 | 1.20 | 36 | 28½ |
| 1958 | 258 | 17 | 27.68 | 2.26 | 1.03 | 34½ | 23⅛ |
| 1957 | 241 | 14 | 28.17 | 2.46 | 0.96 | 28 | 22⅞ |

†Adjusted for stock splits and/or stock dividends or 10% or more.
* Excludes reserves.

# Copper Output Reached Record High Level in 1961

**U. S. Bureau of the Mines reports copper production reached a new record high exceeding the former 1956 peak by 6 per cent. Moreover, it was 8 per cent above 1960. Consumption last year increased 8 per cent and the price for electrolytic ranged from 29 cents to 31 cents in May and stayed there through the year. Imports decreased 13 per cent and exports maintained their 1960 level.**

The copper industry in the United States in 1961 was marked by record mine production, a stable price, decreased imports, and a high rate of consumption, according to the Bureau of Mines, U. S. Department of Interior. The report was prepared by Don H. Baker, Jr., Gertrude N. Greenspoon and Wilma F. Washington under the supervision of P. F. Yopes, Chief, Branch of Nonferrous Metals, Division of Minerals.

Domestic mine output exceeded 1960 by 8% mainly because of virtually uninterrupted operations at producing properties and the start-up of a new mine. The price of domestic copper rose to 31 cents a pound by the middle of May and remained unchanged for the remainder of the year. The return of the United States to a net-exporting nation, which began in 1960, became more pronounced in 1961. Imports dropped to the lowest since 1947 but exports of refined copper closely paralleled the high shipments in 1960. Demand for refined copper continued high and U. S. consumption rose 8% over 1960.

Production of copper in the United States totaled 1,165,200 tons and established a new record; the 1961 output was 6% above the former peak of 1,104,000 tons in 1956. Arizona supplied 50% of the total output; production rose 9% over 1960 and established a new record. The Mission project, 15 miles southwest of Tucson, an open-pit operation of American Smelting and Refining Co., was completed about six months ahead of schedule and production began in August. Utah continued to rank second among major copper - producing States but output fell 2% below 1960. A 21-day strike at the Utah Division of Kennecott Copper Corp. —the largest copper produced in the United States—was the chief reason for the reduced output. Third-ranked Montana's production was the largest since 1944, and represented a 13% increase over 1960. New Mexico rose to fourth place with output at the highest level since 1942 and an increase of 18% over 1960. Output in Nevada increased only slightly and the State dropped to fifth place. Michigan, in sixth place, produced 25% more copper than in 1960.

### Consumption Up by 8%

Consumption of refined copper increased 8% in 1961. In the first two months of the year copper was consumed at a rate of 12% below the 1960 monthly average. Consumption rose in March but dropped in April. By June, use of refined copper reached the highest rate of the year (142,000 tons). Following the usual low of July because of vacations at many of the principal fabricators, consumption averaged more than 130,000 tons monthly through November. The December rate equalled the 1960 annual average.

### Stable Price

The price for electrolytic copper quoted by primary producers was 30 cents a pound, delivered, at the beginning of the year. On Jan. 17 producers reduced the price to 29 cents which held until May 1, when a principal producer raised the price to 30 cents; by May 3, all producers were at the 30-cent price. Shortly after the middle of May, producers again advanced the price to 31 cents which became effective for all principal producers on May 19 and was unchanged at year-end. The custom smelter price closely paralleled the primary producers quotation. The price dropped to 29 cents on Jan. 11 and was raised to 30 cents on May 1 but was withdrawn on May 16. On May 17, custom smelters quoted 31 cents and this price held through the end of the year.

Imports of unmanufactured copper decreased 13% and were the lowest since 1947. Receipts of refined copper dropped each year since 1953 except for 1959, and in 1961 were less than half the 1960 entries. Imports of blister, however, increased for the third successive year and were 14% greater than in 1960. The other unrefined classes — ore, concentrate and matte—were down 41%. Chile remained the chief source of imported copper supplying 50% of the 1961 total. Although Peru furnished slightly less copper than in 1960, it accounted for 20% of the total receipts, and rose to second place as a supplier. Canada, in second place since 1951, dropped to third place in 1961, furnishing only 17% of the U. S. total. Imports from Mexico, the Union of South Africa, and the Philippines declined.

Because the price of copper remained above 24 cents a pound, the 1.7-cents-a-pound excise tax, effective July 1, 1958, was unchanged.

### Export Stayed the Same

Exports of refined copper, the principal export class, were little changed from 1960. West Germany, United Kingdom, Italy, Japan, and France were the major recipients, but substantial shipments were made to Brazil, India, and Argentina.

Exports of copper scrap declined sharply; Japan received the largest quantity, followed by Spain and West Germany. Brass and bronze scrap shipments dropped 5% from the 1960 record; 90% of the total went to Japan.

Stocks of refined copper at primary plants declined 50%; unrefined stocks decreased to 10% to the lowest point since 1955. Data released in March 1962 on U. S. Government inventories of strategic materials as of Dec. 31, 1961, revealed that 1,142,000 short tons of copper were stockpiled. Of this, 1,009,000 tons was in the national (strategic) stockpile, 122,000 tons in the Defense Production Authority inventory, and 11,000 tons in the supplemental stockpile. Included in these data were 21,066 tons of oxygen-free high conductivity copper in the national strategic stockpile and 5,199 tons in the supplemental stockpile. The maximum objective for copper was 1,000,000 tons.

The price of copper on the London Metal Exchange during January averaged £220 0s. 7d. per long ton (27.57 cents a pound). Prices trended upward until May when the high for the year was reached — £242 8s. 2d. (30.24 cents). Thereafter, quotations were at or near the equivalent of 29 cents. The average price for the year was 7% less than in 1960.

Production gains in many countries, notably Canada, Chile, and Peru, raised 1961 world mine output to a new high. The high rate was achieved despite production curtailments instituted in late 1960 and continued into 1961. Production rose 2% in Canada, 3% in Chile, and 9% in Peru. Output was virtually unchanged in Northern Rhodesia, and in the Republic of the Congo, production was adversely affected by the closure of the Union Miniere du Haut Katanga operations in December. As a result of a strike at the Mount Asa mine, Queensland, from Sept. 25 to Nov. 22, production in Australia fell 16% below 1960.

# Businessman's BOOKSHELF

**Common Market:** The Impact of the Common Market on the American Economy—Chamber of Commerce of the United States, Washington 6, D. C. (paper), $1; (quantity prices on request).

**Construction Reports:** Sales of new one-family homes—Bureau of the Census, Washington 25, D. C. (paper), 10¢.

**Consumer Credit**—Boon or Boondoggle? — Joseph P. Williams—Uni-Serv Corporation, 104-70 Queens Boulevard, Forest Hill 75, N. Y. (paper).

**Cycles, Growth, and Discretionary Budget Policy**—National Industrial Conference Board, 460 Park Avenue, New York 22, N. Y. (paper).

**Facts About the Proposed Merger of the Pennsylvania and New York Central Railroads**—Penn-Central Merger Information Committee, Box 2354, Grand Central Station, New York 17, N. Y. (paper).

**Future of Federalism**—Nelson A. Rockefeller—Harvard University Press, Cambridge 38, Mass. (cloth), $2.75.

**Interconnections and Pooling of Electric Utility Systems**—Report —Edison Electric Institute, 750 Third Avenue, New York 17, N. Y. (paper), $2.50.

**Life Insurance Association of America**—Proceedings of the 55th annual meeting (Dec. 13-14, 1961) —Life Insurance Association of America, 488 Madison Ave., New York 22, N. Y. (paper).

**Life Insurance Fact Book: 1962**—Institute of Life Insurance, 488 Madison Avenue, New York 22, N. Y. (paper).

**New Depreciation Rules With Explanation**—Commerce Clearing House, Inc., 307 North Michigan Avenue, Chicago 1, Ill. (paper), $1.50 (quantity prices on request).

**Optima, June, 1962** — Containing Articles on Why Bantu States?; Britain's Changing Capacity for Overseas Investment; East-West Struggle in the United Nations; Some Prerequisites for Southern Rhodesia's Economic Growth; Emergence of Swaziland—Public Relations Department, Anglo American Corporation of South Africa, Ltd., 44 Main Street, Johannesburg, Republic of South Africa—25 cents (South African).

**Savings and Home Financing Source Book 1962**—Federal Home Loan Bank Board, 101 Indiana Avenue, N. W., Washington 25, D. C. (paper).

**Union Wages and Hours: Printing Industry** — U. S. Dept. of Labor Bulletin No. 1315—Superintendent of Documents, U. S. Government Printing Office, Washington 25, D. C. (paper), 35c.

## Form S. E. Ewig Co.

(Special to THE FINANCIAL CHRONICLE)

CARMEL, Calif.—Stanley E. Ewig is engaging in a securities business from offices at Monte Verde and Sixteenth Streets, under the firm name of Stanley E. Ewig Company. Mr. Ewig was previously with Reynolds & Company.

# South American Study Uncovers Disquieting Facts

**Senate committee concludes study on economic developments in South America. It is perturbed by a lack of domestic effort in several directions and realistic assessment as to what Alliance for Progress can do.**

Senator John Sparkman (D., Ala.), chairman of the Subcommittee on Inter-American Economic Relationships of the Joint Economic Committee, recently released the Subcommittee's comments on its recent hearings on Economic Developments in South America. The highlights of the Subcommittee's observations, based upon the hearings which were held to supplement its earlier report on economic conferences held in South America follow:

Hon. John Sparkman

"(1) The testimony brought disturbing evidence of a reluctance on the part of some wealthy Latin American investors to risk private investment in their own countries. This reluctance is, indeed, reported to have taken the form of a substantial 'flight' of local capital to Europe or the United States.

"(2) The hearings brought out again the general absence of effective local government instrumentalities in most of the South American countries. We were impressed on our visit to South America, and again from the testimony at these hearings, that the traditionally minor role assigned to local governments has been a dampening force on economic and social development.

"(3) The technique of the public authority with mixed public and private attributes such as our port authorities, turnpike authorities, and multi-purpose valley authorities, or the Port of London Authority, was suggested as a potentially useful device for the kinds of development called for in Latin America.

"(4) The meaning and objectives of agrarian reform' in the context of the Alliance for Progress, especially the interest and role of the U. S. Government as a participant in the Alliance, has tended to become confused as simply a tenure problem, but properly conceived, should have as its primary objective increased agricultural productivity by a variety of means.

"(5) Economic progress in Latin America needs a great deal more than capital loans and grants. The objectives of the Alliance may, indeed, be equally well advanced by the free 'importation' from the industrial countries of capital saving and efficiency-improving techniques and managerial know-how which, coupled with private investment, have made the flow of products from our enterprise system the envy of the world.

"(6) Since the capital for meeting housing needs alone could use up several times the total amount of funds contemplated under the Alliance for Progress for all purposes, it is obvious that the great bulk of the additional capital required for new housing will have to come from savings within the countries.

"(7) General price inflation is the lot of almost any country with a measure of monetary or fiscal mismanagement but the fate of a country dependent, as most of the Latin American countries are, upon one or two export commodities, is subject to an ever-present added complication. For them, changes in one or two specific prices may mean economic difficulties, political unrest, and thwart economic development.

"(8) One of the considerations to be taken into account in judging the speed and momentum of the Alliance for Progress is the fact that very few Latin American countries have a true Civil Service."

A limited number of the hearings upon which this report is based are still available from the Committee.

Members of the Subcommittee in addition to Chairman Sparkman, are Senator John Marshall Butler, of Maryland, and Representatives Richard Bolling, Missouri; Hale Boggs, Louisiana; Martha W. Griffiths, Michigan; and Thomas B. Curtis, Missouri.

# Phoenix Analysts Elect Officers

PHOENIX, Ariz. — John W. Stephens, Account Executive with Francis I. duPont & Co., has been elected President of the Phoenix Society of Financial Analysts. Mr. Stephens was instrumental in founding the Phoenix Society in 1959. He is a member of the New York Society of Security Analysts and before coming to Phoenix was active in the Dallas Society of Investment Analysts. Mr. Stephens writes a financial page for the Cattlemen's Magazine. He is past President of the Central Arizona Chapter of the American Marketing Association and is a member of the American Statistical Association and the Press Club.

John W. Stephens

The new Vice-President of the Phoenix Society is George German, Vice-President and Trust Officer of the Arizona Bank. Richard Burgess, partner of Alexander Grant & Co., has been elected Treasurer. The incoming Secretary is John S. Bundy, Trust Officer of the First National Bank of Arizona.

# Richter & Co. Names V. Ps.

Richter & Co., Inc., 1431 Broadway, New York City, members of the New York Stock Exchange, have announced the election of Clifford A. Friedricks, Harry Rosen and Alan H. Seigenfeld as Vice-Presidents of the firm.

## Now Corporation

LOS ANGELES, Calif. — R. W. Cooper & Co., Inc., a corporation, has been formed to continue the investment business of R. W. Cooper & Co., 811 West 7th St. Officers are Robert W. Cooper, President; Leonard A. Hobbs, Vice-President, and Robert W. Buttrey, Treasurer.

# How Investment Bankers Appraise Corporations

By John S. R. Shad,* General Partner, Shearson, Hammill & Co., New York City

**Senior member of his firm's buying department carefully culls what an investment banker looks for in appraising a company's prospects for a contemplated public offering of securities, merger, diversification, expansion, and privately underwritten financing. Both investors and companies are confronted with what underwriters do to make certain of the "right price" of an offering, and to avoid the serious consequences inherent in overpricing an issue. Mr. Shad's compendium details questions considered in evaluating the "quality" of a company's assets, earnings, management's abilities and integrity, etc., as well as the quantitative information sought for the statistical support of judgments made.**

This article points up the negative and critical areas of inquiry — the possible pitfalls — in appraising corporations with a view to underwriting initial public offerings of their securities. Essentially the same areas of inquiry are involved in appraising corporations with a view to mergers, corporate acquisitions and private financings. In the case of initial public offerings, it should be borne in mind that the investment banker and corporate issuer do not merely join forces for a single financing. Their relationship is a continuing one with common objectives — a successful initial public offering of the company's securities, a favorable after-issue market, sound financial planning and the long-term success of the business. The investment banker's contribution to these objectives is in large measure a product of his ability to appraise his corporate client.

John S. R. Shad

### Financial Statements—Only Opinions

The initial area of inquiry is typically a company's financial statements — its balance sheets and operating statements over a period of years. Such statements are generally accompanied by an auditor's certificate. If the certificate is without qualifications or exceptions — which is the strongest one an auditor can give — it may consist simply of a statement to the following effect:

"In our *opinion*, the accompanying statements present fairly the financial position of the company at June 30, 1962 and the results of its operations for the fiscal year then ended, in conformity with *generally accepted accounting principles* applied on a consistent basis with the preceding fiscal year."

The foregoing statement is from a recent Price Waterhouse certificate. However, no matter how capable or reputable a company's auditors, its financial statements are only statements of *opinion*, based upon any one of a variety of *generally accepted accounting principles* which the company and its auditors are privileged to adopt at their discretion.

Consequently, two otherwise identical companies would be unrecognizable from their financial statements, if they chose to adopt different accounting principles. For example, assume that Corporation "A" depreciates its plant and equipment on a straight line basis, values its inventories under the First-In-First-Out (FIFO) method, consolidates the income of its subsidiaries and capitalizes its expenditures on plant improvements, intangibles (i. e., patents, trademarks, etc.) and other items to the maximum extent consonant with generally accepted accounting principles; and that Corporation "B" uses accelerated depreciation, Last-In-First-Out (LIFO) inventory valuation, only consolidates subsidiary income to the extent remitted to the parent company and charges expenditures on plant improvements and other items against current income to the maximum extent permissible under generally accepted accounting principles. "A's" audited financial statements might show substantial *profits* and a significant net worth. Whereas "B's" might show *losses* and even a deficit net worth, even though the two companies were in fact identical in all respects. The difference would be *solely* the result of the different accounting principles which the two companies chose to adopt. In this example there were only four variations in the "generally accepted accounting principles" adopted by the two companies. There are literally hundreds of possible variations in the accounting principles which companies and their auditors are privileged to choose between.

Further, even if two companies follow identical accounting principles and have identical balance sheets and operating statements, one's operations could involve highly speculative activities, while the other's might be extremely conservative. The investment banker must carefully weigh the risks against the profit potentialities in each situation in order to appraise critically a company and evolve a sound financing program.

### Ways to Increase Profit Picture

Equally significant is the fact that regardless of the accounting principles a company adopts, there are an endless variety of things it could do to increase its earnings in anticipation of a public financing or merger, with a view to obtaining the highest possible price for its stock as will be explained later, this would be a very short-sighted tack for a corporation to pursue in the case of an initial public offering; however, a prospective issuer could reduce or temporarily defer various expenses, such as maintenance, advertising, insurance, research and development — to name a few. It could also increase its sales and net income by accelerating shipments to customers, with the understanding that payment will be due in accord with usual delivery schedules — accounts receivable will thus be created and sales and earnings recorded.

Finally, it is a rare coincidence when the figures at which a company carries its assets correspond to their replacement, liquidation or fair market value — and the stated net worth of a corporation rarely bares a close relationship to its fair market value.

Thus, it may be concluded that corporate financial statements only provide meaningful *clues* to the historical size and profitability of a company's operations and the strength or weakness of its financial condition as of a given date. It is the investment banker's job to appraise the *quality* of a company's earnings and assets, and its management's abilities, in order to evaluate the company's future prospects — and then, evolve a sound financing program.

Nine out of ten underwriting prospects are rejected at the outset, either because of the small size or speculative nature of their operations. In order to permit a broad national public distribution of its shares by a group of leading investment banking firms, a company must generally have among other things, net income after taxes of at least $500,000, a net worth of at least $2,000,000, and favorable future prospects. Of course, the larger and more successful a company, the more susceptible it is to public finance.

### Information Requested—And Why

Assuming a company has sufficient size and substance to warrant serious consideration, the management is requested to respond to a questionnaire which is specifically adapted to the company's situation, but which generally covers, among others, the following areas:

The historical development of the company. Its over-all record of profitability, the date and state of incorporation, and major changes in its ownership, management, capitalization, operations and location over the years are material considerations, both from a legal and a financial point of view.

A breakdown is requested of its sales and gross profits by major product and customer categories. The shifting product mix, sources of profits and margins in individual product and customer categories are studied to determine the direction in which is the company is moving and its major areas of profit strength and weakness.

A similar breakdown of its current and historical backlog figures is studied from the same point of view.

A list is requested of each of the major customers, suppliers and competitors, with indications of the volume of business done with and by each, and the company's relationship with each. This schedule is used to make trade checks, and to appraise the company's competitive position and its dependency on any single or group of customers or suppliers.

A description of each its major operating divisions and policies is requested. In addition to the existing policies and facilities, recent and planned changes are carefully analyzed. Emphasis is placed on new marketing, production, distribution, personnel and other policies, and facilities, as well as research and development, expansion and corporate acquisition plans which, in conjunction with the product mix and backlog data, provide an indication of the direction in which the company is moving.

The amounts spent on research and development and the amount of current sales and earnings accounted for by products introduced within the past 10 years, provide an indication of the success, relative to cost, of the research and development program, as well as the company's leadership within its industry.

A description is requested of each of the major physical facilities. Areas of particular interest are the advantages and disadvantages of each location (relative to sources to supply, markets, labor costs, etc.), whether or not the plants are modern and well laid-out, utilize the latest production equipment and techniques and are well maintained. As previously mentioned, it would be a simple matter for the company to increase its earnings in anticipation of a public offering or merger, by reducing its maintenance and other temporarily deferrable expenses for a period of time.

### Possible Conflict of Interest

A description of all intercorporate and other material transactions is requested. Those situations in which an officer or director has a direct or indirect interest outside of his official capacity are carefully studied, since they can result in a conflict of interest, and they do expose the management to derivative stockholder suits. It might be added that when derivative actions are brought, they make headlines in the financial press, but when they are won by management a year or two later, they are lost among the obituaries—and unfortunately by then damage has been done to the company's public image and the investing public's confidence.

An outline is requested of the management compensation, bonus and profit sharing arrangements and stock option plans. This is reviewed to determine whether the company is competitive, and also as to whether such arrangements are equitable from the point of view of the prospective public stockholders. Although restricted stock options do result in dilution of the public stockholders' interest in a company, reasonable restricted stock option plans are regarded favorably, particularly in the case of small to medium size companies. Such companies cannot compete with the nation's industrial giants for able executives on a straight salary basis, but they can compete on a capital gains basis through restricted stock options. An able executive can have a dramatic impact upon the profits of a small company, and therefore the market value of its stock — and his options. Whereas, such an individual is not likely to have as dramatic an impact upon the operations of one of the nation's largest corporations, or its market valuation.

A discussion is requested of the company's historical employee relations. Its strike history, wage scales and whether or not it is unionized are material considerations. Some companies are essentially *packaging* cheap labor which they sell in the form of manufactured products. Non-unionized companies sometimes point out that their hourly wages are at or above the union scale; however careful analysis often discloses that they are not paying the usual or full fringe benefits (i. e., pensions, insurance, hospitalization, vacations, etc.) and that the actual labor costs are, therefore, appreciably lower than their unionized competitors. Cheap labor is a material competitive advantage, but abnormally wide scale differentials cannot generally be expected to persist indefinitely.

### Contingent Liability Information

A discussion is requested of each material contingent liability not carried on the company's balance sheet or covered by insurance in the ordinary course of its business, including legal actions and state and Federal agency proceedings threatened, pending or in process, guarantees and warranties, contract termination penalties and renegotiation provisions, and potential tax claims. The year through which a company has

*Continued on page 40*

# SECURITY SALESMAN'S CORNER

*BY JOHN DUTTON*

## His Widow Can Become Your Client

The investment business has always faced the problem of the loss of accounts due to the death of valued clients. Quite often, years are invested developing a durable relationship with a customer, but since many wealthy investors are advanced in years these customers are lost when their account is turned over to a bank trustee, or the heirs turn to a friend or legal advisor, for financial counsel. This severs a business connection of many years' duration. What can the investment security salesman do about this? Here are a few suggestions.

### Never Take an Account for Granted

A wealthy client did business with the partner of a member firm for 20 years. He bought all his common stocks from this man —by telephone. Changes in the portfolio were made by agreement. The member partner thought he had the account lock, stock, and barrel. He never expected to lose it. Meanwhile, another salesman started to sell the customer tax-exempt bonds. The client would give them to his children as presents. The customer never told the member partner of this, but he continued to do all his stock business through him as usual. Then he became suddenly ill and it was obvious to all who knew him that he had a rapidly developing malignancy. The bond salesman called one day and talked with him, but the partner never knew his client was ill.

About sixty days before this man died, the partner advised him to sell over $100,000 worth of common stocks, showing the account a huge long-term taxable profit. Due to this sale a large current income tax was paid by the trustee bank executor. If the man who controlled this account for 20 years had been alert to this customer's rapidly failing health, he would not have sold those stocks, but would have left them in the estate and they would have been taxable at a much lower inheritance tax rate.

The bond man followed up the account. He called upon the widow and was directed to the trust department of the bank which was settling the estate and managing the trusts that were established. He became friendly with the trust officer, made an analysis of the entire inheritance, and now he is getting all the business from this account. The trust officer told him flatly, "I can't see how any broker who knew the facts in this case would have advised the sale of these securities when everyone who knew George was positive he only had weeks to live." Twenty years of work down the drain—now another firm and another salesman has this account.

### Help Clients Establish Trusts

Much work can be done by informed investment men in assisting retired individuals to properly set up their estate so that their heirs are protected. Mutual Funds can be used to establish living trusts for dependents while living; banks can be appointed as trustees who are friendly to a salesman or an investment firm; help can be given in bringing to the attention of many people that it is of vital importance to their loved ones that they designate proper administrative assistance in settling their estate; wills should be drawn and amended.

An alert salesman can work with a good law firm, he can bring them clients and they can send him business. They need help in obtaining appraisals of estates, not only market values but also valuations of the investment merits of securities. Contacts should be developed with the trust departments of aggressive trust companies. You can recommend their services and gain their good will. The reinvestment of the securities in the estates placed in their care can be yours and you then control the account.

### Small Accounts May Be Valuable

Some salesmen make a point of calling upon widows, whether they have known their husbands or not. Often a widow is left helpless because she is not prepared to assume the obligations of reinvestment of insurance funds, small inheritances, and the management of her affairs. An intelligent offer of qualified assistance can produce substantial business if tactfully presented. The radiation from satisfied clients is often very productive. Any woman who has had the assistance of a sincere investment man, who has helped her over the first few trying years after her husband has died will often refer other women as clients. Retired, elderly women, are not going to give their confidence to a salesman without a degree of reticence. There have been too many stories of what happened to the "poor widow" and her mite. But once you have done a good job for this type of client her recommendation is invaluable. Sooner or later you will find an intelligent woman who is a leader in church activity, garden clubs, the D.A.R., or similar groups where the predominance is people of her own age, and financial status. This field is also one of the most productive for the mutual fund salesman who knows how to sell income, and a program of capital preservation that is uncomplicated and does the job.

## With McKinney & Co.

(Special to THE FINANCIAL CHRONICLE)

LOS ANGELES, Calif. — Paul H. Desbrow has become connected with McKinney & Co., 210 West Seventh Street, members of the Pacific Coast Stock Exchange. He was formerly with Garat & Polonitza, Inc. and Bateman, Eichler & Co.

# Eberstadt Co. Joins NYSE

F. Eberstadt & Co., 65 Broadway, New York City, has announced that it has become a member firm of the New York Stock Exchange.

A. W. Eberstadt

Eberstadt, founded in 1931, conducts a general investment business and manages and distributes the shares of Chemical Fund, Inc., a mutual fund with assets of over $230,000,000.

The firm's Institutional Department includes investment research, sales and trading. Andrew W. Eberstadt, general partner, has become the firm's Exchange member. Associated with Mr. Eberstadt in the Institutional Department, among others, are Samuel Chandler, Jr., Pike H. Sullivan, Jr. and Herbert A. Wilson, Manager of the Trading and Order Department.

## Two With Draper, Sears

(Special to THE FINANCIAL CHRONICLE)

BOSTON, Mass. — Phillips Farrington and Donald L. Willis have become associated with Draper, Sears & Co., 50 Congress Street, members of the New York and Boston Stock Exchanges. Both were formerly with Granbery, Marache & Company.

## Joins Wm. R. Staats

(Special to THE FINANCIAL CHRONICLE)

LOS ANGELES, Calif. — Francis O. Bragg has joined the staff of William R. Staats & Co., 640 South Spring St., members of the New York and Pacific Coast Stock Exchanges. He was formerly with J. Barth & Co.

## With McMaster Hutchinson

(Special to THE FINANCIAL CHRONICLE)

MILWAUKEE, Wis. — Alexander Alex has become associated with McMaster Hutchinson & Co., 1819 Marine Plaza.

# Our Reporter on GOVERNMENTS

BY JOHN T. CHIPPENDALE, JR.

That part of the August refunding and new money raising of the Treasury, consisting of a one-year obligation with a 3½% coupon and a six and one-half year short bond with a 4% rate, was pretty much according to what had been expected in the financial district. On the other hand, the 4¼% long-term bond due in 1992, but callable in 1987, was a surprise. The use of the mid-summer refunding operation to pick up new funds was only a very modest surprise since the opinions in the financial area were about evenly divided as to whether or not the Treasury would make use of this refunding to get fresh money. The issues offered in this combined operation were tailored to meet the requirements of both short- and long-term investors and, since there were no rights involved because it was a cash operation, there will be no attrition in this one.

**Bond Buyers in "Drivers Seat"**

The August refunding operation has created issues that are attractive to the short and intermediate-term buyers as well as the long-term investor who had been left pretty much to the already outstanding Government bonds, along with those in the corporate and tax-exempt lists. There is no question but what the bond buyer is in the driver's seat again and can afford to wait until (1) the yields that are attractive come along first hand or (2) are obtainable after the unsuccessful syndicate offerings are made available at prices that fit the ideas which the long-term buyer is willing to put into operation.

The competition for the investor's funds is as keen as it ever has been and the rising trend of yields appears to indicate that the buyers of long-term obligations will be getting more for their money as time goes along.

**Liquidity Demand Unabated**

The interest in Government securities is still mainly in the short-term issues since there is a very strong liquidity preference in the minds of most of the buyers of these obligations. This means that the 91-day Treasury bills are the leaders of not only the liquid market but also of the whole Government market. This demand for the short-term liquid issues is giving the Treasury much to think about since there will be no let-up in these purchases until current uncertainties are resolved.

In addition, if it were not for the continued sale of near-term obligations by the Government, yields on the most liquid Treasury securities would be much lower than they are now.

**Tax-Exempt Market Faltering**

The intermediate-term area of the Government market is getting more buyers in spite of the increase in supply of securities which resulted from the August refunding operation of the Treasury. It is reported that quite a few commercial banks are putting larger amounts of their funds into Government securities with maturities going out as long as 1971. The amounts that are being maturity spaced are reported to be in size but not in any way comparable to the funds which are being invested in the most liquid Treasury issues.

Some money is also being put to work in tax-exempt issues in the intermediate - term range where the yields are considered to be satisfactory. It is evident, however, that the rise in prices of tax-exempt securities, and the talk of an income tax cut, means that cautious buying in only selected issues and maturities is now the case. Some of the zip has been taken out of the tax-exempt market, and the short-term and middle maturities of Governments have been the main beneficiaries.

**New Treasury 4¼'s More Competitive**

The long-term sector of the Government market continues to attract investors' attention and this recent offering of a 4¼% bond due in 1992 at 101 to yield 4.19% has made long Governments much more competitive with corporates and tax-exempt obligations. In the past, better yields were readily available in non-Federal bonds and, as a result, institutional investors were attracted to these securities. However, as matters now stand, a 4¼% Government bond, the highest credit available at a yield that has investment interest for pension funds and other long-term investors, puts the Government right back into the long-term bond business all over again. In addition, the sale of long - term bonds to the ultimate investors means that the deficit of the Treasury will be financed without inflationary implications.

# N. Y. World's Fair To Be "Biggest Box Office" Event

Thomas J. Deegan, Jr., Chairman of the Executive Committee of the New York World's Fair 1964-65 Corporation, predicted "the biggest box office in history" for the international exposition which will open on April 22, 1964 at Flushing Meadow Park. Mr. Deegan spoke before the Magazine Promotion Group at the Sherry-Netherland Hotel, New York City, on July 24. "The plans already programmed for attracting the estimated record attendance of 70 million persons represents one of the greatest promotional undertakings and a challenge to the ingenuity of the American communications industry," Mr. Deegan said.

Thomas J. Deegan, Jr.

"Included in the program will be $75 million in paid advertising by exhibitors, including corporations, the Federal and foreign governments, the 50 states and other participants.

"The projection of 70 million paid admissions to the New York World's Fair in 1964-65—a forecast made for the Fair by the nation's leading bankers and hence, conservative—is the largest single box office ever attempted in history for a single attraction in a period of two six months seasons.

"The most recent total figures on comparable events," Mr. Deegan pointed out, "are the Brussels Exposition in 1958 with 42 million admissions in a single five-month season; the American National Exhibition in Moscow in 1959 with an attendance of nearly three million in ten weeks; the Russian Exposition at the N. Y. Coliseum in 1959 with 1,100,000 attendance in 42 days; and the last New York World's Fair in 1939-40 with 47 million paid admissions in two six months seasons. The Seattle Fair, open since April 21, is running 17% ahead of estimates—a good omen for New York."

## With J. B. McLean Co.

(Special to THE FINANCIAL CHRONICLE)

GREENSBORO, N. C. — William D. Hoover and William N. Lybrook have joined the staff of J. B. McLean & Co., Inc. of Norfolk, Va.

# The Market . . . And You

*BY WALLACE STREETE*

Industrials continued to work higher this week to give the badly-beaten stock market more in the way of respite and generate hopes that August, with a good record for gains over the years, will contribute importantly to the traditional summer rally.

There was much overhead resistance to be eaten through, particularly around the 600 level, that made the sessions pretty much a tug o'war between the bulls and bears as new advances uncovered profit-taking. When the profit-taking was well absorbed, buyers turned bold again and, even within a single session, the struggle was on again.

Whatever else was accomplished, the ability of the list to work to new recovery peaks did spur turnover and four million volume, which hasn't been seen since the first half of July was reached once again without any particular news to spark trading otherwise.

One bright hope that could sustain the market would be the decision to cut taxes now which, from all indications, depends on what the July economic indicators show. More important than widespread tax cuts across the board would be how much business tax cuts are emphasized. And in view of the political pressures, it is unlikely that the entire benefits of any tax cuts would fall on the shoulders of American businesses.

### Skeptical of Aid From Washington

As a result, there was considerable skepticism in spots that either a tax cut or any other Washington action could contribute importantly to the stock market. For one, the jolt to widespread confidence has been a rough one and, in many cases, costly.

For another, some of the basic problems that are making the business scene confused and uncertain cannot be alleviated by superficial remedies. Bigger depreciation schedules will inevitably trim reported earnings and a tax cut would help offset such declines which about cancels one out with the other. But the market as it existed prior to the break was betting heavily on unending improvement in profits. And the plain fact is that the market had even run well ahead of profits in the latter stages of the bull swing despite much discussion of a "profit squeeze" which meant mostly that profits were not growing while stock prices were.

To reinstate such excessive market enthusiasm seems a formidable chore, not accomplished easily by what are largely bookkeeping feats that don't expand the sales of industry generally overnight.

The more favorable of the facets, in a negative way, is the near agreement that a business recession is building up. When the experts come close to universal agreement, the record indicates that they are likely to be completely wrong. And more have been joining the cult of those who, noting what essentially are still only confusing indices, have determined that a setback is being incubated.

### Issues Faring Well

As far as the day-to-day trading was concerned, issues which in the last report showed sizable short positions were still the favorites and fared well on occasion. IBM was in position to toy with the 400 level after posting its 1962 low of 300. But it had lost more than 300 points from its historic peak so it is a partial recovery at best.

General Electric showed some signs of new popularity after its settlement with the Government on alleged overcharges. This at least gave the first concrete indication of how costly such settlements might be. That paved the way for some intelligent revaluation of G.E.'s prospects profitwise in the future.

As far as market commentators were concerned, there was beginning to emerge a new evaluation of growth and an appreciation of this quality at a time when the general economy is struggling with overall stagnation.

The issues that bore the "growth" title in the hectic stages of the bull market admittedly overdid their growth aspects as far as their peak prices are concerned. But since they had their come-uppance in the market break, they assuredly, if not exactly at the bargain level, are still available at prices far lower than they were not too long ago.

International Business Machines, which long has been the premier growth issue of them all, is still showing the pattern of good and consistent earnings growth that has marked it all along. Foreign operations are the fast-growing phase in I.B.M.'s picture, along with the continuous income generated from leased equipment. In addition, few, if any, experts feel that the domestic computer market has come anywhere near saturation. And meanwhile the stock that commanded an 80-time price-earnings ratio last year was down to around 40-times the estimated 1962 earnings recently. So it had no dearth of friends to champion it in any discussion of growth companies.

### Unusual "Growth" Nominee

One oddity that was appearing on some growth issue tabulations was a tobacco issue—Reynolds Tobacco. Not since Lorillard's fabulous success with the Kent line some years back have any of the growth champions done much hunting in the tobacco lineup where health scares have been endless and jolting to the market prices.

Yet Reynolds has built up a growth pattern by taking over more and more of the cigaret market at the expense of its competitors with only one exception, the king-sized field. But Reynolds currently is test-marketing a new king brand and it could be on the brink of a new venture to consolidate its lead in the industry.

Profitwise, Reynolds has been able to keep and widen its lead over its competitors in its ability to bring sales down to the profit column and one source puts its annual, compounded gain at 14% each year over the last five. Statistically, the shares of the company are not overpriced, holding to a price-earnings ratio more conservative even than the new, deflated ratio of the industrial average.

Billion dollar appropriations for aerospace work by the Government, which have been featuring in the news recently, sparked something of revived interest in companies in this field. One that operates through a broad spectrum of the space age is Bendix Corp.

### The Bendix Case

The shares of Bendix haven't been too conspicuous on popularity since it lost important volume a year ago when commercial aircraft switched over to the jet age. But part of Bendix's operations center importantly on automobile parts and with that industry enjoying a thriving year, Bendix stands to benefit importantly. Although the auto work only rates at about 14% of the company's activities, it is important to the profit picture.

One unknown in the future of Bendix is its computer-controlled machine tools which are only starting to win acceptance on anything approaching a broad scale. With cost-reduction so revered in industry, the prospects of important growth for this line are bright. Not the least of the favorable aspects of Bendix is the well-above-average yield in the 4½% area, and its growing participation in parts and components in missile and space work both as prime contractor and sub-contractor.

*[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.]*

# The Security I Like Best

*Continued from page 2*

of about $109 million of long-term debt and 5,201,611 shares of common stock. While the debt ratio is something over 60% of total capitalization, the company expects to be in a position to retire a portion of this debt as its capital spending requirements decline during the next few years.

During calendar year 1961, the company reported operating revenues of something over $50 million and net income of $7,053,000 which was equal to $1.36 per share. At its current price of around 30 the shares traded in the Over-the-Counter Market, sell at about 22 times 1961 earnings and about 20 times estimated 1962 earnings. The current dividend of 84 cents results in a yield of 2.8%. Among the plus factors for the company are favorable population trends in its service areas; increasingly intensive telephone use, and an experienced management which has proven its ability in the all important category of growth in per share earnings.

On the horizon are such technological innovations as the transmission of business data by telephone, electronic switching facilities and many other new devices and services which should result in continued growth for the telephone industry generally and for a well-situated company like United Utilities, in particular. Not only should these shares provide the investor with long-term capital appreciation but in this period of uncertain markets the shares should act as a sound defensive vehicle as well.

# Hiehle Joins Hayden, Stone

CHICAGO, Ill.—Hayden, Stone & Co. Incorporated announced that Russell L. Hiehle, Jr. has joined the firm's Chicago office, 141 West Jackson Blvd., to conduct a trading operation in state and municipal bonds.

Mr. Hiehle's previous experience includes one and one-half years with Allan Blair & Co., for whom he operated a secondary municipal trading department, and two and one-half years with Ira Haupt & Co. in their municipal trading department.

# Hughes V.-P. of Park, Ryan Inc.

Park, Ryan, Inc., 70 Pine Street, New York City, have announced that John M. Hughes has joined the firm as vice president. He was formerly with Lee Higginson Corporation.

# PUBLIC UTILITY SECURITIES

*BY OWEN ELY*

## South Carolina Electric & Gas Company

South Carolina Electric & Gas supplies electricity, gas and bus transportation to portions of South Carolina while a wholly-owned subsidiary, South Carolina Generating Company, sells power at wholesale. The parent company serves with electricity a population of 750,000 in Charleston, Columbia and 405 other communities; gas is supplied to about one-third this population, and bus service covers only 239 route miles. The electric business accounts for 80% of revenues, gas 17% and bus service 3%. The subsidiary supplies power to the parent, to Georgia Power and to the Savannah River Project of the AEC, which is operated by du Pont. Residential business contributes about 38% of electric revenues, commercial 25%, industrial 27% and miscellaneous 10%.

Textile mills account for about one-third of industrial kwh. exclusive of sales to the AEC. Other important industries are clay and concrete pipe and brick, fertilizer, metal alloy, cottonseed oil production, stone quarrying, flour and lumber milling, clay and sand mining, tobacco processing, wood preserving and ship building. The largest customer is of course, the Atomic Energy Commission's Savannah River Project which accounts for nearly half of total industrial sales. The company is somewhat protected from possible future loss of this AEC business by a three-year cancellation clause in the service contract.

In its earlier days as an independent utility, South Carolina Electric & Gas was handicapped by inadequate steam capacity and by contracts to sell a substantial amount of its hydro power at wholesale to other utilities. With the gradual addition of steam power (which now accounts for about 87% of output) this problem disappeared. As shown in the table below, earnings began a rapid increase from 90c in 1952 to an estimated $2.35 in 1962, with a setback only in 1959.

In the 10 years through 1961, revenues and net income gained 174% and 561%, respectively, which was considerably above the industry growth. Some of this gain was accounted for by the introduction of natural gas in 1953. As heating conversions accounted for a considerable part of the early growth, the rate of gain is now slowing down—although mcf sales in 1961 showed an increase of 14% over the previous year, compared with 12% for kwh sales.

During the five-year period 1956-61, earnings per share increased from $1.51 to $2.24 or an average (compounded) gain of over 8%. Earnings for 1962 may be slightly in excess of the $2.33 reported for the 12 months ended May 31, 1962, which showed a sharp gain from the $2.06 reported for the preceding 12 months. The company does not use "flow through" of the tax savings resulting from the use of accelerated depreciation.

Some future projections are as follows:

| Year— | Kw. Additions to Generating Capability | Construction Expenditures | Credit for Interest on Construction |
|---|---|---|---|
| 1961 | 22,000 | $23,000,000 | $1,000,000 |
| 1962 | 138,000 | 17,000,000 | 1,500,000 |
| 1963 | 22,000 | 31,000,000 | 600,000 |
| 1964 | 137,000 | 20,000,000 | 300,000 |

The company in 1961 sold $5 million of 5.125% preferred stock and $8 million bonds, and increased bank debt slightly. No external financing is anticipated in 1962, but there will be some increase in bank loans. The equity ratio is currently about 32.5%.

The company has no special regulatory problems. It is earning about 5.9% on recent net plant account and the South Carolina Commission is considered liberal with respect to the rate base.

The company has an unusual dividend record. As will be noted from the table below, dividends paid increased by a dime in each of the nine years 1954-62. The company's 1961 report stated: "The common dividend record of your company reflects the sound economic growth experienced during the past decade. The dividend of $1.50 per share declared by the company on the 4,066,627 shares of common stock in 1961 is exactly three times the 50c per share declared on the 808,000 shares in 1947, which was the first full year following disaffiliation from its former parent company. . . . . For the quarter ending March 31, 1962, the Board of Directors has declared a dividend of 40c per common share." Dividend payout is currently about 67% of earnings.

Regarding future earnings on common stock these might be expected to gain at a continued annual rate of 7 or 8%, although the susbtantial decline in interest credit may retard next year's gain.

The stock has been selling recently around 47½ or only about 20 times estimated 1962 earnings; the yield based on the $1.60 rate is about 3.4%. The approximate range for 1961 was 61-44 and for 1962, 58-40.

| | | Common Stock Record | | |
|---|---|---|---|---|
| Years— | Revenues | Earnings | Divs. Paid | Approx. Price Range |
| 1961 | $62,000,000 | $2.24 | $1.475 | 61 - 44 |
| 1960 | 58,000,000 | 2.02 | 1.375 | 47 - 34 |
| 1959 | 56,000,000 | 1.79 | 1.275 | 38 - 31 |
| 1958 | 50,000,000 | 1.87 | 1.175 | 35 - 21 |
| 1957 | 46,000,000 | 1.58 | 1.075 | 24 - 19 |
| 1956 | 43,000,000 | 1.51 | 0.975 | 21 - 18 |
| 1955 | 38,000,000 | 1.35 | 0.875 | 20 - 17 |
| 1954 | 34,000,000 | 1.33 | 0.775 | 19 - 14 |
| 1953 | 29,000,000 | 1.15 | 0.675 | 15 - 12 |
| 1952 | 27,000,000 | 0.90 | 0.60 | 13 - 9 |

# COMMENTARY...

BY M. R. LEFKOE

If the government had consciously set out to find the most all-inclusive method for creating uncertainty and fear in businessmen, it could not have succeeded better than by the threat of prosecution under the antitrust laws.

The antitrust statutes are as irrational a set of laws as have ever been conceived. They are non-objective and contradictory; they are impossible for businessmen to adhere to; they make every businessman a possible criminal from the moment he enters business; they are, in large part, literally unconstitutional; and they are devised to penalize those companies which are efficient and successful — *because* they are efficient and successful.

One shouldn't really be too surprised that the antitrust laws are non-objective and contradictory since many government officials have proudly boasted that they desire uncertainty in our laws. Howard McGrath, an ex-Attorney General, has been quoted in an interview as follows:

*Question:* Then doesn't it all boil down to one thing — shouldn't there be developed a set of standards by which a businessman would know whether he was violating the antitrust laws?

*Answer:* I would think it would be a disadvantage to businessmen generally if we tried to write hard and fast rules. . . . I don't think it would be desirable to try to put down a specific code.

Emanuel Celler, Chairman of the House Judiciary Committee, has remarked: "I want to make it clear that I would vigorously oppose any antitrust laws which attempted to particularize violations, giving bills of particulars to replace general principles. The law must remain fluid. . . ."

Our judges have taken the same attitude. Supreme Court Justice William Douglas has stated that "the law will always teem with uncertainty . . . under the democratic scheme of things. . . . Philosophers of the democratic faith will rejoice in the uncertainty of the law and find strength and glory in it."

Given a set of laws deliberately written to create uncertainty, it is not surprising to learn that even the Supreme Court doesn't understand them. One student of the antitrust laws has estimated that, in its confusion, the Supreme Court "reversed decisions in 30 cases between 1937 and 1949, and in three years to the middle of 1949 had handed down 86 five-to-four decisions."

### Businessman's Dilemma

Businessmen, vainly seeking to understand the twisted logic of the Supreme Court's interpretations of these laws, have found it impossible to adhere to them. Consider the following statements made by government officials entrusted with enforcing these laws. Lowell Mason, once Chairman of the Federal Trade Commission, has stated: "If we had the money, we could get a 'cease-and-desist' order against every businessman in the United States who is engaged in interstate commerce. The businessman has nothing to say. He can only hope that the law of averages will keep him off the wrong end of a complaint."

When he was head of the Antitrust Division of the Department of Justice, Supreme Court Justice Robert Jackson commented: "It is impossible for a lawyer to determine what business conduct will be pronounced lawful by the Courts. This situation is embarrassing to businessmen wishing to obey the law and to government officials attempting to enforce it."

In his excellent book, *Ten Thousand Commandments: The Story of the Antitrust Laws,* Harold Fleming provides a list of some of the commonly accepted business practices which have been attacked as illegal: Quantity discounts, delivered prices, "good-faith" price-competition, matched prices, exclusive dealer contracts, resale-price-maintenance, lack of resale-price-maintenance, keeping ahead of competition, possession of power to exclude competitors, possession of leading positions in industry, price leadership, administered prices, vertical integration, horizontal integration, obtaining lower prices and transmitting to consumer, cutting prices to get volume, "uneconomic" profit rates, and mere size.

Mr. Fleming concludes, "It is hard to see how any firm of importance in America can fail to be guilty of some, if not most, of these canons or interpretations." In other words, every businessman is a criminal *because he is a businessman.*

### Changing the Rules Retroactively

Since the Constitution was designed to afford protection to *all* Americans, one would be correct in concluding that most of the antitrust statutes are literally unconstitutional. Some of the most blatant examples of the abrogation of our Constitution are those cases in which companies are fined and businessmen are sent to jail as a result of court decisions requiring *ex post facto* interpretations of the law.

Again quoting Mr. Fleming: 'Business policies of years ago, which everybody then thought entirely legal, are now considered illegal, and the interpretation extends backward. It is as though a man who made a right turn on a red light when it was considered legal, was later punished for this turn when such turns were made illegal.

"The statute of limitations would mercifully cut this menace off after three years, if it were not for two things. In the first place, the Supreme Court now allows evidence from the long-dead past to be dug up by the Antitrust Division and used to show a 'pattern' or 'state of mind' that is then applied to the previous three years. Thus in the Pullman case [U. S. v. Pullman Co., 50 F. Supp. 123 (E. D. Pa. 1943)], a resolution of the Board of Directors of Pullman in 1870 was relied upon in finding the 'intent to monopolize'.

"And, in the second place, antitrust cases often take more than three years from indictment to final decision; meantime the law is reinterpreted." Thus, if a decision handled down by the Court reverses a previous interpretation of the law, the new interpretation can then be used as a basis for convicting a company which had first been brought to trial several years earlier.

### The Alcoa Decision

The most flagrant violation of justice perpetrated by the antitrust laws is their deliberate destruction of incentive by penalizing a company which is more efficient and successful than its competitors — because it is more efficient and successful. The opinion rendered in the Aluminum Company case dramatizes this grotesque perversion of the law.

At the time Alcoa was being tried, monopoly, as such, was not always considered illegal; what was always illegal was the "intent to monopolize." Thus, in the case of *United States v. Aluminum Company of America* of 1945, in order to find Alco quilty, Judge Learned Hand had to find evidence that Alcoa had taken aggressive action to exclude competitors from its market. To quote from Judge Hand's opinion:

"It was not inevitable that it [Alcoa] should always anticipate increases in the demand for ingot and be prepared to supply them. Nothing compelled it to keep doubling and redoubling its capacity before others entered the field. It insists that it never excluded competitors; but we can think of no more effective exclusion than progressively to embrace each new opportunity as it opened, and to face every newcomer with new capacity already geared into a great organization, having the advantage of experience, trade connections and the elite of personnel." (This decision ultimately led the Department of Justice to state that "efficiency is no defense" in antitrust cases.)

How many times has a company, since the Alcoa decision, failed to invest in a new project because of the fear *it might succeed* or prevent a *possible* competitor from entering the field?

It is not necessary to cite the hundreds of cases in which businessmen have been tried—and in many cases convicted—for doing nothing more than running their business as best they could while trying to maximize the return to their stockholders. Every businessman is already aware of such cases; too many of them have either been accused of violating some section of some antitrust law themselves, or have seen associates hauled off to jail for doing so.

Dissolved in a fog of contradictions, the antitrust laws represent an immoral affront to every American businessman of productive ability and pose a dangerous threat to the American system of free enterprise. If the whole doctrine of antitrust is not repealed soon, the advocates of "fluid" laws will awake one day to find our free industrial society and its motive power—the businessman—gone. In place of a free industrial society they will find a totalitarian dictatorship; in place of businessmen creating wealth they will find helpless slaves struggling to produce enough to keep themselves, and their masters, alive.

# R. W. York Joins Craig-Hallum

MINNEAPOLIS, Minn.—Robert W. York has become associated with Craig-Hallum, Kinnard, Inc., 133 South Seventh Street, members of the Midwest Stock Exchange. Mr. York was formerly Executive Vice-President of York & Mavroulis.

# Robert W. Baird to Admit Partner

MILWAUKEE, Wis.—Robert W. Baird & Co., 110 East Wisconsin Avenue, members of the New York and Midwest Stock Exchanges, have admitted Arthur Benington to partnership effective Aug. 2.

# Tobey & Kirk Will Admit Partner

Antonio S. Cueva on Aug. 9 will become a partner in Tobey & Kirk, 52 Wall St., New York City, members of the New York Stock Exchange.

# NEWS ABOUT BANKS AND BANKERS

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

J. Paul Crawford has been named Regional Vice-President of **Chemical Bank New York Trust Company, New York,** it was announced July 30 by Chairman Harold H. Helm. Mr. Crawford, who has been a Vice President in the bank's Metropolitan Division, will assume responsibility for the Bank's Rockefeller Center Offices at 11 West 51st St. and 10 Rockefeller Plaza on August 1. Mr. Crawford succeeds Donald C. Platten, Vice President, who is assuming further senior responsibilities at the main office—20 Pine St.

J. Paul Crawford, Jr.

Mr. Crawford in 1948, after some 20 years' experience in the banking field became a Vice President of **The New York Trust Company, New York,** which was merged into **Chemical Bank New York Trust Company, New York** in 1959.

* * *

**First National City Bank, New York,** opened its first Westchester County branch this morning in Rye.

The branch, located at 78 Purchase Street, is headed by Henry N. Tifft, Jr., Manager, who has been with the bank over 11 years. Assisting him are Mrs. Margaret C. Arnold and Robert C. Lynch, Assistant Managers.

* * *

Arthur Talbot Peterson, Vice-President and General Manager of the London (England) offices of **Morgan Guaranty Trust Company of New York,** died July 29 in London. He was 61 years of age.

Mr. Peterson had been in charge of the bank's London offices since **Guaranty Trust Company of New York** and **J. P. Morgan & Co. Incorporated, New York,** merged in April, 1959, to form Morgan Guaranty. He had been named Manager of Guaranty's London offices in 1949 and had been elected a Guaranty Vice-President in 1958.

Morgan Guaranty's main London office is at 33 Lombard Street. A branch was opened at 31 Berkeley Square late in 1960.

Mr. Peterson joined the **National Bank of Commerce, New York,** in 1924. He was transferred to the bank's office in Berlin, Germany, in 1927, two years before the National Bank of Commerce merged with Guaranty Trust. From 1933 to 1939, Mr. Peterson was an officer in Guaranty Trust's Berlin and Antwerp offices. Shortly after World War II began he was named Assistant Manager of the bank's main London office in November, 1939; he became joint manager eight years later.

* * *

Comptroller of the Currency James J. Saxon on July 26 announced approval of the consolidation of the **First National Bank of Adams, Adams, Massachusetts,** and the **First Agricultural National Bank of Berkshire County, Pittsfield, Massachusetts.** The First Agricultural National Bank will be the surviving institution. The merger is effective on or after July 31.

* * *

Richard T. Staples, President and Senior Partner of **James Staples & Co., Bridgeport, Conn.** died July 24. He was 77 years old.

Mr. Staples had been associated with James Staples & Co., founded by his grandfather in 1874, since the age of 16.

He assumed the presidency of the company in 1944.

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**Mellon National Bank & Trust Co., Pittsburgh** has elected Richard W. Sherman a Vice President in the operating department.

* * *

Comptroller of the Currency James J. Saxon announced July 25 the granting of preliminary approval to organize a new national bank in Farmington, Michigan. The bank will be capitalized at $500,000, consisting of $250,000 capital, $150,000 surplus, and $100,000 undivided profits. The new national bank will be operated under the title of **"Metropolitan National Bank of Farmington."** Proposed as President and a Director is Louis J. Lavigne.

* * *

Comptroller of the Currency James J. Saxon on July 24 granted preliminary approval to organize a new national bank in downtown Kansas City, Missouri. The new bank, to be known as **"Civic Plaza National Bank of Kansas City,"** will be capitalized at $1,500,000, consisting of $1 million capital; $350,000 surplus; and $150,000 undivided profits. Proposed officers include Alexander J. Barket as Chairman of the Board and a Director, and Charles A. Truitt as President and a Director.

* * *

Comptroller of the Currency James J. Saxon on July 24 announced preliminary approval of an application to establish a new national bank in Venice, Florida. The new bank will open with initial capitalization of $500,000 under the title of **"First National Bank of Venice."**

The proposed directors are H. S. Bowden, Dr. George H. Boyd, Jr., Robert J. Hamilton, William R. Littrell, Rice W. Miller, Earl N. P. Rawles, Harvey G. Rohlwing, Hubert L. Tomlinson, H. N. Wimmers, and George E. Youngberg, Sr.

* * *

WASHINGTON—Preliminary approval to organize a new national bank in Oroville, California, was announced July 19 by Comptroller of the Currency James J. Saxon. The new bank will have $300,000 capital; $200,000 surplus; and $100,000 undivided profits. Wendle H. Tarkington has been proposed as President and a Director of the new bank which will operate under the title of **"The Feather River National Bank."**

# Wainwright, Ramsey Names Merrill

Portland Merrill has been elected to the newly created post of Executive Vice-President of Wainwright & Ramsey Inc., 70 Pine St., New York City, nationally known municipal consulting organization, it was announced by J. Basil Ramsey, President. Mr. Merrill was previously Vice-President.

Mr. Merrill began his career in the field of municipal finance with the Guaranty Co. of New York in 1929. Prior to joining Wainwright & Ramsey in 1961, he was associated with one of the major underwriting firms in New York in its municipal bond department.

# The Outlook for Plant and Equipment Expenditures

*Continued from page 3*

highly inter-related. Given present techniques, it is difficult, if not impossible, to separate and define the effects on investment of a change in a particular factor of interest.

(2) Such factors as current and future demand for goods and services, available internal funds, the rate of capacity operations, interest rates, equipment prices, the trend of productivity, and the pressure of shifts in unit labor costs are the basic long-term determinants of fixed investments.

(3) At times, however, the volume of plant and equipment outlays moves independently of these basic economic forces. In such periods part of the investment demand is autonomous, being influenced by other considerations, such as building pilot plants for new products, meeting competition, experimenting in new directions, and reacting to changes in political and international developments.

Two factors which often appear to loom large in investment decisions are: (1) current and prospective demand for all goods and services, and (2) corporate profits plus depreciation allowances — i.e., the cash flow.

### Not a One Way Correlation

Demand for goods and services is most frequently the primary and driving force in businessmen's decisions to invest in new plant and equipment. In fact, during the prosperous peacetime years of the past half century, a fairly stable relation has prevailed between private GNP—a measure of demand affecting businessmen's decisions—and plant and equipment expenditures. The private GNP is equal to the total GNP less compensation of government employees. The relationship is approximately one-to-one; to illustrate, a 10% increase in dollar private GNP has been accompanied on the average by nearly an 11% increase in fixed investment outlays in the high level activity years. At times significant aberrations have been observed from this formula clearly implying that other factors were also operative.

Furthermore, I cannot emphasize too strongly that the correlation does not imply a one way causality association, i.e., that changes in demand in a particular period cause changes in investment. Rather, the relationship is an expression of a statistical association between the two variables. Indeed, it may well be that in certain periods the reasons for a change in investment are entirely disassociated from changes in demand but once the investment is made, it in turn affects demand. The statistical relation, nevertheless, is useful in providing guidelines for estimating the plant and equipment expenditures which would be in conformity with a projected GNP in a future prosperous year.

### Growing Cash Flow

Corporate cash flow is also a basic factor affecting the size and direction of investment outlays, but it is not an entirely independent influence, since corporate profits are conditioned by changes in demand and sales. I want to emphasize that I am considering the relationship for the "top" years and not that for cyclical periods, which is quite different. It is of interest, however, to examine the influence of changes in corporate cash flow on investment programs. It should be noted that corporations have accounted for about 70% of total plant and equipment outlays and the rest of the outlays are correlated to the corporate portion; therefore, the relations I am considering are relevant.

Corporate capital consumption allowances have been moving steadily upward in the postwar period—from $6 billion in 1947 to $27 billion last year, an average rise of $1½ billion per year. The basic uptrend, however, has not been uniform; in 1947-51 the average annual increase was $1.2 billion; in 1951-54 it was $1.5 billion; in 1954-57 it averaged $2.0 billion, and in 1957-61 the increase was about $1.3 billion. The point is that capital consumption allowances have been a constantly expanding part of the total internal sources of funds of corporations.

In contrast, corporate profits in relation to sales and GNP have shown a declining tendency since 1951, the exceptions being in early stages of a cyclical recovery. For example, in 1951 corporate profits before taxes were 13½% of private GNP; in 1960 and 1961 the ratio was less than 10%.

However, the decline in the ratio to private GNP is not so pronounced when total corporate cash flow is used because of the uptrend in depreciation allowances.

For the prosperous years of the 20's and the postwar period, changes in cash flow have been closely related to changes in expenditures for plant and equipment (6 months later); the relation is that for every dollar increase in corporate cash flow, total plant and equipment outlays rise $1.40. In some years, however, other influences have tended to modify this formula.

### Projections of Economic Activity And Investment for 1965

I shall first set forth a projection of GNP for 1965 and then derive an estimate of fixed investment consistent with this projection. While peering ahead is always risky, to put it mildly, nevertheless, by considering the forces and activities now underway or in prospect, such as present Government programs designed to stimulate business investment, reasonable and realizable assumptions may be set forth as a basis for projecting the GNP and other economic measures.

At this point it should be reemphasized that the economy is new operating at rates considerably below full utilization of resources. GNP is currently running at an annual rate of better than $555 billion. The amount which would be associated with a 4% rate of unemployment for the full year 1962 is $580 billion. Total demand, although high, has not moved ahead fast enough to induce large increases in employment; as a result, the unemployment rate continues to be excessively high. To close the gap between present rates of operation and full employment would require large increases in GNP and income in the period ahead.

I shall assume that the economy will reach a tolerably low rate of unemployment (4% of the civilian labor force) by early 1964 —this coming about through increased efforts of the private economy, with the Government providing a favorable climate and necessary incentives.

I shall further assume that from early 1964 through 1965 the annual growth rate of GNP will average 4%. This is somewhat higher than the growth rate of GNP of the postwar period and the historical longer-term rate of 3% per year. Finally, I shall assume no appreciable overall price change in the next three years, although of course there would be all sorts of adjustments within the price structure.

These assumptions yield a GNP projection for 1965 of $650 billion, expressed in second quarter 1962 prices. This would be around 15% above the total output for 1962.

Now the question is: What is the volume of fixed investment which would be consistent with this projected practical full-employment GNP in 1965? To obtain this projection, I have used the relationship referred to previously between plant and equipment expenditures and private GNP in dollars for the prosperous peacetime years since 1909.

For the last several years private GNP has been close to 90% of total GNP in current dollars. Applying this ratio to the $650 billion of total GNP in 1965 yields a projected private GNP of $585 billion. This implies an expansion in government GNP in the same proportion as total GNP, and I am assuming that most of the advance will come from State and local activities.

### Projects $70 Billion Capital Spending in 1965

From the relationship to private GNP the 1965 total plant and equipment outlays are projected at $70 billion. This estimate must be viewed as representing only a rough order of magnitude since, as indicated earlier, investment in any particular year may be affected by a host of other influences.

Such an investment would imply an expansion of 40% from this year's estimate of about $50 billion, or an average increase of 13% per year for the next three years. The ratio of the projected plant and equipment expenditures to private GNP in 1965 would be 12%, compared with about 10% this year and 11% in the full employment year of 1955.

The realization of the projected high rate of plant and equipment outlays in 1965 would depend not only upon achieving the assumed upsurge in demand, but also on business having in hand needed sources of funds to finance the investment and on other favorable influences.

### Assumes $50 Billion Cash Flow

This leads to the question as to the amount of corporate cash flow and other sources of funds which would be associated with the projected 1965 fixed investment.

I have made such a calculation from a relationship, mentioned earlier, between cash flow and plant and equipment expenditures, which yields a projected corporate cash flow of $50 billion in 1965 consistent with the projected $70 billion of plant and equipment expenditures. Such a total would represent an increase of 25% above the current rate of cash flow.

To break down the 1965 projected corporate cash flow into retained earnings and corporate capital consumption allowances, I have again made use of past relationships as guides. I have assumed that in the period ahead depreciation allowances will be liberalized to permit accelerated depreciation charges. Extrapolation of recent trends, modified to take into account faster depreciation allowances and the effect of the higher projected investment rates, yields a corporate capital consumption allowance for 1965 of $34 billion.

For this year corporate capital consumption allowances are estimated at something over $28 billion. Thus, the 1965 projection would imply an average increase of $2 billion per year over the next three years. Since in the past four years the increase has averaged $1.3 billion per year, the 1965 projection would be $2 billion more than that which would be obtained from an extension of the recent trend only. In essence, the speeded-up amortization assumed is similar to the faster write-offs permitted in the 1954 revised tax laws.

From the foregoing the implied estimate of corporate retained earnings for 1965 would be $16 billion. Assuming the continuation of the past relation of dividend payments to private GNP, the projected dividends for 1965 would be $18 billion compared with the 1962 estimated rate of $15 billion. Thus, the projected corporate profits after taxes, with present tax rates, would be $34 billion for 1965. This would represent nearly 6% of private GNP. The ratio was 5% in 1961, and will probably be about the same this year. The 1965 ratio thus implies an improvement from current and recent rates towards that prevailing in the full employment year 1965.

### External Long-Term Funds of Corporations

I have not analyzed these sources of funds extensively, and my comments will be brief. Except for the three years 1950, 1952, and 1955, the ratio of the corporate external long-term sources of funds (stocks, bonds, and other debt) to the total external long-term and internal sources has varied within a relatively narrow range. In the last three years the ratio has been close to 25%. Assuming that a proportion of similar magnitude would prevail in 1965 to finance the projected investment, a rate of external long-term sources of funds more than half again as large as recent rates would be needed to supplement the internal funds.

### The Industry Pattern

A few observations on investment and cash flow by industries. Apart from the wide swings in investment which have been characteristic of many industries throughout the postwar years, some definite basic longer-term tendencies are discernible. The following discussion will be based on the nonfarm plant and equipment expenditures derived from the OBE-SEC surveys, where industry details are available.

Relative to total investment expenditures, manufacturing has been drifting downward. This reflects not only the increased efficiency in manufacturing equipment, but also some long-term shift in demand from goods to services. I think this trend will continue into the future, so that relative to all industries, plant and equipment expenditures by manufacturing firms should be somewhat less than at the present time.

An even more pronounced tendency has occurred in the case of railroads, where the trend has been downward both in absolute and in relative terms. Investment by mining firms has been almost level during the past decade, except for the years 1956 and 1957.

Public utilities outlays, which had been rising about in line with the total, have fallen rather sharply since 1958. Investment by communications companies has shown a strong and consistent upward trend in relative as well as absolute terms.

Fixed investment by commercial, trade, service, and miscellaneous industries combined has been moving generally upward in the postwar years, and at about the same rate as total plant and equipment expenditures.

Finally, it should also be noted that the amount of cash flow needed varies industry by industry. Some industries, particularly utilities and communications, rely to a large extent on external long-term financing since they are growth-dominated. On the other hand, manufacturing and mining tend to rely to a greater extent on internal funds since these industries are cyclically-dominated.

### Summary

If past experience provides a reliable guide, a high and growing rate of business investment is a necessary condition for the attainment of a full employment and a faster-growing economy. Indeed, in the absence of a strongly expanding business investment, the economy, as in recent years, will not be vigorous and will be plagued by undesirable unemployment rates.

A dynamic business investment program can be a reality: (1) if there is an upsurge of private demand and sales stimulated in particular by the fruits of research and development leading to the marketing of new and better products and by an increased flow of purchasing power; success in stimulating private demand would in turn require large capacity expansions; (2) if adequate government incentives are provided, such as faster depreciation allowances or other permanent tax incentive devices, which would spark programs for modernizing equipment; government policy is already oriented along these lines; (3) if profit margins are improved from those experienced in recent years; this is a powerful incentive not only for investment expansion but also for permitting increased outlays on research and development; and (4) if businessmen also initiate investment programs both for modernization and expansion, even apart from the dictates of the business climate; this they have often done in the past, and have influenced by their own actions the rate of growth of the economy. In view of the bright business prospects ahead, keeping in mind possible interruptions to the business growth from time to time, such actions should be the rule rather than the exception.

*Remarks by Mr. Paradiso before the National Industrial Conference Board, New York City.

## Wm. Friedman Continues As Amer. S. E. Member

William Friedman, formerly associated with Newborg & Co., as a general partner and a member of the American Stock Exchange, will continue as a member of the American Stock Exchange and will make his office with Oppenheimer, Newborg & Neu, 120 Broadway, New York 5, N. Y.

## Joins Poole & Co.

PHILADELPHIA — The investment banking firm of Poole & Co., 123 South Broad Street, announced that Arthur B. O'Connor, Jr. it now associated with them in their municipal bond department.

## Dempsey-Tegeler Branch

CLEARWATER, Fla. — Dempsey-Tegeler & Co., Inc. has opened a branch office at 201 South Garden Avenue under the management of Ferris Schnedler. Mr. Schnedler was formerly with Hill, Darlington & Grimm.

## Reuben Rose Office

LIBERTY, N. Y.—Reuben Rose & Co., Inc. has opened an office at 99 Chestnut Street under the direction of Richard E. Quintal, representative of the firm.

## Joins Lester, Ryons

(Special to THE FINANCIAL CHRONICLE)

LOS ANGELES, Calif.—Gary F. Green has joined the staff of Lester, Ryons & Co., 623 South Hope Street members of the New York and Pacific Coast Stock Exchanges. Mr. Green was previously with Dempsey-Tegeler & Co., Inc.

## Two With Hill Richards

(Special to THE FINANCIAL CHRONICLE)

LOS ANGELES, Calif.—Russell K. Chapman and Russell W. Luzius are now affiliated with Hill Richards & Co. Incorporated, 621 South Spring Street, members of the New York and Pacific Coast Stock Exchanges. Both were formerly with Dempsey-Tegeler & Co. Inc.

# As We See It

Continued from page 1

who do not do his bidding. Rather, he will this fall concentrate his efforts in those states where Republican candidates are against and the Democratic candidates are for his program. Thus he feels that he will be able to lay certain fundamental matters before the people—people who are not bound by a one party system — and in this way to come up with a fairly clear mandate to proceed as he wishes and as he has been trying to proceed. It may or may not be true that in this way he can lay before the people a definite choice between his program and some other, or at least for or against his particular program. From a political point of view such might well be an important achievement. It is only when we get down to fundamentals that doubts arise, doubts that soon take command of the mind.

It is true, of course, that there are certain particulars, fairly important particulars, about the so-called medicare plan of the Administration to which a majority of the Republican party object. Some of the Democratic members were not ready to go along with the President in this matter. Somewhat the same may be said of the sundry other measures that Congress has refused the President. The fact is, though, that even if the President were to be totally defeated in his attempt to rally the people to his standard — and even if we suppose the rather unlikely event that somehow the election were to place the Republican party in control of the legislative program for the next year or two—even upon such extreme assumptions as these, the American people would still have failed to deliver themselves from the economic philistines. They would still be far from the road to permanent progress.

### What's the Choice?

The trouble is that the difference between the so-called Kennedy program and nothing at all or between the Kennedy program and that of the opposition—so far as one may judge its content—is definitely not that between real economic progress and stagnation. The program of the Administration is but a somewhat "hopped up" New Deal or Fair Deal kind of thing; that of the opposition as indicated by the record of the Republican party during the four years of Eisenhower and by what the various leaders of the party have been saying more recently is but a somewhat toned down version of the same New Deal and Fair Deal nonsense. For our part we should definitely prefer the toned own product, but we are not prepared to deceive ourselves with the idea that it is really what we need and sooner or later must have if we are to get back to a position of soundness in our economic system.

Of course, there are members of the Republican party who have not become enslaved by the modern day "liberal" (who, by the way, is the reactionary of other days). For that much we must all be grateful. A few may be of sufficient vigor and influence some day to lead the way out of the economic wilderness into which we have wandered. We must all hope so, in any event. At the same time it is equally true that there are individual members of the Democratic party who would have nothing to do with much of the nonsense that passes as statesmanship in this day and time. Among these, too, it is conceivable that an individual or individuals may presently come to the fore as saviors of their country. It is likewise true that most if not all those of such a persuation are among those whom the President now castigates as false prophets to say the least.

### The Real Trouble

The trouble, of course, or one of them, is that these sensible, constructive elements in neither party have the support of their own organizations, and in consequence stand as but individuals without very effective means of reaching the great rank and file of the voters. Just what would be required to mould these groups or elements in the two parties into an effective working unit—if it could be done at all—is not clear. What seems to be distressingly evident is the circumstance that there seems little or no likelihood of them having any great weight in the coming elections — and that, in consequence, the struggle, if there really is one, will be between the extremists and the somewhat less extreme now on the political scene, with the public the loser no matter which wins.

Let it not be forgotten that the Eisenhower Administration though opposed to what is now known as "medicare" as such nonetheless did lend its influence to the formulation and passage of similar legislation similarly tainted with paternalism if not socialism. Neither let it be overlooked that while there are many in the nation, not a few of them in the Republican party, who now oppose the Kennedy agricultural proposals but who themselves took very unfortunate farm legislation to the statute books and failed completely and miserably even to make a beginning in getting agriculture back on its own feet and the country free of the burden of carrying many, many farmers on its back who really should be in some other occupation. And so it could be said of most, if not all of the other Kennedy proposals for which he now promises to fight during the coming campaigns.

It would not be accurate to label these political contests sham battles in which the opponents strike past one another with great fury, but so far as we are concerned there is not much that is vital in them.

# Schlumberger Stock Offered

Morgan Stanley & Co., New York City, and associates are offering 700,000 shares of Schlumberger Limited common stock at a price of $62.75 per share. These shares, which represent approximately 13% of the total shares outstanding, have been purchased by the underwriters from certain stockholders of the company, all of whom are members of the Schlumberger family, trusts for their benefit or related institutions.

The business of Schlumberger, located in Houston, and its affiliated companies consists principally of providing electrical logging and related services in connection with the drilling and operation of oil and gas wells. In addition, Schlumberger designs and manufactures electronic and electro-mechanical equipment, components and systems for sale to industrial and military markets. Its operations in this field were substantially expanded by the acquisition of Daystrom, Inc. on Feb. 1, 1962.

## With Stewart, Eubanks

(Special to THE FINANCIAL CHRONICLE)

SAN FRANCISCO, Calif. — William M. Simonson has become affiliated with Stewart, Eubanks, Meyerson & Co., 216 Montgomery St., members of the New York and Pacific Coast Stock Exchange. He was formerly with Dempsey-Tegeler & Co.

## Now With Dean Witter

(Special to THE FINANCIAL CHRONICLE)

SAN FRANCISCO, Calif. — Paul B. Butler, Jr., and Ronald N. Heisman have joined the staff of Dean Witter & Co., 45 Montgomery St., members of the New York and Pacific Coast Stock Exchanges. Mr. Butler was previously with Eastman Dillon, Union Securities & Co. and Walston & Co., Inc. Mr. Heisman was with Reynolds & Co.

## Peters, Writer Adds

(Special to THE FINANCIAL CHRONICLE)

DENVER, Colo.—Dean R. Hoskinson, Duane G. Lankford and John D. Manes have become associated with Peters, Writer & Christensen, Inc., 724 Seventeenth St. Mr. Hoskinson was formerly with Howsam Brown & Associates and prior thereto was an officer of Hamilton Management Corp. Mr. Manes was with Cruttenden, Podesta & Miller.

## Morris, Hookstratten With Ira Haupt & Co.

(Special to THE FINANCIAL CHRONICLE)

BEVERLY HILLS, Calif.—Edward G. Hookstratten and Wilbur A. Morris have become associated with Ira Haupt & Co., 166 North Canon Drive. Mr. Morris was formerly President of W. A. Morris & Co. Mr. Hookstratten was with Walston & Co., Inc.

# Northern Trust Company To Erect New Building

**Architect's rendering of The Northern Trust Company's building with its 12-story addition, northwest corner of La Salle and Monroe Streets, Chicago.**

CHICAGO, Ill.—The Northern Trust Company has announced plans for the construction of a 12-story building which will be completely integrated with its main building at 50 South LaSalle Street. The addition will extend the present Bank building to the west 156 feet along Monroe Street and will connect on the west with its parking facilities facing on Monroe and Wells Streets.

The architecture will be contemporary. The exterior will be of granite and the building will feature recessed windows designed to give a light and airy atmosphere and at the same time privacy in the conduct of banking business. Careful consideration has been given to the unity of the structure with that of the original building.

C. F. Murphy Associates are the architects. Frazier, Raftery, Orr & Fairbanks are consultants for the interior design. George A. Fuller Company is the general contractor.

The property on which the addition is to be erected has been acquired by purchase over the past several years, and together with the property already owned, extends from LaSalle to Wells Street a Clearance of the site will begin in September. Construction will follow immediately with the completion date set for 1965.

Announcement of the project was made by Solomon A. Smith, Chairman; Solomon B. Smith, Vice-Chairman, and Edward Byron Smith, President. In their statement they pointed out that the new construction will add approximately 400,000 square feet of space to the present building. It will enable the bank to provide enlarged customer service areas, and at the same time permit the consolidation of its operations which are now spread throughout five neighboring buildings. The addition will be devoted entirely to the use of The Northern Trust Company.

The bank's main entrance will continue to be on LaSalle Street. There will also be an entrance on Monroe Street, and another entrance opening to the west which will connect the bank with its new and improved parking facilities.

All six floors of the present building will be extended to the west the full width of the new addition. For the greater convenience of customers all personal banking and checking services will be moved from the second to the first floor of the bank. The first floor will also contain an enlarged savings department and all consumer credit activities. It is contemplated that the second floor will be devoted to commercial and international banking, correspondent banking, and the bond department. The chief executive offices will continue to be located on the third floor, which will be enlarged to accommodate all trust administrative activities. Upper floors will contain the operating and staff departments, the computer installation, dining rooms, meeting rooms, and a medical dispensary. The safe deposit vaults will be located on lower level A and reached by escalator.

The latest type of air-conditioning equipment will insure year-round temperature and humidity control. Ten high-speed elevators will provide maximum convenience in reaching all floors of the bank.

At its founding in 1889, The Northern Trust Company began business on the second floor of the Rookery Building at 209 South LaSalle Street. The following year a move was made to the Old Chamber of Commerce Building at the southeast corner of LaSalle and Washington Streets. In 1897 the bank moved back to more spacious quarters on the ground floor of the Rookery. The present structure at 50 South LaSalle was completed and occupied in 1906, the two top stories having been added in 1930, when the building was air-conditioned throughout.

It is noteworthy that the City of Chicago's official datum mark, from which all building heights are measured, is located on the southeast corner of the bank building and will remain there.

The bank's total deposits June 30, 1962, were $812,320,651. The Northern Trust Company has one of the largest trust departments of the country. The bank is a major underwriter and distributor of State and Municipal Bonds, and an active dealer in U. S. Government and Federal Agency securities.

# Money and Capital Markets: Prosperity With Competition

*Continued from page 1*

devotion to a complicated occupation. Such men are properly called professionals. "These 'smart' shareholders," according to the July, 1962 issue of *Fortune*, "are either big sophisticated insiders or the kind of people gifted in judging prices not in terms of 'fundamental values' but in terms of what other people think stocks are worth." They are "the men with special knowledge and special talents . . . the market bellwethers. . . . The bellwethers actually started to move out of the market late in 1961 when they began to take their profits and 'redistribute' their holdings among 'weaker' investors; and mutual and other funds began either to shift to bonds or to refrain from buying stocks. . . . Above all, practically everybody expected inflation to continue."

Quite so. They paid no attention to the warning by the dean of American business economists, Professor Sumner Schlichter of Harvard, who more than three years ago in the *Commercial and Financial Chronicle* called "Inflation — A Problem of Shrinking Importance." They ignored the plain facts shown in *Economic Indicators*, the best single authoritative monthly operating statement of the performance of the economy. This showed, beginning more than four years ago, one of the longest, most remarkable periods of almost completely stable wholesale prices known in the annals of price behavior. In 1960 they dismissed with derision the findings of the Joint Economic Committee of the Congress and the testimony of scores of economic experts in their voluminous *Study of Employment Growth and Price Levels*. They gullibly accepted as genuine the so-called danger of inflation alleged by top political figures to mask their real objections to small increases in budget expenditures for defense, education and welfare. Now at last they know. Apparently expertise in ability to mark up and "'redistribute' their holdings" [at the top] "among 'weaker' investors" can be accompanied by an economic incompetence almost as great as that which they assert professional economists consistently exhibit. There is age-old wisdom in the maxim that every cobbler stick to his last.

### Business Will Reach New Highs

Some fear that the pessimistic Wall Street smog may become a continental cloud bank. They conjure up phantoms of 1929. Like spoiled children they perpetually yell for more carrot, forgetting that character cannot be developed without a modicum of discipline nor can our splendid American system of free competitive enterprise perform efficiently unless it operate as a profit-*and*-loss system. The stock market was out of line. It needed to be taken to the woodshed. And will continue to need it until the yield on stocks is again one percent or more, higher than that on high-grade bonds. It has risen a good part of the way in recent weeks while bond yields have gone down to meet it. A continuation of both movements is healthy for our entire business system, particularly so for money supply, mortgage rates and bond prices.

Furthermore, competition may be regaining vigor. More industries are freeing themselves from the dictatorship over prices exerted by business and labor sellers in contravention of the consumer sovereignty which prevails in free markets. The shortages of capital equipment, plant capacity and consumer durables caused by World War II and the Korean War put sellers in the saddle. Consumers will buy with renewed confidence if such sellers will make it unequivocally clear that they have no intention in the future of continuing to raise prices industrywide without the sovereign consumer having even a chance to make known how he feels about such high - handed usurpation except to act *ex post facto* on the snarling counsel: "Take-it-or-leave-it." The fact that for the first time in many years the top spokesman for consumers was even listened to has bolstered consumer confidence to such an extent that consumer buying of houses, automobiles and other items is at, near or above all-time record levels.

Moreover, consumers account for (let it be remembered) more than two-thirds of total Gross National Product. Consumers have consistently been the heroes of every post-war recovery, offsetting the variable moods of business investment which roughly averages one-seventh of Gross National Product. The most fluctuating portion of such investment, namely, inventories, has again been reduced to low levels. They will soon require replenishing since stocks of goods have grown only half as much in the past two years as sales of goods to final users. In the measure that consumer confidence rubs off on nervous purchasing agents, it may soon spread to business in general and may even penetrate the murky depths of Wall Street, though here one should remember that the stock market went down steadily from 1946 to 1949, while wholesale prices rose faster and more than at any time in American history, employment increased dramatically, all goods were in short supply, the Federal budget showed a surplus of $8 billion, economic growth reached new levels, and every business in the country was granted substantial tax cuts.

### Increased Government Spending

In step with the expansion in the consumer sector is the increase in government spending, constituting one-fifth of the Gross National Product. Particularly so, since the increases are taking place in expenditures for roads, education and armament where the multiplier effect operates fully as powerfully as in business investment.

In addition there is hope that the free market principle may be extended internationally by negotiations with the New European Market. This will mean increased business. Benefits will multiply for all nations on both sides of the Atlantic as each of us concentrates on doing what we can do best. Instead of setting prices behind tariff walls and being compelled to share the results with labor unions in setting the prices of labor, the free competitive market, the free world of consumers, will indicate what shall be produced, how much, by whom, how, for whom, at what price. Market restraints will be felt by all sellers, whether business or labor, who confuse free enterprise with the unrestrained exercise of power to set and get whatever price they think will yield the largest return. Such monopolistic power contradicts the essence of free enterprise. In the measure free enterprise is expanded, prices will be moderate, growth will be stimulated, efficiency and competence will be rewarded in management and labor, foresight, hard work, and saving will constitute the road to wealth, not stock market and real estate gambling. Thrift institutions will prosper as never before in their history.

### Additional Bullish Factors

A year ago and again last January, most economists estimated about $560 billion as the level of Gross National Product in 1962. I for one see no need to change that estimate. Productivity of labor is up a sensational 8%. Defense expenditures are up $3 billion. Real per capita income is up 3%. Individual savings are at a new high. The U. S. dollar is so strong that the Canadian dollar has gone down from $1.03 to 92½ cents. Retail sales are up nearly 10% over last year. Nearly $10 billion are being spent on research and development, insuring an increasing flow of new technological processes and products. Placements in non-farm jobs and housing starts are pointing upward. Business failures and unit labor costs continue downward.

Why exaggerate such relative minor items as the decline in the factory work week, in the value of factory orders and in the index of industrial material prices? Particularly when corporations, far from over-spending their cash flow as they did in 1955-57, are investing about $2 billion less than past experience would suggest and thus have ample funds for expansion. Accelerated amortization and expensing of research and development to current operations have made the net corporate profits figures of today no longer comparable with those prior to 1954.

In 1950 and in 1960 corporate profits after taxes as shown in 1960 are practically identical: $22.8 billion versus $22.7 billion. Yet on a cash-in cash-out basis, the funds that can be tapped by management for gross capital expenditures increased 75%. The 1950 cash-in figure was $34.4 billion ($22.8 B + $7.8 B depreciation + 3.7 B new issues); cash-out was $33.1 billion ($16.9 B new plant and equipment + dividends $9.2 B + research $2.0 B + inventory profits $5.0 B). In 1960 the cash-in was $53.7 billion ($22.7 B + $23.0 B depreciation + $8.0 B new issues); the cash-out was $53.0 billion ($31.0 B new plant and equipment, $14.0 B dividends, $8.0 B research and development). Thus, despite nearly identical corporate profits after taxes, disbursements to stockholder service were nearly 80% more on new plant and equipment, 400% more on research and development and 50% more in dividends in 1960 than in 1950.

### Competition in Money Markets

Intensified competition has put the saver back in the saddle. Interest rates paid by savings and loan associations and elsewhere had been rising throughout 1961, some directly, others indirectly by awarding valuable prizes varying with the sum deposited, by computing interest quarterly, monthly and even daily rather than semi-annually, by paying interest up to the date of withdrawal, and by increasing the number of days money earns interest from the 1st to the 10th, 15th, and even 20th of the month.

But as of Jan. 1, 1962, the Federal Reserve—FDIC made unexpected changes in Regulation Q which permitted interest rates on savings and on time deposits to go up from 3% to 3½% if left for less than one year, and up to 4% if left for one year or more. Except for commercial banks holding sizable time deposits from foreign customers, the action was unsolicited. The Federal Reserve apparently wanted not only to retard the flow of money abroad but also to make more attractive the negotiable certificates of deposit which banks have been selling to corporations, to prevent a run-off of funds to Treasury bills, and to remove competitive restrictions.

The results have been dramatic. From 1946 to 1953 the banks grew mostly through expansion of total money supply via demand deposits. But from 1953 to 1961, demand deposits expanded only $15.1 billion (from $103.3 B to $118.4 B) while gross time deposits rose $37.6 billion (from $44.7 B to $82.3 B). In the first five months of this year they grew $8.2 billion more, while seasonally adjusted demand deposits fell some $600 million. A major reason for this jump was no doubt the fact that short-term open market rates were 2½%-3%, that is, below the 3½%-4% rate paid on savings deposits on which banks now seem in the main to be relying for economic growth.

This puts commercial banks like savings and loan associations and other thrift institutions right in the middle of the problem of finding quality investment outlets with yields enabling the payment of higher interest costs, handling charges, and hopefully a profit. That the banks will have some headaches in this regard becomes self-evident when one looks at the legal restrictions on loan terms, on down payments and maturities. The fact that they cannot limit such higher interest charges to the new deposits, but must pay old customers ½ of 1% more compounds their difficulties, depending, of course, on the ratio of new savings to total deposits.

But the drain of time and savings deposits to competitors, however, has probably been diminished somewhat. Deposits at mutual savings banks and shares of savings and loan associations have continued to rise almost at last year's pace—in fact by only $49 million less in the first four months of 1962 than in the similar first four months of 1961. The purchase of U. S. savings bonds, however, actually declined by $101 million as compared with a $50 million increase last year. The principal sources of the spectacular increase in bank savings and time deposits may have been from an unrealized normal increment in demand deposits, from higher corporate profits after taxes the first quarter of 1962 as compared with 1961 ($25.9 B. vs. $20.0 B.) from greater personal savings ($26.2 B. vs. $23.7 B.), and possibly from the proceeds of sales of common stocks "redistributed" to "weaker" investors, as indicated by the fact that commercial banks have experienced a notable increase of individual savings accounts of $100,000 and more.

The total effect on the economy is difficult to assess. While Gross National Product, measured in constant prices, increased by 7½% between the first and fourth quarter of 1961, the money supply increased only 3%. The ratio of money supply to Gross National Product continued, therefore, on its ten year downward course from roughly 39% in 1951 to 28% in 1961. During that period the ratio of liquid assets to Gross National Product has similarly gone down from roughly 84% in 1951 to 77% in 1962.

### Shift in Portfolio Policy

So far as portfolio policy is concerned, the implications of intensified competition for savings are manifold. Major shifts of funds are being made to tax-exempt state and local securities with yields going down from 3.49% last December to 3.09% in May. Liquidity, as measured by the ratio of cash and short term government to total assets, or by the ratio of loans to deposits, may also have been decreased, though there has been a noticeable increase in free excess reserves and in holdings of short-term governments.

Furthermore, as the commercial banks seek higher yields in mortgages and consumer credit, they may find serious re-examination required of many current notions concerning the competitive advantages of other thrift institutions, e. g., tax inequities, higher dividend rates, credit union growth, Federal Reserve and FDIC restrictions, prime and liquidity standards.

Their customers are becoming more sophisticated, especially the expert investment analysts handling pension funds, life insurance and other large pools of savings. Flexibility will be required to combine the demand for liquidity with large-block long-term investments. How to adjust rates between active and inactive, non-notice and notice accounts, temporary versus regular savers in long-term, systematic contractual programs?

Finally, in addition to flexibility and inventiveness, there will arise numerous additional problems. Can savings funds really be profitable for commercial banks? What are adequate reserves, how much capital should be added for every additional $1,000 of time and savings deposits? Should long-term liabilities be matched by longer-term issues in the portfolios? Which of the thrift institutions can best handle the riskier loans? Are reserves "valuation reserves" or "capital" or retained earnings or do they merely reflect the unsound accounting practice of putting assets on the books at more than their cost? What is "net sound capital?" Should windfall accumulation of tax-free capital be labeled "reserve for losses?" Should substantial loan fees be treated as current income or spread over the life-time of the loan? What type of corrected earnings and "book" capital figures will enable one to compute earnings per share, market value to book value, price-earnings ratios, etc., especially for stock companies with a large leverage factor? Can competitive "reaching" for loans be kept within safe financial bounds?

A word about the international money market. There has been much viewing with alarm because of deficits in international accounts. Some have even expressed doubts about the soundness of the dollar. They apparently are not aware of several significant new factors that changed the U. S. position in the world economy. In 1958 most European countries made their currencies fully convertible, thereby enabling funds to move freely in and out. Money balances could be kept abroad without fear of being frozen by currency controls. The European Economic Community developed a tariff-free market as large as ours growing 50% faster, with investment opportunities fully matching those within the United States. Safe haven capital that fled here in the late 30s and brought billions of dollars of gold safe from Nazi invasion was repatriated. New intercontinental ballistic missiles seemed to make Fort Knox and American financial centers unsafe, should war come—a danger made palpable by the U-2 incident and the breakdown of arrangements for President Eisenhower to visit Russia and Japan. The same tension stepped up overseas military and foreign aid programs. The success of technological "show-how" in the Marshall Plan and other international programs lifted European and Japanese competitive efficiency to new levels. Sharp price rises in basic metal and other industries here coupled with misjudgment of consumer preferences in automobiles and other goods, weakened U. S. competitive vigor in world markets. Interest rates on short term funds abroad were at 5-6% levels while about 2½% in the U. S., leading international banks and corporations with bank balances in world capitals to leave and transfer short - term funds abroad.

The problem of competition for savings on an international basis will continue as first Europe, then Latin America and Asia continue their rapid rates of growth, and compete in world markets. The

effect of such competition on U. S. price levels, U. S. business efficiency, U. S. labor productivity and wage rates, and U. S. money markets will be disciplinary and salubrious. As the U. S. economy buckles down to producing goods and services instead of making a "fast buck" by passing pieces of real estate and paper, back and forth, it will be stimulated to higher achievements in technological innovation and productivity. As consumers and savers regain control, the free competitive enterprise system in the free world will prove its superior merit beyond cavil.

**Competition for Savings in the Mortgage Market**

Coupled with an abundant supply of funds there is a shortage of mortgage loans. While demand deposits since 1945 have grown 60% and savings deposits in banks 150%, life insurance assets rose almost 180% and savings and loan accounts more than 800%. Yet single family housing starts have slipped from 1.5 million in 1950 to less than a million. The per cent of rental-type multi-family units relative to total starts has risen steadily from 8.4% in 1955 to 31.6% in the first four months of 1962.

The reasons are well known: lower rates of formation of families (couples over 35) needing and able to buy new homes; higher unemployment rates; diminishing advantages of owning rather than renting; a three-fold rise in the cost of land from an average for FHA homes of $746 in 1946 to over $2,500 in 1961 such that the site to value ratio rose from less than 10% to over 17%; a 40% rise in residential construction costs since 1950; and the fact that up to 1960 borrowers facing default could sell their houses and convert an inflation equity into cash while mortgagees could sell foreclosed properties without loss.

But prices of existing houses in many parts of the United States are no longer rising. Some are falling. The quality of mortgages on single-family dwellings has steadily deteriorated. Maturities on VA's and FHA's are now 29 years as compared with 20 years in the late forties. In 1960 average loan-to-value ratio was over 97% for VA loans and 91% for FHA's. The Housing and Home Finance Agency told Congress recently that 60% of the defaulting home buyers had made down payments of 4% or less. Vacancy rates both on rental properties and home-owner units have increased — from 2.5% in 1950 to 8% last year. Delinquency and foreclosure rates rise as home prices decline. Contractors meet the lower price by changes in construction techniques while the ingenuity of materials manufacturers and innovations by builders are accelerated. More existing single family homes find their way into the rental market as owners wait out soft sales.

Thrift institutions are caught between the upper millstone of being swamped with high cost funds available for mortgages and the nether millstone of declining yields on mortgages. For example, the average yield on FHA's when resold to investors was 5.62% in May of this year as compared with 6.24% two years ago. In addition, handling costs seem bound to increase. Mortgage investors and servicers may have to handle more foreclosure cases. Recoupment in full will be more difficult. Bad-debt reserves may have to be increased, especially for conventional mortgages. Servicing costs will mount unless greater efficiency is achieved in service operations. More care in origination; more attention to new types of mortgages, for example, urban renewal, elderly housing, education loans, Title I improvement loans; better radar devices for detecting potential "walkouts"; and above all, calling a halt to progressive mortgage deterioration by further governmental "liberalization" of housing credit terms, would seem to be minimal requirements.

I leave to all the mortgage experts the vexing problem of how the highly competitive thrift institutions can reduce the record-high rates of interest paid savers. Who will be the first? Will the present shift of funds to mortgages by commercial banks, pension funds, unions and real estate investment trusts be deterred or restrained by permitting the ordinary forces of demand and supply freely to bring down the price of funds as supply becomes even more abundant? Or will progressively poorer mortgages be originated and bought until some nationwide event compels everybody in the business to go through the wringer — savers, mortgagors, mortgagees, banks, building and loan associations, home-owners and others? Leadership and courage is needed to safeguard the integrity and reputation of the entire home-building, construction, real-estate and long-term financing complex of industries.

A brief word about life insurance companies. They apparently found sufficient outlets for funds among business corporations wishing to finance office buildings, commercial and industrial facilities, income-producing rental and high-rise apartment buildings. Due to the life insurance income tax law of 1959, some stock companies were apparently shifting even repayment funds into tax exempts. Others found large business borrowers of excellent credit rating offering large blocks of homogeneous mortgages suited to the magnitude of the life insurance company stream of funds. In addition they are particularly attractive where such blocks can be evaluated, originated and serviced at a cost little more than required for selection among low quality single mortgages. Moreover, they seem not to be fond of FHA or VA loans with fixed rates. Furthermore, they found building and loan associations already in the field in almost fratricidal competition for conventional loans. In addition, mortgages on income-producing properties contributed not merely yield but balance to their mortgage portfolios. They also could afford the special personnel required to handle commercial loans. They could wait the longer time interval from date of commitment to date of disbursement. Sheer volume and wide geographic distribution of loans reduced the risks of making large, specialized commercial loans irregularly in a way other money-lending institutions perforce cannot match.

With such large lenders in the commercial field, I need hardly point to the speculative dangers which have led some to write about "the coming bust in the real estate boom." The big speculative builders and developers have rushed in to take advantage of stepped-up depreciation privileges granted in the tax law of 1954. Novel and ingenious financial deals in building apartments, hotels and plush motels border in some cases so closely on the dangerously risky that they bring back memories of similar deals in the '20's in Florida, New York and other centers which blighted hotel, skyscraper and luxury apartment financing for thirty years. Suffice it to point out that developers get accelerated depreciation deductions so large that though showing a loss for five years or so, they retrieve nearly all their investment tax-free and enjoy a substantial actual cash income. Then the building is sold, often at the original cost or more and the profit is a capital gain paying only a 25% tax. The new owners start the depreciation process all over again, though now on a slower experience basis. The clever use of the real estate investment act of 1960 whereby shareholders pay income taxes, but the corporation does not, only serves to pyramid the risk to investors buying "certificates of interest" in the partnership syndicates which big operators frequently set up.

Remedial legislation, deflation, overbuilding, lower occupancy and decreased rentals may pull the rug from under such patently risky and intricate financial real estate mechinations.

**Competition for Bonds**

When banks became deluged with savings and time deposits, they first bought municipal tax-exempts, partly because they could deduct from taxable income the interest they pay on savings deposits even though the deposits are invested in tax-free bonds. Then they turned to mortgages and bonds, notably high-grade corporate bonds and intermediate and long-term governments. As a result the average yields on all these securities have gone down, though still nearly ¾ of 1% above the yield on common stocks. There is a bull market in bonds which seems likely to continue, particularly if new highs in general prosperity are attained. Invariably during prosperity individual savings rise both in absolute amounts and as a per cent of disposable income. Lower prices for stocks and higher prices for bonds may produce a level where stock yields exceed bond yields by the equivalent of the difference in risk. Then a firm basis will be laid for maintaining, without inflation in prices or stocks or real estate, a healthy expansion of real Gross National Product that will insure both optimum growth and maximum employment opportunity. The economy will move faster along the road toward higher levels of real achievement.

*An address by Dr. Kreps at the Western Mortgage Conference, Mortgage Bankers Association of America, July 19-20, 1962, Seattle, Wash.

## Phoenix Analysts To Hear on Trends

PHOENIX, Ariz.—E. S. C. Coppock, Trendex Research Group, will be guest speaker at the meeting of the Phoenix Society of Financial Analysts to be held Aug. 7 in the Colonial Room of the Hotel Westward Ho. Mr. Coppock will address the group on "New Concepts in Industry Trend Analysis."

Reservations (tariff $2.50 per person) may be made with John Bundy, Secretary of the Society, P. O. Box 2551, Phoenix.

## Forsyth Joins Paribas Corp.

Robert H. Craft, President of Paribas Corporation, 40 Wall St., New York City, investment bankers, New York City, has announced that Donald W. Forsyth has become associated with the firm. Paribas Corporation is an affiliate of The Banque de Paris et des Pays-Bas, the largest private bank in France. Mr. Forsyth formerly was connected with the Chase Manhattan Bank were he specialized in bank portfolio analysis.

## Rowles, Winston Elevates Two

HOUSTON, Texas—Rowles, Winston & Co., Bank of the Southwest Building, members of the Midwest Stock Exchange, have announced the election of S. David Arnspiger and John R. Keller as Vice-Presidents of the firm. Both were formerly Assistant Vice-Presidents.

# 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 28 | 51.5 | 48.0 | 51.5 | 52.2 |
| Equivalent to— | | | | | |
| Steel ingots and castings (net tons) | July 28 | 1,504,000 | 1,398,000 | 1,501,000 | 1,818,000 |
| **AMERICAN PETROLEUM INSTITUTE:** | | | | | |
| Crude oil and condensate output—daily average (bbls. of 42 gallons each) | July 20 | 7,264,810 | 7,229,910 | 7,284,360 | 6,934,010 |
| Crude runs to stills—daily average (bbls.) | July 20 | 8,450,000 | 8,591,000 | 8,645,000 | 8,284,000 |
| Gasoline output (bbls.) | July 20 | 30,700,000 | 31,200,000 | 31,341,000 | 30,812,000 |
| Kerosene output (bbls.) | July 20 | 3,078,000 | *2,751,000 | 2,767,000 | 2,795,000 |
| Distillate fuel oil output (bbls.) | July 20 | 13,279,000 | 13,248,000 | 14,177,000 | 13,423,000 |
| Residual fuel oil output (bbls.) | July 20 | 5,435,000 | 6,010,000 | 5,072,000 | 5,673,000 |
| Stocks at refineries, bulk terminals, in transit, in pipe lines | | | | | |
| Finished gasoline (bbl.) at | July 20 | 184,031,000 | 184,480,000 | 190,810,000 | 182,825,000 |
| Kerosene (bbls.) at | July 20 | 31,652,000 | 30,948,000 | 29,425,000 | 30,720,000 |
| Distillate fuel oil (bbls.) at | July 20 | 131,163,000 | 127,972,000 | 115,219,000 | 124,717,000 |
| Residual fuel oil (bbls.) at | July 20 | 48,099,000 | 48,005,000 | 43,747,000 | 49,859,000 |
| **ASSOCIATION OF AMERICAN RAILROADS:** | | | | | |
| Revenue freight loaded (number of cars) | July 21 | 558,246 | 497,660 | 592,708 | 584,137 |
| Revenue freight received from connections (no. of cars) | July 21 | 447,883 | 417,174 | 497,706 | 467,062 |
| **CIVIL ENGINEERING CONSTRUCTION—ENGINEERING NEWS-RECORD:** | | | | | |
| Total U. S. construction | July 26 | $459,800,000 | $506,800,000 | $448,000,000 | $399,700,000 |
| Private construction | July 26 | 252,700,000 | 235,700,000 | 126,300,000 | 170,800,000 |
| Public construction | July 26 | 207,100,000 | 271,100,000 | 321,700,000 | 228,900,000 |
| State and municipal | July 26 | 164,800,000 | 239,800,000 | 205,900,000 | 195,300,000 |
| Federal | July 26 | 42,300,000 | 31,300,000 | 115,800,000 | 33,600,000 |
| **COAL OUTPUT (U. S. BUREAU OF MINES):** | | | | | |
| Bituminous coal and lignite (tons) | July 21 | 7,450,000 | *2,025,000 | 9,500,000 | 8,167,000 |
| Pennsylvania anthracite (tons) | July 21 | 290,000 | 85,000 | 326,000 | 364,000 |
| **DEPARTMENT STORE SALES INDEX—FEDERAL RESERVE SYSTEM—1947-49 AVERAGE=100** | July 21 | 130 | 133 | 135 | 122 |
| **EDISON ELECTRIC INSTITUTE:** | | | | | |
| Electric output (in 000 kwh.) | July 28 | 16,635,000 | 16,759,000 | 16,520,000 | 16,061,000 |
| **FAILURES (COMMERCIAL AND INDUSTRIAL) — DUN & BRADSTREET, INC.** | July 26 | 269 | 286 | 302 | 319 |
| **IRON AGE COMPOSITE PRICES:** | | | | | |
| Finished steel (per lb.) | July 23 | 6.196c | 6.196c | 6.196c | 6.196c |
| Pig iron (per gross ton) | July 23 | $66.44 | $66.44 | $66.44 | $66.44 |
| Scrap steel (per gross ton) | July 23 | $26.50 | $25.83 | $24.83 | $36.67 |
| **METAL PRICES (E. & M. J. QUOTATIONS):** | | | | | |
| Electrolytic copper— | | | | | |
| Domestic refinery at | July 25 | 30.600c | 30.600c | 30.600c | 30.600c |
| Export refinery at | July 28 | 28.425c | 28.625c | 28.500c | 28.200c |
| Lead (New York) at | July 25 | 9.500c | 9.500c | 9.500c | 11.000c |
| Lead (St. Louis) at | July 25 | 9.300c | 9.300c | 9.300c | 10.800c |
| ‡Zinc (delivered) at | July 25 | 12.000c | 12.000c | 12.000c | 12.000c |
| Zinc (East St. Louis) at | July 25 | 11.500c | 11.500c | 11.500c | 11.500c |
| Aluminum (primary pig, 99.5%) at | July 25 | 24.000c | 24.000c | 24.000c | 26.000c |
| Straits tin (New York) at | July 25 | 111.250c | 111.625c | 112.250c | 115.500c |
| **MOODY'S BOND PRICES DAILY AVERAGES:** | | | | | |
| U. S. Government Bonds | July 31 | 87.94 | 87.94 | 87.94 | 87.15 |
| Average corporate | July 31 | 86.78 | 86.91 | 87.32 | 85.85 |
| Aaa | July 31 | 90.77 | 90.91 | 91.77 | 89.51 |
| Aa | July 31 | 88.81 | 88.81 | 89.23 | 88.13 |
| A | July 31 | 86.65 | 86.78 | 86.91 | 85.20 |
| Baa | July 31 | 81.54 | 81.78 | 81.78 | 80.93 |
| Railroad Group | July 31 | 83.53 | 83.53 | 83.66 | 83.28 |
| Public Utilities Group | July 31 | 88.81 | 88.95 | 89.37 | 86.78 |
| Industrials Group | July 31 | 88.27 | 88.54 | 88.95 | 87.45 |
| **MOODY'S BOND YIELD DAILY AVERAGES:** | | | | | |
| U. S. Government Bonds | July 31 | 3.95 | 3.95 | 3.94 | 3.95 |
| Average corporate | July 31 | 4.65 | 4.64 | 4.61 | 4.72 |
| Aaa | July 31 | 4.36 | 4.35 | 4.29 | 4.45 |
| Aa | July 31 | 4.50 | 4.50 | 4.47 | 4.55 |
| A | July 31 | 4.66 | 4.65 | 4.64 | 4.77 |
| Baa | July 31 | 5.06 | 5.04 | 5.04 | 5.11 |
| Railroad Group | July 31 | 4.90 | 4.90 | 4.89 | 4.92 |
| Public Utilities Group | July 31 | 4.50 | 4.49 | 4.46 | 4.65 |
| Industrials Group | July 31 | 4.54 | 4.52 | 4.49 | 4.60 |
| **MOODY'S COMMODITY INDEX** | July 31 | 371.9 | 369.8 | 370.2 | 374.5 |
| **NATIONAL PAPERBOARD ASSOCIATION:** | | | | | |
| Orders received (tons) | July 21 | 352,869 | 243,439 | 360,643 | 310,025 |
| Production (tons) | July 21 | 332,532 | 243,508 | 358,562 | 308,751 |
| Percentage of activity | July 21 | 93 | 71 | 97 | 91 |
| Unfilled orders (tons) at end of period | July 21 | 524,921 | 506,033 | 482,717 | 480,165 |
| **OIL, PAINT AND DRUG REPORTER PRICE INDEX—1949 AVERAGE=100** | July 27 | 115.35 | 116.01 | 115.27 | 114.32 |
| **ROUND-LOT TRANSACTIONS FOR ACCOUNT OF MEMBERS, EXCEPT ODD-LOT DEALERS AND SPECIALISTS** | | | | | |
| Transactions of specialists in stocks in which registered— | | | | | |
| Total purchases | July 6 | 2,127,540 | 4,142,970 | 3,684,730 | 1,818,110 |
| Short sales | July 6 | 642,540 | 939,180 | 891,340 | 325,500 |
| Other sales | July 6 | 1,640,530 | 3,290,550 | 2,545,460 | 1,670,430 |
| Total sales | July 6 | 2,283,070 | 4,229,730 | 3,436,800 | 1,995,930 |
| Other transactions initiated off the floor— | | | | | |
| Total purchases | July 6 | 279,830 | 682,500 | 459,620 | 233,050 |
| Short sales | July 6 | 63,120 | 140,800 | 88,700 | 4,100 |
| Other sales | July 6 | 239,140 | 502,200 | 368,060 | 206,620 |
| Total sales | July 6 | 302,260 | 643,000 | 456,760 | 210,720 |
| Other transactions initiated on the floor— | | | | | |
| Total purchases | July 6 | 643,830 | 1,168,400 | 1,108,792 | 549,940 |
| Short sales | July 6 | 129,070 | 225,980 | 187,243 | 123,170 |
| Other sales | July 6 | 666,980 | 1,011,667 | 982,067 | 580,392 |
| Total sales | July 6 | 796,050 | 1,237,647 | 1,169,310 | 703,562 |
| Total round-lot transactions for account of members— | | | | | |
| Total purchases | July 6 | 3,051,200 | 5,993,870 | 5,253,142 | 2,601,100 |
| Short sales | July 6 | 834,730 | 1,305,960 | 1,167,283 | 452,770 |
| Other sales | July 6 | 2,546,650 | 4,804,417 | 3,895,587 | 2,457,442 |
| Total sales | July 6 | 3,381,380 | 6,110,377 | 5,062,870 | 2,910,212 |
| **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 | July 6 | 1,536,114 | 2,361,514 | 2,355,046 | 1,448,269 |
| Dollar value | July 6 | $79,821,945 | $107,232,327 | $118,777,755 | $76,585,660 |
| Odd-lot purchases by dealers (customers' sales)— | | | | | |
| Number of orders—customers' total sales | July 6 | 1,046,955 | 2,003,386 | 1,799,392 | 1,178,491 |
| Customers' short sales | July 6 | 57,110 | 119,886 | 111,944 | 5,390 |
| Customers' other sales | July 6 | 989,845 | 1,883,500 | 1,687,448 | 1,173,101 |
| Dollar value | July 6 | $51,642,031 | $99,991,713 | $99,877,176 | $59,301,331 |
| Round-lot sales by dealers— | | | | | |
| Number of shares—Total sales | July 6 | 202,290 | 537,490 | 418,160 | 279,930 |
| Short sales | July 6 | ------ | ------ | ------ | ------ |
| Other sales | July 6 | 202,290 | 537,490 | 418,160 | 279,930 |
| Round-lot purchases by dealers—Number of shares | July 6 | 693,780 | 878,380 | 1,124,950 | 547,900 |
| **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 | July 6 | 1,306,020 | 2,218,400 | 2,024,130 | 543,900 |
| Other sales | July 6 | 12,957,470 | 24,802,200 | 19,815,190 | 11,843,730 |
| Total sales | July 6 | 14,263,490 | 27,020,600 | 21,839,320 | 12,387,630 |
| **WHOLESALE PRICES, NEW SERIES — U. S. DEPT. OF LABOR — (1947-49=100):** | | | | | |
| Commodity Group— | | | | | |
| All commodities | July 24 | 100.3 | 100.3 | 100.1 | Not Avail. |
| Farm products | July 24 | 96.3 | *96.4 | 95.0 | Not Avail. |
| Processed foods | July 24 | 100.9 | 100.7 | 100.1 | Not Avail. |
| Meats | July 24 | 98.3 | 97.5 | 95.8 | Not Avail. |
| All commodities other than farm and foods | July 24 | 100.7 | 100.7 | 100.8 | Not Avail. |

*Revised figure. †Number of orders not reported since introduction of Monthly Investment Plan. ‡Prime Western Zinc sold on delivered basis at centers where freight from East St. Louis exceeds one-half cent a pound. a Not available.

| | Month Latest | Month Previous | Ago Year |
|---|---|---|---|
| **AMERICAN GAS ASSOCIATION—** For Month of May: | | | |
| Total gas sales (M therms) | 7,642,600 | 9,044,300 | 7,332,900 |
| Natural gas sales (M therms) | 7,491,700 | 8,830,400 | 7,501,700 |
| Manufact'd & mixed gas sales (M therms) | 150,900 | 213,900 | 168,800 |
| **AMERICAN TRUCKING ASSOCIATION, INC.—** Month of May: | | | |
| Intercity general freight transport by 396 carriers (in tons) | 5,043,671 | 4,718,048 | 4,539,365 |
| **BUSINESS INCORPORATIONS (NEW) IN THE UNITED STATES—DUN & BRADSTREET, INC.—**Month of May | 16,408 | 15,653 | 16,371 |
| **BUSINESS INVENTORIES — DEPT. OF COMMERCE NEW SERIES—**Month of May (Millions of dollars): | | | |
| Manufacturing | $56,740 | *$56,690 | $53,370 |
| Wholesale | 13,730 | *13,700 | 13,460 |
| Retail | 26,960 | *26,870 | 26,230 |
| Total | $97,430 | *$97,260 | $93,060 |
| **CASH DIVIDENDS—PUBLICLY REPORTED BY U. S. CORPORATIONS—U. S. DEPT. OF COMMERCE—**Month of June: (000's omitted) | $2,086,200 | $1,384,000 | $1,986,300 |
| **EMPLOYMENT AND PAYROLLS—U. S. DEPT. OF LABOR REVISED SERIES—**Month of June: | | | |
| All manufacturing (production workers) | 12,521,000 | 12,383,000 | 12,090,000 |
| Durable goods | 7,024,000 | 6,979,000 | 6,678,000 |
| Nondurable goods | 5,497,000 | 5,404,000 | 5,412,000 |
| Payroll indexes (1957-59 avge. = 100)— | | | |
| All manufacturing | 114.8 | *113.3 | 103.0 |
| Estimated number of employees in manufacturing industries— | | | |
| All manufacturing | 16,849,000 | 16,689,000 | 16,320,000 |
| Durable goods | 9,524,000 | 9,475,000 | 9,106,000 |
| Nondurable goods | 7,325,000 | 7,214,000 | 7,214,000 |
| **FABRICATED STRUCTURAL STEEL (AMERICAN INSTITUTE OF STEEL CONSTRUCTION)—**Month of June: | | | |
| Contracts closed (tonnage)—estimated | 291,621 | 293,658 | 297,555 |
| Shipments (tonnage)—estimated | 348,787 | 356,588 | 361,159 |
| **LIFE INSURANCE BENEFIT PAYMENTS TO POLICYHOLDERS — INSTITUTE OF LIFE INSURANCE—**Month of April: | | | |
| Death benefits | $300,400,000 | $350,100,000 | $272,600,000 |
| Matured endowments | 57,600,000 | 62,900,000 | 56,400,000 |
| Disability payments | 11,600,000 | 11,100,000 | 10,800,000 |
| Annuity payments | 66,700,000 | 72,000,000 | 61,000,000 |
| Surrender values | 141,500,000 | 156,900,000 | 154,000,000 |
| Policy dividends | 136,300,000 | 177,800,000 | 126,900,000 |
| Total | $714,100,000 | $830,800,000 | $681,700,000 |
| **LIFE INSURANCE PURCHASES — INSTITUTE OF LIFE INSURANCE —** Month of May (000's omitted): | | | |
| Ordinary | $4,791,000 | *$4,631,000 | *$4,852,000 |
| Industrial | 625,000 | *611,000 | *671,000 |
| Group | 1,341,000 | *1,110,000 | *$1,134,000 |
| Total | $6,757,000 | *$6,352,000 | *$6,657,000 |
| **MANUFACTURERS' INVENTORIES & SALES—** Month of May (millions of dollars): | | | |
| Inventories— | | | |
| Durables | $32,560 | *$32,470 | $30,450 |
| Nondurables | 24,180 | *24,220 | 23,220 |
| Total | $56,740 | *$56,690 | $53,370 |
| Sales | 33,500 | *33,480 | 30,730 |
| **METAL OUTPUT (BUREAU OF MINES)—** Month of May: | | | |
| Mine production of recoverable metals in the United States— | | | |
| Gold (in fine ounces) | 117,561 | *112,571 | 128,269 |
| Silver (in fine ounces) | 3,218,587 | *3,224,783 | 3,167,493 |
| Copper (in short tons) | 113,569 | *108,824 | 102,450 |
| Lead (in short tons) | 25,239 | *24,049 | 22,808 |
| Zinc (in short tons) | 43,482 | *41,929 | 39,369 |
| **MONEY IN CIRCULATION—TREASURY DEPT.** As of May 31 (000's omitted) | $33,500,000 | $33,200,000 | $32,200,000 |
| **PERSONAL INCOME IN THE UNITED STATES (DEPARTMENT OF COMMERCE)—**Month of June (in billions): | | | |
| Total personal income | $440.4 | *$439.7 | *$416.4 |
| Wage and salary receipts, total | 296.5 | *296.0 | 279.5 |
| Commodity producing industries | 117.9 | *118.2 | 111.5 |
| Manufacturing only | 94.3 | *94.5 | 88.1 |
| Distributing industries | 76.3 | *76.1 | 72.9 |
| Service industries | 46.2 | *45.9 | 43.6 |
| Government | 56.0 | *55.8 | 51.5 |
| Other labor income | 12.4 | 12.3 | 11.4 |
| Business and professional | 36.8 | *36.8 | 34.7 |
| Farm | 12.8 | *12.8 | 12.8 |
| Rental income of persons | 12.8 | *12.8 | 12.2 |
| Dividends | 15.8 | *15.8 | 14.9 |
| Personal interest income | 29.6 | *29.4 | 27.3 |
| Transfer payments | 34.2 | *34.2 | 33.3 |
| Less employees contribution for social insurance | 10.5 | *10.5 | 9.7 |
| Total nonagricultural incomes | 423.2 | *422.6 | 399.5 |
| **PORTLAND CEMENT (BUREAU OF MINES)—** Month of May: | | | |
| Production (barrels) | 33,719,000 | 28,089,000 | 31,102,000 |
| Shipments from mills (barrels) | 33,398,000 | 27,679,000 | 31,030,000 |
| Stocks at end of month (barrels) | 40,000,000 | *39,958,000 | 39,789,000 |
| Capacity used (per cent) | 88 | 77 | 84 |
| **PRICES RECEIVED BY FARMERS — INDEX NUMBER — U. S. DEPT. OF AGRICULTURE—1910-1914 = 100—**As of June 15: | | | |
| All farm products | 239 | 242 | 234 |
| Crops | 236 | 243 | 231 |
| Commercial vegetables, fresh | 258 | 325 | 252 |
| Cotton | 275 | 276 | 261 |
| Feed, grain and hay | 157 | 159 | 152 |
| Food grains | 230 | 230 | 200 |
| Fruit | 203 | 210 | 264 |
| Oil-bearing crops | 253 | 255 | 262 |
| Potatoes | 220 | 189 | 174 |
| Tobacco | 543 | 543 | 517 |
| Livestock | 242 | 242 | 236 |
| Dairy products | 230 | 232 | 239 |
| Meat animals | 305 | 303 | 287 |
| Poultry and eggs | 128 | 130 | 132 |
| Wool | 261 | 260 | 238 |

# 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 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. (9/4-7)**
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. (8/27-31)**
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.

**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.

**★ Agency Tile Industries, Inc.**
July 27, 1962 ("Reg. A") 110,000 common. **Price**—$2.50. **Business**—Importing, marketing and distribution of ceramic tiles. **Proceeds**—For debt repayment, new products, sales promotion and working capital. **Office**—256 Fifth Ave., N. Y. **Underwriters**—Leib, Skoot & Co., Inc., Clifton, N. J., and Price Investing 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.

**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 Brake Shoe Co.**
Aug. 1, 1962 filed $12,000,000 of sinking fund debentures, due 1987. **Price**—By amendment. **Business**—Manufacture of hydraulic systems, castings and forgings, friction materials, and railroad equipment. **Proceeds**—For debt repayment, capital improvements, and working capital. **Office**—530 Fifth Ave., New York. **Underwriter**—First Boston Corp., N. Y.

**• 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. **Note**—This statement was withdrawn.

**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. (8/10)**
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. (8/6-10)**
Nov. 27, 1961 filed 200,000 common. **Price**—$2.50. **Business**—Manufacture of a type of component constructed home. **Proceeds**—For debt repayment, equipment, and working capital. **Office**—4950 71st Ave., North, Pinellas Park, Fla. **Underwriter**—Equity Securities Co., N. Y.

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

**American Options Corp.**
April 11, 1962 ("Reg. A") 60,000 common. **Price**—$5. **Business**—Company plans to sell "puts and calls" and may act as a broker-dealer. **Proceeds**—For general corporate purposes. **Office**—120 Broadway, N. Y. **Underwriter**—Provost Securities, Inc., N. Y.

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

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

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

*Continued on page 26*

*Continued from page 25*

**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**—$3. **Business**—Operation of self-service discount department stores. **Proceeds**—For debt repayment, expansion and working capital. **Office**—Mill St., Southbridge, Mass. **Underwriters**—Meller & Co., and 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.**
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. Record date for the offering is July 31, and the rights expiration date Aug. 17. **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.

**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.**
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. **Note**—This statement will be withdrawn.

**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 was 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.

**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 overhead tow systems, etc. **Proceeds**—For working capital. **Office** — Kirk Blvd., Greenville, S. C. **Underwriter**—None.

**Caldwell Publishing Corp.**
June 13, 1962 filed 100,000 common. **Price**—$3.50. **Business**—Company plans to publish classics. **Proceeds**—For general corporate purposes. **Office**—339 W. 51st St., N. Y. **Underwriter**—S. B. Cantor Co., N. Y.

**Calvert Electronics, Inc.**
March 30, 1962 filed 80,000 common, of which 40,000 are to be offered by company and 40,000 by stockholders. **Price**—By amendment (max. $5). **Business**—Sale and distribution of electronic tubes. **Proceeds**—Inventory, working capital and other corporate purposes. **Office**—220E. 23rd St., N. Y. **Underwriter**—Philips, Rosen & Appel, N. Y.

**Cambridge Fund of California, Inc.**
Sept. 28, 1961 filed 280,000 common. **Price**—By amendment. **Business**—General real estate. **Proceeds**—Debt repayment and working capital. **Office**—324 E. Bixby Rd., Long Beach, Calif. **Underwriter**—To be named.

★ **Cambridge Mills Inc.**
July 27, 1962 filed 110,000 common. **Price**—$3.50. **Business**—Design and manufacture of infants' nylon "stretch" wear. **Proceeds**—For debt repayment, working capital and general corporate purposes. **Office**—725 Broadway, N. Y. **Underwriter**—Alskor Securities Co., N. Y.

**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. (8/6-10)**
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**—Peninaluna & 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. (9/24-28)**
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.

**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 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. (8/31)**
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.

★ **Concrete Structures, Inc.**
July 27, 1962 filed 100,000 common. **Price**—$4.50. **Business**—Production of precast and prestressed concrete items for the construction industry. **Proceeds**—For debt repayment. **Office**—12825 North East 14th Ave., North Miami, Fla. **Underwriter**—Bernard M. Kahn & Co., Inc., 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. (10/1)**
May 26, 1962 filed 190,000 common, of which 178,000 are to be offered for public sale by the company and 12,000 outstanding by the present holders thereof. **Price**—To be supplied by amendment. **Business** — The manufacture and distribution of phonograph records. **Proceeds**—For the repayment of debt, and working capital. **Office**—315 W. 47th St., N. Y. **Underwriter**—Van Alstyne, Noel & Co., N. Y. **Note**—This firm was known formerly as the Cosnat Record Distributing Corp.

**Cost-Plus, Inc.**
May 14, 1962 filed 157,000 common, of which 127,000 are to be offered by company and 30,000 by stockholders. **Price**—By amendment (max. $5). **Business**—Importing and marketing furniture, household and art goods at discount prices. **Proceeds**—For working capital. **Office**—460 Bay St., San Francisco. **Underwriter**—Stewart, Eubanks, Meyerson & Co., San Francisco.

**Country Set Inc.**
Mar. 2, 1962 filed 150,000 common. **Price**—By amendment (max. $8). **Business**—Design and manufacture of sports and casual wear for girls and women. **Proceeds**—For selling stockholders. **Office** — 1136 Washington Ave., St. Louis. **Underwriter**—Goodbody & Co., N. Y. **Offering**—Temporarily postponed.

**Courtesy Products, Corp.**
May 16, 1962 filed 150,000 common. **Price**—By amendment (max. $5). **Business**—Manufacture, and sale or lease to hotels and motels of electric wall units for the preparation of coffee, and the sale of coffee, tea, cream, etc. **Proceeds**—For debt repayment, advances to a subsidiary and general corporate purposes. **Office**—1411 Palm St., San Diego, Calif. **Underwriter**—Pacific Coast Securities Co., San Francisco.

**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

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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.

**Crownco**
Mar. 26, 1962 filed 115,000 common. **Price**—$4. **Business**—Design, sale, fabrication and installation of acoustical ceilings. **Proceeds**—For debt repayment and expansion. **Office**—1925 Euclid Ave., San Diego. **Underwriter** — Holton, Henderson & Co., Los Angeles.

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

**D. C. Transit Systems, Inc.**
April 30, 1962 filed $6,250,000 of 6½% conv. subord. debentures due 1977 and five-year warrants to purchase an aggregate of 187,500 class A shares, to be offered for subscription by holders of class A and class B stock in units consisting of $100 of debentures and three warrants. **Price**—$100 per unit. **Business**—Operation of a public transit system in Washington, D. C.; a new subsidiary to construct housing projects in Washington, D. C. **Proceeds**—For construction and general corporate purposes. **Office**—3600 M St., N. W., Washington, D. C. **Underwriter**—None.

**Data Systems Devices of Boston, Inc.**
April 26, 1962 filed 200,000 common. **Price**—$5. **Business**—Company plans to design, develop and produce electronic and electro-mechanical devices, including printers for electronic computers. **Proceeds**—For product development, new plant and equipment and working capital. **Office**—342 Western Ave., Boston. **Underwriter**—Schmidt, Sharp, McCabe & Co., Inc., Denver.

● **Davos, Inc.**
May 28, 1962 ("Reg. A") 35,000 common. **Price**—$6.50. **Business**—Development and operation of a ski resort. **Proceeds**—For debt repayment and working capital. **Office**—232 Madison Ave., N. Y. **Underwriter**—Oxford Securities Corp., N. Y. **Note**—This letter was withdrawn.

**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**—Allessandrini & Co., N. Y. **Note**—This letter was withdrawn.

**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., N. Y. **Offering**—Imminent.

★ **Dudley Sports Co., Inc.**
July 20, 1962 ("Reg. A") 37,500 common. **Price**—$4.50. **Business**—Distribution and sale of sports equipment and accessories. **Proceeds**—For debt repayment, sales promotion and working capital. **Office**—633 Second Ave., N. Y. **Underwriter**—Crerie & Co., Inc., N. Y.

**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. (9/10-14)**
Jan. 5, 1962 filed 125,000 common. **Price**—$4. **Business**—Manufacture of inexpensive ball point pens. **Proceeds**—For debt repayment, equipment and working capital. **Office**—573 Broadway, N. Y. **Underwriter** — Godfrey, Hamilton, Taylor & Co., N. Y.

● **Dyna Mfg. Co. (8/13-17)**
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.

★ **Econo-Car International, Inc.**
July 27, 1962 filed 100,000 class A common. **Price**—$4. **Business**—Rental of automobiles, station wagons, and trucks. **Proceeds**—For equipment, new franchises, and working capital. **Office**—520 Westfield Ave., Elizabeth, N. J. **Underwriter**—Crosse & Co. Inc., N. Y.

**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. (8/20-24)**
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. (8/31)**
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. **Pro-**

ceeds—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.**
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. **Offering**—Imminent.

★ **Firmatron, Inc.**
July 20, 1962 ("Reg. A") 82,500 common. **Price**—$3. **Business**—Development, manufacture and operation of electronic therapy machines for cosmetic purposes. **Proceeds**—For equipment, advertising, and other corporate purposes. **Office**—14 E. 69th St., N. Y. **Underwriter**—Fred F. Sessler & Co. Inc., 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. (8/20-24)**
March 9, 1962 filed 200,000 common. **Price**—By amendment (max. $15). **Business**—A small business investment company. **Proceeds**—For investment. **Office**—955 Main St., Bridgeport, Conn. **Underwriter**—P. W. Brooks & Co., N. Y.

**First Income Realty Trust**
Nov. 9, 1961 filed 500,000 shares of beneficial interest. **Price**—(For the first 10,000 shares) $10.80 per share. (For the balance) Net asset value plus 8% commission. **Business**—A real estate investment trust. **Proceeds**—For investment. **Office**—1613 Eye St., N. W., Washington, D. C. **Underwriter**—Sidney Z. Mensh Securities Co.,

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# NEW ISSUE CALENDAR

**August 2 (Thursday)**
Belt Railway Co. of Chicago ____ **Bonds**
(Bids 12 noon CDST) $37,250,000

**August 6 (Monday)**
American Modular Manufacturing Corp. ____ **Common**
(Equity Securities Co.) $500,000
Cemeteries of America, Inc. ____ **Units**
(Bernard M. Kahn & Co., Inc.) $890,000
Florida Water & Utilities Co. ____ **Debentures**
(Finkle & Co.) $750,000
General Realty Income Trust ____ **Ben. Int.**
(King Merritt & Co., Inc.) 1,000,000 shares
Jiffy Steak Co. ____ **Common**
(Arthurs, Lestrange & Co.) 65,000 shares
Saw Mill River Industries, Inc. ____ **Common**
(Arnold Malkan & Co., Inc.) $500,000
Sperti Products, Inc. ____ **Common**
(Blair & Co.) 230,000 shares
Thermogas Co. ____ **Common**
(A. C. Allyn & Co.) 800,000 shares
United Markets, Inc. ____ **Common**
(Moran & Co.) $500,000
Western Power & Gas Co. ____ **Preferred**
(Paine, Webber, Jackson & Curtis) 150,000 shares

**August 7 (Tuesday)**
Met Food Corp. ____ **Common**
(Brand, Grumet & Siegel, Inc.) 34,200 shares
Met Food Corp. ____ **Debentures**
(Brand, Grumet & Siegel, Inc.) $1,500,000
Southwestern Bell Telephone Co. ____ **Debentures**
(Bids 11 a.m.) $100,000,000

**August 8 (Wednesday)**
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
Utah Gas Service Co. ____ **Common**
(First Nebraska Securities Corp.) 30,000 shares

**August 10 (Friday)**
American Gas Co. ____ **Common**
(Offering to stockholders—underwritten by Cruttenden, Podesta & Miller) 548,532 shares

**August 13 (Monday)**
Dyna Mfg. Co. ____ **Common**
(Raymond Moore & Co.) $300,000
Lesco Automotive Corp. ____ **Common**
(M. H. Meyerson & Co., Inc.) $300,000
Regulators, Inc. ____ **Common**
(Myron A. Lomasney & Co.) $375,000
Stephens (M.) Mfg., Inc. ____ **Capital**
(Thomas Jay, Winston & Co., Inc. and I. J. Scheln & Co.) $300,000
Unison Electronics Corp. ____ **Common**
(Gateway Stock & Bond, Inc.) $150,000
Walston Aviation, Inc. ____ **Common**
(White & Co., Inc.) $562,500
Wulpa Parking Systems, Inc. ____ **Common**
(I. R. E. Investors Corp.) $200,000

**August 14 (Tuesday)**
New York State Electric & Gas Corp. ____ **Debentures**
(Bids 11 a.m. EDST) $15,000,000

**August 15 (Wednesday)**
Atlantic Coast Line RR. ____ **Equip. Trust Ctfs.**
(Bids 12 noon EDST) $3,540,000
Kapner, Inc. ____ **Common**
(Arnold, Wilkens & Co., Inc.) $250,000
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**
(Gianis & Co., Inc.) $500,000
College Publishing Corp. ____ **Common**
(James Co.) $155,000
Electromagnetic Industries, Inc. ____ **Common**
(Pierce, Carrison, Wulburn, Inc.) 70,000 shares
Electromagnetic Industries, Inc. ____ **Conv. Debentures**
(Pierce, Carrison, Wulbern, Inc.) $250,000
First Connecticut Small Business Investment Co. ____ **Common**
(P. W. Brooks & Co.) 200,000 shares
Gaslight Club, Inc. ____ **Common**
(Myron A. Lomasney & Co.) 100,000 shares
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
Sawyer's Inc. ____ **Capital**
(Straus, Blosser & McDowell) 240,000 shares
Worth Financial Corp. ____ **Common**
(D. A. Bruce & Co.) $305,000

**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 22 (Wednesday)**
Louisville & Nashville RR. ____ **Equip. Trust Ctfs.**
(Bids 12 noon EDST) $7,275,000

**August 27 (Monday)**
Adtek, Inc. ____ **Common**
(Paisley & Co., Inc.) $115,000
Aubrey Manufacturing, Inc. ____ **Common**
(Pierce, Carrison, Wulbern, Inc. and A. M. Kidder & Co., Inc.) 140,004 shares
Centco Industries Corp. ____ **Common**
(Arnold Malkan & Co., Inc.) $600,000
Four Star Sportswear, Inc. ____ **Common**
(Magnus & Co., Inc.) $309,000
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 11 a.m. EDST) $7,500,000
Tabach Industries, Inc. ____ **Common**
(Costello, Russotto & Co.) $300,000
Universal Industries, Inc. ____ **Common**
(Edward Lewis Co., Inc.) $500,000
Wolverine Aluminum Corp. ____ **Common**
(F. J. Winckler & Co.) 100,000 shares

**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
Nevada Power Co. ____ **Preferred**
(White, Weld & Co.) 100,000 shares

**August 31 (Friday)**
Computer Concepts Inc. ____ **Common**
(Doft & Co.) $500,000
Electronic Transmission Corp. ____ **Common**
(V. S. Wickett & Co., Inc.; Thomas, Williams & Lee, Inc. and Crosse & Co., Inc.) $375,000

**September 4 (Tuesday)**
Admiral Automotive Products, Inc. ____ **Common**
(Baruch Brothers & Co., Inc.) $400,000
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
Laminetics Inc. ____ **Common**
(Fabricant Securities Corp.) $280,000
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
Oceana International, Inc. ____ **Common**
(Baruch Brothers & Co., Inc.) $825,000
Servotronics, Inc. ____ **Capital**
(General Securities Co., Inc.) $375,000
Ten-Tex Corp. ____ **Common**
(Irving J. Rice & Co., Inc.) $276,000

**September 5 (Wednesday)**
Pennsylvania Power Co. ____ **Bonds**
(Bids to be received) $12,000,000
Trailer Train Co. ____ **Equip. Trust Ctfs.**
(Bids to be received) $4,000,000

**September 10 (Monday)**
Continental Telephone Co. ____ **Common**
(Allen & Co. and E. F. Hutton & Co.) 475,000 shares
Duro Pen Co., Inc. ____ **Common**
(Godfrey, Hamilton, Taylor & Co.) $600,000
Grand Bahama Development Co., Ltd. ____ **Common**
(Allen & Co.) 250,000 shares
Jaap Penratt Associates, Inc. ____ **Common**
(R. F. Dowd & Co., Inc.) $300,000
Summit Gear Co., Inc. ____ **Common**
(Irving J. Rice & Co., Inc.) $584,500

**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)**
Chestnut Hill Industries, Inc. ____ **Common**
(Clayton Securities Corp.) $2,250,000
Lyntex Corp. ____ **Units**
(P. W. Brooks & Co., Inc.) 1,200 units

**October 1 (Monday)**
Cosnat Corp. ____ **Common**
(Van Alstyne, Noel & Co.) 190,000 shares

**November 7 (Wednesday)**
Georgia Power Co. ____ **Bonds**
(bids to be received) $23,000,000
Georgia Power Co. ____ **Preferred**
(Bids to be received) $7,000,000

**November 28 (Wednesday)**
Southern Electric Generating Co. ____ **Bonds**
(Bids to be received) $6,500,000

*Continued from page 29*

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 Railroad & Banking of Georgia**
July 30, 1962 filed $3,000,000 of 5% convertible debentures, due 1977. **Price**—At par. **Business**—Company is engaged in railroad property leasing; commercial banking and trust services; underwriting of fire, casualty and credit life insurance. **Proceeds** — To re-purchase company shares, acquire additional shares of a subsidiary, prepay debt, and increase working capital. **Office**—701 Broad St., August, Ga. **Underwriter**—Johnson, Lane, Space Corp., Augusta.

**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 Water & Utilities Co. (8/6)**
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.

**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. (8/27-31)**
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 was 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.

**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. (8/20-24)**
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 Aeromation, Inc.**
July 30, 1962 filed 500,000 capital shares, of which 419,000 are to be offered by the company and 81,000 by stockholders. **Price**—By amendment. **Business**—Development and manufacture of equipment for ground movement of jet aircraft. **Proceeds**—For debt repayment, new products and other corporate purposes. **Office** — 6011 Montgomery Rd., Cincinnati, O. **Underwriter**—None.

**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 (8/6-8)**
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 fled $250,000 of 6% conv. subord. debentures due 1972 and 90,000 common shares to be sold by certain stockholders. The securities are to be offered in units consisting of a $100 debenture and 36 shares. **Price**—By amendment. **Business**—Manufacture of restaurant and other type furniture which it sells principally to dealers in Puerto Rico. **Proceeds**—For equipment and general corporate purposes. **Address**—San Juan, Puerto Rico. **Underwriter**—Edwards & Hanley, Hempstead, N. Y. **Offering**—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.

● **Goldsmith Bros.**
June 29, 1962 filed 125,000 common, of which 62,500 are to be offered by company and 62,500 by stockholders. **Price**—By amendment (max. $8). **Business**—Retail sale of stationery office supplies and department store merchandise. **Proceeds**—For expansion and working capital. **Office**—77 Nassau St., N. Y. **Underwriter**—Federman, Stonehill & Co., N. Y.

**Good-Era Realty & Construction Corp.**
April 2, 1962 filed 550,000 class A shares. **Price**—$10. **Business**—Company plans to develop, operate, construct and manage real estate. **Proceeds**—For general corporate purposes. **Office**—151 N. Dean St., Englewood, N. J. **Underwriters**—Leiberbaum & Co. and Morris Cohon & Co., New York.

**Gotham Investment Corp.**
Nov. 21, 1961 filed 100,000 common. **Price**—$6. **Business**—Real estate investment. **Proceeds**—For working capital and other corporate purposes. **Office**—1707 H St., N. W., Washington, D. C. **Underwriter**—Rouse, Brewer, Becker & Bryant, Inc., Washington, D. C. **Offering**—Expected in September.

● **Gould Paper Co.**
Sept. 28, 1961 filed 140,000 common. **Price**—$11. **Business**—Manufacture of paper. **Proceeds**—Expansion and working capital. **Office**—Lyons Falls, N. Y. **Underwriter**—Van Alstyne, Noel & Co., N. Y. **Note**—This statement will be withdrawn.

**Gourmet Food Products, Inc.**
May 25, 1962 filed 100,000 common. **Price**—$4.50. **Business** — Growing, purchasing, distributing and selling whole potatoes and processing and selling of prepared potato products. **Proceeds**—For a new plant and equipment. **Office**—915 Southeast 10th Ave., Portland, Ore. **Underwriter**—Darius Inc., N. Y.

**Gourmet Restaurants, Inc.**
April 30, 1962 ("Reg. A") 28,213 capital shares. **Price**—$3.50. **Business**—Operation of restaurants in Disneyland Hotel. **Proceeds**—For selling stockholders. **Office**—1445 S. West St., Anaheim, Calif. **Underwriter**—Cruttenden & Co., Inc., 618 S. Spring St., Los Angeles.

**Granco, Inc.**
March 23, 1962 filed $600,000 of 6% conv. subord. debentures due 1977 to be offered in 1,200 units. **Price**—$500 per unit. **Business**—Operation of jewelry stores, jewelry concessions and a liquor concession in discount department stores. **Proceeds**—For debt repayment and working capital. **Office**—182 Second Ave., San Francisco. **Underwriter**—Midland Securities Co., Inc., Kansas City, Mo.

**Grand Bahama Development Co., Ltd. (9/10-14)**
Jan. 23, 1962 filed 250,000 common. **Price** — By amendment. **Business**—Sale and development of land on Grand Bahama Island for residential and resort purposes. **Proceeds**—For general corporate purposes. **Office**—250 Park Ave., N. Y. **Underwriter**—Allen & Co., N. Y.

**Great Continental Real Estate Investment Trust**
Aug. 3, 1961 filed 300,000 shares of beneficial interest. **Price**—$10. **Business**—Real estate. **Proceeds**—For investment. **Office**—530 St. Paul Place, Baltimore. **Underwriter**—To be named. **Note**—This firm formerly was known as Continental Real Estate Investment Trust.

**Great Eastern Insurance Co.**
April 13, 1962 filed 381,600 common. **Price**—By amendment (max. $5). **Business**—Company plans to write certain types of fire and casualty insurance. **Proceeds**—For general corporate purposes. **Office**—116 John St., N. Y. **Underwriters**—Emanuel, Deetjen & Co., and Zuckerman, Smith & Co., N. Y.

**Great Plains Corp.**
March 26, 1962 ("Reg. A") 60,000 class A common. **Price**—$5. **Business**—Company plans to establish an industrial bank and an insurance agency. **Proceeds**—For working capital, debt repayment and expansion. **Office**—368 Main

St., Longmont, Colo. **Underwriter**—Birkenmayer & Co., Denver.

**Greater McCoy's Markets, Inc.**
June 28 1962 filed 219,150 class A common. **Price**—By amendment (max. $14). **Business**—Operation of 16 supermarkets in the Los Angeles area. **Proceeds**—For selling stockholders. **Office**—17602 Bellflower Blvd., Bellflower, Calif. **Underwriter**—Morris Cohon & Co., New York.

**Greater New York Box Co., Inc.**
Dec. 29, 1961 filed 100,000 common. **Price**—By amendment ($7 max.). **Business**—Manufacture of corrugated board and containers. **Proceeds**—For general corporate purposes. **Office**—149 Entin Rd., Clifton, N. J. **Underwriter**—D. H. Blair & Co., N. Y. **Offering**—Temporarily postponed.

**Green (Henry J.) Instruments Inc.**
April 30, 1962 filed 150,000 common. **Price**—$2.25. **Business**—Manufacture of precision instruments for measuring atmospheric conditions. **Proceeds**—For debt repayment, equipment and working capital. **Office**—2500 Shames Dr., Westbury, L. I., N. Y. **Underwriter**—None.

**Greenman Bros., Inc.**
April 25, 1962 filed 150,000 common, of which 75,000 are to be offered by company and 75,000 by stockholders. **Price**—$10. **Business**—Wholesale and retail distribution of toys, hobby lines and sporting equipment. **Proceeds**—For debt repayment, inventory and working capital. **Office**—35 Engel St., Hicksville, N. Y. **Underwriter**—J. R. Williston & Beane, N. Y.

★ **Gulf Atlantic Utilities, Inc.**
July 30, 1962 filed 90,000 common. **Price**—By amendment (max. $10). **Business** — A management and operating company for subsidiaries which own water treatment and sewerage disposal plants, and water distribution and sewage collections systems. **Proceeds**—For debt repayment, expansion and working capital. **Office**—2738 Malinda Blvd., Jacksonville, Fla. **Underwriter**—Pierce, Carrison, Wulbern, Inc., Jacksonville.

**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.**
March 28, 1962 filed 235,550 common. **Price**—By amendment (max. $16). **Business**—Operation of supermarkets and small food stores. **Proceeds**—For selling stockholders. **Office**—175 Humboldt St., Rochester, N. Y. **Underwriter**—Merrill Lynch, Pierce, Fenner & Smith Inc., New York. **Offering**—Indefinitely postponed.

**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.

★ **Hicks-Ponder Co.**
July 26, 1962 filed 185,000 common, of which 100,000 will be sold by the company and 85,000 by stockholders. **Price**—By amendment (max. $10). **Business**—Manufacture of men's and boys' clothing. **Proceeds**—For plant expansion and working capital. **Office**—500 West Overland Ave., El Paso, Texas. **Underwriter**—Eppler, Guerin & Turner, Inc., Dallas.

**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.

**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. **Note**—This statement will be withdrawn.

**International Realty Corp.**
April 27, 1962 filed $18,000,000 of s. f. debentures due 1977, 360,000 common shares and five year warrants to purchase 540,000 common shares to be offered in 180,000 units, each unit consisting of $100 of debentures, two common shares and warrants to purchase three additional shares. **Price**—By amendment (max. $110 per unit). **Business**—Real estate investment. **Proceeds**—For debt repayment, construction, and other corporate purposes. **Office**—919 N. Michigan Ave., Chicago. **Underwriter**—Kidder, Peabody & Co., N. Y.

**International Systems Research Corp.**
March 30, 1962 filed 110,000 class A common and 9-month warrants to purchase 110,000 class A shares at $4 per share, to be offered in units, each consisting of one share and one warrant. **Price**—$4 per unit. **Business**—Design, development and manufacture of mechanical, electromechanical and electronic equipment for government agencies and the military. **Proceeds**—For equipment, debt repayment and working capital. **Office**—Engineer's Hill, Plainview, L. I., N. Y. **Underwriter**—International Services Corp., Clifton, N. J.

**International Terrazzo Co., Inc.**
May 15, 1962 ("Reg. A") 75,000 common. **Price**—$2. **Business**—Manufacture and installation of terrazzo flooring, and the installation of marble and tile. **Proceeds**—For equipment, debt repayment, working capital and other corporate purposes. **Office**—826 62nd St., Brooklyn, N. Y. **Underwriter**—Drourr, Lampert & Co., Inc., New York.

**International Vending Corp.**
June 27, 1962 ("Reg. A") 60,000 class A common. **Price**—$5. **Business**—Installation and servicing of coin-operated

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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**—Expected sometime in October.

**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.

**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. (8/6-9)**
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. (8/15)**
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. **Note**—This registration was withdrawn.

**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. (9/4-6)**
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.

★ **Lawter Chemicals, Inc.**
Aug. 1, 1962 filed 49,721 capital shares. **Price** — By amendment. **Business** — Manufacture of specialized chemicals, including printing ink vehicles, coatings, and synthetic resins. **Proceeds** — For selling stockholders. **Office**—3550 Touhy Ave., Chicago. **Underwriter**—Blunt Ellis & Simmons, Chicago. **Offering**—Expected in late August.

★ **Laymen Life Insurance Co.**
July 27, 1962 filed 50,000 common. **Price**—$10. **Business**—Writing of ordinary life insurance. **Proceeds**—For capital and surplus. **Office**—1047 Broadway, Anderson, Ind. **Underwriter**—None.

**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 & Investing Corp.**
Dec. 29, 1961 filed 300,000 class A common. **Price** — $10. **Business**—A holding company for two subsidiaries which operate utilities and engage in construction. **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.

★ **Leslie Fay Inc.**
July 27, 1962 filed 200,000 class A shares. **Price**—By amendment (max. $12). **Business**—Design and manufacture of women's dresses, suits and coats. **Proceeds**—For plant expansion, equipment and working capital. **Office**—1400 Broadway, N. Y. **Underwriter**—Shearson, Hammill & Co., N. Y.

**Lesser (Louis) Enterprises, Inc.**
March 30, 1962 filed 1,000,000 class A common. **Price**—$10. **Business**—Real estate management and construction. **Proceeds**—For debt repayment and general corporate purposes. **Office**—8737 Wilshire Blvd., Beverly Hills, Calif. **Underwriters**—Morris Cohon & Co. and Leiberbaum & Co., N. Y.

**Levine's, Inc.**
March 19, 1962 filed 80,000 common. **Price**—By amendment (max. $17.50). **Business** — Operation of a chain of clothing and dry goods stores. **Proceeds** — For selling stockholders. **Office** — 8908 Ambassador Row, Dallas. **Underwriter**—Kidder, Peabody & Co., N. Y. **Offering**—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 parimutuel harness racing meets in Lewiston and Gorham, Maine. **Proceeds** — For debt repayment, property improvements and working capital. **Office**—33 Court St., Auburn, Maine. **Underwriter**—P. W. Brooks & Co., N. Y.

**Lilli Ann Corp.**
March 29, 1962 filed $750,000 of conv. subord. debentures due 1977, also 100,000 common shares to be offered by stockholders. **Price**—By amendment. **Business**—Design, manufacture and distribution of women's high fashion suits and coats. **Proceeds**—Net proceeds from the debenture sale will be added to the general funds of the company, a portion of which may be used to retire short-term loans. **Office**—2701 16th St., San Francisco. **Underwriters**—Sutro & Co., San Francisco and F. S. Smithers & Co., New York.

**Lily Lynn, Inc.**
Feb. 23, 1962 filed 150,000 common, of which 86,000 are to be offered by the company and 64,000 by the stockholders. **Price**—By amendment (max. $12). **Business**—Design, manufacture and sale of women's casual dresses. **Proceeds**—For debt repayment, working capital and expansion. **Office**—Herman L. Bishins Bldg., Riverside Ave., New Bedford, Mass. **Underwriter** — J. R. Williston & Beane, N. Y. **Offering**—Temporarily postponed.

**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.

**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.

★ **Louisiana Nuclear, Inc.**
July 18, 1962 ("Reg. A")—600,000 common. **Price**—35 cents. **Business**—Company plans to construct a uranium upgrading pilot plant. **Proceeds**—For working capital and other corporate purposes. **Office**—1233 National Bank of Commerce Bldg., New Orleans. **Underwriter**—None.

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

**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.

★ **Massachusetts Electric Co. (8/27)**
July 26, 1962 filed 75,000 shares of cum. preferred (par $100). **Proceeds**—To redeem certain outstanding bonds, notes and preferred stock of merging companies. **Office**—441 Stuart St., Boston. **Underwriters**—(Competitive). Probable bidders: Merrill Lynch, Pierce, Fenner & Smith Inc.-Eastman Dillon, Union Securities & Co. (jointly); Kidder, Peabody & Co.-White, Weld & Co. (jointly); First Boston Corp. **Bids**—Aug. 27, 1962 (11 a.m. EDST) at company's offices. **Information Meeting**—Aug. 22, 1962 (11 a.m. EDST) at Irving Trust Co., One Wall St., N. Y.

★ **Massachusetts Electric Co. (8/27)**
July 26, 1962 filed $60,000,000 of first mortgage bonds, series G, due Sept. 1, 1992. **Proceeds**—To redeem certain outstanding bonds, notes and preferred stock of Lynn Electric Co., Merrimack-Essex Electric Co., and Suburban Electric Co., which subsidiaries of New England Electric System, will be merged into Massachusetts Electric, also a subsidiary. **Office**—441 Stuart St., Boston. **Underwriters**—(Competitive). Probable bidders: 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). **Bids**—Aug. 27, 1962 (12 noon EDST) at company's offices. **Information Meeting**—Aug. 22, 1962 (11 a.m. EDST) at Irving Trust Co., One Wall St., N. Y.

**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.

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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.

● **Med Food Corp. (8/7-10)**
March 30, 1962 filed $1,500,000 of convertible subordinated debentures due 1977 to be offered by company and 34,200 common by stockholders. **Price**—By amendment (max. $10). **Business**—Distribution of food and related products to supermarkets and other retail stores in the New York Metropolitan area. **Proceeds**—For general corporate purposes. **Office**—345 Underhill Blvd., Syosset, N. Y. **Underwriter**—Brand, Grumet & Siegel, Inc., N. Y.

**Metropolitan Acceptance Corp.**
Oct. 2, 1961 filed $300,000 of 6% subordinated convertibles due 1967 and 60,000 common shares to be offered in units consisting of $100 of debentures and 20 common shares. **Price**—$150 per unit. **Business**—Financing of retail sales. **Proceeds**—For working capital. **Office**—5422 Western Ave., Chevy Chase, Md. **Underwriter**—To be named.

**Metropolitan Realty Trust (9/4)**
Dec. 20, 1961 filed 1,000,000 shares of beneficial interest. **Price**—$6.50. **Business**—A real estate investment trust. **Proceeds**—For general corporate purposes. **Office**—1700 K St., N. W., Washington, D. C. **Underwriter**—Eisele & King, Libaire, Stout & Co., N. Y.

● **Micro-Dine Corp. (9/4-7)**
Feb. 13, 1962 filed 200,000 common. **Price**—$3.50. **Business**—Manufacture, sale and operation of vending machines. **Proceeds**—For debt repayment, inventories and general corporate purposes. **Office**—6425 Oxford St., St. Louis Park, Minn. **Underwriter**—Irving J. Rice & Co., Inc., St. Paul.

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

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

**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.

★ **Music Royalty Corp.**
July 27, 1962 filed 150,000 common. **Price**—$1. **Business**—Company acts as representative of artists, musicians, etc. and plans to engage in the music publishing business. **Proceeds**—For debt repayment, public relations, acquisition of musical properties, and working capital. **Office**—545 Fifth Ave., N. Y. **Underwriter**—Associated Securities Co., Pittsburgh.

**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.).

★ **Nevada Power Co. (8/29)**
July 30, 1962 filed 100,000 cumulative pfd. shares (par $20). **Price**—By amendment (max. $20.75). **Business**—Company furnishes electric service to communities in southern and northeastern Nevada. **Proceeds**—For repayment of bank loans, and construction. **Office**—Fourth St., and Stewart Ave., Las Vegas. **Underwriter**—White, Weld & Co., N. Y.

**New Campbell Island Mines Ltd.**
Oct. 13, 1961 filed 475,000 common, of which 400,000 are to be offered by the company and 75,000 by a stockholder. **Price**—50c. **Business**—Exploration, development and mining. **Proceeds**—General corporate purposes. **Office**—90 Industry St., Toronto, Canada. **Underwriter**—A. C. MacPherson & Co., Toronto.

**New York State Electric & Gas Corp. (8/14)**
July 17, 1962 filed $15,000,000 of sinking fund dedentures, due June 1, 1992. **Proceeds** — For construction. **Office**—108 E. Green St., Ithaca, N. Y. **Underwriters**—(Competitive) Probable bidders: Kidder, Peabody & Co.-Salomon Brothers & Hutzler (jointly); Halsey, Stuart & Co. Inc.; Blyth & Co., Inc.; Harriman Ripley & Co., Inc.; First Boston Corp.-Glore, Forgan & Co. (jointly). **Bids**—Aug. 14, 1962 (11 a.m. EDST) at 61 Broadway (Room 2017), New York City. **Information Meeting**—Expected Aug. 9 at same address.

**New York Testing Laboratories, Inc.**
Jan. 29, 1962 filed 50,000 common. **Price**—$5. **Business**—Analyzing and testing of electronic, chemical and other materials. **Proceeds**—For plant relocation, equipment, and working capital. **Office**—47 West St., N. Y. **Underwriter**—Robbins, Clark & Co., Inc., N. Y.

**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. (9/4-7)**
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.

★ **Old Line Life Insurance Co. of America**
July 30, 1962 filed 109,408 common. **Price**—By amendment (max. $35). **Business**—Writing of life, accident and health insurance. **Proceeds** — For selling stockholders. **Office**—707 N. 11th St., Milwaukee. **Underwriter**—J. C. Bradford & Co., Nashville.

**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.

**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. **Note**—This registration will be withdrawn.

**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. **Note**—This statement has become effective.

**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.

**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.

★ **Public Service Electric & Gas Co. (8/21)**
July 26, 1962 filed $40,000,000 of first and refunding mortgage bonds due Aug. 1, 1992. **Proceeds**—For construction, and other corporate purposes. **Office**—80 Park Place, Newark, N. J. **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) at company's offices.

**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**—1100 Connecticut Ave., N. W., Washington, D. C. **Underwriter**—Roth & Co., Inc., Philadelphia.

**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.**
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.

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**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 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. **Note**—This statement was withdrawn.

**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.

**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.

**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. (8/20-24)**
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.

**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.

**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 Land Co.**
July 25, 1962 filed 200,000 class A common. **Price**—By amendment (max. $2.50). **Business**—Ownership and development of real estate. **Proceeds**—For working capital. **Office**—912 Thayer Ave., Silver Spring, Md. **Underwriter** — North American Seaboard Securities Corp., (same address).

**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.

★ **Security International Corp.**
July 27, 1962 filed 548,000 common. **Price**—$2.50. **Business**—Company plans to become a holding company for a life insurance concern. **Proceeds**—For capitalization of subsidiary. **Office**—127 W. Main Ave., West Fargo, N. D. **Underwriter**—Investment Brokerage Corp., Fargo, N. D.

**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. (9/4-7)**
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.

★ **Silver Mark Mines, Inc.**
July 12, 1962 ("Reg. A") 700,000 common. **Price**—10 cents. **Business**—Mining. **Proceeds**—For mining operations. **Address**—Noxon, Mont. **Underwriter**—None.

**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.

★ **Spencer Chemical Co.**
July 27, 1962 filed 65,813 common shares. **Price**—By amendment (max. $35). **Business**—Production of polyethylene, and the mining of bituminous coal. **Proceeds**—For selling stockholders. **Office**—610 Dwight Bldg., Kansas City, Mo. **Underwriter**—Morgan Stanley & Co., New York.

● **Sperti Products, Inc.**
Nov. 29, 1961 filed 230,000 common of which 200,000 are to be offered by the company and 30,000 by stockholders. **Price**—By amendment. **Business**—Manufacture of drug and food products, electrical and electronic devices and precision machinery. **Proceeds**—For the purchase of certain patents, repayment of debt, and working capital. **Office**—730 Grand St., Hoboken, N. J. **Underwriter**—Blair & Co., N. Y.

**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. (8/13-15)**
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. (9/10-14)**
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. **Note**—This statement will be withdrawn.

**Tabach Industries, Inc. (8/27-31)**
March 29, 1962 ("Reg. A") 50,000 common. **Price** — $6. **Business**—Manufacture and sale of women's wear. **Proceeds**—For debt repayment, leasehold improvements and expansion. **Office**—217 E. Eight St., Los Angeles, Calif. **Underwriter** — Costello, Russotto & Co., 9301 Wilshire Blvd., Beverly Hills, Calif.

**Tactair Fluid Controls, Corp.**
March 29, 1962 filed 90,000 common. **Price**—By amendment (max. $7.50). **Business**—Manufacture of fluid control equipment used in missiles, helicopters and aircraft. **Proceeds**—For selling stockholders **Address**—Bridgeport, Conn. **Underwriters**—Stroud & Co., Inc. and Penington, Colket & Co., Philadelphia.

**Taylor Publishing Co.**
Dec. 21, 1961 filed 152,000 common. **Price**—By amendment. **Business** — Production and distribution of school year-books and commercial printing. **Proceeds**—For selling stockholders. **Office**—6320 Denton Dr., Dallas. **Underwriters**—Merrill Lynch, Pierce, Fenner & Smith Inc., N. Y., and Dallas Rupe & Son, Inc., Dallas, Tex. **Offering**—Indefinitely postponed.

**Teaching Systems, Inc.**
June 1, 1962 ("Reg. A") 50,000 common. **Price**—$2. **Business**—Production and sale of educational audio-visual teaching aids. **Proceeds**—For equipment, promotion and advertising and working capital. **Office**—1650 Broadway, N. Y. **Underwriter**—Creative Ventures Corp., 733 Third Ave., N. Y.

**Technical Capital Corp.**
April 30, 1962 filed 500,000 common. **Price**—$10. **Business**—A small business investment company. **Proceeds**—For investment. **Office**—235 E. 42nd St., N. Y. **Underwriter**—Straus, Blosser & McDowell, Chicago.

● **Ten-Tex Corp. (9/4-7)**
Jan. 31, 1962 ("Reg. A") 120,000 common. **Price**—$2.30. **Business**—Manufacture of a machine for production of tufted textile products. **Proceeds**—For debt repayment and working capital. **Office**—4813 Tennessee Ave., Chattanooga. **Underwriter**—Irving J. Rice & Co., Inc., St. Paul.

★ **Texas Plastics, Inc.**
July 27, 1962 filed 313,108 common. **Price**—$3.50. **Business**—Operation of a plant producing plastic film and packaging products. **Proceeds**—For working capital. **Address**—Elsa, Texas. **Underwriter**—Crow, Brourman & Chatkin, Inc., N. Y.

**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. (8/6-10)**
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.**
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 **Offering**—Imminent. **Note**—This registration has become effective.

**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. (9/5)**
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. **Bids**—Expected Sept. 5.

**Trans-Western Service Industries**
April 2, 1962 filed 100,000 common, of which 20,000 are to be offered by company and 80,000 by stockholders. **Price**—By amendment (max. $10). **Business**—Operation of dry cleaning and laundry plants. **Proceeds**—For debt repayment. **Office**—1167-65th St., Oakland, Calif. **Underwriter**—Granbery. Marache & Co., N. Y.

**Transarizona Resources, Inc.**
May 28, 1962 filed 500,000 capital shares. **Price**—$1.50. **Business**—Exploration, development and production of the Lake Shore copper deposit near Casa Grande, Ariz. **Proceeds**—For equipment, exploration and working capital. **Office**—201 E. 4th St., Casa Grande, Ariz. **Underwriter**—None.

**Tremco Manufacturing Co.**
Feb. 26, 1962 filed 150,000 class A common. **Price** — By amendment (max. $15). **Business**—Producer of protective coatings, sealants, mastics, paints, etc. **Proceeds** — For selling stockholders. **Office**—10701 Shaker Blvd., Cleveland. **Underwriter**—McDonald & Co., Cleveland. **Offering**—Temporarily postponed.

**Tujax Industries, Inc.**
Mar. 23, 1962 filed 150,000 class A shares, of which 100,000 are to be offered by company and 50,000 by stockholders. **Price**—$8. **Business**—Through its subsidiaries the company is engaged in the wholesale distribution of electrical supplies and equipment. **Proceeds** — For debt repayment and working capital. **Office**—514 E. 73rd St., N. Y. **Underwriters**—Richard Bruce & Co., Inc., and Reuben Rose & Co., Inc., N. Y.

**Tull (J. M.) Metal & Supply Co., Inc.**
May 17, 1962 ("Reg. A") 25,000 common. **Price**—$12. **Business**—Wholesale distribution of ferrous and nonferrous metals and industrial supplies. **Proceeds**—For working capital. **Office**—285 Marietta St., N. W., Atlanta. **Underwriters**—Wyatt, Neal & Waggoner, and Robinson-Humphrey Co., Inc., Atlanta.

**Turbodyne Corp.**
March 2, 1962 filed 127,500 common. **Price**—$5. **Business**—Research, development and production and overhauling of gas turbine engines. **Proceeds**—For debt repayment, research and development, a new plant and working capital. **Office** — 1346 Connecticut Avenue, N. W., Washington, D. C. **Underwriter**—Sandkuhl & Co., Inc., N. Y.

**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.**
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. (8/27-31)**
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**—

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250 Goffle Road, Hawthorne, N. J. **Underwriter**—Edward Lewis & Co., Inc., N. Y. **Note**—This company formerly was named Aero-Dynamics Corp.

**Urban Redevelopment Corp.**
March 29, 1962 filed 100,000 common. **Price**—By amendment. **Business**—Company operates the "Kellogg Plan" which provides 100% financing and construction through a single source for renewing older residential properties. **Proceeds**—For debt repayment, sales financing and working capital. **Office** — 1959 S. LaCienega Blvd., Los Angeles. **Underwriter**—Holton, Henderson & Co., Los Angeles.

**Urethane of Texas, Inc.**
Feb. 14, 1962 filed 250,000 class A and 250,000 common to be offered in units of one share of each class. **Price**—$5.05 per unit. **Business**—Manufacture of urethane foams. **Proceeds**—For equipment, working capital, leasehold expenses and other corporate purposes. **Office**—2300 Republic National Bank Bldg., Dallas. **Underwriter** — First Nebraska Securities Corp., Lincoln, Neb. **Offering**—Temporarily postponed.

● **Utah Concrete Pipe Co.**
Feb. 8, 1962 filed 110,000 common. **Price** — By amendment (max. $10). **Business** — Manufacture and sale of concrete pipe, masonry products, corrugated metal pipe, telephone conduit and miscellaneous concrete products. **Proceeds**—For debt repayment and working capital. **Office**—379 17th St., Ogden, Utah **Underwriter**—Schwabacher & Co., San Francisco. **Note**—This registration was withdrawn.

● **Utah Gas Service Co. (8/8-10)**
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.

★ **Washington Trotting Association, Inc.**
July 30, 1962 filed $2,300,000 of 6½% subordinated sinking fund debentures due 1977, and 230,000 common shares (non-voting) to be offered in units consisting of $100 of debentures and 10 shares. **Price**—$175 per unit. **Business**—Company plans to construct a race track for trotters. **Proceeds**—For construction. **Office**—Washington Trust Bldg., Washington, Pa. **Underwriters** — Moore, Leonard & Lynch, Pittsburgh, and Stroud & Co., Inc., Philadelphia.

**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. (8/6-8)**
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.

★ **Wheeler & Ryan, Inc.**
July 30, 1962 filed 80,000 common. **Price**—$12.50. **Business**—Acquisition of leases and production of oil and gas. **Proceeds** — For repayment of debt and other corporate purposes. **Office**—Thompson Bldg., Tulsa. **Underwriter**—R. J. Edwards, Inc., Oklahoma City.

**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.

**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. (8/27-31)**
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.

**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. (8/20-24)**
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. (8/13-17)**
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.

**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.

**★ Columbia Gas System, Inc.**
Aug. 1, 1962 it was reported that the company plans to sell $25,000,000 of debentures or bonds in October. **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.

**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.

**★ Hawaiian Electric Co., Ltd.**
Aug. 1, 1962 it was reported that this company plans a rights offering to stockholders of approximately $8,000,000 of common stock. **Office**—900 Richards St., Honolulu. **Underwriter**—None. **Offering**—Expected in September.

**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).

**★ Interstate Power Co.**
Aug. 1, 1962 it was reported that the company plans to sell $6,000,000 of bonds in the second quarter of 1963. **Office**—1000 Main St., Dubuque, Iowa. **Underwriters**—(Competitive). Probable bidders: Merrill Lynch, Pierce, Fenner & Smith Inc.-Kidder, Peabody & Co. (jointly); Halsey, Stuart & Co. Inc.; Salomon Brothers & Hutzler; White, Weld & Co.

**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.

**★ Kentucky Utilities Co.**
Aug. 1, 1962 it was reported that this utility plans to sell approximately $15,000,000 of 30-year first mortgage bonds, in the first quarter of 1963. **Office**—120 So. Limestone St., Lexington, Ky. **Underwriters**—(Competitive). Probable bidders: Blyth & Co., Inc.; Halsey, Stuart & Co. Inc.; Kidder, Peabody & Co.-White, Weld & Co. (jointly); Eastman Dillon, Union Securities & Co.-Merrill Lynch, Pierce, Fenner & Smith Inc. (jointly).

**★ Louisville & Nashville RR. (8/22)**
July 31, 1962 it was reported that this road plans to sell approximately $7,275,000 of 1-15 year equipment trust certificates. **Office**—220 E. 42nd St., N. Y. **Underwriters**—(Competitive). Probable bidders: Halsey, Stuart & Co. Inc.; Salomon Brothers & Hutzler. **Bids**—Expected Aug. 22 (12 noon EDST) at company's office.

**★ Metropolitan Edison Co.**
Aug. 1, 1962 it was reported that this subsidiary of General Public Utilities Corp., plans to sell $15,000,000 of 30-year first mortgage bonds, in the fourth quarter of 1962. **Office**—2800 Pottsville Pike, Muhlenburg Township, Berks County, Pa. **Underwriters**—(Competitive). Probable bidders: First Boston Corp.; Halsey, Stuart & Co. Inc.; White, Weld & Co.; Kidder, Peabody & Co.-Drexel & Co. (jointly); Blyth & Co., Inc.

**National Airlines, Inc.**
**May 8, 1961, it was reported that the CAB had approved the company's plan to sell publicly 400,000 shares of Pan American World Airway's Inc., subject to final approval of the Board and the SEC. The stock was originally obtained under a Sept. 9, 1958 agreement under which the two carriers agreed to a share-for-share exchange of 400,000 shares and the lease of each others jet planes during their respective busiest seasons. The CAB later disapproved this plan and ordered the airlines to divest themselves of the stock. Price — About $20 per share. Proceeds—To repay a $4,500,000 demand loan, and other corporate purposes. Office—Miami International Airport, Miami 59, Fla. Underwriter—Merrill Lynch,** Pierce, Fenner & Smith Inc., New York.

**Natural Gas Pipeline Co. of America**
June 12, 1962 it was reported that this subsidiary of Peoples Gas Light & Coke Co., plans to sell $35,000,000 of senior securities later this year. **Business**—Operation of two natural gas pipeline systems extending from Texas to the Chicago metropolitan area. **Proceeds**—For expansion. **Office** — 122 So. Michigan Ave., Chicago. **Underwriter**—Dillon, Read & Co. Inc., New York City.

**Nevada Northern Gas Co.**
Feb. 28, 1962 it was reported that this subsidiary of Southwest Gas Corp., plans to sell $2,000,000 of common stock. **Office**—2011 Las Vegas Blvd., South, Las Vegas, Nev. **Underwriter**—Eastman Dillon, Union Securities & Co., N. Y.

**New England Power Co.**
May 8, 1962 it was reported that this utility plans to sell $12,000,000 of 30-year first mortgage bonds in November, 1962. **Proceeds**—For debt repayment and construction. **Office**—441 Stuart St., Boston. **Underwriters**—(Competitive). Probable bidders: Halsey, Stuart & Co. Kidder, Peabody & Co.-White, Weld & Co. (jointly); Inc.; Merrill Lynch, Pierce, Fenner & Smith Inc.-Lehman Brothers-Equitable Securities Corp. (jointly); First Boston Corp.; Kuhn, Loeb & Co.

**New York, Chicago & St. 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.

**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.

**★ Oklahoma Gas & Electric Co.**
Aug. 1, 1962 it was reported that this company plans to sell $12,000,000 of 30-year first mortgage bonds, in the second quarter of 1963. **Office**—321 No. Harvey St., Oklahoma City. **Underwriters**—(Competitive). Probable bidders: Merrill Lynch, Pierce, Fenner & Smith Inc.-White, Weld & Co. (jointly); Halsey, Stuart & Co. Inc.; Lehman Brothers-Blyth & Co. Inc. (jointly); First Boston Corp.; Harriman Ripley & Co., Inc.-Eastman Dillon, Union Securities & Co. (jointly); Equitable Securities Corp.

**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.**
July 31, 1962 it was reported that this company expects to sell about $60,000,000 of debentures in the third quarter of 1962. **Office**—120 Broadway, N. Y. **Underwriters**—Merrill Lynch, Pierce, Fenner & Smith Inc., and Kidder, Peabody & Co., N. Y.

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**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 $20,000,000 of common stock to stockholders through subscription rights during the fourth quarter of 1962 or the first quarter of 1963. **Office**—900 15th St., Denver, Colo. **Underwriters** — First Boston Corp., Blyth & Co., Inc., and Smith, Barney & Co., Inc.

**San Diego Gas & Electric Co.**
March 19, 1962 it was reported that this company plans to sell about 500,000 common to stockholders in late 1962 to raise some $17,500,000. **Office**—861 Sixth Ave. San Diego, Calif. **Underwriter**—Blyth & Co., Inc., N. Y.

★ **South Carolina Electric & Gas Co.**
Aug. 1, 1962 it was reported that the company plans a rights offering to stockholders of approximately $8,500,000 of common stock. **Office**—328 Main St., Columbia, S. C. **Underwriter**—To be named. The last rights offering in February, 1958, was underwritten by Kidder, Peabody & Co., N. Y. **Offering**—Expected in the first quarter of 1963.

**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).

★ **Washington Gas Light Co.**
Aug. 1, 1962 it was reported that this company plans to sell $12,000,000 of 25-year bonds, in the second quarter of 1963. **Office**—1100 H. St., N. W., Washington, D. C. **Underwriters**—(Competitive): Probable bidders: Eastman Dillon, Union Securities & Co.; Equitable Securities Corp.; Kidder, Peabody & Co.; First Boston Corp.; Halsey, Stuart & Co. Inc.

★ **Western Light & Telephone Co., Inc.**
Aug. 1, 1962 it was reported that the company plans to sell approximately $5,000,000 of common stock through a rights offering to stockholders, in the second quarter of 1963. **Office**—2015 Forest Ave., Great Bend, Kan. **Underwriter**—To be named. The last rights offering in January, 1957, was underwritten by Dean Witter & Co., San Francisco.

**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.

# How Investment Bankers Appraise Corporations

*Continued from page 15*

been audited by the Internal Revenue Service and its record of past tax deficiences are material considerations. Also, by selling and leasing back its fixed assets a company can remove substantial debt from its balance sheets and strengthen its working capital position (which are generally desirable objectives), but the satisfaction of such lease obligations are usually just as fundamental to a company's survival as its debt obligations. Lease obligations are therefore capitalized in appraising the leverage in a company's capitalization and the return on its "invested capital."

A description is requested of all situations where officers, directors, major stockholders, corporate affiliates or others have guaranteed or endorsed any of the company's obligations or vice versa. This includes so-called Solvency Agreements and Stockholder Undertakings, which may not be disclosed in the company's financial statements. If a company's past results are in part the product of such arrangements, this must be taken into account, for such arrangements are generally terminated when a company merges or "Goes Public." A publicly owned company must be capable of standing on its own feet as an independent entity — and should not be dependent upon others for its credit or similar essentials.

Projections are requested of the company's operating statements and balance sheets for the current and at least the following fiscal year, with explanations of any abnormal, non-recurring or unusual items, and the facts and assumptions upon which they are based. The proven accuracy of past projections which the company has provided its banks and others is a material consideration in this regard.

### "Bail-Outs" May Be Most Valid

Public offerings may consist solely of existing stockholders' interest in the company (none of the proceeds of which would go to the company), or of new money for the company, or both. In the case of new money offerings, the intended application of the proceeds is carefully reviewed in the light of the company's future prospects and alternative sources of finance. While selling stockholder offerings are commonly referred to as *bail-outs*, there are many valid reasons why the owners of a company might be interested in selling a portion of their interest to the public, not the least of which is the fact that it may not be prudent for the owner-managers to have both their capital (as represented by their ownership of the company) and their employment income entirely dependent upon the fortunes of a single business. Other valid reasons include the liquidation of dissident minority interests and prospective estate taxes. The extent of the owner-managers retained interest is significant — 100% sell-outs are rare and require very careful analysis.

Difficult situations to appraise are those in which the owner-managers have not previously had any significant spendable funds available to themselves. Everything they have had has been invested in the company. Whereas, following the public offering they may receive several million dollars in cash — and may suddenly discover latent penchants for yachts and the Riviera, notwithstanding their substantial retained interest in the company. Such situations have to be appraised in the light of the possibility that the owner-managers may not continue to direct the company with the same determination and enthusiasm following the offering as they have previously evidenced. The depth and ability of the middle management, which is an important consideration in all financings, takes on added significance in such situations.

A description is requested of all materially favorable and adverse aspects of the company's operations and future prospects, including possible actions by customers, competitors, suppliers, lending institutions, labor unions and key personnel, as well as possible financial and economic developments.

Copies are requested of all studies, reports and analyses of the company and material aspects of its operations, prepared by the company, management consultants, financial and other concerns within the past five years.

### Legal Contractual and Voting Clauses

The effect on the company and its stockholders of all provisions in its Charter, By-Laws, loan agreements and material contracts are carefully studied. Such items as voting trusts, dividend restrictions, negative pledge and after-acquired property clauses, net working capital maintenance and other requirements and restrictions in loan agreements and contracts sometimes have to be modified in order to enable a public financing. With reference to cumulative vs non-cumulative voting, most companies have non-cumulative voting. Under non-cumulative voting 51% of the votes elect all the directors. Under cumulative voting it is possible for the minority to gain proportional representation on a company's board. There is something to be said for both approaches. The proponents of non-cumulative voting contend that a Board of Directors is not a debating society and that it is in the best interest of all the stockholders for the Board to function smoothly. Whether a company has cumulative or non-cumulative voting does not generally present a problem from the point of view of a prospective public offering. On the other hand, the stagger system of electing Directors (i.e.: say a third of the directors annually), raises a variety of problems. Many contend that if a company is not functioning effectively, the public investors should have some other alternative than merely the sale of their shares.

Biographical sketches are requested on each officer, director and middle management executive, including his age, title, compensation, equity and stock option interests in the company, past positions and associations, outside business and other interests, educational background and any direct or indirect family or other relationships with other officers, directors or large stockholders.

The foregoing are the major areas covered. Assemblage of this information is time consuming, but most of it is required in order to prepare the Registration Statement which must be filed with and reviewed by the Securities and Exchange Commission and the individual State Security Commissioners before the company's securities can be offered to the public.

Reputable investment bankers attempt to do a responsible appraisal, but factual misrepresentations are sometimes exceedingly difficult to detect — witness the McKesson & Robbins, Olen-H. L. Green, Swan Finch - Doeskin Products and United Dye and Chemical situations—to cite a few of the more notorious examples.

### Managements 99.99% Honest

During the past year, the SEC initiated 546 anti-fraud and regulatory investigations, brought 92 injunctions and obtained 126 criminal convictions. However, these of course represent an insignificant fraction of 1% of the nation's security transactions. Fortunately, 99.99% of corporate managements are impeccably honest. They have no hesitation in making the full disclosures required under the Federal Securities Acts and they welcome a professional appraisal, for they recognize that their investment banker's advice and counsel will be no better than the facts upon which they are based. By the same token, a company's management is not likely to have much confidence in the views of an individual who has superficially appraised their operations, and they may be prone to take advantage of him in negotiating the terms of a financing—even though one of the most serious mistakes a company's management can make would be unwittingly to permit its shares to be overpriced on an initial public offering.

### Offerings Priced at a Discount

In order to assure a successful offering and a favorable after-issue market, *initial* public offerings of securities are typically priced at a modest discount from the existing market prices of comparable securities which are seasoned. A portion of initial public offerings are invariably purchased by speculators who hope to sell the shares at a profit shortly after the offering. These individuals tend to sell their shares within a matter of days to weeks, in order to go into the next offering or to pay-off loans incurred on the present one. If the stock was over-priced on the offering and the market is not sufficiently broad and strong to absorb such selling at or above the issue price, the stock will go to a discount. This tends to attract additional selling from individuals who would otherwise have been long-term investors. If the stock is selling much below the issue price as the year-end approaches, it attracts still greater selling from individuals who wish to establish tax losses. When and if the stock recovers to the issue price, many of the individuals who have held on, become sellers when they see the opportunity to get out even. Thus, there is a considerable supply of stock around the issue price level, which has to be absorbed before the stock can move higher.

As a consequence of this progressive selling and the supply at the issue price level, the stock will establish a low price-earnings ratio during its crucial seasoning period (i e: the year following the offering), and as a consequence, it will generally sell at an abnormally low multiple indefinitely thereafter, because security analysts and investors tend to apply the past year's multiple to the current year's projected earnings. Once a stock has established a low price-earnings ratio, relative to other companies in its industry and the market in general, it is interminably difficult, if not impossible, to improve its relative valuation.

There are other serious consequences to over pricing a stock on an initial public offering. In order to assure a broad after-issue market, several major national investment banking and brokerage firms and a number of leading regional and local firms, commonly participate with the managing underwriter in an offering. If it develops, following the offering, that the management's projections of the company's future earnings were not realistic or that material adverse considerations were not disclosed, the firms which participated in the offering are quite likely to lose confidence in the integrity of the company's management. Under such circumstances they may be expected to recommend that their clients sell the stock. Further, the financial community is a very small one. It is not uncommon for brokerage, investment advisory and other firms to check with the managing underwriter before recommending a company's stock to their clients. Banks, insurance companies, investment trusts and others also commonly solicit the managing underwriter's views of a company and its management in the early stages of their conversations with a company.

An initial public offering affords a company's management an exceptional opportunity to enlist the support and backing of an important segment of the financial community and investing public. Management integrity is, therefore, one of a company's greatest assets.

### Trade Checks

Following receipt of the company's response to the questionnaire, the next steps are to digest this information, study the immediate and long-term prospects for the company's industry, run statistical comparisons with comparable concerns, and make trade checks with the company's major customers, suppliers, competitors and others.

Few, if any, companies are without problems of some sort. Sometimes these are incipient problems of which the management may not be aware, such as the impending departure of one

or more key executives, a material change in the buying policies of a major customer, a prospective price increase or serious shortage in an essential raw material or the imminent introduction of major new lines or other moves by important competitors. Most leading investment banking firms have broad industry associations through which they can expeditiously obtain this type of information. When they can appropriately do so, they assist their corporate clients in anticipating and correcting such problems before they materialize. Further, the investment banker's very awareness of such implicit problems enables him to contribute something more than merely money to a company's success.

**Plant Inspection and Management Interviews**

Upon completion of the foregoing studies and trade checks, which may involve as many as 25 individuals within the investment banking firm and typically take about 30 days, the investment banker knows what to look for and the questions to ask when he visits a company's facilities and interviews its management. For example, if a company's maintenance expenditures appear low, he looks for makeshift repairs and jury rigs on the equipment in its plants. A low inventory turnover suggests the possibility of obsolete and damaged items being carried in current inventories. The general condition and housekeeping of the plants and warehouses — boxes piled helter skelter, damaged cartons, outdoor storage sheds and so forth —often support this conjecture. High labor costs are generally self-evident from the plant layouts and the lack of adequate material handling and automatic production equipment.

If a company enjoys unusually wide profit margins and a very high rate of return on its invested capital, it may be due to a strong proprietary position in its field, technological leadership, a strong patent position, extremely able management and so forth; or it may be due to abnormally low labor rates which cannot be expected to persist indefinitely, unusually favorable leases, raw material or other contracts which expire in the near future, and on and on. Further, abnormally wide margins and high returns are of course invitations to greater competition. The investment banker's job is to determine the reasons behind all anomalous observations, and carefully evaluate them in the light of the company's future prospects and its capital requirements.

**Appraising Management**

So much for the appraisal of the *quality* of a company's assets and earnings and the importance of bringing its stock to market at the *right* price. Now we come to the most difficult area of corporate appraisals — that of evaluating management's ability to direct the company's future growth. A company's relative performance within its industry, the speed of its adaptation to changing conditions (has it led or followed?), its sales and earnings record, profit margins and return on invested capital provide clues; however, corporations have momentum. A company's success over the past few years under the present management may be the result of policies and actions initiated by individuals who are no longer associated with the company. Also managements grow old, and sometimes ultraconservative — perhaps Sewell Avery of Montgomery Ward would be such an example. Their early dynamic leadership, enthusiasm and long hours, sometimes give way to indecision, committee action, golf and early cocktails. Therefore, one of the investment banker's primary areas of inquiry is the age, stability and depth of a company's management.

We sometimes hear people say, "I can size a man up pretty fast—just give me 10 minutes alone with him." Personal interviews are useful in appraising a company's management, but are far from foolproof. There is impressive statistical support for the contention that appraisals of individuals, based *solely* on personal interviews, result in little better than random selections.

Three common characteristics of able executives are an unusually high degree of motivation, energy and intelligence. Not all successful executives have all three (but few have less than two), nor are all individuals who have these three characteristics successful, but on balance, these are common denominators of successful executives. Unfortunately, all three are difficult, if not impossible to gauge accurately in the course of an interview. For example, a high degree of motivation is fundamental, but it may be the result of an oppressive father or mother, physical limitations or handicaps, a keenly competitive relationship with one's brothers or sisters — or other complex psychological phenomenon which would take a psychiatrist a year or more to discover and define. Energy and intelligence are equally difficult to appraise critically across a desk — nervousness is commonly confused with energy and a glib wit, with intelligence — not to mention the diffictulty of assessing character, integrity, imagination, foresight, persistence and the host of other qualities one looks for in able executives. Appearance and personality are self-evident, but these are merely the tip of the iceberg. You may be attracted to a candy bar by its pretty wrapper, but you buy it for what is inside.

Therefore, considerable reliance must be placed on the best available objective data on the officers, directors and middle management executives of a company, including their past associations and accomplishments, rates of advancement, training and academic backgrounds, and the opinions of responsible individuals, who have had an opportunity to observe them over an extended period of time as individuals and the manner in which they work together.

**Comparative Pricing Schedule**

Following the appraisal of the *quality* of a company's earnings and assets, and its management's abilities to direct its future growth, such values must be equated to the prices which the investing public is currently paying for comparable investment opportunities. This is accomplished by preparing Comparative Pricing Schedules which set forth the financial and other pertinent data on the most comparable publicly owned companies. Key considerations are the *quality* of their earnings and assets, their relative size and profitability, the amount of fixed charges (principally debt service and rent) ahead of the common stock, the debt - equity relationship, the working capital position, net worth and book value per share, the rate of sales and earnings growth, profit margins, return on invested capital, the current and projected price-earnings ratios and dividend yields at which their securities are selling, the number of shares in public hands and the market in which they are traded (i.e.: the New York Stock Exchange, American Stock Exchange, regional exchanges or Over-the-Counter).

Just as a doctor's advice and treatment are no better than the diagnosis upon which they are based, so it is with the investment banker. In the absence of a thorough appraisal of a company, its management, future prospects and the market prices of comparable investment opportunities, it is evident that he would not be in a position to propose a sound financing program nor make constructive suggestions to the company—nor would he have discharged his responsibilities to his corporate client, hie firm, the members of the financial community who will participate with his firm in the underwriting, nor the investing public who will purchase the securities on the offering.

The investment banker who does a responsible job of appraisal is in a position to make both an immediate and a continuing contribution to his corporate client, particularly in such areas as financial planning, dividend, stock option and management compensation policies, corporate acquisition, expansion, diversification and merger plans, Board and top management prospects, annual and interim reports to stockholders, bank and term loans.

With able management direction and sound financial planning, the capital resources available to a company over the years are virtually unlimited.

*Adapted from a talk by Mr. Shad before the Society for the Advancement of Management, New York City.

# Complete Puerto Rico Water Authority Bond Sale

**Rafael V. Urrutia, Executive Director of the Puerto Rico Water Resources Authority, accepts check at offices of the First National City Bank, from Brainerd H. Whitbeck, Vice-President of the First Boston Corp., acting on behalf of a banking group including First Boston; Ira Haupt & Co., and B. J. Van Ingen & Co., Inc., which recently marketed $22 million bonds of the Authority.**

**Left to right, are—Fernando Torrent, Secretary, Governing Board, Puerto Rico Water Resources Authority; Samuel Lord, Jr., Trust Officer, First National City Bank; Richard S. Petty, of law firm of Mitchell, Pershing, Shetterly & Mitchell; Mr. Whitbeck; Mr. Urrutia; William G. Carrington, Jr., Ira Haupt & Co.; Francis Bowen, Senior Vice-President, Government Bank for Puerto Rico, and Fernando Lube, Assistant Executive Director, Finance, Puerto Rico Water Resources Authority.**

## With Metropolitan Secs.

(Special to THE FINANCIAL CHRONICLE)

ST. LOUIS, Mo. — William R. Humphrey has been added to the staff of Metropolitan Securities Corp., 418 Olive St.

## With Storz-Wachob

(Special to THE FINANCIAL CHRONICLE)

OMAHA, Neb.—John H. Amsler has joined the staff of Storz-Wachob-Bender Co., 3624 Farnam St.

## Now Farrington Assoc.

The firm name of LaFleur, Farrington & Company, Inc., 40 Wall Street, New York City, has been changed to Farrington Associates, Incorporated. William B. Farrington is a principal in the firm.

## Now W. H. Edelman Co.

SHERIDAN, Wyo.—W. H. Edelman and Co., Inc. is continuing the investment business of F. L. Ralston Brokerage Co., 107 South Main St. W. H. Edelman III is a principal of the firm.

## Forms J. G. Pasco Co.

MIAMI, Fla.—John G. Pasco, 4039 Ventura Avenue, is continuing his investment business under the firm name of John G. Pasco & Company.

## Dempsey-Tegeler Office

MONTEVIDEO, Minn.—Dempsey-Tegeler & Co., Inc. has opened a sales office in the Baumann Building, with Philip J. Desilet registered representative in charge.

## Thomson, McKinnon Office

ST. THOMAS, Virgin Islands — Thomson & McKinnon has opened a branch office at Palm Passage under the management of Frederick M. Fair.

## New Birely Branch

BLUE RIDGE SUMMIT, Pa. — Birely & Co. has opened a branch office on Crawford Ave. under the direction of Thomas E. Steffey.

## Buck Opens Branch

MARATHON, Fla. — Richard J. Buck & Co. has opened a branch office in the Appelton Building, under the management of S. Candler Dobbs.

## Eastern Inv. Branch

BOSTON, Mass.—Eastern Investment Corp. has opened a branch office at 141 Milk St. under the management of James F. Lane.

## Halle, Stieglitz Office

BOSTON, Mass.—Halle & Stieglitz has opened a branch office at 111 Devonshire St. under the management of Raymond T. Bartkus.

## New Renshaw Office

DEARBORN, Mich. — Renshaw, McKeown & Young, Inc. has opened a branch office at 25501 Ford Road under the direction of Duncan C. Puckett.

## New Uhlmann Branch

KEOKUK, Iowa—Uhlmann & Co., Inc. has opened a branch office at 623 Main St. under the direction of Thomas E. Bahr.

## With Stewart, Eubanks

(Special to THE FINANCIAL CHRONICLE)

SAN FRANCISCO, Calif.—Frank S. T. Hu has become associated with Stewart, Eubanks, Meyerson & Co., 216 Montgomery Street, members of the New York and Pacific Coast Stock Exchanges. Mr. Hu formerly with Bache & Co. and prior thereto was a partner in East-West Securities Co.

# The State of TRADE and INDUSTRY

*Continued from page 13*

and that of the third quarter, 1.25 million.

Fourth quarter production is projected at 1.8 million cars. It will bring calendar 1962 production to 6.6 million units, up from 5.5 million in 1961.

### Rising Steel Imports Sharpens Stiff Competition

Until demand picks up, steelmakers will be harassed by price cutting and stiff competition from foreign mills.

In recent weeks, industry leaders have charged that foreign producers are "dumping" steel here—selling at prices lower than those they quote at home.

The Treasury Dept., however, told *Steel* that no steel company has filed any formal charges of dumping, and none of the Treasury's field agents, who normally are on the lookout for dumping practices, has reported any such activity.

But U. S. imports of steel mill products in the first five months of this year were 66% higher than those of the corresponding period in 1961.

### Expected August Moderate Steel Gain Would Leave Short-Term Outlook Unchanged

Steel production and shipments in August should show a 10 to 15% increase over the July low, *The Iron Age* reported.

This would bring the industry back to the June level in production. However, shipments in June were probably higher because the mills themselves were liquidating their own excess steel stocks in that month.

This means continued tough going for the steel producers. The rate of shipments for August is estimated at about 55% of capacity, not enough to raise any feelings of real optimism.

More important, the magazine pointed out that the moderate gain does little to change the short-term outlook for the industry. From the standpoint of prices, earnings, and competition, the tone of the market has not changed appreciably.

### Price Structure Cracks

Buyers are still putting on pressure for quality concessions involving drawing properties, tolerances, and other points. The weak market has produced cracks in the price structures of stainless steel, linepipe, conduit, and in a few other products.

But in all or most cases, actual cuts have occurred in areas that had long-standing price problems.

The overall market continues to be spotty and irregular. This reflects wide differences in demand for products and also a wide range in consumer activity. This, in turn, results in a varied pattern of business at individual mills, depending on geographical location and product mix.

A number of mills, for example, are still receiving orders at a rate of only 50%. The overall average is raised by products like tinplate, over 70% — rebars, at 80%, and plates, which are at 65%.

Attention is focused on the auto industry, which can make or break any resurgence of the market in September and later. Unfortunately, this picture is not clear and early conclusions could be misleading.

### Encouragement From Detroit

In the automotive center of Detroit, for example, the last 10 days of July brought an encouraging increase of orders for August and September delivery. This was the direct result of orders from automakers and suppliers.

Detroit sales offices concluded from this that August will be better than expected, but there remained the warning that orders are spotty, although they increased overall.

There are also some strong indications that one of the major automakers still has a large inventory to be liquidated. This is reflected in one plant, which may or may not be typical, where steel order plans indicate a cut of 25% from August to September.

But on the strength of the general pattern, orders for steel for 1963 models are coming in solidly, with the first major improvement in September delivery followed by a major push in October.

Overall, steel remains in easy supply with little, if any, lengthening of lead times. The assurance of fast delivery in itself is a delaying factor in the market recovery with few users ordering much in advance of week-to-week needs.

### Ending of This Year's Auto Model Run, Achieves Second-Best Record

The U. S. auto industry's 1962 model run, expected to yield nearly 6.7 million cars and certain to stand as second-best on record, came to an end for two more major producers at the end of last week, according to *Ward's Automotive Reports*.

The statistical agency said that Chrysler Corp. output terminated at St. Louis, Newark, Del. and Detroit-Lynch Rd. plants, following earlier runouts at three other assembly facilities.

Also ending 1962 model making was American Motors Corp., which produces its cars in a single plant operation at Kenosha, Wis. Studebaker Corp., another one-plant producer, "phased-out" its 1962 production as of June 28.

*Ward's* said that Chrysler Corp.'s model run would total at upwards of 680,000 cars, compared with 691,069 for 1961. The company plans to commence work on considerably re-styled 1963s at five of its plants Aug. 13.

American Motors will count about 442,300 Ramblers of 1962 design, *Ward's* estimated, second only to 458,841 the company produced in the 1960 model year.

As a result of the "phase-outs," auto output for the week ending Saturday, July 28, will drop 7.5% to 133,386 units from 148,308 counted for the previous week. Car output for the same week a year ago, when the industry was also into changeover recess, was 74,831.

Output for entire July this year is expected to total at about 590,000 units, compared with 399,189 for the same 1961 month.

Ford Motor Co. programmed the industry's only overtime operations last week—scheduling extra-hour shifts at most of its 16 plants during the week and slating Saturday work for seven locations. One Ford plant at Louisville, closed down for model changeover after its overtime session last Saturday. Close-outs at other Ford plants will continue until mid-August.

General Motors Corp. last week discontinued Saturday operations, but will also continue current model making into August.

Of last week's output, GM Corp. was expected to account for 56.1%; Ford Motor Co. 31.9%; Chrysler Corp. 8.2% and American Motors 3.8%.

### Rail Freight Loadings 4.4% Below Last Year's Week

Loading of revenue freight in the week ended July 21 totaled 558,246 cars, the Association of American Railroads announced. This was an increase of 60,586 cars or 12.2% above the preceding week when loadings were affected by the coal miners' annual vacation.

The loadings represented a decrease of 25,391 cars or 4.4% below the corresponding week in 1961, and a decrease of 61,572 cars or 9.9% below the corresponding week in 1960.

There were 12,910 cars reported loaded with one or more revenue highway trailers or highway containers (piggyback) in the week ended July 14, 1962 (which were included in that week's over-all total). This was an increase of 2,180 cars or 20.3% above the corresponding week of 1961 and 3,347 cars or 35% above the 1960 week.

Cumulative piggyback loadings for the first 28 weeks of 1962 totaled 369,183 cars for an increase of 63,217 cars or 20.7% above the corresponding period of 1961, and 74,756 cars or 25.4% 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.

### Intercity Truck Tonnage Up 1.2% Over Last Year's Week

Intercity truck tonnage in the week ended July 21 was 1.2% ahead of the volume in the corresponding week of 1961, the American Trucking Associations announced. Truck tonnage was 1.1% ahead of the volume for the previous week of this year.

These findings are based on the weekly survey of 34 metropolitan areas conducted by the ATA Department of Research and Transport Economics. The report reflects tonnage handled at more than 400 truck terminals of common carriers of general freight throughout the country.

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. Detroit, Dallas-Fort Worth, Albuquerque, and Richmond terminals reflected year-to-year tonnage gains of 19.9, 14.1, 10.4, and 10.1%, respectively. Cincinnati terminals experienced the largest decrease—off 10.5%.

Compared with the immediately preceding week, 20 metropolitan areas registered increased tonnage, while 14 areas reported decreases.

### Lumber Output Rises 1.4% Above 1961 Level

Lumber production in the United States in the week ended July 21, totaled 221,874,000 board feet compared with 197,588,000 in the prior week according to reports from regional associations. A year ago the figure was 218,810,000 board feet.

Compared with 1961 levels, output advanced 1.4%, shipments were 1.3% higher, and orders fell 4.6%.

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

| | July 21, 1962 | July 14, 1962 | July 22, 1961 |
|---|---|---|---|
| Production | 221,874 | 197,588 | 218,810 |
| Shipments | 227,882 | 203,800 | 224,915 |
| Orders | 220,397 | 218,953 | 231,054 |

### Electric Output 3.6% Higher Than in 1961 Week

The amount of electric energy distributed by the electric light and power industry for the week ended Saturday, July 28, was estimated at 16,635,000,000 kwh., according to the Edison Electric Institute. Output was 124,000,000 kwh. below that of the previous week's total of 16,759,000,000 kwh. and 574,000,000 kwh., or 3.6% above that of the comparable 1961 week.

### Wholesale Food Price Index Inches Up for Second Week

Edging higher for the second consecutive week, the Wholesale Food Price Index, compiled by Dun & Bradstreet, Inc., increased a fractional 0.3% to $5.92 on July 31. At the highest level since Feb. 6, the index moved slightly above the $5.90 registered on the comparable date a year ago, marking the first time so far in 1962 that a year-to-year increase has been chalked up.

A total of 11 foodstuffs and meats were quoted higher at wholesale this week: flour, corn, oats, hams, sugar, milk, cottonseed oil, cocoa, eggs, steers, and hogs. However, these increases were partly offset by some fairly strong declines in a few lines, wheat, rye, beef, bellies, lard, 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.

### Wholesale Commodity Price Index Highest Since Early May

Reflecting a substantial rise in steel scrap, the general wholesale commodity price level moved up to 272.08 this week, reported Dun & Bradstreet, Inc. This seventh consecutive week-to-week increase lifted the index the highest since May 9. Along with the climb in steel scrap, rye and wool were up noticeably at wholesale markets.

On July 30, the daily wholesale commodity price index advanced to 272.08 from 271.74 a week earlier and from 271.08 in the preceding month. As well, it exceeded the comparable 1961 level of 271.83 on the similar day.

### Downturn in Business Failures

Commercial and industrial failures dropped back to 269 in the week ended July 26 after their upturn to 286 in the preceding week, reported Dun & Bradstreet, Inc. Considerably fewer casualties occurred than a year ago when the toll was 319 or in 1960 when the toll was 293. As well, business mortality dipped 8% below the pre-war level of 291 in the similar week of 1939.

Failures with liabilities topping $100,000 edged to 25 from 28 a week ago, but were down appreciably from 43 last year. Among casualties involving losses under $100,000, the toll dipped moderately to 244 from 258 in the previous week and from 276 in the corresponding week a year ago.

The week's downturn centered in wholesaling, where casualties fell to 21 from 38, and in commercial services, off to 23 from 29. The toll among retailers held even, 128 as against 129, while the toll among manufacturers inched up to 55 from 51 and among construction contractors to 42 from 39. Fewer businesses succumbed than last year in all lines except manufacturing which showed a noticeable rise from its 1961 mortality level.

Casualties in the middle Atlantic States fell to 62 from 82; in the East North Central States to 53 from 62; and in the South Atlantic States to 36 from 45. Virtually no change appeared in the New England, West North Central and Pacific Regions — the latter reported 56 as compared with 54 a week earlier. In contrast, tolls moved higher in the East and West South Central and Mountain States. Six of the nine regions had fewer failures than in the comparable week of 1961. The only increases from last year occurred in the South Atlantic, East South Central and Mountain States.

### Retail Purchases Continue Strong

Consumer buying held to a brisk pace in the week ended Wednesday, July 25, boosted by clearance sales, promotions and excellent shopping weather. Total retail sales continued to top their comparable year-ago level by a healthy margin. Playwear, sporting goods and outdoor equipment headed the list of best sellers, the usual seasonal position for these lines, while clearances helped both women's and men's furnishings appreciably. Improvement appeared generally in home goods activity after several weeks of sluggishness. Car sales remained strong, holding to the best level since 1955.

The total dollar volume of retail trade in the reported week ranged from 4% to 8% higher than last year, according to spot estimates collected by Dun & Bradstreet, Inc. Regional estimates varied from comparable 1961 levels by the following percentages: New England —1 to +3; East South Central and Mountain +1 to +5; Middle Atlantic and West North Central +3 to +7; South Atlantic and Pacific +4 to +8; East North Central +5 to +9; West South Central +6 to +10.

### Nationwide Department Store Sales Up 7% From 1961 Week

Department store sales on a country-wide basis as taken from the Federal Reserve Board's index reported a 7% advance for the week ended July 21, 1962, compared with the like period in 1961. For the week ended July 14, sales were ahead by 8% from the corresponding 1961 week. In the four-week period ended July 21, 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 10% higher when compared with the same period in 1961.



## Two With Howsam-Brown

(Special to THE FINANCIAL CHRONICLE)

DENVER, Colo.—Kermit G. Turley and Clyde S. Linderholm have become affiliated with Howsam-Brown & Associates, Inc., 290 Fillmore Street. Mr. Turley was formerly with Merrill Lynch, Pierce, Fenner & Smith Incorporated. Mr. Linderholm was with Estate Funding Corp.

*LETTER TO THE EDITOR:*

# Reader Comments on Recent Articles on Gold Problem

**New Haven contributor comments on recent articles by Dr. Paul Einzig and Professor Benjamin Graham. Calls gold-devaluation one of the most dishonest steps a government could take; lauds Professor Graham's July 12 proposal of floating a long-term loan abroad; and quotes Adam Smith's admonition against "raising the denomination of the coin."**

*Editor, Commercial and Financial Chronicle:*

Dear Sir:

The article from London by Dr. Paul Einzig in your issue of July 12, entitled "Growing Demand for Gold and Gold Mining Shares," has much to say about a possible increase in the U. S. official-price of gold—which, if it should occur, would be as great a piece of dishonesty as our government could possibly inflict on the American people.

Frederick G. Shull

Says Dr. Einzig: "Another gold rush seems to be rearing its ugly head. . . . Gold hoarding has increased and, by the look of things, is likely to continue to increase. . . . The main reason for this is the revival of fears of an increase in the official American price of gold. The number of those who have come round to favoring such a move is on the increase. . . . It is, of course, anybody's guess whether the Kennedy Administration would eventually yield to the pressure, and it is even more uncertain how long it would take to come to that decision."

As respects what the "Kennedy Administration" is likely to do, we have the world of President Kennedy, stated by him as follows: "I have said many times that we must meet this problem with positive solutions, not negative action—and therefore this country will not—I repeat not—increase the price of gold, thereby devaluating the dollar, . . ." (*Life* Magazine, July 6, 1962, in a letter to Mr. David Rockefeller).

Regardless of what the speculators in gold might like to see happen—or what the gold producers might like—or what gold hoarders hope to gain by an increase in the price of gold, the fact remains that the citizens of the U. S. own nearly $1 trillion of dollar-assets in the form of bank deposits, government bonds, and insurance benefits already paid for with dollars of current gold-value; and as little as a 10% increase in the price of gold, with its resultant devaluation of the dollar, would knock nearly $100 billion out of the real value of those dollar-assets. By so doing we would be "raising the denomination of our coin" — so deeply deplored by the world's greatest economist, Adam Smith, who tells us in his *Wealth of Nations*, first published in the year 1776—the year in which the cornerstone of this nation was laid—and in unmistakable words:

"The raising of the denomination of the coin has been the most usual expedient by which a real public bankruptcy has been disguised under the appearance of a pretended payment."

For generations the United States has been loaning (or giving away) billions of dollars to bolster the economy of foreign nations. If, therefore, we should become in need of help to maintain the integrity of the American dollar, a seemingly reasonable solution—such as proposed by Mr. Benjamin Graham in your issue of July 12—would be for us to "incur long-term debts to foreigners to offset our new long-term claims on them. Such borrowing should preferably be done in the countries in which the new investments are made;" and that "it would best be done by our corporations with large investments abroad, but to the extent that they are unable or unwilling to do so there is no good reason why the U. S. Government should not float such loans."

Let's be guided by Adam Smith and avoid a "real public bankruptcy," as would be the case if we devaluate our currency. And, if necessary, let's borrow from foreign nations, just as they have so freely borrowed from us to improve their economic well-being.

FREDERICK G. SHULL,
2009 Chapel St.
New Haven 15, Conn.



## With Thomas Jay

(Special to THE FINANCIAL CHRONICLE)

BEVERLY HILLS, Calif.—Harold Riff is now with Thomas Jay, Winston & Co., Inc., 464 North Bedford Drive, members of the Pacific Coast Stock Exchange. Mr. Riff was formerly with California Investors and Holton, Henderson & Co.

## Now Martel & Co.

NEW PROVIDENCE, N. J.—The firm name of Brooks & Brooks, Short Hills, N. J., has been changed to Martel & Co. and the firm is now doing business from 58 South Street, New Providence.

## Joins V. K. Osborne

(Special to THE FINANCIAL CHRONICLE)

BEVERLY HILLS, Calif.—Helen A. Kilgore has become associated with V. K. Osborne & Sons, Inc., 241 North Beverly Drive, members of the Pacific Coast Stock Exchange. Miss Kilgore was formerly with Garat & Polonitza and Taylor & Co.

## Hemphill, Noyes Adds

(Special to THE FINANCIAL CHRONICLE)

LOS ANGELES, Calif.—Norman I. Praga has been added to the staff of Hemphill Noyes & Co., 628 West Sixth Street. Mr. Praga was previously with Dempsey-Tegeler & Co.

## H. W. Johnston Branch

COHOES N. Y.—H. Wm. Johnston & Co. has opened a branch office in the Professional Building under the management of Eugene D. Sherman.

## Now Corporation

PROVIDENCE, R. I.—Cummings & Co., Inc. has been formed to continue the investment business of Cummings & Co., Hospital Trust Building.

## Now Rieger & Co.

LORAIN, Ohio—The firm name of David C. Lieger Securities Co., 766 Broadway, has been changed to Rieger & Co.

# WASHINGTON AND YOU

*BEHIND-THE-SCENES INTERPRETATIONS FROM THE NATION'S CAPITAL*

WASHINGTON, D. C. — On the third floor of the old United States Treasury building, just a stone's throw from the White House grounds, are offices of the man who is raising the eyebrows of the American banking industry.

James J. Saxon, the 48-year-old Comptroller of the Currency, is creating quite a stir in banking circles by his so-called liberal policies.

Why? There are several reasons One is his approval of the organization of more new banks in the first six months of 1962 than in all of 1961. Another is his aim to "modernize" the banking business from Wall Street to Honolulu.

### Queries Nation's Bankers

In February he wrote a letter to the heads of all the national banks in this country:

". . . We are asking you as the head of each national bank to aid us in identifying and appraising the shortcomings of our national bank system and in developing measures to overcome them. . ."

**At the same time he approved a 24-man advisory committee under the chairmanship of Frank E. McKinney, Chairman of the Board of the American Fletcher National Bank and Trust Company, Indianapolis, Ind. Twenty-two of the committee members were from national banks, and the other two represent state banks.**

This committee is now drafting a report of their study which they hope to present to the White House and Mr. Saxon. Their report will be of keen interest to banking because it will contain the recommendations of the bankers themselves, and the 24-man committee.

### New Banking Legislation Expected

Mr. Saxon hopes it will be the forerunner of an omnibus banking bill that the President will send to Congress in January when tht 88th session begins.

**When President Kennedy nominated him to the post, Mr. Saxon was an attorney for the First National Bank of Chicago. Prior to that he was assistant counsel for the American Bankers Association in Washington. He was Assistant to the Secretary of the Treasury in charge of public affairs during a period in the Truman Administration.**

When he returned to the Nation's capital to become Comptroller last November, the dapper and articulate Mr. Saxon returned to the agency that gave him his first job in 1937 after he got out of law school. Then he was a securities statistician.

Now as the chief he has shook up banking as a result of a complete reexamination of the industry with some changes apparently looming ahead.

### Strong Opinions

It is no secret that some bankers don't like Mr. Saxon's policies and liberal views. Not too long ago during an impromptu talk to a bankers' group he told them that aims of this administration include more handling of administrative questions at the local level. At the same time, he said there is no reasonable justification for delays of nine months or more in handling applications for new branches, mergers and charter.

A native of Toledo, Ohio, and the father of six children, he has some very definite ideas of the functions and purposes of the office of Comptroller of the Currency.

**"The Comptroller of the Currency," said Mr. Saxon, "is the articulate voice of banking in Washington. The comptroller is the overseer of the national banking system. But more important he is the peacemaker, the mediator between the two factions of the American banking system—the National and the State banks."**

Then he lists still another paramount function of this agency under the Department of the Treasury: "In my opinion the policy of the Comptroller of the Currency should be to assure that the American banking system can finance the growing American economy."

### "Maverick Comptroller"

A strong advocate of banking competition, he has issued some decisions that have been far-reaching. As a result, Mr. Saxon knows he has had the label of "maverick comptroller" pinned on him.

**One of his far-reaching decisions was his denial of the application to merge National Bank of Westchester, White Plains, N. Y., and the First National City Bank of New York. The First National City Bank, the second largest bank in New York, and the third largest in the nation, operates 85 branches in New York City, three in Nassau County, N. Y., plus 79 foreign branches.**

First National City Bank had total resources in September, 1961 amounting to more than $7,952,198,366. National Bank of Westchester, the second largest bank in Westchester, on the same date had total resources in excess of $271,000,000. The Comptroller said if the merger should be approved the First National City Bank would acquire 26 offices in Westchester County, out of a total of 110 commercial bank offices.

In his opinion Mr. Saxon declared that banking is highly competitive; it is diffuse rather than concentrated, and the smaller institutions are growing at a faster rate than are the largest banks. He added: "We find no reason for concern over the future of competition in banking."

**Then, in disapproving the merger, he gave a warm official pat on the back for the First National City Bank by declaring that the denial should in no way be regarded as a reflection on the bank itself. Ht described it as an outstanding American financial institution in every way.**

### Hits State Banking Laws

The Comptroller also denied the application of the Bank of Livonia, Livonia, Mich., and the National Bank of Detroit to merge. National Bank of Detroit is the 15th largest commercial bank in the United States, the third largest in the Middle West, and the largest in Michigan. Livonia, part of the Metropolitan Detroit area, has a present population of 72,000.

The Comptroller pointed out in detail that in this case fast growing Livonia needed additional banking facilities, which the merger would provide by having six additional offices. It was in this decision that Mr. Saxon took a sharp jab at what he described as the antiquated state banking laws.

**"Far too long," said he, "the states have been in position to impede the progress of the National Banking System. In no other industry of which we are aware are there imposed such restrictions on growth and expansion as in banking. . . . As late as 1962 we find the growth of the national banking system being seriously retarded by the states."**

The comptroller declared that if the banking laws of Michigan permitted establishment of offices adequate to serve the needs of Livonia, "we would not be faced with the dilemma we have here . . . In the meantime, however, we have little choice but to disapprove the proposed merger in order to preserve some semblance comeptitive choice in this area. . . ."

### Holding Company Decision

There are other important decisions and actions in recent months concerning the industry. One concerns the Whitney National Bank of New Orleans, one of the largest banks in the South. Louisiana law prohibits banks with $100,000 or more of capital from opening branches beyond the Parish (county) line within which the States bank's main office is located.

**Under a 1960 law the Federal Reserve Board is required to issue an opinion on the competitive factors of expanding banking facilities. On May 3 the Federal Reserve Board announced its approval of Whitney National Bank to form a holding company, and thus pave the way for it to override a state law and expand into an adjoining Parish (county) which is part of metropolitan New Orleans. There are two small banks already operating in the area where Whitney Holding Corporation proposes to establish banks.**

The smaller suburban banks have filed a petition in the District of Columbia, District Court seeking to restrain the Comptroller of the Currency from issuing a certificate to the Whitney Holding Corp.

Thus, it is obvious there has been a marked change in the banking industry philosophy since the New Frontier Administration came into power. More changes appear inevitable.

*[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.]*


**"I'd like to get Mr. Cackles a birthday present—do you think he would let me borrow his credit card?"**

# COMING EVENTS

*IN INVESTMENT FIELD*

**Aug. 9-10, 1962 (Denver, Colo.)**
Bond Club of Denver 28th annual summer outing at the Columbine Country Club.

**Sept. 7-8, 1962 (Gearhart, Ore.)**
Pacific Northwest Group Investment Bankers Association Meeting

**Sept. 11-12, 1962 (Chicago, Ill.)**
Investment Bankers Association Municipal Conference at the Pick-Congress Hotel.

**Sept. 12, 1962 (Denver, Colo.)**
Rocky Mountain Group Investment Bankers Association Meeting.

**Sept. 13-14, 1962 (Chicago, Ill.)**
Municipal Bond Club of Chicago outing.

**Sept. 13-15, 1962 (Ponte Vedra Beach, Fla.)**
Florida Security Dealers Association annual convention.

**Sept. 19-21, 1962 (Santa Barbara, Calif.)**
Investment Bankers Association Board of Governors Fall Meeting.

**Sept. 20-21, 1962 (Cincinnati, Ohio)**
Municipal Bond Dealers Group of Cincinnati, annual fall party, with a field day to be held Sept. 21, at the Losantville Country Club.

**Sept. 23-26, 1962 (Atlantic City, N. J.)**
American Bankers Association annual convention.

**Sept. 28, 1962 (Philadelphia, Pa.)**
Bond Club of Philadelphia 37th annual outing and field day at the Huntingdon Valley Country Club, Huntingdon Valley, Pa.

**Oct. 3, 1962 (New York City)**
New York Group Investment Bankers Association Meeting.

**Oct. 4-5, 1962 (Cleveland, Ohio)**
Northern Ohio Group Investment Bankers Association Meeting.

**Oct. 8, 1962 (Detroit, Mich.)**
Michigan Group Investment Bankers Association Meeting.

**Oct. 8-9, 1962 (San Francisco)**
Association of Stock Exchange Firms Fall Meeting at the Mark Hopkins Hotel.

**Oct. 9-10, 1962 (Minneapolis, Minn.)**
Minnesota Group Investment Bankers Association Meeting.

**Oct. 11-12, 1962 (Los Angeles)**
Association of Stock Exchange Firms Board of Governors meeting at the Ambassador Hotel.

**Oct. 19-20, 1962 (Philadelphia, Pa.)**
National Association of Investment Clubs Twelfth Annual Convention at the Sheraton Hotel.

**Oct. 24, 1962 (Cincinnati, Ohio)**
Ohio Valley Group Investment Bankers Association Meeting.

**Oct. 26-28, 1962 (Hot Springs, Va.)**
Southeastern Group Investment Bankers Association Meeting.

**Nov. 4-9, 1962 (Boca Raton, Fla.)**
National Security Traders Association Convention at the Boca Raton Hotel & Club.

**Nov. 25-30, 1962 (Hollywood, Fla.)**
Investment Bankers Association Annual Convention at Hollywood Beach Hotel.

**April 27-May 1, 1963 (Boston, Mass.)**
National Association of Mutual Savings Banks 43rd annual conference at the Hotel Statler.

**May 12-15, 1963 (Chicago, Ill.)**
Financial Analysts Federation annual convention at the Palmer House.