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EDITORIAL

As We See It

"We are no longer willing to take our products to the market place and say, 'what are you willing to give me?'" Thus shouted the militant leader of a militant young farmers organization, in a recent meeting at which decision was made to call a "strike" to enforce higher prices for a number of farm products. The leaders of the movement are said to prefer an "all-out holding action" as a term to define what is planned, but its resemblance to ordinary labor strikes is too great for them to expect the public not to employ the shorter and more familiar terminology. At any rate, we have here another effort by members of the economic society to get the consumer by the throat. This particular movement may or may not prove to be an abortive one. There are certainly plenty of reasons to believe it will quickly run into difficulties which its members have not foreseen.

At bottom, however, the plans now announced are not essentially different from any of the numerous efforts that have been under way for a long while past to thwart natural forces. The farmers of the nation have, as a matter of fact, long been making a practice of using their political power to accomplish much of what is hoped for by this group now planning a strike, and in a sense have been rather unusually successful since in this way they have the economic power of the nation and its pocket book available to them. Then, of course, we have long had the so-called cooperatives which did a good deal beside cooperate. In point of fact the farmers of this country and their organizations long ago repudiated natural forces as the arbiter of their affairs, and have long made it a practice of quoting physiocratic notions long ago exposed as invalid to support their claims for special favors at the hands of the remainder of the community.

But unfortunately this sort of notion and this type of practice have not been confined to the agricultural population. In point of fact their de- (Continued on page 22)

Realistic Economic Policy Program That Fits the Present Situation

By Dr. Raymond J. Saulnier, Professor of Economics, Barnard College, Columbia University, and Former Chairman of the Council of Economic Advisors*

The writer is not one who evades today's realities in his economic proposals. His plan respects today's constraints; warns that the downturn has been deferred but can only be averted with prompt measures aimed at creating an environment conducive to a rapid increase in private investment; shows there's no "magic" in Federal deficits and spending, and explains how steps suggested to strengthen the underlying growth forces would not add to our Federal debt or spending, or impair the balance of payments. Discusses ways to finance a tax cut, and other specifics.

It is widely acknowledged that for some time now the indicators to which we look for clues as to the economic outlook have been far from encouraging. Warnings of a slowdown in the rate of economic advance began to be visible early this year. Month by month these warnings were confirmed; but the evidence for the month of May went beyond this to suggest a strong possibility of a downturn occurring before the end of the year. If anything, June darkened the outlook a bit.

Raymond Saulnier

July was another matter. Not very much data are available yet, but what there is suggested that the economy steadied itself and improved a bit. Indeed, for a month that is often hard to interpret, I would say that the evidence of improvement in July is pretty clear. Certainly, if we look at the month's developments from the point of view of their policy implications there is no doubt but that they destroyed any case there may have been for an emergency tax cut. And perhaps I can best express my estimate of the near-term outlook by saying that I doubt that developments in the next few months will warrant emergency tax cutting.

But it would be a mistake to think that the danger of a downturn has been altogether averted. I don't think one can say at this time that it has been any more than deferred. The economy has shown resistance and strength in the last few weeks but the record for the recovery as a whole obviously suggests a lack of the kind of liveliness one would like to see. The way I read the record, it is saying that there is no need for emergency anti-recessionary tax cutting, but that there is an urgent need to strengthen the underlying forces that make for growth in our economy and to remove obstacles to growth. And I would say that the record is telling us, also, that we don't have an unlimited amount of time to shape and adopt the needed measures.

The performance of the economy in the last few years, and in particular the disappointing record of the present recovery, provide important guidance as to the kinds of measures that are needed. Four points in this record are especially noteworthy.

First, it should be clear from recent experience that we can't produce the economic growth we want merely by an increase in Federal spending. The fact is that in the fiscal year just completed net budget expenditures of the Federal Government rose by more than $6 billion. This followed an increase of $5 billion in the fiscal year 1961, of which nearly 80% was incurred in the last six months of that period. And I would judge that more increases are in prospect. The budget presented to the Congress in January 1962 projected a rate of expenditures for Fiscal 1963 which would be about $6 billion higher than the Fiscal 1962 rate. Thus, we have had a $10 billion increase in Federal expenditure rates in the last year and a half; and if things turn (Continued on page 38)

SECURITIES NOW IN REGISTRATION—Underwriters, dealers and investors in corporate securities are afforded a complete picture of issues now registered with the SEC and potential undertakings in our "Securities in Registration" Section, starting on page 24.

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CHARLES L. BETZELBERGER

Analyst, Stern Brothers & Co., Kansas City, Missouri

The Marley Company

The Marley Company, which has completed forty years of profitable operation, is a specialist in the related fields of water conservation and heat dissipation. Its principal business activity is the manufacture and sale of a broad line of water cooling towers which perform the basic function of conserving water by cooling it and thereby making possible its re-use.

C. L. Betzelberger

Water cooling towers operate on the principle of evaporation. In the conventional tower, used water is pumped to the upper part of the tower, released and allowed to flow downward over the wooden slats, where it is exposed to fan-induced air circulation for cooling purposes. After being cooled, the water is collected and recirculated for re-use.

Marley is the largest manufacturer of water cooling towers in the United States. Their towers range in capacity from nine to 120,000 gallons of water per minute or larger if required. Prices range from $100 for the smallest package units to amounts in excess of $1,000,000 for large towers.

Other business activities include the manufacture and sale of air-cooled refrigerant condensers and the reconstruction, maintenance and rehabilitation of water-cooling towers previously installed by the company and others.

Marley products enjoy nearly world-wide distribution except for communist-bloc countries. Domestic distribution is effected through the company's own sales force as well as Canada, Venezuela, Mexico, Brazil and Argentina. The company has granted to others the rights to manufacture and sell its products in England and Australia. Earlier this year a license agreement was completed to permit penetration of European Common Market. Other countries are served by sales representatives. Less than 10% of sales for fiscal 1961 were of foreign origin.

The company's executive offices, research and development center and one of its plants are located in the Kansas City area. Other plants are operated in Stockton, California; Louisville, Kentucky; and Houston, Texas.

Net sales for the fiscal year ended Oct. 31, 1961 were $21,211,000, an increase of approximately 10% over 1960 sales and 21% over 1959 sales. More significant is the sharp increase in net income which rose to $1,093,308 in fiscal 1961, or $2.98 per share, an increase of 53.5% over 1960 and 118% over 1959 net income. The upward trend in sales and earnings for the past two years continued during the first nine months of the current fiscal year. On sales of $17,127,000 the net income for the nine months ended July 31, 1962 was $926,244, equal to $2.52 a share. A year earlier the volume of $16,328,059 produced profits of $814,435, or $2.22 per share.

The substantial improvement in the company's earnings is the result of management's efforts the past few years to lower the operating break-even point through carefully applied cost controls on all administrative and productive functions. Contributions also have been made through product improvement and more emphasis on marketing to increase the company's sales penetration in domestic and foreign markets.

Since the company's products largely fall into the durable goods category, it is expected sales will fluctuate in relation to capital expenditures for construction. However, a moderating influence on the cyclical nature of its business is the wide diversification of industries served by the company. These include air conditioning, chemicals, food, petrochemicals, electric power and other processing industries of which several are basically non-cyclical.

The longer range outlook for the company's products are enhanced because of developing shortages of water in the United States and abroad, and the upward trend of water costs in many areas. This has resulted in water-cooling towers becoming an increasingly important adjunct to electric generating plants, industrial processing and central air conditioning. The common stock of the Marley Company, recently quoted at 27¾-28¾ in the Over-the-Counter Market, is selling at nine times latest 12-month earnings to yield 3.4% on the $1 annual dividend. In my opinion, the stock appears to be currently undervalued.

RICHARD E. RICHTER

Shelton Securities Corporation

Polymetric Devices Company

Rapidly expanding sales combined with a vigorous campaign of acquisition promise to continue the already significant achievements of the Polymetric Devices Company, specialists in the fast growing field of electronic measurement and control instrumentation.

Richard E. Richter

During the past year, assets increased more than ten fold from $80,000 to $900,000 and sales volume rose nearly 100%, to cross the million dollar mark for the first time. For the current year, further new records are anticipated; reflecting the impact of recent mergers, sales are expected to climb to between $3 million to $3.5 million, and earnings are projected at approximately $0.30 per share, more than four times the $0.07 realized in fiscal 1961. Several new proprietary products have met an enthusiastic reception and point to continued gains in the period to follow.

Headquartered in suburban Philadelphia, the company was created originally to serve as a specialized sales engineering representative for a group of diverse but related electronic and scientific instrument manufacturers. Early this year the company embarked upon an expanded course of operations through the acquisition of two manufacturing subsidiaries, together with which it now constitutes a dynamic and integrated complex for research, production and sales.

Since its corporate inception in June, 1959, Polymetric Devices has achieved impressive results. For the last fiscal year ending Feb. 28, 1962, gross billings totaled slightly more than $1 million, double the $500,000 of the preceding year. Despite a number of non-recurring expenses, gross revenues rose to $100,000 from $66,000 a year earlier. These figures represent only the company's sales agency business: the first of its mergers was not consumated until close to the end of the year. For the current fiscal year ending Feb. 28, 1963, gross sales are expected to rise to between $3 million and $3.5 million, including a 50% increase in agency volume to $1.5 million. Earnings are projected at 30 cents per share, compared with 7 cents for fiscal 1961, and cash flow at 75 cents per share. The company is already well on its way to realizing these goals. For the first three months sales totaled over $700,000 compared with $189,000 in the corresponding period a year ago. More than half of this amount derived from the company's own manufactured products. Net profits amounted to 5 cents per share compared to 7 cents for all last year.

Polymetric Devices has created a unique role for itself in its ability to coordinate the individual instruments and systems of the different manufacturers which it represents and, of greater significance to its future, its ability to originate a variety of exclusive and compatible products of its own design and manufacture. The company's devices have application in almost every category of major industry: oil, chemical, aircraft, drugs, metals, paper. Equally important is their use throughout the nation's aerospace program. Polymetric corporate clients include General Electric, Westinghouse, DuPont, Martin-Marietta, Thiokol, RCA, Minneapolis-Honeywell, Standard Oil of N. J., Socony Mobil and Boeing. Government customers include The Frankford Arsenal, David Taylor Model Basin, Picatinney Arsenal, the National Aeronautics and Space Administration, and the National Bureau of Standards.

As sales agents the company receives commissions ranging from 10 to 15% of gross billings with a higher percentage occurring in those instances in which it also serves as distributor. The company acts on an exclusive basis in its sales territory for all the firms it represents. One branch sales office is maintained in Washington and the second is being considered in New York.

The most lucrative of all Polymetric Devices' contracts should be that which it has with the EMCee Electronics Co. of Wilmington for whose products it has world wide distribution rights. Headed by former DuPont engineer Max W. Corzilius, EMCee has developed several products of multi-million dollar potential.

Now in production are EMCee's water separometer, a device selling for approximately $1,400 to $2,000 which determines the moisture content of jet aviation fuel, and its portable mill balance strip chart recorder.

In January, 1962, Polymetric

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

This Week's Forum Participants and Their Selections

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Polymetric Devices Co.—Richard E. Richter, Shelton Securities Corporation. (Page 2)

Emphasizing the Unfinished Business of Economic Policy

By Walter W. Heller, *Chairman, Council of Economic Advisers, Washington, D. C.*

Domestic economic growth measures take precedence over balance of payments considerations in Dr. Heller's assessment of economic developments and of legislative action said to be necessary to strengthen and bring the economy's performance up to its potential. The President's top economic adviser warns it would be self defeating to take restrictive monetary measures in dealing with the payments-balance problem which would undermine the economy's vigor unless it were accompanied by a larger tax reduction to yield a given economic stimulus. Fiscal expansion, thus, is coupled to higher interest rates to (a) discourage any capital outflow and (b) to offset any inflationary pressures that might ensue if recovery becomes unexpectedly rapid. Dr. Heller prefers that the financing of budget deficit be carefully balanced between bank and non-bank financing. Emphasis placed on the unfinished business of economic policy stems from the uncertainties depicted in the current economic period.

The Performance of the Economy in the Past Five Years

We are examining the economic outlook today because the current expansion has not been as vigorous as all of us hoped and most of us expected. The expansion has slowed down in 1962 and we must be alert to the danger that the current recovery, like its immediate predecessor, will not carry us to full employment. Nevertheless, we should recognize the important economic gains that have been scored during the past year and a half. From the first quarter of 1961 to the second quarter of 1962:

Walter W. Heller

Gross National Product rose from $501 billion to $552 billion, a rise of 10.2% (or a rise of 8.5% after price correction).

Consumption in constant prices increased by more than $250 per family (annual rate).

Corporate profits before taxes have increased by roughly one-fourth.

Labor income increased by nearly 9%.

Unemployment (seasonally adjusted) declined by about 1 million persons, with the rate falling from 6.8% to 5.5% (and to 5.3% in July).[1]

If advances could be maintained at this pace, on the average, we would achieve full employment—full utilization of our resources consistent with our interim goal of 4% unemployment—sometime late in 1963. But obviously, we are all concerned by evidence that the next five quarters are not likely to yield equally strong advances. Gross National Product (in constant prices), after rising at a rate of 9% per year from the first to fourth quarters of 1961, has been rising at a rate of only about 3¼% per year in the first half of 1962. Personal income increases averaged $2.6 billion (annual rate) per month during the 10 months of recovery in 1961, but have been averaging only $1.6 billion since December. After rapid gains during 1961, corporate profits seem to have changed little in the past two quarters. On the other hand, the first half of 1962 has witnessed a more rapid improvement in employment and a more rapid decline in unemployment than we experienced last year.

We Are Recovering From Two Recessions

In early 1961 we were in the position of having to recover not from one but from two recessions for the recession of 1960 came on top of the incomplete recovery from the recession of 1957-58. There can be no doubt that impressive gains in employment and output have been made in the past year and a half. But the economy has not yet regained the reasonably full utilization of its labor and capital which it last experienced in early 1957. It is in this context that we must re-examine the means for achieving the goals of the Employment Act of 1946: "maximum employment, production, and purchasing power."

The postwar era taken as a whole has, to be sure, witnessed remarkable progress in the achievement of these goals. The worst rates of unemployment in the postwar era were about 7½% of the labor force, much better than the best performance of the economy in the 1931-40 decade, when the unemployment rate remained consistently above 14%. But the record of the past five years—while a great improvement over the prewar era — has not matched that of the first postwar decade. From 1946 until mid-1957, full utilization of resources was the normal state of the American economy. Unemployment significantly exceeded 4% of the civilian labor force only about one-third of the time, principally during and immediately after the two brief recessions of 1948-49 and 1953-54. Since late 1957, unemployment has fallen below 5% of the labor force only briefly. It reached a peak of 7.0% in the recession of 1960-61, and has

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[1] For further details see *Summary of 1961-62 Economic Expansion and Policies*, provided by the Council of Economic Advisers, dated Aug. 6, 1962.

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OBSERVATIONS...

BY A. WILFRED MAY

THE TOP EXPERTS' MARKET-BEATING POSSIBILITIES

(As Assessed in the Wharton-SEC Mutual Fund Study)

Far more significant than the controversy over the correctness of the *performance* results, as reported by the Wharton School-SEC Mutual Fund Study, is the overemphasis and misunderstanding exhibited in their reception by the press, the public, and the industry. With the interval surveyed, 1953-1958, covering a bull market swing of over 188%, the common investor foible of using "beating-the-bull-market" as an criterion of investor ability, with disregard of the basically fortuitous nature of market appreciation, is being further extended. (Although dividend *income* is generally taken into account by the Study, several other elements of actual *investor* experience, detailed below, are not — thus accentuating the *market* phase of the analysis.)

"Investors' Cooperative"—or Trading Pool?

Widely justified as a constructive instrument for managing the people's savings, as a provider of diversification for "the little man," and as an "investors' cooperative," the fund is too often viewed as a market trading pool. This emphasis on "performance" is diverting the public's sorely needed attention from the deeper and remedy-requiring elements in this mushrooming multi-billion dollar phenomenon, such as the fund-adviser relationships — including the manner shares are sold, fees fixed; the channelling of brokerage business to the concerns that sell the funds' own shares, and other arrangements harboring conflict of interest; and that key area of selling practices—all calling for a thorough re-evaluation of ethical and policing standards.

Exemplifying such diversions, was the industry's official spokesman, the President of the Investment Company Institute and President of a large fund, in addressing a press conference at the Institute in New York City the day of the report's release (Aug. 28), as his first "specific comment," he went into a long attack on the manner of measuring performance, particularly the use of a market average for comparative achievement purposes, and on terming it an "unmanaged portfolio." (The Study's use of the "unmanaged portfolio" term seemingly prompted his contemptuous discription of the Report as a "rotten egg." Another of the industry's spokesmen this week classified the publication of the performance data as "playing dirty pool.")

Press Reaction

Revealing were the proceedings of the master press briefing before the SEC in Washington, Aug. 28, conducted by Director A. F. Conwill, of the Division of Corporate Regulation, and participated in by Messrs. J. A. Pines and G. D. Henderson of the Commission, and co-authoring Professors Friend, Brown, and Vickers of the Wharton School. After a few preliminary queries, no fewer than 16 successive questions were directed at the Study's findings on capital appreciation achievements, particularly as compared with the Averages, and their terming of "unmanaged portfolios" by the authors.

Question: "Obviously the mutual funds are not too happy about the reports that you found—that the general public could have done as well by itself. I think that is what all these questions are directed to on the average portfolio."

Dr. Friend: "On the average, it seems to me just a fact of life. . . . it's clear that if investors bought just a few securities at a time, many would do worse, this is a fact of life. It is also a fact of life that many would have done better. We are just simply saying there is no indication in these data that the mutual funds performed significantly differently from the stock market as a whole."

"And How Did You Do?"

Moreover, at the Briefing Conference's conclusion one of the more daring correspondents got to needling Professor Friend about *his own* market-playing achievements:

"I was wondering whether *you* had success in the market or not; that is what we are getting to."

Dr. Friend, put on the defensive (!) gave assurance—"off-the-record"—that his market experience was O. K.

The resulting press accounts, as expected, followed this market-slanted interest.

Such emphasis is in no way the responsibility of the Study. This is evidenced in both the Letters of Transmittal: that from Wharton School Study Director Irwin Friend to the SEC, and the one from Commission Chairman Cary to the Congress.

In the former, reference to Performance is confined to the measured "basic finding" quoted below in a half-paragraph, the other half being devoted to reporting no correlation between the size of the management fee and performance. In Chairman Cary's transmittal letter, performance is only passingly mentioned. And in the summary and body of the Report itself the performance data are handled objectively and factually.

In any event, full treatment of Performance by the Study is called for, as an investor-educating function, by the industry's continued performance-claiming routine. This includes such promotional gimmicks as the aid thereto allegedly coming from meetings (photographed) of the fund's investing experts hard at work toward results; from broad economic analyses, etc.

The Basic Finding

The basic finding, which has so stirred up the hornets' nest reads: "The average performance by the funds did not differ appreciably from what would have been achieved by an unmanaged portfolio with the same division among asset types. About half the funds performed better, half worse than such an unmanaged portfolio." This finding, unembellished by any implications of uselessness of the funds as an investing medium on the part of the authors, seems to be a constructively offered item of information —rather than "a rotten egg" or "playing dirty pool" as charged by industry spokesmen. (At the beginning of the 61-page chapter on "Performance," the authors state: "The investment company industry provides a variety of services and advantages to the investing public. Some of those more frequently cited are expert management, the diversification of investment opportunities and risks, convenience, and low costs for small purchases.")

Such disclosure of realistic Performance information could constitute a needed educational antidote for the lay investor's misguided expectations of miraculous stock market gains, in lieu of appreciation of the real advantages that do accrue to him.

As such, the yard-sticked demonstration of results can appropriately tie in with the consideration of selling practices of fund shares, the full-dress Wharton's School Report of which is in preparation.

"The Market"—the Logic Issuing Our Average

The logic of the routine of using a stock average as a measure of performance, the Report explains thus: "Because the concept of performance is concerned with the degree of success realized by the funds in the management of their portfolios, it is appropriate to compare their results to external security market standards derived from changes in market averages or price indexes. These latter may be viewed as reflecting the performance of hypothetical unmanaged portfolios."

In choosing a yard-stick, the Study chiefs considered several different averages and presented them all. The reasons given for using Standard & Poor's stock index as the principal one, which has so aroused the industry ("it's loaded," etc.) are its greater coverage than the more widely known Dow-Jones, and its more consistent long-term weighting scheme, the need of daily figures at various points of the Study, and for full indexes for different types of securities.

The Study in most cases includes, correctly, dividend income in the investor's returns, in both the funds and the average, treating them as reinvestments, along with capital gains dividends. In reflecting the cut of expenses into the gross income channelled through this "conduit," this naturally accounts for some of the lower *net* results to the fund shareholder.

Relation to "Investor Experience"

The Study directors explain that this performance concept differs from *investor experience.* For the latter it would be necessary to take into account the returns actually available to investors, measured in terms of some combination of income dividends, capital distributions, and unrealized appreciation in the funds' portfolios; in relation to the total investment outlay made by the shareholder, including the costs of acquiring his shareholding position; the investor's tax liabilities; and any redemption charge (which reduces asset value *vis-a-vis* the buying "load" charge).

The existence of the tax on unrealized appreciation, meaning that the new buyer is in part taking on a tax bill particularly burdensome to an investor getting into a long-lived fund after a bull market, constitutes a particularly important levy on the "investor experienced" net result.

Some of the industry's analytical organizations and funds do, and some do not, concentrate on the fund performance *per se*, without using any comparative yardstick (Arthur Wiesenberger & Co. discontinued the latter four years ago). The theory of the non-Average users is that the only important fact is the direct "investor experience." But we fail to see how the investor can formulate a judgment about performance *in timing portfolio changes as well as selecting issues* without using some yard-stick—and know of no adequate substitute for a "blindly" chosen comprehensive group of issues — unaffected by management-dictated activity. Surely such yard-stick is more adequate than would be the random sampling *ex post facto* of the actual long-term investing results achieved by lay non-fund-holding individuals, or the criminal larcenies perpetrated on such unwary investing hands—both yardsticks as proposed by an official industry spokesman. (I. C. I. President Schimpff.)

* * *

CONCLUSION OF OUR OWN PAST ANALYSES

Sustantiation of the validity of comparing the performance of the funds with market averages, confirmation of the Study's findings also when utilizing different dates from the interval in the current Wharton Study, and in comparison with the Dow-Jones Industrial Average as well as the currently objected-to Standard & Poor's 500-stocks, and the comparative citation of an "unmanaged" index, was contained in a previous article by the writer "HOW MUCH MANAGEMENT?" in this space Feb. 18, 1960.

Table, compiled by us, shows the performance of 59 diversified stock funds compared with both the Dow-Jones Industrials and the Standard & Poor's 500 stock indexes, for the single years 1958 and 1959, and for the five- and 10-year intervals indicated.

Fund's Performance vs. D-J and S-P Averages

	Interval			
	Year 1959	Year 1958	5 Yrs. 1955 to 12/31/59	10 Yrs. 1950 to 12/31/59
Dow-Jones	19.4%	37%	87%	288%
Standard & Poor's	11.2	41	87	311
Average Performance Funds	12.0	41	79	281

To this record we offered the following comment:

"Thus it can be concluded that in each of the recent bull market periods, excepting the year 1958, the mutual fund investor could have done better "sitting on" a portfolio of his own consisting of the issues in the Dow-Jones Industrial Average. Similarly, the funds, after management expenses, were also out-performed, over the longer periods, by the Standard & Poor's Index covering 500 representative issues.

"Scrutiny of such over-all comparative performance records has been renewing interest in proposals embracing de-emphasis of management activities."

"The suggestions have included revival of the 'un-managed' Fixed Trust instrument, which were popular in the United Kingdom and the United States until the late 1930's, and (despite the compulsory liquidation after a passed dividend feature) worked satisfactorily as related to other investment company types."

THE DETAILED RESULTS

By way of actual operating results, the Wharton-SEC Study finds that compared with the Standard & Poor's composite index of 500 common stocks, the common stock funds — the only ones lending themselves to an unadjusted (for classes of securities held) index—were over the 1953-1958 bull period out-performed by "the market" by 14½%. Seventy-five per cent of the stock funds trailed the market's 188% net rise, with 25 funds exceeding it.

From 1953-1956, the Study shows, the common stock funds followed a pattern of doing worse than "the market" during rising intervals, and better in declining periods. In 1957 and 1958, and also carrying over into 1960 and 1981 (presently un-published), the Whartonites find a constant fund-market correlation.

In the case of *all* classes of funds,* over the 1953-1958 interval, they registered a practical tie (99.2%) with the market average, (adjusted for portfolio competition).

In 1953 the performance comparison was indecisive; midst the rising markets of 1954 and 1955, the funds lagged considerably behind. During the market's mild 6.4% gain in 1956, it was out-performed by every group excepting the specialty funds. In 1957's

*The figures cited throughout this paragraph show changes in security values as distinct from dividend income. Inclusion of the latter would have reduced the funds' performance comparisons, because of the prior impact of their management expense items.

falling market, it was out-performed by the funds, but 1958's substantial market rise again exceeded the funds' gain.

"Growth" Funds Excelled

Within the group of common stock funds, those with a *growth* objective had the best record (out-performing the market by 34%), followed by the *mixed-objective* group, the *income objective* group, the *specialty funds*, with foreign-stockholding units trailing 13.7% below the "market par."

As to performance related to size of the common stock funds, it was found that the smallest funds performed less well than the larger ones. This, perhaps surprisingly, scotches the fear that *unwieldiness* stemming from portfolio size constitutes a disadvantage.

THE SCRAMBLED YEAR-TO-YEAR RANKINGS

To gain general acceptance, the conclusion that the above-cited data, showing the experts' inability to out-perform the market over a 6-year interval, indicate the inevitable tieing of market-beating to *Lady Luck*, must meet the argument that nevertheless able *individual managements* can consistently turn in superior results.

The Friend-Wharton Analysis fortunately demolishes this latter representation by delving into the record of the annual individual performance rankings. It reports "considerable variability" in performance among funds of the same general type, for individual years as well as cumulatively considered. It finds that "both for balanced funds and common stock funds separately, the distribution of funds classified by the number of years in which they demonstrated above - average performance seems [sic] completely random or conforming to chance."

Its analysis finds that only two funds recorded above average results annually throughout the six years; and that no fund registered below average results annually.

Detailed "Form Chart"

Over the past several years we have in this space presented in detail the striking changes in these rankings. The relevant updated data, appearing in the September 10 issue of *Brevits*, a Vance Sanders & Co. publication, is reproduced in our Table II.

TABLE II

Each joint double-series compares the performance during two consecutive years of a group of 103 mutual investment funds. The left-hand column lists the "five best performers" at the end of a recent year. The right-hand column shows the relative positions of these funds at the end of the following year.

	Standing for Following Year
1957 Position:	
1st	101st
2nd	103rd
3rd	95th
4th	90th
5th	87th
1958 Position:	
1st	2nd
2nd	10th
3rd	13th
4th	42nd
5th	57th
1959 Position:	
1st	57th
2nd	29th
3rd	90th
4th	95th
5th	34th
1960 Position:	
1st	37th
2nd	56th
3rd	40th
4th	35th
5th	45th

TIMING ABILITY

Highly important as we have indicated above, is the Study's findings on the relationship of market-timing attempts to success of market-timing activities. For the entire 1953-1958 interval there was no marked relationship between portfolio turn-over rates and performance achievement. This was strictly true in 1953. In both 1954 and 1955 there was a tendency for the funds with *lower* turn-over rates to record a better-than average performance. For 1956 also the common stock funds showed a slight correlation between *low* turn-over and performance. In 1957 and 1958 there was no strong evidence either way—with no consistent pattern.

This finding of the futility of achieving capital enhancement through portfolio activity, is in accord with a major study made in the late 1930's.

* * *

MAJOR CONCLUSION

Thus, among many other questions it has answered, the Study of the operations of the super-experts supplies evidence confirming (1) the fortuitous nature of short-term "market-beating" (they get "ironed out" over a 5-year period); and (2) the fruitlessness of market TIMING. It thus provides an authoritative contribution to the education of investors and all others on the investment scene.

Now Logan Inv. Co.

TUCSON, Ariz. — Chauncey P. Logan is now conducting his investment business under the firm name of Logan Investment Co. from offices at 3412 East First St.

New Riecke Branch

DANVILLE, Pa.—H. A. Riecke & Co., Incorporated has opened a branch office at 219 Mill Street under the management of Richard A. Kressler.

Ball V.-P. of Eddleman, Pollok

HOUSTON, Texas — Eddleman, Pollock & Fosdick, Inc., Bank of the Southwest Building, have announced the election of Tom Ball, Jr. as Vice-President and Manager of their Corporate Securities Department.

Tom Ball, Jr.

Mr. Ball's career in the investment securities field began in 1948 with the firm of Underwood, Neuhaus & Co. Since that time he has operated his own firm and also been a principal in the firm of Brown, Wareing, Ball & Co.

Active in investment circles, Mr. Ball has served on the local Business Conduct Committee of the National Association of Securities Dealers, Inc. At present he is Vice-Chairman of the Texas Group, Investment Bankers Association of America, having previously served as Secretary-Treasurer, and a Director of the Houston Stock and Bond Club.

Chicago Analysts Announce Program

CHICAGO, Ill. — The Investment Analysts Society of Chicago will hold a luncheon meeting on Sept. 12 in the Century Room of the La Salle Hotel. George P. Hitchings, Vice-President of American Airlines, will be guest speaker.

Subjects of future meetings will be: Sept. 20, Bobbie Brooks, Inc.; Oct. 11, Emerson Electric Manufacturing Company; Oct. 18, Dun & Bradstreet, Inc.; Oct. 25, A. M. P. Incorporated; Nov. 8, Greyhound Corporation; Nov. 15, Pitney-Bowes, Inc.; Dec. 13, Clark Equipment Company.

On Nov. 1 the Association will have a field trip to the Indiana Harbor Works of Youngstown Sheet & Tube. Their annual Forecast Forum will be held Dec. 20.

Ling & Co. Formed

DALLAS, Texas — Ling & Company, Inc. has been formed with offices in the National Bankers Life Building to engage in a securities business. Officers are Michael F. Ling, President; Mildred R. Ling, Vice-President and Treasurer; and Joseph W. Geary, Jr., Secretary. Mr. Ling was previously with Parker, Ford and Company., Inc.

Our Reporter on GOVERNMENTS

BY JOHN T. CHIPPENDALE, JR.

The demand for short-term government obligations, namely Treasury bills, continues unabated as the economy goes into the final part of the year. There is enough indecision around so that very sizeable amounts of money are still being kept in the most liquid securities. And if it were not for the increased offerings of these obligations by the government yields on these securities would be considerably lower than they are now.

The long-term bond market is trying to work out a semblance of what was known at one time as yield differentials because of the differences in qualities of the various obligations. The whole scheme of things starts with goverment bonds which are the best quality available in the whole pattern of investments. This should have made the 4¼s of 1987/1992 a very much more sought after issue when it was originally offered.

The money and capital markets are going into the late summer period with yields which appear to indicate that there will not be too much of a change in the foreseeable future in these rates of return. The reasons for this opinion are namely that the business picture will continue pretty much on the course it has been on in the recent past, so that the loan demand will be following the usual seasonal pattern. This is taken to mean that credit conditions will be about as they have been with the Federal Reserve Banks making the needed reserves available so that the financing of the fall and winter requirements of the nation will be met in an orderly fashion.

Short-Term Rate Outlook

It is evident that the trend of the economy in the coming months will be the most powerful force in dictating what will be going on in the near-term and long-term sectors of the fixed income markets. While there is not the same leeway in the money and capital markets now as there has been in the past, it is not likely that a sagging economy would be further hindered by sharply higher interest rates and decreased availability of credit. Be that as it may, it is not expected that there will be too much in the way of definite decisions during the balance of the year that will have a marked influence on the money and capital markets unless there is a worsening in the position of the dollar or the balance of payments deteriorate further, or our gold holdings decrease at a rate that would be a cause of concern. As matters now stand it seems as though short-term rates are going to stay pretty much in the area in which they have been in so that the readily transferable funds will not be inclined to move out of here to other free world money centers because of the more favorable rates of return. This would appear to indicate a short-term rate close to if not in the neighborhood of 3%. This would not seem to forecast an increase in the discount rate unless the bill rate should go well above the 3% level and remain there for a period of time.

Long-Term Rate Outlook

As for the long-term area or the capital market, it is believed that rates on these obligations will stay about where they are now, or even decrease a bit in the near future. It appears as though the government will not be using this sector for either new money raising or refunding purposes for the rest of 1962, unless some unforeseeable happenings should make such an operation a necessary undertaking. As far as the corporate new issues are concerned, it does not appear as though there is going to be any important pick-up in these offerings. This will allow the outstanding recently floated bonds to be digested which would be a constructive development for the corporate bond market. As for tax-exempt bonds, it appears as though the tax cut in 1963 must be taken into consideration when one is taking a look at these bonds. Even though the tax sheltered bonds had gone up in yield these yields recently have been going down again, but this does not, however, appear to mean they have discounted a real income tax reduction that would be retroactive to the start of next year. The interest of investors in long-term bonds will most likely continue to be mainly in the government 4¼s of 1987/1992 along with selected non-Federal issues.

Tax-Exempt Bond Market

BY DONALD D. MACKEY

The last week of August and the early part of this week, due to the long Labor Day holiday, has been the least active weekly period to date this year for the state and municipal bond business. No important new issues have come to market and no other areas of the tax-exempt bond sphere have been active enough to stimulate any more than some small retail order business during this holiday week.

Other phases of the bond market have also been very quiet with prices for the most part little changed over the previous week. U. S. Treasury intermediate and long-term bonds were much less than active with price fluctuations limited to a few 32nds. The reported decline in the nation's gold stock by $50,000,000 last week, after three consecutive weeks involving no loss, constituted a market negative with but little measurable effect on Treasury and other bond issues. This weekly decline brings the total drop in the gold supply, since the beginning of the year, to $792,000,000. We mention this meaningful total just because we think it needs emphasis. In the corporate bond field, the good technical position continues and the present calendar of new flotations is, at present writing, only $112,000,000 for the month of September. Should the firm bond market tendency persist, the corporate bond calendar may soon accrue some sizable refunding issues.

Favorable Technical Position

From a "technical" viewpoint, the state and municipal bond market is in a more favorable position than has obtained in recent months. The street inventory as measured by the *Blue List* of state and municipal bond offerings stands at only $339,003,500 this morning. This is a relatively modest volume of bond offerings and poses no market problem. It is interesting to note that one month ago this total was as high as $470,452,500. It was as low as $281,094,500 late in August. The new issue calendar for the next 30 days continues to be a nebulous affair as it thus far totals but $213,166,000. Recently there have been no large general obligation additions to this calendar and the early Fall could see but little important state and municipal underwriting. In retrospect, we might mention that $538,000,000 of municipal bonds were underwritten in August which was down about 10% from a year ago; the total of new bond offerings for the first eight months of this year totaled $6.3 billion which was up more than 13% over a year ago.

The *Commercial & Financial Chronicle's* state and municipal bond yield Index shows the market virtually unchanged from last week. The 20 year high grade bond components of our index taken at the offered side of the market averaged out at 3.0423% Sept. 6, a week ago this average was at 3.046%. This change in dollars is insignificant but it does continue the pattern set during the previous four weeks toward a higher market. The firm price pattern evidenced in bidding for the few new issues which have sold since we last went to press would also indicate that higher municipal bond prices are in prospect for awhile. The market's favorable technical position may support even an immoderate rise of at least two points before reactionary factors could be effectively set in motion.

Although the state and municipal as well as the corporate bond markets appear presently in good technical condition, the same may not in generality be said about the government bond market. Close to $10 billion of refinancing must be accomplished by December plus a large volume of new money borrowing. These operations could mean some marketing difficulties but it more likely implies the maintenance of a favorable market atmosphere by the Federal abetted by attractive Treasury offerings.

Commuter Transportation Bill Standing Still

It is notable that the socalled Mass Transit Bill is considered to be politically dead. Prospects for the bill, which would treat with "big city" commuter transportation problems in an "omnibus" fashion, appear to be slight in both houses of Congress. The basic difficulty is described as the $500,000,000 appropriation involved with Congressional elections close at hand. We would prefer to think that the Bill is dead on its merits. Dealing with New York's, Chicago's, Los Angeles' and San Francisco's transit problems, not to mention the kindred problems of lesser cities in all four states, through a massive national master blueprint seems unlikely to bring effective results. A positive local approach seems basic if a gigantic political boondoggle is to be averted.

During this past week, underwriting activity was limited to only a few issues but there are a handful of issues worthy of brief comment. Thursday evening (Aug. 30) saw the award of $1,679,000 Hamilton Township, New Jersey Board of Education (1964-1981) bonds to the group headed by Halsey, Stuart & Co., Inc. on its dollar price bid of 100.114 for a 3% coupon. The runner-up bid of 100.011 also for a 3% coupon, was made by White, Weld & Co. and associates. Other major members of the winning group include Blair & Co., Inc. John Nuveen & Co.; Reynolds & Co.; and Bacon, Stevenson & Co. The bonds were offered Friday morning to yield from 1.90% to 3.15% and sales to date have amounted to about 65% of the issue.

Pasadena, Texas sold $1,655,000 general obligation (1967-1977) bonds to the account headed by the First National Bank in Dallas at a net interest cost of 2.9884%. The second bid of a 3.0281% net interest cost was made by the Phelps, Fenn & Co. group. Other members of the winning account are Hamilton Securities Co.; Texas Bank & Trust Co., Dallas; First City National Bank, Houston; A. G. Edwards & Co.; and Francis I. duPont & Co. Scaled to yield from 2.40% to 3.10%, about 60% of the bonds have been sold.

Tuesday (Sept. 3) saw two issues of mention sell on the West Coast. Riverside, Calif. awarded $2,000,000 Junior College District (1963-1982) bonds to the group headed by Bank of America N. T. & S. A. at a net interest cost of 2.8754%. The runner-up bid of a 2.932% net interest cost was submitted by Phelps, Fenn & Co. and associates. Other members of the winning group include Wells Fargo Bank; C. J. Devine & Co.; Merrill Lynch, Pierce, Fenner & Smith; Stone & Youngberg; First of Michigan Corp.; and Hayden, Stone & Co. Scaled to yield from 1.55% to 3.10%, all but 30% of the bonds have been sold.

Another syndicate headed by Bank of America N. T. & S. A. was the successful bidder for $1,200,000 San Bernardino, Calif. High School District (1963-1982) bonds at a net interest cost of 2.9589%. The second bid of 2.985% net interest cost was made by Kidder, Peabody & Co. and associates. Offered to yield from 1.60% to 3.20%, today's balance is $300,000.

Wednesday (Sept. 5) saw two issues of note sell at competitive bidding. The Town of Bellingham, Massachusetts awarded $1,390,000 school project (1963-1982) bonds to the account headed by John Nuveen & Co. on their dollar price bid of 100.359 for a 3.20% coupon. The runner-up dollar price bid of 100.44 for a 3¼% coupon was made by Harriman, Ripley & Co., Inc. and associates. Other major members of this account are Bache & Co.; Shearson, Hammill & Co.; and G. H. Walker & Co. Scaled to yield from 1.70% to 3.30%, about 60% of the issue has been sold.

Spokane County, Washington sold $2,500,000 airport revenue (1966-1987) bonds to the group managed by Foster & Marshall, Inc. at a 4.12% net interest cost. The second bid, of 4.23% net interest cost, was made by the

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MARKET ON REPRESENTATIVE SERIAL ISSUES

	Rate	Maturity	Bid	Asked
California (State)	3½%	1982	3.30%	3.20%
Connecticut (State)	3¾%	1981-1982	3.15%	3.00%
New Jersey Highway Auth., Gtd.	3%	1981-1982	3.05%	2.90%
New York State	3¼%	1981-1982	3.05%	2.90%
Pennsylvania (State)	3⅜%	1974-1975	2.80%	2.65%
*Delaware (State)	2.90%	1981-1982	3.05%	2.95%
New Housing Auth. (N. Y., N. Y.)	3½%	1981-1982	3.05%	2.90%
Los Angeles, Calif.	3¾%	1981-1982	3.40%	3.25%
Baltimore, Md.	3¼%	1981	3.15%	3.05%
*Cincinnati, Ohio (U. T.)	3½%	1981	3.10%	2.95%
Philadelphia, Pa.	3½%	1981	3.35%	3.20%
*Chicago, Ill.	3¼%	1981	3.30%	3.20%
New York, N. Y.	3%	1980	3.45%	3.40%

September 5, 1962 Index=3.042%

*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.

September 6 (Thursday)			
Cuyahoga Co., Ohio	1,471,270	1964-1982	11:00 a.m.
Dutchess County, N. Y.	1,306,000	1963-1991	11:00 a.m.
Fayette Co., Pennsylvania	1,262,000	1963-1990	11:00 a.m.
La Crosse Co., Wisconsin	2,125,000	1963-1976	1:30 p.m.
Norfolk, Virginia	2,525,000	1964-1983	2:30 p.m.
Racine, Sturtevant, etc., Unified Sch. Dist. No. 1, Wisconsin	10,025,000	1963-1982	2:00 p.m.
Willow Run P. S. Dist., Michigan	1,500,000	1963-1977	7:30 p.m.
September 10 (Monday)			
Jackson Tp. S. D., N. J.	2,000,000	________	8:00 p.m.
Northside Indep. Sch. Dist. Texas	1,200,000	1964-1990	7:00 p.m.
Rockledge, Fla.	1,300,000	1965-1992	9:00 a.m.
University of North Carolina, Bd. of Trustees, Raleigh, N. C.	3,800,000	1964-2001	10:30 a.m.
Westminster, Water, Colo.	1,650,000	1972-1987	11:30 a.m.
September 11 (Tuesday)			
Acalanes Union H. S. D., Calif.	1,220,000	1963-1982	10:30 a.m.
Anne Arundel County, Md.	3,850,000	1964-1992	11:00 a.m.
Georgia Ports Auth. (P.O. Atlanta)	2,600,000	1963-1982	Noon
Irondequoit, N. Y.	1,152,796	1963-1989	2:00 p.m.
Jackson, Miss.	2,300,000	1963-1987	2:30 p.m.
Lakewood Sch. Dist., Michigan	1,655,000	1963-1991	8:00 p.m.
Phenix City, Ala.	1,630,000	1963-1972	Noon
Pittsburgh, Pennsylvania	4,320,000	1963-1982	10:00 a.m.
Pontiac, Mich.	3,770,000	1965-1996	8:00 p.m.
Redlands Jt. Union H. S. D., Calif.	1,000,000	1963-1982	11:00 a.m.
Santa Clara, California	1,620,000	1965-1997	8:00 p.m.
September 12 (Wednesday)			
Grandville School District, Mich.	2,150,000	1964-1988	7:30 p.m.
Jackson Tp. Sch. Dist., N. J.	2,000,000	1964-1984	8:00 p.m.
Lane & Douglas Cos., So. Lane School District No. 45J3, Ore.	1,250,000	1964-1983	8:00 p.m.
Los Angeles Co. Co. San. District No. 4, California	2,480,000	1963-2002	2:00 p.m.
New Orleans, La.	10,000,000	1964-1987	10:00 a.m.
New York State Employees' Retirement System	15,000,000	________	11:00 a.m.
Rhode Island (State of)	10,150,000	1963-2002	________
Sacramento, Small Craft Harbor Improvement, Calif.	4,000,000	________	10:00 a.m.
San Jose, Calif.	4,400,000	1963-1982	11:00 a.m.
Toledo, Ohio	1,700,000	1963-1992	Noon
September 13 (Thursday)			
Royalton, Hartland, Lockport etc., Central SD # 1, Alabama, N. Y.	1,350,000	1963-1991	2:00 p.m.
University of Alaska, Fairbanks, Alaska	1,750,000	1964-2001	3:00 p.m.
September 17 (Monday)			
Warrensville Hghts Village Local S. D., Ohio	1,600,000	1964-1985	1:00 p.m.
September 18 (Tuesday)			
Bloomington, Minn.	1,500,000	________	10:00 a.m.
Cut Bank, Mont.	1,200,000	________	8:00 p.m.
Davis County, County S. D., Utah	1,100,000	1963-1971	8:00 p.m.
Dover, Del.	19,715,000	1964-1982	11:00 a.m.
Indiana University (Trustees of)	5,300,000	1963-1991	Noon
Lewiston Orchards Sewer D., Idaho	1,100,000	1965-1992	7:30 p.m.
Omaha, Neb.	7,200,000	1964-1981	11:00 a.m.
Univ. of Kentucky (Lexington)	1,325,000	1964-2001	10:00 a.m.
Weber Co., County S. D., Utah	1,727,000	________	________
Ypsilanti Tp., Michigan	1,000,000	1965-1992	8:00 p.m.
September 19 (Wednesday)			
Englewood Water District, Fla.	1,250,000	1967-1992	2:00 p.m.
Islip Union Free S. D. No. 1, N. Y.	5,635,000	1963-1992	2:00 p.m.
Onaway Area Community S. D., Michigan	1,200,000	1964-1991	8:00 p.m.
September 20 (Thursday)			
Fairbanks, Alaska	3,000,000	1964-1984	3:00 p.m.
Southeast Polk Comm. S. D., Iowa	1,900,000	1963-1981	4:00 p.m.
September 24 (Monday)			
Farmington Sch. Dist., Mich.	2,100,000	1964-1988	8:00 p.m.
Florida Development Commission (Tallahassee)	7,920,000	1964-1982	11:00 a.m.
Maple Heights City S. D., Ohio	1,000,000	1964-1983	1:00 p.m.
September 25 (Tuesday)			
Allegheny County, Pa.	5,430,000	1963-1992	11:00 a.m.
Detroit School District, Mich.	10,000,000	1963-1988	11:00 a.m.
Eugene, Ore.	2,500,000	________	________
Greensboro, N. C.	6,790,000	________	________
September 26 (Wednesday)			
Clearwater, Fla.	1,100,000	1964-1967	2:00 p.m.
Univ. of Texas (Bd. of Regents)	1,000,000	1964-2001	10:00 a.m.
October 2 (Tuesday)			
Los Angeles County Flood Control District, California	10,000,000	________	________
October 9 (Tuesday)			
Phoenix, Ariz.	9,000,000	________	10:00 a.m.
October 10 (Wednesday)			
Falls Church, Virginia	1,200,000	1963-1987	Noon
Lexington, Ky.	1,025,000	________	________
October 16 (Tuesday)			
Georgia Rural Roads Authority	2,600,000		

Tax-Exempt Bond Market

Continued from page 6

Goodbody & Co. syndicate. These bonds were sold to finance construction of a new modern airport terminal building and roadways at Spokane International Airport. They are payable from the net revenues of the airport and the net revenues of Felts Field, a small plane airport. The bonds were offered to yield from 2.85% to 4.10%. Due to the time difference, we do not have a balance in the account as we go to press.

Government Refinancing No Problem

The Treasury has close to $10 billion of refinancing to effect by Dec. 15, 1962 along with the problem of financing whatever new money that may be required within this period. Since much of the refinancing involves public holdings there is some problem as to terms. However, careful handling of the market by the Federal Reserve combined with the appropriate pricing of new issues by the Treasury should involve no great market problem despite the fact that Under Secretary Roosa has estimated cash needs for the fourth quarter in the area of $7 billion. Much of this amount will be handled through its increased weekly bill offerings.

The list of toll road, bridge revenue and public utility revenue term bond issues has done a little better during the past week. Our revenue bond yield Index averages at 3.771% today as against 3.779% a week ago. The average yield would be lower had not New York State Thruway Authority, revenue 3.10% due 7/1/94 reacted two points yesterday as a $15,000,000 secondary offering was announced. July revenue reports show splendid progress for most of the toll roads. The Indiana Road reports interest 2.325 times earned for July against 1.75 times for July 1961. For the 12 months period ending July 1962, interest was 1.161 times earned against 1.051% for the same period a year ago.

The Illinois road reported similar gains with interest 1.80 times earned for July against 1.63 times for July 1961. For the 12 month period interest was 1.17 times earned against 1.02 times the previous year.

The Kansas Turnpike has shown persistent improvement with interest 1.20 times earned for July as against 1.11 times for July 1961. For the 12 month period interest was almost covered at 0.99 times as against 0.87 times for the 12 months a year back.

Chesapeake Bay Construction Schedule

In a memorandum to the underwriters of $200,000,000 Chesapeake Bay Bridge and Tunnel District bonds, it is stated that good progress has been made on the project after repair of the March, 1962 storm damage had been effected. Since the project is still behind schedule, the contractor states that he will increase equipment, personnel and work shifts in order to meet revised construction schedules enabling the opening of the project to traffic in January 1964. The contractor's request for a three month extension of contract time is still under consideration. It is to be hoped that further storm attrition may be averted in the fall and winter months ahead. This spectacular project has demanded new techniques and courageous imagination to an extent unusual in public finance.

Why Should There Be a Boom In British Gilt-Edged Issues?

By Paul Einzig

Inflation is not necessarily conducive to equities Dr. Einzig finds when it dims the outlook for earnings. So long as it was assumed that dividends would rise during inflation and would compensate for purchasing power decline, equities remained popular. The writer, also, discusses the possibility of official British intervention being extended from Treasury Bills to medium- and long-term loans. Even if this does not occur, the fact that it might is said to have contributed to a decline in gilt-edged as well as industrial debenture yields. Moreover, the changed yield pattern is seen possibly contributing to a shift from equity to debt financing particularly if Government support intervention does in fact, occur. Recovery, Dr. Einzig points out, could set the gilt-edged market back.

LONDON, Eng.—Ever since equities came under a cloud some months ago, prices in the gilt-edged market have been creeping up. Their progress became accentuated towards the end of August, undated stocks in particular were favored, 3½% War Loan rising from 52 a few months ago to 61. As is usually the case whenever such a movement is in progress, optimistic commentators are now envisaging the possibility of a further rise, right up to 80. Even if this optimism is exaggerated, there is no doubt that the atmosphere of the gilt-edged market has undergone a complete change. Until recently the prevailing feeling was one of unmitigated pessimism. Long-term stocks and undated stocks were looked upon with growing disfavor, partly because of the assumption that as a result of the non-stop creeping inflation their value in real terms was doomed to decline and partly because of the assumption that the boom in equities would continue indefinitely.

The situation has not changed materially from the point of view of inflation prospects. The cost of living continues to rise, so that the yield of fixed interest-bearing securities in real terms remains well below their nominal yield. In the case of the 3½% War Loan the nominal yield is at present about 5¾%. If, however, the cost of living should rise by say 3% this year—a fairly optimistic assumption—the real yield becomes thereby reduced to 2½%, for the depreciation of the real value of the capital has to be allowed for.

Gilt-Edged Popularity

The reason why in spite of this gilt-edged securities are in favor is because of the uncertainty of the outlook of equity dividends. Even though some dividends were raised recently, many more were reduced, some of them substantially. And even though the majority were left unchanged, that result was bound to disappoint the market which had anticipated an non-stop rise of dividends. Only on that assumption could the prices of equities that prevailed until recently be justified, and even the present lower prices would be looked upon as being too high were it not for hopes that the upward trend of dividends would soon be resumed.

Investors and speculators are also doubtless aware that what I said above about the difference between nominal and real yield on gilt-edged securities applies equally to the yield on equities. So long as it was taken for granted that dividends would continue to rise a distinction was made between the effect of inflation on the real yield of securities with fixed interest and those with variable dividends. It was assumed that the increase of dividends on the latter would compensate holders for the decline of the purchasing power per unit. The moment this ceases to be assumed investors are liable to remember that the yield of all securities is subject to the inexorable process of erosion caused by creeping inflation.

Profit Margins Squeezed

It is because profit margins are under pressure in spite of the continued creeping inflation that government loans have become popular among investors. Cost inflation continues unabated while consumer demand, though once more on the increase, is not increasing at a sufficient rate to ensure a widening of profit margins, or even their maintenance at their present reduced level. The result is that capital expenditure by industry continues to remain at a low ebb, judging by the unsatisfactory figures of orders for machine tools which have just been published.

The growing realization of the new trend in official thinking about the need for extending official interventon from Treasury bills to medium and long-term loans, has also contributed towards the recovery in the gilt-edged market. There is, so far, no evidence that there has been any official buying of medium and long-term stock, and possibly there has been and will be none. The publicity given to the new policy in recent weeks was, however, sufficient to induce the market to envisage at any rate a possibility of such intervention. Judging by the reluctance of the authorities to reduce the Bank rate further, they are obviously not keen on supporting short-term interest rates. Whether or not they will support medium and long-term interest rates depends on the view they will take about the necessity of stimulating the economy at all. Should they arrive at the conclusion that some form of official intervention to that end would be necessary, quite conceivably that intervention would assume the form of supporting medium and long-term loans.

Bond Yields Declined

Even in the absence of official support yields on such loans have decline. This tendency is affecting industrial debentures as well as governemnt loans. For instance, while Imperial Chemical ordinary stock recovered only slightly from its earlier decline, the price of 6½% convertible debentures rose by some 6% in a few months. Nor was this rise due to an increased value attached to the provision under which holders are entitled to convert into common stock. It was simply the reflection of the fall in long-term yields.

This trend should encourage industry to borrow in the market in the form of debenture issues instead of increasing their equity capital. To the extent to which the cost of borrowing will be cheaper, it will tend to stimulate the economy. It is not the same, however, as would be a decline of medium and long-term yields as a result of official intervention. In the absence of such intervention the loans simply change hands and the transactions add nothing to the volume of financial resources. Government purchases, on the other hand, would stimulate business not only through reducing the cost of borrowing but also through producing a reflationary effect by increasing the volume of liquid resources in the economy. It remains to be seen whether the government will deem it expedient to resort to that device and to accentuate thereby the rising trend in the gilt-edge market.

Meanwhile the possibility of a setback in the gilt-edged market as a result of a business revival or an accentuation of inflation, must be borne in mind.

Schwabacher Co. Admits W. Cahn

SAN FRANCISCO, Calif.—Albert E. Schwabacher, senior partner of the New York Stock Exchange firm of Schwabacher & Co., has announced that William M. Cahn, Jr., has been admitted as a general partner in the company's New York City office, 14 Wall Street, effective September 1.

William M. Cahn, Jr.

Mr. Cahn was formerly a partner in Halle & Stieglitz, members of the New York Stock Exchange. From 1939 to 1958, he was a general partner in the member firm of Henry Herrman & Co., which consolidated with Halle & Stieglitz four years ago.

Mr. Cahn has served on the Federal Securities Acts Committee, a national committee of the Investment Bankers Association, and is a member of the Bond Club of New York.

Calif. Investors Adds

VAN NUYS, Calif.—Herbert Tepper has been added to the staff of California Investors, 14401 Sylvan Street.

Form S. Diamond Co.

S. Diamond & Co., Inc. has been formed with offices at 25 West 81st Street, New York City, to engage in a securities business. Samuel Diamond is a principal of the firm.

George N. Meeks Rejoins J. M. Dain

MINNEAPOLIS, Minn. — George N. Meeks has rejoined J. M. Dain & Co., 110 South Sixth Street, members of the New York and

George N. Meeks

Midwest Stock Exchanges, in the institutional department. Mr. Meeks has recently been with Craig - Hallum, Kinnard, Inc., as Vice-President in charge of the trading department.

Speck V.-P. of Crosby Corp.

The Crosby Corporation has announced the appointment of Donald J. Speck as Vice-President and representative in Greater New York, with headquarters at 111 Broadway.

To Be V.-P. of Brand, Grumet

On Sept. 14, Marvin Seigel will become a Vice-President of Brand, Grumet & Seigel, Inc., 67 Broad Street, New York City, members of the New York Stock Exchange.

Fred Meer With Blair & Co. Inc.

Blair & Co., Incorporated, 20 Broad Street, New York City, members of the New York Stock Exchange have opened a foreign securities department under the direction of Fred Meer. Mr. Meer was formerly manager of the foreign trading department for Oppenheimer, Newborg & Neu. Prior thereto he was in the foreign department of Reynolds & Co.

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 — Memorandum with particular reference to **Lockheed, Martin Marietta, McDonnell Aircraft, Raytheon** and **Infrared Industries**—Amott, Baker & Co., Inc., 150 Broadway, New York 38, N. Y. Also available is a memorandum on **Ginn, Grolier, Welch Scientific** and **John Wiley & Sons.**

Canadian Oil & Gas Producers—Memorandum — Jackson, McFadyen Securities Limite.., 455 Craig St., West, Montreal, Que., Canada.

Closed-End Investment Companies—Study—Schweickart & Co., 29 Broadway, New York 6, N. Y.

Cyclical Stocks — Review with particular reference to **Armstrong Rubber Co., Bucyrus Erie Co., Carborundum Co., Cooper Bessemer Corp.,** and **Diamond Alkali**—Orvis Brothers & Co., 30 Broad St., New York 4, N. Y.

Domestic Great Lakes Shipping Industry — Report — Jamieson & Co., Torrey Building, Duluth 2, Minnesota.

Electric Utilities — Review with particular reference to **Duquesne Light, Puget Sound Power & Light, Commonwealth Edison, Public Service Electric & Gas, Florida Power & Light,** and **Orange & Rockland Utilities** — Hirsch & Co., 25 Broad St., New York 4, N. Y.

Electronics—Review—A. M. Kidder & Co., Inc., 1 Wall St., New York 5, N. Y. Also available is an analysis of **Holt, Rinehart & Winston, Inc.**

Institutional Holdings of Over-the Counter Industrials and Utilities—Brochure listing 90 OTC industrial and utility stocks held by leading investment and insurance companies, number of institutions holding each, the 1961-62 fiscal and interim per share earnings, current price and 1962 high-low—Troster, Singer & Co., 74 Trinity Place, New York 6, N. Y.

International Market—Bulletin—International Bond & Share, Inc., International Building, San Francisco 8, Calif.

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

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

Japanese Market — Review — Yamaichi Securities Co. of New York Inc., 111 Broadway, New York 6, N. Y. Also available are reviews of **Nozaki & Co., Ltd., Seika Sangyo Co., Sumitomo Shoji Kaisha Ltd., Tokio Marine & Fire Insurance Co.** and **Yasuda Fire & Marine Insurance Co., Ltd.** with comparative figures on the major Japanese non-life companies.

Motor Truck Industry—Bulletin—Goodbody & Co., 2 Broadway, New York 4, N. Y.

Optics Industry — Analysis in September issue of "Investornews"—Francis I. du Pont & Co., 1 Wall St., New York 5, N. Y. Also in the same issue is an analysis of **Minneapolis Honeywell** and reports on **Maryland Cup, St. Regis Paper, Simmons** and **Raytheon.**

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—Bulletin—**Cruttenden, Podesta & Miller,** La Salle at Jackson, Chicago 4, Illinois.

Paper Companies — Bulletin — Walston & Co., Inc., 74 Wall St., New York 5, N. Y. Also available is a list of "trading" stocks which may rally.

Public Utility Common Stocks—Comparative figures—G. A. Saxton & Co., Inc., 52 Wall St., New York 5, N. Y.

San Francisco Peninsular Area—Information on three tax-free issues yielding 5½% — Grande & Co., Incorporated, Hoge Building, Seattle 4, Wash.

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Alberto Culver—Memorandum — Wm. H. Tegtmeyer & Co., 105 South La Salle St., Chicago 3, Ill.

American Broadcasting - Paramount Theatres, Inc.—Analysis—Sprayregen, Haft & Co., 26 Broadway, New York 4, N. Y.

American Sugar Refining—Data—Filor, Bullard & Smyth, 26 Broadway, New York 4, N. Y. Also available is data on **United Fruit.**

Amphenol - Borg Electronics — Analysis—H. Hentz & Co., 72 Wall St., New York 5, N. Y. Also available are analyses of **Barth Vitamin Corp., Miehle Goss Dexter Inc.,** and **Radio Corp. of America.**

Brunswick Corp. — Analysis — Robinson & Co., Inc., Robinson Building, Philadelphia 2, Pa.

Chesebrough-Pond—Comment in current issue of "Investment Letter" — Hayden, Stone & Co., Inc., 25 Broad St., New York 4, N. Y. Also available are discussions of **Chrysler** and **Virginia Chemicals and Smelting.**

Columbia Gas — Memorandum — Penington, Colket & Co., 70 Pine St., New York 5, N. Y. Also available are memoranda on **Mountain Fuel Supply, California Water & Telephone** and **U. S. Rubber.**

Columbus Plastic Products Inc. — Analysis—W. E. Hutton & Co., 14 Wall St., New York 5, N. Y.

Combined Insurance Company of America—Analysis—Schwabacher & Co., 100 Montgomery St., San Francisco 4, Calif. Also available is an analysis of **Pacific National Bank of San Francisco.**

Copymation Inc. — Bulletin — Webber-Simpson & Co., 208 South La Salle St., Chicago 4, Ill.

Dale Estate — Analysis — Annett Partners Limited, 220 Bay Street, Toronto, Ont., Canada.

Dallas Airmotive — Report — Eppler, Guerin & Turner, Inc., Fidelity Union Tower, Dallas 1, Tex.

L. A. Darling Co.—Discussion in current issue of "Investor's Reader" — Merrill Lynch, Pierce, Fenner & Smith Inc., 70 Pine St., New York 5, N. Y. Also in the same issue are discussions of **Crompton & Knowles Corp., Diebold Inc., United Carr-Fastener Corp., Texas Industries, Papercraft Corp., Marlin Rockwell Corp., Abbott Laboratories** and the **Helicopter Industry.**

Diebold Inc. — Bulletin — DeWitt Conklin Organization, 120 Broadway, New York 5, N. Y.

Electronic Associates—Analysis—Birr, Wilson & Co., Inc., 155 Sansome St., San Francisco 4, Calif.

L. M. Ericsson Telephone Co.—Six page guide for use of shareholders in the U. S.—Doremus & Co., 120 Broadway, New York 5, N. Y.

Gem International Inc. — Memorandum—Weil & Co., Woodward Building, Washington 5, D. C.

General Electric Co. — Memorandum—Vanden Broeck, Lieber & Co., 125 Maiden Lane, New York 38, N. Y. Also available is a memorandum on **General Outdoor Advertising** and **Union Carbide Corp.**

General Motors Corp. — Data — Oppenheimer, Newborg & Neu, 120 Broadway, New York 5, N. Y. Also available are data on **Radio Corp. of America, Shawinigan Water & Power Co.,** and **Unilever N. V.**

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

Investors Syndicate of Canada — Memorandum—W. C. Pitfield & Co., Inc., 30 Broad St., New York 4, N. Y. Also available is a memorandum on **Industrial Acceptance.**

Jarrell Ash Co.—Analysis—Clayton Securities Corp., 147 Milk St., Boston 9, Mass.

Laclede Gas — Memorandum — Semple, Jacobs & Co., 711 St. Charles St., St. Louis 1, Mo.

Marathon Oil Co.—Memorandum —R. W. Pressprich & Co., 80 Pine St., New York 5, N. Y.

J. Ray McDermott & Co.—Report — Harris, Upham & Co., 120 Broadway, New York 5, N. Y.

Mead Johnson & Co.—Analysis—Butcher & Sherrerd, 1500 Walnut St., Philadelphia 2, Pa.

New York Trap Rock Corp. — Memorandum — Charles King & Co., 61 Broadway, New York 6, N. Y.

Norwalk Truck Lines—Memorandum—J. N. Russell & Co., Inc., Union Commerce Building, Cleveland 14, Ohio.

Nova Scotia Light & Power Co., Ltd.—Analysis—Royal Securities Corp., Limited, 244 St. James St., West, Montreal 1, Que., Canada.

Nuclear Materials & Equipment—Memorandum—Reed, Lear & Co., Grant Building, Pittsburgh 19, Pa.

Permanente Cement Co.—Analytical brochure — Dean Witter & Co., 45 Montgomery St., San Francisco 6, Calif.

Permanente Cement Co.—Review — L. F. Rothschild & Co., 120 Broadway, New York 5, N. Y.

Philadelphia Reading Corp. — Memorandum — Reuben Rose & Co., Inc., 115 Broadway, New York 6, N. Y.

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

Playskool Manufacturing Co. — Analysis—Freehling, Meyerhoff & Co., 120 South La Salle St., Chicago 3, Ill.

Scientific Computers Inc.—Analysis — Continental Securities Inc., 607 Marquette Ave., Minneapolis 2, Minn.

Scott Paper Company — Report — Reynolds & Co., 120 Broadway, New York 5, N. Y. Also available are comments on **Carrier Corp., General Tire & Rubber, Goodyear Tire & Rubber, Inland Steel** and **U. S. Rubber.**

Sinclair—Memorandum—Pershing & Co., 120 Broadway, New York 5, N. Y.

Smyth Worldwide Movers Inc. — Analysis — Hinton Jones Granat Inc., 1411 Fourth Ave. Building, Seattle 1, Wash.

Stephenson Finance Co., Inc. — Report—David S. Zinman Co., 925 Market St., Wilmington 99, Del.

Stockton, Whatley, Davin & Co.—Memorandum—Allen C. Ewing & Co., Prudential Building, Jacksonville 7, Florida.

Title Insurance and Trust Co. — Analysis—Pacific Northwest Co., United Pacific Building, Seattle 24, Washington.

U. S. Plastics, Inc.—Card Memorandum — Roman & Johnson, 15 Southeast Third Ave., Ft. Lauderdale, Florida.

C. J. Aal Forms Own Inv. Co.

C. J. Aal & Co., Inc. has been formed with offices at 40 Exchange Place, New York City, to deal in over-the-counter and convertible securities. C. Jerome Aal, President of the new firm, was formerly with Burnham and Company and prior thereto for many years with Bache & Co. Tom P. Karlo, previously with Fahnestock & Co., has joined C. J. Aal & Co., as trader.

C. Jerome Aal

I. B. A. Municipal Conference

The First Municipal Conference in the fifty-year history of the Investment Bankers Association of America will take place at the Pick-Congress Hotel on Sept. 11 and 12 in Chicago. If attendance is any criteria, the Conference is already a success with over 440 bond men registered.

The importance of this Conference can best be demonstrated by the fact that municipals have more than quadrupled the volume of their long-term bond issues and such offerings are now coming to the bond market at a rate close to $9 billion yearly. The Conference will be devoted exclusively to subjects of concern to underwriters of tax-exempt state and local securities.

Major discussions will include on Sept. 11, "Municipal Bonds from the Viewpoint of Buyers." George B. Wendt, The First National Bank of Chicago, will be moderator, with Richard H. Samuels, Continental Casualty Co., Charles W. Potter, American Telephone and Telegraph Co., Donald D. Miner, Chemical Bank New York Trust Co., and Richard P. Barnard, New England Merchants National Bank of Boston as members of the panel.

Curtis H. Bingham, Bingham, Walter & Hurry, Inc., Los Angeles, President of the I.B.A. will address the luncheon on Sept. 11 on "Investment Banking as a Vital Force in the American Economy." Walter A. Schmidt, Schmidt, Roberts & Parke, Philadelphia, a past president of the Association will speak on the "Golden Anniversary of the Investment Bankers Association."

An afternoon seminar will be held on "Underwriting and Syndication of Municipal Bonds, with Alan K. Browne, Bank of America, San Francisco, moderator, and a panel composed of Arthur E. Kirtley, First Boston Corporation, Chicago; Alan N. Weeden, Weeden & Co. Incorporated, New York; Delmont K. Pfeffer, First National City Bank, New York; Frank C. Carr, John Nuveen & Co., Chicago; John C. Clark, Wachovia Bank and Trust Co., Winston-Salem, N. C., and William C. Jackson, Jr., First Southwest Company, Dallas.

On Sept. 12 the morning session will cover "Broadening the Market for Municipal Bonds." Walter H. Steel, Drexel & Co., New York, will be moderator. Speakers will be Raymond E. Hengren, Federal Deposit Insurance Corporation, on "Improvement of Municipal Bond Prospectuses"; Dr. Emmett Wallace, James O. Rice Associates, Inc., New York, "Development of Management Objectives and Policies"; Fred D. Stone, Jr., Marine Trust Company of Western New York, on "Public Education and Sales Promotion"; and G. Thomas Yeager, III, Baker, Watts & Co., Baltimore, on "Developing Retail Interest Among Individuals."

The Sept. 12 luncheon will be addressed by John N. Mitchell, Caldwell, Trimble & Mitchell, on "Federal Legislation in the Field of Municipal Finance."

The afternoon session will be devoted to "Legal Aspects of Municipal Bonds," with Russell M. Ergood, Jr., Stroud & Company, Inc., Philadelphia, as moderator. Speakers will be Henry J. Crawford, Squire, Sanders & Dempsey, Cleveland, on "Statute of Frauds, Negotiable Instruments Law and the Uniform Commercial Code"; Paul Wm. Cutler, Chapman and Cutler, Chicago, on "Role of the Municipal Bond Attorney"; Frank E. Curley, Hawkins, Delafield & Wood, New York, "Constitutional Basis of Immunity of Municipal Bonds from Federal Taxation"; and John J. Gunther, United States Conference of Mayors, "Attitude of Congress Toward Tax Immunity of Municipal Bonds."

Essential Role of SBIC's

By Stewart W. DeVore,* *President, National Association of Small Business Investment Companies, and of Fort Worth Capital Corp., Fort Worth, Texas*

Spokesman for the small business investment companies proudly sums up the industry's growth and goals since its inception four years ago. He, then, admonishes the industry to correct the factors responsible for its currently pressing problems of operating: (1) profitably, (2) ethically, (3) purposely, and (4) independently.

William Shakespeare said, "All the world's a stage and all the men and women are merely actors and actresses. They have their exits and their entrances and each man in his time plays many parts." I would like to reflect upon the fact that all the world is a stage and that we are actors and actresses upon this stage. Looking realistically at the world as a stage, we see drawn into conflict in all areas two great systems and philosophies of life. One is known as communism and the other is known as capitalism. The purpose of each system is to succeed and thereby become the dominant system of economics, philosophy and life in the entire world.

Stewart W. DeVore

In perspective, it may be asked where do we, you and I, fit on this stage of the world. Well, certainly the answer must come back that we are on the side of capitalism. Let us look then at the role of capitalism versus communism on this world stage tonight and see if we can discern a role for us to play as operators of Small Business Investment Companies.

Is this capitalism that we espouse a vigorous competitor for the mind and heart of mankind throughout the world today and in particular, is it so in the United States? The study of Congress concluded in 1958 showed that much was lacking in the health and vigor of capitalism in the areas of small business. They concluded that 95% of all business organizations were categorically small businesses lacking in ability to provide through the internal generation of retained earnings sufficient growth capital to become vital and vigorous and expanding organizations.

1958 Legislation

Therefore, with the extensive study of Congress concluding that an overwhelming majority of our business institutions were lacking in the opportunity for growth and expansion because of the inadequacies of our present system of providing long-term capital to these 95% of our business institutions, we must say that all is not as well as we would like for it to be in the house of capitalism. And this conclusion Congress likewise asserted and prescribed a therapy, a course of treatment designed to improve the resourcefulness and capability of growth for American small business. This was the Small Business Investment Act of 1958. In the adoption of this Act, Congress created a new financial institution, the Small Business Investment Co. Now the purpose of the creation of this new financial institution of Small Business Investment Company was to make capitalism and particularly in the small business segment a more vigorous and adequate competitor to stand and to overcome in the aggregate the forces of communism who have vowed to "bury us."

Since the fall of 1958 we have elected to join in this fight. We have taken our stand to accept the invitation and challenge of Congress by obtaining a license to operate as a Small Business Investment Company. Let us, therefore, take the large view of our position as SBIC operators. It can betruly said that we are soldiers in an Army engaged in a worldwide economic war. Our mission for capitalism is to increase its vitality, to decrease its failures and to improve its management and stimulate its growth and profitability by meeting the equity capital needs of small business. To the extent that we succeed in this effort, we can take pride as being actors on the world stage who, in our day have played a significant and vital role.

600 SBICs

Of the record to date of our activities, jointly let us examine the progress that has been made and objectively seek to determine what we collectively can do to be better actors on this worldwide stage we find ourselves. Three years ago we were only 16 in number; that is, there were only 16 licensees operating as small business investment companies. This means that only 16 companies in this United States were at that point engaged in the business of providing equity capital to small business enterprises in this country. Two years ago this number had increased from 16 to 109 and the effectiveness of this program became more apparent. As recently as one year ago there were 303 small business investment companies operating on that stage under the banner of capitalism to serve small business. Now we count in our ranks 600 companies dedicated to the proposition that we shall gain mutual profit through service to small business and thereby increase the effectiveness of capitalism as an economic system.

From zero financial resources our industry has grown in size in three and one-half years to $700,-000,000 now available for or already invested in American small business. You and I as a part of this troupe can take pride in the success that has thus far obtained. But lest we believe that we have overcome the problem of supplying the capital needs of American small business, we must take the over-all view and say that it is not the war which is won but only the first battle — the battle to become an institution national in coverage and adequate in size to serve American small business.

Today's Problems

What then are the problems for today? Today we must come to grips with new battles that have to be fought and won before we can achieve lasting success. The objectives and the targets are easy to define. First of all, we must learn to operate profitably. The earnings record to date as reflected by the collected statistics of SBA reflect the large amount of uninvested funds or funds temparily invested in low earning securities. The record also shows investments on which no profits have yet been realized and on which a sound judgment can not yet be rendered. The record also reflects several actual losses sustained to date. Our earnings record shows that we are in many instances inadequately capitalized for the opportunities that we each have. In my opinion the next effective measurement of success of small business investment companies will be determined by the number of companies that are able to grow in size from minimum capitalization to at least $400,000 in capitalization at which point they may become economically self-sufficient when they fully employ their own resources and resources made available to them through the Small Business Administration. A further indictment upon our record to date reflects the fact that the majority of the licensees are, because of size, forced to resort to part-time management which prevents the full utilization of our opportunity to serve American small business in each of our own communities.

The second objective that we need to attain is to operate ethically. While our record to date, we think, is a reflection of ethical operations yet in all candor we must say that the record is not perfect. And it must be our continued objective to operate ethically as well as profitably. NASBIC has encouraged an ethical concept of operation of this business as we believe it is fundamental to the success of the program as a whole.

Purposeful Investments

Third, we need to operate purposefully. By this I mean that we as SBIC operators need to have always before us an awareness that this industry was created and stimulated by Congress to serve a national purpose, that purpose being to achieve a profit through service; I repeat, service to small business. As we consider each investment we need to have before us constantly one consideration among all others, does this investment serve the national purpose for which we have been created? For instance, if an investment benefits only the small business investment company and merely incidentally benefits the small businessman, it is not worthy of our support. Each investment must attempt to achieve a significant benefit to a small business and by benefitting a small business we can then derive a legitimate and purposeful profit. Such an investment will then be worthy of our support. To do otherwise will only weaken our standing as an industry and in the end bring disrepute upon us all.

Our fourth need is to operate independently, that is, independently of government resources. We have in the inception relied heavily upon the partnership that we have with the United States Government, but this sort of a business relationshp can be most disappointing. At the present time we are now waiting for Congressional deficiency appropriations to enable our partner SBA to make good its financial commitments to this industry. The difficulties this has brought upon us it not to be charged to our friends in the Small Business Administration. It is merely a reflection upon the fact that when we are dependent upon obtaining our financial resources from the Federal Government, our industry is beset with problems and restrictions of a political and governmental nature that limit our effectiveness to serve the cause to which we are dedicated.

Therefore, the less dependent this industry is upon Federal resources, the more effective we will be. Yet to attain financial acceptability in the public security markets, and with institutional investors such as life insurance companies, we need to demonstrate our ability to operate profitably as an industry. These then are the four remaining and immediate goals of the National Association of Small Business Investment Companies in its desire to effect leadership in this industry.

As for our association, also an actor on this world stage, we can take pride in the fact that our association, the National Association of Small Business Investment Companies, has become and is today the only trade association specifically dedicated to the improvement of the small business investment company industry. We take pride again in the fact that this industry represents two-thirds of all licensees engaged in the business and that these companies collectively represent approximately 75% of the dollars invested and made available to small business in the United States. Our need for continued growth in membership and in vigoration of our trade association activities continues. In the final analysis, you and I as actors on this stage will not be judged by our performance alone, because, individually, our performance will be lacking sufficient contribution to merit judgment, but rather we shall be judged on an industry-wise basis.

The problems, therefore, that we face of striving to operate profitably, ethically, purposefully, and independently can best be obtained by us as an industry on an industry-wide effort. The organization seeking to obtain these goals for this industry, and the only such organization, is the National Association of Small Business Investment Companies under whose auspices we are here tonight.

I am going to ask you to reexamine the license that hangs on your wall, the license to operate as a small business investment company, I would ask you to reflect upon this license that it is literally a license to operate as a small business investment company, but it is more. It is a license to serve; it is in effect a grant of opportunity, an opportunity to profit through service; I say again, service to American small business. I ask you to recognize that by the exercise of this license to its fullest extent you will render significant service to the cause of capitalism and in so doing, you will be entitled to the profit that will follow.

*An address by Mr. De Vore before the Midyear Meeting of the National Association of Small Business Investment Companies, Fort Worth, Texas.

Mansfield With Fairman

(Special to The Financial Chronicle)

LOS ANGELES, Calif.—W. Allen Mansfield has become associated with Fairman & Co., 210 West Seventh Street, members of the Pacific Coast Stock Exchange. Mr. Mansfield was formerly with Pacific Coast Securities Company. Prior thereto he headed his own investment firm, Pacific Western Securities.

Leon Adams With Newman, Brown

NEW ORLEANS, La. — Leon Adams has become associated with the investment banking firm of Newman, Brown & Co., Inc., Hibernia Bank Building. Mr. Adams has been in the investment business since 1920 when he started with the old Hibernia Bank bond department in New Orleans. When the bank ceased its operations in the bond business in 1933, Mr. Adams became associated with the firm of Nusloch, Baudean & Smith, all members of which had been connected with the Hibernia Bank. Nusloch, Baudean & Smith is being dissolved due to the recent death of Mr. George Nusloch who was the last surviving partner of the firm.

Leon Adams

Consumer Credit Rose in July

The Federal Reserve recently reported that consumer instalment credit rose $341 million in July after allowing for seasonal influences, slightly more than in June but $125 million less than the April-May average. A rise in extensions was largely offset by an increase in repayments from June to July.

Automobile credit expanded $171 million on a seasonally adjusted basis, almost $40 million more than in June but less than in either April or May. The expansion in other consumer goods paper, at $61 million, was somewhat smaller than in the preceding month. Personal loans rose $97 million, slightly less than in June and about one-third less than the April-May average.

Noninstalment credit, seasonally, adjusted, rose $23 million as individual components showed relatively small changes. Total consumer credit increased $364 million.

The U. S. Population in 1965

By Conrad Taeuber,* *Assistant Director, Bureau of the Census, Washington, D. C.*

Analysis of the impact of predicted 16 million population gain in the first five years of the 1960's assesses challenges posed by shifts in the age differentials of the population mix, geographic shifts of the population, and changes in family and household structure. Census official calls attention to the growing younger entries into the labor force, the mounting numbers in the 15-19 group, and the shrinkage of younger executives. Moreover, Mr. Taeuber expects "professional, technical and kindred workers" to continue to grow as a per cent of the labor force. The consequences of the population changes are also analyzed in terms of metropolitan — or urbanization — growth, and with respect to impact upon spending patterns and GNP.

The large population counter in the lobby of the Department of Commerce in Washington today shows the population of the United States as almost 186.2 million, about 6 million more than the census count of two years ago. We are adding nearly 3 million persons to our total population each year. This is the net resulting from some 4.3 million babies born, about 300,000 immigrants net, and some 1.7 million deaths.

Conrad Taeuber

For the near future it seems likely that this growth may be continued, and that the population in 1965 may be about 196.2 million. Let me underscore that word **may**, for we lack the crystal ball that would permit me to say with assurance just what the figure at any given time in the future will be. Perhaps I should disqualify myself on the forecasting business at once by pointing out that some six years ago before this body, the Director of the Bureau of the Census gave a figure some 5 million less as the likely population in 1965. The figure of just over 196 million assumes that American women will continue to have children at about the same rates at which they have been having them recently. And all of us know how difficult it is to predict what a woman, let alone 42 million of them, will do over a period of years.

The fact that our population projections in the past have tended to be low is no sure guide for appraising the future. The dominant factor in the future size of our population—assuming that we avoid the disaster of a nuclear war—is the occurrence of "Blessed Events." The prospective changes in the death rate are not likely to have much effect. Already three-fourths of all deaths occur to persons who are 55 years old or over. The infant mortality rate will no doubt continue to go down and we may gain greater control over the frequency of accidental deaths, but neither of these is likely to affect the numbers of our future population very much. Immigration is subject to legislative and administrative control, and it is conceivable that we would increase or decrease the number of immigrants. But for the present this is too small a part of the total to have much effect.

Growing Popularity of Two-Three Children Families

We come back then to the estimation of the number of babies likely to be born. Our birth rate today, which seems high in relation to that of the 1930's, is in reality a controlled rate. It dropped very sharply during the depression years and grew very slowly later in the 1930's. With the growing rate of economic activity as a result of the onset of the war, there was some pick-up in the birth rate, which was in turn interrupted by the war itself. But after the close of the war there was again an increase in the birth rate, and this higher level has continued, with some fluctuations, to the present time. Compared with the birth rates that were prevalent in this country a century ago, our current rate is very low. It is high only in comparison with that of the 1930's. Nor has the increase come about as a result of a growing popularity of large families such as those we know from Colonial days. Only about 10% of the babies born in 1960 were born to mothers who had already had five children. About half of that year's total were first or second babies. The big change in comparison with a generation ago is that there has been a substantial increase in the proportion of all women who are married, and that there has also been a substantial increase in the proportions of married women who have children. Families with two and three children have grown in popularity, and there has been a decrease in the proportion of families with only one child, or none.

Very few couples are having all the children which are biologically possible. With earlier age at marriage and a tendency to have the children within a fairly short period of time, women on the average have had their last child before reaching their 30th birthday. It isn't that they are less fertile than their grandmothers or great grandmothers, but rather that they have adopted a different set of values in relation to family size—and these could be changed again.

There is some uncertainty about the number of babies to be born by 1965, i.e., those who will be under three-years old in that year. But there need be no uncertainty about the other elements of our population by that time, for except for a few immigrants still to come, these others are already here. The numbers of school age children, teen-agers, young marrieds, middle aged and senior citizens can be projected with relative certainty. Reflecting changes in numbers of births in earlier years, there are substantial differences in the rates at which these several age groups will grow or decline.

Late Teens Growth—A Big Challenge

The biggest change is that for the late teens—an increase of about 3.5 million young people 15-19 between 1960 and 1965. This is the reflection of the postwar increase in the number of births. Altogether the number of youngsters who contribute to what has been dubbed "The Dreamy Teen-Age Market" grows by about 5 million. By 1956 we will have 36 million 10-19 year olds. As recently as 1950 we had only 22 million of them. The number of persons 20-24 years old will increase by nearly 2.5 million.

Here in large part is one of the major challenges for the years ahead. These young people are in need of schooling, they will be going on to college, looking for openings in the labor force, and establishing their own families—and before very long contributing to the growing number of younger children. The pressure on our schools and colleges has been the result of three elements. There has been a rapid growth in the number of youngsters of school age. There has also been a rapid increase in the proportion of these larger numbers who continue in school beyond the compulsory school attendance age. For the grade and high schools, and to some extent for the colleges also, there has been in addition to these elements, the growing popularity of living in metropolitan areas. Our suburban schools, and those in our big cities too, have been affected by the continuing migration of the population to metropolitan areas, particularly to the suburbs.

Although the focus of attention on educational problems may shift to the rapidly growing group of youngsters of high school and college age, this is not to say that the problems in regard to the elementary schools are over. By 1965, the number of children of school age (5-17) will have increased by about 5 million. And if the parents of these young children continue to show a high preference for living in metropolitan areas, these areas will continue to feel growing pains in their school systems not unlike those which they have experienced in recent years.

Finding Jobs for Younger Labor Force

The difficulty of finding jobs for young men or women just entering the labor force will continue over the near future. This year about 2.7 million persons are reaching their 18th birthday, and next year the number will be about the same. It goes up by about a million in 1964-65, reflecting the effects of the demobilization following the end of World War II. It then continues at between 3.5 and 4 million for a number of years. In 1965 the number of persons 18-21 years old will be about 12 million, an increase of 2.5 million in five years.

From the standpoint of employers looking for young executives, the decline in the number of persons between 30 and 34, and between 35 and 39 may reflect a serious shortage. Conversely, the young man who had the good luck, or the good sense, to be born in the late 1920's or early 1930's finds that he has a bit less competition among persons of his age than his older brothers had, or his younger brothers will have. The babies that were not born then have a continuing effect on our age structure.

There will be a growing number of persons in the more mature age brackets, 40-64 years of age. To some extent they will probably feel less pressure of job competition with younger people because of the shortage of persons in their thirties.

There will also continue to be a rapid growth of the number of senior citizens, those who have passed their 65th birthday. About 1.5 million of us reach that milestone each year. There are, of course, many persons who leave that age group each year. By 1965 the number of persons 65 and over will be about 1.6 million greater than in 1960. Most of the continuing growth in this age group reflects changes in the number of births in this country late in the nineteenth century, and in the number of immigrants early in the twentieth. Declining mortality has made some contributions, but declining mortality means chiefly that the infant mortality rate has been reduced sharply and that the diseases of childhood and early adulthood have been brought under control.

Rising Educational Level

The educational level of the population continues to go up. Illiteracy is almost entirely confined to the older population that did not have the educational facilities which are available today. The median educational level for persons 20-24 years old, those who have recently been in our school system, is now a little more than high school graduation. There are, of course, differences. The young man in this age group who is classified as nonwhite falls about two years short of this over-all average, and the young woman in the same racial classification has about one year less than the average. In the five years between 1960 and 1965, we expect to add about 8 million high school graduates to our population to bring the total to about 60 million. That would mean that by then, one out of every two persons 18 and over will be a high school graduate. The number of college graduates in the population will also increase. We expect that we will have added about 1 million to that number between 1960 and 1965, to bring the total above 9 million. Two-thirds of the 8.8 million persons with less than five years of schooling are 50 years old or over and their number is expected to decline.

Attention has frequently been called to the growing number of young people who will be ready for the labor market in the near future. As a larger proportion of young men continue their schooling, there has been a decline in the proportion of that group in the labor force. Labor force participation rates for men 25-64 years old have changed very little, for nearly every able-bodied man in these ages is in the labor force. With increasing provision for income for older persons, there has been a decline in the proportion of men 65 and over in the labor force. However, there has been a continuing growth in the percentage of women in the labor force. This has been most marked among women who no longer have young children in the home.

80 Million Labor Force

If the trends observed recently continue, there will be a growth of about 1.3 million in the number of persons in the labor force each year, with the result that the total labor force in 1965 would be nearly 80 million, in comparison with a little over 74 millions in 1961. Between 1960 and 1961 the labor force grew by about one million.

The prospective increase in the labor force that would occur under these circumstances is about equally divided between persons under 25 and those who are 25 or older. In 1965 nearly eight million persons in the labor force will be under 20 years of age. With the growing population, the number of prospective members of the labor force would increase by some 6.7 million between 1960 and 1965. During the ten years, 1950 to 1960, the labor force had grown about 8.5 million perons.

There have been sharp changes in the occupational mix of the employed population. White collar workers increased more rapidly than other groups and by 1960 they included 42% of the total. With the growing emphasis on research and development, and the continuing pressures to achieve greater productivity, there will be a growing demand for people whom the Census calls "professional, technical, and kindred workers," and by 1965 they will no doubt have again increased their share of the work force. This group constituted only 4.3% of all workers in 1900, by 1960 they accounted for 11.4%, and their share seems certain to increase.

The most dramatic decline, both in number and in percentage terms, has been that of farm workers. Between 1900 and 1960 their share of the work force fell from 37 to 6%.

Household Changes and Spending Patterns

Individuals group themselves into families and households, and their spending behavior is determined to a large extent by their membership in such groups. Families consist of related persons living together, whereas a household may include persons not related to the head, or even a person living alone. In the recent past we have seen two opposite tendencies—the average size of families has been increasing, reflecting the comparatively high level of births; but the average size of households has been declining somewhat, reflecting in large measure the growing proportion of persons living alone. There has been an especially marked increase in the number of elderly persons maintaining their own households.

If it is assumed that the number of households will continue to grow by about one million per year, as it has been doing recently, the total number of households in 1965 would be about 58 million.

A number of distinct trends in relation to families and households are discernible. Since the end of World War II there has been a marked reduction in the number of families sharing housing accommodations, and little change is expected in this regard. There has been a significant increase in the number and proportion of one-person households, and this may well continue, as older persons find it possible to maintain their own households, and as younger persons leave the parental roof at earlier ages. In 1960, one out of every seven households consisted of only one person. The number of these households grew rapidly in the 1950's. With the increase in older persons, especially widows, the number one-person households is likely to continue to grow.

Growth of Older Families

One of the developments which is likely to continue is the growth in the number of older families which include no children in the household. With the tendency to early marriage and early childbearing, and with some improvement in the death rates among adults, there has been a growth in the number of families in which husband and wife maintain their own households after the children have grown and left to establish their own households. These households — sometimes dubbed "the empty nest"—represent an increasing percentage of all households. They are a group of growing importance in our economy. In 1960, more than one-four of these households reported incomes of $8,000 or over.

Average (median) income per family increased from $3,300 in 1950 to $5,600 in 1960. Even if these figures are expressed in constant (1960) dollars, the increase is an impressive one (from $4,100 to $5,600, or 37%).

A little over one-third of all families had two earners, and these families in 1960 had an average income of $6,400. Nearly half of the families with incomes in the $6,000-$15,000 range had two earners. These families have had the financial leeway to finance major appliances, cars, college education, travel, and other items which have been among the growth items. The projected growth in labor force participation of women has as a consequence the growth of families with two earners. These families represent an important segment in a growing market.

Rental Housing Demand

Translated into consumption patterns for the short range, there would appear to be a growth in the number of young households looking for rental housing ready to use credit to acquire the necessary goods and equipment, and with a heavy concentration on young children and their needs. There will be a decline in the number of households headed by a person in his thirties and hence a likely decline in the demand for owner-occupied housing on the part of this group. The increase in the households which have completed their childbearing would appear to involve an increased demand for goods and services which were not so readily financed while children were competing for the family's resources. The growth of one-person households presages a growing demand for housing accommodations adapted to the special needs of such units, though in many cases it also reflects an inability or an unwillingness to part with the housing accommodations which were needed when the household was substantially larger.

Population Shift

Americans have always been a mobile people, and there is no reason to assume that their willingness to move from one part of the country to another will not continue at a high level. By 1965 the position of most populous State will have shifted from the Atlantic to the Pacific Coast. By that time, too Florida will probably have moved into the top ten so far as State populations are concerned. The relatively high rates of growth in the Southwestern States may well continue, whereas slow growth or even decline may continue in the States which are largely rural. The movement to metropolitan areas is likely to continue. During the 1950's, more than four-fifths of the Nation's growth occurred in the metropolitan areas, and they have shown little indication of having lost their attraction. Half the counties lost population between 1950 and 1960; a large proportion of them had likewise lost between 1940 and 1950. They are likely to continue to give up population to the remainder of the country particularly to the metropolitan areas. Although the number of farms in 1959 was down 3.7 million, the farm population still includes a large number of persons who could be made available to other sectors of the economy without impairment of our agricultural production. In recent years Americans have shown an increased willingness to shift their places of residence from rural to urban areas and from one region to another. Most of the areas that have served as the focus of attraction for migrants can expect to continue to do so.

Growing Negro Population

The recently publicized offers of free transportation for Negroes who wish to leave the south for northern states may have publicity and propaganda effects, but they are not likely to have much impact on the volume of the northward migration of Negroes. During the 1950's, the net migration of Negroes from the south to the North and West averaged about 12,000 per month. There is no indication that this movement has slowed down since early 1960. The destinations were the metropolitan areas and here the newcomer went into the central cities, New York Chicago, Philadelphia, Detroit, Washington, D. C. Pittsburgh, Baltimore, and Los Angeles. Along with many other cities, had rapid growth in their Negro population during the decade, and the migration to these cities is continuing. Although a number of southern states had net losses in their Negro population as a result of this outmigration the supplying areas have enough young people moving into the ages of heaviest migration to permit continued high out-migration. The probability that migration to northern cities will continue, coupled with the relatively high birth rates among the people already living in these cities, makes it a virtual certainty that the number of Negroes in these large cities will grow rapidly. By 1965 the proportion of their population which is Negro will have been further increased. The Negro newcomers have many of the adjustment problems which the immigrants from Europe experienced earlier, but the process of assimilation is complicated by the high social visibility of these newcomers because of their skin color.

Problems of government in metropolitan areas have multiplied as the population of these areas has grown. The rapid growth of population on the fringes of our major cities has made it necessary to look for new ways of providing the public services which are required in densely settled areas. Many efforts are underway to meet these problems.

For each city of 50,000 or over in 1960 the Census Bureau defined an urbanized area, i.e., the city itself, plus the adjoining densely built-up area, whether incorporated or not. The 213 urbanized areas included a total population of nearly 96 million. Many of the central cities lost population, and nearly all of the gains that were reported were due to annexations. Only three-fifths of the population of these urbanized areas was living in the central cities; the other two-fifths was living in smaller incorporated places or in areas which were not separately incorporated.

Suburban areas continue to grow more rapidly than the central cities with which they are associated, and the problems of local government in these areas continue to require attention. Undoubtedly the next years will see intensified efforts to develop methods by which these problems can be met effectively.

GNP

The addition to the nation's economy which results from the addition of some 16 million persons during the first five years of the 1960's is obviously a matter of speculation. In 1960, the gross national product was estimated at 504 billion dollars, or about $2,800 per person. If the gross national product grows at the same rate as the population, the increase would amount to about 42 billion dollars. If gross national product per person should increase to $3,200 (in 1958 dollars), as the National Planning Association estimated, the added population would account for an increase in gross national product of nearly 80 billion dollars. Whether the record will show that such increases actually occurred remains to be seen. That these facts indicate a significant challenge and opportunity to the American economy is hardly news to the business community.

*An address by Mr. Taeuber at Annual Economic Conference of the National Industrial Conference Board, New York City.

August's Divs. Above Year-Ago

Dividend news in August was mixed but was generally on the favorable side, according to Standard & Poor's Corp. In line with the leveling off in corporate profits, dividends are not being liberalized on the same wide scale as in the early part of 1962, but the statistical and investment advisory organization reported that 76 companies declared higher dividends in August, compared with 63 in August, 1961. Extra dividends, at 33, fell slightly below the 36 in the corresponding month of last year. There also were fewer resumptions at 6 to 15, respectively. Dividends were cut by 10 concerns against 12 a year earlier, while 15 concerns omitted payments, virtually unchanged from 16 in August, 1961.

With California Investors

FRESNO, Calif.—Richard A. Moon has joined the staff of California Investors, 830 Van Ness Avenue.

The Real Problem Remains!

"I would say that I can imagine nothing more shortsighted than to cut the heart out of this [foreign aid] program, as some people wish to do.

"I was looking at some figures today, which showed that the Soviet Union had given in economic and military assistance to one country—Indonesia—over $300,000,000 in the last 12 months.

"They are giving, as we all know, substantial military and economic assistance to Cuba, as well as many other countries.

"Now, here these countries, particularly those in Latin America which have many economic—serious economic problems — those countries of Africa which are newly emerging—those countries along the Soviet Union's border, beginning with Greece, Turkey, Iran, Pakistan, India, Thailand and the others, South Vietnam; many of them are hard-pressed — South Korea, the Republic of China. They depend upon the United States to assist them in maintaining their freedom.

"Now, we have an appropriation of $50,000,000,000 for national defense and a large appropriation for the Atomic Energy Commission.

"It seems to me to be the height of folly to appropriate these large sums of money for our military organization and let these very vital countries pass into the Communist bloc." — President John F. Kennedy

Whatever the need for meeting Soviet competition in this area, we must never let ourselves come to suppose that the basic problems of the backward peoples can be solved or even half-solved by lavish gifts to them or to any of their scheming leaders.

Kinney Service Corporation

By Dr. Ira U. Cobleigh, *Economist*

A short report on an enterprise with expanding earning power, derived from efficient operation of four quite diverse services.

The year 1962 will be remembered among investment bankers as one in which hundreds of scheduled new offerings were withdrawn and in which most of those actually offered turned in dreary or unimpressive market performances. Accordingly, Kinney Service Corporation, which went public on June 19, 1962, with the offering of 262,500 shares of its common stock, at $9, would seem to merit special attention. This issue was promptly oversubscribed, and now, less than three months after public offering, trades (OTC) at about $18. What is there about Kinney common that has attracted such an eager investor following in so short a time, and caused it to advance so lustily in a market singularly hostile to new and unseasoned security offerings?

Car Parking

The answer to that question is four-fold. Kinney derives its revenues from operation in four separate business lines: car parking, car rentals, building cleaning and maintenance, and funeral parlors. Only the first two would appear to have anything in common, so we'll review them first. Kinney operates an extensive car parking service from 77 locations in six states. Of these, six stations in New York City, and one in Tampa, Florida, are owned, plus a garage in Springfield, Ohio; 55 are on long term leases, and 18 of such stations and garages are operated under management contracts. The oldest parking company began in 1932. Altogether, in 1961, over 5 million cars were handled at Kinney System parking facilities. For fiscal 1961, this division contributed 27% of company revenues. Further, Kinney engineers have developed a number of revolutionary car parking and delivery techniques, and the company is frequently retained by other corporations as a consultant on parking problems.

Car Rental and Leasing

Related to parking, but conducted by a separate division is "Kinney System Rent A Car," which entered the business in April 1960, and now offers a fleet of 3,000 customer-driven cars through some 60 rental outlets. Customers may rent cars for from one day to two years, with special parking accommodations if desired, at company lots. The Rent-a-Car companies rent approximately 4,000 square feet in New York City and, in addition, conduct car rental operations from all Kinney parking locations in New York and New Jersey. Kinney rents or leases all makes of cars to customers, but currently features Chrysler Motor Corporation models. Kinney also offers a unique service, "Instant Cars," whereby a car is swiftly delivered to your home or office, just by a telephone call. Car rentals and delivery service accounted for 18% of revenues in 1961.

Building Maintenance

The original cleaning company in the Kinney network began business in 1932. In fiscal 1961, Kinney's cleaning companies cleaned and maintained over six million square feet of space. This service includes maintaining the interiors and exteriors of commercial buildings in the New York Metropolitan area, and involves sweeping and waxing floors, shampooing carpets, washing windows, maintaining lighting, cleaning blinds, furniture, metal and washrooms; fumigation, disinfection and extermination. Kinney also makes available the services of porters, cleaning women, window washers, elevator operators and security guards. This division delivered 17% of company revenues in fiscal 1961.

Funeral Services

Kinney funeral companies own and operate six funeral chapels in New York and Mount Vernon, and operate a seventh, under long term lease. They also own and operate two chapels in Miami Beach and one in Coral Gables, Florida. A new chapel in the Bronx, New York, will be completed this year, at an estimated cost of $425,000. The best known of these is Riverside Memorial Chapel, founded in New York in 1897. In addition, the funeral companies operate their own hearses and florist companies, five monument and mausoleum sales companies, and own approximately 3,500 cemetery lots. This division accounted for 35% of company revenues in 1961.

Other Activities

On Feb. 21, 1962, the company contracted to purchase the property at 2100 Broadway, New York, for $1,750,000 under a 40-year purchase money mortgage. Recent acquisitions have placed the company in the used car business through dealerships in Levittown and Mineola, New York.

Growth Potentials

From the foregoing, you can get some idea of the variety of services offered. From an investment standpoint, Kinney Service Corporation should definitely be regarded as a growth company. Certainly, the business of parking cars in big cities is a dynamically expanding one.

Rental and lease of cars, both by individuals and by corporations, is increasing. With metropolitan office and commercial building construction at an all time high, the rising need for maintenance services is obvious. Due to the surging increase in our population the need for, and inevitability of, funeral parlors requires no special comment. In addition, the company, through its ownership of fees or leaseholds of certain parking lots, is in a position to realize interesting capital gains, if or when these open areas may be sold as building sites.

Top Management is under the competent direction of Edward Rosenthal, Chairman of the Board, Steven J. Ross, the energetic young president, and Samuel Berger, Executive Vice-President.

Consolidated earnings of the constituent properties have shown a steady uptrend with gross revenues (unaudited) rising from $11.-680,759 for the year ended Sept. 30, 1957 to $17,209,101 (audited) for fiscal 1961. Revenues for the six month period ended March 31, 1962 reached an all time high of $9,205,165, and produced net earnings of $.37 a share on the common. There were 1,697,658 shares of common outstanding on June 19, 1962.

Kinney Service common, at 18, offers investors an opportunity to share in interesting growth potentials in several fields. The company is merger-minded, and itself was formed by grouping together 59 corporations. The uptrend in earnings is impressive, the management competent and imaginative, and the services rendered, quite essential.

Form First Mutual

REGO PARK, N. Y.—First Mutual Corporation has been formed with offices at 62-61 Woodhaven Blvd., to engage in a securities business.

The Market . . . And You

BY WALLACE STREETE

The stock market was little more than a stalemate this week as pinpoint demand for a handful of special situations failed to spill over to the general list and irregularity was the rule.

The devotees of the school that views the post-Labor Day market dourly were given a setback to contemplate as trading resumed after the holiday. But there was little urgency, and turnover held to a low level.

Minimize Stimuli

There was little in the way of widespread predictions for the fall pickup in business, so there was not much on which the market could feed. And when there were some bright prospects, such as in the auto business which is now preparing to get into high gear on production of the new models, the market ignored it for the most.

The various tax proposals slowly grinding their way through the legislative process were far from the final stages where an overall picture of benefits and disadvantages could be logically appraised. So there was little grist in that area to promote market action.

Spending Beneficiary

The tax relief provided so far was mostly of a type to stimulate capital spending which should help sustain the companies that will benefit from such business expenditures. But there hasn't been much life shown by such as Link-Belt Co. since changes in capital spending will stem from other than beneficial depletion allowances alone.

At the moment such expenditures have been showing a good increase over last year, helping Link Belt show a good increase in earnings for the first half from $1.10 per share to $1.80. Link Belt, however, is a cyclical operation and projections of earnings of around $3.50 for this year, while well above the $2.70 shown last year, would still be well under the peak $5.95 earned half a dozen years ago.

Link Belt shares have participated mildly in the market rebound from the June lows, but it is still far closer to its low than the year's high and at recent levels its indicated yield ran well into the 5% bracket as a measure of the neglect.

Intriguing S. & L. Outlook

The question mark when it comes to taxes is the savings and loan association field. The startling growth in earnings shown by the S. & L.'s and particularly the West Coast ones, was helped along by a virtual income tax immunity which seems at an end now. The popularity of such shares took a rap when commercial banks were given an interest increase that forced the S. & L. units to up their rates and put a squeeze on profits.

Then came legislation currently being considered which, between the two versions before Congress, can vary by as much as 5% depending on which bill wins acceptance. These income taxes won't be applicable until 1963 at the earliest, but do throw a cloud over the future of the industry.

The net effect of the uncertainties is that many quality issues in the savings and loan field have lost as much as half of the peak prices seen for them in 1961, and are available at price-earnings ratios of 10- to 14-times. These are definitely subnormal against the higher ratios that prevail in other sections of the list.

Researching the Utilities

There is considerable research attention being devoted to the utilities. They are a traditional shelter when market sentiment is cautious. And they stand to benefit in cases from liberalized depreciation rules. Moreover, while other industries are concentrating on the "profit-squeeze," utilities in the main continue to show slow but steady profit improvement that has characterized the industry for a long time.

The unique dividend policy in the utility field is that of Chicago's Commonwealth Edison. The company "pays" to shareholders virtually all of its earnings each year, but only half in cash and the rest in stock dividends. There is a tax angle in this arrangement, too, since any holder electing to sell the stock payments doesn't have to include the proceeds as ordinary income.

For those who do sell, it provides a generous "yield;" and for those intent on building up a portfolio, it provides an annual accumulation of additional shares automatically. (Although the stockholder's equity in the property is not thereby increased.)

Unlike some utilities that are pinned into the less-attractive big city boundaries by suburban companies, Commonwealth Edison benefits from the extensive suburban areas surrounding Chicago and, in fact, they now account for almost half of its revenues. The company itself is sufficiently confident of a continuing expansion in the demand for its electricity to have budgeted more than half a billion dollars to expand generating capacity over the next four years. And for this the stock dividends again come into the scene since they give the company an above-average flow of retained funds to finance the expansion.

Tired Tires

The tire shares have not been among the shining lights of the market for a long time, accounting in part of the fact that the yield on Goodrich approaches the 5% line. The company has been able to diversify its output to where less than half of sales now come from tire lines where the price competition is keen which is the reason in large part for investor disinterest. Goodrich has been stepping up its synthetic lines and expects this year to start getting production of Liberian plantations. The outlook for this year indicates moderate improvement in profits.

There was little interest in the steel companies, particularly since the leading ones seem currently to be in a rash of dividend cutting. Inland, however, is considered to be a company of growing stature since it was able to improve its profit for the first half of this year and the full year's results will edge above the profit reported last year—an odd note in the industry where the profit squeeze is concentrated. At recent levels with a well-sheltered payout, Inland has been offering a return well into the 4% bracket and selling at a modest price-earnings multiple of 12.

Electronics Becoming Erratic

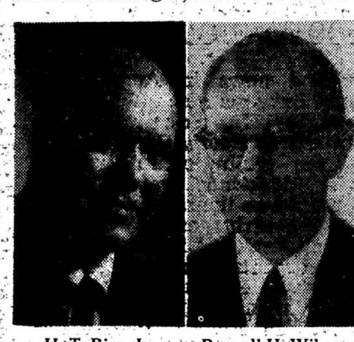
The electronic items have had a prominent role in the market rebound that started in July, in cases, because they had been so thoroughly trounced that they were prime candidates for at least a temporary rally. But lately their market course has been an erratic one as profit-taking moved in. Many where the initial growth had been greeted with excess enthusiasm by the market seem permanently out of fashion.

AMP, Inc., is one company in this area that has had little to do with the rise and fall of various devices and systems as newer, and better, ones came along. Its bread and butter business is solderless electric terminals and cable connectors. The field isn't one where competition is lacking but AMP has been able to show good sales and earnings gains almost without interruption for the last decade. For the first half of this year the sales gain was nearly 18% and earnings gained more than 20%. Its strong point when it comes to dividends is a record of nine annual increases in a row.

[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.]

Birr, Wilson Co. Formed on Coast

SAN FRANCISCO, Calif. — Birr, Wilson & Co., Inc., member of the New York and Pacific Coast Stock Exchanges, has been formed



H. T. Birr, Jr. Russell H. Wilson

in San Francisco, effective Sept. 6.

Officers of the new firm are H. T. Birr, Jr., Chairman of the Board; Russell H. Wilson, President; H. T. Birr, III, William C. Richardson, James M. Stewart, Quillen L. Thom, Don Frank, Robert R. Birr, C. V. Emmons, James M. Smith, Andrew F. Scatena, and Madison L. Howell, Vice-Presidents; Donald L. Wetmore, Robert Pogats, Richard L. Kehne, Herman Frese, and Nicholas DeJohn, Assistant Vice-Presidents, and Edward E. Albright, Treasurer. All officers were formerly members of Birr & Co., Inc. and Wilson, Johnson & Higgins.

The combined operation will serve seventeen communities in Northern California and Nevada.

Pershing & Co. Admits Timpson

Pershing & Co., 120 Broadway, New York City, members of the New York Stock Exchange, have announced that Carl W. Timpson, Jr. has been admitted to general partnership in the firm.

Mr. Timpson was formerly Assistant Treasurer, Morgan Guaranty Trust Company of New York, and was responsible for the bank's brokerage and investment banking accounts in the Wall Street District.

Israel Plans Bond Repayments

Israel Treasury's programs for the repayment with full interest of the first Israel Bonds issued in May, 1951 will be among the principal topics of discussions at the National Planning Conference of the Israel Bond Organization which will be held at the Shoreham Hotel in Washington, D. C. beginning Friday, Sept. 21. Israel Independence Savings Bonds will mature starting May 1, 1963.

PUBLIC UTILITY SECURITIES

BY OWEN ELY

Hackensack Water Company
Philadelphia Suburban Water Company

The water service companies are probably considered a rather drab division of the utility industry without much growth potential, and interesting mainly for yield. However, growth should not be ruled out when the companies are located in good suburban areas with expansion possibilities due to new highways, migration from the cities, and influx of industry. On this basis, two stocks may be worth the attention of investors — Hackensack Water and Philadelphia Suburban Water.

Hackensack Water is a very old line company, having paid dividends in each year for 76 years; it is one of the few water companies listed on the New York Stock Exchange. It supplies water service to an extensive suburban area in New York and New Jersey adjacent to New York City — 84 communities in eastern Bergen County, northern Hudson County and southern Rockland County, (the latter through a subsidiary). Hackensack, Union City, Englewood, Rutherford, North Bergen and West New York are among the leading towns served. The territory is enjoying rapid industrialization and growth in population and there is no municipal or other competition. The water supply is obtained from the three reservoirs in the Hackensack River watershed, and supplementary purchases are made under contract from the Passaic Valley Water Commission and Jersey City. Revenues are about 63% residential and commercial, 28% industrial and 9% public fire protection.

The company has enjoyed rapid growth in population and industry in its territory during the past decade. While population growth has slowed a little in New Jersey, the number of large water users is gaining at an increasing rate, with diversified industrial plants located throughout the service area.

In southern Bergen and Hudson Counties the complex of major highways has aided industrial growth. There are a number of industrial parks and most residential communities welcome selected types of business development. In Rockland County and the Paramus section large shopping centers are being constructed and annual merchandise sales have been estimated at over $150 million. Large new apartment buildings are under construction or (being planned) along the Palisades in Fort Lee and south into Hudson County. Thus, with water requirements increasing steadily, the company is expanding its pipelines and its pumping and filtration facilities.

Annual revenues have about doubled in the past decade. Share earnings declined moderately in 1951-2 but have increased from 93c in 1952 to $2.11 in 1961. Calendar 1962 earnings of $2.40 have been forecast by Standard & Poor's as the result of a rate increase and the larger water consumption resulting from the recent drought. The stock was split 2-for-1 this year. At the recent price around 37¼, paying $1.40, it yields 3.8% and sells at 15.5 times the estimated 1962 earnings.

Philadelphia Suburban Water serves a large part of suburban Philadelphia, the area having a population of over 620,000. Revenues are about 83% domestic, 9% commercial, 6% industrial and 2% miscellaneous. The principal water supply comes from five rural streams, and it is reported that the company had its beginnings in the early 1880s when some Swarthmore College professors got tired of bringing water from a spring by hand, and started a small pumping station.

The company has taken a lively interest in the broad field of water treatment, and late in 1961 acquired Servisoft, a national water softening company with 278 franchised dealers throughout the United States. Most of the investment was converted into debt of the merged corporation and Philadelphia Suburban now owns 12% of the equity in the merged corporation, Water Treatment Corp. The Annual Report stated: "Your management is supplying the leadership necessary to expand this corporation, with particular emphasis at this time on the Servisoft Division. We hope that Servisoft will throw off sufficient cash to support intensive research and development. It is possible that Water Treatment Corporation will need additional equity financing this year to permit expansion of the Servisoft Division."

While the trend of earnings has been somewhat irregular (weather is a factor, of course, with water company sales) Philadelphia Suburban, has an excellent growth record. Revenues increased from $4 million in 1950 to over $12 million in 1961. Share earnings (adjusted for 2-for-1 stock splits in 1954 and 1961 and for a series of stock dividends) have also tripled, from 53c in 1950 to $1.61 in 1961. The price of the stock has done even better, advancing from an adjusted price of 4 in 1951 to a high last year of 36½.

Dividends were quite small in earlier years, amounting to 13c on an adjusted basis for 1951, but have increased steadily. A substantial jump in payout was made in 1959 to 50c, and the rate has subsequently been raised to 85c. In addition annual stock dividends of 5% were paid from 1951 through 1958, supplementing the small cash payments. Stock dividends of 3% have also been paid in 1960, 1961 and 1962.

Based on the recent over-the-counter price around 28 (range this year has approximated 35½-25) the yield based on the cash dividend is 3% and if the annual stock dividend were sold, the combined yield would approximate 6%. The price-earnings ratio based on 1961 earnings is 17.4. About 65% of the stock is closely held.

With Marshall Co.

(Special to THE FINANCIAL CHRONICLE)

MILWAUKEE, Wis. — Robert N. Dunne has been added to the staff of the Marshall Company, 111 East Wisconsin Avenue, members of the Midwest S. E.

With Calif. Investors

SANTA BARBARA, Calif. — Roy G. Spuhler has become associated with California Investors, 1114 State Street. He was formerly with Albert L. Maguire.

Form J. C. Roberts Co.

MIAMI BEACH, Fla.—J. C. Roberts & Co., Inc. has been formed with offices at 420 Lincoln Road to engage in a securities business. Officers are Joseph Vigman, President; Nettie Vigman, Vice-President; and Seymour Vigman, Secretary and Treasurer.

Treating Bond Profits And Losses Outmoded?

By L. G. Milunovich, *Assistant Cashier, Investment Division, First Wisconsin National Bank of Milwaukee, Milwaukee, Wisconsin*

Analysts, investors as well as bank portfolio managers should find Mr. Milunovich's comments on the prevailing methods of handling security profits and losses of challenging interest to them. He points out that the utilization of current accounting practices produces a distortion in income, and an incorrect shifting of earnings among accounting periods. One of the remedies proposed is to amortize profit or loss against the corresponding reduction or improvement in future earnings to neutralize potential aberrations. He seeks as his goal a precise single measure of a firm's capability to generate earnings.

The problems produced by inadequate methods of accounting for transactions in investment portfolios make it quite difficult to analyze bank operating statements on a comparable basis in the determination of earning power. There are two aspects involved here: the treatment accorded bond discount and the manner of handling profits and losses on securities.

L. G. Milunovich

The former can be disposed of readily. Discount on bonds is of similar nature to premium; the only differences are in the direction from par value and in the applicable tax rate. Both represent interest elements which are created by the market price moving in the direction and to the extent necessary to adjust the fixed or contractual coupon rate to the "going" market yield. The fact that premium is above par and discount lies below is of no consequence; this is an artifficial dividing line and not a boundary distinguishing unlike factors.

Sound Accounting Procedure

Accordingly, sound accounting procedure requires the accrual of the **full** acquisition yield and related income taxes. This means that discount should be accumulated as well as premium amortized. It is often said that it is conservative to accrue the latter but not the former, and this appears to provide protection to depositors, but it definitely results in a bias against the stockholders because of the understatement of earnings and reduced level of dividends involved. Bank accounting has traditionally been conducted in a "conservative" fashion, which has produced "hidden reserves" and an improper understatement of equity and a distortion of earnings.

It must be remembered that bank reports are analyzed by many different groups, including: security analysts who have a responsibility to their clients, potential buyers and sellers of bank stocks, depositors (particularly treasurers of large corporations), and governmental regulatory agencies. All of the individuals involved desire accurate figures for their studies, and the construction of statements that would favor one category could very likely involve discrimination against one or more of the others. Thus, the proper method of presenting the financial position and operating data is to portray them precisely as they are with no perceptible leaning toward either understatement or overstatement. This straightforward approach should correctly satisfy the needs of all interested parties.

The problem of dealing with security profits and losses is considerably more difficult. Banks have gone to great lengths to work around the fringe areas of a proper remedy but have still not devised an adequate solution. Because of the specific characteristics of the particclar tax treatment accorded banks in regard to profits and losses, they have attempted to concentrate like items in separate accounting periods. This results in little offsetting of gains and losses in any one income statement and imparts to net income an exceedingly high degree of volatility, which entirely disqualifies this indicator as a valid measure of earnings trend.

Net Operating Income

Therefore, in order to secure a less volatile index or gauge of performance, net operating income (after applicable income tax) has been selected as the relevant criterion. This apparently solved the problem posed by the great instability exhibited by net income, but created another one; viz., that net operating income is not a comprehensive indicator, since it makes no allowance particularly for security profits and losses. This inconsistency was easily rationalized away by the expedient of stating that banks are not in the business of buying and selling securities and, therefore, that profits and losses are of a nonoperating and nonrecurring nature and should be shown "below-the-line" in the earnings statement.

However, this pseudologic is archaic and flies in the face of reality. It **certainly** is part of a bank's business to buy and sell securities, as profitable opportunities for realigning the portfolio arise. It is not their major function, but it is an important activity. A portfolio manager is not worth his salt if he does not arbitrage favorable yield differentials or shift maturities at propitious times. This can generally be accomplished with little, or no increase in risk and should be clearly differentiated from pure speculation, which, of course, cannot be condoned. Banks have **sizable** funds committed to their investment portfolios, so that selective switching can produce material improvements in earnings. The least desirable policy is one which requires that all investment commitments be left undisturbed to maturity (unless a strong demand for loans develops).

It must be admitted, though, that banks have characteristically acquired bonds of overly long maturities during recessionary periods when loan demand slackened and deposits substantially increased due to the expansionary monetary policies pursued by the Federal Reserve authorities. The penalty for misjudging the timing of the turn in rates was later paid when the demand for loans reasserted itself and placed a sizable call on these committed funds. Greater long-term benefits could have been secured by investing the temporarily excess money in fairly short maturities, then later freezing the available discretionary funds (unabsorbed by loans) at the higher prevailing rates for an extended period of time. This policy obviously requires qualities of considerable fortitude and patience in the investment manager, for he must "sweat it out" and "eat" the relatively low short-term rate while waiting for yields to ascend once again.

Security transactions, therefore, are clearly of an operating nature and are also recurring, although, as mentioned previously, gains and losses are normally segregated by accounting periods for tax purposes.

Clue to the Entire Problem

Now, even if the full acquisition yield is accrued, net operating income will **still** be improperly affected by profit-taking and loss-taking. When sizable profits are recorded and the proceeds are reinvested in other issues, the yield on the securities purchased will generally be lower than the yield on the investments sold. And when material losses are effected, a yield improvement will usually result. Here, then, lies the clue to the entire problem.

Observe that the utilization of current accounting practice produces a distortion in income and an incorrect shifting of earnings among accounting periods. For example, the consummation of losses followed by reinvestment of the proceeds in other issues produces a **lump-sum** "below-the-line" loss accompanied by an increase in yield, which is reflected in future "above-the-line" operating income. These two elements are directly related; the loss recorded entirely in the current period is tied to the future pick-up in operating earnings, which will likely be spread over a period of years.

The size of any loss (or profit) sustained is directly dependent on the **maturity of the issue sold** and the differential between the coupon rate and current market yield. And since the current recognition of a gain or loss, in effect, produces an opposite offset in future operating earnings—resulting in considerable distortion—the obvious remedy is to **amortize** the profit or loss against the corresponding reduction or improvement in future earnings, thereby neutralizing the potential aberrations.

Apparent Solution

This, therefore, appears to be the solution. Whenever a security is sold at a profit or loss and the funds are reinvested in **any** category of earning assets, no real irrecoverable profit or loss actually occurs. Any gain or loss apparently sustained is available because a change in market interest rates has evolved. If a profit is effected on a sale, for example, it merely means that reemployment of the proceeds must also be achieved at a higher price (or lower yield) than had previously prevailed. Thus, lump-sum profits and losses are truly spurious and are the consequence of shifts in interest rates which will affect the price of reinvestment of the proceeds in similar fashion to the sale itself.

These gains and losses should not be rammed, in toto, into the income statement (or undivided profits) on the dates of transactions, but should be capitalized as valuation reserves and netted against, or added to, the carrying value of the securities portfolio. Since each element of profit or loss is a function of the maturity of the respective issue sold, it should be amortized into (or against) operating income over the **term to maturity of the issue eliminated**, which, in essence, places the profit or loss right back into the years from which it was extracted. This means that the book value of the portfolio in the statement of condition will be unaffected by security transactions unless new cash is committed in the deal or there is a net cash take-out.

Elements to Be Considered

To determine the income produced on investments during an operating period, the following elements would have to be considered:

Coupon Income
+ Discount Accumulation
— Premium Amortization
+ Profit Accrual
— Loss Accrual

Net Earnings on Securities

In applying this procedure, there will likely be a residual change in yield accompanying each transaction, but this is proper and is a reflection of the difference between the tax adjusted market yields of the issue sold and the issue purchased, plus any qualifying tax influences related to the gain or loss on the sale.

It might be worthwhile to analyze what would occur if there were **only one** Treasury security available in the market. In this theoretical case, a bank could realize profits and losses over a period of years as the "going" rate on this single issue fluctuated. If current accounting treatment were engaged to report the results of these operations, net operating income, net income, book value of securities, and stockholders' equity would all exhibit instability and, therefore, obscure the trend of earning power. And yet, moving frequently in and out of the same issue would not afffect the cash flow one iota (except for dealers' commissions and tax factors related to the "profits" and "losses" recorded), which indicates that the accrual system of accounting, as presently employed does not, **but should,** present a more steady level of income rather than markedly fluctuating earnings. Note, however, that the proposed technique is not selected because it will stabilize income; actually, nonvolatile income performance is merely a **consequence** of the application of a more accurate accounting method.

There is something wrong with the prevailing concept, which essentially produces earnings distortion by the mechanism of shifting income among accounting periods. This directly violates one of the fundamental tenets of sound accounting for the results of operations, which basically calls for the proper matching of income and expense by accounting periods.

Needed — A Precise, Single Measure

Full clarification and ultimate solution of this entire problem will be difficult to achieve and will require a great deal of **imaginative** and **penetrating analysis.** However, there is considerable room for improvement in this general area, and development of a new effective concept would eliminate many of the difficulties involved in accurate reporting of bank income. What is truly needed is a precise single measure of the capability of an organization to generate earnings. It is believed that the above discussion makes some small contribution toward this goal, although, due to the inherent complexity of the problem, this treatment is of necessity sketchy, and **many** more pages would be required to **completely** delve into the many ramifications involved.

Courts & Co. To Admit Partner

ATLANTA, Ga.—Courts & Co., 11 Marietta Street, N. W., members of the New York Stock Exchange, on September 15 will admit Jackson P. Dick, Jr. to partnership.

Gallagher-Roach Office

CIRCLEVILLE, Ohio—Marcus Albright is Manager of the office recently opened by Gallagher-Roach and Co., Inc., at 620 South Court Street.

Victor Dykes Forms Own Investment Firm

LOS ANGELES, Calif.—Dykes & Co. has been formed with offices at 1830 West Olympic Boulevard to engage in a securities business. Officers are Victor Dykes, President; Robert W. Bergen, Treasurer; and Myron D. Frantz, Secretary.

Victor Dykes

Mr. Dykes was formerly an officer of Currier & Carlsen, Incorporated. Prior thereto he was with Holton, Henderson & Co. and in the past was President of Bradschamp & Co. and an officer of Value Line Fund.

Record High In State Taxes

Tax collections of State governments in the year ended June 30, 1962 totaled a record $20.6 billion, the Bureau of the Census, U. S. Department of Commerce, reported. State tax revenue for fiscal 1962 was up $1.5 billion from the $19,057 million reported for fiscal 1961.

Tax yields in four states exceeded $1 billion. California collected $2,369 million, New York $2,329 million, Pennsylvania $1,322 million, and Michigan $1,008 million.

Per capita amounts of State taxes in 1962 ranged from over $175 for four states down to less than $80 for three states.

The Census Bureau emphasizes that state tax figures do not include locally imposed taxes. In 1961, local taxes produced $19.6 billion, or somewhat more than the total of state-imposed taxes that year. The state share of combined state and local taxes ranges widely, from about one-third of the total in some states to more than two-thirds in several states.

NOTE: Detailed tax figures for each State appear in the Bureau of the Census report *State Tax Collections in 1962*. This report is for sale by the Bureau of the Census, Washington 25, D. C., and all field offices of the U. S. Department of Commerce. Price 10 cents.

National totals (but not State-area data) on finances of local governments, as well as Federal and State Government totals, appear in the Census Bureau report issued Aug. 23, 1962, *Summary of Governmental Finances in 1961*. State-by-State figures on State and local government finances will appear in the forthcoming *Governmental Finances in 1961*, to be issued in October 1962.

R. P. & R. A. Miller Add to Staff

PHILADELPHIA, Pa.—R.P.&R.A. Miller & Co., Inc., Philadelphia National Bank Building, members of the Philadelphia-Baltimore-Washington Stock Exchange, has announced the association of Robert T. McDugall as the firm's Mutual Fund Manager.

Louis Deutsch has also joined the organization as a Registered Representative.

James Hansen Joins Kidder, Peabody & Co.

(Special to THE FINANCIAL CHRONICLE)

LOS ANGELES, Calif.—James M. Hansen has become associated with Kidder, Peabody & Co., 210 West Seventh Street. Mr. Hansen was formerly President of James M. Hansen & Company.

The State of TRADE and INDUSTRY

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

In scanning the present and prospective business conditions, the First National City Bank of New York, finds that almost all indicators of economic performance point to substantial improvement this year over last.

The bank's September *Economic Monthly Letter* probes the cause for the prevalent current expressions of concern about our economy and attributes it to the disappointment that we are not doing better rather than to recession fears.

According to the September *Letter:* "business reports for the summer months show that the vacation-time letdown in activity was no greater than usual. Economic indicators, adjusted for recurring seasonal fluctuations, were generally well maintained and some even probed higher. Traditionally, once Labor Day is behind us, attention shifts from vacations and other summertime activities to the prospects for the usual fall business upswing. Whether merchants and manufacturers meet, exceed, or fall short of their expectations for the next few months will provide a significant measure of the nation's economic health.

"Talk of a probable business recession this winter has waned, though the Administration remains watchful and has under study a variety of possible changes in tax laws and rates to provide stimulus if the need arises. In his television address to the nation, Aug. 13, President Kennedy called Federal tax policy 'the single most important fiscal weapon available to strengthen the national economy.' He appraised the economic situation optimistically. While expressing disappointment that higher levels of activity have not been achieved, he rejected, at least for the time being, the idea of tax cuts deliberately designed to increase spending power and enlarge the deficit. Meanwhile, he reiterated promises that proposals for income tax rate reforms, accompanied by restraint in Federal spending, would be embraced in his financial program to be submitted to the new Congress in January.

Sustained Activity

"August business activity appears to have held close to July's high rate, which included new records in industrial production, personal income, and nonfarm employment. Such key business indicators as retail sales and new orders for durable goods showed renewed strength in July after disappointing performances in May and June; unfilled order backlogs for durables rose for the first time since February. The seasonally adjusted unemployment rate dipped to 5.3% of the labor force in July, the lowest rate since May 1960. Common stock prices rallied during the summer and on Aug. 23 the Dow-Jones industrial average closed at 616, representing a recovery of 40% of the ground lost between last December's peak and the June low.

* * *

Economic Signposts

"Public concern over the nation's economic well-being has heightened interest in business reports, so that statistical releases which once might have received a few lines in the financial section now merit front-page headlines. It was a novel sight for most people to see on television the President of the United States acting the role of economic analyst, complete with an array of charts of business and financial indicators.

". . . Eight widely used business indicators — covering the recessions of 1957-58 and 1960-61 as well as the current expansion are among those whose movements are closely related to business cycle changes. The National Bureau of Economic Research, which pioneered this type of economic analysis, classifies four of the series—industrial production, unemployment rate, personal income, and retail sales—as 'roughly coincident indicators,' meaning that their high and low points usually occur at about the same time as those in business activity generally. The other four—new orders for durable manufactures, average work-week in manufacturing, corporate profits, and stock prices—are among those classified as 'leading indicators,' which tend to reach turning points several months in advance of business generally. Some leading indicators reflect the natural sequence of events: new orders tend to precede production, building permits usually precede construction expenditures, and layoffs precede unemployment. For others, the relationship is less obvious: changes in the average workweek tend to precede changes in employment because employers prefer initially to adjust production through overtime work or short workweeks before resorting to new hiring or layoffs.

"On the basis of the latest figures, all four leading indicators are somewhat below levels reached earlier in this recovery. Some keen observers of the business scene began to wonder as early as last spring whether the declines of these, and some other leading indicators, might be casting the first shadows of an oncoming business recession. The subsequent movement of the figures has been sufficiently ambiguous as to leave room for differing interpretations.

"It should also be borne in mind that, helpful as they are, these early-warning signals have at times given false alarms or, as in 1950 and 1955, turned down two or three years ahead of the turn in general business. The amateur forecaster who uses the indicators as a do-it-yourself kit will soon find from experience how easy it is to go wrong.

"Some of the difficulties of interpretation are apparent. New orders and stock prices have reversed direction and recovered some of the declines registered earlier this year. The average workweek, while falling in May, June, and July, remains above the standard 40-hour level. Department of Commerce estimates of corporate profits showed a peak in the fourth quarter of 1961 but there remains doubt as to whether the indicated first quarter decrease was significant. Coroprate profits data for the second quarter are not yet available from the Department of Commerce; however, this bank's tabulation of second quarter earnings of 934 leading corporations, published in our August *Letter*, showed a slight, but perhaps not significant, increase from the first quarter. The recent movement in corporate profits, and in many other statistical indicators too, is best described as sideways.

"The four coincident indicators all showed at least some minor improvement in July. Industrial production probed forward to a new peak of 118.7 on the Federal Reserve index (1957=100) from 117.9 in June. Personal income edged up to a record annual rate of $442 billion, $1.3 billion higher than June. The unemployment rate, inverted for better comparison of its cyclical movements with other series, was 5.3% in July after sticking between 5.4 and 5.6% since February. Retail sales rose 2% over June to an annual rate of $233.4 billion, though still behind the record April rate of $235.2 billion.

"The Gross National Product is also classed as a coincident indicator. Through the second quarter of 1962 it was still moving ahead, and had achieved a seasonally adjusted annual rate of $552 billion

"Although almost all measures of economic performance will show substantial improvement this year over last, the gains are falling well short of the targets which government economists had set. It is the disappointment in unfulfilled expectations which is at the root of the widespread discussion of ways and means — not so much to avoid another recession as to develop higher rates of utilization of productive resources. This is the central problem that faces the government and the country."

Bank Clearings Rise 7.7% From 1961 Week's Volume

Bank clearings this week will show a decrease compared with a year ago. Preliminary figures compiled by the *Chronicle*, based upon telegraphic advices from the chief cities of the country, indicate that for the week ended Saturday, Sept. 1, clearings for all cities of the United States for which it is possible to obtain weekly clearings will be 7.7% above those of the corresponding week last year. Our preliminary totals stand at $27,879,326,242 against $25,885,447,789 for the same week in 1961. Our comparative summary for some of the principal money centers follows:

Week End. Sept. 1—	1962 (000s Omitted)	1961 (000s Omitted)	%
New York	$15,518,832	$13,759,523	+12.8
Chicago	1,202,234	1,285,186	— 6.5
Philadelphia	1,020,000	1,061,000	— 3.9
Boston	763,655	796,928	— 4.2
Kansas City	480,979	449,172	+ 7.1

Steel's Output Up 3.8% From Preceding Week and Down 17.6% From Last Year's Week

According to data compiled by the American Iron and Steel Institute, production for the week ended Sept. 1, 1962, was 1,672,000 tons (*89.8%), as against 1,611,000 tons (*86.5%) in the week ending Aug. 25.

Data for the latest week ended Sept. 1, 1962, shows a production decline of 17.6% compared to last year's week output of 2,030,000 tons (*109.0%).

Production this year through Sept. 1 amounted to 67,978,000 tons (*104.3%), or 9.4% above the Jan. 1-Sept. 2, 1961, period.

The Institute concludes with Index of Ingot Production by Districts for week ended Sept. 1, 1962, as follows:

	* Index of Ingot Production for Week Ended Sept. 1, 1962
North East Coast	91
Buffalo	74
Pittsburgh	81
Youngstown	84
Cleveland	87
Detroit	100
Chicago	98
Cincinnati	85
St. Louis	104
Southern	100
Western	91
Total	89.8

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

Steelmakers Slightly More Optimistic About Sales Prospects

Steelmakers are feeling slightly more optimistic about sales prospects now that they can put Labor Day behind them, *Steel* magazine said this week.

They don't expect the market to stiffen overnight, but they have good reasons for predicting moderate acceleration in the incoming order rate.

First reason, of course, is that Labor Day traditionally marks the end of the vacation season. Many steel users who closed plants in August are operating again.

Second, passing of the holiday signals the start of full production in the auto industry. General Motors Corp., last of the automakers to shut down for model changeovers, will begin building 1963 models this week.

Third, appliance and office furniture manufacturers are stepping up their production seasonally while construction and canmaking continue at seasonal peaks.

Fourth, growing demand for quick deliveries suggests that some users have completed their inventory adjustments.

Because of the favorable trends, shipments in September should exceed August's.

No one knows when users will stop trimming their stocks, but there are signs that many of them will start applying the brakes before long.

Because of Labor Day curtailments, ingot production this week will be less than the 1,625,000 tons that *Steel* estimates were made last week.

Output in September will be about 7.5 million tons (vs. 7.1 million tons in August). Reasons: (1) Mills have liquidated most of their surplus semi-finished material. (2) They'll have to increase their output in anticipation of greater demand from automakers during October.

Steel's price composite on No. 1 heavy melting steel scrap dropped for the second consecutive week. It was down $1 per gross ton to $26.67.

Higher Steel Prices Invite Imports

But, *Steel* points out that only about 4¢ of the sales dollar wind up as profit in the metalworking industries. Ten times that amount is paid out for wages and salaries.

Men work so they can exchange the fruits of their labor for things made by other men. If the exchanges don't take place, men are forced into idleness, unemployment.

Using the steel industry as an example, *Steel* found that from 1947 through 1961, wages of steelworkers went up $1.99 per hour —or 132%—while earnings of the average worker went up $1.05— or 88%. The result: Steel prices went up 110% while average wholesale prices went up only 84%.

The increase in American steel prices permitted more foreign made steel to be sold in American and world markets. It also permitted other materials to become more competitive pricewise. The result is that fewer customers are buying American steel, and many steelworkers have lost their jobs.

Nation's Steel Output Put at 1960's Level

Total steel production for 1962 will fall short of 100 million tons, the *Iron Age* reported.

Output of the nation's steelmaking furnaces will probably fall between the levels of 1960— 99.3 million tons — and 1961 — 98 million tons—the magazine said:

Prolonged inventory liquidation following the steel labor settlement is the principal factor in the prediction. To reach 100 million tons inventory liquidation would have to end soon, and production in the fourth quarter would have to improve at a progressive rate of nearly one million tons per month.

Indications are that October is not likely to show that rate of recovery. Even allowing for substantial gains in production in November and December, a goal of 100 million tons is not in sight, the magazine says.

Steel production in the first quarter of 1962 reached 30.6 million tons. It dropped to 23.46 million tons in the second quarter as users began to adjust their stocks of steel. It depressed further to about 20 million tons in the third quarter. This is based on an estimate of September of only a small improvement over August.

This means to reach 100 million tons for the year, the industry would have to pour nearly 26 million tons in the October, November, December period. This would be substantially more than in the second quarter. Best industry estimates now put the fourth quarter on a par with the second, which included part of the buildup and the start of liquidation.

There are other factors in the picture that could affect fourth quarter production. During the summer months, producers have been liquidating abnormal stocks of finished and semi-finished steel held at the mills.

Consumption has been higher than shipments; shipments have been higher than normal in relation to the rate of production. When inventory control comes to an end, at both mill and consumer levels, production can rise sharply. The extension of the period of strict control longer than anticipated has resulted in the delay in the expected fall upturn in steel production.

Another factor that still has to be assessed is that labor negotiations on wages are still to be faced by the steel industry next year. This could have an effect on inventory policies of consumers as they weigh their plans

Continued on page 39

MUTUAL FUNDS

BY JOSEPH C. POTTER

Apples and Pears

In weighing the worth, merit or performance of some one or some thing, there is an understandable tendency to underscore the judgment by reaching out for a comparison. While the exercise may be interesting and even vivid, it is not necessarily valid. "Don't add apples and pears," the teacher used to say in elementary school.

Nowhere does the "stack 'em up" school have a greater vogue than in the financial community. Ask a securities analyst for a judgment on a stock and he'll scurry away to compare the performance of the company with others within the same industry. And there is no doubt that he will come up with a good deal of useful information. But even data can be misguiding. Certainly, the figures would have provided no clue several years ago to the bright opportunity in American Motors under the new management headed by George Romney.

And the financial editor of a national publication, which engages annually in the award of industrial report cards, long has been plagued by giving a sort of "A" to Norfolk & Western and a "C" to Pennsylvania Railroad, although the same people pretty much guide the destiny of both roads. Anyone with some slight knowledge of railroads can appreciate that the inherent differences of the two companies make any comparison a futile exercise.

Right now, the folks in the mutual funds trade are upset about some comparisons that have turned up in the Wharton School study of their business. Charles H. Schimpff, President of the Investment Company Institute, is irritated because the Wharton School letter to the Securities and Exchange Commission made this comparison among others:

"The performance of mutual funds . . . did not differ appreciably from what would have been achieved by an unmanaged portfolio."

Schimpff Found Comparison Unfair

Mr. Schimpff says: "To begin with, the fund performance is compared, not with an 'unmanaged portfolio,' but with a market index, weighted in terms of the funds' holdings of common stocks, preferred stocks, corporate bonds, government securities and other assets."

This, as Mr. Schimpff says, is not an apt comparison. It's apples and pears all over again. And it is to be hoped that his finger-waggling also will be noted by those people in his own trade who are fond of reporting that they outperformed this average or that one. We're still looking for the report, annual or interim, that tells the stockholders the fund did not do as well as the Dow or S & P.

But back to Mr. Schimpff and his criticism of the Wharton School comparison. Says he:

"Far more significant would have been a comparison of the actual results achieved by a large and random sampling of the accounts of small individual investors, and an appraisal of the comparative performance of other savings and investment media in which the mutual fund shareholder's resources could have been put to work, had it **not** been his decision to purchase mutual fund shares."

He might also have mentioned that neither the Wharton School survey nor any other study will ever tell us what might have happened in the spring of 1962 but for the mutual funds. The decline in stocks was severe enough, but it is almost shattering to contemplate what might have ensued had the millions of fund holders, like their fathers, been off on their own speculative binge instead of seeking long-term investment in diverse portfolios managed by shrewd professionals.

Whatever has been reported to date and whatever may come in the days ahead, there is no prospect that millions of Americans will turn away from the mutual funds as long as their stewards maintain the high standards essential to public confidence.

The Funds Report

American Growth Fund reports that at July 31, end of its fiscal year, net assets were $2,689,715, against $1,701,185 a year earlier. Net asset value per share at the close of the latest year was $5.08, down from the $5.87 at July 31, 1961.

* * *

American Mutual Fund, Inc. reports that at July 31 net asset value per share was $8.09, compared with $8.97 on April 30, close of the previous quarter. Total net assets at July 31 were $158,386,768, against $169,428,704 three months earlier. Fiscal year ends Oct. 31.

During the latest quarter new names appearing in the portfolio were Container Corp., Shell Oil and Xerox Corp. Those eliminated were Bankers Trust, Chicago Pneumatic, Du Pont, International Nickel, Johns-Manville, Pacific Gas & Electric, Republic Steel, Safeway and Parke, Davis.

* * *

In a report to shareholders for the second fiscal quarter, which ended on July 31, **Boston Fund** puts net asset value per share at $8.63. This compares with $9.70 on April 30 and $9.68 a year earlier. Total net assets at quarter's end amounted to $279,791,096, compared with $301,613,751 three months earlier and $284,788,374 a year earlier.

Principal investment changes during the latest quarter included addition of Gillette and Rochester Telephone while eliminating Piper Aircraft.

* * *

Chase Fund of Boston reports that on July 31 net assets were $31,614,823, or $5.97 per share, against total net assets of $39,576,735, equal to $7.59 per share, on April 30.

* * *

Merger of Continental Research Corp., investment manager of the **United Funds** group of mutual funds into Waddell & Reed, Inc., Kansas City, national distributor of the funds, was announced by A. W. Hillmond, Waddell & Reed President.

* * *

Franklin Management Corp., investment counsel, announced that Robert W. Selle has joined the organization as a senior account manager. A resident of Brookline, Mass., he is a member of the Boston Society of Security Analysts.

* * *

Total net assets of the **Putnam Growth Fund** declined to $231,726,400 on July 31 from $264,819,900 three months earlier and up from $164,478,000 reported a year earlier. Asset value per share was $7.63 on July 31, compared with $9.16 three months earlier and $9.25 at July 31, 1961. Fiscal year ends Oct. 31.

* * *

Television-Electronics Fund, Inc. reports that at July 31 net assets totaled $351 million, compared with $443.8 million at Oct. 31, 1961, end of the last fiscal year, and $401.1 million at the fiscal midyear point in 1962. Net asset value per share was $6.92 on July 31, compared with $8.92 on Oct. 31, 1961, and $7.83 on April 30, 1962.

Principal portfolio changes during the latest quarter included additions to existing holdings of common stock of General Motors and International Business Machines. Holdings in Addressograph-Multigraph, American Telephone & Telegraph, Burroughs, Eastman Kodak, FMC Corp., Haris-Intertype, Litton, Lockheed, Magnavox, Minnesota Mining and Otis Elevator were reduced.

Life Insurance Cos. Take Advantage of Stock Price Drop

New investment acquisitions of the nation's 1,480 life insurance companies totaled $12,860,000,000 in the first half of this year, over one-sixth more than in the like period of last year, the Institute of Life Insurance reports.

The largest part of the increased new investments was in the industrial and miscellaneous bond portfolios, the $4,560,000,000 newly invested in this category in the six months comparing with $3,737,000,000 a year ago. New mortgages purchased totaled $3,186,000,000, compared with $3,126,000,000 a year ago.

Purchases of U. S. Government securities, including the roll-over of short-term notes and bills, were $2,394,000,000 in the half year, compared with $1,770,000,000 a year ago.

Common stock purchases in the six months were $313,000,000, compared with $249,000,000 in the first half of 1961, the larger part of this year's purchases being in the second quarter, when $186,000,000 were purchased.

Now Limited Partner

Louis Curtis retired as a general partner of Brown Brothers Harriman & Co., resident in Boston, and became a limited partner of that firm as of Aug. 31, 1962.

Mr. Curtis has been a general partner of Brown Brothers Harriman & Co. and its predecessor firm of Brown Brothers & Co. since Jan. 1, 1922. He became associated with Brown Brothers & Co. in 1914 following his graduation from Harvard College. He is a son of Louis Curtis, who was a partner of Brown Brothers & Co. in Boston from 1911 until his retirement in 1930, and is a grandson of Thomas B. Curtis, under whose management the Boston office of Brown Brothers & Co. was established on Dec. 31, 1844.

Two With Eastman Dillon

(Special to The Financial Chronicle)

LOS ANGELES, Calif.—Meredith D. Gibbons and Walter D. Reinsdorf have joined the staff of Eastman Dillon, Union Securities & Co., 3115 Wilshire Boulevard. Mr. Gibbons was formerly with J. A. Hogle & Co. Mr. Reinsdorf was with Mitchum, Jones & Templeton, Inc.

FROM WASHINGTON . . . Ahead of the News

BY CARLISLE BARGERON

The story of how Greer County in Western Oklahoma awoke one morning to find that the New Frontier had labelled it "depressed" has come to light. The people of the county had thought they had never had it so good before.

The label was pinned on the county by the Commerce Department's Area Redevelopment Administration after an Oklahoma state surveyor had reported "substantial and persistent" unemployment there. As a result Greer has been the butt of much sarcastic humor by other Oklahoma counties.

But according to Joseph P. McDonald, GOP Chairman of Oklahoma's sixth district and other substantial citizens, it is difficult to find competent help. "If I advertised for five workers," he said, "I couldn't get them". McDonald operates a grain elevator.

B. B. Talley, a retired brigadier general who raises cotton, asked a meeting of Greer citizens called July 30 to protest the "depressed" label:

"Who are these unemployed? Are they carpenters, plumbers, electricians, laborers, tractor operators, truck drivers, farm hands. . . .? If they are here (in Greer county) why can't we get someone to work when someone is needed?"

The question went unanswered, as had similar protests at a July 10 meeting and General Talley was authorized to write Secretary of Commerce Luther Hodges, Senator "Mike" Monroney, D., of Oklahoma, Senator Robert S. Kerr, D., of Oklahoma, Governor J. Howard Edmondson of Oklahoma and Representative Victor Wickersham, D., of Oklahoma, who represents the Congressional district in which Greer county is located, to ask that the label be removed. Wickersham said at the meeting that another and much larger meeting should be organized and quickly.

"A quickie" meeting was called for Aug. 3, and a wholly different crowd appeared, McDonald said. There were school teachers, including the superintendent and his wife; all city employees; all county employees; most of the courthouse gang; most of the Federal workers in Mangum, the county seat and representatives from the Oklahoma State University Extension Service, who "explained" the Federal Area Redevelopment program. Altogether, it was estimated some 600 persons—nearly all of them dependent upon taxes for their livelihood—attended in contrast to the 80 who attended the earlier meetings.

At this session, a Greer County Area Development Committee was organized to propose an economic program by Sept. 1. If approved by Oklahoma and Federal agencies, the program would mean heavy Federal subsidies for the county. Approval is expected in time to boost Wickersham's campaign for reelection Nov. 6.

He only got through by a hair's breadth last time, and has been widely criticized because of his real estate operations in Washington.

The Area Development Agency is making progress, all right. Since President Kennedy put it through Congress 15 months ago, 965 "depressed areas" have sprung up around the country.

The organization has been quite ambitious in labelling "depressed areas." Senator Clare Engle, D., of California, in a recent letter to Secretary Hodges expressed resentment that Trinity County, Calif., has been so classified. He said that Congress did not set up ARA "to force redevelopment medicine down the throats of communities that don't know they are depressed, that haven't even applied for this Federal assistance and don't want it."

BANK AND INSURANCE STOCKS

This Week — Insurance Stocks

Combined Insurance Company of America—

Combined Insurance Company of America with its three operating subsidiaries is believed to be the eighth largest of the 900 insurance firms writing individual accident and health insurance in this country.

The company was incorporated under the laws of Illinois in 1949, and in that year succeeded to an insurance business started in 1939. It owns all of the stock of Combined American Insurance Company, Hearthstone Insurance Company and First National Casualty Company. Business is written by the companies in each of the 50 states, the District of Columbia, Puerto Rico, Guam, Canada and the more populus states of Australia. The companies now have more than 2.5 million policies in force held by over 1.8 million policyholders.

Over 80% of the premium volume of $50.1 million written by Combined Insurance Company of America and its affiliates represents individual accident insurance issued at moderate premium rates with definite dollar and time limit risks per person insured. Non-cancellable accident insurance, health, disability, hospitalization, medical-surgical expense insurance and a small amount of life insurance are sold through 1,600 contract agents. Only 10% of volume is obtained through independent general agents.

Approximately three-quarters of overall volume is non-cancellable accident, which offers a guaranteed renewable option at the same premium for six-month terms during the life of the insured at his option. These policies are sold principally to the "white collar" element in particular urban centers by the company's well-trained contract agents. The typical plan is to first offer a $3 policy covering basic accidents for six months, then attempt to convert the policyholders to a complete coverage policy at $8-16. Experience indicates that approximately one-half of the policyholders convert their initial policies and 90% renew the full coverage policies.

The company has established an outstanding record of growth and profitability in the accident and health field. Premiums written have increased at a rate of 23% per year over the past five years. Volume in 1961 was more than double that of 1957.

Growth in earnings has kept pace or exceeded the growth in premiums in recent years. The indicated underwritting profit margin has ranged between 14.2% and 18.0% during the past four years in an area where many insurance companies have found it extremely difficult to record satisfactory underwriting profits. Adjusted earnings per share have tripled since 1957. Only in 1958 did earnings decline on a year to year basis over the past decade. The decline in that year reflects the issuance of dividend policies for the first time. These dividend policies, which are issued in the form of free supplemental accident-hospitalization coverage to holders of full coverage accident policies for a six-month period, adversely effect earnings initially but are profitable to the company over the longer term because of the high rate of renewals.

A sharp rise in net investment income has contributed to the company's rapid growth of earnings. Net investment income of slightly in excess of $1 million in 1961 represents an increase of 28% over the previous year and a 100% increase since 1958. Approximately two-thirds of assets are invested in fixed income securities with municipal bonds the most significant subdivision, followed in importance by U. S. Government bonds and preferred stocks.

Over 70% of the three million shares of Combined's stock are owned by management, which is headed by W. Clement Stone, and closely allied interests. In the fall of 1961, 300,000 shares were sold to the public through Smith Barney & Co., thereby considerably improving the trading market for the stock. Stockholders have been rewarded with substantial stock dividends in each year since 1953. A 50% dividend was declared prior to the public offering last year.

The growth pattern of the combined group of companies has continued in 1962. During the first six months, premiums written rose 17% over the previous year and earnings increased at an even greater rate. Adjusted earnings for the full year are stimated at $2.25 per share.

The common stock of Combined Insurance Co. of America is currently selling for $64 in the over-the-counter market. The price range to date in 1962 has been $90¼-$40. At the present price the stock is selling at 28.4 times estimated earnings for the year and affords a modest yield of less than 1% on its current annual dividend rate of 40 cents per share. The stock price, while high, is well-below the earlier all-time high and is in line with the stocks of other companies in the industry with similar growth records.

Selected Statistical Data

Year	Premiums Written	Capital Funds	Admitted Assets	Net Investment Income	Total Income
	(000's Omitted)				
1957	$21,699	$6,021	$13,153	$375	$1,443
1958	28,256	6,856	16,257	500	1,313
1959	26,346	8,001	20,294	638	1,837
1960	42,935	11,511	26,369	782	4,366
1961	50,148	16,511	33,478	1,006	5,145

	Underwriting Results			Per Share*		
Year	Loss Ratio %	Expense Ratio %	Profit Margin %	Adjusted Earng's. $	Dividends $	Price Range $
1957	40.5	50.4	9.1	.61	.10	----
1958	38.3	47.5	14.2	.42	.14	10-7
1959	38.8	47.0	14.7	.77	.17	22-10
1960	36.9	45.1	18.0	1.61	.22	24-20
1961	37.8	45.1	17.1	1.88	.30	60-25

* Adjusted for stock dividends.

Economists Oppose Tariff Bill Without Reforms

Twenty economists professing free trade and anti-protection principle oppose Administration's tariff cutting Bill (HR 11970) unless accompanied or preceded by specified internal fiscal, monetary and economic reforms. Prerequisite measures stipulated include ending inflation by putting a stop to wage and price increases, to business and labor union monopoly, and to Federal deficits by establishing strict priorities over Government spending. Adequate Congressional review is also stipulated. Otherwise, the group states, tariff reduction will be in vain until we "first" make ourselves internationally competitive.

A spokesman for twenty distinguished American economists today blasted the Administration's proposed sweeping foreign-trade legislation, calling it a result of the "grand illusion" that "by knocking down a few already low tariffs we are going to solve all the problems of the U. S. economy at home and abroad."


Patrick M. Boarman

Patrick M. Boarman, Associate professor of Economics at Bucknell University, told the Senate Committee on Finance last month that the Economists' National Committee on Foreign Trade Policy "is opposed to the trade liberalization and expansion bill known as H. R. 11970."

"It is our belief," Professor Boarman added, "that unless there are substantial changes in the proposed legislation and unless it is accompanied simultaneously by thoroughgoing internal reforms . . . its net effect will be to harm the Nation's domestic economy and worsen its already weak international posture."

Pointing out that the Economists' Committee subscribes to free trade and opposes protectionism in principle, the witness asserted: "Our committee is disturbed at the structural dislocations in our economy — the unemployment and the underutilization of industrial capacity —which the radical changes in tariffs proposed in H. R. 11970 might cause. . . . But our deepest concern is with the short-run, balance of payments effects of the anticipated increases in imports."

"This situation," the economist reported, "can only enlarge our already alarming payments deficit, aggravate the outflow of gold, and increase the pressures leading to a devaluation of the dollar," an occurrence which "would be a catastrophe for the Free World and might very well trigger an international liquidity crisis of the kind which ushered in the Great Depression in 1929."

Holds Tariff Cuts Useless Without Domestic Reforms

The real problem facing the United States in its international economic relationships, Professor Boarman told the Finance Committee, is not whether or not we should have tariff reform. The real issue, he said, "is whether we should have tariff reform with, or tariff reform without simultaneous (or, better still, prior) internal fiscal, monetary, and economic reforms. But, concern for such reforms is conspicuously absent from H. R. 11970."

"To ask for tariff reduction or tariff abolition on the grounds that such action will increase competition and at the same time to refuse to correct the basic maladjustments which make the domestic economy internationally non-competitive," he added, "is to ask for the administering of a medicine which, while it may banish the symptoms of disease . . . may simultaneously cripple or perhaps even kill the patient."

Professor Boarman alerted the Committee to the fallacy of urging free trade "as the answer to almost all our problems, both domestic and international," citing six aims proponents claim will be achieved by H. R. 11970 —

(1) An increase in consumer welfare.

(2) An increase in employment.

(3) Accelerated growth of the U. S. economy.

(4) Maintenance of U. S. economic leadership of the Free World.

(5) Aid to the developing nations.

(6) Overcoming the U. S. balance of payments deficit and ending the drain on U. S. gold reserves.

These objectives, the witness asserted, can only be achieved if the legislation results in increasing our exports more than our imports. This result, the economist thinks, is unlikely because of "the improbability of the proposed drastic tariff reductions being matched by our neighbors abroad, in particular, by the Common Market countries, and secondly, the effects on the trade balance of persistent inflation in the United States."

Group Insists on Congressional Review

The members of the Economists' Committee "object especially to the sweeping powers granted to the President to reduce or eliminate at his sole discretion any or all remaining tariffs on U. S. imports, without review or supervision by Congress," he pointed out, and strongly urged that provisions for adequate Congressional review be included in the legislation and that the grant of powers be for two rather than five years.

In concluding, Professor Boarman identified the actions his committee thought the United States must take, "To sound the trumpets of tariff reform, as is now being done, appears courageous on the surface. And it is very popular. Who wants to be called a protectionist? In fact, it is taking the line of least resistance, politically and conomically. For such action, and the spirit of righeousness with which it can be undertaken, becomes a substitute for facing up to the real issues: the need to undertake internal reforms, to end domestic inflation, to put a stop to wage and price increases which make our commodities increasingly noncompetitive in world markets, to apply equal energy to the restraint of both business monopoly and labor-union monopoly, and to establish strict priorities in Federal spending to the end that deficits of the Federal budget shall be avoided."

The Economists' National Committee on Foreign Trade Policy

Chairman—O. Glenn Saxon, Professor Emeritus, Yale University, New Haven, Conn.

Co-Chairman—James Washington Bell, Professor Emeritus, Northwestern University, Evanston, Ill. (presently Secretary, American Economic Association.

Vice-Chairman—Professor Patrick M. Boarman, Bucknell University, Lewisburg, Pa.

Herman H. Beneke, Professor Emeritus, Miami University, Oxford, Ohio.

Professor Frederick A. Bradford, Lehigh University, Bethlehem, Pennsylvania.

Professor Lewis E. Davids, University of Missouri, Columbia, Missouri.

Professor L. E. Dobriansky, Georgetown University, Washington, D. C.

Professor Roy L. Garis, University of Southern California, Los Angeles, Calif.

Professor Harold Hughes, West Virginia Wesleyan College, Buckhannon, W. Va.

J. H. Kelleghan, Economic Consultant, Chicago, Ill.

Professor Donald M. Kemmerer, University of Illinois, Urbana, Illinois.

Professor Russell M. Nolen, University of Illinois, Urbana, Ill.

Professor Clyde W. Phelps, University of Southern California, Los Angeles.

Professor Arthur Sharron, C. W. Post College, Long Island University, Brookville, N. Y.

Charles S. Tippetts, Professor Emeritus, University of Pittsburgh.

Professor J. B. Trant, Louisiana State University, (Vice-President, Guaranty Life Insurance Co.) Baton Rouge, La.

Edward J. Webster, Professor Emeritus, American International College, Springfield, Mass.

Professor G. Carl Wiegand, Southern Illinois University, Carbondale, Ill.

Professor Ivan Wright, University of New York City, New York, New York.

Hudson B. Hastings, Professor Emeritus, Yale University, New Haven, Conn.

Mutual Secs. Service

(Special to THE FINANCIAL CHRONICLE)

LOS ANGELES, Calif.—Mutual Securities Service is conducting a securities business from offices at 3670 Wilshire Boulevard. Officers are Thomas M. Power, President, and Kazuo B. Nakahira, Vice-President and Treasurer.

COMMENTARY...

By M. R. LEFKOE

During a recent press conference following Russia's reported orbiting of twin cosmonauts, President Kennedy asserted that "Anyone who attempts to suggest that we are not behind misleads the American people". Accepting at face value Russia's claim that it had beaten the United States once more in the race for space, the President apologetically conceded technological superiority to the Soviet Union.

Many explanations have been offered for this alleged "technological gap", but a careful examination of the ones most frequently advanced reveals the thinly veiled accusation that the very nature of the Soviet Union's controlled economy enables it to surpass America's free enterprise system. It is claimed that, as a dictatorship, Russia can effectively marshall all of her resources in a concentrated effort to conquer space. On the other hand, the United States is bogged down by wasteful competition, the limitations imposed by property rights, and her "outmoded" system of free enterprise.

But is it free enterprise which is to blame?

The government has completely taken over America's space program. The National Aeronautics and Space Administration (and to some extent, the Department of Defense) has the primary responsibility for deciding what will be done, how it will be done, and when it will be done. Private industry—which does the bulk of the research, initiates the ideas, and performs the actual work—takes its orders from the government and has little, if any, control over the ultimate progress made by our nation's space program.

The Government's Sabotaging Role

Several articles published recently have criticized the gross inefficiency which prevails in America's missile and satellite programs. But even more important, they have pointed out that it is the government which is seriously hindering our progress in space by choking off the crucial contributions made by private enterprise. The primary tool used by the government in sabotaging the efforts of private industry is the destruction of patent rights.

[*Ed. Note:* Recent articles published by the *Chronicle* on the subject of government's nationalization of patents were: "Commercial Aspects of Our National Space Law," by Andrew G. Haley Jan. 5, 1961, pg. 12; "Congress' Performance and the Dynamic Aerospace Business," by Andrew G. Haley Sept. 14, 1961, cover; "Increasing U. S. Ownership of Patents Decried," by Robert W. Galven Oct. 26, 1961, pg. 38; "Socialization of Patents Threat to All Industries," by Robert W. Galvin April 19, 1962, pg. 12]

In the September issue of *Fortune* magazine, an article entitled "The Patent Mess" dramatically illustrated this point. *Fortune* stated: "The hearings held recently by the House Committee on Patents and Scientific Inventions showed that, while NASA is able to find plenty of willing contractors, there are others who refuse to accept a NASA research contract because of the patent clause."

(The patent clause referred to is contained in the National Aeronautics and Space Act of 1958. Section 305 of this act states: ". . . Whenever the adminstrator of NASA determines that an invention [is] made in the performance of work under a NASA contract . . . such invention becomes the exclusive property of the United States.")

Fortune went on to describe how the government has fostered a policy deliberately designed to destroy an inventor's patent rights:

"The patent owner's rights in dealing with the government seem to have been seriously abridged in recent years. One specific difficulty has been a ruling made in 1958 by the Comptroller General. He was asked what the government should do about obtaining competitive bids in cases where one company's patents appeared to make it the only available contractor. In effect, he answered that the government should demand competitive bids anyway—*even if this policy led to patent infringements.* Said his ruling: 'We believe that the armed services have no authority to dispense with the requirements of formal advertising [for competitive bids] solely on the ground that *such procedure would tend to impair the integrity of the patent system* . . .' . . . 'In our opinion,' said the Comptroller General in a letter to the Secretary of the Air Force, 'to reject the low bid and make an award to one of the licensees for the purpose of enforcing and protecting the patent rights of the patent owners would constitute an improper restriction of competition under the circumstances . . .' " (Italics mine.)

A well-documented series of articles further exposing the government's "patent piracy was recently published in the Los Angeles *Herald-Examiner.* This startling exposé was introduced with the statement: "Confiscation of private property—tantamount to nationalization of U. S. industry—is becoming almost a standard practice of the Federal Government. The cold fingers of infringers are now entwined around the throat of free competitive enterprise. Strangely enough, industry itself is being forced to participate in this insidious nibbling away at its own vitals."

"Open Sesame"

In describing what happens when the government takes over the patent rights to a new development, the *Herald-Examiner* pointed out that government patent "usually becomes an open sesame to all industry when it is finally released on a royalty basis for use in non-government products. In other words, the company which developed the process or product, no longer has exclusive rights. It has become communal property, and any other company can walk in and reap the benefits of someone else's work. In a situation of this type, it would seem justified when stockholders of a firm question the President on why he spent several hundreds of thousands of dollars of their money promoting an item which competition begins selling once the market is established."

But this is not all: not only does the government expropriate patent rights from companies receiving government funds for research, but "the Department of Defense has devised means of seizing the patented trade secrets *developed solely by private enterprise without government funds.*" (Italics mine.)

This policy of socializing the orginal ideas developed by private firms is illustrated by a case history related in the *Fortune* article.

". . . Jamesbury Corp., of Worcester, Massachusetts, became embroiled with General Dynamics and the Navy Department. Howard Freeman, founder of Jamesbury, had developed a ball valve with his own funds and had applied for a patent in 1956. Jamesbury's valves were used in 1957, in a nuclear submarine built by Portsmouth Navy Yards; and so in 1958, when the Electric Boat Division of General Dynamics got the contract to build the USS. *George Washington*, it consulted with Jamesbury on the use of valves in Polaris submarines. Electric Boat naturally learned a lot about making valves and, since it was under pressure to build the *George Washington* as fast as possible, it began to make the valves itself. Jamesbury finally received its patent on the valve in July, 1960; but under the law governing Federal contracts, Jamesbury could not sue Electric Boat for patent infringement or royalties."

Numerous other shocking examples of companies *literally bankrupted* by the government's patent policy were set forth in the *Herald-Examiner's* series of articles, which concluded, "Our defense posture could, and may be suffering, because those who could contribute to it don't out of fear of confiscatory and destructive policies."

The Crucial Question

One validly could, and should, question whether Russia is beating the United States in space and whether she has actually performed all of the feats she has claimed. Furthermore, in making a critical evaluation of Russia's progress in space technology, one should remember the hundreds of American scientific secrets stolen by Soviet agents which may well have been largely responsible for much of the progress she appears to have shown. But these issues are secondary in importance. The crucial question is not which country is ahead, but whether the United States is doing everything within her power to develop the missiles and satellites needed for her defense. The answer to that question is most decisively, "no".

Even if the United States were behind in space achievements, it would not be the free enterprise system which deserved the blame. The guilt would have to rest with the enemies of capitalism within our own government. By now, who these men are should be no mystery to anyone.

Dr. Hu Joins Stewart-Eubanks

SAN FRANCISCO, Calif.—Stewart - Eubanks - Meyerson & Co., members of the New York and Pacific Coast Stock Exchanges, have announced the association with the firm of Dr. Frank Hu, nationally known financial analyst, as Director of Research. He will be headquartered at their main offices, 216 Montgomery St.

Dr. Hu attended Graduate School of Business, Stanford University, and is holder of a Ph. D. in finance and economics from the University of Illinois. Before becoming associated with the brokerage and investment banking business, he was Assistant Professor of Economics at Seton Hall College, South Orange, N. J. He is a Phi Beta Kappa, Beta Gamma Sigma and Sigma Iota Epsilon.

Since 1950 Dr. Hu has been with Schwabacher & Co., East-West Securities Co., and Bache & Co., prior to joining Stewart-Eubanks-Meyerson & Co.

Jay V. Grimm Opens

Jay V. Grimm is conducting a securities business from offices at 903 Park Avenue, New York City, under the firm name of Jay V. Grimm Securities Co.

Form AMF Securities

AMF Securities Corporation is conducting a securities business from offices at 175 Fifth Avenue, New York City.

SECURITY SALESMAN'S CORNER

BY JOHN DUTTON

Just a Pair of Scissors

One of the most widely known, wealthy, and respected senior members of the Wall Street fraternity when asked how he built his clientele said, "I used a pair of scissors. Every time I saw an item in the paper, a magazine, or a research report pertaining to a security owned by one of my customers, whether I sold it to him or not, if the article had validity I sent it to him. Eventually this brought me business. One man who later became one of my largest accounts started out by giving me an order for only two hundred shares of stock. Almost immediately it began to decline. I never ceased keeping him advised. Finally when it was selling for about fifty percent of the price he paid for it, new management came in. There was an interesting news story hidden in the back pages of a financial paper. I clipped it out and sent him a memo suggesting that this might mark a turn in the affairs of the company. He telephoned me and gave me an order for an additional thousand shares. Later further investigation indicated the new management was making progress. By accident I had stumbled into one of the largest accounts in the city. This man made an independent check-up. He bought more stock. I bought for other clients. That one clipping was eventually worth many thousands in commissions to me and substantial profits for my clients. If you don't forget your clients they won't forget you."

If You Are Selling Bonds

The other day a salesman of my acquaintance noticed that there was a published bond-call in a financial paper. About two hundred bonds were called by lot and numbers were advertised, as is usual in such cases. This salesman was alert. It was a small issue but he happened to have several clients who owned the bonds. He asked his cashier if records were available that would indicate if any called bonds were owned by his accounts. It happened that a particular issue was sold by his firm several years ago but, the records were not available since they had been placed in storage. "Now I will look good" he said. "When I sell bonds to my customers I tell them that I will try to let them know when any of their bonds are called. From now on I am going to be doubly certain that when I sell bonds, and they are delivered out of this office to my customers that I have a record of the numbers, then I can tell them if any bonds are called rather than send them a copy of this notice and ask them to check their records against this list."

Regardless of whether or not you keep a record of the numbers of the bonds you sell to customers, by all means try to send them notices of bond-calls when you see them. Read your financial publications not just for news items but also scan the financial advertisements. You will often find an opportunity to render a service that will be appreciated. There are *dividend notices, extra dividend payments, stock dividends, special corporate announcements,* as well as *bond-calls.* Recently I mailed a notice of a bond-call to a client who had been inactive for several years. Before I sent it to him it occured to me that this was an opportunity to renew a contact. I telephoned him and told him I was mailing him the list of called bonds. He was very cordial and appreciated my interest. If it had not been for this finanicial announcement I would not have had the opportunity of establishing a contact again under such favorable circumstances, which incidentally, has opened and renewed a possibility of future business.

Time to Think — Time to Sell

Regarding neglected and inactive accounts; for the past several years many security salesmen have been so busy servicing active accounts that some people who might have also became good clients were neglected. Now there is more time to develop this business. The man who goes to work instead of bemoaning the state of the market, the condition of the world, and who looks for opportunities to help his customers recover losses, make tax switches, and contacts his inactive accounts again, is going to do business.

Don't forget to use that scissors. Several weeks ago I saw an item reporting the financial facts about a stock that I remembered was owned by a client although he didn't buy it through my firm. I sent it to him with a note as follows: "I think you once mentioned you owned this one, Kindest Regards." Two days later he telephoned me and thanked me for sending him the information. While we talked I looked at his records and noticed that he had bought a stock in April for 32. It was now 21. I asked him if he could use a short term loss and mentioned this stock and its current price. He placed an order for an equivalent amount and in 31 days we may sell the first lot, or he may keep it, depending upon the circumstances at that time. Regardless, he is prepared and now has time to decide what he will do instead of waiting until the last week in December to make tax decisions.

The investment business will be here a long time. We will have Bull Markets and Bear Markets. There will be stocks that grow and those that shrink. There will be bonds that are called, preferred stocks called, news items, and financial announcements day after day, and week after week. This is a changing world. But one thing never changes—the salesman who appreciates his customers, who works with them through ups and downs, will earn and continue to share their confidence and he will do business.

Nippon Financial Expert to Visit

Minoru Segawa, one of Japan's leading financial experts and president of Nomura Securities Co., Ltd., arrived at San Francisco Monday, Sept. 3, to study economic conditions here and consult with investment bankers in leading American financial centers.

Mr. Segawa debarked at San Francisco and after completing his visit there will continue on to Los Angeles. His itinerary includes visits with the leading financial figures in Chicago, Boston and New York. He is scheduled to arrive in New York on Sept. 10 and is expected to be in the U. S. for a two-week period.

Nomura Securities is Japan's leading brokerage and investment firm. Headquartered in Tokyo, Nomura maintains over 100 branch offices in Japan, Honolulu and New York.

NEWS ABOUT BANKS AND BANKERS

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

Bernard J. Cassidy and John J. Mannion of the **Chase Manhattan Bank's** real estate and mortgage loan department have been promoted to Assistant Vice-President, President David Rockefeller announced today. They were formerly Assistant Treasurers.

In addition, Mr. Rockefeller announced the appointment of seven new officers of the Bank. They are Robert P. Pronk and Frank E. Salerno, both made Assistant Treasurers in the international department; James C. Rockett, named Assistant Treasurer in the central operations group; and Robert B. Eustace, appointed Corporate Trust Officer, William F. Ring, Investment Officer, and Walter V. Walsh, Jr., Personal Trust Officer, all in the Trust department. Richard L. Hatcher was named Assistant Manager of branches in Japan.

* * *

James E. Kennedy and Warren W. Swift have been elected Vice-Presidents of **Chemical Bank New York Trust Company, New**

James E. Kennedy Warren W. Swift

York it was announced Aug. 30 by Chairman Harold H. Helm. Both are with the Bank's Personal Trust Department in the Fiduciary Division at 100 Broadway. Mr. Kennedy heads the Bank's Pension and Profit Sharing section and Mr. Swift its Trust Administration section.

Mr. Kennedy joined the Bank in 1940. He became an Assistant Trust Officer in 1954, a Trust Officer in 1957, and a pension Trust Officer in 1959.

Following his graduation from Williams College in 1928, Mr. Swift was employed by **The New York Trust Company, New York** in 1928 which was merged into Chemical Bank New York Trust Company in 1959. He was named Manager of the Bank's Trust & Estate Administration Department in 1947, an Assistant Trust Officer in 1951, a Trust Officer in 1955 and a Personal Trust Officer in 1959.

* * *

The promotion of two Assistant Vice-Presidents to Vice-Presidencies was announced by the **Irving Trust Co., New York.** They are Arthur R. Roy, Jr., who has been with the Bank since 1954 and Clifford M. Svikhart, who joined the Bank in 1952. Also announced was the appointment of the following Assistant Vice-Presidents: Robert K. Geiger, Robert P. Hegeman, Arthur F. Keller, Edmund P. Krug, Allen R. Malcolm and John E. Turner.

* * *

William H. Moore, Chairman of **Bankers Trust Company, New York,** has announced the appointment of Fred J. Leary, Jr., as First Vice-President.

Mr. Leary heads the Bank's Western Division, comprising 21 of the western states, including Hawaii and Alaska. He joined Bankers Trust in 1945, was elected Assistant Treasurer in 1950, Assistant Vice-President in 1952 and Vice-President in 1953.

* * *

Louis Curtis retired as a general partner of **Brown Brothers Harriman & Co., New York** and became a limited partner of that firm as of Aug. 31.

Mr. Curtis has been a general partner of Brown Harriman & Co. and its predecessor firm of **Brown Brothers & Co.** since Jan. 1, 1922. He became associated with Brown Brothers & Co. in 1914.

* * *

Donald R. Atkin has been named Vice-President and General Manager of **Morgan Guaranty Trust Company's** offices in London, Eng., it was announced by Henry C. Alexander, Chairman of the Board.

Mr. Atkin has been with the bank since 1950. He became a Vice-President in 1960 shortly after being assigned to Morgan Guaranty's London offices.

* * *

The Roosevelt Savings Bank, Brooklyn, N. Y. announced the promotion of Mr. William J. Kubat from Vice-President to Vice-President and Comptroller and Mr. Harold V. Sturm to the position of Assistant Comptroller.

* * *

The merger of the $7,800,000 **Citizens Trust Company of Harrisburg, Harrisburg, Pa.,** into the $130,400,000 **National Bank and Trust Company of Central Pennsylvania, York, Pa.,** was approved Aug. 28 effective on or after Aug. 31, 1962.

* * *

Approval of the merger of the **Conestoga National Bank of Lancaster, Lancaster, Pa.,** and the **Lititz Springs National Bank, Lititz, Pa., was** announced Aug. 28 by Comptroller of the Currency James J. Saxon. Conestoga National will be the surviving institution.

* * *

Comptroller of the Currency, James J. Saxon announced Aug. 28 that he has issued preliminary approval to organize two new National Banks—one in Appleton, Wis, and the other in South Pasadena, Fla., a suburb of St. Petersburg.

The proposed Appleton Bank will have an initial capital structure of $350,000 and will be operated under the title of **"Valley National Bank."** Harold C. Adams of Appleton is correspondent for the organizers.

The new Florida Bank will be operated under the title, **"American National Bank of South Pasadena."** Its initial capital structure of $600,000 will consist of $300,000 capital, $225,000 surplus, and $75,000 undivided profits. Martin J. Roess of St. Petersburg, correspondent for the organizers, also is proposed as Chairman of the Board of the new Bank.

* * *

Comptroller of the Currency James J. Saxon announced Aug. 28 that he has approved the consolidation of the $47,500,000 **American National Bank of Rapid City, Rapid City, So. Dak.,** the $4,300,000 **Western National Bank of Rapid City,** and the $1,500,000 **Rapid City Trust Company.** The three institutions will operate under the charter of the American National and with the title, **"American National Bank and Trust Company."**

* * *

John F. Hallett has been elected Senior Vice-President of **First National Bank in St. Louis, Mo.** He will continue to serve as a loan officer and will be the principal Eastern representative of the Bank's business development department.

Mr. Hallett joined the staff of First National in 1949 as Vice-President after serving as Assistant Vice-President and territorial officer of the **Chemical Bank and Trust Company of New York.**

He joined the staff of the **New York Trust Company** in 1934 and was with that Bank until 1947 when he became a territorial officer for the Chemical Bank.

* * *

Charles D. Lancaster, has been elected a director of **Metropolitan Bank of Jefferson Metairie, La.** This new Bank which began operations in mid-March of this year, capitalized at $450,000 now has total assets of over $2,200,000.

* * *

Grogan Lord has taken a major position in the **Texas State Bank of Austin, Texas,** through the recent purchase of a 3,600 share block of the Bank's common stock. Combined with Lord's previous holdings, this represents about 10% equity in the Bank.

The stock was purchased from Tom Joseph, the retiring President.

Mr. Lord is a Director in the **Capital National Bank in Austin, Texas.**

* * *

The First National Bank of Arizona, Phoenix, Ariz. has announced that John M. Smith has been named Assistant Vice-President and loan officer at the Bank's First Phoenix Office. Glen D. Jones replaces Mr. Smith as Manager of the Park Central Office. Richard W. Peterson has been named Manager of the Indian School & 24th Street Office.

In the Home Office Trust Dept., David R. Dove and Mark A. Larkin have been promoted to Assistant Trust Officers.

* * *

The Bank of California, N. A., San Francisco, Calif. opened its second Sacramento, Calif. office on Aug. 31, at 2650 Watt Avenue.

The new office is under the management of Henry H. Steinmetz, Jr. Assistant Cashier is Houston White.

* * *

Frederick Greenwood, retired Vice-President and Manager of The Bank of California's Portland, Oregon office, died Aug. 28. He was 73.

Mr. Greenwood, joined **The Bank of California** in 1925 as Assistant Manager of the Portland office. He became Manager in 1936 and was advanced to Vice-President and Manager in 1947, a position he held until his retirement in 1954.

Current Expansion Found To Be Stalled Temporarily

National Purchasing Agents Association's survey through August detects little change in new order and protection data compared to the prior July month.

"It's a tough fight with a short stick" is the expression used by one of the Purchasing Executives who comprise The National Association of Purchasing Agents Business Survey Committee. He described the current business picture as lackluster, low-profit and highly competitive. Drifting, stalled, stagnation on a high plateau are the terms used by others. The Summer doldrums and vacation shutdowns are used by some to explain the present sluggishness.

As expected, there is little or no change in this month's new order and production figures: 25%—the same as last month—report a better new order situation and 21% report worse. Only a 1% change is noted in the production figures.

New Orders	Better	Same	Worse
August	25	54	21
July	25	49	26
Production			
August	26	51	23
July	25	51	24

There is little doubt that the current expansion has at least temporarily stalled. The question is when will the next trend develop and which direction will it take. Last month's report noted that when those reporting better new order and production figures dropped below those reporting worse, we have gone into a recession within 3 to 8 months. It should be noted here that when this crossing over occurs on the way down, a saw tooth fluctuation appears for several months before a strong downtrend is apparent. Not so when they cross over on the way up as they did in March, 1961, the break is clean and definite and continues up. This has been the case in the post World War II expansions and recessions. Whether history is repeating itself, time will tell.

Commodity Prices

It is no longer newsworthy to comment on the uncommon period of price stability which has characterized the economic scene for the past two years or more. Each month during this period, 70% to 87% of our members have reported "no change." As a matter of further review, it may be recalled that upward pressures began to develop with the recovery in early 1961 and increased modestly until March, 1962. At that point, 23% reported prices "up." Here the bubble developed leaks, and by August we find only 3% reporting higher prices — a low mark not touched since February, 1954; 11% report lower prices.

While this condition has tended to calm inflation fears, it also reflects the squeeze business management is experiencing with other costs pushing relentlessly upward.

Purchase Materials Inventories

The inventory liquidation noted since June continues this month at about the same pace as July. Only 15% report higher levels in August, while 31% report lower stocks. It is interesting to note that the curves on this chart in 1962 are almost identical in direction and order of magnitude as those in 1959.

Employment

As expected, this normally lagging indicator has turned down and a small cutback in employment has occurred; 20% note lower levels up from 16% in July; and 16% report higher, down from 24% last month. This is the first time since March, 1961 (the bottom of the last recession) that those reporting lower employment figures have outnumbered those reporting higher.

Buying Policy

In December, 1961 and April, 1962, we asked our members to compare their anticipated 1962 capital expenditures to 1961. In an effort to gauge the effect of the new depreciation guidelines, we have asked the same question this month.

A comparison of the results appears below:

	Greater	Same	Less
August, 1962	31	45	24
April, 1962	38	40	22
December, 1961	41	36	23

It can readily be seen that the new regulations, though happily received, are having little effect on capital plans as far as this year is concerned.

When asked about their plans for 1963 versus 1962, 44% forecasted greater spending, 28% the same and 28% less. Whether this reflects all the improvement that might have been expected, in view of the new guidelines, may be a matter for debate. It seems safe to conclude that something more than faster write-off is needed to create the incentive for a pronounced increase in capital investment.

Forward commitments on capital expenditures lengthened in August, perhaps lending some substance to hopes for increased investment next year, but our readers are again cautioned to be wary of random fluctuations on a month-to-month basis.

	Per Cent Reporting: Hand to Mouth	30 Days	60 Days	90 Days	6 Mos. to 1 Yr.
August					
Production materials	8	40	36	11	5
MRO supplies	27	41	25	5	2
Capital expenditures	14	3	14	23	46
July					
Production materials	8	34	38	17	3
MRO supplies	24	49	22	3	2
Capital expenditures	15	6	17	24	38

Specific Commodity Changes

Reports of speciifc higher and lower prices are at a standoff this month, with an equal number of items "up" and "down." It is somewhat ironic to observe the weakness in phthalic anhydride and to recall that it was the last item to be carried in our listing of short-supply commodities sixteen months ago. It had occupied that category for most of the previous year.

On the **up** side are: Steel scrap, silver and silver salts, valves, and sugar.

On the **down** side are: Tin, fuel oil, multiwall bags, and phthalic anhydride.

In **short** supply: None.

Harris, Upham Adds

(Special to THE FINANCIAL CHRONICLE)

LOS ANGELES, Calif.—Ralph E. Zimmermann has been added to the staff of Harris, Upham & Co., 523 West Sixth St. He was previously with Hayden, Stone & Co.

Wharton School Fund Study Feature Cited by Authors

Irwin Friend, submitting study of Mutual Funds to SEC, on behalf of Wharton School's Research Unit, cites its analysis of currently crucial questions as growth, organization and control, investment policy, and performance of the open-end funds, their impact on the securities markets, and relationships with advisers and underwriters.

The Securities Unit of the Wharton School of Finance and Commerce of the University of Pennsylvania, delivered to the SEC its completed "Study of Mutual Funds"—with the following letter of transmittal, over the signature of Irwin Friend, Professor of Economics and Finance at the University of Pennsylvania.

We are transmitting herewith a study of open-end investment companies, or mutual funds, made by the Securities Research Unit of the Wharton School of Finance and Commerce of the University of Pennsylvania at the request of the Securities and Exchange Commission.[1] The report, entitled "A Study of Mutual Funds," analyzes the growth, organization and control, investment policy, and performance of mutual funds; their impact on securities markets; the extent of their control of portfolio companies; and the financial and other relationships of mutual funds with investment advisers and principal underwriters. The report opens with a chapter entitled "Summary and Conclusions," which is followed by seven chapters containing detailed findings with respect to the foregoing matters.[2]

Irwin Friend

The study represents the first extensive description and analysis of the growth of the mutual fund industry to its present important position in the financial structure of the country since the Commission's *Report on Investment Trusts and Investment Companies* (1939-1942).[3] The present study was undertaken pursuant to Section 14(b) of the Investment Company Act of 1940, which authorizes the Commission "to make a study and investigation of the effects of size on the investment policy of investment companies and on security markets, on concentration of control of wealth and industry, and on companies in which investment companies are interested, and from time to time to report the results of its studies and investigations and its recommendations to the Congress."

A preliminary draft of the Wharton School report was furnished to the Institutional Studies Committee of the Investment Company Institute. Thereafter, members of the committee submitted, both in writing and at a number of conferences, extensive comments and suggestions on the draft, some of which are reflected in the report.[4] Members of the Commission's staff also attended these conferences.

The report concludes that there is little evidence that size per se of individual funds or companies is a problem at the present time, and that the more important current problems in the mutual fund industry appear to be those which involve potential conflicts of interest between fund management and shareholders, the possible absence of arm's length bargaining between fund management and investment advisers, and the impact of fund growth and stock purchases on stock prices. These problems were found to be unrelated to company size, except to the extent that questions arise concerning the allocation between fund shareholders and investment advisers of the benefits resulting from large-scale operations. Many of these problems, particularly those relating to the divorcement of ownership from control and to the market significance of a relatively small number of large organizations, are not unique to mutual funds but characterize other financial and non-financial institutions as well.

Frequently cited reasons for the purchase of mutual fund shares are the availability of expert investment advice, diversification of portfolio risks, convenience of security management, and economy of bookkeeping activities, with the first two of particular importance. Mutual funds, unlike most other financial institutions, tend to specialize in common stock investment, and, as compared with the alternative of direct purchases of stock by people with surplus funds, they provide a relatively easy means of diversifying risk which may be particularly useful to small investors. From the standpoint of the economy as a whole, this diversification of risk and widespread acceptance of the associated indirect investment in common stock tends to lower the cost of equity capital and stimulate more risky undertakings, with a higher average rate of return than would probably otherwise be realized for a given total investment.

From the viewpoint of a small investor who can ill afford large risks, it may be noted that the achievement of a comparable degree of diversification by direct purchase might involve acquisition costs in excess of the 8% sales charge typically imposed by the funds.[5] And this would undoubtedly be so if he turned over his portfolio fairly rapidly. In addition, further costs or at least inconvenience would be incurred as a result of such an investor's bookkeeping problems. On the other hand, if an individual i-n-v-e-s-t-o-r were to hold portfolio securities for long-term investment, or if he bought securities in sizable lots, his costs would be lower. For purchasers of front-end load contractual plans, only limited returns can usually be realized unless such plans are held for substantial periods of time. When such plans are discontinued during the first two years of their life, the deductions for sales charges may exceed 30% of the total investment made (and may exceed 50% if discontinued during the first year). It may be noted that even if such plans are held to maturity the effective sales charge is greater than the nominal rate, since the sales charge is concentrated in the early years of the plan whereas the shareholder's equity builds up most rapidly in the later years.

With respect to the performance of mutual funds, it was found that on the average, it did not differ appreciably from what would have been achieved by an unmanaged portfolio consisting of the same proportions of common stocks, preferred stocks, corporate bonds, government securities, and other assets as the composite portfolios of the funds. About half of the funds performed better, and half worse, than such an unmanaged portfolio. While it might be expected that investors would be willing to pay higher prices in the form of management fees or sales charges for those funds with the better performance records, no relationship was found between performance and the amount of the management fee or the amount of the sales charge. It follows, on the basis of this evidence, that investors cannot assume that the existence of a higher management fee or a higher sales charge implies superior performance by the fund.

With respect to turnover of portfolio securities, turnover rates were found to be inversely related to size of fund, with the smallest funds generally having the highest turnover rates throughout the period and the largest funds the lowest turnover rates. The turnover rate for the stock holdings of all funds combined was higher than the comparable rate on the New York Stock Exchange for all stocks listed in that market. Substantially the same relationship was found to exist for all size groups of funds except the largest; in the latter category the equity turnover rates were found to be consistently lower than those of the stocks listed on the New York Stock Exchange.

In regard to the investment policies of mutual funds, some 93.5% of the assets owned by the funds on Sept. 30, 1958, was held in corporate securities, with United States corporate issues accounting for 88%. At the same time, and at each of several earlier dates, approximately 75% of the total net assets of the funds was held in United States common stocks; the remaining assets were found to be spread fairly evenly among United States corporate bonds, United States corporate preferreds, foreign securities, and net liquid assets. The report also presents data concerning the relative proportions of investments in listed and unlisted stocks held by the funds, and the markets in which the funds' portfolio transactions have been effected, showing an increase in the importance of over-the-counter issues and transactions over the period covered. It was found that on Sept. 30, 1958, the funds' holdings of United States common stocks were equal to approximately 3½% of the value of all stocks listed on the New York Stock Exchange.[6]

In an analysis of the impact of mutual funds on the stock market, it was concluded that the growth in the funds' net purchases of common stock, which accompanied the great expansion of the mutual fund industry, has probably contributed significantly to the increase in stock prices over the past decade. However, mutual funds are only one of a number of factors contributing to the rise in stock prices and price-earnings ratios — with corporate pension funds, other institutions, and individuals playing a major role, and a number of other post-World War II developments affecting the demand for and supply of stock issues, including the greater attention paid to inflationary tendencies, growth potentialities, capital gains, and the absence of major cyclical instability.

There is some but not strong evidence that net purchases by mutual funds significantly affect the month-to-month movements in the stock market as a whole; and there is stronger evidence that fund net purchases significantly affect the daily movements in the stock market. The statistical data suggest that this latter effect may be fairly substantial. In connection with the stabilizing or destabilizing effects of mutual funds on the stock market, the funds showed some tendency to trade with rather than against the trend in cyclical movements of stock prices; and this destabilizing tendency seemed to reflect discretionary action rather than the automatic channeling into the market of net inflow of money from shareholders. At turning points, the discretionary action of the funds—except perhaps for the largest funds — tended to stabilize at the lows and destabilize at the highs.

In connection with an analysis of fund activity in 30 individual securities which were mutual fund portfolio favorites, the funds showed a definite tendency to buy on balance in the two months prior to cyclical upswings in the prices of such stocks, and to sell on balance (or to have weaker purchase balances) in the two months prior to cyclical downswings. This lends some support to the hypothesis that fund activity may have been partially responsible for (and may have partially forecast) the major market movements in these issues. Mutual funds as a whole may to some extent have the ability to fulfill their own market predictions, and in particular, to validate their own appraisal of individual issues. There was more evidence of destabilizing behavior by mutual funds in individual issues than in the market as a whole, particularly within market declines.

With respect to portfolio company control, despite the growth of large holdings of mutual funds, outright control of portfolio companies by these organizations is a rarity and is confined mainly to small portfolio companies. Mutual funds with large holdings exercise varying degrees of influence over portfolio companies, but neither the extent nor character of their influence appears to be such as to warrant serious concern. These funds have generally evidenced approval or disapproval of portfolio company management and policies by buying or selling portfolio company securities, rather than by attempting to sponsor or participate in movements for management reorganization.

In an analysis of the relationships between investment advisers and mutual funds, it was found that the effective fee rates charged the funds tend to cluster heavily about the traditional rate of one-half of 1% per annum of average net assets, with approximately half of the investment advisers charging exactly this rate. This concentration around the one-half of 1% level occurs more or less irrespective of the size of a fund's assets managed by an investment adviser, although operating expenses of the adviser were found to be generally lower per dollar of income received, and also lower per dollar of assets managed, as the size of a fund's assets increased. When the advisory fees were measured against the investment income of the mutual funds, the median percent of such income paid out in advisory fees in fiscal 1960-61, by a representative group of mutual funds was 16.3%.

For comparable asset levels, advisory fee rates charged mutual funds tend to be substantially higher than those charged by the same advisers to the aggregate of their clients other than investment companies. Nevertheless, it was found that the expenses involved in advising mutual funds were less than those incurred in advising other clients. Advisory fee rates of mutual funds also tend to exceed substantially the effective management costs of mutual funds which do not retain investment advisers. Advisory rates to mutual funds were found to be less flexible in relation to size of assets managed than rates charged other clients; they were also less flexible than the effective management costs of mutual funds without advisers.

These findings suggest that the special structural characteristics of the mutual fund industry, with an external adviser closely affiliated with the management of the mutual fund, tend to weaken the bargaining position of the fund in the establishment of advisory fee rates. Other clients have effective alternatives, and the rates charged them are more clearly influenced by the force of competition. Individual mutual fund shareholders do not pay higher management fee rates than they would incur through other institutional investment channels (which, however, normally do not involve a substantial sales charge). Nevertheless, they do not generally benefit from the lower charges that the volume of their pooled resources might be expected to make possible. Mutual funds without advisers were found to have relatively lower and more flexible advisory costs—a situation which may be attributable, at least in part, to conventional limitations on salary incomes (as opposed to payments to external organizations).

The sale of mutual fund shares has been the principal means of expanding the volume of assets managed, and such increases automatically produce increases in the dollar amounts of management fees (with four out of five advisers charging flat management fee rates) and more brokerage business to distribute. The report raises the question whether there may be a conflict of interest between a mutual fund's shareholders and the fund's investment adviser as regards the effort that should be devoted to selling shares. While the benefits to the adviser of more or less indefinite growth by intensive sales of mutual fund shares are fairly obvious, the benefits to a fund's shareholders from such indefinite growth are not equally apparent where the management fee rate is not scaled down with increases in the size of the fund. In this connection, it may be noted that there is a significant positive correlation between the size of the sales charge and the rate of inflow of new money into the individual funds.

The disposition of brokerage business by mutual funds is also a source of possible conflict of interest between controlling management groups and fund shareholders, particularly where the controlling management group is affiliated with a broker. Valuable services can be obtained in return for awarding brokerage, and when the brokerage is absorbed by the controlling management group, the fund's shareholders may receive no **quid pro quo** in return.

It was also found that the sale of mutual fund shares by broker-dealers is the most important factor influencing the brokerage allocations of the numerous mutual fund groups selling their shares in volume through independent dealers. These mutual fund groups frequently engage in so-called give-up transactions, in which executing brokers are instructed to pay to other brokers a portion of their brokerage commission. Give-ups are more extensively

Continued on page 22

1 The study was conducted by Dr. Irwin Friend, Professor of Economics and Finance; Dr. F. E. Brown, Assistant Professor of Statistics, Dr. Edward S. Herman, Associate Professor of Finance, and Dr. Douglas Vickers, Associate Professor of Finance.

2 The most significant gap in this report is the omission of an analysis of selling practices and purchaser motivation. This will be filled by inquiries now under way.

3 That report, however, covered a period when mutual funds were of much smaller size. At June 30, 1941, there were registered with the Commission, under the Investment Company Act of 1940, some 141 open-end investment companies having net assets aggregating an estimated \$448 million. By Dec. 31, 1961, the number of open-end investment company registrants had increased to 344, and their aggregate net assets had grown to an estimated \$24.4 billion.

4 A preliminary draft of the report was also furnished to a committee of the National Association of Securities Dealers, Inc

5 The 8% sales charge can, of course, be avoided by investment in a no-load fund.

6 The corresponding figure was over 4½% as of Dec. 31, 1961.

Emphasizing the Unfinished Business of Economic Policy

Continued from page 3

averaged 6.0% for the five-year period.

Nor has the plant and equipment capacity of American industry been fully utilized. According to one widely used measure, manufacturing operating rates in the past five years have averaged six percentage points lower in relation to capacity than in the previous decade and have consistently remained well below the peak efficiency rates preferred by businessmen. After dropping to 77% at the beginning of 1961, the average operating rate rose to an estimated 87% in the second quarter of 1962, still several points short of preferred levels.

Our capacity to produce has continued to expand since mid-1955 by roughly 3½% per year, reflecting (1) a growing labor force, and (2) higher productivity stemming from improved and expanded equipment and plant, greater skill of workers and management, and technological innovations. But our actual production has grown less rapidly: at an annual rate of 2.7% from mid-1955 to date. Actual Gross National Product has not kept pace with the economy's potential: beginning with 1958, unused potential output has amounted annually to an estimated $25 to $50 billion (1961 prices). The gap between potential and actual output has narrowed from over $50 billion early in 1961 to roughly $30 billion today. But idle resources have continued to be the nation's outstanding extravagance and inefficiency.

It is important to improve this record of recent years. Our leadership of the free world, the opportunities for our youth, the security of our aged, the mobility of our surplus farm population, the prospects for meeting growing public needs, the rejuvenation of our chronically-depressed regions, the capacity of our economy to adapt smoothly to the expansion of our international trade—all of these are linked to the goal of maximum employment. As President Kennedy said in his Economic Report for 1962:

"A full employment economy provides opportunities for useful and satisfying work. It rewards enterprise with profit. It generates saving for the future and transforms it into productive investment. It opens doors for the unskilled and underprivileged and closes them against want and frustration. The conquest of unemployment is not the sole end of economic policy, but it is surely an indispensable beginning."

Developments in the First Half of 1962

At the end of 1961, the rise of GNP in three quarters of recovery had exceeded the upswing from the low point of GNP in the comparable periods of the preceding two recoveries. While certain factors were weaker than in 1954-55 and 1958-59, others were stronger, leading to an expectation that the economy would continue upward at a relatively strong pace in 1962.

Nevertheless, on the basis of past experience, the growth during 1962 was projected to be more modest than in the recovery quarters of 1961. The shift from inventory liquidation to restocking that follows a recession normally yields large gains in the early stages of recovery. Some slowdown in the rate of advance must be expected as the expansion continues. But the change of pace was sharper than anticipated—in the three quarters of recovery in 1961 GNP advanced at an annual rate of nearly $13 billion per quarter; its increases in 1962 were only $6.4 billion in the first quarter and $7.0 billion in the second. Apart from statistical adjustments resulting from the revision of 1961 data, actual GNP in the second quarter, at $552 billion, ran at least $10 billion below projections.

The disappointing outcome is virtually all traceable to investment in plant and equipment and inventories. In relation to income, consumer buying has held up relatively well; housing is now close to its predicted flight path after an erratic dip in the first quarter; exports are slightly above expectations; and government purchases have behaved about as expected.

Although **business fixed investment** began to rise more promptly in this expansion than in earlier recoveries, its performance since the turn of the year has been disappointing. As against an expected increase of roughly 14% in 1962 over 1961, it now appears that the gain for the year will be closer to 8%.

Profits Squeeze

This weakness of investment has sometime been attributed to a "profits squeeze." In fact, corporate profits have increased, as already noted, by one-fourth over the period since the first quarter of 1961, although in the aggregate further profit gains do not appear to have been made so far in 1962. In the logic of our private enterprise system an adequate level of profits is essential to economic progress. Profits should be higher than they are today, and they will be higher when our productive capacity is more fully utilized. It can be estimated that if the economy were operating at a 4% unemployment level, corporate profits after taxes would be a healthy $30 billion—compared to a $25.6 billion annual rate in the first quarter of 1962.

Corporate profits after taxes reached a peak of $22.8 billion in the inflationary year of 1950, a peak which they did not surpass until 1955, and which even today they surpass by only a modest margin despite the considerable growth in corporate sales and in the total investment in corporate assets since 1950.

Still, we cannot look at corporate profits in isolation. Since 1950, corporate depreciation and other capital consumption allowances have risen from $9.4 billion in 1950 to $28.7 billion (annual rate) in the first quarter of 1962. Together, corporate profits after taxes plus corporate capital consumption allowances—often called "corporate cash flow"—have risen from $32.2 billion in 1950 to $54.3 billion in the first quarter of 1962.

A comparison of business fixed investment with corporate cash flow can only be approximate since noncorporate investment is included in the investment figures, but it gives some indication of business attitudes toward investment in relation to the flow of depreciation and after - tax profits. Most of the time from 1951 to 1957, business fixed investment exceeded corporate cash flow; since mid-1958 the reverse has been true continuously, and the distance has widened in the current expansion: cash flow has grown about $7 billion (annual rate) above the $47 billion level of the first quarter of 1961; business fixed investment has meanwhile advanced $5.4 billion from its $44.7 billion rate in the trough quarter. Although investment for **modernization and cost-cutting** is rising moderately — and surveys suggest that about 70% of plant and equipment investment is for these purposes—the gains in profits during 1961 did not generate enthusiasm for a major **expansion** of plant and equipment. The over-all **willingness** of business firms to invest has not kept pace with their over-all **ability** to invest out of internal funds.

Inventory-Sales Ratio Decline

Inventory investment in the second quarter is estimated at the relatively low annual rate of $3.4 billion. The working down of steel inventories was a factor in recent months, but even apart from steel, the general pattern of inventories reflects a cautious policy by business firms. Inventories were growing less rapidly than sales through most of 1961 and into the spring of 1962. Inventory - sales ratios which were declining from levels already relatively low by past standards would typically have heralded a speed-up in inventory accumulation, but this has not occurred in 1962.

Business conservatism toward capital goods and inventories appears to be grounded in the experience of the past five years. The American economy since 1957 has had continuously slack labor markets, buyers' markets for materials, and persistent excess capacity. It has proved difficult for businessmen to work up much enthusiasm for buying or building ahead of minimal needs with that history still fresh in their memories. The nation's businessmen have had their share of disappointments in the past five years. They saw markets contract in 1957 just as they were adding new plant capacity and new labor to meet expected growth in demand. Much of the expanded capacity had to remain on the sidelines when the 1958-60 expansion fell short of full use of the nation's great productive strength. To be caught long on capital and labor and short on markets tends to breed caution the next time around.

We do not have the stimulus of large backlogs of demand that marked the early postwar years. We do not have—and do not want —the stimulus to buying that inflationary expectations can provide. Against this background, it is difficult for private demand to carry the economy to full employment under existing tax rates.

Federal Tax Drain During Recovery

During a period of recovery, an appreciable share of the growth in business and personal incomes is drained off into Federal taxes. This tends to hamper the growth in both consumer and producer demand upon which continued expansion depends. During the five quarters of the current expansion, Federal taxes (net of transfers) have taken $12 billion of the $51 billion increase in total incomes, but Federal purchases have taken only $7 billion of the $51 billion increase in total output. The difference between the $12 billion of added taxes (net of transfers) and the $7 billion of added purchases is a measure of the drag on the recovery exercised by the Federal budget. If tax receipts had grown less rapidly, or expenditures more rapidly, total demand would have grown faster, and the expansion of output and income would have been greater. The automatic stabilizing effects of the Federal budget, which help to cushion a recession, also tend to retard a recovery.

If the economy were at full employment today, we estimate that total income and total output would be about $30 billion higher than at present. But Federal tax receipts would be about $9 billion above present levels, and private saving would be $5 or $6 billion higher than today. Thus, taxes and savings would be drawing $14 or $15 billion from the economy, which would have to be offset by additional investment and government expenditures for full employment to be maintained. This means that, at present levels of government expenditure, our present tax system bars the way to full employment unless we are able to raise private investment about $14 or $15 billion above present levels.

Prospects for the Months Ahead

The most recent evidence on economic activity, though mixed, offers cause for concern. After a slow start in January - February, and then a brisk pick-up in March and April, the 1962 economic expansion slackened in May and June. Those measures of over-all activity which primarily reflect the results or the execution of past decisions to hire, buy, and produce—e.g., the over-all measures of income, employment, production, and construction — kept setting new records almost every month.

However, as previously indicated, the pace of advance was not satisfactory. And any appraisal of the outlook must also recognize the recent softness of many indicators which record current decisions and which point toward future economic decisions. For example, the movements of orders and contracts are likely to foreshadow changes in production and shipments. New orders for durable goods have been moving downward since January and in June were 7% below their January peak. Machinery and equipment orders are lower than in January, although they recovered some lost ground in May and held almost even in June. Housing starts and building permits have shown considerable strength in recent months, even though the latest figures are considerably below the high points of the present expansion. Commercial and industrial construction contracts are another area of recent strength on which the latest returns point downward. The factory work-week frequently indicates the needs of manufacturing firms for additional labor. It has declined during both May and June. The stock market is one of the many factors which help mold and reflect economic expectations and attitudes toward spending, but the full implications of the slide in the market from March to June will not be clear for many months.

As we look ahead, we see mixed evidence on the various components of expenditure.

Consumption: Consumers have raised their spending in pace with gains in their income during the current expansion, and there is little evidence to suggest a marked departure from that pattern in the months ahead. A rather sharp and widespread decline in retail sales during June was worrisome, but preliminary data for July indicate a strengthening in department store sales, new auto sales, and total retail sales, after allowing for seasonal changes. Past experience and current surveys indicate only a limited possibility that consumers will spark a renewed advance in the economy. Such a spark would probably have to arise from the volatile area of durable goods purchases. In the current expansion, autos have supplied most of the strength in that sector, and it would be surprising if demand for 1963 autos were to top the brisk activity in 1962 models.

Housing: With the aid of rising incomes, readily available mortgage credit, and lower interest rates, homebuilding has done very well. The sharp rise in starts this spring carried housing activity to high levels. But, following a sharp decline in starts for June, total housing outlays fell in July. Permits come first in the chronological sequence of permit-start-construction activity. The recent data on permits point neither to a continued slide in starts below the June level nor to a resurgence to the high levels of April and May.

Plant and Equipment: Surveys of business intentions point to continued modest increases in fixed investment during the remainder of 1962. The recent McGraw-Hill Survey found no evidence of cutbacks in late June after the stock market decline. Recent softness in orders for equipment raise some doubts about the outlook for plant and equipment investment, but the evidence is not conclusive. At the same time, the recently announced reform of depreciation guidelines and the pending tax credit for investment serve as sources of future buoyancy in this sector.

Inventories: In the postwar period, every recession has been dominated by inventory cutbacks. But today, given the conservative inventory-sales ratios already prevailing, it would be surprising if large-scale inventory liquidation were initiated. Reduction in stocks of steel has been an important factor holding down inventory investment in recent months. With that adjustment apparently nearing completion, inventory investment might revive this fall or winter. On the other hand, new orders and unfilled orders are important determinants of inventory policy, and strong incentives to build stocks probably would arise only in response to a reversal in recent trends in such orders.

Government: Purchases of goods and services by the Federal Government are expected to increase at a moderate rate in the next few quarters, giving some support to the private economy. The upward trend of state and local outlays will surely continue.

The prospects for various components are difficult to add up. They do not sum up to a crisis in the economy, nor do they offer any assurance of spontaneous resumption of brisk advances in the private economy. A continued period of modest upward movements or leveling off is one reasonable possibility. We experienced this in 1956-57, with gains in output just large enough to prevent a significant rise in unemployment. But we cannot rule out the alternative possibility that the recent slowdown in the expansion represents advance warning of an economic decline. A more explicit verdict would not do justice to the perplexing and inconclusive crosscurrents in the evidence before us — nor to the limitations of the science of economic forecasting.

But even in the face of much greater uncertainty than usual about the pace of further advance and the possibility and timing of an economic downturn, this much is clear: The U. S. economy is still operating considerably short of its potential and action on the important economic measures recommended by the President is needed to strengthen its performance.

POLICY ACTIONS

Pending Proposals

The slowdown in the rate of expansion in 1962, combined with the current uncertainties in the economic outlook, underscore again the importance of action on the President's recommendations in the *Economic Report* last January for "a defense - in - depth against future recessions," "a three-part program for sustained prosperity which will (1) provide stand-by power, subject to congressional veto, for temporary income tax reductions, (2) set up a stand - by program of public capital improvements and (3) strengthen the unemployment insurance system."

These three measures, or reasonable alternatives — providing up to $10 billion of temporary income tax reduction (at annual rates), $2 billion of public works acceleration, and stronger unemployment compensation — would, as the President said in January, "enable Federal fiscal policy to respond firmly, flexibly, and swiftly to oncoming recessions."

By enacting the foregoing proposals or the related measures that now lie before it, the Congress could provide a significant economic stimulus at the present time:

As the President noted in his statement on June 7:

". . . I have asked the Congress to provide stand-by tax reduction authority to make certain, as recommended by the eminent Commission on Money and Credit, that this tool could be used instantly and effectively should a new recession threaten to engulf us. The House Ways and Means Committee has been busy with other important measures, but there is surely more cause now than ever before for making such authority available."

The public works acceleration legislation which has passed the Senate and is pending in the House will provide for additional Federal, state, and local public works in areas of heavy unemployment. (The Senate bill also includes provision for additional stand-by authority permitting the extension of the program should conditions warrant.)

The temporary extension of the period of unemployment compensation benefits earlier than authorized by the Congress has now lapsed, and its renewal has been requested. Such a program alleviates in some measure the hardship of those most directly and immediately affected by continued excessive unemployment. Moreover, the resulting addition to consumer purchasing power strengthens consumer buying.

Other measures now pending before the Congress can also provide immediate as well as sustained support for further economic expansion:

The investment tax credit, part of the 1962 Revenue Bill, promises further significant incentive to business investment, in addition to the encouragement already provided by the new depreciation guidelines.

The proposed Trade Expansion Act of 1962 will contribute to the Administration's program to expand our exports — a potential source of increased demand for the output of our farms and factories, important for this reason as well as for its contribution to improving our balance of payments situation.

The proposed Youth Employment Opportunities Act, aimed especially at the severe unemployment and underemployment of our young people out of school, would make inroads on a particularly unfortunate byproduct of slack in our economy.

Tax Reduction

Beyond these important and timely measures now pending before the Congress, a program to improve the rate of futilization of our resources and the rate of growth of our economy must include the even more fundamental measures of tax reduction and tax reform. On June 7, President Kennedy stated:

". . . our tax structure, as presently weighted, exerts too heavy a drain on a prospering economy. . . . A comprehensive tax reform bill . . . will be offered for action by the next Congress, making effective as of Jan. 1 of next year an across-the-board reduction in personal and corporate income tax rates which will not be wholly offset by other reforms. In other words, it is a net tax reduction."

The President has also indicated the possibility of asking for earlier action on tax reduction if economic developments should require it.

Apart from the announced intention to recommend both individual and corporate income tax reduction effective Jan. 1, 1963—unless adverse economic developments require earlier action — no decision has been made on the size, composition, and timing of a recommended tax reduction. But the basic case for easing the net tax drain on the economy, as well as the broad principles which should guide tax reduction, are reasonably clear in the light of our unsatisfactory economic experience of the past five years.

A reduction in net tax liabilities of both consumers and business spurs the economy's advance toward full resource utilization in three important ways:

Explains Theory of "Multiplier" And "Accelerator" Effect

First, it increases the disposable income of consumers. The statistical record indicates that consumers consistently spend from 92% to 94% of their **total** disposable income. And past experience also confirms that **increases** in such incomes are very largely and verey quickly translated into higher consumer spending. As the private income released by tax reduction is spent, markets strengthen, production rises, new jobs are created, and incomes and profits rise accordingly. This generates added cycles of private spending and leads to further increases in output and employment. This process alone—the so-called "multiplier effect" —translates the original personal tax reduction into an increase in Gross National Product considerably larger than the reduction itself.

Second, by bolstering sales and pushing production closer to capacity, tax reduction stimulates investment in inventories and in plant and equipment — the so-called "accelerator effect." This further expands Gross National Product, raises profits, and reduces the deterrent effect of excess capacity that since 1957 has plagued the economy and curbed expansionary investment.

Third, by reducing the government's share of business earnings, tax reduction improves profit margins and increases the supply of internal funds available for investment. This strengthens both the incentives and the financial ability of businessmen to undertake the risks involved in new investment.

Decisions on size, composition, and timing of tax cuts will need to give appropriate weight to the following economic considerations:

(1) The longer-term need for reducing the excess of Federal revenues over Federal expenditures that would be realized at full employment, a need that depends on:

(a) The current size of the full employment surplus, estimated at $7 to $8 billion on a national-income-accounts basis;

(b) Its prospective size in the light of projected growth in Federal expenditures and Federal revenues as the economy expands;

(c) The amount of surplus at full employment that is needed to curb inflationary pressures while maintaining a high level of investment.

(2) Any short-term need that may exist for overcoming temporary deficiencies in consumer and investment demand.

(3) The necessity of combining individual and corporate income tax reduction in the manner best suited to stimulating both consumption and investment, to support both markets and incentives.

(4) The appropriate relationship to the projected reform of the tax structure, a reform designed to improve equity and remove the artificial tax barriers or concessions that divert resources from their most efficient uses and thus impair our rate of economic growth.

(5) The invigorating effect of tax reduction on the economy and the resulting "feedback" of revenues to the Federal Treasury which limits the **net** budgetary cost of the reduction and, over time, may even wipe out its initial addition to a budget deficit.

(6) The monetary policy being pursued — for example, if monetary policy becomes more restrictive for balance-of-payments reasons, a larger tax reduction would be needed to yield a given economic stimulus.

Monetary Policy

As the last point indicates, fiscal policy and monetary policy are tightly interwoven, indeed are in part substitute for one another. A given stimulus to the economy can be achieved by a relatively easier fiscal policy coupled with a relatively tighter monetary policy, or *vice-versa*, but the effects on the balance of payments and on the investment-consumption balance in the economy may be rather different in the two cases.

During this economic recovery, the task of monetary policy has been especially difficult. There has been a compelling need for general monetary ease, as part of expansionary economic policy for full employment and adequate utilization of our resources. It has been especially vital to maintain reasonably low- long-term interest rates and a plentiful supply of investment funds in order to stimulate private investment and quicken the tempo of growth in potential output. Yet, concurrent with these objectives, it has been necessary to discourage large flows of capital out of this country that could complicate the task of restoring a healthy balance of payments and confidence in the dollar.

Capital Outflow and Domestic Considerations

The problem of capital outflow is tied primarily to our level of short-term interest rates relative to those of other countries, and it has therefore been necessary to prevent short - term rates from falling too low. At the same time, the monetary and debt authorities have tried to shield long-term rates, so critical to economic expansion, from the restrictive impact at the short end of the maturity spectrum. Since Feb. 20, 1961, the Federal Reserve has conducted its open-market operations in all maturity sectors of the U. S. Government securities market. On balance, the Federal Reserve has actually sold short-term U. S. Government securities in the open market since that date, but it has bought longer-term securities, primarily 1 to 5 years, in amounts much larger than the sale of short-term securities. Most of the purchases of long-term securities took place in 1961. Since then, such purchases have been more limited. The Treasury Department has also adapted debt management policies in part to these same objectives, primarily through concentrating new cash offerings of securities in the short-term area, but also by buying long-term securities for the Treasury investment accounts to the extent that such purchases were consistent with the objectives of these funds.

The action that the Federal Reserve took, effective Jan. 1 this year, in raising the maximum interest rate payable on commercial bank time deposits to as high as 4%, has increased the total flow of funds through financial institutions. This has put pressure upon these institutions to find investment outlets and has helped to reduce yields on both mortgages and municipal bonds. Actually, at this point of time, 17 months after the beginning of economic recovery, long-term private interest rates are generally below their levels at the cyclical trough in February 1961. They are also below the levels at the corresponding stage of the 1958-59 recovery, despite the postwar peak in interest rates that intervened. The reduction in long-term rates has had to overcome two psychological barriers: first, some persistence of inflationary psychology in the financial community despite the lack of tangible inflation; and, second, vivid memories of the experience of 1958-59, when economic recovery was accompanied by sharp increases in long-term rates.

The total of demand and time deposits and currency has been increasing since February 1961, by more than 7% per year, and the availability of bank reserves has been generally favorable to the expansion of bank credit. Banks have been going more heavily into municipal bonds and mortgages. Very little of the expansion of bank loans and investments over the past year has been in U. S. Government securities. In relation to economic activity, liquidity in the economy is not much changed from its postwar low.

Balance of Payments Problem Is Second to the Economy's

A special word is in order on the relation of monetary policy to the balance of payments situation. We have, from the beginning, taken a number of determined and effective measures to improve our balance of payments and maintain confidence in the dollar. In dealing with the balance of payments, however, it would be self-defeating to adopt policies that would undermine the vigor of the economy — for example, through restrictive monetary-fiscal policies. Confidence in the dollar is dependent upon a strong, growing American economy. Further, a revival of vigorous growth here will make the U. S. a more attractive outlet for long-term investment funds, both domestic and foreign. As a result, monetary and debt-management policy must continue to aim at providing ample credit and liquidity to support needed recovery and growth, consistent with the requirements of balance of payments policy.

Finally, as monetary and fiscal policies are brought into co-ordinated focus, these points stand out:

(1) At a time when the Federal budget was becoming progressively less expansionary in its net impact on the economy during the 1961-62 recovery, monetary policy remained easy, partly through conscious effort of the monetary authorities, partly because expansionary forces have not been as strong as expected, and partly because 1961-62 may mark the end of a rising trend—related to inflationary expectations—in interest rates.

(2) Balance of payments and gold outflow considerations currently demand a more restrictive monetary policy than would be desirable from the standpoint of the domestic economy. To this extent, fiscal policy must be more expansionary than would otherwise be necessary in order to promote domestic economic expansion and narrow the excessive gap between our economic performance and our economic potential. Indeed, closing this gap can play an important role in building long-run confidence in the dollar. As the steps currently being taken to eliminate the balance of payments deficit and strengthen our international monetary position achieve their objective, the curbs on our freedom to use monetary policy to meet the needs of the domestic economy will be progressively reduced.

(3) Any move toward sizable tax reduction must, of course, be accompanied by a willingness to move toward higher interest rates if this should prove to be necessary (a) to discourage any adverse capital flows that might develop, or (b) to offset any inflationary pressures that might ensue if the rebound toward full employment should prove to be unexpectedly rapid.

(4) If budget deficits are incurred, the method of financing them must be carefully adapted to the prevailing economic circumstances. A careful balance must be struck between bank and non-bank financing, a balance which will not thwart or nullify the expansionary effect of budget measures in an economy with excessive unemployment and excess capacity, but will prudently shift Federal debts into non-bank hands as the economy comes close to or reaches full employment.

Summing up, let me say that relative monetary ease has facilitated economic expansion in the recovery of 1961-62; that even greater ease would have been possible in the absence of international payments pressures; that those pressures throw an additional burden on fiscal measures as part of a co-ordinated economic policy for full employment and faster growth; and that care must be exercised not to overcompensate for such international monetary pressures by premature or excessive tightening of credit and interest rates.

Conclusion

We would be dangerously complacent if we focused **only** on such impressive advances in our economic well-being in recent years as:

The rise of over $50 billion in gross national product since the first quarter of 1961, and the accompanying rise in employment, personal income, and profits.

The shrinkage of our balance of payments deficit from $3.9 billion in 1960 to $2.5 billion in 1961, and the prospect of further shrinkage to $1.5 billion or less this year.

The four years of stability in our wholesale price level since 1958.

The continued growth in our economic potential at rates exceeding prewar averages.

But when we look ahead, instead of backward, it is the size of the job yet to be done that demands attention and commands action: the continued hardship, inequity, and waste of unemployment; the excessive amounts of unused industrial capacity; the unsatisfactory pace of economic expansion in 1962; and the remaining gap in our balance of payments. My statement today has put its emphasis on this unfinished business of economic policy. The uncertainties of current economic developments and prospects underscore the urgency of that unfinished business. They also intensify the need for action on those economic measures that the President has already put before Congress, and the need for forethought on the tax adjustments which are needed to remove barriers to the expansion and full utilization of the great potential of the American economy.

*A statement by Dr. Heller, accompanied by Council Members Gardner Ackley and Kermit Gordon, before the Joint Economic Committee, U. S. Congress, Washington, D. C., Aug. 8.

With Dempsey-Tegeler

(Special to THE FINANCIAL CHRONICLE)

LOS ANGELES, Calif. — Morton Kandell and Harry R. Maxwell, Jr., have become affiliated with Dempsey-Tegeler & Co., Inc., 210 West Seventh St. Mr. Kandell was formerly with Raymond Moore & Co. and prior thereto was a partner in Adams & Co. Mr. Maxwell was with William R. Staats & Co.

Joins Milwaukee Co.

(Special to THE FINANCIAL CHRONICLE)

MILWAUKEE, Wis. — Richard J. Thompson has become associated with the Milwaukee Company, 207 East Michigan Street, members of the New York and Midwest Stock Exchanges. Mr. Thompson was formerly with Lehman Brothers in Chicago and prior thereto with Quail & Co., Inc., in Davenport, Iowa.

As We See It

Continued from page 1

velopment among wage earners has long been more than evident. A good many years ago the cry arose that large aggregates of capital under single or cooperating direction were being employed to take advantage of the individual seeking employment. Unionism was brought forth as the answer. No one doubts that there were instances of abuse in labor relations as indeed there were in the case of prices. No one doubts that within proper limits the organization of workers would be an appropriate remedy. The price situation was long ago met by the passage of the various antitrust laws—which, incidentally and unfortunately do not apply to either the wage earner or the farmer. But, of course, there is no more reason for wishing to have organized labor, or organized farmers than organized capital as masters of our fate.

All through the land we are having almost daily reminders of the extent to which labor organizations are undertaking not only to outdo employers but to replace natural forces as the control mechanism of our economic society. Whatever the politicians may say, the fact is that in all too many instances these monopolists are finding it possible to get their way. The last ditch sort of stand by railroad employes is a particularly interesting case in point. No one at all familiar with the affairs of our railroads need be told that the almost unbroken success of the unions through the decades is as much responsible for the present plight of our rail carriers as any other factor. Yet the first, very moderate steps undertaken by the Federal Government to bring these relationships into normality are being bitterly criticized by labor. It would hardly be surprising if sooner or later these forces will succeed in persuading the taxpayer to take up the load that the unions as well as certain other factors have imposed upon the railroads of the land.

A "Tangled Web"

"What a tangled web we weave when first we practice to deceive," the poet Pope once exclaimed. He might equally as well have said the same thing about what happens when first we begin to meddle with natural forces or try to replace them here and there. The plight of the railroads is one bit of evidence, but the fact that the aircraft industry, and the shipping industry, both of which must have subsidies in one form or another in order to continue to function are likewise largely if not wholly a result of our efforts to create some sort of millennium for the wage earner in this country. Other consequences, were we to untangle the web and inquire into the various factors which cause friction and loss of efficiency throughout industry, would soon appear.

One of the troubles is that these things so quickly and so extensively get woven into our economic life that it becomes very difficult to remove them. The cry of the railroad commuters throughout the land against any change in rates that could hope to put the services that they are being rendered on a going basis is a case in point. Whole communities have been built up upon the basis of uneconomically low transportation rates and now the railroads, or some of them find it extremely difficult if not impossible to continue service at such rates as they have been getting. The inevitable cry is for subsidation at the expense of the taxpayers.

Likely to Get More of It

One would suppose that in light of all this, we as a people would begin to look around for ways and means of escape. Instead, under the leadership of "liberal" elements the tendency is definitely in the other direction. The President is insistent upon certain of his programs which could not possibly help in getting our affairs upon a solid natural foundation. His ideas about housing could hardly do otherwise than add to the "tangled web" we have been weaving with all our efforts to replace natural forces with judgments of our own. His plans for tax changes, and particularly his idea of using reckless tax reduction in order to keep the wheels of industry moving, can hardly fail if given effect to push us further along the road which we for all too long have already been traveling.

But it is not only the President or the President's party that is responsible for this trend. It was given tremendous impetus by Franklin Roosevelt and his followers, but since that time it has managed to make many converts among the Republicans. The time has come, indeed it is long past, when not the politicians so much as the great mass of the people of the country, had better give these matters more serious and more realistic thought than they have as yet had. If the outbreak of this farmers organization with its threat of a strike were to help stimulate such contemplation, it would have served the nation well.

Novamont Corp. Loan Agreement

Novamont Corp., a wholly-owned subsidiary of Montecatini Societa Generale per L'Industria Mineraria e Chimica Anonima of Milan, Italy has arranged to borrow a total of $26,000,000 in the United States from an institutional investor. Of the total, $15,000,000, evidenced by promissory notes due July 1, 1982, have been purchased and the balance will be taken down on or before Dec. 31, 1964. The notes are unconditionally guaranteed by Montecatini.

Proceeds will be used to repay bank loans and for expansion of Novamont's polyporplyene plant located near Huntington, W. Va.

The financing was negotiated by Lazard Freres & Co., Lehman Brothers, and Kuhn, Loeb & Co., Inc., New York City.

Coast Exchange Member

Frederick F. Reeve, general partner of Reeve & Co., was elected a member of Pacific Coast Stock Exchange on Aug. 28, 1962.

The firm's office is located at 175 South San Antonio Road, Los Altos, Calif.

C. R. Luder Opens

(Special to THE FINANCIAL CHRONICLE)

SANTA BARBARA, Calif. — Carl R. Luder is engaging in a securities business from offices at 1616 Grand Avenue. He was formerly local manager for Albert L. Maguire.

George A. Mooney, Executive Dir., Resigns From Mutual Trade Assn.

New General Counsel Appointed

George A. Mooney

Robert L. Augenblick

George A. Mooney, executive director of the Investment Institute since Jan. 1, 1959, will resign effective Oct. 2 from the Institute. This announcement was made yesterday by Charles H. Schimpff, president of the trade group and of American Mutual Funds, Inc. A committee of the Board of Governors has been appointed to select Mr. Mooney's successor.

Mr. Schimpff also announced that Robert L. Augenblick was appointed General Counsel of the Investment Company Institute. He succeeds Robert C. Alsop who resigned to become a Vice-President and Counsel of Grace Line, Inc., a W. R. Grace & Co. subsidiary. Prior to 1959, Mr. Mooney was New York State Superintendent of Banking for four years. Previously he was a financial writer with the *New York Times.*

Wharton School Fund Study Feature Cited by Authors

Continued from page 19

used by the larger funds which frequently have brokerage commissions available for their disposition after the acquisition of various services from brokers such as the receipt of investment advice, daily quotations, and other services. For these larger funds, 60% of the brokerage is commonly viewed as at the disposal of the fund's management. The extensive use of brokerage for rewarding dealers who sell the fund's shares raises the question, as in the case of the diversion of brokerage to affiliated brokers, whether there is a return of value to the shareholders in this type of arrangement. The widespread use of give-up transactions suggests that the structure of regulated commission rates on brokerage transactions may be significantly lacking in flexibility with respect to large transactions.

Data for the study were obtained initially by means of a comprehensive questionnaire which was mailed in December 1958 to all active registered management open-end companies with gross assets of over $1,000,000. This questionnaire covered the 5¾ year period from Dec. 31, 1952, to Sept. 30, 1958. In 1960, the study was enlarged to include various aspects of the organizational, operating, and financial relationships existing among the mutual funds and their investment advisers and principal underwriters. This additional area of study was surveyed by means of a second questionnaire, covering the year 1960, which was mailed in December 1960 to registered open-end companies and their investment advisers and principal underwriters. Both questionnaires were prepared by the Wharton School in collaboration with the Commission and its staff, and reflected various technical comments and other suggestions made by the National Association of Investment companies, predeeessor of the present Investment Company Institute. Industry information from published sources has been used to update some of the questionnaire material.

The study was initiated under the joint direction of Dr. Irwin Friend, Professor of Economics and Finance, and Dr. Willis J. Winn, Professor of Finance. Shortly thereafter, Dr. Winn was appointed Dean of the Wharton School, and was able to continue only in an advisory capacity.

Although the responsibility for the contents of this report rests solely with the Securities Research Unit, many valuable suggestions were made by members of the staff of the Securities and Exchange Commission. The Unit is particularly indebted to Allan F. Conwill, Director, and J. Arnold Pines, Chief Financial Analyst, of the Commission's Division of Corporate Regulation. The Unit also wishes to express its appreciation for the many helpful comments and other assistance provided by members of the mutual fund industry.

U. S. Gold Sales Figures Released

The net sale of monetary gold by the United States during the second quarter of 1962 amounted to $101.8 million. In the first quarter of the year, there was a net sale of gold of $291.0 million. For the fiscal year 1962 (July 1, 1961-June 30, 1962), the gold outflow amounted to $1,025.7 million.

The Treasury's quarterly report, made public last Friday, summarizes monetary gold transactions with foreign governments, central banks and international institutions.

Joins Hill Richards

(Special to THE FINANCIAL CHRONICLE)

LOS ANGELES, Calif.—Joseph G. Rubens has joined the staff of Hill Richards & Co., Inc., 621 South Spring St., members of the New York and Pacific Coast Stock Exchanges. He was previously with V. K. Osborne & Sons, Inc.

Now With J. A. Hogle

(Special to THE FINANCIAL CHRONICLE)

LOS ANGELES, Calif.—Buford A. Graves is now affiliated with J. A. Hogle & Co., 507 West Sixth St. He was formerly with Dempsey-Tegeler & Company.

Indications of Current Business Activity

The following statistical tabulations cover production and other figures for the latest week or month available. Dates shown in first column are either for the week or month ended on that date, or, in cases of quotations, are as of that date:

		Latest Week	Previous Week	Month Ago	Year Ago
AMERICAN IRON & STEEL INSTITUTE:					
Steel ingots and castings (net tons)	Sep. 1	1,672,000	1,611,000	1,578,000	2,030,000
Index of production based on average weekly production for 1957-1959	Sep. 1	89.8	86.5	84.7	109.0
Unofficial indicated steel operations (per cent capacity). The American Iron & Steel Institute discontinued issuing this data late in 1960	Sep. 1	57.0	55.0	54.0	69.4
AMERICAN PETROLEUM INSTITUTE:					
Crude oil and condensate output—daily average (bbls. of 42 gallons each)	Aug. 24	7,313,010	7,283,710	7,262,560	7,049,160
Crude runs to stills—daily average (bbls.)	Aug. 24	8,346,000	8,562,000	8,451,000	8,558,000
Gasoline output (bbls.)	Aug. 24	30,179,000	30,713,000	30,943,000	30,791,000
Kerosene output (bbls.)	Aug. 24	2,661,000	2,899,000	2,872,000	2,700,000
Distillate fuel oil output (bbls.)	Aug. 24	13,140,000	13,472,000	14,027,000	13,992,000
Residual fuel oil output (bbls.)	Aug. 24	5,710,000	5,213,000	5,377,000	5,479,000
Stocks at refineries, bulk terminals, in transit, in pipe lines—					
Finished gasoline (bbl.) at	Aug. 24	178,907,000	*180,547,000	183,537,000	155,857,000
Kerosene (bbls.) at	Aug. 24	34,836,000	33,898,000	31,952,000	32,139,000
Distillate fuel oil (bbls.) at	Aug. 24	154,657,000	149,269,000	135,082,000	132,672,000
Residual fuel oil (bbls.) at	Aug. 24	52,814,000	51,898,000	49,916,000	30,219,000
ASSOCIATION OF AMERICAN RAILROADS:					
Revenue freight loaded (number of cars)	Aug. 25	582,959	582,626	567,131	592,265
Revenue freight received from connections (no. of cars)	Aug. 25	491,883	484,342	477,845	500,015
CIVIL ENGINEERING CONSTRUCTION—ENGINEERING NEWS-RECORD:					
Total U. S. construction	Aug. 30	$350,300,000	$397,800,000	$482,100,000	$402,100,000
Private construction	Aug. 30	149,900,000	212,400,000	245,700,000	231,300,000
Public construction	Aug. 30	200,400,000	185,400,000	236,400,000	170,800,000
State and municipal	Aug. 30	169,200,000	157,500,000	206,000,000	155,200,000
Federal	Aug. 30	31,200,000	27,900,000	30,400,000	15,600,000
COAL OUTPUT (U. S. BUREAU OF MINES):					
Bituminous coal and lignite (tons)	Aug. 25	8,790,000	*8,650,000	8,305,000	8,095,000
Pennsylvania anthracite (tons)	Aug. 25	267,000	283,000	297,000	338,000
DEPARTMENT STORE SALES INDEX—FEDERAL RESERVE SYSTEM—1957-59 AVERAGE=100	Aug. 25	108	106	95	110
EDISON ELECTRIC INSTITUTE:					
Electric output (in 000 kwh.)	Sep. 1	17,088,000	17,320,000	16,565,000	16,214,000
FAILURES (COMMERCIAL AND INDUSTRIAL) — DUN & BRADSTREET, INC.	Aug. 30	282	302	310	321
IRON AGE COMPOSITE PRICES:					
Finished steel (per lb.)	Aug. 27	6.196c	6.196c	6.196c	6.196c
Pig iron (per gross ton)	Aug. 27	$66.44	$66.44	$66.44	$66.44
Scrap steel (per gross ton)	Aug. 27	$27.50	$27.50	$27.50	$38.50
METAL PRICES (E. & M. J. QUOTATIONS):					
Electrolytic copper—					
Domestic refinery at	Aug. 29	30.600c	30.600c	30.600c	30.600c
Export refinery at	Aug. 29	28.525c	28.625c	28.575c	28.300c
Lead (New York) at	Aug. 29	9.500c	9.500c	9.500c	11.000c
Lead (St. Louis) at	Aug. 29	9.300c	9.300c	9.300c	10.800c
‡Zinc (delivered) at	Aug. 29	12.000c	12.000c	12.000c	12.000c
Zinc (East St. Louis) at	Aug. 29	11.500c	11.500c	11.500c	11.500c
Aluminum (primary pig, 99.5%) at	Aug. 29	24.000c	24.000c	24.000c	26.000c
Straits tin (New York) at	Aug. 29	108.625c	107.875c	110.500c	125.750c
MOODY'S BOND PRICES DAILY AVERAGES:					
U. S. Government Bonds	Sep. 4	88.69	88.68	88.10	86.83
Average corporate	Sep. 4	87.18	87.05	86.78	85.59
Aaa	Sep. 4	91.19	91.19	90.63	89.51
Aa	Sep. 4	89.23	89.23	88.81	87.59
A	Sep. 4	86.91	86.78	86.78	84.68
Baa	Sep. 4	81.66	81.66	81.29	80.81
Railroad Group	Sep. 4	83.53	83.53	83.40	83.15
Public Utilities Group	Sep. 4	88.81	88.81	88.81	86.38
Industrials Group	Sep. 4	89.23	89.09	88.27	87.18
MOODY'S BOND YIELD DAILY AVERAGES:					
U. S. Government Bonds	Sep. 4	3.86	3.86	3.93	3.98
Average corporate	Sep. 4	4.62	4.63	4.65	4.74
Aaa	Sep. 4	4.33	4.33	4.37	4.45
Aa	Sep. 4	4.47	4.47	4.50	4.59
A	Sep. 4	4.64	4.65	4.65	4.81
Baa	Sep. 4	5.05	5.05	5.08	5.12
Railroad Group	Sep. 4	4.90	4.90	4.91	4.93
Public Utilities Group	Sep. 4	4.50	4.50	4.50	4.68
Industrials Group	Sep. 4	4.47	4.48	4.54	4.62
MOODY'S COMMODITY INDEX	Sep. 4	367.6	368.0	372.6	377.7
NATIONAL PAPERBOARD ASSOCIATION:					
Orders received (tons)	Aug. 25	342,959	328,775	352,869	343,055
Production (tons)	Aug. 25	363,121	358,439	332,532	341,687
Percentage of activity	Aug. 25	97	98	93	95
Unfilled orders (tons) at end of period	Aug. 25	472,925	493,054	524,921	513,632
OIL, PAINT AND DRUG REPORTER PRICE INDEX—1949 AVERAGE=100	Aug. 31	112.96	112.83	113.67	114.48
ROUND-LOT TRANSACTIONS FOR ACCOUNT OF MEMBERS, EXCEPT ODD-LOT DEALERS AND SPECIALISTS					
Transactions of specialists in stocks in which registered—					
Total purchases	Aug. 10	1,928,050	2,300,370	3,493,590	2,813,970
Short sales	Aug. 10	453,480	520,660	1,246,930	513,750
Other sales	Aug. 10	1,431,250	1,708,970	2,506,860	2,362,800
Total sales	Aug. 10	1,884,730	2,229,630	3,753,790	2,876,550
Other transactions initiated off the floor—					
Total purchases	Aug. 10	289,510	420,030	653,100	343,730
Short sales	Aug. 10	71,700	104,800	177,300	27,500
Other sales	Aug. 10	253,850	320,000	431,510	323,400
Total sales	Aug. 10	325,550	424,800	608,810	350,900
Other transactions initiated on the floor—					
Total purchases	Aug. 10	661,995	789,055	1,068,890	970,550
Short sales	Aug. 10	127,740	141,680	262,715	79,580
Other sales	Aug. 10	594,645	728,800	1,119,905	890,945
Total sales	Aug. 10	722,385	870,480	1,382,620	970,525
Total round-lot transactions for account of members—					
Total purchases	Aug. 10	2,879,555	3,509,455	5,215,580	4,128,250
Short sales	Aug. 10	652,920	767,140	1,686,945	620,830
Other sales	Aug. 10	2,279,745	2,757,770	4,058,275	3,577,145
Total sales	Aug. 10	2,932,665	2,524,910	5,745,220	4,197,975
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	Aug. 10	1,135,669	1,295,762	2,198,971	1,931,259
Dollar value	Aug. 10	$50,323,120	$63,655,857	$109,937,267	$98,912,206
Odd-lot purchases by dealers (customers' sales)—					
Number of orders—customers' total sales	Aug. 10	1,146,633	1,319,286	1,547,069	1,927,916
Customers' short sales	Aug. 10	29,902	35,838	77,515	9,423
Customers' other sales	Aug. 10	1,116,731	1,283,448	1,469,554	1,918,493
Dollar value	Aug. 10	$52,781,054	$66,218,909	$81,739,999	$95,115,206
Round-lot sales by dealers—					
Number of shares—Total sales	Aug. 10	279,370	404,680	320,340	583,380
Short sales	Aug. 10	------	------	------	------
Other sales	Aug. 10	279,370	404,680	320,340	583,380
Round-lot purchases by dealers—Number of shares	Aug. 10	328,050	405,180	996,050	574,570
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	Aug. 10	1,054,040	1,111,280	2,502,280	734,370
Other sales	Aug. 10	13,463,390	16,296,600	21,425,420	18,033,440
Total sales	Aug. 10	14,517,430	17,407,880	23,927,700	18,767,810
WHOLESALE PRICES, NEW SERIES — U. S. DEPT. OF LABOR — (1947-49=100):					
Commodity Group—					
All commodities	Aug. 28	100.6	100.7	100.4	Not avail.
Farm products	Aug. 28	97.6	*98.0	96.7	Not avail.
Processed foods	Aug. 28	101.9	101.9	101.5	Not avail.
Meats	Aug. 28	100.0	101.1	100.1	Not avail.
All commodities other than farm and foods	Aug. 28	100.7	100.8	100.7	Not avail.

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

	Latest Month	Previous Month	Year Ago
BUSINESS INCORPORATIONS (NEW) IN THE UNITED STATES—DUN & BRADSTREET, INC.—Month of July	14,957	15,234	14,483
BUILDING PERMIT VALUATION — DUN & BRADSTREET, INC.—217 CITIES—Month of June:			
New England	$44,795,405	$41,410,193	$36,607,297
Middle Atlantic	85,005,430	95,594,011	158,198,632
South Atlantic	54,648,271	64,942,856	75,174,117
East Central	180,706,835	112,811,949	161,364,658
South Cetnral	153,038,217	147,985,246	114,229,143
West Central	48,194,117	52,516,700	76,380,120
Mountain	26,247,504	47,203,879	33,250,001
Pacific	144,854,709	159,842,665	138,936,905
Total United States	$737,490,488	$722,307,499	$794,140,873
New York City	27,759,039	52,078,175	115,105,254
Total outside New York City	$709,731,449	$670,229,324	$679,035,619
CIVIL ENGINEERING CONSTRUCTION—ENGINEERING NEWS RECORD — Month of August (000's omitted):			
Total U. S. construction	$2,181,000	$1,939,000	$2,220,000
Private construction	1,010,000	885,000	1,085,000
Public construction	1,171,000	1,054,000	1,134,000
State and municipal	1,025,000	789,000	954,000
Federal	145,000	265,000	180,000
CONSUMER CREDIT OUTSTANDING—BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM—REVISED SERIES—Estimated short and intermediate term credit in millions as of July 31:			
Total consumer credit	$58,521	$58,277	$54,505
Instalment credit	44,967	44,559	41,909
Automobile	18,291	18,033	17,063
Other consumer credit	11,570	11,555	10,934
Repairs and modernization loans	3,182	3,156	3,133
Personal loans	11,924	11,815	10,779
Noninstalment credit	13,554	13,718	12,596
Single payment loans	5,203	5,227	4,708
Charge accounts	4,607	4,739	4,397
Service credit	3,744	3,752	3,491
COTTON SEED AND COTTON SEED PRODUCTS—DEPT. OF COMMERCE—Month of June:			
Cotton Seed—			
Received at mills (tons)	20,100	29,600	11,600
Crushed (tons)	215,200	297,700	175,900
Stocks (tons) June 30	367,100	562,200	230,700
Cake and Meal—			
Stocks (tons) June 30	155,700	164,000	196,900
Produced (tons)	99,900	130,900	85,000
Shipped (tons)	108,200	123,800	133,600
Hulls—			
Stocks (tons) June 30	99,700	121,500	110,200
Produced (tons)	52,600	76,100	43,200
Shipped (tons)	74,400	95,500	52,200
Linters—			
Stocks (bales) June 30	103,400	121,700	170,900
Produced (bales)	58,000	85,400	49,600
Shipped (bales)	76,300	105,400	78,300
FABRICATED STRUCTURAL STEEL (AMERICAN INSTITUTE OF STEEL CONSTRUCTION)—Month of July:			
Contracts closed (tonnage)—estimated	238,978	291,621	456,332
Shipments (tonnage)—estimated	308,328	348,787	286,917
MONEY IN CIRCULATION—TREASURY DEPT.			
As of June 30 (000's omitted)	$33,800,000	$33,500,000	$32,400,000
NEW YORK STOCK EXCHANGE—			
As of May 31 (000's omitted):			
Member firms carrying margin accounts—			
Total customers' net debit balances	$3,592,000	$3,637,000	$4,041,000
Credit extended to customers	29,000	32,000	50,000
Cash on hand and in banks in U. S.	415,000	436,000	443,000
Total of customers free credit balances	1,252,000	1,374,000	1,207,000
Market value of listed bonds	105,471,579	105,512,686	109,631,415
Market value of listed shares	318,839,254	298,969,472	360,382,360
Member borrowings of U. S. Govt. issues	258,000	482,000	640,000
Member borrowings on other collateral	2,173,000	2,325,000	2,869,000
PERSONAL INCOME IN THE UNITED STATES (DEPARTMENT OF COMMERCE)—Month of July (in billions):			
Total personal income	$442.0	*$440.7	$420.1
Wage and salary receipts, total	297.8	*296.9	280.9
Commodity producing industries	118.3	*118.1	112.1
Manufacturing only	94.3	*94.5	88.5
Distributing industries	76.3	*76.2	73.5
Service industries	46.8	*46.5	43.6
Government	56.3	56.0	51.7
Other labor income	12.4	12.4	11.4
Business and professional	36.9	36.8	34.8
Farm	12.8	12.8	13.1
Rental income of persons	12.8	12.8	12.3
Dividends	15.8	15.8	14.8
Personal interest income	29.8	29.6	27.4
Transfer payments	34.2	*34.1	35.0
Less employees contribution for social insurance	10.5	10.5	9.7
Total nonagricultural incomes	424.8	*423.5	402.6

Securities Now in Registration

★ INDICATES ADDITIONS SINCE PREVIOUS ISSUE
● ITEMS REVISED

NOTE — Registration statements filed with the SEC since the last issue of the "Chronicle" are now carried separately at the end of this section "Securities Now in Registration." Dates shown in parenthesis alongside the company's name, and in the index, reflect the expectations of the underwriter but are not, in general, to be considered as firm offering dates.

ABC Business Forms, Inc.
July 27, 1962 ("Reg. A") 51,500 common. **Price**—$3.50. **Business**—Manufacture, design and development of business forms. **Proceeds**—For debt repayment and working capital. **Office**—3500 N. W. 71st St., Miami. **Underwriter**—Givens & Co., Inc., Miami.

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 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.

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.

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.

Aiken Savings Trust
Aug. 22, 1962 filed 100,000 shares of beneficial interest. **Price**—$10. **Business**—Company plans to qualify as a real estate investment trust. **Proceeds**—For investment. **Address**—Florence, S. C. **Underwriter**—None.

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.

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 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-State Properties, Inc.
April 24, 1962 filed $5,000,000 of conv. subord. debentures due 1977. **Price**—At par. **Business**—Company and subsidiaries conduct a general real estate business with emphasis on land development and home construction in Fla., Md., N. Y., and Ky. **Proceeds**—For repayment of debt. **Office**—230 Park Ave., N. Y. **Underwriters**—Bear, Stearns & Co., and Allen & Co., N. Y.

● Alsco Electronics, Inc.
March 28, 1962 ("Reg. A") 100,000 class A common. **Price** — $3. **Business** — Wholesaling and distributing of electronic parts, kits, components, etc. **Proceeds** — For inventory and working capital. **Office**—2520 N. Broad St., Philadelphia. **Underwriters**—Albert Teller & Co., Inc., and H. A. Riecke & Co., Inc., Philadelphia.

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**—Expected in late September.

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 (9/27-28)
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. (9/17-21)
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. (9/24-28)
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 Mortgage Investors
Feb. 8, 1962 filed 1,300,000 shares of beneficial interest. **Price**—$15. **Business** — A newly-formed business trust which plans to invest in first mortgages. **Proceeds**—For investment. **Office**—305 S. County Rd., Palm Beach, Fla. **Underwriter**—Hayden, Stone & Co., N. Y. **Note**—This company was formerly named American First Mortgage Investors.

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

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

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

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

American Safety Table Co., Inc.
May 23, 1962 filed $100,000 common. **Price**—By amendment (max. $7). **Business**—Design, manufacture and marketing of equipment used in the sewing industry. **Proceeds**—For expansion, debt repayment and working capital. **Address**—Mohnton, Pa. **Underwriter**—Reuben Rose & Co., Inc., N. Y.

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

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

Ames Department Stores, Inc.
April 27, 1962 filed 100,000 common. **Price**—$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.
Aug. 17, 1962 ("Reg. A") 120,000 common. **Price**—$2.50. **Business**—Manufacture of hardware, and the assembly of products for the electronics industry. **Proceeds**—For debt repayment, equipment, inventory, and working capital. **Office**—107 Trumbull St., Elizabeth, N. J. **Underwriter**—Edward H. Stern & Co., 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).

● **Arizona Public Service Co. (9/17)**
Aug. 24, 1962 filed 676,220 common. **Price**—By amendment (max. $30). **Business**—Production, purchase and sale of electricity, and the purchase and sale of natural gas. **Proceeds**—For repayment of loans. **Office**—501 South Third Ave., Phoenix. **Underwriters**—First Boston Corp. and Blyth & Co., Inc., N. Y.

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.

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. (9/10-14)
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.
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 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.

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.

Bank Leumi Le-Israel B. M.
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. **Note**—This company formerly was carried under the name National Bank of Israel Ltd.

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

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.

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.

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.

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**—To be named.

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.

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.
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.

California Life Insurance Co.
Aug. 16, 1962 filed 350,000 common. **Price**—By amendment (max. $6). **Business**—Writing of life, accident and health insurance. **Proceeds**—For general corporate purposes. **Office**—4400 MacArthur Blvd., Oakland. **Underwriter**—Stewart, Eubanks, Meyerson & Co., San Francisco.

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**—220 E. 23rd St., N. Y. **Underwriter**—Philips, Appel & Walden, 115 Broadway, 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. (9/17-21)
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.

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, Chicago.

Cedar Lake Public Service Corp.
March 20, 1962 filed 9,964 common. **Price**—$100. **Business** — Company plans to qualify as a public utility and furnish water and sewage disposal services in and around Cedar Lake, Ind. **Proceeds** — To construct a sewage disposal system. **Address** — R.R. N. 3, Box 28, Cedar Lake, Ind. **Underwriter**—None.

● **Cemeteries of America, Inc.**
March 27, 1962 filed $500,000 of 7% conv. subord. debentures due 1974 to be offered by the company and 65,000 common shares by stockholders. The securities will be offered in units consisting of $100 of debentures and 13 shares. **Price**—$178 per unit. **Business**—Operation of five cemeteries in Kansas. **Proceeds**—For construction of mausoleums and working capital. **Office**—3096 Hutchings St., Kansas City, Kan. **Underwriter**—Bernard M. Kahn & Co., Inc., N. Y. **Note**—This registration was withdrawn.

Centco Industries Corp.
April 30, 1962 filed 120,000 common. **Price**—$5. **Business**—Manufacture of plastic and rubber film laminates, a line of casting, laminating and embossing machinery. **Proceeds**—For new products, debt repayment, inventories and working capital. **Office**—11-17 Clintonville St., Whitestone, N. Y. **Underwriter**—Arnold Malkan & Co., Inc., New York.

Center Star Gold Mines, Inc.
April 10, 1962 ("Reg. A") 1,200,000 common. **Price**—25¢. **Business**—For exploration, development and production of mineral deposits. **Proceeds** — For mining expenses. **Address**—Box 469, Wallace, Idaho. **Underwriters**—Pennaluna & Co. and Standard Securities, Inc., Spokane, Wash.

Central Mutual Fund, Inc.
Aug. 20, 1962 filed 100,000 capital shares. **Price**—Net asset value (max. $14) plus a 2% sales commission. **Business**—A mutual fund specializing in life insurance stocks. **Proceeds**—For investment. **Office**—110 North East St., Jacksonville, Ill. **Underwriter**—CN Agency, Inc., same address.

Central Telephone Co. (9/17-21)
Aug. 21, 1962 filed 250,000 cumulative preferred shares (par $25). **Price**—By amendment. **Proceeds**—For redemption of outstanding 5½% preferred, 5¼% bonds and 4½% debentures; construction, and other corporate purposes. **Office**—144 S. 12th St., Lincoln, Neb. **Underwriter**—Paine, Webber, Jackson & Curtis, N. Y.

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.

Certified Capital Corp.
Aug. 2, 1962 filed $200,000 of 8% registered subord. debentures due 1965 and $400,000 of 8% debentures due 1967 (with attached warrants). **Price**—At par. **Business**—Commercial and industrial financing. **Proceeds**—For general corporate purposes. **Office**—165 Broadway, N. Y. **Underwriter**—None.

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. (10/15-19)**
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.

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**—Shields & Co., N. Y

Clark Semiconductor Corp.
Aug. 22, 1962 filed $153,045 of 5% subord. debentures due 1967 and 166,500 common shares to be offered in units of $170.05 of debentures and 185 shares. **Price**—$220 per unit **Business**—Production of very high fre-

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quency power transistors. **Proceeds**—For debt repayment and other corporate purposes. **Office** — Walnut Ave., Clark, N. J. **Underwriter**—None.

Coburn Credit Co., Inc.
Aug. 17, 1962 filed 80,000 shares of 6% cum. convertible preferred. **Price**—$25. **Business**—Consumer sales financing. **Proceeds**—For working capital. **Office**— 53 N. Park Ave., Rockville Centre, N. Y. **Underwriter**—None.

College Publishing Corp. (9/17-21)
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. (9/11)
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 Concepts Inc. (9/24-28)**
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. **Offering**—Indefinitely postponed.

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., New York.

Consolidated Leasing Corp. of America (9/17-21)
April 27, 1962 filed $1,100,000 of 6½% subord. debentures due 1977 (with warrants); also 305,000 common shares, of which 285,000 will be sold by company and 20,000 by stockholders. **Price**—For debentures, at par; for stock, by amendment (max. $9). **Business**—Renting of cars, trucks and equipment. **Proceeds**—For debt repayment, an acquisition and other corporate purposes. **Office**—1012 Baltimore Ave., Kansas City, Mo. **Underwriter**—Blair & Co., N. Y.

Consolidated Vending Corp.
April 2, 1962 filed 70,000 common. **Price**—$5.75. **Business**—Operation of vending machines. **Proceeds**—For debt repayment working capital and other corporate purposes. **Office**—129 S. State St., Dover, Del. **Underwriter**—Dana Securities Co., Inc., N. Y.

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 Telephone Co.**
March 30, 1962 filed 475,000 common. **Price**—By amendment (max. $15). **Business**—A telephone holding company. **Proceeds**—For debt repayment. **Office**—111 S. Bemiston St., St. Louis. **Underwriters**—Allen & Co. and E. F. Hutton & Co., N. Y.

● **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**—To be named. **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. **Note**—This registration was withdrawn.

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. (9/24-28)
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.

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.

● **Cousins Properties Inc. (9/11)**
March 29, 1962 filed 70,000 common. **Price**—By amendment. **Business**—Engaged in residential real estate development. **Proceeds** — For debt repayment and other corporate purposes. **Office**—905 Fifteen Peachtree Bldg., Atlanta, Ga. **Underwriters**—McDonnell & Co., Inc., N. Y., and Wyatt, Neal & Waggoner, Atlanta.

Creative Ventures Corp.
May 28, 1962 filed 150,000 common and warrants to purchase 30,000 additional shares, to be offered in units of one share and one warrant. **Price**—$2.25 per unit. **Business**—A corporate guidance and interim financing concern. Company may also act as a broker-dealer and underwriter. **Proceeds**—For investment. **Office**—733 Third Ave., N. Y. **Underwriter**—Hampstead Investing Corp., New York.

● **Credit Department, Inc.**
Jan. 26, 1962 filed $1,200,320 of 7% conv. subord. debentures due 1974 and 54,560 common shares to be offered in 2,728 units, each consisting of $440 of debentures and 20 common shares. **Price**—$550 per unit. **Business**—A consumer sales finance company. **Proceeds**—For debt repayment. **Office**—1775 Broadway, N. Y. **Underwriter** — Bernard M. Kahn & Co., Inc., N. Y.

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

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

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

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

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.

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 caiptal. **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.

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.

● **Duro Pen Co., Inc. (9/17-21)**
Jan. 5, 1962 filed 90,000 common. **Price**—$3. **Business**—Manufacture of inexpensive ball point pens. **Proceeds**—For debt repayment, equipment and working capital. **Office**—573 Broadway, N. Y. **Underwriter**—Frank Karasik & Co., Inc., N. Y.

Dyna Mfg. Co. (9/17-21)
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 stock-

holders). 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.

Echlin Manufacturing Co. (9/10-14)
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**—Blair & Co., New York.

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.

● **Electromagnetic Industries, Inc. (9/10)**
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.

Electronic Transmission Corp.
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., NewYork. **Offering**—Imminent.

● **Electronic Wholesalers, Inc. (9/12)**
June 18, 1962 filed 100,000 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**—Bear, Stearns & Co., N. Y.

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

● **Emcee Electronics, Inc. (9/17-21)**
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 Annuity Life Insurance Co.
Aug. 21, 1962 filed 150,000 common to be offered for subscription by stockholders on a pro rata basis. **Price**—$7. **Business**—Sale of individual life insurance, pension trust and group variable annuity contracts. **Proceeds**—For expansion and capital funds. **Office** — 2480 16th St., N. W., Washington, D. C. **Underwriter**—None.

Equity Funding Corp. of America
March 29, 1962 filed 240,000 common. **Price**—By amendment (max. $6.50). **Business**—A holding company for firms selling life insurance and mutual funds. **Proceeds**—For new sales offices, advances to subsidiaries and working capital. **Office**—5150 Wilshire Blvd., Los Angeles. **Underwriter**—Wisconsin-Continental, Inc., Milwaukee.

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.

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NEW ISSUE CALENDAR

September 6 (Thursday)
Public Service Co. of Colorado__________Common
(Offering to stockholders—underwritten by First Boston Corp.; Blyth & Co., Inc., Smith, Barney & Co.) 1,242,822 shares

September 10 (Monday)
Aubrey Manufacturing, Inc.____________Common
(Pierce, Carrison, Wulbern, Inc. and A. M. Kidder & Co., Inc.) 140,004 shares
Echlin Manufacturing Co.______________Common
(Blair & Co.) 210,000 shares
Electromagnetic Industries, Inc.__________Common
(Pierce, Carrison, Wulburn, Inc.) 70,000 shares
Electromagnetic Industries, Inc.________Debentures
(Pierce, Carrison, Wulbern, Inc.) $250,000
International Vending Corp.____________Common
(Gianis & Co., Inc.) $300,000
Riker Delaware Corp.______________________Units
(H. Neuwirth & Co., Inc.) $1,500,000
Sawyer's Inc.___________________________Capital
(Straus, Blosser & McDowell and Dempsey-Tegeler & Co., Inc.) 100,000 shares
Sawyer's Inc.________________________Debentures
(Straus, Blosser & McDowell and Dempsey-Tegeler & Co., Inc.) $1,250,000
Spencer Chemical Co.___________________Common
(Morgan Stanley & Co.) 37,777 shares
Welsh Panel Co.________________________Common
(Robert L. Ferman & Co.) $770,000

September 11 (Tuesday)
Computer Applications Inc.______________Common
(L. M. Rosenthal & Co., Inc.) 87,000 shares
Cousins Properties, Inc._____________________Units
(McDonnell & Co., Inc. and Wyatt, Neal & Waggoner) 70,000 shares
Leslie Fay Inc.__________________________Class A
(Shearson, Hammill & Co.) 200,000 shares
Mosler Safe Co.__________________________Common
(Blyth & Co., Inc.) 260,000 shares
Pacific Northwest Bell Telephone Co.__Debentures
(Bids 11 a.m. EDST) $50,000,000
Tennessee Gas Transmission Co.______Debentures
(Stone & Webster Securities Corp.) $50,000,000
Tennessee Gas Transmission Co.__________Preferred
(Stone & Webster Securities Corp. and White, Weld & Co., Inc.) 225,000 shares

September 12 (Wednesday)
Electronic Wholesalers, Inc.______________Common
(Bear, Stearns & Co.) 100,000 shares
Hicks-Ponder Co.________________________Common
(Eppler, Guerin & Turner, Inc.) 185,000 shares
Southern Railway Co.__________Equip. Trust Ctfs.
(Bids 12 noon EDST) $9,450,000
Washington Trotting Association, Inc.________Units
(Moore, Leonard & Lynch and Stroud & Co., Inc.) $23,000

September 13 (Thursday)
Heck's Discount Centers, Inc.______________Common
(Willard Securities, Inc.) 125,000 shares
Oceana International, Inc._________________Common
(Standard Securities Corp.) $750,000
Saxon Paper Corp._______________________Preferred
(Bear, Stearns & Co.) $1,500,000

September 14 (Friday)
Kornhandler (Lou), Inc.____________________Common
(Costello, Russotto & Co.) $250,000

September 17 (Monday)
American Gas Co.________________________Common
(Offering to stockholders—underwritten by Cruttenden, Podesta & Miller) 548.532 shares
Arizona Public Service Co.________________Common
(First Boston Corp. and Blyth & Co., Inc.) 676,220 shares
Cameo Lingeries, Inc._____________________Common
(Schweickart & Co.) $1,000,000
Central Telephone Co._____________________Preferred
(Paine, Webber, Jackson & Curtis) 250,000 shares
College Publishing Corp.__________________Common
(James Co.) $155,000
Consolidated Leasing Corp. of America___Common
(Blair & Co.) 305,000 shares
Consolidated Leasing Corp. of America_Debentures
(Blair & Co.) $1,100,000
Duro Pen Co., Inc.________________________Common
(Frank Karasik & Co., Inc.) $270,000
Dyna Mfg. Co.____________________________Common
(Raymond Moore & Co.) $300,000
Emcee Electronics, Inc.______________________Units
(Weil & Co., Inc.) $400,000
Firmatron, Inc.____________________________Common
(Fred F. Sessler & Co., Inc.) $247,500
Gemco-Ware Corp.__________________________Units
(Richard Bruce & Co., Inc.) $1,000,000
Gulf Atlantic Utilities, Inc.________________Common
(Pierce, Carrison, Wulbern, Inc.) 90,000 shares
Laminetics Inc. ____________________________Common
(Fabricant Securities Corp) $280,000
Lyntex Corp.________________________________Units
(P. W. Brooks & Co., Inc.) 1,200 units
Miracle Mart, Inc.__________________________Common
(McDonnell & Co.) 295,000 shares
Optech, Inc. _______________________________Common
(Stone, Ackerman & Co., Inc. and Heritage Equity Corp.) $480,000
Playboy Clubs International, Inc.___________Common
(Divine & Fishman, Inc.) 270,000 shares
Roadcraft Corp.____________________________Common
(Vickers, MacPherson & Warwick, Inc.) 400,000 shares
Security Aluminum Corp.____________________Common
(Vickers, MacPherson & Warwick, Inc.) 200,000 shares
Stelber Cycle Corp.________________________Common
(Lloyd Securities, Inc.) $315,000
Suburban Water Service Co.__________________Preferred
(Putnam & Co.) 30,000 shares

September 18 (Tuesday)
Shin Mitsubishi Jukogyo, K. K.__________Debentures
(First Boston Corp. and Nomura Securities Co., Ltd.) $10,000,000

September 19 (Wednesday)
Nippon Telegraph & Telephone Corp.________Bonds
(Dillon, Read & Co., Inc.; First Boston Corp.; and Smith, Barney & Co., Inc.) $15,000,000

September 20 (Thursday)
San Diego Gas & Electric Co.______________Common
(Offering to stockholders—underwritten by Blyth & Co., Inc.) 500,000 shares
Walston Aviation, Inc.______________________Common
(White & Co., Inc.) $562,500

September 24 (Monday)
American Kosher Provisions, Inc.____________Common
(Willard Securities, Inc.) $650,000
Computer Concepts Inc.______________________Common
(Doft & Co.) $500,000
Cosnat Corp. ______________________________Common
(Van Alstyne, Noel & Co.) 190,000 shares
Hallandale Rock & Sand Co.____________________Units
(Mutch, Khanbegian, Flynn & Green, Inc.) $450,000)
Halsey Drug Co.____________________________Common
(Packer-Wilbur & Co., Inc. and Alessandrini & Co., Inc.) $318,000
Livestock Financial Corp.____________________Common
(Shearson, Hammill & Co.) $2,450,000
Maust Coal & Coke Corp._____________________Debentures
(Eastman Dillon, Union Securities & Co.) $5,000,000
Maust Coal & Coke Corp.______________________Common
(Eastman Dillon, Union Securities & Co.) 250,000 shares
Rimak Electronics, Inc.______________________Notes
(Thomas Jay, Winston & Co., Inc.) $300,000
Worth Financial Corp.________________________Common
(D. A. Bruce & Co.) $305,000
Wyle Laboratories __________________________Debentures
(Kidder, Peabody & Co. and Mitchum, Jones & Templeton, Inc.) $2,500,000

September 25 (Tuesday)
Iowa Southern Utilities Co.__________________Bonds
(Bids to be received) $4,900,000

September 27 (Thursday)
American Flag & Banner Co. of New Jersey_________________________Common
(K-Pac Securities Corp.) $325,000

October 1 (Monday)
First Connecticut Small Business Investment Co. _______________________________Common
(P. W. Brooks & Co.) 200,000 shares
Lewis (Tillie) Foods, Inc.____________Debentures
(Van Alstyne, Noel & Co.) $4,000,000
National Blank Book Co._______________Common
(Blyth & Co., Inc.) 160,000 shares
R. E. D. M. Corp._________________________Common
(Meade & Co., Inc.) 125,000 shares

October 2 (Tuesday)
Consolidated Edison Co. of New York, Inc.__Bonds
(Bids to be received) $75,000,000

October 5 (Friday)
Smith-Corona Marchant, Inc.____________Preferred
(Offering to stockholders—underwritten by First Boston Corp.) 241,000 shares

October 8 (Monday)
Putnam Management Co., Inc.____________Common
(Paine, Webber, Jackson & Curtis and Kidder, Peabody & Co., Inc.) 150,000 shares
Servotronics, Inc. _________________________Capital
(General Securities Co., Inc.) $375,000

October 10 (Wednesday)
Southern Pacific Co.____________Equip. Trust Ctfs.
(Bids 12 noon EDST) $6,000,000

October 15 (Monday)
Chestnut Hill Industries, Inc.______________Common
(Clayton Securities Corp.) $2,250,000
Jackson's/Byrons Enterprises, Inc.__________Class A
(Clayton Securities Corp.) 120,000 shares
Jackson's/Byrons Enterprises, Inc._______Debentures
(Clayton Securities Corp.) $750,000
Kaiser-Nelson Corp._________________________Common
(Robert L. Ferman & Co., Inc.) 140,000 shares
Tabach Industries, Inc.______________________Common
(Costello, Russotto & Co.) $250,000

October 24 (Wednesday)
Panhandle Eastern Pipe Line Co.______Debentures
(Merrill Lynch, Pierce, Fenner & Smith Inc. and Kidder, Peabody & Co.) $60,000,000
Panhandle Eastern Pipe Line Co._________Preferred
(Merrill Lynch, Pierce, Fenner & Smith Inc. and Kidder Peabody & Co.) $20,000,000

October 29 (Monday)
Interworld Film Distributors, Inc.__________Common
(General Securities Co., Inc. and S. Kasdan & Co., Inc.) $425,000

October 30 (Tuesday)
Southern California Edison Co.______________Bonds
(Bids 8:30 a.m. PST) $50,000,000

November 1 (Thursday)
Columbia Gas System, Inc.______________Debentures
(Bids to be received) $20,000,000

November 7 (Wednesday)
Georgia Power Co.___________________________Bonds
(Bids to be received) $23,000,000
Georgia Power Co.__________________________Preferred
(Bids to be received) $7,000,000

November 13 (Tuesday)
Jersey Central Power & Light Co.__________Bonds
(Bids to be received) $11,000,000

November 27 (Tuesday)
Metropolitan Edison Co.____________________Bonds
(Bids to be received) $15,000,000

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

Continued from page 27

Fabco, Inc.
July 20, 1962 ("Reg. A") 200,000 common. **Price**—$1.50. **Business**—Manufacture of insulated water closet tanks, fiberglass gravel stop and laundry tubs. **Proceeds**—For debt repayment, equipment, and working capital. **Address**—Stillwater, Minn. **Underwriter**—Pewters, Donnelly & Jansen, Inc., St. Paul.

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**—L. H. Wright, Co., Inc., N. Y.

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.
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.

● **Fifco, Inc.**
May 17, 1962 ("Reg. A") 66,666 class A common. **Price**—$3. **Business**—Application of sprayed fireproofing and soundproofing compounds, and exterior building coatings; manufacture of plastic laminated panels, and sale of movable wall partitions. **Proceeds**—For debt repayment, inventory, advertising and other corporate purposes. **Office**—1465 N. E. 129th St., Miami, Fla. **Underwriter**—Lancer Securities, N. Y.

● **Firmatron, Inc. (9/17-21)**
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 American Israel Mutual Fund
Aug. 15, 1962 filed 2,750,000 shares of beneficial interest. **Price**—By amendment (max. $10). **Business**—A mutual fund which plans to invest primarily in equity type securities of Israeli companies. **Proceeds**—For investment. **Office**—141 Milk St., Boston. **Underwriter**—Paine, Webber, Jackson & Curtis, Boston.

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. (10/1-5)**
March 9, 1962 filed 200,000 common. **Price**—By amendment (max. $15). **Business**—A small business investment company. **Proceeds**—For investment. **Office**—955 Main St., Bridgeport, Conn. **Underwriter**—P. W. Brooks & Co., N. Y.

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

First New York Capital Fund, Inc.
Oct. 27, 1961 filed 2,770,000 capital shares. **Price**—$1. **Business**—A small business investment company. **Proceeds**—For investment. **Office**—1295 Northern Blvd., Manhasset, N. Y. **Underwriter**—None.

First Southern Realty Trust
June 15, 1962 filed 600,000 shares of beneficial interest. **Price** — $5. **Business** — A real estate investment trust. **Proceeds**—For investment. **Address**—Little Rock, Ark. **Underwriter**—To be named.

● **Florida Bancgrowth, Inc.**
March 16, 1962 filed 200,000 common. **Price**—By amendment (max. $15). **Business**—An investment company specializing in bank stocks. **Proceeds**—For investment. **Office**—3356 Atlantic Blvd., Pompano Beach, Fla. **Underwriter**—Dempsey-Tegeler & Co., Inc., St. Louis. **Note** This registration will be withdrawn.

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.

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.

Four Star Sportswear, Inc.
March 27, 1962 filed 103,000 common. **Price**—$3. **Business**—Design, manufacture and distribution of men's outerwear, sportswear and rainwear. **Proceeds**—For plant expansion, equipment and working capital. **Office**—665 Broadway, N. Y. **Underwriter**—Magnus & Co., Inc., New York.

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**—To be named.

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.**
Feb. 28, 1962 filed 100,000 common. **Price**—$5. **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. **Offering**—Indefinitely postponed.

Gateway Sporting Goods Co.
Aug. 20, 1962 filed $1,500,000 of conv. subord. debentures due 1977. **Price**—At par. **Business**—Operation of retail stores, licensed departments in department stores, a discount department store, etc., selling sporting goods, photographic equipment, toys and recreational items. **Proceeds**—For expansion. **Office**—1321 Main St., Kansas City, Mo. **Underwriter**—Stern Brothers & Co., Kansas City, Mo.

● **Gemco-Ware Corp. (9/17)**
March 9, 1962 filed $560,000 of 7% conv. subord. debentures due 1972 (with attached warrants), and 88,000 common to be offered in units of one $280 debenture (with warrants to purchase 10 common shares), and 44 common shares. **Price**—$500 per unit. **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**—Richard Bruce & Co., Inc., New York.

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

Gilfillan Corp.
April 4, 1962 filed 254,000 common. **Price**—By amendment (max. $18). **Business**—Development and production of radar and other specialized electronic systems. **Proceeds**—For selling stockholders. **Office**—1815 Venice Blvd., Los Angeles. **Underwriter**—Blyth & Co., Inc., Los Angeles.

● **Girard Industries Corp.**
March 28, 1962 filed $250,000 of 6% conv. subord. debentures due 1972 and 90,000 common shares to be sold by certain stockholders. The securities are to be offered in units consisting of a $100 debenture and 36 shares. **Price**—By amendment. **Business**—Manufacture of restaurant and other type furniture which it sells principally to dealers in Puerto Rico. **Proceeds**—For equipment and general corporate purposes. **Address**—San Juan, Puerto Rico. **Underwriter**—Edwards & Hanley, Hempstead, N. Y. **Note**—This registration was withdrawn.

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. **Offering**—Expected in early Oct.

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.

● **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**—To be named.

● **Grand Bahama Development Co., Ltd.**
Jan. 23, 1962 filed 250,000 common. **Price** — By amendment. **Business**—Sale and development of land on Grand

Bahama Island for residential and resort purposes. **Proceeds**—For general corporate purposes. **Office**—250 Park Ave., N. Y. **Underwriter**—Allen & Co., N. Y.

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.

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.

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. (9/17-21)
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. (9/24-28)
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. (9/24-28)
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.

● **Hardlines Distributors, Inc.**
Jan. 26, 1962 filed 200,000 common, of which 100,000 are to be offered by the company and 100,000 by a stockholder. **Price**—By amendment. **Business**—Retail sale of housewares, hardware, lighting fixtures, automotive accessories, etc. **Proceeds**—For debt repayment, expansion and working capital. **Office**—1416 Providence Highway, Norwood, Mass **Underwriter**—McDonnell & Co., N. Y. **Note**—This registration was withdrawn.

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.

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.

Hawaiian Electric Co., Ltd.
Aug. 23, 1962 filed 315,730 common to be offered for subscription by stockholders on the basis of one new share for each ten shares held of record Sept. 12, 1962. **Price**—By amendment. **Proceeds**—For expansion. **Office**—900 Richards St., Honolulu. **Underwriter**—None.

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. (9/13)**
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.

Hek Manufacturing Co., Inc.
Aug. 7, 1962 ("Reg. A") 75,000 common, of which 69,000 shares are to be offered for the account of the company and 6,000 shares for the underwriter. **Price**—$2. **Business**—Manufacture of dental equipment. **Proceeds**—For debt repayment, advetrising, research and development and working capital. **Office**—2176 Palou, San Francisco. **Underwriter**—L. H. Wright Co., 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. (9/12)**
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.

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.

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.
March 30, 1962 filed 97,000 common, of which 80,000 will be sold by company and 17,000 by certain stockholders. **Price**—$5. **Business**—Manufacture, assembly and sale of aircraft and missile components on a sub-contract basis. **Proceeds**—For debt repayment and working capital. **Office**—7050 Valley View St., Buena Park, Calif. **Underwriter**—Raymond Moore & Co., Los Angeles.

I. P. D. Financial Corp.
Aug. 23, 1962 filed 300,000 common. **Price**—$4. **Business**—Company plans to furnish equity capital to business concerns, make loans and asstst in arranging mergers and corporate financing. **Proceeds**—For working capital and other corporate purposes. **Office**—200 W. 57th St., N. Y. **Underwriters**—J. J. LeCort Associates, Inc. and Harris, Clare & Co., Inc., N. Y.

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. **Offering** — Indefinitely postponed.

● **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. **Note**—This registration will be withdrawn.

Instromech Industries, Inc.
March 30, 1962 ("Reg. A") 100,000 common. **Price**—$3. **Business**—A contract manufacturer of precision products. **Proceeds**—For acquisition of land and building, equipment, inventory and other corporate purposes. **Office**—4 Broadway Plaza, Huntington Station, N. Y. **Underwriter**—Price Investing Co., N. Y.

Instron Engineering Corp.
March 26, 1962 filed 120,000 common. **Price**—By amendment (max. $14). **Business**—Development and production of equipment for use in testing the physical characteristics of various materials. **Proceeds**—For selling stockholders. **Office**—2500 Washington St., Canton, Mass. **Underwriter**—None.

Instrument Components, Inc.
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.

Intercontinental Management Corp.
July 31, 1962 filed 144,500 common. **Price**—$7. **Business** Operation of bowling centers. **Proceeds**—For expansion, working capital and debt repayment. **Office**—19 Country Club Shopping Center, Levittown, Pa. **Underwriter**—Walnut Securities Corp., Philadelphia.

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

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. (9/10)**
June 27, 1962 ("Reg. A") 60,000 class A common. **Price**—$5. **Business**—Installation and servicing of coin-operated vending machines. **Proceeds**—For debt repayment, consolidation of offices and working capital. **Office**—1028 Commonwealth Ave., Boston, Mass. **Underwriter**—Gianis & Co., Inc., N. Y.

Interstate Equity
March 30, 1962 filed 1,605,100 shares of beneficial interest. **Price**—(max. $10). **Business**—A real estate investment company. **Proceeds**—For investment. **Office**—450 Seventh Ave., N. Y. **Underwriter**—Van Alstyne, Noel & Co., N. Y.

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Interworld Film Distributors, Inc. (10/29)
Sept. 29, 1961 filed 106,250 common. **Price**—$4. **Business**—Theatrical distribution and co-production of foreign and domestic feature films. **Proceeds**—For acquisition, co-production, dubbing, adaptation and distribution of films, and working capital. **Office**—1776 B'way, N. Y. **Underwriters**—General Securities Co., Inc., and S. Kasdan & Co., Inc., N. Y.

Investment Management Corp.
May 10, 1962 filed 100,000 common to be offered for subscription by stockholders on a 2-for-1 share basis. Unsubscribed shares will be offered to the public. **Price**—To stockholders, $2.50; to the public, $3.50. **Business**—Manager and distributor for Western Industrial Shares, Inc., a mutual fund. **Proceeds**—For debt repayment and general corporate purposes. **Office**—818 17th St., Denver. **Underwriter**—None.

Investment Securities Co.
March 16, 1962 filed 250,000 common, of which 125,000 are to be offered by the company and 125,000 by a stockholder. **Price**—By amendment (max. $20). **Business**—A management investment company specializing in the insurance field. **Proceeds** — For debt repayment, working capital and possible expansion. **Office**—901 Washington Ave., St. Louis. **Underwriters** — Scherck, Richter Co., and Dempsey-Tegeler & Co., Inc., St. Louis. **Offering**—Indefinitely postponed.

Investors Realty Trust
May 31, 1962 filed 200,000 shares. **Price** — $10. **Business**—A real estate investment trust. **Proceeds** — For construction and investment. **Office** — 3315 Connecticut Ave., N. W., Washington, D. C. **Underwriter**—None.

• Iona Manufacturing Co.
Jan. 26, 1962 filed 140,000 common, of which 125,000 are to be offered by the company and 15,000 shares by a stockholder. **Price**—By amendment. **Business**—Manufacture of household electric appliances and electric motors. **Proceeds**—For new products and working capital. **Office**—Regent St., Manchester, Conn. **Underwriter** — S. D. Fuller & Co., N. Y. **Offering**—Expected in early October.

Iowa Public Service Co.
July 3, 1962 filed 320,468 common being offered for subscription by stockholders on the basis of one new share for each 10 held of record Aug. 28. Rights will expire Sept. 14. **Price**—$21. **Proceeds**—For debt repayment, and construction. **Office**—Orpheum-Electric Bldg., Sioux City, Iowa. **Underwriter**—White, Weld & Co., New York.

Iowa Southern Utilities Co. (9-/25)
Aug. 22, 1962 filed $4,900,000 of first mortgage bonds due 1992. **Proceeds**—To redeem a like amount of outstanding 5¾% first mortgage bonds due 1987. **Office**—300 Sheridan Ave., Centerville, Iowa. **Underwriters**—(Competitive). Probable bidders: White, Weld & Co.; Halsey, Stuart & Co. Inc.; Shields & Co. **Bids**—Expected Sept. 25 (11 a.m. CDST) at Northern Trust Co., 50 So. LaSalle St., Chicago. **Information Meeting** — Aug. 21, 1962 (11 a.m. CDST) at the Middlewest Service Co., 21st floor, 20 N. Wacker Dr., Chicago.

• Jaap Penraat Associates, Inc.
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. (10/15-19)
March 13, 1962 filed $750,000 convertible subordinated debentures due 1977; also 120,000 class A common, of which 66,666 shares are to be offered by the company and 53,334 by stockholders. **Price**—By amendment (max. $12.50 for common). **Business**—Operation of a chain of retail department stores. **Proceeds**—For debt repayment and working capital. **Office**—29 N. W. 10th St., Miami, Fla. **Underwriter**—Clayton Securities Corp., Boston.

Jamaica Public Service Ltd.
March 30, 1962 filed 215,000 common, of which 100,000 shares are to be offered by company and 115,000 shares by stockholders. **Price** — By amendment (max. $25). **Business**—A holding company for a Jamaican Electric utility. **Proceeds**—For acquisition of additional stock in subsidiary. **Office**—507 Place D'Armes, Montreal, Canada. **Underwriters** — Stone & Webster Securities Corp. and Greenshields & Co., Inc., N. Y. **Offering**—Indefinitely Postponed.

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.

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.

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.

• Kaiser-Nelson Corp. (10/15-19)
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.

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.

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.

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

• Kornhandler (Lou), Inc. (9/14-17)
July 27, 1962 ("Reg. A") 125,000 common. **Price**—$2. **Business**—Manufacture and wholesaling of women's apparel. **Proceeds**—For debt repayment, equipment, sales promotion and working capital. **Office**—910 S. Los Angeles St., Los Angeles. **Underwriter**—Costello, Russotto & Co., Beverly Hills, Calif.

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.

Laminetics Inc. (9/17-21)
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.

Larsen Co.
Aug. 27, 1962 filed 103,638 common. **Price**—By amendment (max. $11.50). **Business**—Processing and marketing of canned and frozen vegetables. **Proceeds**—For selling stockholders. **Office**—520 N. Broadway, Green Bay, Wis. **Underwriter**—Robert W. Baird & Co., Inc., Milwaukee.

• Lee Fashions, Inc.
Dec. 27, 1961 filed 165,667 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.

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.

Lembo Corp.
Dec. 21, 1961 filed 100,000 common. **Price**—$3.50. **Business**—Manufactures steel re-inforced concrete utilities sanitary structures, fallout shelters and play sculptures. **Proceeds**—For debt repayment, sales promotion and working capital. **Office**—145 W. 11th St., Huntington Station, L. I., N. Y. **Underwriter**—Blank, Lieberman & Co., Inc., N. Y.

Lesco Automotive Corp.
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. (9/11)
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. **Offering**—Expected sometime in Sept.

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. (10/1)
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.

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.

Livestock Financial Corp. (9/24-28)
Feb. 23, 1962 filed 130,000 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 Options, 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. Note—This company formerly was named Logos Financial, Ltd.

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.

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**—To be named. **Note**—This firm formerly was named Lunar Enterprises, Inc. **Offering**—Postponed.

● **Lyntex Corp. (9/17-21)**
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. **Offering**—Expected in late September.

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**—To be named.

● **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.

Majestic Utilities Corp.
July 31, 1962 filed 29,000 common. **Price**—By amendment (max. $4). **Business**—Door to door sale of merchandise and collection of the accounts receivable. **Proceeds**—For a selling stockholder. **Office**—1514 Arapahoe St., Denver. **Underwriter**—None.

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.

● **Marks Polarized Corp.**
June 27, 1961 filed 40,000 common shares. **Price** — $6. **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. **Underwriter**—Glass & Ross, Inc., N. Y. **Offering**—Imminent.

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** — Johnston, Lane, Space Corp., Atlanta. **Note**—This registration was withdrawn.

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.

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.

● **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**—To be named. **Offering**—Temporarily postponed.

Met Food Corp.
March 30, 1962 filed $1,500,000 of convertible subordinated debentures due Sept. 1, 1977. **Price**—By amendment. **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. **Offering**—Indefinitely postponed.

Metropolitan Acceptance Corp.
Oct. 2, 1961 filed $300,000 of 6% subordinated convertibles due 1967 and 60,000 common shares to be offered in units consisting of $100 of debentures and 20 common shares. **Price**—$150 per unit. **Business**—Financing of retail sales. **Proceeds**—For working capital. **Office**—5422 Western Ave., Chevy Chase, Md. **Underwriter**—To be named.

Metropolitan Realty Trust
Dec. 20, 1961 filed 1,000,000 shares of beneficial interest. **Price**—$6.50. **Business**—A real estate investment trust. **Proceeds**—For general corporate purposes. **Office**—1700 K St., N. W., Washington, D. C. **Underwriter**—Eisele & King, Libaire, Stout & Co., N. Y. **Offering**—Expected sometime in October.

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 Corp.
Aug. 23, 1962 filed 180,000 common and 15-year warrants to purchase 36,000 common to be offered in units consisting of one share and one-fifth warrant. **Price**—$18 per unit. **Business**—A holding company for a legal reserve life insurance concern. **Proceeds**—To purchase shares of the subsidiary and for working capital. **Office**—75 Public Sq., Cleveland. **Underwriters**—Westheimer & Co., Cincinnati, and Hartzmark & Co., Inc., Cleveland.

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. (9/17-21)**
April 20, 1962 filed 180,000 common, of which 120,000 are to be offered by company and 60,000 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.
April 5, 1962 filed 160,000 common. **Price**—By amendment (max. $5). **Business**—Blending, bottling and marketing of alcoholic beverages. **Proceeds**—For equipment, inventories, advertising and working capital. **Office**—Bank St. & Central Ave., Baltimore. **Underwriters**—Street & Co., and Morris Cohon & Co., N. Y. **Offering**—Temporarily postponed.

Moskatel's, Inc.
May 28, 1962 filed 104,000 capital shares, of which 20,000 are to be offered by the company and 84,000 by stockholders. **Price**—By amendment (max. $8.50). **Business**—Sale of artificial flowers and florists' supplies. **Proceeds**—For payment of income taxes. **Office**—738 S. Wall St., Los Angeles, Calif. **Underwriter**—Thomas Jay, Winston & Co., Inc., Beverly Hills, Calif. **Offering**—Expected in October.

● **Mosler Safe Co. (9/11)**
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. **Note**—This registration was withdrawn.

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., 545 Fifth Ave., N. Y.

National Bank of Israel, Ltd.
See Bank Leumi Le-Israel B. M.

● **National Blank Book Co. (10/1)**
Aug. 29, 1962 filed 160,000 common. **Price**—By amendment. **Business**—Production of blank books, loose leaf devices, forms etc. **Proceeds**—For selling stockholders. **Office**—Water St., Holyoke, Mass. **Underwriter**—Blyth & Co., Inc., N. Y.

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.

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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., New York., and Piper, Jaffray & Hopwood, Minneapolis.

National Telepix, Inc.
July 30, 1962 filed $150,000 of 6½% conv. subord. debentures due 1972. **Price**—At par. **Business**—Production of motion pictures. **Proceeds**—For production and distribution expenses and working capital. **Office**—1270 Ave. of the Americas, N. Y. **Underwriter**—None.

National Uni-Pac, Inc.
July 31, 1962 filed 85,000 common. **Price**—By amendment (max. $4). **Business**—Company plans to sell or lease coin operated vending machines. **Proceeds**—For debt repayment, equipment and working capital. **Office**—15 Peachtree St., Atlanta. **Underwriter**—Drourr, Lampert & Co., Inc., 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 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**—Expected in late September.

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.

Northeastern Plastics, Inc.
July 26, 1962 ("Reg. A") $100,000 of 6½% conv. subord. debentures due 1972 and 25,000 common shares to be offered in units of $100 of debentures and 25 shares. **Price**—$200 per unit. **Business**—Manufacture of compression plastics. **Proceeds**—For moving expenses and other corporate purposes. **Office**—98 Front St., Brooklyn, N. Y. **Underwriters**—Reuben, Rose & Co., Inc., and M. G. Hill & Co., N. Y.

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. (9/13)
March 29, 1962 filed 150,000 common. **Price** — $5.00. **Business**—Manufacture and sale of synthetic pearl buttons. **Proceeds**—For equipment and working capital. **Office**—1331 Halsey St., Brooklyn, N. Y. **Underwriter**—Standard Securities Corp., N. Y.

● **Olympia Record Industries, Inc.**
May 29, 1962 filed 66,000 class A shares. **Price**—$4. **Business**—Wholesale distribution of phonograph records and albums. **Proceeds**—For debt repayment, inventory, product expansion and working capital. **Office**—614 W. 51st St., N. Y. **Underwriters**—Gianis & Co., Inc. and Jed L. Hamburg Co., N. Y. **Note**—This registration was withdrawn.

Optec, Inc. (9/17-21)
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 Northwest Bell Telephone Co. (9/11)
Aug. 17, 1962 filed $50,000,000 of debentures due Sept. 1, 2002. **Proceeds**—For reduction of debt due Pacific Telephone & Telegraph Co. **Office**—1200 Third Ave., Seattle. **Underwriters**—(Competitive). Probable bidders: Morgan Stanley & Co.; Halsey, Stuart & Co. Inc., N. Y. **Bids**—Sept. 11, 1962 (11 a.m. EDST) in Room 2315, 195 Broadway, N. Y.

● **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**—To be named. **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. **Note**—This registration was withdrawn.

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. du Pont & Co., N. Y.

Pan American Beryllium Corp.
Feb. 28, 1962 filed 100,000 common. **Price**—$5. **Business**—Company plans to mine for beryl ore in Argentina. **Proceeds** — For debt repayment, equipment, and other corporate purposes. **Office**—39 Broadway, N. Y. **Underwriter**—To be named.

PanAm Realty & Development Corp.
March 12, 1962 filed 400,000 class A stock. **Price**—$10. **Business**—A real estate holding and development company. **Proceeds**—For general corporate purposes. **Office**—70 N. Main St., Freeport, L. I., N. Y. **Underwriter**—To be named.

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.

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.

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).

Perma-Bilt Enterprises, Inc.
May 28, 1962 filed 230,000 common. **Price**—By amendment (max. $8). **Business**—Merchandising, sale and construction of homes. **Proceeds**—For acquisition and development of land, and other corporate purposes. **Office**—319 MacArthur Blvd., San Leandro, Calif. **Underwriter**—Robert A. Martin Associates, Inc., N. Y. **Offering**—Expected in late Fall.

Permeator Corp.
May 18, 1962 filed 300,000 common to be offered for subscription by stockholders of National Petroleum Corp. Ltd., parent, on the basis of one share for each 15 National shares held. **Price**—$5. **Business**—Manufacture, use and sale of a patented tool, "Permeator," used in completion of oil and gas wells. **Proceeds**—For general corporate purposes. **Office**—445 Park Ave., N. Y. **Underwriters**—Irving Weis & Co., and Godfrey, Hamilton, Taylor & Co., Inc., N. Y.

Petro-Capital Corp.
March 28, 1962 filed 556,700 common. **Price**—$11. **Business**—A small business investment company. **Proceeds**—For general corporate purposes. **Office**—6130 Sherry Lane, Dallas. **Underwriter**—McDonnell & Co., New York.

Pictronics Corp.
Jan. 18, 1962 filed 80,000 common. **Price**—$5. **Business**—Manufacture of professional audio visual and sound recording equipment. **Proceeds**—Debt repayment, equipment and working capital. **Office**—236 E. 46th St., N. Y. **Underwriter**—To be named. **Note**—This registration is being withdrawn.

Piggyback Transport Corp.
April 30, 1962 ("Reg. A") 40,000 common. **Price**—$5. **Business**—Loading and unloading of trailers and autos from freight cars, and freight consolidation and forwarding. **Proceeds**—For equipment, expansion and general corporate purposes. **Office**—1200 Seaboard Dr., Hialeah, Fla. **Underwriter**—Willard Co., 111 Broadway, N. Y.

Pioneer Restaurants, Inc.
Dec. 21, 1961 filed 125,000 common, of which 75,000 are to be offered by the company and 50,000 by a selling stockholder. **Price**—By amendment. **Business**—Operation of six restaurants in Sacramento. **Proceeds**—For expansion, debt repayment and working capital. **Office**—1626 J St., Sacramento. **Underwriter**—Stewart, Eubanks, Myerson & Co., San Francisco. **Offering**—Temporarily postponed.

Plantation Chocolate Co.
July 20, 1962 ("Reg. A") 75,000 common. **Price**—$4. **Business**—Manufacture of confections. **Proceeds**—For debt repayment. **Office**—3150 Janney St., Philadelphia. **Underwriter**—S. Schramm & Co., Inc., N. Y.

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 registration was withdrawn.

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.

● **Poulsen Insurance Co. of America**
Aug. 27, 1962 filed 100,000 common. **Price**—By amendment (max. $10). **Business**—Writing of group and franchise forms of accident, sickness and life insurance in the Midwest. **Proceeds**—For debt repayment and expansion. **Office**—Executive Plaza, Park Ridge, Ill. **Underwriter**—A. C. Allyn & Co., Chicago. **Offering**—Expected in October.

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.

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

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.

Public Loan Co., Inc.
March 28, 1962 filed 170,000 common. **Price**—By amendment (max. $17). **Business**—Operation of small loan offices. **Proceeds** — For general corporate purposes. **Office**—41 Chenango St., Binghamton, N. Y. **Underwriter**—A. G. Becker & Co., Inc., Chicago. **Offering**—Indefinitely postponed.

Public Service Co. of Colorado (9/6)
Aug. 7, 1962 filed 1,242,822 common, to be offered for subscription by stockholders on the basis of one new share for each 10 common shares held of record Sept. 6, with rights to expire Sept. 24. **Price**—By amendment (max. $24). **Business**—Furnishing of electricity and natural gas within State of Colorado, principally in and around Denver. **Proceeds**—For construction. **Office**—550 15th St., Denver. **Underwriters**—First Boston Corp.-Blyth & Co., Inc.-Smith, Barney & Co., N. Y. (jointly).

Publishers Co., Inc.
Nov. 28, 1961 filed 541,000 common. **Price**—By amendment. **Business**—Book publishing. **Proceeds**—For an acquisition and other corporate purposes. **Office**—1106 Connecticut Ave., N. W., Washington, D. C. **Underwriter**—Roth & Co., Inc., Philadelphia.

Putnam Management Co., Inc. (10/8-12)
Aug. 22, 1962 filed 150,000 common (non-voting). **Price**—By amendment (max. $14). **Business**—An investment adviser and distributor of mutual funds. **Proceeds**—For selling stockholders. **Office**—60 Congress St., Boston. **Underwriters**—Paine, Webber, Jackson & Curtis, Boston, and Kidder, Peabody & Co., Inc., N. Y.

● **R. E. D. M. Corp. (10/1-5)**
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.

Red-O-Lier Corp.
Aug. 27, 1962 filed 100,000 class A common. **Price**—$3.25. **Business**—Distribution of electrical supplies and equipment to commercial and industrial users. **Proceeds**—To finance additional inventories and accounts receivables. **Office**—577 Courtland Ave., N. Y. **Underwriter**—Crosse & Co., Inc., N. Y.

Regulators, Inc.
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. **Note**—This registration will be withdrawn and then refiled.

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. **Note**—The SEC has challenged the accuracy and adequacy of this registration statement.

Ridgerock of America, Inc.
Dec. 29, 1961 filed 100,000 common. **Price**—$2.50 **Business**—Production of stone facing for buildings. **Proceeds**—For debt reduction and general corporate purposes. **Address**—Sebring, O. **Underwriter**—To be named

Ridgway (L. L.) Enterprises, Inc.
June 27, 1962 filed 155,000 common, of which 130,000 are to be offered by company and 25,000 by a stockholder. **Price**—By amendment (max. $10). **Business**—Company furnishes commercial reproductions, manufactures sensitized papers, cloths and films for blueprinting and printing, and sells architectural, engineering and commercial reproduction equipment and supplies. **Proceeds**—For plant expansion, equipment and working capital. **Office**—5711 Hillcroft Ave., Houston. **Underwriters**—Underwood, Neuhaus & Co., Inc. and Rotan, Mosle & Co., Houston.

● **Riker Delaware Corp. (9/10-14)**
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.

● **Rimak Electronics, Inc. (9/24-28)**
Aug. 15, 1962 ("Reg. A") $300,000 of 6% subord. convertible notes. **Price**—$5,000 per note. **Business**—A contract manufacturer for the electronics, guided missile and aircraft industries. **Proceeds**—For debt repayment and other corporate purposes. **Office**—10929 Vanowen St., North Hollywood, Calif. **Underwriter**—Thomas Jay, Winston & Co., Inc., Beverly Hills, Calif.

Roadcraft Corp. (9/17-21)
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., New York.

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.

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.

Saw Mill River Industries, Inc.
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. (9/10)
March 26, 1962 filed $1,250,000 of 6% convertible debentures due 1977; also 100,000 outstanding capital shares. **Price**—By amendment. **Business**—Manufacture and distribution of stereo photographs and viewers. **Proceeds**—(Debentures) For working capital; (Stock) For selling stockholders. **Address**—Portland, Ore. **Underwriters**—Straus, Blosser & McDowell, Chicago, and Dempsey-Tegeler & Co., Inc., St. Louis.

● **Saxon Paper Corp. (9/13)**
March 30, 1962 filed 150,000 6% conv. preferred shares. **Price**—$10. **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.

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.

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**—To be named.

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. (9/17-21)
Jan. 26, 1962 filed 200,000 common. **Price**—By amendment. **Business**—Manufacture of aluminium sliding windows and doors. **Proceeds**—For equipment, moving expenses and working capital. **Office**—503 E. Pine Ave., Compton, Calif. **Underwriter**—Vickers, MacPherson & Warwick, Inc., N. Y.

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. (10/8)
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.

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Shin Mitsubishi Jukogyo K. K. (9/18)
June 29, 1962 filed $10,000,000 of convertible debentures due Sept. 30, 1977. **Price**—By amendment. **Business**—Manufacture of pulp and paper equipment, ships, aircraft, automobiles, trucks, construction and industrial machinery, etc. **Proceeds** — For general corporate purposes. **Office**—Tokyo, Japan. **Underwriters**—First Boston Corp., and Nomura Securities Co., Ltd., N. Y.

Signalite Inc.
Jan. 29, 1962 filed 126,000 common. **Price**—$4.50. **Business**—Manufacture, sale and development of glow lamps for use as indicators and circuit components. **Proceeds**—For debt repayment, equipment and working capital. **Office**—1933 Heck Ave., Neptune, N. J. **Underwriter**—Milton D. Blauner & Co., N. Y. **Offering**—Postponed.

Simplex Lock Corp.
April 20, 1962 filed 20,000 common being 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. Record date for the offering is Aug. 21 and the rights expiration date Sept. 17. **Price**—$8. **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.

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.

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 37,777 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. **Note**—This registration has become effective.

● **Sperti Products, Inc.**
Nov. 29, 1961 filed 230,000 common of which 200,000 are to be offered by the company and 30,000 by stockholders. **Price**—By amendment. **Business**—Manufacture of drug and food products, electrical and electronic devices and precision machinery. **Proceeds**—For the purchase of certain patents, repayment of debt, and working capital. **Office**—730 Grand St., Hoboken, N. J. **Underwriter**—Blair & Co., N. Y. **Offering**—Postponed.

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. **Offering**—Expected sometime in October.

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.
Oct. 2, 1961 ("Reg. A") 69,660 common. **Price**—$3. **Proceeds**—For equipment and working capital. **Address**—Norristown, Pa. **Underwriter**—To be named.

● **Steiber Cycle Corp. (9/17-21)**
Jan. 5, 1962 filed 100,000 common. **Price**—$3.25. **Business**—Manufacture of bicycles, tricycles and top automobiles. **Proceeds**—Repayment of loans, plant expansion and new product development. **Office**—744 Berriman St., Brooklyn, N. Y. **Underwriter**—Lloyd Securities, Inc., New York.

● **(M.) Stephens Mfg. Co., Inc.**
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**—314 E. 29th St., Los Angeles. **Underwriters** — Thomas Jay, Winston & Co., Inc., Beverly Hills, Calif., and I. J. Schein Co., N. Y. **Offering**—Imminent.

Sterling Copper Corp.
Aug. 2, 1962 filed 850,000 common. **Price**—$1. **Business**—Company plans to operate a non-ferrous rod and tube mill. **Proceeds**—For plant and equipment, working capital and other corporate purposes. **Office**—300 Horn Rd., Pinconning, Mich. **Underwriter**—None.

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.

● **Tabach Industries, Inc. (10/15)**
March 29, 1962 ("Reg. A") 125,000 common. **Price**—$2. **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.

Tennessee Gas Transmission Co. (9/11)
Aug. 22, 1962 filed 225,000 cum. preferred shares ($100 par). **Price**—By amendment. **Business**—Company owns and operates pipe line systems for transportation of natural gas. A subsidiary produces, refines and markets petroleum and petroleum products. **Proceeds**—For debt repayment. **Office**—Tennessee Bldg., Houston. **Underwriters**—Stone & Webster Securities Corp. and White, Weld & Co. Inc. (jointly).

Tennessee Gas Transmission Co. (9/11)
Aug. 17, 1962 filed $50,000,000 of debentures due 1982. **Price**—By amendment. **Business**—Company owns and operates pipe line systems for transportation of natural gas. A subsidiary produces, refines and markets petroleum and petroleum products. **Proceeds**—For debt repayment. **Office**—Tennessee Bldg., Houston. **Underwriter**—Stone & Webster Securities Corp., N. Y.

Texas Gas Producing Co.
Aug. 28, 1962 filed $1,000,000 of 5¾% subord. conv. debentures due 1974 and warrants to purchase 30,000 common shares to be offered for sale in units consisting of one $100 debenture and three warrants. **Price**—$100 per unit. **Business**—Production of crude oil and natural gas. **Proceeds** — For debt repayment, expansion and working capital. **Office**—721 Meadows Bldg., Dallas. **Underwriter** — Equitable Securities Corp., Nashville, Tenn.

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.

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, Appel & Walden, 115 Broadway, 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.

Tourist Industry Development Corp. Ltd.
Aug. 3, 1962 filed $5,000,000 of 7% senior debenture stock due 1962. **Price**—At par. **Business**—Company was organized by the State of Israel to furnish financing to tourist enterprises. **Proceeds**—For general corporate purposes. **Address**—Jerusalem, Israel. **Underwriter**—American-Israel Basic Economy Corp., N. Y.

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.

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.

U-Tote'm of West Florida, Inc.
Aug. 13, 1962 ("Reg. A") 50,000 common. **Price**—$4. **Business**—Sale of groceries, drugs and general merchandise. **Proceeds**—For expansion, inventories and working capital. **Office**—4609 Bee Ridge Rd., Sarasota, Fla. **Underwriter**—Givens & Co., Inc., Miami.

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.

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.

Universal Capital Corp.
Aug. 28, 1962 filed 1,500,000 common. **Price**—$1. **Business**—Company plans to establish or acquire control of other companies, principally those in life insurance field. **Proceeds**—For general corporate purposes. **Office**—318 N. St. Paul St., Dallas. **Underwriter**—None.

Urban America Real Estate Trust
Aug. 2, 1962 filed 400,000 shares of beneficial interest. Price—$6. Business—A real estate investment trust. Proceeds—For debt repayment and investment. Office—510 Fleming Bldg., Des Moines. Underwriter—Conway Brothers, Inc., Des Moines.

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.

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—To be named.

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. Note—This registration was withdrawn.

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. (9/20)**
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. (9/12)**
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. (9/10-14)
March 30, 1962 filed 110,000 common. Price—$7. 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 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. Offering—Expected sometime in November.

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—736 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.

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 Street, New York. Note—This registration will be withdrawn.

Wolverine Aluminum Corp.
March 5, 1962 filed 100,000 common. Price — By amendment (max. $6.50). Business—Processing and manufacturing of aluminum building products. Proceeds—For a new building and equipment. Office—1650 Howard St., Lincoln Park, Mich. Underwriter—F. J. Winckler & Co., Detroit. Offering—Expected sometime in October.

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 was withdrawn.

Worth Financial Corp. (9/24-28)
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.

● **Wyle Laboratories (9/24-28)**
Aug. 27, 1962 filed $2,500,000 of conv. subord. debentures due 1977. Price—By amendment. Business—Company provides various services and products to the aerospace industry. Proceeds—For debt repayment and general corporate purposes. Office—128 Maryland St., El Segundo, Calif. Underwriters—Kidder, Peabody & Co., N. Y. & Mitchum, Jones & Templeton, Inc., Los Angeles.

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.

Issues Filed With SEC This Week

★ **Aerosystems Technology Corp.**
Aug. 29, 1962 filed 165,000 common. Price—$3. Business—Company has been engaged in experimentation on aerodynamic concepts and holds ten U. S. Patents relating to advanced vertical lift vehicles and systems for achieving controlled vertical flight. Proceeds—For additional equipment, research and development, plant facilities and other corporate purposes. Office—Route 15, Sparta, N. J. Underwriter—Chase Securities Corp., N. Y.

★ **Coal, Inc.**
Aug. 22, 1962 ("Reg. A") 158 common. Price—$100. Business—Mining of coal on lands of Northern Pacific Ry. Proceeds—For working capital. Office—903 Arctic Bldg., Seattle. Underwriter—None.

★ **Components Specialties, Inc.**
Aug. 31, 1962 ("Reg. A") 60,000 common. Price—$3.50. Business—Importation of components for transistor radios and related devices. Proceeds—For debt repayment, advertising, equipment and inventory. Office—3 Foxhurst Rd., Baldwin, L. I., N. Y. Underwriter—Fund Planning, Inc., N. Y.

★ **Federal Mortgage Corp.**
Aug. 9, 1962 ("Reg. A") 30,000 shares of 6½% preferred. Price—$10. Business—Originating and servicing of mortgage loans. Proceeds—For debt repayment and working capital. Office—6304 S. Logan Court, Littleton, Colo. Underwriter—None.

★ **Fieldcrest Mills, Inc.**
Aug. 31, 1962 filed 300,000 capital shares, of which 200,000 are to be offered by company and 100,000 by stockholders. Price—By amendment (max. $15). Business—Design, manufacture and marketing of household textile products. Proceeds—For debt repayment and working capital. Address—Spray, N. C. Underwriter—Blyth & Co., Inc., N. Y.

★ **Indian Trail Ranch, Inc.**
Aug. 31, 1962 filed 54,238 common to be offered for subscription by stockholders on the basis of one new share for each four shares held. Price—$15. Business—Ownership of real estate, leases principally for farming and grazing. Proceeds—For debt repayment, working capital and other corporate purposes. Office—Southern Blvd., West Palm Beach, Fla. Underwriter—None.

★ **Jerome, Richard & Co., Inc.**
Aug. 30, 1962 ("Reg. A") 50,000 common. Price—$4. Business—Company plans to engage in diverse aspects of the securities business. Proceeds—For working capital. Office—50 Broadway, N. Y. Underwriter—None.

★ **Lady Baltimore Foods, Inc.**
Aug. 23, 1962 ("Reg. A") 75,000 class A common. Price—$4. Business—Wholesale distribution of groceries and the manufacture of French dressing and barbecue sauce.

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Proceeds—For debt repayment, new products and expansion. **Office**—35 Southwest Blvd., Kansas City, Kan. **Underwriter**—Blackford & Co., Inc., Kansas City, Mo.

★ Laurel Oak Corp.
Aug. 21, 1962 ("Reg. A") 2,000 class A common. **Price**—$30. **Business**—Company plans to operate a golf course and recreational facilities. **Proceeds**—For construction and working capital. **Office**—120 Kings Highway W., Haddonfield, N. J. **Underwriter**—None.

★ Management Investment Corp.
Aug. 29, 1962 filed 2,000 common (with attached warrants). **Price**—$500. **Business**—Company plans to furnish equity capital to firms in the atomic, space and missile fields, and provide advisory and management counseling services on a fee basis. **Proceeds**—For repayment of loans, and general corporate purposes. **Office**—130 Fulton Federal Bldg., Atlanta. **Underwriter**—None.

★ Manna Real Estate Investment Trust
Aug. 30, 1962 filed 460,000 shares of beneficial interest. **Price**—$11. **Business**—A real estate investment trust. **Proceeds**—For investment. **Office**—1500 Massachusetts Ave., N. W., Washington, D. C. **Underwriter**—Manna Financial Planning Corp. (same address).

★ Maust Coal & Coke Corp. (9/24-28)
Aug. 30, 1962 filed $5,000,000 of s. f. debentures due 1977; also 250,000 common to be sold by a stockholder. **Price**—By amendment (max. $14 for stock). **Business**—Mining and processing of bituminous coal. **Proceeds**—For equipment, construction, debt repayment and other corporate purposes. **Office**—530 Fifth Ave., N. Y. **Underwriter**—Eastman Dillon, Union Securities & Co., N. Y.

★ Metro Real Estate Investment Trust
Aug. 15, 1962 ("Reg. A") 60,000 certificates of beneficial interests. **Price**—$5. **Business**—A real estate investment trust. **Proceeds**—For investment. **Office**—907 Crutchfield St., Falls Church, Va. **Underwriter**—None.

★ Nippon Telegraph & Telephone Public Corp. (9/19)
Aug. 31, 1962 filed $15,000,000 of 6% guaranteed dollar bonds due Sept. 15, 1977. **Price**—By amendment. **Business**—The company, wholly-owned by the Japanese Government, was formed in 1952 to take over the furnishing of public telephone, telegraph and related communication services in Japan, and is the only company furnishing such services in that country. **Proceeds**—For expansion. **Office**—Tokyo, Japan. **Underwriters**—Dillon, Read & Co. Inc.; First Boston Corp.; Smith, Barney & Co. Inc.

★ North Atlantic Life Insurance Co. of America
Aug. 31, 1962 filed 600,000 common to be offered for subscription by stockholders on the basis of two new shares for each common share held of record Aug. 27, 1962. **Price**—$3.50. **Business**—Writing of life, accident and health insurance. **Proceeds**—For capital funds. **Office**—163 Mineola Blvd., Mineola, L. I., N. Y. **Underwriter**—None.

★ Petroleum Associates Fund, Inc.
Aug. 24, 1962 ("Reg. A") 77,000 common. **Price**—$1. **Business**—Company plans to explore for oil and gas reserves. **Proceeds**—For working capital. **Office**—111 W. Monroe St., Chicago. **Underwriter**—None.

★ Playground Corp. of America
Aug. 29, 1962 ("Reg. A") 75,000 common. **Price**—$2. **Business**—Design, assembly and sale of recreational and playground equipment for children. **Proceeds**—For equipment, sales promotion and other corporate purposes. **Office**—16 E. 52nd St., N. Y. **Underwriter**—None.

★ Polequity Corp.
Aug. 29, 1962 ("Reg. A") 60,000 common. **Price**—$5. **Business**—Company through its subsidiaries engages in the sale of life, accident and health, and group and disability benefits insurance; trading in over-the-counter market; underwriting of new security issues and sale of mutual funds. **Proceeds**—For expansion, advertising, and working capital. **Office**—150 Broadway, N. Y. **Underwriter**—J. B. Coburn Associates, Inc., N. Y.

★ Professional Life & Casualty Co.
Aug. 20, 1962 ("Reg. A") 32,225 common to be offered for subscription by stockholders of record on March 1, 1962. **Price**—$5. **Business**—Writing of life, health and accident insurance. **Proceeds**—For reserves. **Office**—720 N. Michigan Ave., Chicago. **Underwriter**—None.

★ Publishers Co., Inc.
Aug. 29, 1962 filed $3,500,000 of 6% subord conv. debentures due 1977 to be offered by the company and 25,000 outstanding common shares to be sold by stockholders. **Price**—For debentures, par; for stock—by amendment (max. $10). **Business**—Book publishing. **Proceeds**—Compuany will use its proceeds for the purchase of two printing firms; to redeem outstanding 6% notes; for working capital, and other corporate purposes. **Office**—1106 Connecticut Ave., Washington, D. C. **Underwriter**—Roth & Co., Inc., Philadelphia.

★ Reeves, Parvin & Co.
Aug. 20, 1962 ("Reg. A") 2,787 class A and B common to be offered in units consisting of two class A and one class B common share. **Price**—$16 per unit. **Business**—Distribution of food and certain non-food products to stores and institutions. **Proceeds**—For working capital. **Office**—Room 526, Bourse Bldg., Philadelphia. **Underwriter**—None.

★ San Diego Gas & Electric Co. (9/20)
Aug. 29, 1962 filed 500,000 common to be offered for subscription by stockholders on the basis of one new share for each nine held of record Sept. 20. **Price**—By amendment. **Proceeds**—For repayment of bank loans, and construction. **Office**—861 Sixth Ave., San Diego. **Underwriter**—Blyth & Co., Inc., N. Y.

★ Scottsdale Title & Trust Co.
Aug. 20, 1962 ("Reg. A") 98,000 common. **Price**—$1. **Business**—Writing of property title insurance policies. **Proceeds**—For expansion. **Office**—510 N. Scottsdale Rd., Scottsdale, Ariz. **Underwriter**—None.

★ Smith-Corona Marchant, Inc. (10/5)
Aug. 31, 1962 filed 241,000 convertible preferred shares (par $50) to be offered for subscription by common stockholders on the basis of one share for each eight common shares held of record Oct. 5, 1962. **Price**—By amendment. **Business**—Manufacture and distribution of office equipment. **Proceeds**—For debt repayment, a new plant and equipment, product development and other corporate purposes. **Office**—410 Park Ave., N. Y. **Underwriter**—First Boston Corp., N. Y.

● Suburban Water Service Co. (9/17-21)
June 29, 1962 filed 30,000 preferred or 30,000 common shares. **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. **Note**—This registration has become effective.

★ Traileurop, Inc.
Aug. 30, 1962 filed 150,000 common. **Price**—$5. **Business**—A holding company for European firms engaged in leasing semi-trailers. **Proceeds**—For equipment, debt repayment and working capital. **Office**—99 Wall St., N. Y. **Underwriter**—Kordan & Co., Inc., N. Y.

★ Transportation for the Handicapped, Inc.
Aug. 29, 1962 ("Reg. A") 80,000 common. **Price**—$2.50. **Business**—Company has developed a specialized method for the transportation of aged and handicapped individuals and plans to sell franchises to conduct such operations under the name "Mobile Care." **Proceeds**—For equipment, advertising, and working capital. **Office**—2079 Wantagh Ave., Wantagh, N. Y. **Underwriter**—None.

★ Western Electrodynamics, Inc.
Aug. 27, 1962 ("Reg. A") 30,000 common. **Price**—$10. Business—Development, manufacture and marketing of electric and electronic measuring instruments, control equipment and scientific apparatus. **Proceeds**—For research and development, inventory and debt repayment. **Address**—P. O. Box 98, Colorado Springs, Colo. **Underwriter**—None.

Prospective Offerings

Adley Corp.
May 17, 1962 the company applied to the ICC for authority to issue 105,000 $2 par common shares. **Price**—By amendment (min. $10). **Business**—A motor vehicle common carrier operating in 18 eastern states. **Proceeds**—For working capital. **Office**—New Haven, Conn. **Underwriter** — Eastman Dillon, Union Securities & Co., New York.

★ Belock Instrument Corp.
Sept. 4, 1962 it was reported that the company plans to raise an additional $1,000,000 by sale of securities. **Business**—Company produces various defense items, such as bomb-sights, gun directors, missile system components, etc. **Proceeds**—For working capital and other corporate purposes. **Office**—112-03 Fourteenth Ave., College Point, N. Y. **Underwriter**—Carl M. Loeb, Rhoades & Co., N. Y.

Biologics International Inc.
Aug. 15, 1962 it was reported that this company plans to file a registration statement covering 125,000 common shares. **Price**—$3. **Business**—Company plans to breed and supply animals for biological research purposes. **Proceeds**—For general corporate purposes. **Office**—7520 Bergenline Ave., North Bergen, N. J. **Underwriter**—To be named.

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).

● Columbia Gas System, Inc. (11/1)
Aug. 1, 1962 it was reported that the company plans to sell $20,000,000 of debentures or bonds in November. **Office**—120 E. 41st St., N. Y. **Underwriters**—(Competitive). Probable bidders: Merrill Lynch, Pierce, Fenner & Smith Inc.-White, Weld & Co. (jointly); Morgan Stanley & Co.-First Boston Corp. (jointly); Halsey, Stuart & Co. Inc. **Bids**—Expected Nov. 1.

● Consolidated Edison Co. of New York, Inc. (10/2)
Aug. 29, 1962 it was reported that this utility plans to sell $75,000,000 of first mortgage bonds due 1992. **Proceeds**—To refund a like amount of 5¼% first and refunding mortgage bonds due Dec. 1, 1989. **Office** — 4 Irving Place, N. Y. **Underwriters**—(Competitive). Probable bidders: Morgan Stanley & Co.; First Boston Corp.-Halsey, Stuart & Co. Inc. (jointly). **Bids**—Expected Oct. 2. **Registration**—Scheduled for Sept. 7.

● Consumers Power Co.
Sept. 4, 1962, Robert P. Briggs, Executive Vice-President, announced that the company had postponed until mid-1963 its plan to sell additional securities because of "larger than anticipated internal generation of cash, substantial refunds from natural gas suppliers and the increased use of bank credit." Earlier, the company reported that it expected to sell about $40,000,000 of securities, probably bonds, in the fourth quarter. **Office**—212 West Michigan Ave., Jackson, Mich. **Underwriters**—(Competitive). Probable bidders: Halsey, Stuart & Co. Inc.; White, Weld & Co.-Shields & Co. (jointly); Harriman Ripley & Co. Inc.-First Boston Corp. (jointly); Morgan Stanley & Co.

Delaware Power & Light Co.
March 9, 1962 it was reported that the company has postponed until early Spring of 1963 its plan to issue additional common stock. The offering would be made to common stockholders first on the basis of one share for each 10 shares held. Based on the number of shares outstanding on Dec. 31, 1961, the sale would involve about 418,536 shares. **Proceeds**—For construction. **Office**—600 Market St., Wilmington, Del. **Underwriters**—(Competitive). Probable bidders: Carl M. Loeb, Rhoades & Co.; W. C. Langley & Co.-Union Securities Co. (jointly); Lehman Brothers; First Boston Corp.; White, Weld & Co.-Shields & Co. (jointly); Kidder, Peabody & Co.-Merrill Lynch, Pierce, Fenner & Smith Inc. (jointly).

Florida Power Co.
March 19, 1962 it was reported that this company plans to offer stockholders the right to subscribe for about 457,265 additional common shares on a 1-for-20 basis. **Office**—101 Fifth St., South, St. Petersburg, Fla. **Underwriters**—To be named. The last rights offering of common on May 4, 1959 was underwritten by Kidder, Peabody & Co., and Merrill Lynch, Pierce, Fenner & Smith Inc., N. Y. **Offering**—Expected in October, 1962.

Food Fair Properties, Inc.
May 11, 1962 stockholders authorized the company to issue 756,000 shares of a new convertible preferred stock which will be offered to stockholders through subscription rights on a 1-for-10 basis. **Price**—By amendment. **Business**—Development and operation of shopping centers. **Proceeds**—To retire outstanding 6% preferred stock and purchase up to $6,000,000 convertible debentures of Major Realty Corp., an affiliate. **Office**—223 East Allegheny Ave., Philadelphia. **Underwriter**—To be named. The last rights offering in December 1957 was underwritten by Eastman Dillon, Union Securities & Co., New York.

Georgia Power Co. (11/7)
On Jan. 12, 1962 it was reported that this subsidiary of the Southern Co. plans to offer $23,000,000 30-year first mortgage bonds in November. **Office**—270 Peachtree Bldg., Atlanta, Ga. **Underwriters**—(Competitive). Probable bidders: Halsey, Stuart & Co., Inc.; Harriman Ripley & Co., Inc.; Blyth & Co., Inc.; Kidder, Peabody & Co.-Shields & Co. (jointly); Equitable Securities Corp.-Eastman Dillon, Union Securities & Co. (jointly); First Boston Corp.; Lehman Brothers; Morgan Stanley & Co. **Bids**—Expected Nov. 7. **Registration**—Scheduled for Oct. 5.

Georgia Power Co. (11/7)
On Jan. 12, 1962 it was reported that this subsidiary of the Southern Co. plans to offer $7,000,000 of preferred stock in November. **Office**—270 Peachtree Bldg., Atlanta, Ga. **Underwriters**—(Competitive). Probable bidders: Blyth & Co., Inc.; First Boston Corp.; Morgan Stanley & Co.; Eastman Dillon, Union Securities & Co.-Equitable Securities Corp. (jointly); Lehman Brothers. **Bids**—Expected Nov. 7. **Registration**—Scheduled for Oct. 5.

Illinois Power Co.
Feb. 28, 1962 it was reported that this utility expects to sell $25,000,000 of debt securities in late 1962 or early 1963. **Office**—500 South 27th St., Decatur, Ill. **Underwriters**—To be named. The last sale of bonds on May 21, 1958 was made through First Boston Corp. Other bidders were: Halsey, Stuart & Co. Inc.; White, Weld & Co.-Merrill Lynch, Pierce, Fenner & Smith, Inc. (jointly); Eastman Dillon, Union Securities & Co.; Harriman Ripley & Co., Inc.-Glore, Forgan & Co. (jointly).

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

March 31, 1963. **Business**—The bank was incorporated to 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. (11/13)
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. **Bids**—Expected Nov. 13, 1962 at 80 Pine St., N. Y. **Information Meeting**—Nov. 9, 1962 at same address.

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.
Aug. 28, 1962 it was reported that this road is considering the issuance of $25,000,000 of collateral trust bonds in November, subject to ICC approval. **Office**—220 E. 42nd St., New York. **Underwriters**—(Competitive). Probable bidders: White, Weld & Co.-Salomon Brothers & Hutzler (jointly); Halsey, Stuart & Co. Inc.; Morgan Stanley & Co.

Metropolitan Edison Co. (11/27)
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. **Bids**—Expected Nov. 27, 1962. **Information Meeting**—Scheduled for Nov. 21.

Montana-Dakota Utilities Co.
Aug. 28, 1962 it was reported that this company plans to sell $12,000,000 of 25-year first mortgage bonds in late 1962 or early 1963. **Proceeds**—For construction. **Office**—831 Second Ave., S., Minneapolis. **Underwriters**—To be named. The last bond issue was won at competitive bidding on Dec. 3, 1958 by Eastman Dillon, Union Securities & Co. Other bidders were: Blyth & Co., Inc.-Merrill Lynch, Pierce, Fenner & Smith Inc. (jointly); Halsey, Stuart & Co. Inc.; Equitable Securities Corp.

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.

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.

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. (10/24)
Aug. 15, 1962 it was reported that this company expects to sell about $60,000,000 of debentures and $20,000,000 of preferred. **Office**—120 Broadway, N. Y. **Underwriters**—Merrill Lynch, Pierce, Fenner & Smith Inc., and Kidder, Peabody & Co., N. Y.

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).

★ **Russ Togs, Inc.**
Sept. 5, 1962 it was reported that a registration statement will be filed shortly covering a secondary offering of about 150,000 common shares. **Business**—Company manufactures misses, junior and children's popular priced sportswear. **Office** — 1372 Broadway, N. Y. **Underwriter**—Shearson, Hammill & Co., 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. (10/30)**
July 3, 1962 it was reported that this company plans to sell $50,000,000 of first and partially refunding mortgage bonds, series P, due Nov. 1, 1987. **Proceeds**—For debt repayment and construction. **Office**—601 W. 5th St., Los Angeles. **Underwriters**—(Competitive). Probable bidders: Blyth & Co., First Boston Corp.-Dean Witter & Co. (jointly); Halsey, Stuart & Co. Inc.; Kuhn, Loeb & Co.-Equitable Securities Corp. (jointly). **Bids**—Expected Oct. 30 (8:30 a.m. PST) at company's office.

Southern Electric Generating Co. (11/28)
Aug. 21, 1962 it was reported that this subsidiary of the Southern Co. plans to sell $7,500,000 first mortgage bonds due June 1, 1992. **Office** — 600 N. 18th Street, Birmingham, Ala. **Underwriters** — (Competitive) Probable bidders: First Boston Corp.; Halsey Stuart & Co., Inc.; White, Weld & Co.-Kidder, Peabody & Co. (jointly) Merrill Lynch, Pierce, Fenner & Smith Inc.-Blyth & Co., Inc. (jointly); Eastman Dillon, Union Securities & Co.-Equitable Securities Corp.-Drexel & Co. (jointly); Morgan Stanley & Co. **Bids**—Expected Nov. 28. **Registration**—Scheduled for Nov. 1.

★ **Southern Pacific Co. (10/10)**
Sept. 5, 1962 it was reported that the company plans to sell $6,000,000 of 1-15 year equipment trust certificates. **Office**—165 Broadway, N. Y. **Underwriters**—Competitive). Probable bidders: Salomon Brothers & Hutzler; Halsey, Stuart & Co. Inc. **Bids**—Expected Oct. 10 (12 noon EDST) at company's office.

● **Southern Railway Co. (7/12)**
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. 12, 1962 (12 noon EDST).

Southern Union Gas Co.
Aug. 15, 1962 it was reported that this utility plans a rights offering of $10,000,000 of convertible preferred stock in the first quarter of 1963. **Office**—1507 Pacific Ave., Dallas. **Underwriters** — To be named. The last rights offering of preferred stock in April 1959 was handled by Snow, Sweeny & Co., Inc., N. Y., and A. C. Allyn & Co., Chicago.

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" saiding ship cruises. **Proceeds**—For acquisition of additional vessels. **Office**—P. O. Box 918, Nassau, Bahamas. **Underwriter**—J. I. Magaril Co., Inc., N. Y.

B & O Head Flays Subsidized Rates

Jervis Langdon, Jr., President of the Baltimore and Ohio Railroad, recently defended against attacks by the Interstate Commerce Commission and water carrier competitors two bills which would give the rail industry a degree of freedom to compete with other forms of transportation.

The bills, S.3242 and S.3243, would exempt railroads from ICC control of minimum rates when hauling bulk commodities and agricultural and fishery products now transported without regulation by water carriers and truckers.

Mr. Langdon testified on the bills during hearing being held by the Senate Committee on Commerce.

There is no basis, Mr. Langdon said, for the fears expressed by Rupert L. Murphy, ICC Chairman, that with no power to control minimum rates the Commission would be unable to remedy discriminatory rate practices upon the complaint of the shipping public.

Balanced Rates Do Not Exist

"The Commission's power to prescribe nicely balanced rate structures in order to avoid discrimination has much less meaning than it used to have in the old days when railroads handled most of the traffic," the B&O President said.

"These historic relationships have been undermined and made academic, at least in large part, by the tremendous growth of exempt and private transportation that does not pay any attention to the ICC or its nicely balanced rate structures," he added.

Mr. Langdon said inland water carriers are highly subsidized. They pay not one cent for the construction, maintenance, and operation of the waterways they use. They have had over the years the protection of differentially higher rates on the part of their principal competition — the railroads.

"These differentially higher rail rates, incidentally, have not been enforced to protect 'lower' barge costs, but rather the charges that the barge lines have imposed on the public for their services, plus all other incidental costs incurred by shippers in using them."

Questions Lower Cost Claim

Inland waterway operators can describe themselves as "lower cost" carriers only if they ignore that part of their costs now subsidized by the tax-payers, Mr. Langdon declared.

"When this part is included, as it must be if costs are to be comparable, no one knows how the inland water carriers stand," he said. "Apparently, in their competitive standing with the other forms, the water carrier advantage under the subsidy is thin." One reason he cited was that "the extremely modest user charge suggested in the President's Message on Transportation, which was designed only to pay a small share of the Federal Government's costs in providing and maintaining waterway improvements, evoked cries of anguish from barge operators, with unsubstantiated predictions that it would destroy their operations."

Motor carriers as well as water carriers have embraced the ICC regulations which have been detrimental to the rail industry, Mr. Langdom charged.

"Differentially higher rail rates, plus subsidy, are too cozy a situation to permit them to consider such matters on principle," he said.

Form DeLia Co.

NORTHAMPTON, N. Y.—R. William DeLia Inc. has been formed with offices at Northville to engage in a securities business.

F. L. Mace Opens

Frank L. Mace is engaging in a securities business from offices at 196 East 75th Street, New York City, under the firm name of Mace Company.

With Cruttenden, Podesta

(Special to THE FINANCIAL CHRONICLE)

LINCOLN, Neb. — George E. Easley has become connected with Cruttenden, Podesta & Miller, Terminal Building.

Cairns & Campbell Office

PASADENA, Calif. — Cairns & Campbell has opened a branch office at 345 Green Street, under the management of Marie Montmeny.

Realistic Economic Program That Fits Present Situation

Continued from page 1

out as projected in January, we shall have had a $16 billion increase in the two and a half years ending June 30, 1963. There has been a sharp increase, also, in spending by state and local governments. The economy has lagged, but no one can say it has lagged because it got no boost from governmental spending.

Second, not only have we had a sharp rise in Federal spending but it has been deficit spending, which is widely regarded as being a very strong tonic for the economy. But if a deficit in the Federal budget with expenditures rising will stimulate the economy, then we should be enjoying a good real more stimulation than we are feeling right now. There was a deficit in the conventional budget of nearly $4 billion in the fiscal year 1961 and a deficit of $6.3 billion was registered in the fiscal year just completed. And still the economy lags.

There are all kinds of reasons why our country, with its heavy responsibilities in the Free World, should keep its financial housekeeping in strict order, but if we were to put all of these powerful arguments aside and simply look at the record as pragmatists I don't see how we can escape the conclusion that the Federal budgetary deficits just don't work the magic they are reputed to perform.

Third, it is not easy, either, to see a ground for complaint that consumer buying power has not increased rapidly enough. Between the first quarter of 1961, which was the trough quarter of the 1960-61 recession, and the second quarter of this year, disposable personal income rose more than did personal consumption expenditures. Reflecting this fact, the annual rate of personal savings went up by about $3 billion and the savings ratios rose from 6.7 to 7%.

Serious Capital Spending Lag

Fourth, the record shows very clearly that the one major element in our economy that has been really lagging is the volume of expenditures by private business concerns on plant and equipment. While other major categories of national product have been increasing well enough, and some, such as governmental spending, have been rising sharply, producers' expenditures on durable goods have hardly increased at all. They rose in the recovery period, but not nearly enough; and, looking at their behavior over a longer period, they were barely larger in the second quarter of 1962 than they were in the second quarter of 1960. Furthermore, if the amounts spent were expressed in constant rather than in current prices I expect it would be found that the physical amount of goods involved was actually less in mid-1962 than it was two years ago.

When one goes over the whole record it is pretty clear that the lag in our economy is in private investment activity and that our major need is to create an environment that will favor a more rapid increase in this category of expenditures. What we need is a program of action that will bring this about.

* * *

In a moment I will outline a plan of policy which, in my judgment, would fit the present situation, but before I do that let me say that a plan of economic policy, like any broad strategical plan, must respect the constraints that are inherent in the situation in which it is intended to operate. There is no point in talking about what it would be helpful to do if only the situation were not what it is. In the present case, it is futile, and worse than that, to talk about policy without regard to the fact that we have a substantial and continuing deficit in our balance of payments. When I appeared before this Committee last January I said that I thought this was our "number one" problem. I think that is still a correct appraisal of the situation. We should shape our policy plans in the understanding that we do have a precarious international financial position; and to the fullest extent possible our plans should be designed to help improve that position.

Further, it is not very helpful to talk about policy plans, fiscal or otherwise, as if there were no deficit in the Federal budget. I have heard suggestions recently for tax reductions that sound as if those who make them have forgotten that the Federal Government is not collecting enough money to pay its expenses even in an advanced stage of business expansion. The advocates of this kind of tax cutting have either overlooked the existing deficit, which hardly seems possible, or they have been persuaded that tax cuts which create deficits will give such a strong stimulus to growth that they will pay for themselves with very little delay. As I have shown, there is nothing in our recent experience to suggest that deficits, as such, will do this.

In any case, the policy program I am going to propose does respect the facts of our international financial position and our Federal finances.

* * *

Let me outline the major elements of a program.

Need for Declaration Supporting Cyclically Balanced Budget

First, it would be helpful, if this Committee, and the Administration, would reaffirm the budgetary policy which has been previously stated, namely, that our object in budgetary planning is to achieve a balance over the cycle, with surpluses in periods of cyclical expansion offsetting deficits during cyclical recessions. Any doubts on this should be put to rest.

Second, it is essential, in my judgment, to initiate at the earliest possible opportunity a program of tax reforms designed to stimulate a higher rate of business capital expenditures. The steps recently taken by the Treasury to liberalize depreciation allowances were a good start. The investment credit would be helpful, too, though my preference would be for a still more liberal depreciation allowance.

Beyond these steps, we ought to get the corporate income tax rate down. The 42% limit proposed in the Baker-Herlong bill would be very helpful, of course, but we might set 47% as an interim goal. Also, we should eliminate the near-confiscatory rates imposed on the upper brackets of individual income. Again, I would like to see these reduced over a period as contemplated in the Baker-Herlong bill, but 50% would be a reasonable interim goal.

Quite apart from other effects, these tax changes would be tremendously helpful to our four million small and medium-sized business concerns. The task we face of providing jobs in this decade for a rapidly increasing number of young people is going especially to require a vigorous body of small and medium-sized companies. Many will find employment in large nationwide organizations, but we should leave no stone unturned to help the small and medium-sized companies in which large numbers of young people will find their most interesting and rewarding employment opportunities.

Measures to Finance Tax Reduction

Third, although I want to see us do every bit of constructive, growth-promoting tax reducing that we can do, I believe we should limit what we do to what can be counterbalanced, in its immediate revenue-reducing effects, by expenditure reductions and possibly by some sales of Treasury-held financial assets. If rate reductions of the type I have proposed promote growth to the extent that I think they will, they will eventually pay for themselves, but in the interim we should plan to pay for them in some quite tangible way.

I suggest that we go about the task of financing constructive, growth-promoting tax cuts as follows:

(1) As guidance for the fiscal 1964 budget-making process the President should set a ceiling on federal spending. This ceiling should not be higher than the projected spending level of Fiscal 1963 and if possible should be lower.

(2) With that ceiling as a preliminary guide, an effort should be launched at once to reduce spending on low-priority programs. The economies achieved from this budget review need not go exclusively to financing tax reductions. On the contrary, they might be divided about 50-50 between this purpose and increasing expenditures on truly high-priority programs. By high-priority programs I mean those that give a clear promise of enhancing our capability for achieving a vigorous rate of economic growth.

(3) Although I would depend mainly on the reduction of low-priority spending to offset the immediate revenue cost of tax reforms it should be possible to offset some part of this budgetary impact from the proceeds of the sale of portions of the huge amount of financial assets which the Federal Government has accumulated over the years under its various direct loan programs. It was estimated in the January 1962 budget message (Special Analysis E) that outstanding direct loans of major federal credit programs at the close of the fiscal year 1962 would come to nearly $27 billion. Obviously, one should not press a program of this kind too hard lest it raise borrowing costs in the long-term capital markets. But it should be possible to distribute significant amounts of these assets on terms that would be fully protective of the public interest and without any material effect on long-term borrowing costs.

Something between $2½ and $3 billion would be a reasonable beginning goal for tax reductions of the sort I have proposed; and I believe that this immediate impact on revenues could be offset by some combination of the means I have indicated. If more can be done, so much the better.

It is my considered judgment that a statement to the effect that this is the direction of policy to be followed in tax and expenditure matters would have a very stimulative effect on our economy. But I would emphasize that it is very important to get the program under way soon. Accordingly, the tax aspects should be presented, in my judgment, in a form that will minimize the time required for consideration prior to enactment. From this point of view, the simpler the bill the better.

Monetary Policy

(4) This brings me to the question of monetary policy, which is especially important at this time because of our international payments position and because of the lag in our economy.

No one wants a money policy that will retard the correction of our balance of payments position, much less a policy which would actively worsen that position. On the contrary, money policy should contribute to the needed correction. But if monetary policy is asked to carry too much of the burden of correcting, or even of protecting, an international payments position which, like ours, is traceable in good part to governmental programs it could very well be so restrictive as to offset all the stimulating effect which we could hope to produce through fiscal measures. The risk of our getting into such a policy dilemma is reduced, of course, to the extent that we succeed in efforts such as those being pressed by the administration in connection with procurement under our military and economic aid programs. Vigorous application of these efforts to conserve dollars is an absolute requirement of policy at this time.

This requirement is underlined by the fact that free reserves seem to have been trending down recently, that the money supply currently seems to be shrinking, and money rates and bond yields have recently taken a rather sharp turn upward. Considering all elements in the situation, as the Reserve authorities are in a position to do, these developments may be both necessary and beneficial. All the same, I would hope that considering the position of the economy at this time and the extent of the more direct measures being taken to help correct our balance of payments, it will not be necessary to tighten credit conditions over their present position. Actually, some easing would be helpful to the economy, especially in the long-term section of the market.

Would Sell Some Treasury Financial Assets

At an earlier point in this statement I suggested the sale of some part of the financial assets currently held by the Treasury as a technique for meeting part of the cost of a growth-promoting tax reduction program. I realize that this could have a tendency to raise long-term borrowing costs, though I should think the program could be managed so as to limit this effect to a very small amount and hopefully to avoid it altogether. But if long-term borrowing costs have to be lifted, and in the last few weeks they have been lifted in the corporate bond market, I should think it would be better to do this as part of a program to finance growth-promoting tax reductions than as part of a normal Federal Reserve open market operation.

(5) Finally, let me say a few words on the relation of costs and prices to economic growth. Mr. Bolling of this Committee will perhaps remember a letter I wrote him a few years back responding to certain questions he put to me and in which I stressed the importance of cost increases, and particularly of labor-cost increases, as a force behind rising prices. This was not a widely-held view at the time, but it has gained a good many followers since. Indeed, not so long ago it was not even fashionable to believe in the necessity of a reasonably steady price level as a basis on which to achieve sustainable and meaningful economic growth. But views on these matters have undergone very considerable change. Nowadays, there is broad agreement that a reasonably stable price level is the only basis on which a workable economic strategy can be built. I subscribe fully to this view, though I must confess that the conversion to it has been more rapid and more widespread than anything I had expected to witness. But this is good and I am happy to see it; all that concerns me is that we do not overlook the fact that once price-level stability has been made the basis of an economic strategy, one automatically accepts certain other requirements, too. The most important of these is that, in the most general case, production costs must not increase by amounts that cannot be fully offset, in their effect on unit cost of production, by improvements in productivity. If this requirement is not respected, the result is a supression of profit margins and eventually a supression of the rate of economic growth.

Squeeze of Prices and Costs

There is wide agreement, I believe, that for some years we have, as a nation, been failing to respect this requirement. Competitive conditions, and to some extent governmental pressures, have pretty much fixed a ceiling on prices; currently, many industrial prices are being reduced. But we have been less successful in limiting increases in costs. One way to put this is to say that price inflation, at least for the time being, has been checked but that cost inflation continues. I believe that it is this inconsistency, which reflects itself in narrower and narrower profit margins, that is the major factor behind the lag in our economic growth. And I want to state quite clearly that although I believe we can improve our economic performance through appropriate fiscal and monetary policies, we must follow appropriate wage-price-profit policies or we will undo all the good these other measures can accomplish. This is obviously what the President and his Council of Economic Advisers had in mind in setting forth certain wage and price guidelines in the January 1962 Economic Report.

There is a good deal that can be said *pro* and *con* on the idea of setting guidelines in this fashion, but without going into these arguments I must express a reservation about the wage guideline as currently defined. The principle that labor cost increases should be *equated* to productivity improvements does not, in my judgment, suit our present situation. What we need now is a chance to achieve an improvement in profit margins and some reductions in prices. If we keep our economy competitive enough, which is a requirement underlying any strategy for an enterprise economy, we can be sure that profit improvement will not go far beyond what is reasonable before it is translated into lower prices. But in order to achieve profit margin increases and price reductions, production cost increases must be kept *well within* productivity improvements, not equated to them. The guideline, in my judgment, should be revised to this effect.

Suggest Wage Guidelines Improvement

It would be helpful also to have a better understanding as to how these guidelines are to be enforced. Certainly, it is clear that there is very little to be gained from enforcement procedures of the sort that were employed in the steel incident. I have four suggestions to make in this connection.

First, on the application of wage-price guidelines, I suggest that the Executive Branch limit its role to (i) annual descriptive and analytical reviews, presented in the Council's year-end Economic Report, of the major developments affecting wages, prices and profits; and (ii) a critical evaluation by the President, in his year-end Economic Message, of wage-price-profit developments during the year. If it should be the President's judgment that developments have not been consistent with the national interest he could state the respects in which he believes mistakes have been made and the lines along which adjustments should be made. There is ample opportunity in the medium of these two messages for the facts to be set forth and analyzed for their meaning and significance and for guidance, which I believe should be couched in general terms, to be given for the year ahead. Short of emergency conditions, and in these connections I would interpret "emergency" quite restrictively, I believe our economy will work better if the Executive Branch avoids direct intervention in specific wage-price decisions. In the meantime, efforts should be pressed, as I believe they are by the President's special commission on labor-management relations, to explore ways of improving the balance of bargaining power in labor markets.

Second, I suggest that conferences such as the one sponsored this spring by the Secretary of Labor on national economic issues be held regularly every year. Conferences of this kind are an excellent way to encourage discourse and to improve understanding among labor, management and government on economic policy questions.

Third, it would also be helpful to provide for the expression of views from the public on wage-price-profit developments. To this end, the Joint Economic Committee or possibly the Council of Economic Advisers might plan to have open hearings every January or February devoted specifically to this range of questions and in particular to the guidelines, if these continue to be set out by the Council and the President. So far as possible, the effort should be to give an opportunity to be heard to all those who have potentially useful contributions to make to the discussion. This could be a kind of "annual economic town meeting." I come from New England and I know that it is sometimes not as easy to get such meetings stopped as it is to get them started, but I think this can be managed and, in any case, the open discussion of stated public policy is always a healthy thing in a democracy. Open discussion is certain to help us find our way to an understanding of the kind of wage-price policy, shaped through free collective bargaining and competitive markets, under which we can achieve the kind of economic performance we all desire.

Fourth, I suggest that this Committee make a special point, possibly through the scheduling of special hearings, of examining into the ways in which government itself may be putting direct upward pressure on costs and prices. I have in mind, particularly, the governments' procurement and contracting activities and the programs under which it makes minimum wage determinations as authorized by the Walsh-Healy and Davis-Bacon statutes. We should be quite sure that these programs are administered in ways that are consistent with the kind of wage-price policies which, under the guidelines procedure, we hope to have followed by all labor groups and business units. I would judge from my experience as Chairman of President Eisenhower's Council of Economic Advisers that there are responsible businessmen who would say that the programs tend to inflate costs. The problem needs close study.

*A statement by Dr. Saulnier before the Joint Economic Committee, U. S. Congress Washington, D. C.

Opens Inv. Office

BRONX, N. Y.—Shirley Deutsch is engaging in a securities business from offices at 3000 Bronx Park East.

M. J. Kohn Opens

Martin J. Kohn is conducting a securities business from offices at 74 Trinity Place, New York City (c/o Gold Freedman Company).

The State of TRADE and INDUSTRY

Continued from page 14

against the possibility of a strike next year.

August Auto Output Slightly Below Last Year's

Ward's Automotive Reports said that auto production in the U. S. during August would total at 194,657 units, including 43,815 cars made since the industry's changeover to 1963 models.

The August total compares with 195,411 cars made in the same month a year ago.

Rail Freight Loadings Still Edge Below Last Year's Week

Loading of revenue freight in the week ended Aug. 25 totaled 582,959 cars, the Association of American Railroads announced. This was an increase of 333 cars or one-tenth of one per cent above the preceding week.

The loadings represented a decrease of 9,306 cars or 1.6% below the corresponding week in 1961, and a decrease of 12,005 cars or 2.0% below the corresponding week in 1960.

Lumber Output Rises 1.5% Above 1961 Level

Lumber production in the United States in the week ended Aug. 25, totaled 229,409,000 board feet compared with 231,184,000 in the prior week according to reports from regional associations. A year ago the figure was 226,026,000 board feet.

Compared with 1961 levels, output advanced 1.5%, shipments 1% and new orders 8%.

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

	Aug. 25, 1962	Aug. 18, 1962	Aug. 26, 1961
Production	229,409	231,184	226,026
Shipments	231,786	230,625	229,395
New orders	235,016	229,169	217,513

Truck Tonnage Declines 0.6% Below Last Year's Level

Intercity truck tonnage in the week ended Aug. 25 was 0.6% behind the volume in the corresponding week of 1961, the American Trucking Associations announced. Truck tonnage was 0.5% ahead of the volume for the previous week of this year.

For the first time in more than a year, this weekly survey indicated truck tonnage is trailing volume of a year earlier. However, the year-to-year decrease is colored by the unusually strong upturn in traffic during the pre-Labor Day period of 1961.

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.

Electric Output Up 5.4% Over Last Year

The amount of electric energy distributed by the electric light and power industry for the week ended Saturday, Sept. 1, was estimated at 17,088,000,000 kwh., according to the Edison Electric Institute. Output was 232,000,000 kwh. above that of the previous week's total of 17,320,000,000 kwh. and 874,000,000 kwh. or 5.4% above the total output of the comparable 1961 week.

Dip in Business Failures

Commercial and industrial failures dropped back to 282 in the week ended August 30 after the prior week's upturn to 302, reports Dun & Bradstreet, Inc. Casualties continued lower than a year ago when the toll came to 321 and were almost even with the 288 occurring in 1960. However, 24% more businesses succumbed than the 229 in the comparable pre-war week of 1939.

Wholesale Commodity Price Index Turns Up But Holds Below Year Ago

After running even through most of the past week, the general wholesale commodity price level took an upward turn on Friday, reported Dun & Bradstreet, Inc. A sudden climb in the price of steers and a steady rise in the quotation for silver were largely responsible for the higher index at the close of the week.

The Daily Wholesale Commodity Index reached 272.26 (1930-1932 = 100) on Friday, Aug. 31. Although exceeding any other day of the week and up from 271.87 in the prior week, it showed little change from the comparable month-ago level of 272.31 and remained considerably short of the 273.23 registered on the similar day last year.

Weather Wilts Consumer Buying

Some slack developed in retail purchases in the week ended this Wednesday, as high temperatures in some areas and gusty rains in others diminished shopping zest. Over-all volume dipped slightly below the comparable year-ago level. Although back-to-school buying slowed from its recent pace, it maintained its position as the leading seller in apparel stores. Home furnishings moved unevenly during the week but managed to hold their own. Auto purchases continued well above last year's volume, with some dealers strongly promoting final sales of '62 models.

The total dollar volume of retail trade in the week ended this Wednesday ranged from 4% lower to even with last year. Regional estimates varied from comparable 1961 levels by the following percentages: West North Central —8 to —4; East North Central and West South Central —7 to —3; Middle Atlantic —6 to —2; New England —3 to +1; Pacific —1 to +3; South Atlantic and Mountain 0 to +4; East South Central +1 to +5.

Nationwide Department Store Sales Decline 2% From 1961 Week

Department store sales on a country-wide basis as taken from the Federal Reserve Board's index reported a 2% fall for the week ended Aug. 25, 1962, compared with the like period in 1961. For the week ended Aug. 18, sales were ahead by 3% from the corresponding 1961 week. In the four-week period ended Aug. 25, 1962, sales advanced 3% over the corresponding period in 1961.

According to the Federal Reserve System department store sales in New York City for the week ended Aug. 25, were 1% less when compared with the same period in 1961.

Wholesale Food Price Index Turns Up in Latest Week

After dipping to a five-week low in the prior week, the Wholesale Food Price Index, compiled by Dun & Bradstreet, Inc., hit a new high for 1962 of $6.11 on Sept. 4. This 3.4% upturn lifted the index considerably above the $5.91 a week earlier as well as pushing it 2.5% higher than on the comparable day last year when $5.96 was registered.

A total of 13 meats and foodstuffs were quoted higher at wholesale markets during the week. Steers, hams, bellies and butter rose most sharply, while moderate increases were noted in flour, wheat, corn, rye, oats, cocoa, eggs, hogs and milk. Declines were only half as numerous, taking place in barley, sugar, coffee, cottonseed oil, potatoes and lambs.

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.

THE SECURITY I LIKE BEST...

Continued from page 2

Devices acquired the Magnetic Instrument Company of Thornwood, N. Y. A relatively young firm, MIC has nevertheless succeeded in developing a number of unique instruments for critical liquid level and bulk inventory control. At the time of the acquisition, MIC's operations were at a deficit. Now its operations are in the black, and will make an increasingly material contribution to Polymetric Devices' earnings.

Several of MIC's instruments appear destined to open vast new markets in areas in which there is no competition. Of principal interest is the company's "Servo-probe" which has application in virtually every industry storing reactive materials.

Polymetric Devices' second acquisition was that of the Hamilton Manufacturing Company of West Haven, Conn. Hamilton has a well defined capability for close tolerance mechanical work, and manufacturers precision assemblies for various aspects of the aircraft and missile industry. Its customers include General Electric, Raytheon, General Dynamics, Sanders Associates, Curtiss Wright and Republic Aviation. It also produces portable power generators for commercial and military use and an exclusive line of molds and accessories used by almost the entire phonograph record pressing industry.

Of particular importance to Polymetric Devices is the fact that Hamilton provides facilities and personnel for the manufacture of MIC products and provides Hamilton in turn with the opportunity of utilizing the electronic research and design aptitudes of MIC.

Several compelling factors offer assurance for the continued progress of the company:

(1) Management's abilities have been well manifested during the past year. The funds derived from the company's public offering have been utilized with maximum effect in ways that should bring ever increasing rewards.

(2) The company's program of acquisitions has enabled it to augment sales and earnings substantially with no dilution of stockholders' equity. Further mergers are under active consideration in areas that would broaden product lines and power materially.

(3) The segments of the industry in which Polymetric Devices and its subsidiary operate should continue to grow at an exceptionally rapid pace. Many prospective vast markets for industrial process controls are just now being opened.

(4) The company's products are particularly well suited to participate in this expansion. Moreover, they are specifically designed for critical applications and are thus immune from mass competition. Most important, those which appear to offer the greatest potential are proprietary ones, thus insuring above average profit margins in their manufacture and sale.

(5) Operations have reached a point where an acceleration in earnings will proceed with little additional expense or investment. Agency sales, in management's opinion, can be doubled again with the employment of only one or two more salesmen. Of even greater importance to profits, the company should now reap the benefits of the substantial research expenditures which have already been made by MIC.

The current capitalization of Polymetric Devices consists of only 330,000 shares of common stock, more than 70% of which is held by management and associates. There is no long term debt. In February, 1962, the company negotiated a $200,000 unsecured bank loan for the acquisition of Hamilton. As of the end of the current quarter, working capital increased to $400,000 compared with $61,000 a year earlier. The current ratio is 2.4 to 1. Book value now totals close to $2 per share.

No cash dividends are paid, but the company has declared two stock dividends of 2% each to holders of record in September and again in November.

Currently priced at a little over fifteen times current earnings and less than seven times cash flow, Polymetric Devices' shares are at a level that exacts no premium for the greater period of growth that lies ahead.

NABW Names Bank Woman of Month

Ruth F. Irish, Assistant Vice-President and Public Relations Director, Union Dime Savings Bank, 1065 Avenue of the Americas, New York, N. Y., won the September, 1962, NABW "Bank Woman of the Month" award, according to an announcement made by Association President, Hilda H. Kollman, Vice-President, County Bank & Trust Company, Blue Island, Ill.

Miss Irish joined her bank's staff in 1927 as secretary in the service department. After a number of years in that capacity she became secretary to William L. DeBost, former President of the bank, and continued to be his assistant when he became Chairman of the Board. In 1951, she became director, services department, and a year later was elected an assistant secretary of the 103-year-old savings bank.

She was assistant manager of the bank's Murray Hill office, Madison Avenue at 39th Street, from its opening May, 1954, to January, 1957, when she was appointed director of public relations of the bank. Miss Irish was elected Assistant Vice-President December, 1959.

Watling, Lerchen Office

PORT HURON, Mich.—Watling, Lerchen & Co. has opened a branch office at 409 Andrew Murphy Drive under the management of Harold L. Butt.

Hourwich Co. Admits

Hourwich & Co., 40 Wall Street, New York City, has admitted Thomas L. Stix Jr. to general partnership in the firm.

Gallagher-Roach Branch

URBANA, Ohio—Gallagher-Roach and Co. has opened a branch office here under the management of C. William Clark. Mail address is R. R. 1, Box 224.

With Shearson, Hammill

(Special to THE FINANCIAL CHRONICLE)

LOS ANGELES, Calif.—Bruce E. Schramm is now with Shearson, Hammill & Co., 3324 Wilshire Blvd. He was formerly with Financial Equity Corp.

Shearson, Hammill Adds

SAN FRANCISCO, Calif. — Nickolas Nickolas has been added to the staff of Shearson, Hammill & Co., 340 Sutter St. He was formerly with Mitchum, Jones & Templeton.

Forms Ira David Co.

Max Levine is conducting a securities business from offices at 50 Broad Street, New York City, under the firm name of Ira David & Company.

WASHINGTON AND YOU

BEHIND-THE-SCENES INTERPRETATIONS FROM THE NATION'S CAPITAL

WASHINGTON, D. C.—Over-the-Counter trading in securities as brokers know is truly a big business in this country, but how big, nobody knows.

There are some 1,500 stocks traded on the New York Stock Exchange, as an example. However, if the facts were known there might be from 40,000 to 50,000 stocks and other securities traded over-the-counter.

The Securities and Exchange Commission is trying to find out. Under Milton H. Cohen, director of the SEC's special study of the securities market, this mighty research job has been underway since January. It is probably one of the biggest surveys conducted by the agency since the SEC was created in 1933.

Some of the stocks marketed over-the-counter are obviously representing very small companies, but there are some securities traded in companies that are valued at perhaps $100,000,000 more or less.

OTC Survey Questions

The over-the-counter market has been growing steadily for years. The survey now underway will be the basis for a highly important report that the Securities and Exchange Commission will present to Congress next April.

There have been no analysis thus far, and there perhaps will be none until after Mr. Cohen presents some of the findings to the Commission. Of course the Commission will give the findings considerable study before making any recommendations to Congress.

Back in March Director Cohen dispatched a questionnaire, designated "OTC-3," to all members of the National Association of Securities. Dealers and all other broker-dealers registered with the Commission.

The questions one through five were assertedly designed to obtain general information about the size and nature of the registered broker-dealer firm.

Questions six through nine were designed to obtain detailed information about industry-wide over-the-counter transactions in specific securities in very limited periods. Questions 10 involved margin accounts, while questions 11 through 17 sought information in connection with industry practices with respect to entering listings, etc.

In the OTC-3 questionnaire, one group of questions sought information about industry-wide over-the-counter transactions in specific securities, for a single day in the case of 115 securities and for a three-week period in the case of 85 other securities.

In April the SEC Special Study dispatched a questionnaire, called "OTC-4," to about 2,000 companies having no securities traded on any national securities exchange but having one or more stock issues in which there is an apparent over-the-counter market interest.

Issuers receiving the questionnaire were asked to report, among other things, the amount of their assets, the number of their security holders of each class, the amount of turn over in record holdings, and broker-dealer affiliations of their officers and directors.

Financial Reports

The answers to this questionnaire are coming in and are being properly tabulated. Also one half of the recipients of the questionnaire were asked to submit copies of financial reports and proxy solicitation material sent to their stockholders during the last year. These recipients were also selected at random, according to the SEC.

The second questionnaire was in many respects a counterpart of the first questionnaire, in which the broker-dealers were directed to supply information concerning their over-the-counter activities.

At the time Mr. Cohen explained that the two questionnaires, plus the data being researched from other sources, were designed to provide basic statistical information as to the structure and composition of the over-the-counter market and the degree of public interest and activity in the various securities making up the market.

More recently a questionnaire described as "OTC-6" was distributed to 45 or 50 broker-dealers, who are not members of the New York Stock Exchange, but have considerable over-the-counter dealings in securities listed on the stock exchange.

The questionnaire is intended to give the SEC comprehensive statistical data involving growth and characteristics of this type of market. Each firm is asked (in the first section of this questionnaire) the aggregate volume of over-the-counter trading in New York Stock Exchanges for the years 1949, 1955 and 1961.

The second section asked that the names of listed securities in which each broker-dealer conducted transactions in 1955, 1960 and 1961. Still another section makes inquiry as the commission arrangements and pricing methods applicable to transactions effected on an agency basis.

When all this information has been received and compiled it will be a wealth of material. Apparently the SEC will make a series of recommendations to Congress next Spring.

OTC Regulations Expected

The SEC at this time of course is absolutely tight-lipped as to some of the things it has in mind, but it seems reasonable to speculate that the Commission feels there should be more regulations in connection with the transactions over-the-counter and the broker-dealers concerned.

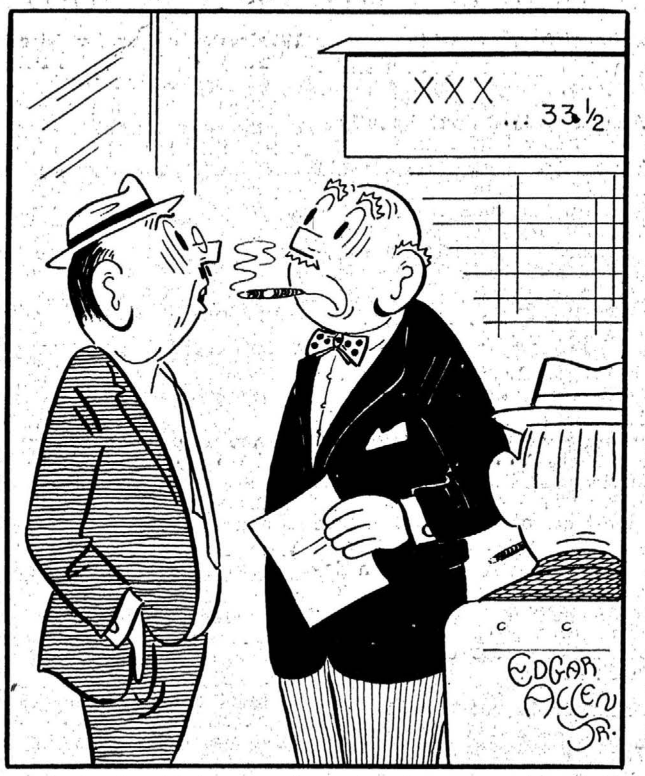
Certainly the agency is going to have a busy autumn, winter and early spring ahead of it.

The laws passed by Congress concerning the SEC provide for public disclosure of pertinent information concerning security offerings, in order that investors may have better guidelines when making investments. The SEC has a strong enforcement division to curb frauds and manipulations, etc.

The commission is composed of five members. Not more than three of whom may be members of the same political party. They are appointed by the President with the consent of the Senate, for five-year terms. This means that one term expires each year.

Under the commission is quiet a large staff. Like most Washington agencies, it has been growing, as stock and bond transactions over the country have increased.

[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'm not buying anything for awhile, I'm a very discerning and conservative investor—and besides I'm broke."

COMING EVENTS

IN INVESTMENT FIELD

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.

The CHRONICLE will publish on Sept. 27 a special pictorial Supplement giving complete coverage to the proceedings at the Conference.

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.

The CHRONICLE will publish on Nov. 22 a special pictorial Supplement giving complete coverage to the proceedings at the Convention.

Nov. 25-30, 1962 (Hollywood, Fla.)
Investment Bankers Association Annual Convention at Hollywood Beach Hotel.

The CHRONICLE will publish on Dec. 20 a special pictorial Supplement giving complete coverage to the proceedings at the Convention.

April 3-4-5, 1963 (Dallas, Tex.)
Texas Group Investment Bankers Association Convention at the Statler Hilton 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.

Forms Sec. Planning

HAWTHORNE, N. J.—Ben Vitale is engaging in a securities business from offices in Hopper Lane under the firm name of Security Planning Company. He was formerly with E. J. Roberts Company.

Marache Adds to Staff

(Special to THE FINANCIAL CHRONICLE)

LOS ANGELES, Calif. — Jerome A. Kessley has been added to the staff of Marache & Co., 210 West Seventh Street, members of the Pacific Coast Stock Exchange. He was previously with V. K. Osborne & Sons, Inc.

Joins Shearson, Hammill

(Special to THE FINANCIAL CHRONICLE)

LOS ANGELES, Calif. — Carl T. Grether has become affiliated with Shearson, Hammill & Co., Inc., 3324 Wilshire Boulevard. He was formerly with Wedbush and Company.

With Dempsey-Tegeler

(Special to THE FINANCIAL CHRONICLE)

SAN DIEGO, Calif. — Edwin H. Kelly has become connected with Dempsey-Tegeler & Co., Inc., 303 A Street. He was formerly with Eastman Dillon, Union Securities & Co.

With Kidder, Peabody

(Special to THE FINANCIAL CHRONICLE)

BOSTON, Mass. — Brooks Whitehouse, Jr. is now with Kidder, Peabody & Co., 75 Federal Street. He was formerly with Merrill Lynch, Pierce, Fenner & Smith Incorporated.