

# The COMMERCIAL and FINANCIAL CHRONICLE

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## EDITORIAL

### As We See It

George Meany, President of the AFL-CIO, has made it clear that his organization at least means business when it advocates a 35-hour week in place of the 40-hour week now generally prevailing. On Labor Day he announced that "we are going to fight for the 35-hour week, not because American workers are lazy but because it would create 5,000,000 more jobs in private industry when it is fully applied." He predicted that during the next few years automation and other improved production techniques would eliminate jobs at the rate of about a million a year. Some other labor leaders had similar views to present at various other places during Labor Day celebrations, as a good many have in the recent past. It must therefore be accepted as fact that organized labor in general will do what it can in the forthcoming elections to send men to Congress who are willing to take up the cudgels for the shorter work-week—and that notwithstanding the expressed opposition of the Administration to any such change at the present moment.

What political headway organized labor will be able to make this Fall or thereafter remains to be seen. One thing is certain in any event, and that is that there is entirely too much sympathy among the rank and file, at least in the abstract, for a shorter work-week as a means of spreading the work and supplying work opportunities to many who are not now able to find the work they want to do. Whenever unemployment rises to more than the usual level, particularly when industry and trade in general are fairly active, it is easy to arouse emotional reactions which tend to lead to easy conclusions about the nature of the causes of unemployment and its possible cures, one of which is always some form of spreading the work. It does not appear to be generally realized that none of the proposed remedies get at the cause of unemployment and hence must be described as mere palliatives, and probably quite ineffective palliatives at that. In listening to what is cur- (Continued on page 12)

## Multilateral Devaluation Would Help U. S. and Rest of Free World

By Philipp H. Lohman, Ph.D., Chairman, Department of Commerce and Economics, University of Vermont

Monetary authority suggests syndrome of potential benefits from devaluation of currencies, preferably handled by I.M.F. Cites crucial divergence between our rising short-term demand obligations and declining gold supply; and asks "How far can a man lean over a wall before he falls over?" Among constructive devaluation results, Professor Lohman foresees greater flexibility for our domestic economic policies; benefit to U.S.S.R. (but this should not be a deterrent); ending of American public's uncertainty and hedging activities; and saner investor attitudes. Feels President Kennedy's devaluation denials lack conviction.

Gold in modern society has two functions: one, its main role today is to act as a settler of international balances; two, it is still the base to which our monetary system is "anchored." The relationship of gold to our money supply is, however, a rather tenuous one.



Philipp H. Lohman

The nation's money supply consists of the demand deposits in the commercial banks and currency. About 90% of all transactions are settled through the use of bank checks, i.e., through demand deposits. The commercial banks, which are members of the Federal Reserve System, must maintain against these demand deposits a fractional legal reserve, presently averaging about 15%. With the exception of some vault cash, this legal reserve is on deposit with the Federal Reserve Banks. About 84% of all demand deposits are in the so-called member banks. They also hold most of the legal reserves of the non-member banks

which are largely held in the form of "correspondent balances" with banks that are member banks. The law further provides that the Federal Reserve Banks must maintain against their demand and note liabilities a legal reserve of 25% in gold certificates, "warehouse receipts" for gold held by the Treasury. Of the \$33.8 billion of currency in circulation almost 90% are Federal Reserve Notes.

For every dollar's worth of gold (certificates) the Federal Reserve System has it may issue \$4 of new Federal Reserve Notes or create \$4 of new deposit liabilities for the member banks. Since the commercial banking system, under the present fractional legal reserve requirement and disregarding currency flows, can expand its deposits by about six and half times for each dollar's worth of excess reserves, one dollar in gold supports \$26 in demand deposits of the commercial banks or \$4 of Federal Reserve Notes. The use of bank credit and the domestic inconvertibility of currency have turned the relationship of gold to the nation's money supply into a rather flimsy affair.

Prior to 1933, the mint price of an ounce of gold was \$20.67 because the dollar was then defined as 25.8 grains of gold 9/10 fine. If one were to take an ounce of gold and cut it into little pieces each containing 25.8 grains, one would have exactly 20 pieces and 67/100 of one. If we call each piece a dollar, the monetary price of gold must be \$20.67 per ounce. The dollar is defined in terms of gold and, in so doing, gold is defined in terms of the dollar. As long as the Congress did not change the 25.8-grain gold content of the dollar, the mint price of gold had to be \$20.67 no matter what the level of commodities prices was. The market price of gold could also not deviate very much or very long from the mint price; arbitrage transactions would keep both the market and mint price uniform.

In 1933, the gold content of the dollar was reduced by 41% to 15.5/21 grains of gold 9/10 fine—to 13.71 grains of fine gold instead as formerly of 23.22 grains of fine (Continued on page 21)

PUERTO RICO SUPPLEMENT NEXT WEEK: Section Two of next week's issue will be devoted to the economic outlook for the Commonwealth of Puerto Rico.

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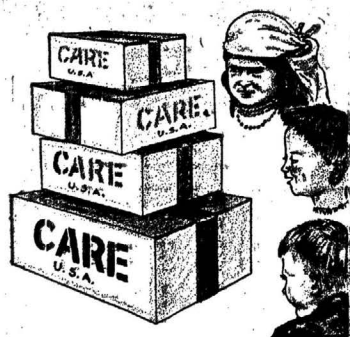
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CHARLES A. CAPEK

Vice-President, Lee Higginson Corp.,  
Chicago, Illinois

**Armstrong Paint & Varnish Works, Inc.**  
An over-the-counter security that combines both growth and income features of a high order is Armstrong Paint & Varnish Works, Inc. This Chicago-based company made the stock available to the general public May 3 of last year after 107 years in business and 56 years as a corporation.



Charles A. Capek

During its years of incorporation, the company has operated at a profit every year. It has paid cash dividends on its common shares every year in the past 35 except 1932 and 1933.

First half figures for 1962 show an increase in net earnings of 10% over the 1961 period, from \$760,906 to \$770,241.

Per share earnings rose from 95 cents in the record year of 1961 to \$1.04, which was an improvement of 20 cents in the second quarter of 1962.

The increase was particularly gratifying since the coatings industry as a whole showed little or no improvement for the period. The fact that Armstrong's 10% increase in net income was achieved on a 4% increase in sales mirrors a vigorous and effective cost reduction program that has made the company somewhat resistant to the cost-price squeeze typical of today's economy.

Painting weather continued favorable well into the third quarter, housing starts for the first seven months were up by 840,000 or 13% from a year ago according to *Business Week* magazine, and apartment construction was up 19% to \$140,000,000 for seven months according to *Construction Daily*. All of these factors have been reflected in improved sales.

The dividend rate has been established at 15 cents per quarter, and a 10 cent extra was paid last year. Frank W. Brokamp, President, said an extra probably will be paid again in 1962 on the basis of current prospects.

Mr. Brokamp has said that competition from some 1,500 other manufacturers will make above-normal growth possible only through new product development and acquisition.

Eight laboratories are continually seeking new uses for the chemicals used in the manufacture of paint and varnish, and currently an employee contest is seeking out other new product possibilities.

As for acquisition, Mr. Brokamp pointed to current working capital of \$6 million, of which \$2.8 million is in cash or the equivalent, adding that the company is continually on the lookout for purchases that might provide additional sales outlets, product diversification or both.

At present, Armstrong paints and allied products are sold by some 8,000 dealers and 150 jobbers in the United States and by some 800 dealers and distributors in Europe, Asia, Africa, and the Latin American countries. Armstrong also serves some 500 in-

dustrial customers with production finishes.

Sales in 1961 to these markets were approximately: dealers 40%; jobbers 30%; industrial customers 13%; and export 8%.

Year	Net Sales (millions)	Net Income (thousands)	Earnings Per Share*
1962†	\$12.4	\$770	\$1.04
1961	21.2	976	1.32
1960	19.0	689	.93
1959	19.1	677	.92
1958	17.8	608	.82
1957	17.2	543	.74
1956	17.0	575	.77
1955	16.9	627	.80
1954	15.5	434	.55
1953	14.7	338	.43

\*Based on 737,835 shares outstanding.

†Six months.

Best available figures show Armstrong ranks tenth in the industry in paint sales.

But few manufacturers in any industry are better equipped to compete. The reason is Armstrong's high degree of self-containment.

For example, it manufactures all its own paint cans one gallon in size and smaller. In addition, it sells about 90% of its can production to other domestic and foreign paint manufacturers.

Nearing completion is a new can warehouse that is expected to save the company some \$35,000 to \$50,000 a year. The paint business is seasonal, and by storing cans heavy overtime loads can be avoided when the demand is greatest early in the year.

Armstrong's own printing department contains 13 modern presses. Here it makes labels for its own cans and for its private label customers, catalogs, office forms and point of sale and other advertising materials. Its 1961 annual report was printed here. The printing facility saves upward of \$200,000 a year. In addition, Armstrong makes all its own chips for color cards.

The company makes its own lead compounds through a wholly owned subsidiary, and sells 80% of production to other manufacturers.

Armstrong pioneered the making of synthetic varnishes and enamels some 30 years ago when it installed the first of five huge two-story, electro-vapor reactors for the production of synthetic resins.

It has its own modern refining plant in which linseed and other vegetable oils are processed by the tank carload, with stricter quality control at less cost than if refined oils were purchased.

The plant even has its own electric light and power plant in which four 400 hp diesel engines provide enough capacity to meet the needs of the average community of 10,000.

To facilitate quick service in areas remote from the Chicago factory, the company has four warehouses located in Columbus, Ohio; Minneapolis, Minn.; Spokane, Wash., and Kansas City.

Research and development and quality control are in the hands of a large staff of technicians working under eight graduate chemists and chemical engineers in eight separate laboratories.

By doing so much for itself, Armstrong has been able, over the years, to maintain enviable standards of quality at competitive prices and a fair profit.

Its employee relations also have been maintained at a high level. Some 519 of Armstrong's 700 employees are stockholders, 127 of them having bought shares when the public offering of 207,855 shares was made. Currently the

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

**Armstrong Paint & Varnish Works, Inc.**—Charles A. Capek, Vice-President, Lee Higginson Corp., Chicago, Ill. (Page 2)

**Bassett Furniture Industries**—John W. Yeaman, President, John W. Yeaman, Inc., Martinsville, Va. (Page 2)

company has over 2,100 shareholders located in 39 states.

As a company with a tradition of growth, inventiveness, and quality, integrated facilities with which to buck the profit squeeze, a strong cash position for growth and diversification, and sound, experienced management, Armstrong appeals to me as having excellent short- and long-term growth possibilities, while paying an excellent dividend return, currently 4.4%. If the 10 cent extra paid last December is repeated, the return would be 5%.

At current levels, Armstrong common is selling at about 10 times estimated earnings. Stocks in the D-J Industrial Average are trading at an average of 17.3 times estimated earnings compared with a ratio of 23 at the end of 1961 with the industrial average near its high. The price range in the Over-the-Counter Market of Armstrong common has been 18-11.

JOHN W. YEAMAN

President, John W. Yeaman, Inc.,  
Martinsville, Virginia

**Bassett Furniture Industries**

From its humble beginning in 1902, Bassett Furniture Industries has grown into the largest manufacturer of wood furniture in the



John W. Yeaman

world. Headed by J. D. Bassett, Jr., the company operates through six divisions: Bassett Furniture Co., J. D. Bassett Manufacturing Co., Bassett Chair Co., Bassett Table Co. and Bassett Superior Lines, all of which are located in Bassett, Va.; and

W. M. Bassett Furniture Co. of Martinsville, Va.

Each of the six plants is an autonomous unit engaged in the making of parts and assembly operations. One plant each makes chairs and tables, and four make case goods (anything in the form of a case such as a chest of drawers or sideboards). The case goods plants are among the largest in the world.

Bedroom furniture accounts for approximately 85% of output, and for about 10% of the industry total. Sales are made throughout the country at various furniture markets by the company's selling organization. Most of the output is sold to retail furniture dealers, with a smaller amount going to various mail order houses and department stores. Shipments are made to all points in the U. S. and various ports around the world.

Bassett has been producing in a most competitive field, and during the year of 1961 had to sell their products at a very low margin of profit. In spite of this, they brought out several special suites in order to stimulate business and to enable them to continue operating their plants full time. At no time did they find it necessary to run short time in any of their plants, and for the past several months they have been operating at near capacity.

Net sales in 1961 amounted to \$56,448,819.78 compared to \$57-

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# How to Allocate Gains In Industrial Efficiency

By Frank Cist, Brewster, Mass.

Noting wide divergence in current discussion of the proper disposition of gains in our industrial efficiency, Mr. Cist notes sources of confusion, including the commingling and immeasurability of "social" and "predatory" profits. As cases where capital can expect above-normal profit, he cites the possession of competitively superior plant; new inventions protected by patent; and anti-social "ganging-up" monopoly. As to labor's claims, the author maintains share is due when greater skills are called for by the labor-saving machinery; and price-inflation is permanent. Cites as the optimum for sound production and growth, the devotion of the benefits of saved labor to the consumer.

Current discussion shows some disagreement in the matter of disposition of our constantly snow-balling gains in industrial efficiency. Two random items illustrate some of this divergence. The Bank of International Settlements feels that "It would be desirable that labor and management allow some part of our increase in productivity to be reflected in price reductions."<sup>1</sup> Another eminent authority, Robert R. Dockson, Dean of the Business School at the University of Southern California, tells us that "we need to declare a moratorium on wage increases that exceed the gains in output per worker."<sup>2</sup> The first authority thus seems to favor giving a modest share of these benefits to consumers, whereas the second would apparently be more than happy to give them all to labor and then, and only then, crack down on further wage increases. Several questions spring to mind. Are these gains of enough consequence to be taken seriously? If so, then why the confusion on the issue? And, finally, what should our national policy be about all this? To whom should we seek to have these gains go?

## At Stake

First, how much is at stake? Gains in efficiency are chiefly from higher output per man-hour of labor and will here be called "Social Profits." Such gains run all the way from zero, in the case of a grass mat, which can be made as cheaply by hand as by machine, to fantastic amounts in our more highly mechanized industries. We can telephone from New York to San Francisco, for instance, for as little as \$2. Does anyone stop to compare this small cost with the cost of sending the same message and getting a reply by runner? Yet the difference between the two costs represents our social debt to modern communication equipment. We employ a harvesting machine to cut our wheat.

<sup>1</sup> As quoted by Guthrie Baker in The New York Herald Tribune of June 5, 1962.

<sup>2</sup> The Way to Keep America Growing, U. S. News and World Report, U. S. News and Publishing Co., Washington, D. C., March 5, 1962.

What is the saving of labor as compared to doing the same work by hand without equipment? Our railroads carry a ton a mile for less than 1½ cents.<sup>3</sup> To do the same work by human portage would cost 400 times as much or more.<sup>4</sup> We are not dealing with trifles in this field. The stakes are high and going ever higher and a right understanding, leading to right decisions is of first-rate importance.

## The Sources of Confusion

What, then, are the origins of confusion in this matter? I will offer three explanations. First we have no long-term records of the savings in man-hours of labor that have gone to consumers in lower prices in the past. Hence, in a world which habitually measures such things in the common denominator of money, these non-monetized profits have been largely lost to view. We realize vaguely that we are the beneficiaries of a long legacy of efficiency gains but have no clear idea of their extent. Discussion hitherto has been in a kind of factual vacuum.

Secondly, some money profits simply do not have their origin in labor savings and are, therefore, not "Social Profit" at all. They arise from the making of something better than was made before. This new product, although no cheaper, is enough more attractive or more useful to displace its (now obsolete) competitors and thus confiscate their profits. Such new profits I will call "Predatory."

Continued on page 14

<sup>3</sup> Gross railroad revenue per ton-mile in 1960 was 1.4 cents. Statistical Abstract of the United States, 1961, U. S. Government Printing Office, Washington, D. C., Table 774, p. 590.

<sup>4</sup> In making this comparison, I have tried to exaggerate the work and minimize the pay of human porters and thus avoid overstating the services attributable to our railroad equipment. Thus I assume that my human porter makes 32 trips of a mile each, every 8-hour day, one each quarter hour, the outgoing trips with loads of 125 lbs. each (making a ton each day) and the return trips empty handed, of course. My wages are those for farm labor without board or lodging, which, in 1960, were \$6.40 per day. Statistical Abstract, supra, Table 301, p. 225.

Oriental labor is, of course, cheaper. Life Nature Library, The Mountains, Time, Inc., N. Y., 1962, p. 281 says that Sherpi and Balti porters carry 250 lb. loads and receive \$1.20 a day. But these porters probably could not carry these loads without breast straps which, on my assumption are "equipment" and ruled out. How does Time give their mileage with these loads. If we assume 12 miles a day as a fair day's work, then they would be earnings 10 cents a mile or 80 cents a ton-mile at which rate the Oriental cost per ton mile would still be over 50 times that of our U. S. railroads.

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## OBSERVATIONS...

BY A. WILFRED MAY

## THE NEED FOR THE FUND STUDY

Irrespective of the merits or demerits of the "hot" Wharton School Study of Mutual Funds, and its impact on the SEC and the Congress, it should be clear that some major authoritative study of the investment company industry has been in order. Despite denials, this is beneficial to the industry itself as well as to the investing public. Apart from the question of abuse, this conclusion ensues from the enormous growth in the size and importance of the industry.

## The Industry's Gargantuan Growth

Since 1940 (the year of the Investment Companies Act on which some industry protagonists and other commentators want to rely) the industry's assets grew from a paltry \$408 million to \$23 billion before last Spring's stock market collapse, and to \$19½ billion currently, with a rise in the number of fund shareholders from 200,000 to three million.

## Welcome Education

Rendered all the more useful thereby can be the investor education derivable from such a major study, (even when it "uses the taxpayers' money" in the amount of \$95,000). The major defense of the sharply questioned relationships of the mutual funds with their advisers and other affiliated promoters is the existing requirement that the implementing arrangements be submitted to the stockholders for their approval every two years (beyond which a contract may be extended if approved annually by the Board of Directors to the owners of a majority of the shares of the fund). Thus, to function significantly in this important area, investor education is needed, particularly in the context of our corporate system's separation of ownership from control.

A basic inconsistency arises in the fund defenders' reliance on the proxy system, pointing out that all the needed information is thus provided. For this assumes the ability to understand that technical material by the investors in the funds whose reason-for-being is their suitability for taking care of the unsophisticated helpless neophyte.

The education of the lay fund investor is additionally conducive to material benefits. In clarifying the real nature of the instrumentality whose purchase he is considering—before the time of

actual purchase, it forestalls the later redemption of the shares at a sacrifice of "load" (buying commission) prompted by disillusionment over its fictional attributes.

## CONFLICT-OF-INTEREST CHARGES

In any event the SEC and the Congress should make decisive judgment, either affirmative or negative, on basic conclusions as the following stated in the Wharton Report: "By means of strategic position, interlocking personnel, and control of the proxy machinery of open-end companies, the managements of these closely held advisers are assured renewal of advisory contracts and of active control over the widely held open-end investment companies."

The fund industry's gigantic growth also underlines the constructive need for at least exploration of the several specific points of conflict-of-interest suggested by the Study.

After stating that the sale of fund shares has been the principal means of expanding the volume of assets managed, with such increases automatically producing increases in the dollar amounts of management fees, and more brokerage fees to distribute, the Wharton-ites raise the question whether there may be a conflict of interest between a fund's shareholders and its investment adviser regarding the effort to be made in selling shares. They observe that "while such growth is beneficial to the adviser, it may not be so to the shareholder."

The Study also cites the disposition of brokerage business as a source of possible conflict of interest between controlling management groups and fund shareholders—benefiting the management group without any *quid pro quo* for the shareholder. And the Study raises the question whether there is a return of value to the fund's stockholders under the arrangement whereunder brokerage is used for rewarding dealers who sell the fund's shares.

In this connection a comment by SEC Chairman Cary undogmatically worded as follows, would seem quite reasonable: "Questions are raised by the Study as to the relationship or lack of relationship between the growth, size, and performance of funds, on the one hand, and on the other hand, advisory fees and costs of operation of the funds and of the

advisers, including fees charged by advisers to other clients."

## "Interlocking" Step-Up

The over-all growth of the industry heightens, again, the significance, as to both scope and number, of the interlocking units. In some cases the investment advising of the funds is the advisers' sole function, for some it is merely one of a number of activities; and for some others it is merely a "fringe" activity.

In addition to direct participation in the distribution of fund shares and in brokerage, paid advisers and control groups frequently participate in these activities indirectly, "parents" through parents, subsidiaries, or otherwise affiliated entities. Specifically, the Wharton-ites reveal that in 50 instances the underwriting of fund shares was done through one of these indirect agencies; in 31 cases substantial retailing was carried out by an affiliated person; and in 10 cases substantial brokerage business was transacted by an agency affiliated with the investment adviser.

## Management Company Boom

Along with the proliferation of the management companies came the boom in the publicly held shares of these units, in both their number and market performance. Over the 12-month interval from November, 1960, to November, 1961, Ohlman's Mutual Fund Management Company Stock Index rose by 127%, far out-distancing the 29% concurrent increase in "the market" as measured by Standard & Poor's 500 Stock Composite Index—and attaining a price-earnings ratio of 26½.

Their subsequent post-boom deflation (no doubt leavened with worry over possible reform) has, as of September 7 last, carried the management company issues down by 50% against a concurrent decline of only 18% in the market average. Sixteen of the bigger-name companies are now publicly traded.

The motive of providing a good trading market for their shares, through intensifying the profit drive, materially furthers the management companies' over-all potential abuses—in promotional activities, portfolio churning, etc.

## SHAREHOLDER DIS-FRANCHISEMENT

We have discussed above the obstacles in the way of the fund shareholder's exercising a say in the affairs of his own fund. Also significant is the practice of his management in shouldering obligations regarding the conducting of the affairs of the companies in the fund portfolio.

This matter is important not only from the individual shareholder's stake. Again intensified by the enormous growth in the number of fund shareholders, the fund's own voting policies potentially affect a substantial segment of the total shareholding community—three million holders out of the nation's total of 15 million or so.

## A Corporate Vacuum Created

The Wharton Study confirms the existence of such a vacuum. This results particularly from the fund managers' desistance from concern in cases of intra-corporate controversy, when they generally either abstain from voting entirely, or else confine it to upholding the existing management. Such policy is, quite shockingly, founded on the supposedly outdated brush-off, "if you don't like it, sell your stock"—in lieu of functioning as long-term co-owners of a property.

## Pro-Management Posture

The study finds that virtually all open-end funds vote at the

<sup>1</sup> Published by Laird, Bissell & Meeds, members N. Y. S. E.; cited by this writer, not by the Fund Study.

annual elections of their companies by means of proxies which, with rare exceptions are given to the management's proxy committee. One-fourth of 168 questioned companies reported that they do so *automatically*. All but seven of the remaining 127 funds stated that this was their *usual* policy.

Even where meetings are attended by representatives of the fund or its adviser, it is usual for the proxies to be turned over to the management committee *prior to the meeting*.

## The Fund Managers' Reasoning

The fund managements importantly include the following among the principal reasons for their vigorous pro-management voting policy.

"The fund is engaged in investing and not in the management of companies . . . without reasonable confidence in a management no investment will have been made. . . ."

"As cited above via 'if you don't like it sell' theory), 'when confidence in a management has been shaken or lost, the investment involved is reduced or liquidated.'

"The importance of friendly relations with company executives for the assurance of access to essential investment information, is another motive advanced for 'playing ball' with management.

"Another reason given for prompt return of proxies to the corporation's management proxy committee is that it helps to gain the good-will of the management firm's analysts in their effort to obtain from management information of investment value."

Irrespective of the merits of this procedure, exploration of its ever growing impact on the corporate system, via the Wharton Study and other expanded analysis, is surely called for in this area also.

## Inorganic Chemicals Set for Record High Production

Virtually 58 inorganic chemicals are headed for increased output in 1962, and overall production is bound to achieve a record high.

The inorganic chemical industry is headed toward new production levels in 1962, with many chemicals gaining over 1961, the Chemical and Rubber Division, Business and Defense Services Administration, U. S. Department of Commerce, reported this month.

Using the Federal Reserve Board's production index as a yardstick, the Division said that the inorganics' index rose from 115 in 1960 to 118 in 1961, and the output in the first four months this year was 6.8% ahead of the same period in 1961. Of the 58 inorganic chemicals listed, 36 reported production gains in 1961, while the other 22, for the most part, were off only slightly. The Division expects increases virtually all along the line this year.

## Construction Spending

The Division reported also that new construction expenditures in 1961 for general inorganic chemicals amounted to more than \$528 million, with an additional \$179 million for inorganic fertilizers.

Defense activities, including atomic energy and the space program, figured importantly in the 1961 production of various inorganics. In this list, were nitrogen, oxygen, hydrogen, helium, argon, hydrazine, fluorine, hydrofluoric acid, nitrogen tetroxide, concentrated nitric acid, and ammonium perchlorate, among others.

The demand for fertilizers spurred output of anhydrous ammonia and its derivatives, phosphoric acid, ammonium phosphates and potash.

Summarizing, the Division said:

**Sulphuric Acid**, traditionally accounting for the heaviest tonnage in inorganics, is headed for a new production record approximating 18.9 million short tons this year. Having hundreds of uses throughout the economy, the product is showing general gains in consumption. Producers of elemental sulfur are facing strong competition for domestic and foreign markets.

**Chlorine and Alkalis**: Output of 3-5% over 1961 is in prospect for chlorine with growth reflected in pesticides, chlorinated hydrocarbons, plastics, and water purification. The 1961 production was slightly under the record level of 1960. Temporary declines in some markets, labor troubles and storm disrupted operations, accounted for the drop.

**Ammonia and Derivatives**: Anhydrous ammonia, basis of the synthetic nitrogenous fertilizer industry, has had an annual growth rate averaging more than 11% over the past decade; the 1961 growth was 8%. A new record is in prospect this year.

**Phosphorus and Compounds**: Elemental phosphorus production increased 5% to 430,000 tons in 1961, and a similar gain is in sight for 1962.

**Industrial Gases**: The missile and space programs are furnishing much of the impetus for high growth rates in the elemental gases—hydrogen, nitrogen and oxygen.

Among the other inorganics, hydrofluoric acid is on the upturn again this year after falling back slightly in 1961 with steel, aerosols, plastics, and aluminum increasing their consumption.

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# Occidental Petroleum Corp.

By Dr. Ira U. Cobleigh, Economist

Containing some bits of drilling information about a company unusually successful in bringing in oil and gas production. Upsurge in Occidental's profitability vividly illustrated in the fact that net income per share in the first half of 1962 was 71 cents as contrasted with only 23 cents for the entire year of 1961. Dividend in cash or stock likely this year.

Now that the market unpleasantness of May 28th is a quarter year behind us, the traditionally respected industries are increasingly re-attracting investors. Even the oils, which have been inhibited by such things as greedy sheikdoms, world-wide over production, pro-rata, retail gas price wars, and the mousy fuel demands of a few million "compacts"—even despite these debits, the oils have found many buyers. Issues such as Texaco, Socony Mobil, Texas Gulf Producing and, in Canada, Calgary and Edmonton have been in good demand among prudent investors, partial to petroleum. Oil prospects, while not, perhaps, universally exciting, are certainly interesting and possibly profit building in several corporate instances. Among these, Occidental Petroleum would seem to merit attention at this time.

## A Specialist

Occidental Petroleum has a single-minded approach to the gleaming profits from hydrocarbons. It specializes in acquiring and developing oil and gas properties. It finds and produces crudes and vapors, leaving the refining, transportation and retailing to others. Moreover Occidental prefers to do its drillings in joint ventures whereby others put up the money and OXY retains a minimum of 50% interest for providing the land and the drilling proficiency. Most frequently too, its wholly owned subsidiary, Gene Reid Drilling, Inc. will do the drilling. In this way, OXY stands in a position to glean a profit, even from a "duster." Gene Reid Drilling delivers a current profit margin of about 13%.

## No Limits to Production

Another element in corporate success, here, is the basic company policy of generating petroleum flows in those states having no production controls; and OXY has concentrated its major gas surfacing and selling in the State of California—where population increase is steadily creating one of the most dynamic regional demands for natural gas in America.

Not only has Occidental's geographical approach to business success been logical, but the company has an outstanding record for striking "pay dirt." In its California gas fields, Arbuckle Extension was discovered in 1959; West Grimes in 1960; Butte Creek, Lathrop, Mulligan Hill and West Butte in 1961; Freeport, Brentwood and Oakley in 1962. The drilling program has increased progressively with 55 wells drilled in 1961, against only 6 in 1958.

## Extensive Lease Holdings

Most extensive operations are in California, where the company has its largest lease holdings—106,000 acres. Other drilling activity is now being carried on in Colorado, Nebraska and New Mexico and, beginning this year, in promising regions of Montana and Alaska. (There is no limitation of production in any of these states.)

Interesting joint ventures include one with Shell Oil and Brazos Oil and Gas in the Brentwood Field in Northern California. Here, Occidental has a one third interest in a 4,800 acre block; and, in addition, an undivided interest in about 3,000 adjoining

acres. The company also has partial or entire interests in leases on 8,400 acres of the Kettleman Hill South Dome; and a joint interest with Standard Oil of California in the development of a 14,000 acre block in the West Butte field, also in California. (Four producing wells have already been drilled here.)

Occidental has not only been finding and surfacing petroleum, but it has been selling it on favorable terms. On March 28, 1962, the company entered into a gas contract with Pacific Gas and Electric calling for delivery of a minimum of 50 million C.F. daily, till January 1, 1965, and then 1/18th of proven reserves of the Lathrop Field for the following 18 years. Proven reserves here are estimated at well over 350 billion C.F. This contract, alone, is expected to deliver over \$100 million in revenue to Occidental over the next twenty years. Only one third of the 6,500 acres at Lathrop have, so far, been developed, so that expansion of proven reserves, plus possible higher sales prices (now 26½ cents to 30 cents per MCF, depending on BTU content) may substantially increase total revenue flow.

## Upsurge in Earnings

Earnings at Occidental have been increasing dramatically. Gross operating revenues, which were \$3 million in 1960, advanced to \$5,275,000 for 1961. For the first six months of 1962, alone, these revenues totalled \$5,883,000. Net per share income for this period was \$.71, against \$.23 per share for the full year in 1961. For the entire year, 1962, per share net has been estimated at \$1.35 on the 4,616,797 common shares to be outstanding on October 9th, after conversion of about \$3½ million of 6½% debentures, which have been called.

Of interest in any consideration of Occidental earnings is the substantial tax shelter. Payment of Federal Income Taxes should not be required for some time, due to a \$4 million tax loss carry forward, and the annual charges for depletion and drilling expenses. Financial position is excellent, with current cash assets of around \$5 million. Moreover, eliminating the bond issue saves the company about \$250,000 in annual interest and simplifies the capital structure. A proposed \$4.6 million debenture issue, registered with the S.E.C. in March of this year has been withdrawn as unnecessary, due to the rapid increase in corporate cash flow, and the substantial income in prospect from the Lathrop Field contract.

OXY currently pays no dividend, but a declaration either in cash or stock is expected this year, and would seem entirely justified by the present level of earnings and expanding cash flow.

Occidental Petroleum common, listed on The American Stock Exchange, has attracted a considerable market following in the past few months. Interest in the issue has been stimulated by the demonstrated competence of management, great success in development of new oil fields, favorable intrastate location to serve the burgeoning California market, freedom from production controls, and a quite remarkable ascent in gross revenues and net earnings. For more venturesome investors,

mindful of the risks inherent in the quest for oil, OXY common now trading around 24, might prove gainful. Range for 1962 is between 12½ and 26%.

## Parrish & Co. To Admit Partner

Parrish & Co., 40 Wall Street, New York City, members of the New York Stock Exchange, on Sept. 19 will admit Franklin A. Randolph to partnership.

## To Be McDonnell Vice President

Arthur L. Fagen, Jr. on Sept. 19 will become a Vice-President of McDonnell & Co., Incorporated, 120 Broadway, New York City, members of the New York Stock Exchange.

## Customers Brokers Committee Heads

The following committee chairmen have been appointed for the 1962-3 year by the Association of Customers Brokers, according to announcement by Leo J. Larkin, Carl M. Loeb, Rhoades & Co., President.

**Activating**—John C. Howatt, Harris, Upham & Co.

**Education**—Donald M. Schuhmann, Bache & Co. Co-Chairmen: Donald H. Randell, E. F. Hutton & Co.; Charles B. Morgan, Bache & Co.

**Employment**—Gordon V. Price, Laird & Co., Corp.

**Entertainment**—Albert F. Frank, Ladenburg, Thalmann & Co. Co-Chairmen: Sam Minsky, Hardy & Co.; Joseph A. Maceda, Moore & Schley.

**Ethics**—J. Harold Smith, Hirsch & Co.

**Grievance**—Irving J. Silverherz, Hay, Fales & Co.

**Insurance**—Leon S. Herbert, Jr., Hayden, Stone & Co.

**Membership**—Frank Dunne, Jr., White, Weld & Co.

**National Chapters**—Thomas B. Meek, Harris, Upham & Co.

**Public Relations**—Peter Saltz, L. F. Rothschild & Co.

**Uptown Manager**—Leonard L. Marshall, Jr., Harris, Upham & Co.

**Welfare and Pension**—Albert P. Gross, Bear, Stearns & Company.

**Investment Contest**—Royal Whiting, Hornblower & Weeks; David Norr, Ralph E. Samuel & Co.

The Association has also announced a "Dutch Treat" dinner and meeting for September 20th at Whyte's.

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# 25<sup>th</sup> YEAR

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# Tax-Exempt Bond Market

BY DONALD D. MACKAY

The state and municipal bond market has been in a state of suspension since late August. Although its elements have been buoyant, the recent net elevation has been measurable only in small decimals. The large state and city issuers of bonds rarely schedule flotations in late August or even in early September which reduces market activity in itself. This season is always as barren an underwriting period as is Christmas week. The perennial result is that more bankers, investors and insurance buyers are vacationing or are otherwise distracted in early September than during any other period of the year.

## Industry Under Microscope

This year the industry absenteeism is presently greater than usual. The Investment Bankers Association quite wisely scheduled its first annual Municipal Conference for Sept. 11-12 in Chicago, with other activities covering the entire week. This important meeting, which attracted municipal bond men from all over America, seems likely to be the most constructive development the municipal underwriting group has ever undertaken. There are high hopes that the industry's problems may be clarified and minimized through more cooperative group efforts.

While the annual volume of business has drastically expanded over the years, the methods of dealing with the growth have not been adequately flexible, in some respects. The investment bankers are now facing these problems head on and with splendid leadership. Results will not be immediate but the diverse viewpoints will be heard.

## Tax-Exempt Market Not Neglected

Securities markets generally, and particularly the stock market, have been impeded by the propaganda over Cuba. This diverting onslaught of headlines has distracted all types of investors for the past two weeks and to some extent accounts for the lag in tax-exempt bond activity.

However, there is indication that the market for municipals is attracting more investor attention than is presently manifest. Dealer inventories continue to be relatively light, although they are, perhaps, considerably heavier than the offerings shown in *The Blue List*. The Blue List total of state and municipal offerings on Sept. 12 was only \$334,583,798.

The calendar of new issues continues to be surprisingly light for this time of year. The schedule at present totals less than \$300,000,000 with no formidable increase immediately visible. This the underwriters can take in strong competition, barring some world conflagration.

## Yields Attractive

Moreover, the general price level prevailing for tax-exempt bonds is favorable to all serious

investors. The *Commercial & Financial Chronicle's* yield Index averages at 3.03% on Sept. 12. Last week's average yield was 3.042%, which would indicate that the market's offered side for 20-year high grade general obligation bonds edged up slightly in the course of the week.

During the same week, the attractive Treasury offering was laboring under the pressures inherent in the headlines and the national investment lethargy of early September. With the offering destined to be a successful one, the bond market generally, and particularly the tax-exempt market, should benefit through a moderate improvement in prices.

## Jacobson's Views on U. S. Economy

In this vein, the recent statement by Per Jacobsson, International Monetary Fund Director, that a balance in U. S. financial accounts with the rest of the world "is in sight" seems compatible with some bond market improvement.

Moreover, rumors and reports that gradually rising price and wage scales in most of the West's industrial nations are slowly placing the U. S. in a better competitive position, allays to some extent the monetary fears that have for a year or more prevailed.

## Recent Awards

The largest and most interesting flotation of tax-exempt bonds this week involved a secondary offering. On Wednesday The New York State Employees' Retirement System offered \$15,000,000 New York State Thruway Authority general revenue 3.10s due 7/1/94 at competitive bidding. This good grade issue had been quoted as high as 95 bid late in August. With the sales announcement, quotations drifted lower until early this week when a 92 bid prevailed.

A group of underwriters headed by Wertheim & Co. submitted a bid of 91.53 and was awarded the bonds. Reoffering has been made at 92½. Members of the group include Allen & Co., Bache & Co., Barr Brothers & Co. and others. A runner-up bid of 90.91 was submitted by the Lehman Brothers-Harriman Ripley & Co., Inc. group. A Smith, Barney & Co. group bid 90.60.

On Thursday a week ago the award of \$10,025,000 Racine, Wisconsin unified school district No. 1 (1963-1982) bonds was made to the Mellon National Bank & Trust Co. at a net interest cost bid of 2.899%. The second bid was made by The Harris Trust & Savings Bank group at a net interest cost of 2.927%. The bonds were scaled to yield from 1.60% in 1963 to 3.10% in 1982. The issue went well with about \$1,360,000 remaining in the account at present.

Dutchess County, New York sold \$1,306,000 Dutchess Community College general obligation (1963-1991) bonds to a group headed by Salomon Brothers &

Hutzler at a dollar price bid of 160.77999 for a 3.10% coupon. The runner-up bid of 160.57, also for a 3.10% coupon, was made by The Marine Trust Company of Western New York and associates. Other members of the winning group are W. E. Hutton & Co. and Ira Haupt & Co. The bonds were reoffered to yield from 1.55% in 1963 to 3.20% in 1991. As we go to press, the balance in account totals about \$480,000.

Pittsburgh, Pennsylvania sought bids for \$4,320,000 Public Improvement (1963-1982) bonds on Tuesday. The bonds were awarded to a group headed by The First Boston Corp. at a net interest cost bid of 2.81% for a 2½% coupon. The second bid, a 2.84% net interest cost carrying a 3% coupon, was entered by the Chemical Bank New York Trust Co.

Other members of the winning syndicate are Bankers Trust Co., Chase Manhattan Bank, Drexel & Co. and Smith, Barney & Co. The successful syndicate reoffered the bonds to yield from 1.60% in 1963 to 3% in 1982 and all but \$3,469,000 of the bonds have been sold.

Also on Tuesday, the best bid for \$2,600,000 Georgia Ports Authority revenue (1953-1982) bonds came from a group managed by The First Boston Corp. The group bid a net interest cost of 3.135% and the runner-up bid of a 3.190% net interest cost came from the syndicate headed by Kidder, Peabody & Co.

Other members of the winning group are Hayden, Stone & Co. and Dominick & Dominick. The bonds were reoffered to yield from 1.70% in 1963 to 3.35% in 1982. As we go to press, about \$1,400,000 remains in the account.

## Strong Competition

Tuesday also saw the award of \$3,850,000 Anne Arundel County, Maryland, Drainage and Hospital bonds to a Halsey, Stuart & Co., Inc. and Lehman Brothers group on a bid designating a net interest cost of 3.1558%. Other members of the winning account are Merrill Lynch, Pierce, Fenner & Smith Inc., B. J. Van Ingen & Co., Stroud & Co., Inc., R. S. Dickson & Co., Inc., Hornblower & Weeks, Connecticut Bank & Trust Co., Hartford, Robert Garrett & Sons, Mackall & Coe and H. V. Sattley & Co., Inc. The bonds due 1964-1991 were reoffered to yield from 1.80% to 3.40%. The 1992 maturity was not reoffered.

The second bid was submitted by a Chase Manhattan Bank, Harris Trust & Savings Bank and Chemical Bank New York Trust Co. group. This bid, which yielded a cover of .0041, was a net interest cost of 3.15918%.

The scarcity of sizable general market offerings was illustrated by the fact that a total of 12 groups bid on this issue. At present the balance is reported as \$2,365,000.

On Tuesday, \$2,300,000 Jackson, Mississippi, Airport and Public Improvement bonds due 1963-1937 were awarded to a Phelps, Fenn & Co. group. The successful bid figured as a net interest cost of 3.4172%. These bonds were subsequently reoffered to yield from 1.75% to 3.65% in 1986. The bonds due in 1987 were reoffered with a ¼% coupon to yield 4.60%.

Other members of the winning account are R. W. Pressprich & Co., Blair & Co., Inc., Paine, Webber, Jackson & Curtis, E. F. Hutton & Co., William E. Pollock & Co., Inc., J. S. Love Co. and Interstate Securities Corp.

Second bidder was the Deposit Guaranty Bank and Trust Co. of Jackson, Mississippi, with a bid of a 3.46% net interest cost. As we go to press, the balance is reported as \$1,154,000.

Another Tuesday sale was that of \$1,152,798 Irondequoit, New York Public Improvement bonds to the Security Trust Company of Rochester, New York on a bid of 100.28 for 3.10s or an interest cost of 3.06%. This issue due 1963 to

1989 was reoffered to yield from 1.50% to 3.25%. Second bidder was a Phelps, Fenn & Co., L. F. Public Improvement bonds due 1964-1987 to a Halsey, Stuart & Co. and Bacon, 1964-1987 to a Halsey, Stuart & Co. group which bid 100.5599 for 3.20s. The balance is as a net interest cost of 3.113%. reported to be \$1,022,000.

Continued on page 37

## 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 13 (Thursday)

Brookhaven Central SD #11, N. Y.	1,531,320	1963-1991	2:00 p.m.
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 Hgts Village Local S. D., Ohio	1,600,000	1964-1985	1:00 p.m.
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### September 18 (Tuesday)

Bloomington, Minn.	1,500,000	1964-1984	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, Dela.	19,715,000	1964-1982	11:00 a.m.
Hingham, Mass.	1,030,000	1963-1972	11:00 a.m.
Indiana University (Trustees of)	5,800,000	1963-1991	Noon
Lewiston Orchards Sewer D., Idaho	1,100,000	1965-1992	7:30 p.m.
Montgomery, Ala.	1,170,000	1964-1987	11:00 a.m.
Omaha, Neb.	7,200,000	1964-1981	11:00 a.m.
Stone Mountain Memorial Asso., Ga.	5,000,000	1963-1987	Noon
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.
Orlando, Fla.	5,350,000	1963-1982	10:00 a.m.

### September 20 (Thursday)

Fairbanks, Alaska	3,000,000	1964-1984	3:00 p.m.
Ledyard, Conn.	1,565,000	1963-1982	11:30 a.m.
Southeast Folk Comm. S. D., Iowa	1,900,000	1963-1981	4:00 p.m.

### September 24 (Monday)

Dallas, Texas	5,000,000	-----	-----
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.
Baltimore, Md.	32,600,000	-----	11:00 a.m.
Detroit, Mich.	12,910,000	1967-1992	11:00 a.m.
Detroit School District, Mich.	10,000,000	1963-1988	11:00 a.m.
Eugene, Ore.	2,500,000	1966-1982	11:00 a.m.
Greensboro, N. C.	6,790,000	1964-1988	-----

### September 26 (Wednesday)

Clearwater, Fla.	1,100,000	1964-1967	2:00 p.m.
Malden, Mass.	1,986,000	1963-1981	11:00 a.m.
Merrimack College (No. Andover, Mass.)	1,500,000	1964-2001	11:00 a.m.
Nassau County, N. Y.	17,200,000	1963-1991	Noon
Puerto Rico (San Juan)	30,000,000	1964-1986	11:00 a.m.
Univ. of Texas (Bd. of Regents)	1,600,000	1964-2001	10:00 a.m.

### October 2 (Tuesday)

Arizona State University	1,500,000	1965-2002	10:00 a.m.
Los Angeles County Flood Control District, California	10,000,000	-----	-----

### October 3 (Wednesday)

Artesia Municipal SD #16, N. Mex.	1,350,000	1963-1969	10:00 a.m.
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### October 6 (Saturday)

Univ. of Nevada (Bd. of Regents)	2,012,000	1963-1977	10:00 a.m.
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### October 9 (Tuesday)

Phoenix, Ariz.	9,000,000	-----	10:00 a.m.
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### October 10 (Wednesday)

Falls Church, Virginia	1,200,000	1963-1987	Noon
Lexington, Ky.	1,025,000	-----	-----
Louisiana Fiscal Authority	20,000,000	-----	-----

### October 16 (Tuesday)

Georgia Rural Roads Authority	2,600,000	-----	-----
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### October 17 (Wednesday)

Vero Beach, Fla.	2,400,000	1964-1991	Noon
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### November 14 (Wednesday)

East Bay Municipal Util. D., Calif.	30,000,000	-----	-----
Houston (Waterworks Rev. Bonds), Texas	14,000,000	-----	-----

### December 5 (Wednesday)

Macn County Special Charter School District No. 61, Ill.	3,655,000	-----	-----
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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	3¾%	1981-1982	3.05%	2.90%
Pennsylvania (State)	3¾%	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.	3¾%	1981	3.15%	3.00%
*Cincinnati, Ohio (U. T.)	3½%	1981	3.10%	2.95%
Philadelphia, Pa.	3½%	1981	3.35%	3.20%
*Chicago, Ill.	3¾%	1981	3.30%	3.15%
New York, N. Y.	3%	1980	3.42%	3.35%

September 12, 1962 Index=3.03%

\*No apparent availability.



# An Uneasy Suspicion About Our Economic Ills

By Malcolm Bryan,\* President, Federal Reserve Bank of Atlanta, Atlanta, Ga.

In suggesting we should "pause a while and . . . find out, as best we can, what is actually happening in the economy before we begin dosing it," Atlanta central banker confesses his concern about our predilection to overmanage the economy. Mr. Bryan offers some economic guide rules and, in commenting on criticism made of monetary policy, supplies data showing we have had an "easy money" policy, allowing too much economic expansion to be financed out of bank-created credit, and delaying adjustments which are easier the more promptly they are made. Not our money supply but other elements in our total national policy are said to require an agonizing reappraisal.

It is flattering to have been asked to appear before the Joint Economic Committee. After an examination of conscience, however, I find by sense of self-esteem greatly reduced by the necessity of confessing that I have no new figures and no new and revealing arrangement of old figures. I think I should also confess—and this is done out of no sense of false modesty—that I do not know the answers to the problems that beset us.



Malcolm Bryan

At the moment, without trying to support the point with figures, it seems to me that we are churning around at a high level of economic activity, perhaps even edging upward a little, all without going anywhere in a hurry. Whether this slowdown in our rate of expansion will be followed by a break-out on the upside, with continued recovery, or on the downside, I do not know; but I am sure that when the facts are in, it will appear to everyone, including myself, that I ought to have known.

Let me state a few convictions for whatever they may be worth:

(1) If we break out of this pause on the downside, there is no presently visible, objective, rational reason why the period of adjustment should be long and deep. It will only be long and deep if we take counsel of our fears and frighten each other into panic. If we do this, then we are stupid.

(2) It is inevitable, in the normal misjudgments of human beings, especially when correct judgments are made the more difficult by a long inflationary cycle such as this country has had, that there will appear a thousand and one misapplications of capital and manpower that find a less-than-expected market for their products and services. It is possible, to be sure, that we shall be unpleasantly surprised by the magnitude and extent of the adjustments that may be necessary. I, myself believe that they are of a size and magnitude small enough that our dynamic economic system can accommodate itself to them.

## Overmanaging the Economy

What chiefly scares me is that we shall attempt to overmanage the economy, wherein I think our last case may well be worse than our first. What is continuously needed is not a single adjustment but a myriad of adjustments. These can only be made by a flexible economy whose decisions related to manpower and capital are under the day-to-day guidance of free consumer and free investor choices. I realize that an economy guided by a free market is often an uncomfortable thing to have around; a free market often seems to behave miserably. Unfortun-

nately, in my judgment, there is no substitute for it.

So I bespeak my conviction that we should at this time be guided by two general philosophies:

(a) Speaking simply as an American citizen, I think we should see to it that the pains of readjustment do not fall with overwhelming and degrading force on the unemployed, which is the tragic and classic locale of most of those pains. I believe we are bound in conscience not to let that happen.

(b) Again, speaking simply as an American citizen, I believe we should do the things we know that Government can do and do well. We should see that competition is maintained in all sectors of the economy; we should see that the consumer is protected against the sharp practice of an occasional scoundrel; we should see that he is protected in those areas where his quality judgments do not suffice. Even, if I dare say it, I think we should strive studiously to avoid rigidities introduced into the economy by Government itself. After that, I believe we shall be well advised to give the free market economy a chance to adjust itself before we intervene with massive medications. I shall make a slight further allusion to this point in a minute or so.

Now, as for monetary policy. As I see it, monetary policy in most of the postwar period can be interpreted around a few simple ideas.

## Monetary Policy Guideposts

First of all, we have been striving to bring inflation to an end, but to bring it to an end so gently and so gradually that American businesses, individuals, governments, and the managers of savings institutions could continually examine their commitments in the light of a gradually evolving situation, not in the light of a sudden and dramatic alteration in their environment, which would necessitate sudden, large, and dramatic adjustments.

Put in a different frame of reference, we have been feeling our way slowly toward a viable structure of interest rates that will attract from the American people as savers the large bulk of the funds that other Americans, American governments, and our offshore friends want to borrow. Note, however, a point so many times made: The Federal Reserve System has had no intellectual or emotional preoccupation with either high interest rates or low interest rates, as such. We have merely wanted an interest rate—the price for money—that largely equates the supply of savings that Americans are willing to furnish at that price with the demand for American savings at that price.

At the same time, we have allowed for a growth of bank reserves intended to accommodate a growth in the money supply, which has been intended in turn to accommodate the increasing population and the increasing transactions of our country. That growth of reserves over the long postwar period exhibits a straight-line trend of 3% per annum.

## Finds Too Easy Credit Has Delayed Adjustments

I do not believe that this has been a tight money policy. Indeed, if it is to be criticized, I think the criticism over the long period is that it may have been too easy, delaying adjustments that, considering the constant change in a consumer-guided economy, are forever necessary and are the easier the more promptly they are made; if we are to be criticized, I suspect the criticism is properly taken on the point that we have allowed too much of the economy's expansion to be financed out of bank-created credit.

Second, speaking not to the long term but to our reaction toward cyclical situations, we have had an extraordinarily simple pattern. Whenever we could detect a downward trend in economic activities, we have acted promptly to increase the supply of bank reserves and thus to permit banks to seek loans and investment and, in turn, to increase the money supply. By the same token, when we have detected the economy operating in conditions of boom, we have allowed borrowing demands to press against bank reserves and interest rates to call up a greater supply of real savings.

The pattern has been as simple as that. Our counter-cyclical actions, whether by luck or sophistication I do not know, seem to me to have had an excellent result. We have avoided in postwar America a long or severe depression of the sort that has characterized other postwar periods,

and the economy has responded when we have tried to stimulate it by monetary means.

Now, let me go back to a point made a short while ago. In endeavoring to stimulate the economy we have increased bank reserves, after adjusting for changes in reserve requirements, from the low point in April, 1960, of \$18.2 billion, to \$20.0 billion (daily average basis) in July, 1962. This has amounted to a 10% increase. Note that the figure for total reserves, both on a seasonally adjusted and unadjusted basis, stands comfortably above the long-run 3% growth rate in bank reserves. In short, we have had an easy money policy. The commercial banks of this country have responded to this easy money policy by expanding their loans and investments \$31.2 billion, seasonally adjusted, or 16.8%, between April, 1960, and July, 1962.

Still, we must all agree that the economy, while it has responded to monetary ease, has not recently been responding altogether to the heart's desire. Although the figures, I believe, give an exaggerated impression, we have an uncomfortable overcapacity in many lines. True, the figures for July were somewhat heartening, but unemployment remains higher than it should be.

## Uneasy Suspicion

This leads me to a uneasy suspicion that something is happening in the economic system that we do not quite understand. Since I must frankly say that I do not believe it to be a lack of money

availability, I believe a search for what is happening to our economy must take other directions; we need an agonizing reappraisal of some of the other elements of our total national policy. Meanwhile, with so many doctors disagreeing, I think we would be smart to postpone any exploratory operations or massive medications.

It seems to me that the economy is like a man slightly afflicted with hypochondria who goes to his physician for a regular check-up and mentions that he has not been feeling as peppy of recent weeks as he had been. I think the physician in such a case would be wise and prudent to keep the patient under observation for a time before he begins dosing him either with tranquilizers or stimulants. Neither may be needed. With the art of economic diagnosis what it is, I feel that we should all be wise to pause a while and to find out, as best we can, what is actually happening in the economy before we begin dosing it. Such a suggestion may have the defect of being a little behindhand in the beginning of treatment, if treatment is needed it has the enormous advantage of assuring that the patient is not treated with a medicine that aggravates, rather than remedies, his condition.

That leads to a further question. Do I believe that additional injections of easy money would help the economy at this time? I do not.

\*Statement made by Mr. Bryan before the Joint Economic Committee, Washington, D. C.

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September 11, 1962

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**Aerospace Industry**—Bulletin—Courts & Co., 11 Marietta Street, N. W., Atlanta 1, Ga.

**Aluminum Industry**—Analysis—Sutro Bros & Co., 80 Pine Street, New York 5, N. Y. With particular comment on **Aluminium Ltd.**, **Aluminum Company of America**, **Kaiser Aluminum & Chemical Corp.** and **Reynolds Metals Co.**

**Automobile Industry**—Study—Hemphill, Noyes & Co., 8 Hanover Street, New York 4, N. Y.

**Bank Stocks**—Survey of major banks and bank holding companies—Blyth & Co. Inc. 14 Wall Street, New York 5, N. Y.

**Bank Stocks**—quarterly review—M. A. Schapiro & Co. Inc. 1 Chase Manhattan Plaza, New York 5, N. Y.

**Bond Market**—review—Wayne Hummer & Co., 105 West Adams Street, Chicago 90, Ill.

**Bond Market**—Review—Salomon Brothers & Hutzler, 60 Wall St., New York 5, N. Y.

**California Savings and Loan Holding Companies**—analysis—Gruntal & Co., 50 Broadway, New York 4, N. Y.

**Communications Stocks**—Analysis—Reynolds & Co., 120 Broadway, New York 5, N. Y. Also available are reviews of **Life Insurance Stocks** and **Atlantic Refining Company**.

**Drug Stocks**—Bulletin—Schweickart & Co., 29 Broadway, New York 6, N. Y. Also available is an analysis of **Celanese Corp. of America**.

**Fire & Casualty Insurance Industry**—Review—Van Alstyne, Noel & Co., 40 Wall Street, New York 5, N. Y.

**Food Processing Companies**—Analysis—David L. Babson and Company Incorporated, 89 Broad Street, Boston 10 Mass.

**Growth Opportunities in Sensible Over The Counter Stocks** with particular emphasis on **Missile Systems Corp.**, **Safticraft Corp.**, **Red Rope Stationery Industries** and **Sonar Radio Corp.**—George, O'Neill & Co., Inc., 30 Broad Street, New York 4, N. Y.

**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.

**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.

**Natural Gas Industry**—Analysis—F. S. Moseley & Co., 50 Congress Street, Boston 2, Mass.

**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.

**Railroad Mergers**—Discussion—Vilas & Hickey, 26 Broadway, New York 4, N. Y.

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

**Squeeze on Profits**—Study—W. E. Hutton & Co., 14 Wall Street, New York 5, N. Y.

**Treasury Bonds**—Bulletin—New York Hanseatic Corporation, 60 Broad Street, New York 4, N. Y.

**Trunk Air Lines**—Review—Carl M. Loeb, Rhoades & Co., 42 Wall Street, New York 5, N. Y. Also available is an analysis of **Kerr McGee Oil and Socony**.

**Women's Apparel**—Review—Stanley Heller & Co. 40 Wall Street, New York 5, N. Y.

**AMP Inc.**—Report—Shearson,

Hammill & Co., 14 Wall St., New York 5, N. Y.

**Air Control Products**—Review—Herzfeld & Stern, 30 Broad St., New York 4, N. Y.

**Alberto Culver**—Analysis—Wm. H. Tegtmeyer & Co., 105 South La Salle Street, Chicago 3, Ill. Also available are analyses of **All American Life & Casualty**, **Dean Milk**, **Super Food Services, Inc.**, **Tastee Freez Industries** and **Wallace Press**.

**Associated Traffic Clubs Insurance**—Memorandum—Ralph B. Leonard & Sons, Inc., 25 Broad Street, New York 4, N. Y.

**Babcock & Wilcox**—Memorandum—McDonald & Co., Incorporated, 120 Broadway, New York 5, N. Y. Also available is a memorandum on **General Electric**.

**Bank of Virginia**—Memorandum—Craigie & Co., Inc., 616 East Main St., Richmond 15, Va. Also available is a memorandum on **Lawyers Title Insurance Co.**

**Beaunit Corp.**—Data—Bregman, Cummings & Co., 4 Albany St., New York 6, N. Y. Also available are data on **Martin Marietta**.

**Carrier**—Memorandum—Penington, Colket & Co., 70 Pine Street, New York 5, N. Y.

**Chicago Musical Instrument Co.**—Analysis—A. C. Allyn & Co., 122 South La Salle Street, Chicago 3, Ill. Also available are analyses of **Madison Gas & Electric**, **Wisconsin Power & Light**, and **Oxford Paper Company**.

**Citizens Fidelity Bank & Trust Co.**—Memorandum—J. J. B. Hilliard & Son, 419 West Jefferson Street, Louisville 2, Ky. Also available is a memorandum on **Commonwealth Life Insurance Co.**

**Colonial Corporation of America**—Analysis—Emanuel, Deetjen & Co., 120 Broadway, New York 5, N. Y.

**Columbia Broadcasting**—Memorandum—Steiner, Rouse & Co., 19 Rector Street, New York 6, N. Y.

**Consolidation Coal Co.**—Analysis—Laird, Bissell & Meeds, 120 Broadway, New York 5, N. Y.

**Continental Can**—Report—Newburger & Co., 1401 Walnut St., Philadelphia 2, Pa. Also available are reports on **Denver & Rio Grande Western Railroad**, **General Public Utilities**, **Pittston**, **Rubbermaid, Inc.**, **Trico Products** and **Westchester Fire Insurance Co.**

**Crush International Limited**—Analysis—Watt & Watt Ltd., 6 Jordan St., Toronto 1, Ont., Canada. Also available is a bulletin on **Oil Stocks**.

**Delaware Valley Financial Corporation**—Analysis—Havener Securities Corporation, 165 Broadway, New York 6, N. Y.

**Dial Finance Co.**—Memorandum—White, Weld & Co., 20 Broad St., New York 5, N. Y.

**Dow Chemical Co.**—Analysis—Dreyfus & Co., 2 Broadway, New York 4, N. Y.

**Dresser**—Memorandum—Uhlmann & Co., Inc., Board of Trade Building, Kansas City 5, Mo. Also available is a memorandum on **Chrysler**.

**Du Pont of Canada**—Detailed Study—W. C. Pitfield & Co., Inc., 30 Broad St., New York 4, N. Y.

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**Eaton Manufacturing**—Memorandum—Chas. W. Scranton & Co., 209 Church Street, New Haven 7, Conn. Also available are memoranda on **Electric Bond & Share** and **Mead Johnson**.

**Electric Bond & Share**—Analysis—Newburger, Loeb & Co., 15 Broad St., New York 5, N. Y.

**Famous Artists Schools**—Analysis—Carreau & Co., 115 Broadway, New York 6, N. Y. Also available are comments on **American Home Products**, **Arvin Industries**, **Gulf Oil Co.**, **Aerojet General**, **Arkansas Louisiana Gas**, **Howard Johnson**, **Hunt Foods & Industries**, **Lehn & Fink**, **Maryland Cup**, **Miles Laboratories**, **R. J. Reynolds Tobacco** and **F. W. Woolworth**.

**Fibreboard Paper Products**—Analysis—Walston & Co., Inc., 265 Montgomery St., San Francisco 4, Calif.

**First Republic Corporation**—Analysis—Charles A. Taggart & Co., Inc., 1516 Locust St., Philadelphia 2, Pa.

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

**French Lick, Ind.**—Bulletin on sewage works revenue bonds—City Securities Corp., Circle Tower, Indianapolis 4, Ind.

**General Shale Products Corp.**—Report—Equitable Securities Corporation—322 Union St., Nashville 3, Tenn.

**Hart, Schaffner & Marx**—Memorandum—Ira Haupt & Co., 111 Broadway, New York 6, N. Y.

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

**Interstate Department Stores**—Data—Dempsey-Tegeler & Co., Inc., 80 Pine Street, New York 5, N. Y. Also available are comments on **Texas Instruments** and **Atlantic Refining**.

**Kingsport Press Inc.**—Analysis—Schmidt, Roberts & Parke, 123 So. Broad St., Philadelphia 9, Pa.

**W. A. Krueger Co.**—Memorandum—Straus, Blosser & McDowell, 39 So. La Salle St., Chicago 3, Ill.

**Laclede Gas**—Report—Semple, Jacobs & Co., Inc., 711 St. Charles St., St. Louis 1, Mo.

**Link Belt**—Memorandum—Abraham & Co., 120 Broadway, New York 5, N. Y. Also available is a memorandum on **Thompson Ramo Wooldridge**.

**McDonnell Aircraft**—Analysis—D. B. Marron & Co., Inc., 63 Wall St., New York 5, N. Y.

**Mergenthaler Linotype**—Analysis—John H. Kaplan & Co., 120 Broadway, New York 5, N. Y.

**Mesabi Trust**—Data—Walston & Co., Inc., 74 Wall St., New York 5, N. Y. Also available are comments on **U. S. Plywood** and **J. Ray McDermott**.

**Minneapolis-Honeywell**—Memorandum—Paine, Webber, Jackson & Curtis, 25 Broad St., New York 5, N. Y.

**Mobile Rentals Corp.**—Report—Hardy & Co., 25 Broad St., New York 4, N. Y.

**Montgomery Ward**—Report—Butler, Herrick & Marshall, 76-11

Continued on page 39

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## No. Amer. Secs. Appoints Conkle

SAN FRANCISCO, Calif.—Philip H. Conkle has been appointed Assistant Vice-President of North American Securities Co., Russ Building, and of the four Commonwealth mutual funds for which North American Securities is investment manager and general distributor.

Announcing the appointment, Robert L. Cody, President, said Mr. Conkle will be primarily concerned with sales promotion, planning and marketing activities for North American and the Commonwealth funds it distributes.

Mr. Conkle is well known in the securities and investment community in the West. He was associated for ten years with Dean Witter & Co., and most recently was with Lehman Brothers as regional representative for the One William Street Fund.



Philip H. Conkle

## The Security I Like Best

Continued from page 2

052,325.89 for 1960. Net income after taxes amounted to \$4,044,884.64 compared to \$3,754,469.29 for 1960. Per share earnings amounted to \$2.25 on outstanding common stock. Cash dividends of \$1.50 per share were declared and \$1.25 of this was paid during 1961 with the other 25¢ per share payable Jan. 2, 1962. The surplus account of the company amounted to \$19,101,777.34 on Nov. 30, 1960, was increased during the year to \$20,446,661.98, cash and the equivalent accounted for 58% of this figure. Book value per share as of Nov. 30, 1961, was \$16.36. A 25% stock dividend in 1962 increased the number of shares outstanding to 2,250,000 shares with a book value of \$14.21 per share. At the end of 1961, the current ratio was 9.6 to 1.

Sales and net income in the first six months of 1962 were \$32,983,545 and \$2,571,327, respectively, compared with \$26,405,715 and \$2,005,155 for 1961. Earnings per share for this six months period was \$1.14. Earnings per share for 1961 based on present shares outstanding was 89¢. Currently the stock is quoted in the 25-26½ range.

During the 1960-61 fiscal year, the company installed a large amount of new machinery, some as replacements and some as additions to production facilities. A new office was completed and occupied in late August, 1961.

The growth of Bassett Industries over the past 60 years has been the result of good management and hard work. Their management team today is bright, alert, and keenly interested in new machinery, new techniques and new designs, whereby they may constantly improve their finished products. This corporation has been good to their employees, paying a bonus twice yearly. Bassett has been able to obtain its share of the furniture business and I feel sure that the management will continue to do so in the future. The stock is traded in the Over-the-Counter Market.

## U. K. Treasury Is Trying to Dampen Gilt-Edged Boom

By Paul Einzig

The British Treasury's Aug. 30 announcement to issue another £500 million tranche of 5½% bonds at 95%, maturing 2008-2012, is expected to slow down and regulate the boom in the gilt-edged market [cf. author's columns in the "Chronicle" on Aug. 23, page 5, and Sept. 6, page 7]. Nevertheless, the market did not respond bearishly, following profit-taking, and resumed its rise. Dr. Einzig details the diverse objectives the Treasury has in mind. He points out, for instance, that conventional monetary policy has been ineffective, as a result of war-time and post-war financing, via short and medium term issues, leaving the economy too liquid. Concludes that the new move will slow down the decline in long term yields causing Treasury issues to lose their speculative character.

LONDON, England—It is a well-known characteristic of market psychology that whenever there is a definite trend in progress changes and new developments they are apt to be interpreted in a sense in accordance with that trend. At any rate such interpretation stands a chance of being given the benefit of the doubt. This is what happened in the London gilt-edge [treasury securities of all maturities] market following on the announcement made by the British Treasury on Aug. 30 concerning the issue of another £500 million tranche of 5½% Treasury Stock at 95% maturing between the years 2008 and 2012.\* The terms of the issue were such that the whole of it was left with the authorities and was taken up by Government departments. It means that this Stock will be "on tap" and will be gradually unloaded on the investors as and when the Government broker chooses to quote a price which compares slightly favorably to that of corresponding Stock already in the market.

The object of this exercise is to enable the Treasury to control the appreciation on the gilt-edged market. £500 million is quite a sizable amount and the unloading of such an amount of long-term Stock should go some way towards slowing down and regulating the boom in the gilt-edged market. For this reason the Treasury's announcement ought to have been interpreted as a bear point calculated to damp down the enthusiasm of those who were busily engaged in talking up the price of 3½% War Loan to 70 and even 80. Actually after some hesitation the market decided to interpret it as a bull point, and after the profit-taking at the end of August the gilt-edged market resumed its rise.

### Government Is Pleased at Gilt-Edge Rise

Needless to say, it is not the intention of the authorities to discourage the newly-developed investment demand for Government Loans. Having been neglected for so many years, the gilt-edged market has at least come into its own, and this naturally suits the Treasury down to the ground. As I pointed out in previous articles, in accordance with the recommendations of the Radcliffe Report the authorities are likely to pay more attention to medium and long-term interest rates in the future than they did in the past. It would suit their policy to encourage a business revival by means of a reduction of long-term interest rates rather than by means of reducing short-term interest rates. Yet the decision to sell gradually £500 million of long-term Stock is bound to slow down the decline of long-term yields.

The explanation of this strategy lies in the French proverb *reculer*

\*ED. NOTE: The stock mentioned here is a long-term bond issue in addition to one of a similar size already outstanding.

*pour mieuse sauter.* [Take a step backward in order to leap forward.] As things are, gilt-edged yields tend to decline without any Treasury intervention. This means that the Treasury does not have to increase the liquid resources of the market and of the economy by increasing the issue of Treasury bills. Official quarters are at present still unconvinced that the economy needs such a stimulus. Sooner or later they are likely to feel, however, that the time has arrived for reflationary intervention. In accordance with their new monetary policy they are likely to prefer to buy up long-term Stock and increase thereby the issue of Treasury Bills rather than reduce the Bank rate for fear that the resulting fall in Treasury bill rates might let loose heavy withdrawals of foreign balances invested in them.

### The Economy Is Too Liquid

Now the financing of the purchase of long-term Stocks in the market would involve an increase in the amount of Treasury bills. This would amount to defunding, which is very much against the present trend of official thinking.

It has come to be realized that one of the reasons why conventional monetary policy has been ineffective is precisely that as a result of War-time and post-War methods of Treasury financing by means of short and medium-term issues, the economy is too liquid. The present issue of 5½% Treasury Stock would mop up a sizable proportion of its liquidity. This means that when the time comes for encouraging business expansion the Treasury will be in a position to appear in the gilt-edged market as a heavy buyer of long-term Stock without having to bring about a net increase of liquidity beyond the extent that existed prior to the issue of the new Treasury Stock.

In other words, the Treasury wants to defund in good time when its experts have arrived at the conclusion the moment has arrived for reflating. Evidently the present moment is not deemed to be suitable. For this reason Treasury bills are being funded with the aid of the new long-term issue, in order that they should be defunded later. At the same time, the rise in gilt-edged prices is sought to be damped down, to avoid premature stimulus to capital expenditure through the fall in long-term loan rates. The new exercise kills two premature reflationary birds with one stone.

Moreover, if the Treasury allowed gilt-edged prices to rise another 10 points or even 20 points it would mean that when the time arrives for appearing in the market as a buyer it would have to pay top prices for its own Stock. It is true, by issuing the 5½% Treasury Stock on unfavorable terms the funding of its floating debt will be a costly operation. But it is worth the Treasury's while to lose on the swings in the hope of recovering it on the roundabouts.

Last but by no means least, a further substantial rise in the gilt-edged market would make that market rather vulnerable. It might be followed by a sharp re-

action which would deprive the Treasury of its opportunity to fund an adequate amount of short-term debt. The gradual issue of the new Stock tends to prolong the upward trend in the gilt-edged market by moderating the pace of its progress. Once the Treasury has succeeded in funding a substantial amount, it will be in position to defund a substantial amount when the time for reversing its operations has arrived.

However this may be, it is reasonable to assume that, as a result of the new move the upward trend in the gilt-edged market will slow down and will lose much of its speculative character. With a tap issue of £500 million in hand the Treasury is in a much better position to keep the upward movement under control. Much as the authorities would like to see a considerable rise in gilt-edged prices, they appear to attach even greater importance to being able to fund Treasury bills while the going is good.

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September 12, 1962.



# Tax Policy's Role in Solving Our Economic Problems

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

A strong argument for tax reduction and reform is developed by Secretary Dillon in contending that our tax system was appropriate for the postwar inflationary period but is too onerous a burden for today's economy. Mr. Dillon dismisses fears held about a possible ensuing deficit on the grounds that it will not be a source of inflation under today's conditions and that it is a reasonable price to pay to generate increased Government revenue. A strong plea is made for passage of the Administration's investment credit plan to supplement recently liberalized depreciation guidelines. The extent of Federal Reserve and Treasury cooperation and the results of "nudging" are discussed; reasons for the improvement in the balance of payments are reviewed; and other measures needed to achieve our economic goals are indicated.

There have been substantial gains in domestic employment and production over the past 18 months, plus clear progress toward restoring balance in our international accounts. However, the margin between our productive potential and the current rate of business activity is still far too wide to permit complacency. Unemployment at 5.3%, although much improved, is still at an unacceptably high level. And, if we are to maintain a secure foundation for the dollar and for vigorously expanding trade among nations, the deficit in our balance of payments must be eliminated.

Thus, the major task of economic policy is to facilitate a step-up in the pace of domestic expansion at the same time that we reinforce our program for achieving equilibrium in our international payments.

There is no basic conflict between these twin goals of rapid growth at home and balance in our foreign payments. The key to both is the fuller and more effective use of our unmatched human and physical resources. We must produce more and better goods and services with greater efficiency, and we must have markets—domestic and foreign—adequate to absorb our output.

This requires that our productive plant and machinery be modernized and expanded. The skills and initiative of our workers must be better channeled into constructive effort. Domestic demand must also grow to provide markets for

increased productive capacity. And foreign markets must not be closed to us—either by insurmountable tariff barriers, or by increases in our own price level.

## Key Tax Policy Role

The financial policy of the Federal Government will be one of the vital factors in shaping our progress toward these ends over the years ahead. Within our overall financial policy, tax policy can play a particularly important role.

Federal income taxes today absorb fully 15% of our total national income. The sheer size of these taxes and the way they are levied—the tax rate schedules, their application to different sources of income, the maze of special provisions—all exert a pervasive influence on economic activity. It is the joint responsibility of Congress and the Executive, while raising needed government revenues, to use the taxing power constructively to facilitate progress towards our goals of full employment, rapid growth, and stable prices. It has become apparent in recent years that some elements of our tax structure are impediments in our path to those goals—impediments that in many cases can, and should, be removed.

## Four Tax Reform Areas

Four distinct problems have urgently called for reform:

(1) Our tax structure has placed a heavy burden on the productive investment so vital to the growth process.

(2) The current rate structure siphons off so large a fraction of the increased income generated by business recovery that forward momentum is dissipated before full employment and full utilization of industrial capacity can be reached.

(3) Overly high rates of individual income tax interfere with

the economic process. Energies and resources are diverted from the business at hand and concentrated on minimizing tax burdens through the use of a patchwork of special deductions and exclusions, built up over the years to lighten the burden of our onerous rate structure.

(4) Our tax system today lacks provision for flexible and timely adjustments to meet swiftly developing changes in the over-all level of economic activity.

One of the major objectives of this Administration has been a tax environment more conducive to business investment in new equipment. As a first step toward this objective, the Treasury has overhauled depreciation guidelines within the framework of existing law. This reform—the first thoroughgoing review in a generation—recognizes fully the impact of swiftly changing technology on the economic life of equipment, and permits individual businesses to establish schedules in keeping with objective measures of their own replacement practices. Depreciation deductions permitted for manufacturing machinery and equipment will be increased by an estimated 17% from existing practice; the current tax load will be lightened by an estimated \$1.5 billion the first year; and administrative procedures will be greatly simplified. Although the result, in terms of stimulating new investment, cannot be gauged precisely, the reaction of the business community to this long-needed reform has been extremely favorable.

These realistic depreciation schedules must be supplemented and reinforced by other measures, however, if we are to provide incentives for investment within our tax structure comparable to those available in the other leading industrialized countries. These further incentives—and the increased investment they will generate—are necessary both to spur growth at home and to maintain and improve our competitive position in world markets.

## Why Investment Tax Credit Is Needed

The proposed 7% investment tax credit, incorporated in the Revenue Act of 1962 already passed by the House of Representatives and approved by the Finance Committee of the Senate, represents the minimum we must do to keep up with our competition from abroad.

All of our foreign competitors provide special tax inducements of one sort or another over and above realistic depreciation in order to promote the modernization and expansion of business investment. We must do as much if we are to compete on equal terms.

This is clearly indicated by a Table I am submitting for the record. It will be noted that, even with the 7% credit, as reported by the Senate Finance Committee, our treatment of new investment will be less generous than many of our foreign competitors. Its early enactment is essential to narrow the gap and is also of great importance in sustaining and accelerating the current economic expansion.

The President has announced that a comprehensive program of tax reform—including a general reduction of both individual and corporate rates, effective Jan. 1, 1963—will go to the Congress for action early next year. In developing this reform program within the Administration, we are particularly conscious of the need to achieve a tax structure that will both increase consumer demand and provide new incentives—both to individuals and to business—while also providing for an appropriate surplus of revenues over expenditures when the economy is operating at acceptable levels of employment and plant utilization.

The economy over the past five

years has been marked by two recessions, as well as a persistently excessive level of unemployment. That record provides ample evidence of the drag on growth inherent in our current tax structure.

## Taxes Inappropriate for Today's Economy

Today, many of the special expansionary forces that marked the private economy during the first decade of the postwar period are no longer with us. The tax system that was appropriate during the inflationary postwar epoch is now too onerous. Too much potential purchasing power is diverted from the spending stream as a business recovery develops, dampening economic activity long before full employment is approached. The end result is that recovery bogs down at some level of output well below potential—and instead of the theoretical large surplus that would be generated at full employment, we find ourselves with further deficits.

Part of the solution to this problem can be found in reducing the total tax load on the economy. Another part can be found by developing a tax structure that will increase private initiative and productive investment. The structure of taxes—as well as their level—affects incentives to work, to invest, to cut costs, and to produce efficiently.

Thus tax reform is just as important as tax reduction. Such a program necessarily involves a loss of revenue in its first year of application, but this initial loss of revenue should be soon recouped as our economy moves ahead. It should be looked upon as a necessary down payment on economic growth, more jobs, and higher standards of living and greater opportunity for all Americans. More rapid growth will hold and attract funds here that might otherwise be invested abroad, and rising investment will make our producers more competitive in world markets. Both of these effects will serve to improve our balance of payments.

## No Need to Fear Deficit Today

Fear of deficits is deeply rooted in our thinking—and that fear has its basis in the fact that deficits have sometimes led to excess demand in inflation. But in today's economic environment—far from being a source of dangerous inflationary pressures—our deficit reflects our idle plant capacity and our overly large unemployment rolls. A temporarily larger deficit under these circumstances is a reasonable price to pay for a program of basic tax reform and tax reduction designed to spur output and promote full utilization of our human and physical resources, a program that promises over the years to generate increased government revenues as a result of increased output.

Finally, even with the enactment of such a program, we will also need a measure of tax flexibility, in order to strengthen our arsenal of tools to combat cyclical downturns. Legislation providing this flexibility, patterned on a recommendation of the Commission on Money and Credit, has been submitted to the Congress by the President. Its enactment would strengthen our ability to handle future downturns.

Monetary and Debt Management Policy, which affects the cost and availability of credit, is another area in which the Federal Government can exert a powerful influence on economic developments. The main responsibility for monetary policy lies, of course, with the Federal Reserve. But the Treasury—largely through its management of the public debt—can also significantly

influence the cost and availability of funds.

## Praises Success of "Nudging" Policy

Difficult and new problems have arisen in this area over the past 18 months. On the one hand, the Federal Reserve and the Treasury together—and I want to emphasize the continuous cooperation and close working relationships that have developed between these agencies—have had a common interest in assuring the availability of an ample supply of funds to finance domestic investment. But we are also alert to the potential danger of investors shifting their funds abroad in search of higher returns—thereby increasing our balance of payments deficit.

Fortunately, rates for top-grade short-term securities—the part of the rate structure which is the most important in international capital flows—also have the least significance from the standpoint of domestic business conditions. Therefore, within the limitations imposed by a free and fluid domestic market for credit, we have sought to encourage an active flow of funds into productive long-term investment, while maintaining a competitive equilibrium with foreign markets in the short-term area. For this reason a large portion of the funds injected into the market by the Federal Reserve since February, 1961, have taken the form of purchases of approximately \$3.4 billion of securities maturing in more than one year, rather than short-term bills, as had been their usual practice in the past. At the same time, the Treasury increased the volume of its own debt outstanding in the under one-year maturity area by nearly \$14 billion.

With the short-term rate structure supported in this manner, the Federal Reserve has been able to supply the banks liberally with reserves throughout the recovery period, and thereby to maintain an atmosphere of credit ease and ample availability. At the same time, the Treasury, through flexible use of advance refundings and other sales of intermediate and longer term securities during propitious market periods, has been able to improve its over-all debt structure without impeding the flow of funds into productive long-term investment.

The results have been gratifying. Rates for Treasury bills, which never fell below 2½% during the recession months of 1961, have risen to the 2% to 3% area. This has been necessary in order to keep our rates roughly competitive with the rate structure in foreign markets—after allowing for the fluctuating cost of forward exchange cover.

## Long Interest Rate Structure Below Recession Lows

At the same time, the interest rates of key importance to domestic growth and investment—for mortgages, bank loans, corporate bonds, and state and local government securities—have generally remained close to, or even dropped below, their recession lows. Mortgage rates, in particular, have declined, slowly but almost steadily, for more than a year, and market rates for government-insured mortgage loans now average more than ¼% below the levels prevailing at the trough of the recession a year and a half ago. Local government borrowing costs in recent months have been at the lowest levels since mid-1958. Moreover, funds are freely available at these rate levels in all sectors of the market. Far from drawing back on new commitments, banks and other lenders have continued to offer liberal credit terms and to

Comparison of depreciation deductions, initial and investment allowances† for industrial equipment in leading industrial countries with similar deductions and allowances in the U. S.

Representative tax lives	Depreciation deductions, initial and investment allowances (percentage of cost of asset)			
	First year	First 2 years	First 3 years	First 5 years
Belgium	8	22.5	45.0	92.5
Canada	10	30.0	44.0	71.4
France	10	25.0	43.8	76.3
West Germany	10	20.0	36.0	67.2
Italy	10	25.0	50.0	100.0
Japan	16	43.4	51.0	68.2
Netherlands	10	26.2	49.6	85.6
Sweden	5	30.0	51.0	100.0
United Kingdom	27	39.0	46.3	64.0
Average, 9 foreign countries		29.0	46.3	80.6
United States:				
Practice prior to 7/11/62	15	13.3	24.9	51.1
With new depreciation guidelines	12	16.7	30.6	59.8
With new depreciation guidelines and investment credit‡	12	29.5	42.5	69.6

† The deductions and allowances for each of the foreign countries have been computed on the assumption that the investment qualifies fully for any special allowances or deductions permitted. The deductions in the United States have been determined under the double-declining balance depreciation method, without regard to the limited first-year allowances for small business.

‡ For purposes of this table, the 7% investment credit has been considered as equivalent to a 14% investment allowance. For corporation subject only to the 30% normal tax, for instance, it is equivalent to an investment allowance of 23%. Allowance has been made in these calculations for the adjustment to basis in the amount of the credit as provided in the bill as reported by the Senate Finance Committee.

SOURCE: Tax Analysis Office of the Secretary of the Treasury, Aug. 13, 1962



actively seek out potential borrowers.

The contrast with other recent periods of expansion is striking. Rates in all sectors of the market are well below the postwar peaks reached in 1959; 18 months after the recovery began, banks are still liberally supplied with funds for new loans; and there is no lack of credit availability.

As we move ahead in financing our current deficit, we will naturally be concerned to maintain a balanced structure of Federal debt. That means we must be able to continue to tap a cross section of the funds becoming available in the market—from individuals and long-term investment institutions as well as from banks. But, it is not part of our policy to press ahead with long-term financing to the extent of jeopardizing the flow of funds necessary to support an expansion of business investment. Any changes, during the coming year, in the level of long-term interest rates will reflect a natural response to changing levels of business activity, and not any rigid preconceptions regarding the appropriate method of financing our current deficit. Nor will it represent a blunt effort—which I believe would be quite futile—to crowd out of the long-term market some marginal amount of foreign borrowing—borrowing that in any event is attracted more by our unrivaled market facilities than by relatively small differences in the total cost of the credit to the borrower.

#### The Balance of Payments

Over the longer-run, as I have said, our ability to maintain equilibrium in our international balance of payments will reflect our success in achieving more rapid increases in productivity, a favorable climate for new investment, faster growth, and stable prices in our domestic economy—precisely the objectives we are seeking in our tax reform program and in credit policies. But, for the present, after more than a decade of deficits, we cannot afford to wait idly by until these longer-run solutions take hold. Instead, we must intensify our efforts through other means to restore balance as promptly as possible.

Our balance of payments accounts are beginning to show some of the fruits of the measures we have taken. The over-all deficit, which averaged \$3.7 billion between 1958 and 1960, was reduced to \$2.5 billion in 1961 and, during the first half of this year fell further, to an annual rate of \$1.5 billion. Part of this recent improvement resulted from the temporary Canadian difficulties, but more basic factors have also contributed.

For instance, the net drain from our mutual defense program is being significantly narrowed—reflecting additional military procurement in the United States by our allies, as well as our own economies in overseas spending. Current outlays for economic aid also reflect our efforts to furnish this assistance in the form of American goods and services. Perhaps most significant for the longer-run, our exports have climbed to a new record level—thanks in large part to the virtual stability of the prices of our manufactured goods since 1958. Although imports have also risen—an expected response to higher levels of business activity—our trade surplus has improved over the second half of 1961.

Efforts to lessen the balance of payments impact of our overseas expenditures and to stimulate our exports are being stepped up. One evidence of our determination to reduce government spending overseas to the minimum necessary is the recent development under the aegis of the Bureau of the Budget of a government-wide control system for international transactions. This requires the

quarterly submission by all agencies, whose transactions affect the balance of payments, of a detailed report of past results, as well as of detailed estimates running one year into the future. This system provides, for the first time, a regular and orderly procedure for the special review and control of these outlays. Each item is being subjected to close scrutiny, and unless adequately justified in terms of over-all priorities, is promptly eliminated. The institution of this close control over the spending which affects our balance of payments should lead to substantial savings in the future.

Secretary McNamara has established as a target the reduction of net military spending abroad to \$1.6 billion for fiscal 1963, and to \$1 billion by fiscal 1966. This compares with a previous \$2.6 billion or more. With the full cooperation of our allies, these targets can be reached without in any way impairing our defense position.

Our export program should soon receive additional impetus as the result of a number of measures—including the recent appointment of an over-all Export Coordinator in the Department of Commerce. This official is charged with the responsibility of reviewing and expediting our total export drive, working with both industry and government to assure the best use of our recently improved facilities and assistance programs for exporters.

Meanwhile, our defenses against the potential shocks and strains that can come from sudden and large-scale shifts of liquid funds—whether arising from speculative or other pressures—have been greatly strengthened.

The agreement reached last December by the industrialized countries to supplement the regular resources of the International Monetary Fund with additional credit facilities of \$6 billion has now been ratified by seven countries and will become effective as soon as the United States itself completes the necessary legislative action. Apart from that agreement, the Treasury and the Federal Reserve, acting in close co-operation with each other and with responsible foreign officials, have made steady progress in arranging facilities for acquiring convertible foreign currencies. These currencies, in turn, may be flexibly employed to absorb dollars passing into foreign hands as a result of our payments deficit. While still in a "pilot" stage, enough has already been learned from this experience to suggest that these facilities can potentially provide an entirely new dimension to our defenses against disturbances in the international monetary system.

Taken together, the financial program and policies I have outlined here today will make a major contribution to our economic goals. But I should also emphasize that these policies cannot—however wisely considered and implemented—do the job alone. They are no substitute for responsible wage bargaining and pricing practices, for measures to maintain active competition among producers, for better educational and research facilities, or for all the other ingredients of dynamic growth with stable prices. But, it is equally true that without well considered tax reform, monetary, and debt management policies flexibly attuned to the facts of our internal and external position, and intense efforts to restore balance of payments equilibrium, the prospects for substantial progress toward a better life for all our citizens in the years ahead would be seriously impaired.

\*Remarks of Secretary Dillon before the Joint Economic Committee, Washington, D. C., Aug. 17, 1962.

## The Common Market and American Labor Leaders

By Roger W. Babson

American labor leaders are warned by Mr. Babson to change their wage-cost practices or cause the U. S. economy to become increasingly imperiled by E. C. M. competition. This dangerous turn, he further warns, will cause greater unemployment and expose the economic ignorance of labor leaders to their union members.

A very serious threat to U. S. labor and its union leaders is the European Economic Community or "Common Market." This Federation of six European countries has a population nearly equal to that of the United States. The people within the area are intelligent and industrious. In existence only four years, the Common Market has shown tremendous industrial gains; its industrial growth rate, in fact, is triple that of our own country. The primary aim of the Common Market is to eliminate long-standing obstructions to free trade, to give free enterprise every encouragement to operate. The Common Market now has a tremendous production potential wherein a combination of lower taxes and labor costs, liberal anti-trust laws, and friendly government permit the output of high-grade manufactured goods which can be sold in the United States at prices lower than for similar-quality U. S.-made goods.

Hence, labor leaders here at home who advocate that members strike for higher wages merely increase the sale of Common Market merchandise in the United States. They thus compound their members' unemployment problem. Those who ask the government to "make work" simply assure for themselves higher taxes and higher costs for the domestic product—and again boost the sale of imports. And yet, no labor leader hoping to keep his job is going to ask his members to accept lower wages!

#### Crackdown by Our Government?

The President, through his Council of Economic Advisors, indicated early in the year his wishes with regard to wage rates.

It was implied that a 3% rise in wage benefits each year would be considered non-inflationary wage behavior. The theory is that productivity has increased an average of 3% annually over the past 50 years and therefore this should provide a reliable guidepost for the rewards that labor is entitled to in the future. Inasmuch as no labor leader of today could hope to hold his job on that basis, it came as no surprise that the President's advice was repeatedly ignored.

Less than six months ago the steel industry deliberately contrived the Administration's wishes and raised steel prices 3%. The President's immediate reaction left no doubt as to his displeasure, nor as to the manner in which he planned to punish the industry. Subsequent repercussions extended far beyond the steel industry, into the stock market—and even upset the national economy. Using the steel fiasco as a warning, labor leaders now seem intent on daring the President to crack down on them, despite the 15 million votes in their memberships. He has lost his temper before. Will he lose it again with union labor flaunting its gains in his face?

#### What Can Be Done?

The best solution to the dilemma is for labor leaders to adopt a more realistic attitude and to cooperate wholeheartedly with the President's request for moderation in wage demands, for a re-examination of featherbedding practices in all industries, and for a re-dedication of labor to the old ideals of a fair day's work for a fair day's pay. Only in this way can labor leaders escape censure

by the President and the people, and avoid the risk of adding to our already disturbing unemployment totals.

Failure to take such action would both indicate lack of respect for the President's views and also demonstrate to union members the economic ignorance of their American labor leaders. Even now, they fail to recognize—or to accept—the potential of the European Common Market. With England and most of Europe asking to join, a Community of 300 million people will soon become a most powerful force in world affairs.

## A. B. A. Appoints Holton Counsel

WASHINGTON, D. C.—John W. Holton, a long-time aide to former Speaker of the House Sam Rayburn, has been named Federal

Legislative Counsel in the Washington Office of The American Bankers Association. The appointment is effective at the close of the present session of Congress.

Mr. Holton's appointment to the newly created position was announced here by Dr. Charles E. Walker, A. B. A. Executive Vice-President, and Charles R. McNeill. Mr. Holton will have primary responsibility for Association relations with Congress and will serve as a chief deputy to Charles R. McNeill, Director of the Association's Washington Office.

## C. E. Espenschied Opens

ST. LOUIS, Mo.—Clifford E. Espenschied is engaging in a securities business from offices at 1110 South Brentwood under the firm name of Espenschied & Co. Mr. Espenschied was formerly with A. G. Edwards & Sons.



John W. Holton

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## As We See It

Continued from page 1

rently said on these subjects one would get the impression that automation and other applications of newly discovered scientific principles to the work-a-day world were to be regarded much as the tides or the winds or some other manifestation of nature which visit mankind with their blessings or their curses without much if any reference to what man does or does not do, and that all that can be done in the premises is to make such adjustments as are possible. Now it is of course, true that many of these technological changes are the outgrowth of discoveries in science which were hardly foreseen and which were largely independent of general human behavior. It is also obvious that if the work of the world can be done by fewer people working fewer hours and if additional leisure is valued more highly than additional products, then the solution in the abstract anyhow would be sought in policies which tended to give all equal opportunities to take part in the production process and hence in the enjoyment of the product. It is indeed the misapplication of such elementary truths as these which gives the movement for shorter workweeks its impetus.

It does not require a great deal of reflection, however, to make it clear that the basic conditions required to validate such conclusions or their application to present day problems simply do not exist. The fact is that labor policies in the past, particularly of the larger and more powerful of the monopolistic labor organizations, have been an important factor—if not in the discovery of newer methods of production then in the extent to which they have been applied throughout industry and trade, and hence in the rate at which they have replaced men and jobs. It has often been the exceedingly high cost of labor that has led businessmen to adopt and install devices which tend to replace human hands. It may well be true that the more spectacular of the devices that have been replacing men in such industries as the automobile factories are such that their installation once they were available was all but essential regardless of the cost of labor otherwise—so much more rapid throughout and in many instances so improved the product.

### Avoiding Excessive Wage Payments

But possibly the man in the street does not realize the degree in which many operations in and out of these large mass producing industries have become mechanized pri-

marily to avoid payment of excessive wages to men often no longer particularly eager about producing at their best. Even where the men have not become members of any of the unions, the wage levels and the various other rules and restrictions insisted upon in organized shops have in substantial degree become standard practice. So far as we are aware there is no way of measuring statistically the amount of unemployment that results from what is termed automation strictly speaking, and that which is an outcome of other technological developments which might or might not have been applied upon so broad a scale were it not for the costliness of labor, but we do not see how there can be any doubt that the latter bulks much larger than is commonly supposed.

Now, in very considerable degree these anomalies have come upon us for the simple reason that natural forces are not allowed to function, or to function only in part. Lacking monopoly power, labor organizations could not succeed in creating such artificial conditions in industry and hence to place so great a premium upon the very thing that the workmen complain about—the substitution of men with machines. Such change, in a fully free economy, would occur only when sound economic forces brought them into being. In a free market the manufacturer then would choose between machine production and hand labor on the strength of natural circumstances. The very rapid growth of the application of machinery is, accordingly, in part a result of a lack of full and free competition throughout all industry and trade.

### No Sharing of Income

The presence of this monopoly is clearly evidenced in the audacity shown by union leaders in demanding a shorter work-week, plus higher hourly wages, so that the men will take home as much pay as ever and the cost of the product will inevitably increase. The share-the-work movement is never accompanied by any willingness on the part of its advocates to share income. It is this fact which brings into question the intellectual integrity of the leaders of organized labor. They insist that the men be required to work fewer hours each week but that they be paid as if they continued to work the old schedule—that is, where there is no demand for even higher rates of pay. It is more than doubtful if we shall ever get a solution of these rather technical problems, certainly none that is

really satisfactory, until we once more are willing to permit natural forces to play the controlling role.

## Phila. Bond Club Annual Outing

PHILADELPHIA, Pa.—The Bond Club of Philadelphia will hold its 37th annual outing at the Huntington Valley Country Club on Sept. 28th. Golfers can tee off as early as 8:30; a buffet lunch will be served from 12 to 3. The Tennis Tournament will begin at 2 p. m. and trap shooting at 3. There will be a greens fee of six dollars, plus caddy charges, for golfers. Tariff for guests is twenty-five dollars. Reservation checks should be made out to the order of the Bond Club of Philadelphia and sent to Stanley Russell, Blyth & Co., Inc.

Members of the field day committees are:

Field Day Chairman: Spencer D. Wright III, Wright, Wood & Co.

General Chairmen: Richard W. Hole, R. W. Pressprich & Co.; and Harry K. Hiestand, Reynolds & Co.

Arrangements: Leonard S. Bailey, G. H. Walker & Co., chairman; Arthur Horton, Penington, Colket & Co., vice chairman; George A. Bailey, Jr., George A. Bailey & Co.; A. William Battin, Stone & Webster Securities Corp.; John H. Derickson, Jr., Blair & Co., Incorporated; Herbert Oberdorfer, Salomon Brothers & Hutzler; and John W. Wurts, G. H. Walker & Co.

Attendance: Stanley A. Russell, Jr., Blyth & Co., Inc., chairman; Thomas J. McCann, Gerstley, Sunstein & Co.; Samuel W. Parke, Schmidt, Roberts & Parke; Robert W. Wehrheim, Philadelphia National Bank; Stuart MacR. Wyeth, Stone & Webster Securities Corp.

Entertainment: Harry K. Hiestand, chairman.

Golf Committee: John B. Richter, Butcher & Sherrerd, chairman; Gordon W. Pfau, Woodcock, Moyer, Fricke & French, Inc.; John R. Sauerteig.

Minor Sports: James H. Potter, Van Alstyne, Noel & Co., chairman; George W. Schwinn, Jr., Dean Witter & Co.; Winthrop H. Battles, Janney, Battles & E. W. Clark, Inc.

Publicity: Eugene Arnold, Jr., Robinson & Co., Inc., chairman.

Special Event: Joseph E. Smith, Newburger & Co., Chairman; E. Coit Williamson, Schmidt, Roberts & Parke; James J. McAtee, Butcher & Sherrerd; James B. McFarland, Stroud & Company, Incorporated; Floyd E. Justice, Kidder, Peabody & Co.; Charles L. Wallingford, Janney, Battles & E. W. Clark, Inc.; Harold F. Carter, Hornblower & Weeks; Harry H. Fahrig, Jr., Reynolds & Co.; Leighton H. McIlvaine, Goldman, Sachs & Co.; Clifford G. Remington, Hess, Grant & Remington, Inc.

Tennis: John P. McCoy, Thayer, Baker & Co., chairman; Lawrence A. Brown, Hollowell, Sulzberger, Jenks, Kirkland & Co.; Robert T. Arnold, First Boston Corp.; and Lewis P. Jacoby, Jr., Thayer, Baker & Co.

Trophy Committee: Samuel M. Kennedy, Yarnall, Biddle & Co., chairman.

Trap Shooting: John R. Woolford, American Securities Corporation, chairman; B. Newton Barber, W. H. Newbold's Sons & Co.; and C. Carroll Seward, Yarnall, Biddle & Co.

## The Market . . . And You

BY WALLACE STREETE

The stock market was as aimless this week as it is possible for it to be although the industrial average with its endless fluctuations was able to hold above the 500 line through a new test.

The ability of this indicator to find support at that level was mildly encouraging although its value as a "floor" for the general market is more psychological than actual. About all that could be said for its basic value is that it is a better reading than any posted in the spirited July rally, and the ability to hold above it would indicate inherent strength.

There was little to be said for the rails, which, long neglected, had to digest a couple of unfavorable dividend actions. They were a trim by Rock Island and an omission by Chicago Great Western, and both promptly made the new lows list in a rush.

### Utilities Stalemated

The utility section, while buoyant, was in a dead stalemate as far as its average is concerned. The readings since late August have never reached 122, and have never slipped under 120. It is an area, however, where this average was hovering before the May 28 break, so it represents good recovery from that beating.

With little decisive action, the markets settled down into a day-by-day pattern of erratic action, an early spurt perhaps that peters out in a rush, or sagging markets that come to life just before the close. Divergent trends even among the averages on any particular session have been the rule on a handful of occasions.

### Chemicals Perk Up

There was occasional strength in the chemical section as it appeared that the industry is coming to the end of the vicious price competition that, with overcapacity general, has plagued it for some time. In addition, the switch by the big oil companies to the petrochemical field both eliminated or diminished their chemical needs and added new competitors for the prime chemical companies. In fact, some of the chemical companies even moved into the petrochemical scene by acquiring oil concerns for their reserves. Allied Chemical-Union Texas Natural Gas and a proposed combination of W. R. Grace with Cosden Petroleum being the samples of this type of move.

In any event, something of a turn for the better was indicated in the earnings reports of the first half of this year as well as in the sales gains reported by the various companies.

Dow Chemical, which is supposed to be more prominent in plastic and petrochemical sales than any of the standard chemical companies, was something of a favorite, at least with the research departments. Moreover, Dow has some other shelters to help it offset the profit squeeze on its chemical work, including its position as the largest domestic producers of magnesium, the metal that is finding increased applications because of its light weight.

Dow hasn't completely evaded the price squeeze, however, since with a small nonrecurring charge, its earnings were slightly lower in its last fiscal year than a year ago, although sales were up 9% to a record. The fiscal year ran through last May. Earnings projections for this year favor a good increase in profits for Dow.

Chemicals once were considered the premiere growth items in the stock list, and hence commanded high price-earnings ratios and low yields. But with a market tag of less than 20-times indicated earn-

ings, and a 3.3% yield, as one researcher put it, Dow is selling at its lowest ratio and highest yield in more than a decade.

### "Tangled" Value

Far removed from the chemical field, is Mergenthaler-Linotype, which is something of a tangle. Some three-tenths of Mergenthaler's stock is owned by American Manufacturing and Mergenthaler itself recently reported increasing its holdings of Electric Autolite to more than half of the capitalization.

By some yardsticks, the market price of Mergenthaler is ignoring both the reduced "float" of the stock and also the \$12 worth of Autolite stock behind each Mergenthaler share. That is more than half of the market value of Mergenthaler shares. Moreover, the market price recently has been lower than the book value of Mergenthaler.

Without the benefits of Autolite being taken into account, Mergenthaler has been doing well on its own and since 1953 has had substantial sales gains each year, largely because half of its linotype sales are to foreign markets.

Autolite itself has been diversifying away from its one-time position as a company dependent on the automotive field with its ups and downs. It owns Hiller Aircraft along with an equipment leasing subsidiary and is exceptionally liquid so presumably is not at the end of the line as far as diversification is concerned. It has a cash trove that figures out to \$25 a share behind each Autolite share which, around 48, is far below the total \$86 book value.

### Vigorous Expansion

Celanese is another case of vigorous expansion to lessen its dependence on the uncertain demand for synthetic fibers, in recent years concentrating on chemical and plastics although still ranking as one of the giants in the acetate fiber business.

The recent record is a good one and with sales nearly doubled in the last decade its net income is projected to a total that will triple the level of a decade back. The chemical-plastic move is a part of that vastly improved picture since products from these divisions now account for more than four-fifths of total sales. Nevertheless, the shares are selling well under this year's high and offering a yield that stretches into the 4% bracket.

### Interesting Acquisition

American Can is preparing to acquire Metal & Thermit Corp., to put it in the tin business which is a logical move by a maker of metal cans. Yet the announcement did little to shake this issue out of its lethargic market pattern. In part the disinterest might be caution since a merger between Metal & Thermit and Udylyte Corp. late last year was blocked by some of Metal's stockholders. There has been no blocking action from this source since the American Can announcement, so this union is believed to have the blessing of the once-dissident holders. American already has a fifth stock interest in Metal.

There is also dilution inherent in the new merger since it would be a stock exchange of Canco's common and preferred for Metal. However, even without the benefits from the new merger, American was able to report a comfortable increase in its earnings for the first half of this year and its 4.7% yield at its recent price is distinctly above-average.

The company that, from a sorry experience, is shy of new diver-



sification is Air Control Products which currently is sticking to its primary field after liquidating of selling the unrelated ones. Its field is making aluminum and allied products of which it is one of the largest manufacturers. Three-fifths of its sales come from aluminum windows, doors and related products but it gets a good diversification among its chairs, a carpet company and kitchen cabinets.

[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.]

## On Official Staff of ASE

Robert S. Frank, an ASE regular since April 27, 1938, was unanimously elected Vice-Chairman of the American Stock Exchange



Dr. Allen B. DuMont Robert S. Frank

Board of Governors at the new Board's organization meeting. The Frank nomination was moved by retiring Vice-Chairman, Edward W. Kraebel. Mr. Kraebel, who will continue as a Board member and as Board Chairman of the American Stock Exchange Clearing Corporation, stated his responsibilities as the sole representative of Mabon & Co. on the ASE trading floor necessitated his retirement as Vice-Chairman.

Edwin D. Etherington, ASE President, announced at the same time the Board's unanimous approval of his appointment of Dr. Allen Balcom Du Mont, television and electronics pioneer, as the third Public Governor of the Exchange.

Dr. Du Mont, who holds more than 30 patents on electronic systems and products, is currently senior technical advisor to the Du Mont Divisions of Fairchild Camera and Instrument Corp.

Reappointed and confirmed as public governors were S. Whitney Landon, a lawyer and retired Vice-President and Secretary of American Telephone and Telegraph Company and Dr. Charles Franklin Phillips, President of Bates College. They had been initially appointed as public representatives on the Board in March of this year.

## Sackman Joins Capital Life

Julius Sackman, recently retired New York State Assistant Superintendent of Insurance, has joined Capital Life Insurance Shares, Inc., 660 Madison Ave., New York City, as Investment Consultant on insurance companies, it was announced by Harold J. Ryan, the mutual fund's Executive Vice-President.

Mr. Sackman joined the New York Insurance Department in 1923 as an examiner and, by successive promotions, attained the position of Chief Examiner and Chief of Life Bureau, in 1954. He was appointed Assistant Superintendent of Insurance in 1958.

## The State of TRADE and INDUSTRY

The pace of economic activity picked up somewhat in July, with early signs suggesting little change in the over-all economic picture for August, comments the September *Monthly Review* of the Federal Reserve Bank of New York. The recent improvements, however, to some extent, merely reflect the removal or lessened influence of special factors that had depressed the June results, such as the heavy liquidation of steel stocks, the Ford strike, slower Government ordering, and—possibly—reaction to the stock market decline. Nevertheless, the currently available data do seem to confirm that the economy has weathered an unusual combination of adverse influences better than many had anticipated.

Consumer spending intentions were well sustained though not buoyant. Businessmen have not revised upward their earlier plans for a moderate rise in capital outlays in the latter half of 1962, but neither have they cut them back, according to the Government's latest quarterly survey taken in early August. Thus, private spending plans have been maintained despite the steep stock market decline in May and June and perhaps some tendencies to postpone spending and investment decisions because of the uncertainties in the business and fiscal outlook.

The Government sector is likely to provide increased support to total demand in the near future, even without an immediate tax cut. The budget already calls for some rise in Federal spending over the months ahead and the rate of outlays can to some extent be speeded up should economic conditions warrant. Finally, a substantial additional sum has recently been freed from trust funds for the highway program, thus permitting contracts to be placed at a somewhat faster rate than had originally been scheduled.

In a second article in its *Review*, the Bank comments that monetary authorities in the major industrial countries abroad have continued their efforts both to correct imbalances in their payments positions and to mitigate swings in domestic economic and credit conditions. Countries with a strong balance of payments and little or no danger of domestic inflation generally reduced domestic interest rates, to bring them more closely into line with rates elsewhere, and thereby to moderate international shifts of short-term funds. But even where domestic inflationary pressures were present, the authorities generally sought counter-measures that would be least likely to aggravate inflows of short-term capital.

Thus, in April a cut in the discount rate to 4½% by the Bank of England was aimed primarily at restraining the inflow of foreign funds. In early August, the National Bank of Belgium lowered its basic discount rate to 3¾%, thereby continuing to move its rate into closer alignment with those of other Common Market countries. At the same time, this discouraged foreign short-term funds from contributing further to the already easy money market conditions.

Countries such as Austria, the Netherlands, and Switzerland, that were faced with continuing inflationary pressures, have used measures other than higher interest rates to restrain such pressures in recent months. The \$50 million received by the Swiss National Bank under the July 16 swap agreement with the Federal Reserve were used by the author-

ities to reduce the liquidity of the country's banking system. The dollar funds received were passed on to Swiss commercial banks in exchange for Swiss francs, with the banks in turn investing the dollars in United States Treasury bills. Swiss francs advanced by Swiss banks also had a role in the currency swap executed under the Federal Reserve System's arrangement with the Bank for International Settlements.

### Bank Clearings Rise 11.5% 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. 8, clearings for all cities of the United States for which it is possible to obtain weekly clearings will be 11.5% above those of the corresponding week last year. Our preliminary totals stand at \$23,671,100,170 against \$21,237,946,858 for the same week in 1961. Our comparative summary for some of the principal money centers follows:

Week End.	(000's Omitted)			
Sep. 8	1962	1961		%
New York	\$12,812,368	\$11,020,270	+ 16.3	
Chicago	1,130,520	987,478	+ 14.5	
Philadelphia	923,000	858,000	+ 7.6	
London	665,457	628,975	+ 5.8	
Kansas City	425,569	388,694	+ 9.5	

### Steel's Output Down 1.9% From Preceding Week and Down 19.2% From Last Year's Week

According to data compiled by the American Iron and Steel Institute, production for the week ended Sept. 8, 1962, was 1,641,000 tons (\*88.1%), as against 1,672,000 tons (\*89.8%) in the week ending Sept. 1.

Data for the latest week ended Sept. 8, 1962, shows a production decline of 19.2% compared to last year's week output of 2,032,000 tons (\*109.1%).

Production this year through Sept. 8 amounted to 69,619,000 tons (\*103.8%), or 8.5% above the Jan. 1-Sept. 9, 1961, period.

The Institute concludes with Index of Ingot Production by Districts for week ended Sept. 8, 1962, as follows:

	* Index of Ingot Production for Week Ended Sept. 8, 1962
North East Coast	89
Buffalo	80
Pittsburgh	80
Youngstown	82
Cleveland	80
Detroit	104
Chicago	97
Cincinnati	86
St. Louis	82
Southern	98
Western	87
Total	88.1

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

### October Is Critical Month For Steel

October will be the critical month of the year for the steel industry, *The Iron Age* reported.

If there is a substantial improvement, the recovery is likely to gain momentum and extend well into 1963. But unless October gains are greater than the small improvement of September, confidence of the steel industry in a strong fourth quarter recovery can't help but be shaken.

These are the crosscurrents in the market that are confusing:

(1) Inventories of steel in the hands of major users, particularly automotive, continue high. Automakers, with enough steel on hand

to assure against even spot shortages, are playing a waiting game until the pattern of 1963 production and sales is set.

(2) Speedy delivery by the mills has taken all urgency out of forward buying. Although October bookings now look slim, this is no indication of eventual orders for the month.

(3) Seasonal factors conflict. For example, while orders for hot- and cold-rolled sheets are expected to turn up during the month, galvanized and tinplate will decline seasonally. It will take large orders by automakers and other sheet and strip users to result in big, overall gains in the flat-rolled market.

### Metal Working Companies Plan Capital Spending Hike

A fresh surge of capital spending plans recently announced by the steel industry has brightened a second quarter lull in metalworking capital appropriations. *The Iron Age* reported.

U. S. metalworking companies, in the second quarter this year, set aside \$826 million for spending on new, expanded or improved plants and equipment. This is off from high-level first quarter appropriations of \$1.2 billion.

The data is based on the latest

quarterly Survey of Metalworking Capital Appropriations conducted for the magazine by the National Industrial Conference Board. Appropriations represent funds set aside by company managements and entered "on the books."

More than 500 companies in 7 major metalworking categories responded to the latest *Iron Age*—NICB survey. The metalworking weekly reports all data are seasonally adjusted.

Subsequent to the survey, taken in July and early August, steel companies have announced capital spending plans totalling near \$200 million. Much of this is believed due to "delayed action" decisions, said *The Iron Age*.

The steel industry delayed as it caught its breath after the May price rebuff by President Kennedy and the stock market jolt later that same month.

While spending plans in most metalworking lines slipped in the second quarter, some important sectors upped their spending sights.

The auto industry, riding the crest of a selling wave unmatched since 1955, in the June quarter set aside \$147 million for capital spending. This is up 43% from

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New Issue

September 11, 1962

\$50,000,000



Tennessee Gas Transmission Company

5% Debentures due September 1, 1982

Dated September 1, 1962

Price 101.25%

and interest accrued from September 1, 1962, to date of delivery

Copies of the Prospectus are obtainable from only such of the undersigned as are qualified to act as dealers in securities in the respective States.

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New Issue

September 11, 1962

225,000 Shares



Tennessee Gas Transmission Company

4.92% Cumulative Convertible Second Preferred Stock

(par value \$100 per share)  
Convertible into Common Stock through September 1, 1977

Price \$100 per Share

Plus accrued dividends from the date of issuance

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Merrill Lynch, Pierce, Fenner & Smith Incorporated Paine, Webber, Jackson & Curtis

Smith, Barney & Co. Incorporated Dean Witter & Co.



# How to Allocate Gains In Industrial Efficiency

Continued from page 3

Profits." The new plant and new machinery earn enough to justify the investment in them. But what profits they make are not Social Profits from saved labor but derive only in what is taken away from outdated competitors.

If you add to these two sources of confusion a third and even more potent one, it becomes clear why an effort to grasp this subject is like trying to grasp a handful of fog. The third reason is that in most cases Social and Predatory Profits are so mingled that we cannot single either out for measurement. Take any mail-order catalogue and try to say how much labor has been saved by tools in the manufacture of the items listed. Practically nothing could have been made unless by use of tools themselves or else by stuff produced by tools. How guess the cost of making any article without tools, and hence the Social Profit, when no one could make it without tools?

Accordingly, if we are to get our discussion off the ground, it is advisable to select some single items for which we can construct a fairly accurate measure of our Social Profits. For this purpose I will take the carriage of freight where the labor savings can be estimated and are something like 400 times the miniscule cost of carriage by rail.

## Selecting the Beneficiaries

Practically all of this Social Profit has gone to consumers in lower charges on freight. What class of people, if we had it to do over again, would we select as the most deserving beneficiaries of this great reservoir of saved labor? Should a small fraction only have been permitted to go to consumers, as the Bank of International Settlements so hesitantly suggests? Or should the money value of this saved labor

all have gone to Labor in higher wages to conform to Dean Carlson's ideas? Should any of it have been vouchsafed to railroad owners in higher profits? Could we, the public, justifiably use some of this time, thus saved us, to shorten our work week? How much of this money value should the government pre-empt in taxes? All of these questions will have clearer answers if we take some specific instance like our railroads where the money value that we are talking about can be made fairly clear.

First what should Capital get? Undoubtedly those who invest in railroad plant and equipment must be allowed some return on this money and, unless we are prepared to forfeit future investment, we must, however grudgingly, respect this claim. How do we describe it? There is a term in conventional economic use which gives us its amount. We call it "Normal Profit," normal money profit. This profit is said to fix prices on the supply side. On that side they are fixed by "costs plus normal profits." Competition is then relied upon to keep down both these costs and these normal profits to a minimum. Railroad profits are around 10% of gross receipts which, in the case of freight, are one-and-a-half cents a ton-mile.

## Extra-Normal Profitability

There are, however, several identifiable situations where Capital can expect to get more than a mere normal profit. One of these is where a new plant is away ahead of its competitors. The owners of this more modern plant can then expect to enjoy an excess over normal profit until competitors can overtake them with comparable equipment.

Another case is that of new inventions where inventors are given patent rights which they

may then use to raise the price of the product to the point of greatest profit. Society allows this monopoly and accepts the inevitably resulting loss of production of real wealth in the interest of stimulating invention.

A final case is that where monopoly is also reached but this time with no blessing of society nor any useful social purpose. Producers simply gang up and by clandestine agreement raise prices to monopoly levels for their own private benefits. This type of monopoly lacks all social justification and does general harm with no alleviating social benefit. Producers can argue that they have provided modern plants with their own money. But they are paid in full for such services when they get normal profits and become anti-social when they try to get more. Society retaliates by making such "Combinations in Restraint of Trade" illegal.

## Labor's Claims

Next, how about the claims of Labor? There should be no objection to higher wages in any case where the new labor-saving machinery calls for greater skills than previously. Nor, if inflation due to excess money is to be permanent, should Labor be denied a corresponding wage increase. But beyond that Labor makes no contribution to labor-saving devices; that its wages do not fully pay it for Labor, unless it turns Capitalist, does none of the inventing; supplies none of the funds for such equipment; takes none of the risks; and, not infrequently, actually opposes introduction of devices designed to save labor costs.<sup>5</sup> This hostile attitude may be understandable but it scarcely justifies a demand for all the money savings from the improvements that Labor tries to rule out. As to monopoly Union wage

<sup>5</sup> Labor has opposed excess "efficiency" even in Soviet Russia. After Stakhanov showed them how to mine 20 times as much coal as formerly per hour, the Soviets tried to spread "Stakhanovism" through their labor forces by edict. The New York Times of March 21, 1936 reported the murder of a Soviet milkmaid as a result of overzealous effort at compliance.

scales, they can limit production as effectively and be as anti-social as monopoly prices and profits for Capital. Why should Unions, seeking to establish such monopoly wages, be allowed to deny free workers the right, in a free society, to offer their services? Why should combinations in restraint of trade by Labor be less socially objectionable than similar combinations by Capital? I can see no more valid reason for excessive wages than for excessive profits.

The channeling of efficiency gains into shorter working hours stands on a different footing. It is true that greater leisure means less production, higher prices than would otherwise be the case, a competitive disadvantage vis a vis longer hours abroad and has other evils. But maximum production and employment have never been the end-all of the economic universe and if, after facing the drawbacks, people choose deliberately to use efficiency gains for more leisure in preference to more and more material possessions, surely they have an arguable case. A vote for decent living does not need to be a vote for laziness. On the other hand, the use of a shorter work-week as a mere device to obtain pay for idle time or more overtime pay would be open to the objections already made to artificially high wage scales by other means.

## The Government's Position

The case for giving Government the gains from greater efficiency through tax increases poses both economic and political issues. On the economic side the monetization of these gains by excessive taxation is just as hostile to production as if done by excessive wages or profits.

On the political side business badly needs an adequate, stable government. Taxation thus becomes a question of degree. Excessive taxes can prevent General Motors, for instance, from giving us cheaper, better, cars for the sake of financing a bigger bureaucracy in Washington. Unfortunately Government spending also creates vested interests. So our leadership is on the spot. Political survival demands one thing. The national welfare another. Courage and statesmanship are needed.

## The Consumers' Stake

This brings us to Consumers, that class which, as Gunnar Myrdal points out, is larger and less organized than any other group. If competition is allowed to work its benefits then Consumers will get nearly all that efficiency gains have to offer in the future as they have in the past. Profits will be held to a minimum. Wages will be held to a minimum. Prices will be held to a minimum. Except for taxes, which are set by politics and not free-market forces, this process is quite automatic. How desirable is it socially?

(1) At the low price of a free market more will be produced and sold and the G.N.P. will be maximized. At a higher price less will be sold; at a lower price less will be produced; at a free-market price "real income" will be at its peak.

(2) Not only will there be more to divide at the low, free-market price but the division will be wider spread. This is because Consumers as a class include and are larger than either Labor or Capital or Government. We cannot spread purchasing power more broadly than by giving it to consumers.

(3) It follows from the two foregoing that purchasing power is better created by lowering general prices than by raising wages, profits or taxes. A man can buy

twice as much if the price is cut in half and there will be more for him to buy. Labor, getting 70% of the national income, will get at least 70% of the benefit of price reductions.

(4) These reductions, by increasing sales, will stimulate employment. It must be kept in mind that there is no Social Profit from efficiency gains until the labor "saved" begins to trickle back to work. Lowering prices helps this reabsorption in the very factory that lowers prices.

(5) Alternative policies tend to maintain prices and thus defeat this reabsorption for the added reason that they put our country at a competitive disadvantage as compared to those that do lower their prices.

(6) In any country where the production of money (monetary expansion) is controlled by, or partly by, free-market forces, a policy of lowering prices, because it thereby raises the value of money, will stimulate the production of money and thereby maximize sound growth. This is a complicated subject and I let it go at that.<sup>6</sup>

What, now should be our policy in this important field? When there is sufficient reason in the particular case for allowing the benefits of efficiency gains to go to Capital in higher profits, or to Labor in higher wage scales, then natural forces will take them there automatically and need only be kept free to operate. We can, in other words, trust the ordinary forces of supply and demand to allocate these efficiency gains satisfactorily for us and need no intervention by Government except to tax for legitimate services and to ensure that the indispensable freedom in our markets, both for Capital and for Labor, is maintained. The economic system equilibrates itself, in general, around popular net demand for what people can get and want enough to get. And, in this particular field, long experience has shown that they prefer to have most of the benefits of saved labor to go to Consumers in lower prices rather than having these benefits monetized. There, in a free society, is where they will go if not interfered with. No more universal distribution can be imagined, nor any policy which will contribute more to maximize sound production and growth.<sup>7</sup>

The burden should rest heavily on anyone advocating a different policy to show why production and growth and employment should be sacrificed to whatever else it is he has in mind. And why he thinks we would be better off today if we had to pay \$6.40 a ton-mile for freight instead of the present rail charge of one-and-a-half cents.

<sup>6</sup> See my *Central Banks' Main Role Is to Produce Honest Money*, Commercial and Financial Chronicle, Sept. 14, 1961, for a slightly more extended discussion of this point.

<sup>7</sup> Although anyone can live high for a while on borrowed money and governments can likewise stimulate a temporary and artificial growth by recourse to the printing presses or to forced sales of bonds to the Central Bank, I deny that we can "maximize sound permanent growth" by any such "something for nothing" financial legerdemain.

## New York Secs. To Be NYSE Member

Craig Severance on Sept. 19 will acquire a membership in the New York Stock Exchange, and on the same date New York Securities Co., 52 Wall Street, New York City, will become an exchange member firm.

Other partners are Nelson M. Loud, Joseph T. Dineen, F. Kenneth Melis, Jarvis J. Slade, Bradford Mills, and Daniel Breitbart.

## THE CANADIAN COMMON STOCK ISSUE

Will Be Published October 11, 1962

★ The 1962 Fall edition of our CANADIAN COMMON STOCK ISSUE will present an up-to-date resume of Canadian listed and unlisted common stocks on which cash dividends have been paid uninterruptedly for 5 years or longer. It includes corporations and banks which have paid up to 133 years of consecutive cash dividends.

★ Don't miss the opportunity to advertise your Firm, Corporation or Bank in this important issue. Please reserve your space requirements before closing date of October 8, 1962.

Regular advertising rates will prevail  
for space in this important issue.

## THE COMMERCIAL & FINANCIAL CHRONICLE

25 PARK PLACE, NEW YORK 7, N. Y.

RECTOR 2-9570



# Our International Position— Challenge and Opportunity

By Harvey Williams,\* Philco International, Philadelphia, Pa.

U. S. manufacturer calls for the prompt establishment of an International Trade and Investment Board, reminiscent to some extent of our War Production Board in the last war, to provide non-political, civilian leadership in our international economic planning and programs. Such a Board would direct our efforts and seek the participation of the financial, industrial and commercial organizations of other advanced countries in international trade, investment and development programs. Mr. Williams is concerned with today's high stakes arising from our complex domestic, international and cold-war problems and the need to grasp quickly the unprecedented opportunities found in the objectives of the Free World. The writer outlines the consequences if we fail to act promptly; defends our tariff proposals but finds inexplicably inconsistent the attempt to tax foreign earnings; warns against isolating underdeveloped countries from the Common Market; and explains how trade expansion which includes the underdeveloped areas could eliminate the foreign aid burden.

First, let us take a look at our own posture and condition. We have substantial, persistent unemployment, an unfavorable balance in our international payments and declining gold reserves. Our economic growth rate is unsatisfactory having held at perhaps one-third to one-half the rate of increase enjoyed by the major Continental nations in Europe. When Britain joins the European Common Market, the size, competence and economic power of this competitor will be a new factor in world markets. What impact will this new European Economic Community have on our domestic business and on our export trade?

We continue to face the problem of maintaining a secure defense for ourselves and the Free World, the cost of which has been largely ours. We see the problem of bringing health, literacy, economic improvement and political stability to the less developed areas increasing while the popularity of multi-billion dollar appropriations for grants in aid and loans for such purposes decreases.

In the circumstances, it is not surprising that some Americans would like to climb into some sort of economic bomb shelter, cut themselves off from all these sources of concern and worry,

maintain a high tariff wall around the United States, and try to ignore these all-pervading world-wide forces.

Fortunately, this seems not to be the view of the Administration. Also, I believe it is not the point of view of the great majority of our business community or of our legislators. It is my own opinion that a viewpoint which ignores the major issues of our time and which seeks to deal with them by avoidance and negativity can only be disastrous to the United States and to the Free World.

## "Unprecedented Opportunities"

Equally strongly, it is my belief that there lie before us some unprecedented opportunities which can absorb our unemployment, straighten out our balance of international payments and return the country to a healthy rate of economic growth, providing we accept and deal with today's political and economic questions realistically and courageously. We need to promote courses of action both within our own economy and internationally to strengthen ourselves competitively. We need to create a degree of strength for security which the Sino-Soviet bloc will never dare to challenge. We can move toward both objectives by participating energetically and intelligently in the future development of the great new European market, and, by collaboration with the other better developed industrial nations of the Free World, in converting economic assistance to the less developed areas from government sponsored grants-in-aid and loans to bona-fide two-way trade.

In those objectives lie the opportunities of the present situation—opportunities which I believe we Americans can grasp, providing the American public understands the urgencies of the present situation, providing American labor, agriculture, management, the financial community and Government will accept their respective responsibilities and collaborate towards common goals, and providing able leadership toward such objectives is provided. We need to assure consistency in our programs, collaboration between the various segments of our business and political community, and productive coordination with our friends and allies throughout the Free World to attain these objectives effectively.

## Trade Bill's Objectives

The Administration is pointing the way toward accomplishing these objectives through the "Trade Expansion Act of 1962." This Act seems to me to have three major objectives.

The first and most obvious purpose is to enable American industry and agriculture to have a greater participation in the fast growing European Market. This is to be accomplished by negotiating reductions in the common ex-

ternal tariff which will surround the European Common Market in return for tariff concessions on products entering our own market. (In negotiating amongst themselves, the reduction of their own internal tariffs, the members of the European Common Market abandoned the old item-by-item type of tariff negotiation. They adapted, instead, a method of negotiating tariff reductions broadly across the board. They have already reduced their internal tariff 40% by such means. The President has asked for authority to negotiate in these terms which the Europeans understand and use themselves.) If the Bill is passed in a form which gives the President the negotiatory powers which he seeks and which avoids clauses under which negotiated tariff reductions may later be amended or cancelled, the Administration should be successful in gaining greater access to the European Market for American commodities and industrial products.

The second objective of the Bill may be to bring nearer to reality a degree of economic collaboration between the nations of Western Europe and the United States which could lead to the formation of an Atlantic Economic Community which would embrace Canada, the United States and all or substantially all of the 19 Western European countries. This can be an association of advanced nations with a combined industrial, agricultural and financial capacity sufficient to secure high living standards for the mass of its inhabitants. It can maintain and defend successfully a society founded on the dignity of the individual, freedom of enterprise and the subordination of the State to the purposes of society and the individual.

Here can be an association of nations of such strength that no one will dare to attack it, and of such resources and competence that the less developed countries can find within it the technological, material and spiritual assistance which they will need for their own growth. In a nutshell, here can be created the foundation upon which the ultimate security of the Free World can be based with resources adequate for providing a satisfying program of economic development to the less developed areas.

The third objective may well be to give our own economy a sufficient taste of international competition to give us the impetus which the Europeans are getting through integration. Our system of domestic competition seems ineffective to bring about adjustments to meet the more efficient levels found outside our own country. We need similar pressures to induce such greater efficiencies as those which other industrial countries feel through their competition in international markets, and through their greater dependency upon exports for employment and economic well-being. If this is one of the objectives which the President seeks through passage of the "Trade Expansion Act of 1962" let us not become too concerned with the effects.

## Exports vs. Imports

In 1961, our total imports were approximately \$14.4 billion, of which about \$6.0 billion were raw materials, petroleum and other bulk commodities. A little over \$8.0 billion were manufactured goods. These latter represent only 1.6% of our Gross National Product, and less than 2.5% of the total value of our domestic manufactured products.

Consequently, when we become disturbed about the imports of Japanese transistor radios and ball bearings, small European automobiles, British bicycles, German toys or textiles from various countries, let us not forget what a small percentage of the con-

Continued on page 38

# Our Reporter on GOVERNMENTS

BY JOHN T. CHIPPENDALE, JR.

The Treasury, in order to not only extend the maturity date of the Government debt but also to make room for the issuance of additional amounts of short-term securities, came along last week with its sixth advance refunding operation involving six issues that will mature on Feb. 15 and May 15, 1963. This not entirely expected exchange offer should enable the Government to use tax anticipation issues in its impending new money raising operation and at the same time keep the short-term debt from getting unwieldy. The Government, by keeping near term rates high enough so that the readily movable funds will be kept in this country, is helping to maintain the dollar on an even keel and at the same time giving some aid to our gold position. By use of short-term issues for new money financing the Treasury has been able to keep near-term rates attractive to these owners of the so-called "hot funds."

The Treasury's offering came as a surprise to the financial community. The exchange offer for the 3½% certificates, the 2½% note and the 3¼% note maturing on Feb. 15, and a 3¼% certificate and a 4% note along with a 3¼% certificate coming due on May 15, was the sixth advance refunding operation of the Treasury. The owners of the 1963 maturities of Feb. 15 and May 15 were given the opportunity to exchange these securities for either a new 3¼% note coming due on Aug. 15, 1967 or a new 4% bond with a maturity date of Aug. 15, 1972. The eligible securities in this junior-partially senior advance refunding operation were due within a span of nine months, a considerably shorter period of time than were the due dates of the obligations that were involved in the other advance refunding ventures of the Government.

This surprise advance refunding operation of the Treasury involved \$26.8 billion of maturing issues, consisting of \$13.3 billion coming due in February and \$13.5 billion maturing in May. This undertaking is almost in the neighborhood of 10% of the national debt. The Treasury will accept up to \$6 billion in the 3¼% note due Aug. 15, 1967, and as much as \$3 billion in the 4% bond due Aug. 15, 1972, in exchange for the February and May maturities.

Advance refunding ventures in the past have resulted in between one-quarter and one-half of the outstanding obligations being turned in for the new refunding issues. Therefore, it seems as though the \$9 billion limit which the Treasury had put on as the total amount to be accepted in this operation is about in line with what has been the average for such undertakings in the past. There is a large enough amount of securities involved in this advance refunding venture so that it could be possible for the Treasury to do better in this one than in any of the other five such exchange offers which have been made by the Government.

## \$19.2 Billion Held by Public Investors

The maturing issues that were involved in this latest advance refunding undertaking of the Government are owned in the amount of \$19.2 billion by the public, with the balance of \$7.6 billion owned by the Federal Reserve Banks and Government trust accounts. The latter owners of the eligible Feb. 15 and May 15 maturities could have turned them in for either the new 3¼% note or the 4% bond without limit as to amount.

It is believed in most quarters of the financial district that the Central Banks will turn in for the 3¼% note, with the other Government funds quite likely to be more interested in the 4% bond.

## Probable Reception

There has been a growing demand for intermediate-term Government obligations and the 3¼% note due Aug. 15, 1967 appears to be tailored to meet the needs of the investors which have been buyers of the middle-term maturities.

As far as the 4% bond with a maturity of Aug. 10, 1972 is concerned, it is believed that commercial banks which have heavy savings deposits will be inclined toward this issue. The yield appears to be satisfactory and the maturity is not too long.

The Treasury, according to its latest estimates, will borrow between \$6.5 billion and \$7 billion before the end of the year, with about one-half of this amount likely to be obtained in the very near future. This advance refunding operation should pave the way for continued short-term operations by the Government.

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# FROM WASHINGTON ... Ahead of the News

BY CARLISLE BARGERON

Few observers in Washington believe that Mr. Kennedy will implement his request of Congress for authority to call up the 150,000 reservists. The main purpose of asking for the authority was aimed at the domestic situation rather than either Russia or Cuba.

If it becomes necessary to use troops in connection with either of those countries, more than 150,000 reservists will be called out. More likely it will be a general mobilization.

Calling up of the 150,000 men, or rather the request for authority to do so, was intended to stop criticism on the home front which has recently increased with the disclosure that Russia was building up her forces in Cuba. Mr. Kennedy wanted to show that he was watching Cuba closely and fully prepared to act there if the occasion should arise.

The effect on the Congressional elections of hostilities with either Russia or Cuba right at this time or within the next few months is problematical. Most of the Republicans believe it would be harmful to the Administration.

Roosevelt won for a third time because our entrance into the war was plainly in sight and he won the fourth time because we were at war. If President Kennedy gets

into trouble, however, there is bound to be the cry that we have gone to war four times under the Democrats in this century. The Republicans would make every effort to stamp the Democrats as the war party.

Practically everything that is being done in official Washington these days is with a view to the elections.

More than a year ago Congress gave Secretary of Agriculture Freeman enough money to inaugurate a food stamp plan whereby people on relief would receive something extra with which to buy goods other than those that are given to those on relief. On relief they get only surplus farm products, but with this extra stamp plan they can buy steaks and other food of quality. Roosevelt had the same sort of plan which was greatly abused. Relief recipients would trade the stamps to grocers for cash with which they could buy liquor. The present plan is said to have safeguards against this practice.

But the strange fact is that the plan is just now being put into effect on the eve of the elections and the further strange fact is that of the 26 districts which have been given the stamps, 25 of them are Democratic, only one Republican district is represented.

Representative John P. Saylor, R., of Pennsylvania, has been trying to get a food stamp plan for his district. He can't get even a sympathetic word from Secretary Freeman. Yet his district, which embraces Johnstown, has the highest unemployed rate—12%—in the country. The 3rd district of Missouri (St. Louis) which is conspicuously not a depressed area has a food stamp plan.

In addition to this food stamp plan, President Kennedy has asked for and probably will be given by Congress this week a \$900 million blank check for public works projects which he can spend as he wants to. Congress every session passes a public works appropriation and has done so this year in which Congress specifies the projects and the amount to be spent on them. The \$900 million appropriation is in addition to this. Such an authority is unprecedented. The measure has already passed both houses but the Senate made a typographical error which necessitated the bill going back to the House and because of this it may be killed.

The prospects for killing the bill, however, are not very bright.

## Named Director

Thomas J. Johnson has been elected a Director of Sharon Steel Corporation. He is a Vice-President of the underwriting department of The First Boston Corporation, 20 Exchange Place, New York City.



Thomas J. Johnson

Sharon Steel Corporation is manufacturer of hot and cold rolled strip steel, billets, plates; pig iron, open hearth ingots, blooms, carbon, alloy and stainless hot and cold rolled strip steel, special strip steel, box strapping and heavy duty strapping.

## Financing for Tennessee Gas Transmission

An underwriting group headed by Stone & Webster Securities Corp., White, Weld & Co., and Halsey, Stuart & Co. Inc., is offering publicly \$50,000,000 Tennessee Gas Transmission Co., 5% debentures due Sept. 1, 1982 at 101.25% and accrued interest.

A second group headed by Stone & Webster Securities Corp., and White, Weld & Co., also is offering 225,000 shares of Tennessee Gas Transmission's 4.92% cumulative convertible second preferred stock at \$100 per share plus accrued dividends from the date of issuance.

Net proceeds from the financing, estimated at \$71,690,000, will be used by the company to repay bank loans.

Headquartered in Houston, Tex., the company and two of its subsidiaries own and operate pipeline systems for the transmission and sale or delivery of natural gas for resale under certificates of public convenience and necessity granted by the Federal Power Commission. Tenneco Corp., a third subsidiary, is engaged in the production, refining and marketing of petroleum and petroleum products and in certain other non-utility businesses.

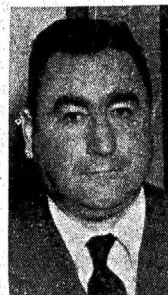
## Paine, Webber Adds

(Special to THE FINANCIAL CHRONICLE)  
SAN FRANCISCO, Calif.—Charles A. Fracchia is now with Paine, Webber, Jackson & Curtis, 369 Pine Street. He was formerly with Pacific Coast Securities Company.

# NSTA NOTES



SECURITY TRADERS ASSOCIATION OF NEW YORK



Michael J. Heaney



Robert M. Topol

The Security Traders Association of New York will hold its Eighth Annual Dinner Dance, Oct. 13, at the Americana Hotel. Tariff is \$35 per couple and dress is informal.

Michael J. Heaney, Michael J. Heaney & Co., and Robert M. Topol, Greene and Company, are co-chairmen.

## Bank Alerts Investors to Philippines' Potentials

Chase Manhattan Bank's study of the Philippine economy describes new measures taken to induce private investors to participate with confidence in the islands' steady and rapid economic progress enjoyed since the early 1950's. Nation's potentials are said to tilt the scale sharply in favor of substantial economic progress.

The Philippine Government is actively trying to attract private investors, according to a comprehensive economic report on the Philippines issued by the Chase Manhattan Bank.

"Two radical departures in Philippine economic policy" are the key features to the Philippines' new five-year economic development program, the bank reported.

First, "the extremely complex and ineffective import and exchange control system has been entirely eliminated, and the peso has been allowed to find its own level in the free market."

Second, "Policies which discriminated against foreign investors are to be abandoned, and replaced by positive encouragements for foreign and domestic private investors."

The government is also promoting a vigorous program of public works, such as road and harbor improvements, and hydroelectric and irrigation projects, Chase Manhattan reported. An improved tax program is intended to balance the budget. Special attention is being paid to agriculture, which has failed "to keep pace with industrial expansion." These moves are intended to create an atmosphere highly favorable to continued rapid growth.

### Fresh Economic Start

"A fresh economic start has been made, committing the nation to the full impetus of private enterprise within the framework of a thoughtful and far-reaching plan for integrated development," the bank said.

The Philippines have been enjoying steady and rapid growth since the early 50's, said the bank report. "The nation's total economic output in 1961 was about \$4.7 billion—some 65% above the 1950 level. This represents an annual rate of increase of 5.4%." The five-year plan is intended to help the nation "move forward rapidly, but on a sounder basis than in the past."

A number of problems face the Philippines, but the economy also

boasts a number of unusual potentials, according to Chase Manhattan.

### Unusual Potentials

The problems cited by the report include a rapidly growing population that "must be fed, housed, clothed, and eventually employed." Second, "savings must be considerably increased if the large projected public and private investments are to be financed." Third, the demand outlook for Philippine raw agricultural commodities is not bright. Fourth, "maintenance of a high growth rate will require greater capital expenditures in the future than in the past."

The unusual potentials include large amounts of unused arable land, mineral deposits, and large forest reserves. "The problem facing the Philippines is to make the most of their resources, not to find substitutes for them," the bank notes.

"The population is both educated (70% literate) and enterprise minded. It has shown itself capable of self-government under difficult circumstances," the bank said. "The labor supply is abundant and well-trained. In addition, many Filipinos are excellently qualified for managerial and technical positions."

Important economic gains have already been won, with emphasis on developments in manufacturing and mining. A new, more dynamic export pattern is developing.

Balancing the Philippines' problems against its potentials, Chase Manhattan concluded that:

"We believe the nation's potentials tilt the scale sharply in favor of substantial future economic progress."

### Forms R. K. Bettinger Co.

R. K. Bettinger & Co. has been formed with offices at 116 Broad Street, New York City, to continue the investment business of Robert K. Bettinger. Partners in the new firm are Mr. Bettinger and Leon Kurinsky, who was formerly with Dreyfus & Co.

## DIVIDEND NOTICES

### CITY INVESTING COMPANY

980 Madison Ave., New York 21, N. Y.  
The Board of Directors of this company on September 12, 1962 declared the regular quarterly dividend of 12½ cents per share on the outstanding Common Stock of the company, payable November 5, 1962 to stockholders of record at the close of business on October 3, 1962.

HAZEL T. BOWERS, Secretary

### New England Gas and Electric Association

#### COMMON DIVIDEND NO. 62

The Trustees have declared a quarterly dividend of thirty-three cents (33¢) per share on the common shares of the Association payable October 15, 1962 to shareholders of record at the close of business September 25, 1962.

B. A. JOHNSON, Treasurer  
September 6, 1962

### COLUMBUS AND SOUTHERN OHIO ELECTRIC COMPANY



#### Dividend on Common Shares

The Board of Directors of Columbus and Southern Ohio Electric Company, on Sept. 5, 1962, declared a dividend of fifty-five cents (55¢) per share on the outstanding Common Shares of the Corporation, payable Oct. 10, 1962, to shareholders of record at the close of business on September 25, 1962.

G. C. SHAFER, Secretary

the ELECTRIC Co.  
COLUMBUS AND SOUTHERN OHIO  
ELECTRIC COMPANY

## DIVIDEND NOTICE

### CONTINENTAL BAKING COMPANY

#### Preferred Dividend No. 95

The Board of Directors has declared this day a quarterly dividend of \$1.37½ per share on the outstanding \$5.50 Dividend Preferred Stock, payable October 1, 1962, to stockholders of record at the close of business September 14, 1962.

#### Common Dividend No. 70

The Board of Directors has declared this day a regular quarterly dividend, for the third quarter of the year 1962, of 55¢ per share on the outstanding Common Stock, payable October 1, 1962, to holders of record of such stock at the close of business September 14, 1962.

The stock transfer books will not be closed.

M. C. WOODWARD, JR.  
TREASURER

September 6, 1962





# PUBLIC UTILITY SECURITIES BY OWEN ELY

## Middle South Utilities, Inc.

Middle South Utilities, one of about nine large U. S. electric holding company systems, controls subsidiaries in Arkansas, Mississippi and Louisiana which furnish electric service to 1,778 communities, gas service to 76 (in Louisiana) and transit service to New Orleans and adjoining areas. Some of the principal cities served are Little Rock, Pine Bluff, New Orleans, Vicksburg and Jackson. Population of the service territory is about 4 million. While basically agricultural, the area has important oil and gas reserves as well as other mineral and forest resources. Leading industries served include building materials, ice, cold storage and packing plants, cotton gins and mills, pulp and paper plants, oil production and refining, textiles, mining and aluminum processing. System revenues are about 89% electric, 6% gas and 5% transit.

The System has shown reasonable growth with revenues increasing from \$116 million in 1952 to \$225 million in the 12 months ended June 30, 1962; net income during this period increased from \$12.9 million to \$25.4 million and share earnings (consolidated) from 97c to \$1.50. Dividends increased from 62.5c to the current rate of \$1.10 and the price of the stock increased from the 1952 low of 10 to a 1961 high of 41½. (The figures for 1952 have been adjusted for the 2-for-1 split in 1960.)

System generating capability aggregates 3,582,000 kw compared with the peak load on Aug. 8, of 2,820,000 kw vs. a peak of 2,375,000 kw in 1961. The company installed 595,000 kw generating capacity in 1961 and a 230,000 kw unit is scheduled for 1963. Because of the anticipated exchange of blocks of power between the TVA and a group of southern utilities including MSU, no new units will be installed in 1964-5, but in 1966 a 350,000 kw unit is scheduled for installation. While subsidiaries may do some senior financing, Middle South does not expect to issue any additional shares of common stock until late 1964 or early 1965, at which time the dilution of earnings will amount to only 2 or 3%.

Construction expenditures which approximated \$66 million in 1961 are estimated at \$62 million for this year, \$58 million in 1963, and \$83 million in 1964. The credit for interest on construction is estimated at \$1,352,000 for this year compared with \$2,222,000 in 1961; for 1963 only \$600,000 is estimated, and in 1964 \$1,100,000.

Late in 1961, Middle South Utilities was joined by several neighboring utilities in an offer to the Tennessee Valley Authority to exchange surplus winter capacity for an equal amount of surplus summer capacity of TVA. The total amount to be exchanged will probably be 1,000,000 kw in 1966, 1,500,000 kw in 1967 and larger amounts thereafter.

The System is a leader in electric househeating, with 3,584 residential heat pumps and 480 commercial. There are about 5,000 or more all-electric homes. These figures include 1,535 heat pumps at Little Rock Air Force Base—the largest single installation in the U. S. While it might have been cheaper to operate with gas, the Air Force decided that installation costs would be lower with the heat pumps, which also provide air-conditioning.

Middle South has no special

regulatory problems. Return on year-end net plant seems a little on the low side, being currently around 5.5%, with a range of 5.1 to 5.6% since 1952, according to a compilation by Standard & Poor's.

While share earnings have gained in each year since 1955, (from 96c to an estimated \$1.60 this year) the 1961 report of \$1.51 was disappointing. There were several reasons for this. The company had to make up for loss of

income resulting from the sale of the gas properties of Louisiana Power & Light, due to an SEC order. While two big new generating stations were completed, this proved unfavorable because the Reynolds Aluminum plant reduced its operations sharply; also higher depreciation charges had to be absorbed while at the same time, the credit for interest during construction declined. Moreover, air-conditioning sales were retarded by a very mild and wet summer so that residential electric use did not gain noticeably over the previous year.

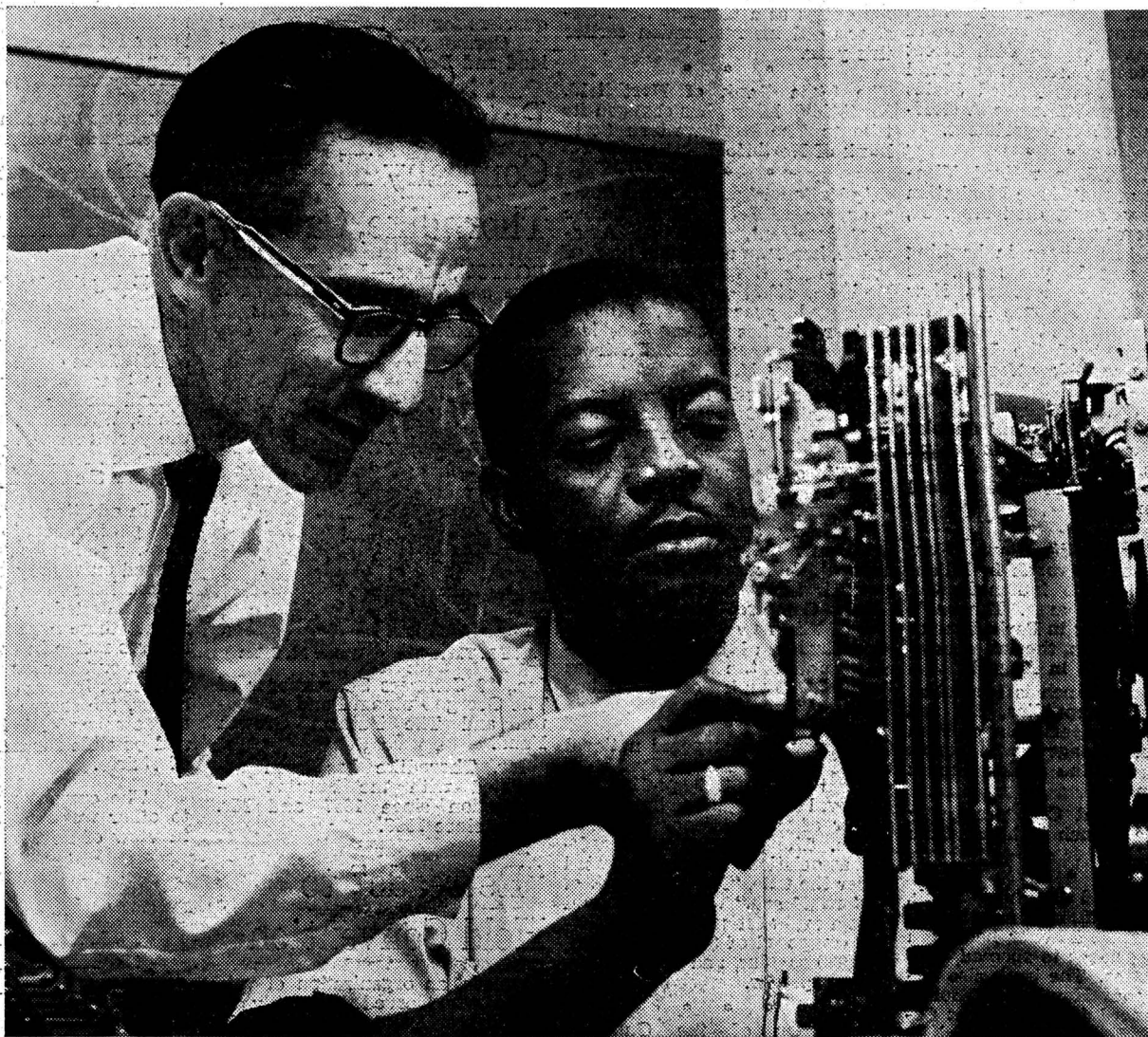
This year conditions have improved sharply, with kwh sales running about 15% above last year in earlier months; and in the three weeks ended Aug. 25, with high temperatures prevailing, sales averaged about 25% over last

year. Due to a sharp decline in the credit interest on construction, earnings for the 12 months ended June 30 were only \$1.50, but the interest credit has now "turned the corner" and will increase during the last half; this combined with the heavy air-conditioning sales should give share earnings a nudge to around \$1.60 for the calendar year, despite a rather unfavorable showing in the gas and transit divisions.

Industrial growth in the area is excellent. Last year, 195 new industrial plants located in the service area and 164 existing plants announced expansion programs; on a combined basis, these represented a capital investment of approximately \$409 million. The slowest growing subsidiary, New Orleans Public Service, will soon get a considerable stimulus from

the Saturn Space Project. Activity with this huge space project near New Orleans is progressing rapidly and Middle South anticipates about \$1 million revenues in 1964 from this source. Chrysler has a \$200 million contract, Boeing \$300 million and Lockheed (RIFT) \$180 million. In the 1960-70 decade, population in the Middle South area will increase around 12.1% personal income 55%, and per capita income 39%, it is estimated; as compared with gains in the past decade of 6.6%, 39%, and 31% respectively.

The company's dividend payments have increased annually since organization in 1949, the rate having been raised this year to \$1.10. At the recent price of 32 (1961-2 range was 41½-25) the stock yields 3.4% and sells at 20 times estimated 1962 earnings.



Bell System instructor George Templeton, left, discusses maintenance problems of a teletypewriter printing unit with Henry A. Louz of Surinam, who has come to this country to receive advanced communications training.

## Sharing our communications knowledge with new friends from other lands

Henry Albert Louz, shown at right in the picture above, is a communications technician from Paramaribo, Surinam (Dutch Guiana).

Mr. Louz is one of approximately 150 foreign nationals from two dozen different countries receiving technical training from the Bell Telephone System this year. The Bell System and a number of other American firms are cooperating with the State Department and the Agency for International Development in providing training to help these and other nations build their economies. Liaison agency for

the telephone industry is the Federal Communications Commission.

When Henry Louz's six months' course is over, he will return to his native land in South America to apply the latest in modern technology to problems in his field.

Henry is at the telephone school in Topeka, Kansas, studying all phases of teletypewriter service—the transmission of written information from point to point or via a network. It is training he could not get at home, and he is getting it side by side with Bell System employees.

At the same time, Henry is also learning about the American way of life. Through his new friends and acquaintances in Topeka he is meeting people, visiting their homes, seeing factories, museums, sports events. We hope he will return to Surinam with much more than a post-graduate course in communications.

We in the Bell Telephone System are proud of the good communications service that we provide at home—and we are equally proud to share abroad the know-how that makes fine communications possible.



**BELL TELEPHONE SYSTEM**

Owned by more than two million Americans



# NEWS ABOUT BANKS AND BANKERS

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

Ture Lyzell of the Chase Manhattan Bank's Times Square branch and George M. Williams of the bank's credit department have been promoted to Assistant Vice-President, President David Rockefeller announced Sept. 12. They were formerly Assistant Treasurers.

In addition, Mr. Rockefeller announced the appointment of seven new Assistant Treasurers of the bank. They are Harmon P. Butler and Frank R. Reilly, III, of the 410 Park Avenue branch; Richard S. Cohn of the Times Square branch; Stanley P. Lee of the 5th Avenue and 44th Street branch; Henry L. Grebe and Paul T. Walker of the United States department; and Thomas F. Gaffney of the credit department.

Edgar H. Hall, a retired Vice-President of the Chase Manhattan Bank, New York, died Aug. 31, at the age of 64.

Mr. Hall had been in banking since he was 19 years old. He joined the Hanover Bank, New York, in 1917. He was Assistant Secretary and later Assistant Vice-President of the Interstate Trust Company, New York, which was merged with the Chase National Bank, New York, in 1920.

Mr. Hall was Assistant Cashier with Chase and was made Second Vice-President in 1942. He was a Vice-President from 1949 until retiring in 1960.

**First National City Bank, New York**, opened a branch in Milan, Italy, Sept. 7—its fourth in the Common Market area. The bank also has branches in Paris, Frankfurt and Brussels, the latter having been opened in August.

The Milan branch is located at Piazza della Repubblica, 6/8 and is under the supervision of Paul H. Austin, Manager, who comes to Milan from the bank's Buenos Aires branch.

First National City previously operated a branch in Milan from 1925 to 1940.

**The Riverhead Savings Bank, Riverhead, N. Y.**, announced Sept. 5 that Earl H. Fischer had been elected President to succeed William A. Atlee. The bank also announced that Howard C. Bokee was advanced from Assistant Secretary to fill the post vacated by Mr. Fischer, and Charles S. Orlovski, head teller since 1958, was appointed Assistant Secretary.

Donald M. Benjamin, has been appointed a Director of the First National Bank of Passaic County, Paterson, N. J.

New assignments at Richmond offices of **The Bank of Virginia, Richmond, Va.**, were announced Sept. 11.

On Sept. 28, Raymond W. Bonnell, Assistant Cashier now at the 1620 Hull Street office, will become manager of the Chester office. Fred G. Brittle, Jr., Assistant Vice-President and Manager at Chester, will transfer on Oct. 8 to the Main office. On Oct. 8 also, John Papit, Assistant Cashier, will be reassigned from Eighth and Main Streets office to 1620 Hull Street.

Comptroller of the Currency, James J. Saxon, announced Sept. 4 that he has approved the merger of the \$284,700,000 **First and Merchants National Bank of Richmond, Richmond, Va.**, and the \$12,000,000 **Augusta National Bank of Staunton, Staunton, Va.**,

under the charter and title of the Richmond bank.

Joseph O. Aubin, Former President of the **Southgate Bank, Southgate, Mich.**, was elected Chairman of the Board. William H. Verhelle was elected a Director and President and Cashier.

William H. Verhelle, early in 1958 joined the organization of a new bank where as Vice-President he established and supervised the Consumers Loan Department, while also performing his duties as a General Loan Officer until his resignation earlier this year.

**The State Bank of Northfield, Northfield, Minn.**, has changed its title to **The Northwestern State Bank of Northfield.**

**City National Bank & Trust Company, Grand Forks, N. D.**, Senior Vice-President, Dale R. Ainsworth, has been appointed head of the bank's Correspondent Bank Division, effective Sept. 15. Mr. Ainsworth succeeds F. Phillips Giltner who has become President of the First National Bank of Grand Forks, N. D.

Mr. Ainsworth has been with the bank's Correspondent and Commercial Departments since 1939, being elevated to his present title of Senior Vice-President in 1956.

Preliminary approval to organize a new national bank in Columbus Junction, Iowa was granted Sept. 5 by James J. Saxon, Comptroller of the Currency. The new bank, with total capitalization of \$250,000, will operate under the title, "**Peoples National Bank of Columbus Junction.**"

Organizers of a proposed national bank in Riviera Beach, Fla., were granted on Sept. 5 preliminary approval to organize by Comptroller of the Currency James J. Saxon. The proposed new banking association will be operated under the title, "**National Bank of Riviera Beach.**" The bank will have a capital structure of \$1,020,000, composed of \$600,000 capital, \$320,000 surplus, and \$100,000 undivided profits.

Comptroller of the Currency James J. Saxon Sept. 5 issued preliminary approval of an application to organize a national bank at the corner of Pinemont and North Shepherd Drive, Houston, Texas, under the title, "**Republic National Bank of Houston.**" The bank will have an initial capital structure of \$600,000.

Preliminary approval to organize a new national banking association in Denver, Colo., was granted Sept. 5 by Comptroller of the Currency James J. Saxon. The new bank, with a proposed initial capital structure of \$1,500,000, will operate under the title, "**Security National Bank.**" The organizers plan to lease space in a 30-story building under construction on Glenarm Place between 16th and 17th Streets. Don Carney has been proposed as President and Director.

"**University National Bank of Fort Collins**" is the proposed name of a new national bank in Fort Collins, Colo. Comptroller of the Currency, James J. Saxon announced Sept. 5 that he has given preliminary approval to organize the new national bank. The

new bank will have an initial capital structure of \$520,000.

**The Bank of America, San Francisco, Calif.**, has made Joseph M. Sales Vice-President in the business relationships department of the San Francisco head office.

**Crocker-Anglo National Bank, San Francisco, Calif.**, elected James P. Smith Vice-President and Assistant Manager of the Santa Barbara main office. Allen G. Johnson was named Vice-President of the same office.

**The Bank of Montreal** will open a new European representative's office in Dusseldorf, West Germany, under the direction of R. J. R. Bonneland on Oct. 15, the bank has announced. It will be the first office of a Canadian bank to be established in Germany.

The office will serve as headquarters for the bank's operations in Germany, Austria, Switzerland and Denmark.

## Putnam Mgmt. Company Elects Thorndike, Cabot

BOSTON, Mass.—John L. Thorndike and Walter M. Cabot have been elected Vice-Presidents of The Putnam Management Co.,



John L. Thorndike Walter M. Cabot

Inc., 60 Congress St., manager of The George Putnam Fund of Boston and The Putnam Growth Fund.

Mr. Thorndike has been associated with the Putnam organization since 1957 and Mr. Cabot since 1959.

## "Retreads" to Hold Convention

**Retreads**, an organization of veterans who served honorably in World War I and again in World War II, will hold its 15th National Convention and Reunion at the NCO Open Mess, West Point, N. Y. on Sept. 14-15.

Committee and convention sessions are scheduled for Friday, Sept. 14, starting at 8:30 p.m. and Saturday, Sept. 15, at 2 p.m.

Maj. Gen. W. C. Westmoreland, Superintendent of the USMA and New York State Comptroller Arthur Levitt will be among the honored guests.

Arrangements have been made for **Retreads** Companions and their guests to tour this oldest military post in our country, a historic and picturesque spot. It was chosen by Gen. Washington for its strategic location in controlling navigation on the Hudson River where a regular garrison of the United States Troops was established in 1778.

The annual memorial service will be held at the Battle Monument with National Commander Brig. Gen. Park W. Huntington as principal speaker.

For further details contact Coordinator, Colonel Oliver J. Troster, Troster, Singer & Co., 74 Trinity Place, New York 6, N. Y.

# BANK AND INSURANCE STOCKS This Week — Bank Stocks

## FIRST SECURITY CORPORATION

Price	Dividend	Yield	Est. 1962 Earn.	P/E Ratio
40	\$1.00	2.50%	\$2.50	16.1 x

Within the past year the stock of this bank holding company has been discussed with the thought to its attraction from the aspect of long-term growth.

First Security Corporation is the largest banking institution in the mountain states area with deposits of \$559 million at the end of the year in 1961. As of June 30, 1962 deposits were \$557 million which represents an increase of \$39 million over the same period in 1961. Although this figure is lower than those of the year-end, a deposit decline is not abnormal for such an interim period. For the first six months of 1962 net operating earnings were reported at \$1.10 versus \$1.05 for the first six months of 1961. This figure compares favorably with other banks in the west which have, for the most part, shown lower earnings in 1962 due to Regulation Q authorizing increased payments on time deposits. Not all bond interest is accrued in this period, hence earnings should more than double for the full year of 1962. Time deposits here represent 27% of deposits. Although this is a somewhat lower ratio than those of California, it is a comparable percentage when looking at banks in the mid-west and in the year 1962 most commercial mid-western banks are expected to show lower earnings.

Also important to the stockholder is a 2% stock dividend which may be construed as additional compensation. Although the payout is now low at 40% the capital account is close to 9% of deposits therefore the long-term dividend treatment should be favorable.

Being the dominant banking institution in the area, the growth of the bank is dependent upon growth of the area. Earlier population estimates indicate a 100% growth over the next 10 years for the Salt Lake City area, and a smaller growth for areas north of Salt Lake extending into Idaho. First Security Corporation now has 76 offices through their five banks in the system and plan to extend further in three states where they are represented (Utah, Idaho, Wyoming). Obviously earnings growth is impressive over the period shown. At a 66% for the six years the average annual increase in earnings of 11% is well above commercial bank earnings for the country as a whole.

In addition to the expected growth of the area and the bank's past performance, one added factor of note is excellent management. The Eccles family has through Marriner and George Eccles offered extremely energetic and capable personnel to the organization. Like most large institutions data processing equipment has been installed during the past year and ultimately earnings will reflect these improvements. Even though 82% of the 4,232 shareholders reside in the area there are over two and one-half million shares outstanding and through the years broader distribution of the stock has occurred. This is not always the case with smaller banks, the shares of which are either few in number or held by too few people. With the continuance of the stock dividend policy and possible further stock splits there will be greater availability of shares.

The current price is well below its high of 54 and relative to other western banks appears realistically priced—particularly in view of its uncommon trend of earnings in 1962.

## Trend of Net Operating Earnings

	Net Operating Earnings/Share		Net Operating Earnings/Share
1962-----	\$2.50	1959-----	\$2.00
1961-----	2.37	1958-----	1.80
1960-----	2.27	1957-----	1.50

## Trend of Loans, Investments, Assets and Deposits

Average for the Year

(000 Omitted)

Year	Loans	Securities	Total Assets	Deposits
1961----	\$292,901	\$173,093	\$594,532	\$517,800
1960----	282,939	156,591	553,727	493,294
1959----	284,145	160,533	547,372	497,842
1958----	252,107	168,739	522,455	470,286
1957----	237,769	130,437	472,679	427,202
1956----	225,795	127,918	449,097	412,358
1955----	191,646	132,779	404,950	366,413
1954----	173,122	125,482	372,092	339,157

## NATIONAL AND GRINDLAYS BANK LIMITED

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26 BISHOPSGATE, LONDON, E.C.2

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Telex Nos. 22368-9

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# SECURITY SALESMAN'S CORNER

BY JOHN DUTTON

## Do Me a Favor, and . . .

Bar me from offices where all working there think they are privileged to act like they are in a club.

If you send me a letter about securities be sure you write legibly and give me an accurate description of the stock and bond about which you are requesting information. (This is intended for customers, not readers of this column. We recommend no stocks, no bonds, and have no opinions to offer publicly.)

Tell me the SEC is sacrosanct, and ask me, "Where would we be today if it wasn't for the SEC?" I wonder!

Don't remind me of the money you made as a salesman in 1961. How about August, 1962? No, I don't want to hear about that either.

Tell the cashiers, the clerks, and the back office people that they aren't doing me any favors when they do their job the way it should be done. If they don't send my customers statements that are correct, confirmations promptly, checks when due, dividends when due, and attend to all their duties when they should, it is they who will suffer. They are on a straight salary, they get their checks every week, I am on a straight commission. If they mess up my accounts I can go somewhere else and make a living—but they need my customers too—or can my firm exist without them? Maybe customers are expendable—maybe profits fall off the trees, maybe salary checks aren't important, maybe they are too small . . . maybe I've heard all of that before.

Don't ask me "What's the market doing." If you want to know the price of a stock, if you want to know the volume, if you want to know where the Dow Industrial, Rail, and Utility averages are at the time of their latest report I'll tell you. But the market? What Market? We have markets in about forty to fifty-thousand stocks and bonds (my guess) that are traded over-the-counter and on the exchanges . . . they don't all go up or down together . . . or maybe they do in some people's book (but not mine).

Don't send me a wire telling me the trading department is long a thousand shares of Bumpus common with three-eighths of a point gross in it, without giving me time to check into Bumpus before offering it to a client. Maybe I don't like Bumpus, maybe I don't like most secondary's, maybe I just don't like the state of the market.

Don't invite me to a cocktail party, given by some underwriters, prior to the offering of a promotional effort for some speculative common stock. Or, any kind of drinking bout to promote anything, either before, or after the baby is born.

Don't tell me to look at a stock that is now selling over-the-counter that has made application to list on an Exchange, especially after it has already advanced 20 to 30%.

Holler three cheers every time you find an investor who is interested in safety of his principal first, maximum "after tax" income, and who doesn't expect perfection. But don't tell me where you found him, he's supposed to be extinct.

Tell me if you have heard a joke I am telling and stop me before I come off with this one, "I

salesmen, and . . . I just read the other day that he has been estopped, estranged, and disentangled from all that prosperity . . . the paper said he was recently nipped for violating the twenty to one capital rule. I was wondering about this . . . it doesn't seem to add up.

Tip me off when the trading department is short some stock with a very narrow market; I'd like to help, but my customers don't have any for sale.

Make it a felony to come to my desk and interrupt me while I am on the telephone talking with a customer.

Don't tout me on any stock that someone told you, who was told by someone else, who knows the

insiders, who told you in complete confidence, that it was a BUY.

Don't ask me what I think of the Administration, the gold situation, the Cuban situation, how 'tis in Laos, taxes, or Communism. I've got enough to do making explanations to customers. Just ask me, "How can I get even?"

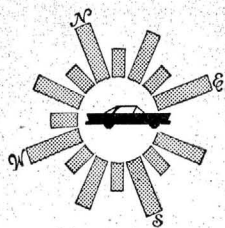
## Gregory & Sons To Admit Partner

Gregory & Sons, 72 Wall Street, New York City, members of the New York Stock Exchange on Sept. 25 will admit Herbert A. Hoehn to partnership in the firm.

## Bank of Montreal Office in Germany

The Bank of Montreal will open a new European representative's office in Dusseldorf, West Germany, under the direction of R. J. R. Bonneland on Oct. 15, the bank has announced. It will be the first office of a Canadian bank to be established in Germany.

The office will serve as headquarters for the bank's operations in Germany, Austria, Switzerland and Denmark, as well as facilitating business for customers with trading interests in this area of Europe.



Get close to America... close to home—by car! There are many interesting things for the entire family to see and do, just a pleasant drive from wherever you live. This weekend, treat the family to a day's outing—the convenient, economical way—by car!

## Experiment— in tomorrow

It is the policy of Cities Service to provide the finest facilities and services for the American motorist. In line with this policy, in every area of petroleum marketing—and production, too—Cities Service strives to maintain the highest of standards in everything it does.

The service station pictured here is an example of the forward thinking of Cities Service in this direction. A totally modern innovation in petroleum merchandising, it is designed to provide maximum sales appeal while, at the same time, offering the motor-

ist every possible comfort and convenience.

This, however, is only one illustration of the continuing effort of Cities Service to achieve the highest degree of excellence in all areas of its far-flung operations. That's why, in every facet of petroleum enterprise—in exploration, in production, in research and development, in refining, in transportation and in marketing—Cities Service is looking into tomorrow... to bring you a better today!

**CITIES  SERVICE**



# MUTUAL FUNDS

BY JOSEPH C. POTTER

## One Fund's Story

Boston-based Incorporated Income Fund was launched in 1954 with net assets of \$10 million. In the ensuing eight years the fund, which has grown to well over \$120 million, has disbursed \$32 million in dividends and nearly \$13 million in capital gains.

Because of its sprawling stockholder family of more than 32,000 who reside in every state and 15 foreign lands, its story, as related by William A. Parker, Chairman, and Charles E. Devens, President, is of widespread interest. As they say: "An income fund cannot be expected to obtain the same return at all levels of the securities market. But it can try to offer an attractive yield relative to other investment opportunities while seeking to conserve principal."

Going back to the infancy of Incorporated Income, they recall that common stocks accounted for almost all of their securities in the fiscal year that ended Oct. 31, 1955. At the time the return from common shares generally was nearly twice that available from bonds.

Corporate bonds were added to the list the next year as bond returns started inching upward. By October of 1956 they constituted more than 5% of the securities' list. The rest remained in common shares.

Preferred stocks made their first appearance of note in 1957. Indeed, by the end of the year they toted up to 4% of the portfolio. Meanwhile, the fund took advantage of rising bond yields to add to this type of holding.

A foreign government bond first appeared in 1958 (an obligation of the Kingdom of Norway). At the same time, additions to the corporate bond category cut further into common holdings. By the end of 1958 these bonds accounted for 12% of investments.

United States Government bonds (it was the time of the Magic 5s), then providing the highest yields in many years, made their first important appearance in 1959. As corporate bond yields climbed to levels unknown in a quarter of a century and stock yields declined sharply, the management further increased corporate bond holdings and trimmed its position in common equities. The score at year's end: Common stocks, 67%; corporate bonds, 17%, and Treasuries, 5%.

Security types for the next three years remained unchanged, although proportions varied. Common stocks were further cut back in 1960 in favor of Treasuries, which amounted to 11% of holdings on April 30, 1960. In the latter part of 1960, short-term British Treasuries were substituted for U. S. Treasuries. Though the fund once more was buying common stocks by the end of the year, at that time they equalled only 61% of the list.

Common stocks were still being bought in the first half of last year. By the end of the fiscal year, the assets were divided this way: common, 66%; preferred, 6%; for-

eign government obligations, 7%, and U. S. Treasuries, 4%.

U. S. Government bonds have played an important role so far in fiscal 1962, the period of the big stock market break. At the start of the company's year (Nov. 1, 1961) management says it "recognized the then very high level of stock prices by taking profits in a number of holdings, putting proceeds in intermediate-term U. S. Government bonds, which were paying a good return compared with common stocks at the time." More recently, long-term bonds have been "rolled over" for others of shorter duration which gives management even greater flexibility in its next portfolio move.

Messrs. Parker and Devens sum up:

"Taking advantage of the market decline, we added selectively to some current holdings and acquired common stock in two strong companies with good current yields and, we believe, some capital appreciation possibilities: St. Regis, one of the largest paper companies in the United States, and Phelps Dodge, the second largest copper producer in the country.

"When the time seems advantageous, management will alter the portfolio further. The \$20 million now held in U. S. Government bonds gives an ample reservoir of liquid funds on which to draw for the purpose. In doing so, we recognize that today investors are not only more interested in income than for some years in the recent past—but also in the quality of that income."

## The Funds Report

Total net assets of **Bullock Fund, Ltd.** at July 31 were \$66,057,039, or \$11.70 per share. On April 30 the comparative figures were \$723,658,658 and \$13.32.

At July 31, total net assets of **Canadian Fund** were \$33,356,123, equal to \$15.61 per share. This compares with \$39,145,894, or \$17.93 per share, at April 30.

**Electronics Investment Corp.** reports that at July 31 total net assets amounted to \$29,762,984, compared with \$41,790,320 a year earlier. Net asset value per share declined to \$5.61 from \$8.18 a year earlier.

**Guardian Mutual Fund, Inc.** reports that at Aug. 31 net assets

were \$16,171,049, equal to \$19.77 per share. At Oct. 31, 1961, end of the last fiscal year, net assets were \$14,887,130, or \$21.57 per share.

**Incorporated Income Fund** reports that at July 31 total net assets amounted to \$120,595,435, equal to \$8.90 per share. A year earlier assets amounted to \$120,773,406, or \$9.74 per share. On April 30, 1962, assets were \$125,309,114, or \$9.44 a share.

## N. Y. IBA Group Mgmt. Course

The New York Group of the Investment Bankers Association will hold its third annual course on "The Management Function in the Investment Banking Industry," Oct. 21-26 at the Westchester Country Club, Rye, N. Y.

Harry A. Jacobs, Jr., Partner of Bache & Co. and Chairman of the Education Committee, New York Group of the IBA, said the course is designed to provide managers in all phases of investment banking and brokerage with an over all view of the management function. Prime purpose is to make the individual firm, through total management, more effective in terms of profitability, efficient operation and growth, he added.

Attendance will be limited to 90. The first two courses attracted 149 registrants from some 100 firms in 19 states and Canada.

A. C. DuBois, partner of Wertheim & Company and Chairman of the New York Group, attributed the past popularity of the course to the study and discussion of case histories and special investment banking projects based on day-to-day problems encountered in the industry. Lectures and background readings are also used for instruction.

Basic elements of the course include the nature of the managerial job; planning; building an effective organization; directing and motivating employees; and the control of various activities within the firm.

The course was prepared under the direction and guidance of James O. Rice Associates, Inc. Director is Dr. Emmett Wallace.

## Public Service Co. Of Colorado Rights Offering

Public Service Co. of Colorado is issuing to holders of its common stock rights to subscribe at \$23.50 per share for 1,242,822 additional shares of common stock on the basis of one share for each 10 shares held of record Sept. 6, 1962. The subscription offer will expire Sept. 24, 1962. The offering is being underwritten by an investment group managed jointly by First Boston Corp., Blyth & Co., Inc., and Smith Barney & Co., New York City.

The company is also offering to employees, including officers of the company and its subsidiaries, subscription rights for 124,282 shares. This offering is not being underwritten.

Proceeds from the financing will be applied to the company's construction program which calls for the expenditure of approximately \$142,000,000 during the three years 1962-64.

The company's operations are wholly within the State of Colorado. Electric service is supplied at retail to residential customers in Denver and 187 other communities and to rural, commercial and industrial customers. The company also supplies natural gas service to Denver and 72 other communities.

## Blyth & Co., Inc. Bank Stock Survey

Earnings of major banks across the country were generally better in the first half of 1962 than had been anticipated earlier this year, according to the mid-year "Bank Stock Survey" prepared by Blyth & Co., Inc., 14 Wall Street, New York City. The outlook for bank earnings over the second six months appears relatively favorable, with results of individual banks expected to vary, but many banks will report gains over 1961, the survey asserted.

Combined net operating earnings of 38 of the leading banks included in the Blyth survey amounted to \$372,000,000, off less than 3% from the \$382,000,000 in the first six months of 1961. Second quarter results also were encouraging, the survey stated, with earnings of 30 banks which report quarterly up more than 5% over the initial three months of 1962. West Coast banks in particular showed an advance of almost 10% in the second quarter.

Higher rates of interest paid on time and savings deposits were the most important factor in bank earnings this year. For 15 banks in eight large cities, interest paid increased 52% over the first half of 1961 and accounted for nearly 70% of the increase in total operating expenses. To assist in covering these higher interest requirements, many banks added substantially to their tax-exempt securities portfolios, the survey said. For 30 of the banks covered, holdings of state and municipal bonds rose 25% during the first six months this year, the bulk of which occurred in the first quarter of the year.

Time and savings deposits, which increased about 8% in the first three months, gained further in the second quarter, but at a somewhat lesser rate. At the end of June, they were 14% above the 1961 year end, resulting in a 6% increase in total deposits during this period. Demand deposits showed a gain in the second quarter but were off 9% over the six months, due to seasonal factors.

Market prices of bank stocks declined about 32% from their 1962 highs to the low point in June, but in the recovery that followed, bank stocks registered good gains, the survey noted.

## M. Stephens Manufacturing Stock Offered

Public offering of 75,000 capital shares of M. Stephens Mfg., Inc., at \$4 per share is being made by Thomas Jay, Winston & Co., Inc.; V. K. Osborne & Sons, Inc.; Gregory-Massari Inc., all of Beverly Hills, Calif., and I. J. Schenin Co., New York City.

Net proceeds will be used by the company to repay loans, acquire additional inventories, finance future trade accounts, purchase new dies and equipment, and increase working capital.

The company of 814 E. 29th St., Los Angeles, is engaged in the manufacture and distribution of electrical fittings and connectors for use in residential and industrial wiring installations. Among these products are Romex, BX and Flex connectors, couplings, bushings, nipples, entrance caps, conduit bodies and related parts and fittings.

**Now With Boettcher**  
(Special to THE FINANCIAL CHRONICLE)  
COLORADO SPRINGS, Colo. — Robert E. Maxson is now affiliated with Boettcher and Company, Antlers Hotel.

## NATION-WIDE Securities Company

a "balanced" mutual fund. Sold only through registered investment dealers. Ask your investment dealer for free prospectus, or mail this ad to

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Established 1894  
ONE WALL STREET, NEW YORK 5  
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ADDRESS \_\_\_\_\_

## Wellington

A Name to Remember When Investing



—a Balanced Fund seeking conservation of capital, reasonable current income, and profit possibilities.

Ask your investment dealer for prospectus or write to

**Wellington Company, Inc.**  
Philadelphia-3, Pa.



## Massachusetts Life Fund DIVIDEND

Massachusetts Life Fund is paying a dividend of 16 cents per share from net investment income, payable September 10, 1962 to holders of trust certificates of record at the close of business September 7, 1962.

*Massachusetts Hospital Life Insurance Company, Trustee*  
50 STATE STREET, BOSTON 9, MASS.  
Incorporated 1818

## Tri-Continental Corporation

A Diversified Closed-End Investment Company

Third Quarter Dividends

Record Date September 18, 1962

**32 cents a share**  
on the **COMMON STOCK**  
Payable October 1, 1962

**67½ cents a share on the**  
**\$2.70 PREFERRED STOCK**  
Payable October 1, 1962

65 Broadway, New York 6, N. Y.

## The Dominick Fund, Inc.

A diversified closed-end Investment Company

Dividend No. 156

On September 11, 1962 a dividend of 12c per share was declared on the capital stock of the Corporation, payable October 16, 1962 to stockholders of record September 28, 1962.

JOSEPH S. STOUT  
Vice President and Secretary

## THE LAZARD FUND, INC.

44 Wall St., New York 5, N. Y.

Dividend Notice

The Board of Directors today declared a dividend of 8 cents per share on the Capital Stock of the Fund payable October 16, 1962, to stockholders of record at the close of business September 17, 1962. The dividend is payable from net investment income.

L. T. MELLY  
Treasurer

September 10, 1962.



## COMMENTARY...

By M. R. LEFKOE

As a result of the massive buildup of Russian armaments and soldiers in Cuba during recent weeks, a clear and present danger to our nation's security currently exists.

The blame for this newest crisis in the cold war does not rest with any particular Administration; the threat caused by a communist-dominated country just 90 miles from our shore is a necessary consequence of going too many years without having anything which deserves to be termed a foreign policy.

A country's foreign policy consists of the set of principles it adopts to serve as a standard in guiding its actions in dealing with foreign countries. A random series of contradictory measures taken by a country as the most expedient means of reacting to a problem created by another country does not deserve the distinction of being called a foreign "policy."

The consequence of our nation's approach to foreign affairs—the end result of our government's insistence on ignoring the interests of legitimate friends, appeasing its enemies, and failing to defend the rights of its own citizens—is national suicide.

## Wooling the "Neutrals"

The fruitless attempt to gain the esteem of other countries, particularly the "neutral" nations—including some countries which avowedly believe that slavery and brute force comprise as valid and moral a social system as freedom and individual rights—has led our government officials to repeatedly pursue a course of action which has only served to compound our difficulties on all fronts.

The results of a policy as irrational as this are just what one would expect—the exact opposite of what its proponents desire. The "neutral" countries, which if we were lucky might merely refrain from fighting at Russia's side in an all-out war, have lost all respect for the United States because of its blatant attempts to appease them. Our allies, who have already gone on record as opposed to communism and whose help we would seek were a hot war to ensue, have become rightfully indignant. Many of them even have begun to question the advisability of linking their fate with a country whose foreign policy leaves so much to be desired.

As regrettable as this aspect of America's foreign policy is, the government's attitude toward its own citizens is even worse.

In recent years, government officials have been so preoccupied with distorting and misinterpreting the "general welfare" clause in order to justify their program of handouts to the "needy," that they have failed to fulfill their responsibility to those American citizens who have earned their wealth and seek no government largess.

Specifically, recent Administrations have neglected one of their crucial and valid responsibilities as provided for in the Constitution: to "provide for the common defense," which means: to protect American citizens and their property—from foreign invaders at home, and from theft abroad.

## Seizure of Private Property

Since 1958 alone, private property owned by American citizens has been expropriated in Argentina, Mexico, Ecuador, Ceylon, Brazil, Egypt, and Cuba. Not only has there been nothing resembling a serious protest by our government, but officials in the State Department have explicitly ac-

ceded moral and political sanction to the seizure of property owned by American citizens in foreign countries, as long as "reasonable" payment is made. That little, if any, compensation has even been offered is beside the point; American citizens have been robbed while their government has stood by and nodded approvingly.

But this is only the beginning of the horror story. Acting as if it believed the "general welfare" clause applied to every inhabitant on the face of the earth, our government has distributed almost \$90 billion in aid to foreign countries since the end of World War II—almost \$60 billion to the self-styled "neutrals," and \$3 billion to the same seven countries which expropriated American property. The most grotesque aspect of this altruistic tale of horror lies in the fact that the \$3 billion came from tax revenues collected, in part, from the owners of the stolen property.

By not actively opposing the seizure of American citizens' property and by refusing to take any steps to halt the robbery, the government officials responsible have betrayed the people they swore to defend when they took their oath of office.

Given the contradictory, range-of-the-moment measures which have passed for America's foreign policy during the past few decades, the threat which now confronts us from Cuba should surprise no one. In fact, an examination of our nation's dealings with Cuba provides an eloquent concrete example of the bankruptcy of our foreign policy.

## Castro and the U. S.

Shortly after Castro came to power, an army of communist thugs was formed to enforce his edicts. All individual rights were destroyed and all private property was nationalized, including over one billion dollars worth of American property. Mock trials were held which condemned to death all those fighters for freedom who opposed the new regime. Liberty gasped its dying breath and just 90 miles off our shore, an absolute dictatorship was firmly established.

What did the United States Government do?

Its action consisted of merely pleading with the Organization of American States to do something. Except for a mild censure of outside influence in the Western Hemisphere (Cuba was not even mentioned by name) in which several countries receiving American aid abstained, the OAS failed to recommend any positive action. Although we finally cut off Cuba's sugar quota and then instituted a ban on American exports to Cuba, our concern with world opinion prevailed over our own self-interest; we continued to appease those countries which favored no direct action.

This obsessive desire to "win friends and influence nations" was later responsible for betraying a group of Cuban patriots. The decision to withhold active military support of the invasion of Cuba designed to overthrow the communist regime guaranteed the failure of the attempt to unseat Castro. Without American assistance, the invasion became a slaughter and hundreds of freedom fighters vainly sacrificed their lives.

While Congressmen and other sources have recently cited evidence of an increasing inflow of Russian weapons and soldiers in Cuba, President Kennedy continues to persist in calling the weapons "defensive" and the soldiers "technical advisors." In

the face of his refusal to publicly admit that America is confronted with a real threat, the President's recent request for the authority to call up 150,000 reservists amounts to no more than a hollow political gesture.

## America Threatened

The threat to America's security is real. Even now more ships loaded with Russian troops and long-range missiles are en route to Cuba. The United States can refrain from action no longer.

A firm stand by our President will most likely cause Cuba and Russia to take us seriously and heed our warning. However, our long history of compromise may have convinced them that we do not have the courage to act in the face of threats and adverse world opinion. In any case, regardless of the consequences we no longer have any other choice.

An individual can take his life in a matter of seconds; a country cannot perish as easily. But even a nation like the United States cannot continue forever to act against its own self-interest without paying the consequences. Continuing our past policy of appeasement and failure to protect American citizens poses a grave threat to the nation. Even now there is still time to avoid the dangerous consequences inherent in that policy. But time may not always be on our side.

## Pacific Northwest Bell Telephone Co. Debent. Offered

Morgan Stanley & Co., New York City, announces that it heads an underwriting group offering publicly a new issue of \$50,000,000 Pacific Northwest Bell Telephone Co. 4% debentures due 2002, priced at 102% and accrued interest to yield approximately 4.27% to maturity. The Morgan Stanley group purchased the issue at competitive sale Sept. 11 on its bid of 101.31% which named the 4% coupon.

The debentures will not be redeemable prior to Sept. 1, 1967. Beginning with that date the redemption price will be 105½% to and including Aug. 31, 1968 and thereafter at prices decreasing to the principal amount on and after Sept. 1, 1967.

Proceeds will be applied by the company, headquartered in Seattle, to the reduction of a 4½% demand note held by Pacific Telephone & Telegraph Co. in connection with the transfer in 1961 of communications properties formerly owned by Pacific Telephone & Telegraph to the newly organized Pacific Northwest Bell Telephone. The properties are in Washington, Oregon and Idaho.

## To Hold Conference On Israel

A National Planning Conference on Israel's future development will be held at the Shoreham Hotel, Washington, D. C. from Sept. 21 through Sept. 23.

Among the speakers at the Conference will be Finance Minister Levi Eshkol of the State of Israel; Dr. David Horowitz, Governor of the Bank of Israel; Dr. Abba Hillel Silver, Chairman of the Board of Governors of the Israel Bond Organization; Dr. Joseph J. Schwartz, Vice-President of the organization; Samuel Rothberg, National Campaign Chairman; Y. Foerder, Chairman of Bank Leumi Le-Israel, and Abraham Feinberg, Development Corporation for Israel.

## Multilateral Devaluation Would Help the Free World

Continued from page 1

gold. Now \$35 could be obtained from an ounce of gold and the ounce of gold thus has a mint price of \$35. The free gold market ceased to exist.

By reducing the dollar's gold weight a "profit" accrued. The dollar value of the country's monetary gold stock increased from \$4 billion (valued at \$20.67 an ounce) to \$6.8 billion (valued at \$35 per fine ounce). Interesting "profit" possibilities are thus presented should the price of gold be raised to \$70 an ounce, as so frequently suggested; a \$16 billion valuation differential would accrue.

In the 1930's, monetary devaluations were unilateral, that is, each country decided for itself when to raise the price of gold. Naturally this affected exchange rates.

When country A defines its monetary unit as possessing 40 grains of gold and country B defines its unit in terms of 20 grains of gold, a mint par of 2 to 1 automatically results. As long as both countries maintain at least external convertibility of their currencies into gold, the exchange rate between them cannot deviate very much or very long from the mint par as otherwise arbitrage transactions would take place, effected through the shipment of gold. Should country A reduce the gold content of its unit to 20 grains, the exchange rate would drop to 1 to 1. For two dollars' worth of goods manufactured by country A, B now needs to give only one unit of its money. In other words, country A's goods and services become something of a bargain in terms of foreign currencies. Its exports are stimulated; imports, on the other hand, will become more expensive for the citizens of country A. As imports become more expensive, more of the devaluated unit having to be given for a quantity of imports, domestic prices will rise and the original advantage of the devaluation will disappear.

The unilateral devaluations of the 1930's occurred because nations wanted to increase exports and in so doing increase employment and the rate of economic activity. The return to gold in the 1920's had also been effected in a way which had grossly overvalued some currencies, notably the pound sterling. A unilateral devaluation means other countries, too, will follow in self-defense. To be sure that they devalue enough, they will devalue a little more than the country that starts such an economic rat race. At the Bretton Woods Conference in 1944, every country said that it wanted no more of such unilateral devaluations. This agreement became really the basis for setting up the International Monetary Fund. A member nation under the charter may devalue its currency up to 10% without asking the Fund's approval. Larger devaluations need its approval.

Imports of goods and services are ultimately paid for with exports of goods and services; differences between such imports and exports may be made up by short-term or long-term capital movements or gold. Convertible currencies are, of course, the equivalent of gold. From time to time, trading partners may accept inconvertible currencies or extend credits. But such arrangements are quite temporary.

An expanding volume of world trade and investment needs greater liquidity just as a bank that grows in size needs a larger cash balance. A financial insti-

tution as well as a country is very much concerned with its liquidity. If demand obligations cannot be redeemed, difficulties will arise. Uncertainty naturally increases the desire for liquidity.

## A Crucial Divergence

The country's foreign short-term balances, which are demand obligations upon us, are going up; our gold supply is going down. How far can such a divergent trend persist? How far can a man lean over the wall of a building before he falls over?

In the past, the Free World's desire for liquidity, the desire to increase monetary reserves, has been primarily met through this country's agreeableness to supply dollars or gold, the result of our international balance of payments deficits. A general scramble for liquidity could have far-reaching deflationary possibilities. When a country experiences heavy and continued gold losses, it tends to raise at first short-term interest rates to induce others to leave funds on deposit or to bring additional funds into it. Under such conditions, long-term interest rates could not remain unaffected for long.

Rising interest rates tend to have a deflationary effect on the economy. Higher money costs will persuade business to postpone some capital expenditures. Local governments may be prevented from selling obligations because constitutional provisions limit them or they, too, may decide to wait before undertaking certain public improvements. More governmental revenue must be earmarked for debt service. Investors become more cautious and tend to purchase largely short-term obligations in order to avail themselves of higher long-term rates later on or avoid possible losses on long-term obligations. This, in turn, tends to depress short-term rates, the very thing a government may wish to avoid. It may then offer an increased volume of bills in the market in order to keep the short-term rates at least at a level that will prevent the transfer of funds to foreign money centers offering higher yields. Such action can easily spell trouble later on when refunding operations become necessary. Moreover, an undesirable rigidity is introduced into the economy. When long-term rates rise, investors wish to nail them down by insisting upon non-callability features.

## General Revaluation Through IMF

Assuming that a substantial increase in the Free World's monetary reserves is desirable or essential, it could be brought about through a general revaluation of currencies handled by the International Monetary Fund or through the changing of the Fund into a world reserve bank. Unilateral changes in the price of gold on the part of at least major countries are out of the question and so are the so-called currency "swaps" or "forward operations." The former involve the borrowing of foreign currencies with which dollars are bought and so prevented from flowing into central banks which may wish to exchange them for gold. The latter device involves agreements to buy dollars for a foreign currency at a stipulated future time. Swaps and forward operations have their place. They cannot substitute for the permanent steps that must be taken in order to meet an increased demand for international liquidity. Recent reports from Western Europe seem to indicate that central banks are most hesi-

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# Multilateral Devaluation Would Help the Free World

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tant to agree to further swaps or other short-term measures.

## USA's Anomalous Position

The United States finds itself today in the position of the banker who has lent out money on long-term account and has demand deposits in the bank. In other words, the liquidity is lacking should short-term funds suddenly be withdrawn in large amounts. This type of situation was a powerful factor in the devaluation of the British pound at the beginning of the 1930's. Since unilateral devaluation is today considered a measure of desperation and of last resort, we are left with two fundamental answers to the problem: a world-wide substantial increase in the price of gold, a general revaluation of currencies, or the creation of an international reserve bank.

Just as the Federal Reserve Banks are lenders of last resort for the commercial member, and possibly also non-member banks, so would the International Monetary Fund become an agency from which member countries could borrow other currencies. But analogies have a habit of being faulty. When a bank borrows from the Federal Reserve, the newspapers do not bring it the next day on the front page. Moreover, it took time to develop the feeling among banks that the wise use of the borrowing privilege was good banking. Should a major country borrow from the Fund, it is news and thus might set off some undesirable repercussions. Moreover, how far will countries go to give up their monetary sovereignty? Will they pool their gold and foreign exchange resources? It seems that any plan which substitutes other items for gold as the basis for national monetary reserves has not much chance of being adopted.

## Advantages of Multilateral Action

Suppose that international liquidity is increased through a substantial world-wide increase in the price of gold, that all countries devalue by the same extent. Exchange rates will not be disturbed and the disruptive effects of unilateral devaluations are avoided. However, such an assumption is somewhat unrealistic because in such a wholesale international revaluation of currencies some minor adjustments would and should be made. The dollar, for example, might well be considered somewhat overvalued and some other currencies might need an appreciation in terms of gold. Such adjustments should be within the 10% range. The small devaluation of the Canadian dollar has brought about a considerable increase in exports, a factor which undoubtedly did not escape Washington worried as it is with the deficit in our balance of international payments.

If we say that, economically speaking, a general upward revaluation of the price of gold would not disturb exchange rates, what other effects are there? What will be the impact of an increase in the price of gold on national economies, not to say the general public?

## Removing the Damocles Sword

Removing the Damocles sword of sudden withdrawals of short-term balances leaves a country free (er) to plan, to move ahead, not to mention greater freedom in the formulation of fiscal and debt management policies. The fact that the atmosphere would be cleared of doubt and suspicion should help. Interest rates might

decline somewhat. Funds would move into investment channels whereas the threat of unilateral devaluation keeps them in highly liquid form.

## USSR Benefit

The U.S.S.R. would benefit, but such an incident should not deter us from adopting proper policies in regard to the international liquidity problem. The Russian gold supply is apparently not as large as many writers assume and the Russians have never thrown their gold away.

Suppose the Russians were to have a \$6 to \$8 billion windfall profit should the price of gold be raised by the Free World to \$70 an ounce. Moscow could not step up its capital goods imports by such an amount. Increased consumer goods imports can hardly be considered a disadvantage for the West. Judging by their behavior at Bretton Woods, the Russians are quite "capitalistic" when it comes to their gold stock. Moreover, no country can import more capital goods than it can absorb and the absorptive capacity of countries in these terms is surprisingly small. We confuse too often dollars with goods. The more planned a country's economy is less will be its capacity suddenly to absorb a large volume of imports. The central plan is upset and confusion and inefficiency result.

## The American Public

How would the American public react to a substantial increase in the price of gold? More and more individuals are beginning to think about a devaluation, confusing the effects of a unilateral and a multilateral change in the price of gold. The unusually heavy display of gold jewelry up on Fifth Avenue indicates something. The desire to purchase diamonds or to invest in modern art is another manifestation of uncertainty. Hedging in foreign exchange is out when all currencies are more or less similarly devalued.

Probably the purchase of shares in companies that have undeveloped natural resources would become fashionable. Metals such as silver might attract some people. But silver can no longer be considered a monetary metal. Since most of the silver produced is the result of other types of mining, an increase in the level of economic activity should bring about an increased supply of silver and act as a brake on further price increases.

A large increase in the price of gold could conceivably act as a trigger mechanism for price increases of other goods even when the increase comes through the joint action of all free nations. In that case, such action would be largely psychological and could be stopped by firmness in Washington. Economic conditions, too, would not sustain such price increases. The same should apply to possible wage increases. Furthermore so many other factors tend to push up wages that a change in the gold price must be considered as distinctly a minor factor if one at all. The chief effect of the Fund's action in this respect should be an acceleration of domestic economies.

Gold is still a powerful symbol for people. The initial impact of a rise in its price would surely show itself in some rather irrational behavior. For example, it could mean a temporary diversion of funds into real estate, which could prove troublesome if not checked, besides other items on the list of valuables into which

frightened people have always placed their money. Such investments usually turn out badly because people overlook the liquidity factor.

## The Investment Climate

What is the value of diamonds, modern art, rare postal stamps or even real estate when investors wish to liquidate? The value is whatever it fetches in the market. But there are no "specialists" in these markets comparable to the men on the floor of an organized stock exchange. Investors, after aberrations have run their course and the stock market has temporarily declined, tend to return to saner ways of investing when the rate of economic activity picks up. Suitable tax measures enacted by the Congress should substantially reduce profit possibilities from an increase in the price of gold; this applies particularly to the currently favorite gold shares.

As time goes on, pressure for appropriate action will yet become stronger. The gold loss for 1962 will be at least as large as that of last year. There are indications it will be larger. Europeans will want to replenish their gold supply some of which was used in our interest to support the London gold price. Uncertainty and the continued deficit in our balance of international payments spell still higher short-term balances with their inherent vulnerability. If a shift in trade occurs away from countries where the authorities prefer to hold a relatively large part of their monetary reserve in dollars to countries which hold mainly gold, an additional outflow of gold could take place. Our allies will not react favorably to a verbal spanking by Washington for refusing to hold more of their monetary reserves in dollars. Countries resent an infringement upon their monetary sovereignty.

Statistics show that U. S. exports are holding up well. They may have been unusually heavy during the first half of this year as exports were shipped to reach European countries before the increase in tariffs took place on July 1. The improvement in the balance of international payments is also somewhat fictitious for other reasons. Debt prepayments are one-shot affairs and do not cure the more fundamental ills.

## Small Gold Production Increases

Excluding the U.S.S.R., the world's gold production last year was \$1.2 billion, augmented somewhat by Russian gold sales. The increase in the gold reserves of western countries and international institutions during 1961 was no more than 40% of the fresh gold supply. World gold production today is slightly less than twice 1929 output. Granted that gold stocks are used more effectively as monetary reserves, the increase in the production of gold seems quite small in view of the development of international trade and investment, not to mention the non-monetary demand for gold. The cooperation of foreign central banks has also seemingly reached a limit, at least for the time being.

The Administration is most concerned with the various gold problems as indicated by the many small steps it has taken, most recently illustrated by the executive order prohibiting Americans from importing gold coins or holding them abroad after January 1, 1963. A different illustration is the stern warning that stimulating domestic gold production through subsidies to miners would be viewed by the rest of the world as a step toward a (unilateral) devaluation of the dollar. Western Senators wanted a subsidy for gold up to \$35 an ounce in addition to the \$35-an-ounce Government purchase price. U. S. gold production is down consider-

ably from 1929 or 1950, not to mention 1940.

## Current Gold Reserve Ratio in Jeopardy

Aside from possible additional gold losses, a pickup in our economic activity would expand bank deposits and currency in circulation, thus further reducing the gold reserve ratio. How far can it fall from the current 33% towards the legal 25% limit before a new wave of uncertainty would result in new gold losses?

President Kennedy said earlier this year before the Congress that the full strength of the gold stock stands behind the dollar for use if needed. This statement implies that the Administration would ask for legislation to reduce or eliminate the present 25% gold reserve requirement of the Federal Reserve Banks if events made such a move necessary. Even today, the statutory 25% requirement could be waived by administrative action on the part of the Federal Reserve Prior to 1945, the law required gold certificate reserves of 35% against Federal Reserve deposit liabilities and 40% of Federal Reserve note liabilities. Pressure at that time on the gold reserve ratio made such a reduction necessary. But what would be the reaction, abroad and particularly at home, to another reduction in this ratio? Possible undesirable repercussions would render the advisability of such a step today questionable.

Economically, any gold reserve requirement for the central bank makes little if any sense. But its elimination, suspension, or reduction could cause greater uncertainty abroad. Too many investors at home might interpret such a move as a prelude to a unilateral devaluation and new inflation. The Administration might react by introducing new controls which could have a deflationary impact upon the economy and the stock market.

A unilateral devaluation has often been in the past an act of fiscal irresponsibility; a multilateral devaluation is not in that category. Is economic growth to be sacrificed to a golden image? The price of gold is not an end in itself, but a means to an end—to greater economic prosperity and thus more power vis-a-vis the Communist bloc.

Mr. Kennedy's Telstar performance was not as powerful as the American press felt it was. European financial circles expected the President to pledge firm support of the dollar. Moreover, he talked against a unilateral devaluation.

Conditions in 1962 are not comparable to those prevailing in the 1930's. Unilateral devaluations were then used as a means of exporting one country's unemployment to others. Today we are concerned with a lagging growth rate in the frame of a struggle with communism. No one can force us in 1962 into a unilateral devaluation. There are ample defenses against such a contingency. But that is not the question. The real issue is: Shall a price of gold be maintained, that was once arbitrarily chosen, at the expense of economic growth in the Free World?

## Wayne Hummer Market Service

CHICAGO, Ill.—As a service to investors in the Chicago area, Wayne Hummer & Co., 105 West Adams Street, members of the New York Stock Exchange, is sponsoring Stock Market news featuring up to the minute news of the stock market and individual issues on a 24-hour basis. Dial WE 9-1600 in Chicago for this service.

## New York Bankers Inv.-Seminar

The 13th Annual Investment Seminar of the New York State Bankers Association will be held at the Hotel Commodore in New York City on Sept. 21, 1962 it was announced by Charles J. Simon, Seminar Director. Mr. Simon is a partner of Salomon Brothers & Hutzler.

The Seminar which is held in cooperation with New York University's Graduate School of Business Administration usually attracts about 800 bank and trust officers from financial institutions in 16 states, Puerto Rico and Canada plus treasurers from a number of industrial concerns. Its purpose is to provide guidelines for "Intelligently interpreting the money market and of appraising its movements in terms of investment opportunities and problems."

Dr. Marcus Nadler of New York University will discuss the "Money Market and its Outlook"—the various factors which operate to influence bond prices and interest rates.

Dr. Jules I. Bogen of New York University will analyze the "Sources and Uses of Funds."

John R. Bunting, Jr., Business Economist, Federal Reserve Bank of Philadelphia will take "A Provocative Look at the Next 18 Months."

Charles M. Bliss, Executive Vice-President of the Bank of New York; Donald D. Miner, Vice-President, Chemical Bank New York Trust Company; William W. Pevear, Vice-President, Irving Trust Company; and Arthur T. Roth, Chairman of the Board of the Franklin National Bank of Long Island will participate in a "Round-Table Discussion for Portfolio Managers." Topics will include: "Trust Investment Problems Under Existing Conditions"; "How We Operate Our Municipal Portfolio"; "Accruing the Discount"; and "Meeting the Challenge of Higher Interest Rates." Each of the four panel speakers will present a detailed paper and answer questions on one of the subjects under review. To encourage the greatest degree of audience participation, the New York State Bankers Association is experimenting at the Seminar in the use of a special seven foot directional microphone such as used at presidential news conferences.

For further information contact Robert E. Watts, Secretary, New York State Bankers Association, 405 Lexington Ave., New York 17, New York.

## Bache Lectures

As a result of the popularity of its first series of free lecture courses for investors and traders, Bache & Co. is offering two additional lecture series at its new midtown offices at 770 Lexington Avenue at 60th Street, New York City.

The first investor course, to be offered on four consecutive Tuesdays starting Sept. 18, will be conducted by Stanley H. Sichel. The second series will start on Thursday, Sept. 20, and run for the next four Thursdays under the direction of Joseph Loeb, Jr. The lectures commence at 7:30 p.m.

The courses will cover the evaluation of individual investments, the selection of investments and the analysis of specific securities. A question and answer period will follow.

Applications may be made by mail or phone at Bache's 770 Lexington Avenue office.



# 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		Latest Month	Previous Month	Year Ago
<b>AMERICAN IRON &amp; STEEL INSTITUTE:</b>						<b>AMERICAN ZINC INSTITUTE, INC.—Month of August:</b>			
Steel ingots and castings (net tons).....	Sep. 8	1,641,000	1,672,000	1,578,000	2,032,000	Slab zinc smelter output all grades (tons of 2,000 pounds).....			
Index of production based on average weekly production for 1957-1959.....	Sep. 8	88.1	89.8	84.7	109.1	Shipments (tons of 2,000 pounds).....			
Unofficial indicated steel operations (per cent capacity). The American Iron & Steel Institute discontinued issuing this data late in 1960.....	Sep. 8	56.0	57.0	54.0	69.5	Stocks at end of period (tons).....			
<b>AMERICAN PETROLEUM INSTITUTE:</b>						<b>BUILDING PERMIT VALUATION — DUN &amp; BRADSTREET, INC.—217 CITIES—Month of July:</b>			
Crude oil and condensate output—daily average (bbls. of 42 gallons each).....	Aug. 31	7,266,010	7,313,010	7,238,610	7,055,960	New England.....			
Crude runs to stills—daily average (bbls.).....	Aug. 31	8,413,000	8,346,000	8,462,000	8,564,000	Middle Atlantic.....			
Gasoline output (bbls.).....	Aug. 31	30,404,000	30,179,000	31,005,000	30,648,000	South Atlantic.....			
Kerosene output (bbls.).....	Aug. 31	2,787,000	2,661,000	2,971,000	2,566,000	East Central.....			
Distillate fuel oil output (bbls.).....	Aug. 31	13,780,000	13,140,000	13,462,000	13,768,000	South Central.....			
Residual fuel oil output (bbls.).....	Aug. 31	5,194,000	5,710,000	5,438,000	5,660,000	West Central.....			
Stocks at refineries, bulk terminals, in transit, in pipe lines						Mountain.....			
Finished gasoline (bbl.) at.....	Aug. 31	175,059,000	178,907,000	160,527,000	155,021,000	Pacific.....			
Kerosene (bbls.) at.....	Aug. 31	35,479,000	34,836,000	31,589,000	32,579,000	Total United States.....			
Distillate fuel oil (bbls.) at.....	Aug. 31	159,266,000	*154,864,000	127,236,000	137,161,000	New York City.....			
Residual fuel oil (bbls.) at.....	Aug. 31	52,738,000	52,814,000	30,941,000	31,589,000	Total outside New York City.....			
<b>ASSOCIATION OF AMERICAN RAILROADS:</b>						<b>COTTON GINNING (DEPT. OF COMMERCE):</b>			
Revenue freight loaded (number of cars).....	Sep. 1	581,420	582,959	568,424	597,730	Aug. 16, spinning bales.....			
Revenue freight received from connections (no. of cars).....	Sep. 1	492,382	491,883	483,728	499,554				
<b>CIVIL ENGINEERING CONSTRUCTION—ENGINEERING NEWS-RECORD:</b>						<b>COTTON SEED AND COTTON SEED PRODUCTS—DEPT. OF COMMERCE—Month of July:</b>			
Total U. S. construction.....	Sep. 6	\$271,200,000	\$350,300,000	\$412,000,000	\$268,900,000	Cotton Seed.....			
Private construction.....	Sep. 6	105,800,000	149,900,000	179,700,000	118,800,000	Received at mills (tons).....			
Public construction.....	Sep. 6	165,400,000	200,400,000	232,300,000	150,100,000	Crushed (tons).....			
State and municipal.....	Sep. 6	134,300,000	169,200,000	210,500,000	124,800,000	Stocks (tons) July 31.....			
Federal.....	Sep. 6	31,100,000	31,200,000	21,800,000	25,300,000	Cake and Meal.....			
<b>COAL OUTPUT (U. S. BUREAU OF MINES):</b>						<b>DEPARTMENT STORE SALES INDEX—FEDERAL RESERVE SYSTEM—1957-59 AVERAGE=100</b>			
Bituminous coal and lignite (tons).....	Sep. 1	8,790,000	*8,590,000	8,275,000	8,336,000	Aug. 1.....			
Pennsylvania anthracite (tons).....	Sep. 1	280,000	267,000	305,000	382,000	Sept. 1.....			
<b>DEPARTMENT STORE SALES INDEX—FEDERAL RESERVE SYSTEM—1957-59 AVERAGE=100</b>						<b>EDISON ELECTRIC INSTITUTE:</b>			
						Electric output (in 000 kwh.).....			
						Sep. 8			
						15,999,000			
						17,088,000			
						17,159,000			
						15,838,000			
<b>FAILURES (COMMERCIAL AND INDUSTRIAL) — DUN &amp; BRADSTREET, INC.</b>						Sep. 6			
						204			
						282			
						306			
						275			
<b>IRON AGE COMPOSITE PRICES:</b>									
Finished steel (per lb.).....	Aug. 31	6.196c	6.196c	6.196c	6.196c				
Pig iron (per gross ton).....	Aug. 31	\$66.44	\$66.44	\$66.44	\$66.44				
Scrap steel (per gross ton).....	Aug. 31	\$26.83	\$27.50	\$27.50	\$39.17				
<b>METAL PRICES (E. &amp; M. J. QUOTATIONS):</b>									
<b>Electrolytic copper—</b>									
Domestic refinery at.....	Sep. 5	30.600c	30.600c	30.600c	30.600c				
Export refinery at.....	Sep. 5	28.675c	28.525c	28.625c	28.625c				
Lead (New York) at.....	Sep. 5	9.500c	9.500c	9.500c	11.000c				
Lead (St. Louis) at.....	Sep. 5	9.300c	9.300c	9.300c	10.800c				
Zinc (delivered) at.....	Sep. 5	12.000c	12.000c	12.000c	12.000c				
Zinc (East St. Louis) at.....	Sep. 5	11.500c	11.500c	11.500c	11.500c				
Aluminum (primary pig, 99.5% at.....	Sep. 5	24.000c	24.000c	24.000c	26.000c				
Straits tin (New York) at.....	Sep. 5	108.500c	108.625c	108.375c	125.000c				
<b>MOODY'S BOND PRICES DAILY AVERAGES:</b>									
U. S. Government Bonds.....	Sep. 11	88.65	88.69	88.19	86.94				
Average corporate.....	Sep. 11	87.18	86.91	86.91	85.46				
Aaa.....	Sep. 11	91.34	91.19	90.77	89.37				
Aa.....	Sep. 11	89.23	89.23	88.95	87.59				
A.....	Sep. 11	87.05	86.91	86.65	84.43				
Baa.....	Sep. 11	81.78	81.66	81.42	80.81				
Railroad Group.....	Sep. 11	83.66	83.53	83.40	82.90				
Public Utilities Group.....	Sep. 11	88.81	88.81	88.87	86.51				
Industrials Group.....	Sep. 11	89.37	89.23	88.40	87.18				
<b>MOODY'S BOND YIELD DAILY AVERAGES:</b>									
U. S. Government Bonds.....	Sep. 11	3.86	3.86	3.92	3.97				
Average corporate.....	Sep. 11	4.62	4.62	4.64	4.75				
Aaa.....	Sep. 11	4.32	4.33	4.36	4.46				
Aa.....	Sep. 11	4.47	4.47	4.49	4.59				
A.....	Sep. 11	4.63	4.64	4.66	4.83				
Baa.....	Sep. 11	5.04	5.05	5.07	5.12				
Railroad Group.....	Sep. 11	4.89	4.90	4.91	4.95				
Public Utilities Group.....	Sep. 11	4.50	4.50	4.51	4.67				
Industrials Group.....	Sep. 11	4.46	4.47	4.53	4.62				
<b>MOODY'S COMMODITY INDEX</b>						368.8			
<b>NATIONAL PAPERBOARD ASSOCIATION:</b>						367.6			
Orders received (tons).....	Sep. 1	358,991	342,959	414,999	342,341				
Production (tons).....	Sep. 1	359,995	363,121	336,338	337,806				
Percentage of activity.....	Sep. 1	97	97	98	96				
Unfilled orders (tons) at end of period.....	Sep. 1	475,662	472,925	542,041	521,301				
<b>OIL, PAINT AND DRUG REPORTER PRICE INDEX—1949 AVERAGE=100</b>						112.98			
<b>ROUND-LOT TRANSACTIONS FOR ACCOUNT OF MEMBERS, EXCEPT ODD-LOT DEALERS AND SPECIALISTS</b>						112.96			
<b>Transactions of specialists in stocks in which registered—</b>						113.26			
Total purchases.....	Aug. 17	2,617,540	1,928,050	2,361,920	2,661,120	114.48			
Short sales.....	Aug. 17	595,610	453,480	625,360	455,000				
Other sales.....	Aug. 17	2,055,610	1,431,250	1,548,950	2,117,030				
Total sales.....	Aug. 17	2,651,220	1,884,730	2,174,310	2,572,030				
<b>Other transactions initiated off the floor—</b>									
Total purchases.....	Aug. 17	586,090	289,510	401,670	454,630				
Short sales.....	Aug. 17	101,000	71,700	86,700	64,230				
Other sales.....	Aug. 17	384,710	253,850	337,620	437,160				
Total sales.....	Aug. 17	485,710	325,550	424,320	501,390				
<b>Other transactions initiated on the floor—</b>									
Total purchases.....	Aug. 17	970,626	661,995	701,708	1,030,296				
Short sales.....	Aug. 17	164,500	127,740	101,850	102,100				
Other sales.....	Aug. 17	835,983	594,645	662,765	868,691				
Total sales.....	Aug. 17	1,000,483	722,385	764,615	970,791				
<b>Total round-lot transactions for account of members—</b>									
Total purchases.....	Aug. 17	4,174,256	2,879,555	3,465,298	4,146,046				
Short sales.....	Aug. 17	861,110	652,920	813,910	621,330				
Other sales.....	Aug. 17	3,276,303	2,279,745	2,549,335	3,422,881				
Total sales.....	Aug. 17	4,137,413	2,932,665	3,363,245	4,044,211				
<b>STOCK TRANSACTIONS FOR ODD-LOT ACCOUNT OF ODD-LOT DEALERS AND SPECIALISTS ON N. Y. STOCK EXCHANGE—SECURITIES EXCHANGE COMMISSION</b>									
<b>Odd-lot sales by dealers (customers' purchases)—†</b>									
Number of shares.....	Aug. 17	1,362,876	1,135,669	1,412,870	1,766,538				
Dollar value.....	Aug. 17	\$64,580,020	\$50,323,120	\$69,608,891	\$92,783,139				
<b>Odd-lot purchases by dealers (customers' sales)—</b>									
Number of orders—customers' total sales.....	Aug. 17	1,452,879	1,146,633	1,251,230	1,871,939				
Customers' short sales.....	Aug. 17	27,722	29,902	65,558	9,690				
Customers' other sales.....	Aug. 17	1,425,157	1,116,731	1,185,672	1,862,249				
Dollar value.....	Aug. 17	\$68,372,694	\$52,781,054	\$63,195,971	\$94,895,650				
<b>Round-lot sales by dealers—</b>									
Number of shares—Total sales.....	Aug. 17	470,340	379,370	339,160	622,970				
Short sales.....	Aug. 17								
Other sales.....	Aug. 17	470,340	379,370	339,160	622,970				
Round-lot purchases by dealers—Number of shares.....	Aug. 17	408,040	328,050	529,670	536,930				
<b>TOTAL ROUND-LOT STOCK SALES ON THE N. Y. STOCK EXCHANGE AND ROUND-LOT STOCK TRANSACTIONS FOR ACCOUNT OF MEMBERS (SHARES):</b>									
Total round-lot sales—									
Short sales.....	Aug. 17	1,247,570	1,054,040	1,361,080	760,700				
Other sales.....	Aug. 17	18,082,630	13,463,390	15,223,580	18,061,440				
Total sales.....	Aug. 17	19,330,200	14,517,430	16,584,660	18,822,140				
<b>WHOLESALE PRICES, NEW SERIES — U. S. DEPT. OF LABOR — (1947-49=100):</b>									
<b>Commodity Group—</b>									
All commodities.....	Sep. 4	100.8	100.6	100.6	a				
Farm products.....	Sep. 4	98.4	97.6	97.6	a				
Processed foods.....	Sep. 4	102.2	101.9	101.5	a				
Meats.....	Sep. 4	101.4	100.0	100.0	a				
All commodities other than farm and foods.....	Sep. 4	100.8	100.7	100.8	a				
<b>REAL ESTATE FINANCING IN NONFARM AREAS OF U. S. — HOME LOAN BANK BOARD—Month of June (000's omitted):</b>									
Savings and loan associations.....		\$1,390,774	\$1,350,350	\$1,291,747					
Insurance companies.....		106,737	99,961	104,290					
Banks and trust companies.....		542,424	534,018	459,539					
Mutual savings banks.....		176,857	154,257	153,392					
Individuals.....		315,740	313,671	313,302					
Miscellaneous lending institutions.....		542,479	531,152	533,815					
Total.....		\$3,075,011	\$2,983,409	\$2,856,085					
*Revised figure. †Domestic five tons or more but less than carload lots boxed. ‡De-									



# 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. (9/24-28)

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 380,000 class A 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 Rafensperger, 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.

## 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.

## 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.

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

## 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**—To be named.

## 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 \$900,000 of 6% convertible subordinated debentures and 90,000 common, to be offered in units consisting of one \$100 debenture and 10 shares. Price—\$100 per unit. **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 Crutenden, 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. (9/26)

March 26, 1962 filed \$1,685,000 of 6½% convertible subordinated debentures due Sept. 1, 1977; also 275,000 common. Price—For debentures, at par; for stock, by amendment. **Business**—Transportation, distribution and sale of natural gas. **Proceeds**—For debt repayment and expansion. **Office**—546 S. 24th Ave., Omaha. **Underwriter**—Crutenden, Podesta & Miller, Chicago.

## ● American Kosher Provisions, Inc. (10/1-5)

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

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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. Slau-son 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 terry cloth 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. (9/24-28)

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. 29, 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 was 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**—318 W. Seventh St., Los Angeles. **Underwriter**—William R. Staats & Co., Los Angeles. **Offering**—Postponed.

Continued on page 26

## NEW ISSUE CALENDAR

### September 17 (Monday)

Arizona Public Service Co. Common  
(First Boston Corp. and Blyth & Co., Inc.) 676,220 shares  
Bruce (Michael) Distributors, Inc. Common  
(Gianis & Co., Inc.) 500,000  
Consolidated Leasing Corp. of America Common  
(Blair & Co.) 99,000 shares  
Consolidated Leasing Corp. of America Debentures  
(Blair & Co.) \$1,000,000  
Duro Pen Co., Inc. Common  
(Frank Karasik & Co., Inc.) 270,000  
Emcee Electronics, Inc. Units  
(Well & Co., Inc.) 400,000  
Gemco-Ware Corp. Units  
(Richard Bruce & Co., Inc.) 1,000,000  
Kornhandler (Lou), Inc. Common  
(Costello, Russotto & Co.) 250,000  
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  
Walston Aviation, Inc. Common  
(White & Co., Inc.) 562,500  
Welsh Panel Co. Common  
(Robert L. Ferman & Co.) 770,000

### September 18 (Tuesday)

Shin Mitsubishi Jukogyo, K. K. Debentures  
(First Boston Corp. and Nomura Securities Co., Ltd.) \$10,000,000

### September 19 (Wednesday)

Miracle Mart, Inc. Common  
(McDonnell & Co.) 295,000 shares  
Nippon Telegraph & Telephone Public Corp. Bonds  
(Dillon, Read & Co., Inc.; First Boston Corp.; and Smith, Barney & Co., Inc.) \$15,000,000

### September 20 (Thursday)

Gulf, Mobile & Ohio RR. Equip. Trust Cfs.  
(Bids 12 noon CDST) \$4,140,000  
Heck's Discount Centers, Inc. Common  
(Willard Securities, Inc.) 125,000 shares  
San Diego Gas & Electric Co. Common  
(Offering to stockholders—underwritten by Blyth & Co., Inc.) 500,000 shares

### September 21 (Friday)

Riker Delaware Corp. Units  
(H. Neuirth & Co., Inc.) 1,500,000

### September 24 (Monday)

ABC Business Forms, Inc. Common  
(Givens & Co., Inc.) 180,250  
Aubrey Manufacturing, Inc. Common  
(Pierce, Carrison, Wulbern, Inc. and A. M. Kidder & Co., Inc.) 140,004 shares  
Cameo Lingerie, Inc. Common  
(Schweickart & Co.) 1,000,000  
College Publishing Corp. Common  
(James Co.) 155,000  
Computer Concepts Inc. Common  
(Doft & Co.) 500,000  
Cosnat Corp. Common  
(Van Alstyne, Noel & Co.) 190,000 shares  
Cousins Properties, Inc. Units  
(McDonnell & Co., Inc. and Wyatt, Neal & Waggoner) 70,000 shares

Electromagnetic Industries, Inc. Common  
(Pierce, Carrison, Wulbern, Inc.) 70,000 shares  
Electromagnetic Industries, Inc. Debentures  
(Pierce, Carrison, Wulbern, Inc.) \$250,000  
Electronic Transmission Corp. Common  
(V. S. Wickett & Co., Inc.; Thomas, Williams & Lee, Inc.; and Crosse & Co., Inc.) \$375,000  
Fairlane Finance Co., Inc. Debentures  
(Alester G. Furman Co., Inc.) \$300,000  
Hallandale Rock & Sand Co. Units  
(Mutch, Khanbegian, Flynn & Green, Inc.) \$450,000  
Lyntex Corp. Units  
(P. W. Brooks & Co., Inc.) 1,200 units  
McGrath (John W.) Corp. Common  
(Bear, Stearns & Co.) 253,875 shares  
Maust Coal & Coke Corp. Common  
(Eastman Dillon, Union Securities & Co.) 250,000 shares  
Maust Coal & Coke Corp. Debentures  
(Eastman Dillon, Union Securities & Co.) \$5,000,000  
Northeastern Plastics, Inc. Units  
(Reuben, Rose & Co., Inc. and M. G. Hill & Co.) \$200,000  
Plantation Chocolate Co. Common  
(S. Schramm & Co., Inc.) \$300,000  
Rimak Electronics, Inc. Notes  
(Thomas Jay, Winston & Co., Inc.) \$300,000  
Suburban Water Service Co. Preferred  
(Putnam & Co.) 30,000 shares  
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 11 a.m. CDST) \$4,900,000

### September 26 (Wednesday)

American Gas Co. Common  
(Crutenden, Podesta & Miller) 275,000 shares  
American Gas Co. Debentures  
(Crutenden, Podesta & Miller) \$1,685,000

### September 27 (Thursday)

American Flag & Banner Co. of New Jersey Common  
(K-Pac Securities Corp.) \$325,000

### October 1 (Monday)

American Kosher Provisions, Inc. Common  
(Willard Securities, Inc.) \$650,000  
Fieldcrest Mills, Inc. Capital  
(Blyth & Co., Inc.) 300,000 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  
Texas Gas Producing Co. Units  
(Equitable Securities Corp.) 1,000,000  
Zero Mountain, Inc. Common  
(Don D. Anderson & Co., Inc.) 300,000

### 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)

Gulf Atlantic Utilities, Inc. Common  
(Pierce, Carrison, Wulbern, Inc.) 90,000 shares  
Laminetics Inc. Common  
(Fabricant Securities Corp.) \$280,000  
Putnam Management Co., Inc. Common  
(Paine, Webber, Jackson & Curtis and Kidder, Peabody & Co., Inc.) 150,000 shares  
Ridgway (L. L.) Enterprises, Inc. Common  
(Underwood, Neuhaus & Co., Inc. and Rotan, Mosle & Co.) 155,000 shares  
Servotronics, Inc. Capital  
(General Securities Co., Inc.) \$375,000

### October 10 (Wednesday)

Southern Pacific Co. Equip. Trust Cfs.  
(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

### 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)

First American Israel Mutual Fund Ben. Int.  
(Paine, Webber, Jackson & Curtis) 2,750,000 shares  
First Connecticut Small Business Investment Co. Common  
(P. W. Brooks & Co.) 200,000 shares  
Interworld Film Distributors, Inc. Common  
(General Securities Co., Inc. and S. Kasdan & Co., Inc.) \$425,000  
Tabach Industries, Inc. Common  
(Costello, Russotto & Co.) 250,000

### 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 19 (Monday)

Optech, Inc. Common  
(Stone, Ackerman & Co., Inc. and Heritage Equity Corp.) \$480,000

### 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 25

**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.

**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 Nathanson & Co., Inc., New York.

**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. (9/17-21)**

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. (9/24-28)**

Feb. 12, 1962 filed 200,000 common, of which 120,000 are to be offered by the company and 80,000 by stockholders. Price—\$5. **Business**—Manufacturer of women's and children's tailored panties. **Proceeds**—For debt repayment, inventory and working capital. **Office**—Fajardo, Puerto Rico. **Underwriter**—Schweickart & Co., N. Y.

**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.

**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**—Penaluna & 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.

**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. **Note**—This issue will be sold on the American Stock Exchange; thus it will not be carried in future issues of the "Chronicle."

**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 frequency 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. (9/24-28)**

March 10, 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.

**Components Specialties, Inc.**

Aug. 31, 1962 ("Reg. A") 12,000 common. Price—At-the-market. **Business**—Importation of components for transistor radios and related devices. **Proceeds**—Debt repayment, advertising, equipment and inventory. **Office**—3 Foxhurst Rd., Baldwin, L. I., N. Y. **Underwriter**—Fund Planning, 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, jewelry, 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 \$1,000,000 of 6½% subord. debentures due 1977 (with warrants), and 99,000 common. 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.

**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 Aistyne, 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. (9/24-28)**

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 capital. Office—77 Searing Ave., Mineola, N. Y. Underwriter—Magnus & Co., N. Y. Offering—Indefinitely postponed.

**Diamond Mills Corp.**

Jan. 23, 1962 filed 200,000 common, of which 120,000 are to be offered by the company and 80,000 by stockholders. Price—By amendment. Business—Manufacture of women's nylon hosiery. Proceeds—For debt repayment and working capital. Office—417 Fifth Ave., N. Y. Underwriter—Drexel & Co., Philadelphia. Offering—Indefinitely postponed.

**Diversified Collateral Corp.**

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

**Diversified Real Estate Trust**

March 8, 1962 filed 1,000,000 shares of beneficial interest. Price—\$10. Business—A real estate investment trust. Proceeds—For investment. Office—500 Fifth Ave., N. Y. Underwriter—Bacon, Johnson Realty Management Co., Inc., (same address). Offering—Expected in Oct.

**Diversified Realty Investors**

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

**Doman Helicopters, Inc.**

April 19, 1962 filed 418,680 common to be offered for subscription by stockholders on the basis of two new shares for each three held. Price—By amendment (max. \$1.25). Business—Research, development and construction of experimental helicopters. Proceeds—To obtain certification of models, train service personnel, repay debt, etc. Address—Municipal Airport, Danbury, Conn. Underwriter—None.

**Donmoor-Isaacson, Inc.**

Feb. 26, 1962 filed 150,000 common, of which 50,000 are to be offered by the company and 100,000 by stockholders. Price—By amendment (max. \$12). Business—Design and manufacture of boys knit shirts, sweaters, and pajamas. Proceeds—For working capital. Office—1115 Broadway, N. Y. Underwriter—Goodbody & Co., N. Y. Note—This offering has been temporarily postponed.

**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. Underwriters—Criele & Co., Inc., and W. R. Reisch & Co., Inc. Offering—Imminent.

**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.**

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—To be named.

**Dyna-Mod Electronics Corp.**

Jan. 22, 1962 ("Reg. A") 143,000 common. Price—\$2. Business—Design, development and production of "packaged" electronic circuits and sub-systems. Proceeds—For new products and working capital. Office—317 Main St., East Rochester, N. Y. Underwriters—Genesee Valley Securities Co., Inc., Rochester, and H. B. Vesey & Co., Inc., Glens Falls, N. Y.

**Dynamic L. P. Industries, Inc.**

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

**Eastern Camera & Photo Corp.**

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

**Eastern Pennsylvania Investment Co.**

March 16, 1962 filed 450,000 common. Price—By amendment (max. \$16). Business—A small business investment company. Proceeds—For general corporate purposes. Office—3 Penn Center Plaza, Philadelphia. Underwriters—Drexel & Co., Philadelphia and Kidder, Peabody & Co., N. Y.

**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. (9/24-28)**

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. (9/24-26)**

March 22, 1962 filed 125,000 common. Price—\$3. Business—Manufacture and distribution of components for background music; design, construction and installation of specialized closed circuit TV system. Proceeds—For debt repayment, expansion, sales promotion and working capital. Office—103 E. Hawthorne Ave., Valley Stream, N. Y. Underwriters—V. S. Wickett & Co., Inc., Thomas Williams & Lee, Inc., and Crosse & Co., Inc., New York.

**Electronic Wholesalers, Inc.**

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. Offering—Imminent.

**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.

**Everbett 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.

**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. (9/24-28)**

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.

**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.

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**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.

**Fieldcrest Mills, Inc. (10/1-5)**

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.

**Firmatron, Inc.**

July 20, 1962 ("Reg. A") 82,500 common. Price—\$3. Business—Development, manufacture and operation of electronic therapy machines for cosmetic purposes. Proceeds—For equipment, advertising, and other corporate purposes. Office—14 E. 69th St., N. Y. Underwriter—To be named.

**First American Israel Mutual Fund (10/29-31)**

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. (10/29-31)**

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

**First Income Realty Trust**

Nov. 9, 1961 filed 500,000 shares of beneficial interest. Price—(For the first 10,000 shares) \$10.80 per share. (For the balance) Net asset value plus 8% commission. Business—A real estate investment trust. Proceeds—For investment. Office—1613 Eye St., N. W., Washington, D. C. Underwriter—Sidney Z. Mersh 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. Note—This registration was withdrawn.

**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.

**Floreal 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 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—S. C. Burns & Co., Inc., New York.

**Gillfillan 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.

**Glasco Pacific, Inc.**

July 12, 1962 filed 250,000 class A and 250,000 common shares to be offered in units of one class 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. Note—This registration was withdrawn.

**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. (10/8-12)**

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 collection systems. Proceeds—For debt repayment, expansion and working capital. Office—2738 Malinda Blvd., Jacksonville, Fla. Underwriter—Pierce, Carson, 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.**

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., Brook-



lyn, N. Y. Underwriters—Packer-Wilbur & Co., Inc., and Alessandrini & Co., Inc., N. Y. Note—This registration was withdrawn.

**Hanna-Barbara Productions, Inc.**  
Dec. 29, 1962 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.

**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. (9/20)**  
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, advertising, 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.

**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 assist 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.

**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.

**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. **Offering**—Expected in October.

**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 electro-mechanical 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, electro-mechanical 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**—To be named.

● **International Vending Corp.**  
June 27, 1962 ("Reg. A") 60,000 class A common. Price—\$5. **Business**—Installation and servicing of coin-operated vending machines. **Proceeds**—For debt repayment, consolidation of offices and working capital. **Office**—1028 Commonwealth Ave., Boston, Mass. **Underwriter**—Gianis & Co., Inc., New York. **Offering**—Temporarily postponed.

**Interstate Equity**  
March 30, 1962 filed 1,605,100 shares of beneficial interest. Price—(max. \$10). **Business**—A real estate investment company. **Proceeds**—For investment. **Office**—450 Seventh Ave., N. Y. **Underwriter**—Van Alstyne, Noel & Co., N. Y.

**Interworld Film Distributors, Inc. (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. **Note**—This registration was withdrawn.

**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 5¼% 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).

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**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. **Offering**—Expected in mid-October.

**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. **Offering**—Indefinitely postponed.

**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. Franklinton 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 337,000 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.

**Kornhandler (Lou), Inc. (9/17)**

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, Rusotto & 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. **Note**—This letter will be withdrawn.

**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. **Proceeds**—For debt repayment, new products and expansion. **Office**—35 Southwest Blvd., Kansas City, Kan. **Underwriter**—Blackford & Co., Inc., Kansas City, Mo.

**Laminetics Inc. (10/8-12)**

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. **Offering**—Temporarily postponed.

**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.

**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.**

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 and 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 Doff & 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. (9/24-28)**

June 29, 1962 filed \$600,000 of 6½% s. f. debentures due 1977 and 120,000 common to be offered in units consisting of \$500 of debentures and 100 common. **Price**—By amendment (max. \$720 per unit). **Business**—Manufacture of light gauge vinyl plastic film and sheeting. **Proceeds**—For acquisition of predecessor's business and working capital. **Office**—40 E. 34th St., N. Y. **Underwriter**—P. W. Brooks & Co., Inc., N. Y.

**Mac-Alan 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.

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

**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. **Note**—This registration will be withdrawn and refilled at a later date.

**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



**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.

**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.

**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).

**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.

**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. **Offering**—Indefinitely postponed.

**Masters, Inc.**

March 22, 1962 filed \$1,500,000 of 6% conv. subord. debentures due 1972; also 150,000 common shares, of which 80,000 will be offered by the company and 70,000 by a stockholder. The securities will be offered in units of one \$100 debenture and 10 common shares, except that up to \$700,000 of debentures and 70,000 shares may be offered separately. **Price**—For debentures, at par; for common, \$10. **Business**—Operation of discount department stores selling a wide variety of merchandise. **Proceeds**—For expansion. **Office**—135-21 38th Ave., Flushing, N. Y. **Underwriters**—Sterling, Grace & Co., and Norton, Fox & Co., Inc., N. Y. **Offering**—Indefinitely postponed.

**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.

**McGrath (John W.) Corp. (9/24-28)**

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.

**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 prod-

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

**Miracle Mart, Inc. (9/19)**

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**—To be named.

**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 Jav. Winston & Co., Inc., Beverly Hills, Calif. **Offering**—Expected in October.

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

**Multronics, Inc.**

Jan. 5, 1962 ("Reg. A") 100,000 capital shares. **Price**—\$3. **Business**—Production of electronic parts and components and the furnishing of consulting services in the radio-engineering field. **Proceeds**—For debt repayment, equipment, and working capital. **Office**—2000 P St., N. W., Washington, D. C. **Underwriter**—Switzer & Co., Inc., Silver Spring, Md. **Offering**—Temporarily postponed.

**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 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**—Droure, 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.

**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.

**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.

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**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.

**• Northeastern Plastics, Inc. (9/24)**

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.**

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. Offering—Imminent.

**• Optec, Inc. (11/19-23)**

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—Norton, Fox & Co., Inc., N. Y. Offering—In late Sept.

**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 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 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 Crutenden, 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 Weiss & 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 was 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. Note—This letter was withdrawn.

**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. (9/24-28)**

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.**

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.

**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.

**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. Note—This stock will not be offered for sale in New York State.

**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.

**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. Note—This registration was withdrawn.

**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—Company 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.

**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 refilled.

**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. (10/8-12)**

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. (9/21)**

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. Neuhrich & 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.**

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. Offering—Temporarily postponed.

**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. Offering—Indefinitely postponed.

**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 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.

**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 Malkin & Co., Inc., N. Y.

**Sawyer's Inc. (9/17)**

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.**

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. Offering—Imminent.

**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.**

Jan. 26, 1962 filed 200,000 common. Price—By amendment. Business—Manufacture of aluminum sliding windows and doors. Proceeds—For equipment, moving expenses and working capital. Office—503 E. Pine Ave., Compton, Calif. Underwriter—Vickers, MacPherson & Warwick, Inc., N. Y. Offering—In late September.

**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.

**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—Man-

ufacture 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.

**Smith-Corona Marchant, Inc. (10/5)**

Aug. 31, 1962 filed 240,219 convertible preferred shares common shares held of record Oct. 5, 1962. Rights will expire Oct. 22. 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., New York. Underwriter—First Boston Corp., New York.

**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.

**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.

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**• Stelber Cycle Corp.**

Jan. 5, 1962 filed 100,000 common. Price—\$3.25. Business—Manufacture of bicycles, tricycles and toy automobiles. Proceeds—Repayment of loans, plant expansion and new product development. Office—744 Berrian St., Brooklyn, N. Y. Underwriter—Lloyd Securities, Inc., New York. 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.

**• Suburban Water Service Co. (9/24-28)**

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.

**• Tabach Industries, Inc. (10/29-31)**

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.

**• Texas Gas Producing Co. (10/1-5)**

Aug. 28, 1962 filed \$1,000,000 of 5½% 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, Brouman & 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. Note—This registration was withdrawn.

**• 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.

**• 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.

**• Trans-Western Service Industries**

April 2, 1962 filed 100,000 common, of which 20,000 are to be offered by company and 80,000 by stockholders. Price—By amendment (max. \$10). Business—Operation of dry cleaning and laundry plants. Proceeds—For debt repayment. Office—1167-65th St., Oakland, Calif. Underwriter—Granbery, Marache & Co., N. Y.

**• Transarizona Resources, Inc.**

May 28, 1962 filed 500,000 capital shares. Price—\$1.50. Business—Exploration, development and production of the Lake Shore copper deposit near Casa Grande, Ariz. Proceeds—For equipment, exploration and working capital. Office—201 E. 4th St., Casa Grande, Ariz. Underwriter—None.

**• Tremco Manufacturing Co.**

Feb. 26, 1962 filed 150,000 class A common. Price—By amendment (max. \$15). Business—Producer of protective coatings, sealants, mastics, paints, etc. Proceeds—For selling stockholders. Office—10701 Shaker Blvd., Cleveland. Underwriter—McDonald & Co., Cleveland. Offering—Temporarily postponed.

**• Tujax Industries, Inc.**

Mar. 23, 1962 filed 150,000 class A shares, of which 100,000 are to be offered by company and 50,000 by stockholders. Price—\$8. Business—Through its subsidiaries the company is engaged in the wholesale distribution of electrical supplies and equipment. Proceeds—For debt repayment and working capital. Office—514 E. 73rd St., N. Y. Underwriters—Richard Bruce & Co., Inc., and Reuben Rose & Co., Inc., N. Y.

**• Tull (J. M.) Metal & Supply Co., Inc.**

May 17, 1962 ("Reg. A") 25,000 common. Price—\$12. Business—Wholesale distribution of ferrous and non-ferrous metals and industrial supplies. Proceeds—For working capital. Office—285 Marietta St., N. W., Atlanta. Underwriters—Wyatt, Neal & Waggoner, and Robinson-Humphrey Co., Inc., Atlanta.

**• Turbodyne Corp.**

March 2, 1962 filed 127,500 common. Price—\$5. Business—Research, development and production and overhauling of gas turbine engines. Proceeds—For debt repayment, research and development, a new plant and working capital. Office—1346 Connecticut Avenue, N. W., Washington, D. C. Underwriter—Sandkuhl & Co., Inc., N. Y.

**• 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 \$400,000 of 8% subordinated debentures due 1972 and 20,000 common to be offered in units of one \$200 debenture and 10 shares. Price—\$250 per unit. Business—Operation of "Foodtown" supermarkets. Proceeds—For general corporate purposes. Office—531 Ferry St., Newark, N. J. Underwriter—Moran & Co., Newark, N. J. Offering—Expected in late October.

**• 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—Expected in late September.

**• 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.

**• 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. (9/17-20)**

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.**

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. Offering—Imminent.

**• 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., Bay-side, N. Y. Underwriter—First Philadelphia Corp., N. Y.

**• Welsh Panel Co. (9/17-18)**

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 registration was withdrawn.

**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—738 Bellefonte Ave., Lock Haven, Pa. Underwriter—Godfrey, Hamilton, Taylor & Co., N. Y.

**Wiegand (Edwin L.) Co.**  
March 30, 1962 filed 606,450 common. Price—By amendment. Business—Manufacture of electrical heating elements for industrial, commercial and household applications. Proceeds—For selling stockholders. Office—7500 Thomas Blvd., Pittsburgh. Underwriters—Eastman Dillon, Union Securities & Co., N. Y.; Moore, Leonard & Lynch, Pittsburgh and Reinholdt & Gardner, St. Louis. Offering—Temporarily postponed.

**Wiener Shoes Inc.**  
April 2, 1962 filed 100,000 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.

**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. Winkler & 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.

**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 Se-

gundo, 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. (10/1-5)**  
March 30, 1962 ("Reg. A") 100,000 common. Price—\$3. Business—Manufacture and sale of jellies and preserves. 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

**★ Anthony Lakes Corp.**  
Aug. 27, 1962 ("Reg. A") 2,000 common. Price—\$50. Business—Operation of a ski and sports area. Proceeds—For construction. Office—c/o Grant, Fuchs, Rose & Daron, 1928 Court St., Baker, Ore. Underwriter—None.

**★ Badger Northland, Inc.**  
Sept. 7, 1962 filed \$800,000 of subord. conv. debentures due Oct. 1, 1982. Price—At par. Business—Manufacture of farm equipment. Proceeds—For new plant, an acquisition, debt repayment and working capital. Address—Kaukauna, Wis. Underwriter—Loewi & Co. Inc., Milwaukee.

**★ Ernst, Inc.**  
Aug. 21, 1962 ("Reg. A") 60,000 common. Price—\$5. Business—Manufacturing of men's ties. Proceeds—For debt repayment, new products, equipment and working capital. Office—712 Sansome St., San Francisco. Underwriter—Wilson, Johnson & Higgins, San Francisco.

**★ Glen Eilen Corp.**  
Sept. 6, 1962 filed \$600,000 of 6% subord. income debentures due Jan. 1, 1983 and 24,000 common shares to be offered in units of one \$1,000 debenture and 40 common shares. Price—\$1,500 per unit. Business—Company plans to develop and operate a ski and recreational resort at Fayston, Vt. Proceeds—For construction. Address—Box 111, Waitsfield, Vt. Underwriter—None.

**★ Inland Empire Playland, Inc.**  
Aug. 28, 1962 ("Reg. A") 30,000 common. Price—\$10. Business—Operation of various sports and recreational facilities. Proceeds—For construction and other corporate purposes. Office—County Rd. & White Ave., Moscow, Idaho. Underwriter—None.

**★ Jetronic Industries, Inc.**  
Sept. 7, 1962 filed \$375,000 of 6½% subord. conv. debentures due 1972. Price—At par. Business—Design, development and manufacture of electronic equipment. Proceeds—For debt repayment and working capital. Office—Main & Cotton Sts., Philadelphia. Underwriter—Weil & Co., Washington, D. C.

**★ Maremont Corp.**  
Sept. 10, 1962 filed 120,000 common. Price—By amendment (Max. \$50). Business—Manufacture of automotive replacement parts. Proceeds—To repay bank loans. Office—168 N. Michigan Ave., Chicago. Underwriters—Kuhn, Loeb & Co., Inc., N. Y.; and Straus, Blosser & McDowell, Chicago.

**★ Mid-America Minerals, Inc.**  
Sept. 5, 1962 filed 15,000 shares of 6% conv. preferred (\$100 par) to be offered initially to common stockholders and then to the public. Price—At par. Business—Production of oil and natural gas. Proceeds—To redeem outstanding 7% preferred, and for working capital. Office—14 North Robinson, Oklahoma City. Underwriter—None.

**★ Natural Gas & Oil Producing Co.**  
Sept. 7, 1962 filed 180,000 class A common. Price—\$5. Business—Production of natural gas and oil. Proceeds—For drilling expenses, working capital and other corporate purposes. Office—Tekoil Bldg., Oklahoma City. Underwriter—Peter Morgan & Co., N. Y.

**★ National Union Life Insurance Co. of Pittsburgh**  
Sept. 10, 1962 filed 100,000 capital shares, to be offered for subscription by stockholders of the company's parent, National Union Fire Insurance Co. of Pittsburgh, on the basis of one share for each 8 held of record Oct. 8, 1962. Price—\$15. Business—Company writes life and allied classes of insurance. Proceeds—For general corporate purposes. Office—139 University Place, Pittsburgh. Underwriter—None.

**★ Sentinel Life Insurance Co.**  
Sept. 10, 1962 filed 250,000 capital shares. Price—\$5. Business—Company plans to sell life and disability insurance. Proceeds—For organizational expenses and other corporate purposes. Office—225 Bush St., San Francisco, Calif. Underwriter—None.

## Effective Registrations

The following registration statements were declared effective this week by the SEC. Offering details, where available, will be carried in the Monday issue of the "Chronicle."

**Central Telephone Co.**  
250,000 shares of 4.96% cumulative preferred offered at \$25 per share by Paine, Webber, Jackson & Curtis, N. Y.

**Computer Applications, Inc.**  
87,000 common shares offered at \$4 per share by L. M. Rosenthal & Co., Inc., N. Y.

**Echlin Manufacturing Co.**  
140,000 common shares offered at \$16 per share by Blair & Co., Inc., N. Y.

**Federal Realty Investment Trust**  
500,000 shares of beneficial interest with attached 3-year stock purchase warrants offered in units of 100 shares and 50 warrants at \$500 per unit by Investor Service Securities Inc., Washington, D. C.

**General Economics Syndicate, Inc.**  
400,000 class A common shares offered at \$10 per share by G. E. C. Securities, Inc., 625 Madison Ave., N. Y.

**Hicks-Ponder Co.**  
185,000 common shares offered at \$9.50 per share by Eppler, Guerin & Turner, Inc., Dallas.

**Leslie Fay, Inc.**  
200,000 class A shares offered at \$9.875 per share by Shearson, Hammill & Co., N. Y.

**Marks Polarized Corp.**  
40,000 common shares offered at \$6 per share by Glass & Ross, Inc., N. Y., and Espy & Wanderer, Inc., West Englewood, N. J.

**Mosler Safe Co.**  
260,000 common shares offered at \$13.50 per share by Blyth & Co., Inc., N. Y.

**Pacific Northwest Bell Telephone Co.**  
\$50,000,000 of 4½% debentures due Sept. 1, 2002 offered at 102½ and accrued interest to yield 4.27% by Morgan Stanley & Co., N. Y.

**Public Service Co. of Colorado**  
1,242,000 common shares offered for subscription by stockholders at \$23.50 per share on the basis of one new share for each 10 common shares held of record Sept. 6, with rights to expire Sept. 24. First Boston Corp., Blyth & Co., Inc., and Smith, Barney & Co., N. Y., are the joint underwriters for the offering.

**Schneider (Walter J.) Corp.**  
\$5,500,000 of 6½% subordinated convertible debentures due 1977 and 110,000 5-year warrants offered in units of \$1,000 of debentures and 20 warrants for subscription by holders of the class A stock and 10% debentures due 1976. No underwriting is involved.

**Tennessee Gas Transmission Co.**  
\$50,000,000 of 5% debentures due Sept. 1, 1982 offered at 101.25% and accrued interest by Stone & Webster Securities Corp., White, Weld & Co., and Halsey, Stuart & Co., N. Y.

**Tennessee Gas Transmission Co.**  
225,000 shares of 4.92% cumulative convertible second preferred stock offered at \$100 per share by Stone & Webster Securities Corp., and White, Weld & Co., N. Y.

## ATTENTION UNDERWRITERS!

Do you have an issue you're planning to register? Our Corporation News Department would like to know about it so that we can prepare an item similar to those you'll find hereunder.

Would you telephone us at REctor 2-9570 or write us at 25 Park Place, New York 7, N. Y.

## 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

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—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 5½% 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 Alleghany Ave., Philadelphia. **Underwriter**—To be named. The last rights offering in December 1957 was underwritten by Eastman Dillon, Union Securities & Co., New York.

#### Franklin National Bank of Long Island

Sept. 11, 1962 it was reported that this bank had applied to the U. S. Comptroller of the Currency for permission to sell publicly \$15,000,000 of preferred stock. Since banks are exempted from registration, the offering will not have to be filed with the SEC. **Office**—199 Second St., Mineola, N. Y. **Underwriter**—Eastman Dillon, Union Securities & Co., N. Y.

#### Georgia Power Co. (11/7)

On Jan. 12, 1962 it was reported that this subsidiary of the Southern Co. plans to offer \$23,000,000 30-year first mortgage bonds in November. **Office**—270 Peachtree Bldg., Atlanta, Ga. **Underwriters**—(Competitive). Probable bidders: Halsey, Stuart & Co. Inc.; Harriman Ripley & Co. Inc.; Blyth & Co. Inc.; Kidder, Peabody & Co.-Shields & Co. (jointly); Equitable Securities Corp.-Eastman Dillon, Union Securities & Co. (jointly); First Boston Corp.; Lehman Brothers; Morgan Stanley & Co. **Bids**—Expected Nov. 7. **Registration**—Scheduled for Oct. 5.

#### Georgia Power Co. (11/7)

On Jan. 12, 1962 it was reported that this subsidiary of the Southern Co. plans to offer \$7,000,000 of preferred stock in November. **Office**—270 Peachtree Bldg., Atlanta, Ga. **Underwriters**—(Competitive). Probable bidders: Blyth & Co. Inc.; First Boston Corp.; Morgan Stanley & Co.; Eastman Dillon, Union Securities & Co.-Equitable Securities Corp. (jointly); Lehman Brothers,

**Bids**—Expected Nov. 7. **Registration**—Scheduled for Oct. 5.

#### ★ Gulf, Mobile & Ohio RR. (9/20)

Sept. 11, 1962 it was reported that this road plans to sell \$4,140,000 of one-half to 15-year equipment trust certificates. **Office**—104 St. Francis St., Mobile, Ala. **Underwriters**—(Competitive). Probable bidders: Halsey, Stuart & Co. Inc.; Salomon Brothers & Hutzler. **Bids**—Expected Sept. 20 (12 noon CDST) at 140 So. Dearborn St., Chicago.

#### ★ Highway Trailer Industries, Inc.

Sept. 10, 1962 it was reported that this company plans to raise some \$2,500,000 by a rights offering to stockholders. Authorized stock now consists of 2,000,000 \$1.25 par common shares of which 714,086 shares are outstanding. **Business**—Manufacture of truck trailers, cargo containers, telephone and power line construction equipment, etc. **Proceeds**—To help form a new finance company subsidiary. **Office**—250 Park Ave., N. Y. **Underwriters**—To be named. The last financing by the company was underwritten by Allen & Co., and Van Alstyne, Noel & Co., New York City.

#### 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 Airways 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 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. **Price**—About \$20 per share. **Proceeds**—To repay a \$4,500,000 demand loan, and other corporate purposes. **Office**—Miami International Airport, Miami 59, Fla. **Underwriter**—Merrill Lynch, Pierce, Fenner & Smith Inc., New York.

#### Natural Gas Pipeline Co. of America

June 12, 1962 it was reported that this subsidiary of Peoples Gas Light & Coke Co., plans to sell \$35,000,000 of senior securities later this year. **Business**—Operation of two natural gas pipeline systems extending from Texas to the Chicago metropolitan area. **Proceeds**—For expansion. **Office**—122 So. Michigan Ave., Chicago. **Underwriter**—Dillon, Read & Co. Inc., New York City.

#### Nevada Northern Gas Co.

Feb. 28, 1962 it was reported that this subsidiary of Southwest Gas Corp., plans to sell \$2,000,000 of common stock. **Office**—2011 Las Vegas Blvd., South, Las Vegas, Nev. **Underwriter**—Eastman Dillon, Union Securities & Co., N. Y.

#### New England Power Co.

May 8, 1962 it was reported that this utility plans to sell \$12,000,000 of 30-year first mortgage bonds in November, 1962. **Proceeds**—For debt repayment and construction. **Office**—441 Stuart St., Boston. **Underwriters**—(Competitive). Probable bidders: Halsey, Stuart & Co. Inc.; Kidder, Peabody & Co.-White, Weld & Co. (jointly); Inc.; Merrill Lynch, Pierce, Fenner & Smith Inc.-Lehman Brothers-Equitable Securities Corp. (jointly); First Boston Corp.; Kuhn, Loeb & Co.

#### Northern Illinois Gas Co.

Feb. 28, 1962 it was reported that the company expects to raise \$125,000,000 to finance its 1962-66 construction program. About \$25,000,000 of this, in the form of a debt issue, will be sold in the second half of 1962. **Office**—615 Eastern Ave., Bellwood, Ill. **Underwriters**—To be named. The last sale of bonds on July 14, 1960, was handled by First Boston Corp. Other bidders were: Halsey, Stuart & Co. Inc.; Blyth & Co., Inc.-Equitable Securities Corp. (jointly); Glore, Forgan & Co.

#### Northern Natural Gas Co.

Feb. 28, 1962 it was reported that the company's 1962 expansion program will require about \$40,000,000 of external financing to be obtained entirely from long or short term borrowing. **Office**—2223 Dodge St., Omaha, Neb. **Underwriter**—To be named. The last sale of debentures on Nov. 16, 1960 was handled on a negotiated basis by Blyth & Co., Inc., N. Y.

#### Oklahoma Gas & Electric Co.

Aug. 1, 1962 it was reported that this company plans to sell \$12,000,000 of 30-year first mortgage bonds, in the second quarter of 1963. **Office**—321 No. Harvey St., Oklahoma City. **Underwriters**—(Competitive). Probable bidders: Merrill Lynch, Pierce, Fenner & Smith Inc.-White, Weld & Co. (jointly); Halsey, Stuart & Co. Inc.; Lehman Brothers-Blyth & Co. Inc. (jointly); First Boston Corp.; Harriman Ripley & Co. Inc.-Eastman Dillon, Union Securities & Co. (jointly); Equitable Securities Corp.

#### ★ Pacific Power & Light Co. (11/26)

Sept. 10, 1962 it was reported that this company plans to sell \$32,000,000 of first and refunding mortgage bonds due 1992. **Proceeds**—To refund \$12,000,000 outstanding 5½% bonds due Jan. 1, 1987 and \$20,000,000 of outstanding 5½% bonds due Sept. 1, 1987. **Office**—920 S. W. Sixth Ave., Portland, Ore. **Underwriters**—(Competitive). Probable bidders: Halsey, Stuart & Co. Inc.; Eastman Dillon, Union Securities & Co.-Kidder, Peabody & Co. (jointly); Lehman Brothers-Bear Stearns & Co.-Salomon Brothers & Hutzler (jointly); Blyth & Co.-White, Weld & Co. (jointly). **Bids**—Expected Nov. 26.

#### 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 Kiddez, 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 EDT) at company's office.

#### 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, Sweeney & Co., Inc., N. Y., and A. C. Allyn & Co., Chicago.

#### ★ Southwest Gas Corp.

Sept. 11, 1962 it was reported that this company plans to offer stockholders the right to subscribe for about 205,000 common shares of Nevada Northern Gas Co., a subsidiary, on the basis of two Nevada shares for each

nine Southwest Gas shares held. Holders of Southwest Gas convertible securities will receive proportionate subscription rights without having to convert their holdings. **Office**—2011 Las Vegas Blvd., South, Las Vegas, Nev. **Underwriter**—Eastman Dillon, Union Securities & Co., New York.

#### Washington Gas Light Co.

Aug. 1, 1962 it was reported that this company plans to sell \$12,000,000 of 25-year bonds, in the second quarter of 1963. **Office**—1100 H. St., N. W., Washington, D. C. **Underwriters**—(Competitive). Probable bidders: Eastman Dillon, Union Securities & Co.; Equitable Securities Corp.; Kidder, Peabody & Co.; First Boston Corp.; Halsey, Stuart & Co. Inc.

#### Western Light & Telephone Co., Inc.

Aug. 1, 1962 it was reported that the company plans to sell approximately \$5,000,000 of common stock through a rights offering to stockholders, in the second quarter of 1963. **Office**—2015 Forest Ave., Great Bend, Kan. **Underwriter**—To be named. The last rights offering in January, 1957, was underwritten by Dean Witter & Co., San Francisco.

#### Windjammer Cruises, Ltd.

April 18, 1962 it was reported that the company plans to register 90,000 ordinary shares. **Price**—\$4. **Business**—Operation of "Windjammer" sailing ship cruises. **Proceeds**—For acquisition of additional vessels. **Office**—P. O. Box 918, Nassau, Bahamas. **Underwriter**—J. I. Magaril Co., Inc., N. Y.

## TAX-EXEMPT BOND MARKET

Continued from page 6

The bonds were reoffered to yield from 1.80% to 3.30%.

Other members of the winning group are Blair & Co., Inc., White, Weld & Co., John Nuveen & Co. and Hornblower & Weeks. Second bidder was a Chase Manhattan Bank group with a net interest cost of 3.12%.

As we go to press, the balance is \$9,545,000.

Also, on Wednesday, \$4,000,000 State of California Harbor general obligation (1967-1986) bonds were awarded to the Security First National Bank of Los Angeles account on its bid of a 2.984% net interest cost. The bonds were reoffered to yield from 2.15% in 1967 to 3.20% in 1986. The Ira Haupt & Co. group was second bidder, with a 2.994% net interest cost bid. We have no report as yet on the results of the reoffering.

#### Split Award

The second largest offering up for bids on Wednesday involved six bond issues of the State of Rhode Island, totaling \$10,150,000. A syndicate headed by the Bankers Trust Co. was the successful bidder for the \$4,000,000 primary and secondary Highway Construction (1963-1992) bonds specifying a dollar price bid of 100.4449 and naming a 3.15% coupon. The Bankers Trust Co. group was also the successful bidder for the \$1,000,000 Nuclear Reactor (1963-1982) bonds showing a dollar price bid of 101.1705 for a 3% coupon. The bonds were reoffered to yield from 1.60% in 1963 to 3.05% in 1982. The longer bonds were priced out to 3.40% in 1992.

The Chase Manhattan Bank and associates submitted the best bid for the \$1,700,000 College Development (1963-1992) bonds at a dollar price bid of 100.089 for a 3½% coupon. The \$1,000,000 Interstate Highway Construction (1963-1992) bonds were also won by the Chase Manhattan Bank group at a dollar price of 100.039 naming a 3½% coupon. The bonds were priced to yield 1.60% in 1963 to 3.40% in 1992.

A First Boston Corp. group bid 100.211 for a 2.90% coupon on the \$1,500,000 Capital Development (1963-1982) bonds. The bonds were reoffered to yield from 1.60% in 1963 to 3.10% in 1982. The First Boston Corp. group was also the successful bidder for the \$950,000 Hurricane Barrier (1963-2002) bonds specifying a 3¼% coupon and a dollar price bid of 100.137. The bonds were reoffered to yield from 1.60% in 1963 to 3.45% in 2002. No sale results are as yet available.

#### Weight Lifted From Toll Bond Market

The toll road, bridge revenue and public utility revenue issues have been a little easier since last reporting and there is some good reason. The announcement of a competitive secondary offering involving \$15,000,000 New York Thruway revenue 3.10% due 7/1/94 was like an albatross hanging about the necks of revenue bond traders for 10 days or more. This kind of volume can be judged only as an extreme hazard by traders operating in a quiet market. Consequently, the markets for all dollar bonds were fractionally lowered during the past week in the absence of sizable investor interest.

The Thruway bonds, as noted earlier, fetched three bids and the winning group closed out the account soon after the reoffering. There is availability through some of the members.

The Commercial & Financial Chronicle's revenue bond yield Index averages out at 3.79% as against a 3.771% yield average a week ago. The increased yield indicates an overall market loss of about one-quarter of a point.

## Bank Supervisors Name Thompson

WASHINGTON, D. C. — Thomas W. Thompson has joined the staff of the National Association of Supervisors of State Banks as Director of Research, announced President Robert L. Myers, Jr.

Mr. Thompson, who is the author of *Checks and Balances*, to be published by NASSB later this month, formerly was with the *American Banker*. He has worked previously for newspapers in Chicago.

## Leslie Fay Inc. Stock Offered

Through an underwriting group headed by Shearson, Hammill & Co., New York City, Leslie Fay Inc., has offered to the public 200,000 shares of its class A stock at a price of \$9.875 per share. Net proceeds will be used principally for additional working capital to finance expansion of the company's business.

The company, with executive offices at 1400 Broadway in New York City and plants in Pennsylvania and New Jersey is engaged

in the design, manufacture and sale of a diversified line of moderate and better priced dresses, suits and coats. Its products, sold under the registered brand names "Leslie Fay," "Leslie Pomer,"

"Joan Leslie" and "Broadbrook," are designed by the company's own staff of designers. They are intended to appeal to women of all ages, sizes and fashion preferences and are advertised nationally in women's magazines and newspaper fashion supplements and sold to approximately 3,500 retailers, including leading department and specialty stores throughout the country.

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# Our International Position— Challenge and Opportunity

Continued from page 15

sumption of the American people these imports really represent. American labor and American manufacturers still supply 97½% of the manufactured products used by Americans.

Let us turn the coin over. Our exports exceeded \$20 billion last year, a level which is approximately one-third higher than our exports in the first half of the '50s. Of this, almost 75% or nearly \$15 billion represented manufactured products—almost double our imports of manufactured goods. About \$4.5 billion was agricultural products of which we are one of the most efficient producers in the world—another reason for our interest in the new integrated European market—for it will be the largest buyer of agricultural commodities in the world.

Examine our export list and you will find industrial items in the production of which we excel. These must give competitors abroad the same sort of reactions as we have toward their products which reach our market successfully.

Just one example—jet aircraft. If you had spent vast sums to develop the Bristol "Britannia" or the De Havilland "Comet," how would you feel about the superiority of the Boeing 707 or the Douglas DC-8—a superiority so great that even Britain's national airline uses our American equipment.

If you were a German or Italian manufacturer of heavy diesel trucks, how would you like to find at large Swiss hydro-electric construction projects that all of the heavy vehicles, the rock-crushing equipment and various other installations are from the United States.

## Price Competition

The threat of price competition is frequently mentioned. There always has been price competition and always will be. We have accepted such competition within the United States, between one American and another, as a healthy stimulus. Now, we need to realize that price competition has become international—and it will stay international.

The real question is, shall we fight price competition with restrictive laws and reactionary practices or shall we face up to it and accept the discipline which it will impose on investors, management and labor alike? The segment of our economy in which price competition seems to have been truly difficult is very small.

Since 1948, only 35 American industries have been able to demonstrate some injury due to tariff reductions. While these combined industries represent only 1/9th of 1% of our Gross National Product, it is never a pleasant experience for the owners, creditors or employees of a business to find themselves past the peak of public acceptance, unable to compete or facing declining sales or profitability. With the impact of today's rapid advances in research and technology, obsolescence or lessened profitability can take place more suddenly than heretofore. This accelerated rate of change is typical of our generation. In the future, such obsolescence will be measured against international as well as domestic progress. We must accept that fact and the challenge which is inherent in it.

## The Common Market

But let us return to Europe. Since Great Britain's decision to seek membership in the European Economic Community, Greece has

been admitted as an associate member. Norway and Denmark have filed applications to join. Spain is interested in becoming an associate member, Turkey is negotiating and Portugal is showing interest. One is forced to the conclusion that it will be difficult for any European nation to remain outside the Community. In individual cases, special circumstances will need to be accommodated. But in due course, probably before the end of the decade, one can visualize an economically united Europe embracing all the Western nations in that continent.

Today, this group of nations has a population approaching 350 million combined annual exports plus imports which approximate \$100 billion and a present Gross National Product of about \$310 billion. These nations may reach a combined Gross National Product of over \$450 billion by the end of this decade—a GNP not far from our own in the late 1950's.

Certainly it is no exaggeration to call this grouping of nations an economic colossus when we compare it with our population of 185 million, our combined exports and imports in 1961 of approximately \$35 billion and our Gross National Product for last year of about \$520 billion. In international trade, it already has nearly three times our volume.

Apart from size, there are other significant characteristics of this prospective European regional grouping. This great market is not as mature—not as fully saturated—in terms of capital or consumer goods as is our own. There is about one automobile for every 15 people in Europe compared with one for approximately every three in the United States. Perhaps 35% of the homes with electricity have refrigerators in Europe as compared with more than 95% in the United States. Americans have an average per capita income of approximately \$2,500 whereas Europeans, taken as a whole, have only \$800—this is not only a new market but a relatively underdeveloped one.

In important industrial areas of Europe, already there is substantially full employment. This creates a demand for greater mechanization—for machines which increase the productivity of the individual, the kind of machines which Americans know how to design, build and sell.

With full employment and a heavy local demand, the increase in exports which Europe might ship to the United States, following a round of tariff reductions, is not likely to be overwhelming. On the other hand, an expanding, large, dynamic market in need of a wide variety of sophisticated capital and consumer goods could offer our industries attractive opportunities.

If, by a reduction in trade barriers and tariffs, between the United States and the European Economic Community, the exchange of goods and services between these two great markets can be substantially enlarged, with a beneficial effect on the economic growth rate of the United States, may we not expect that there may be relatively little economic distress to be dealt with under the Trade Adjustment Provisions of the "Trade Expansion Act of 1962?" Profit is the greatest incentive or stimulus to enthusiasm, employment and investment in business. With a high level of business activity, with a strong economic growth rate, the normal shifts and changes which become necessary due to change and obsolescence tend to care for themselves.

## U. S. Should Take the Initiative

In consequence, let us take the initiative in striving for three major international economic objectives. First, let us seek the largest possible opportunity for the products of American industry and agriculture in this great European market by enabling the President to bargain down the outer tariff and other barriers to trade which would restrict the entry of our goods.

Second, whatever concessions we obtain with respect to the common outer tariff or whatever concessions we make to Europe necessarily will involve the other friendly nations of the world, on a most favored nation basis. In consequence, we assist our neighbors in Latin America, for example, to sell more easily their commodities and raw materials in the European market in competition with African areas which, by virtue of their association with a Common Market mother country, may be within the outer tariff of the European Economic Community.

Thirdly, by a liberal trading attitude toward Europe, let us assure ourselves that our European neighbors adapt an outward-looking viewpoint toward world trade and economic development which can evolve into an Atlantic economic community. The alternative, namely European isolationism, would be a catastrophe—for the Europeans, for the United States and for the rest of the Free World. This would be the division of the advanced free nations which the Soviet leaders so dearly seek.

We have been concentrating our consideration on the European Economic Community because the size and growth rate of this new market make it our largest and most attractive opportunity for increased international trade. It offers us the best opportunity to increase our exports and thereby to improve our balance of international payments. It offers us the chance to encourage the evolution of an Atlantic economic community as a group of advanced nations which can maintain high standards at home and can adequately assist the less developed areas abroad. Because of these circumstances, greater trade and closer economic collaboration with Europe offer us one of our best opportunities to accelerate re-employment. However, we must not overlook other areas of the world which are important to our security and economic welfare.

## Underdeveloped Areas

There is another facet of the geo-political situation and the world-wide economic circumstances of our generation, which is intimately related to the size and scale of international trade. I refer to the continued accelerated economic progress of the less developed areas. These areas embrace approximately one-half of the world's population. Much of this vast segment of humanity exists on annual per capita incomes of \$100 or less. These areas are the terrain upon which the conflict between the Sino-Soviet bloc and the Free World will be waged—in fact, is joined already.

The rising tide of expectations in these less developed lands leads their populations to expect accelerated economic progress and improvement in their standards of living. This can be accomplished only by increased imports. If these areas are to earn the foreign exchange with which to purchase such imports, they must increase their exports. The alternative is grants, soft loans or investments which do not establish well balanced, self-sustaining, two-way trade.

With increasing production and consumption in the advanced nations, the less developed areas may gain some benefit by increasing their exports of commodities

and raw materials. However, technological developments dampen too optimistic a view of these possibilities for additional foreign exchange earnings.

Consequently, the less developed areas may be expected to become more and more dependent upon the export of manufactured products to earn their foreign exchange requirements to pay for an increasing flow of imports. Such locally made goods can be divided into handicraft and factory products. While there is a limited market for handicraft products, the real reliance of the less developed areas will need to be relatively simple but uniform factory products.

The Gross National Product of the United States has already passed \$500 billion. The combined Gross National Product of the Western European nations has already passed the \$300 billion mark and is headed higher more rapidly than is our own. If Canada is included, the combined Gross National Product of the Atlantic economic community can reach \$1,000 billion in a very few years. Here again, scale gives us some amazing opportunities.

If factory imports from the less developed areas to the Atlantic community were to equal only 1% of such a Gross National Product, the total would approximate \$10 billion annually—substantially more than any annual economic aid appropriation which has been proposed to the United States Congress.

Furthermore, such expenditures for locally manufactured goods of the less developed areas may be counted upon to return promptly because of the recipients' needs for more consumer products than their economies can provide as well as for capital goods to enable them further to develop their local industrial activities.

How much sounder, and how much more secure, would be the position of the Free World and of the United States if the equivalent of several billion dollars a year was flowing to the less developed areas for new products of their own production rather than being provided through grants and loans as an economic aid program. The alternative suggested would be bona fide two-way trade. It would tend to orient the less developed areas toward the Free World. It would benefit both sides with a new source of expanding trade.

Certainly, provision through trade of the consumer goods, capital goods and services needed to bring half the population of the world from a bare subsistence level to even modestly higher standards of living represents one of the greatest challenges and opportunities of our time. Once again, the need is for courage, imagination, collaboration amongst the advanced nations and an imaginative, outward-looking trading program.

## Foreign Tax Proposal Contradictory

There are two factors which are urgently needed to enable us to attain the objectives we have been discussing. One is consistency in the Administration's policies and programs. The other is an effective non-political, civilian leadership in our international economic planning and programs.

The proposals of the Treasury Department in the Bill which has already passed the House of Representatives concerning the taxing of the overseas subsidiaries of American parent companies seems in contradiction and opposition to the other economic objectives of the Administration. Taxes are a cost of doing business. If the local government of a foreign country should tax subsidiaries of American parent companies 52% of net profits while taxing subsidiaries of British, German, French, Italian or Japa-

nese parent companies only 30%, we should protest against this as rank discrimination against Americans. Nevertheless, this is exactly what the Administration is now proposing to do itself.

There are overseas subsidiaries of American parent companies operating in countries which collect as little as 8 to 10% of net profits as income tax. This applies equally to subsidiaries of parent companies of all other nationalities operating in the same country. How long can an American company compete if, under the new Treasury policies, it is allowed to keep only 48 cents out of each profit dollar while the subsidiaries of British, German, Italian, French, Belgian, Dutch and Japanese parent companies can keep 90 cents out of each profit dollar?

Now is the time when the United States should be establishing earning assets abroad. As the profits from such activities are returned to the United States, they will help to balance our unfavorable balance of international payments. Because of the relatively undeveloped condition of markets abroad, even in the more advanced countries, this is an opportune time to establish businesses there. Is it the intent of the Administration and the Treasury to place hurdles in the path of Americans who wish to create earning assets in other countries? Does the Administration prefer to have such local operations established by British, German, Japanese, French, Italian, Belgian, or Dutch capital rather than by American capital? Any such concept is in direct opposition to the concepts on which the "Trade Expansion Act of 1962" is based.

## Confusion Abroad

This attempt of the Administration to inhibit American investment abroad by new Treasury legislation while attempting to encourage and expand exports by new trade legislation, is causing confusion amongst thoughtful businessmen in Europe about the real objectives of the Administration as well as placing American managements in a quandary. If we are to attain the goals and the opportunities which we have previously discussed, one of the requirements is constructive and consistent policies within the Administration.

In an international program of such dimensions there must be leadership which provides close and effective coordination amongst all the economic elements of our national life. There are objectives to be achieved with effort and understanding on the part of labor. The principal one is to maintain competitive costs in the face of world markets. There are objectives which will require the cooperation of agriculture such as control over crop surpluses and their disposition. For management there are challenging, exciting objectives in the better use of research and development, the perfection of more efficient production and marketing techniques or the closer integration of domestic and international programs.

There are also major objectives for government—the most important being to take responsibility for consistency and coordination across the whole front of domestic and international economic policy. Inflation at home, for example, is completely inconsistent with an all-out effort to increase exports. Much closer collaboration and cooperation between government and private enterprise, international policy making and programming, is a necessity to real success.

When we accept such a program as our objective, we need to consider the best means of organizing our efforts and resources to achieve success. An essential is the kind of non-partisan, civilian leadership and coordination which was provided, under more dra-



matic but no less urgent circumstances, by the War Production Board between 1941 and 1946. We need a leadership which can arouse, throughout the country, the same understanding, keen interest and hearty support which was typical of the nation's participation in our war production efforts of 20 years ago.

An International Trade and Investment Board, established in Washington without delay, could provide such centralized leadership and coordination. It should consist of individuals from outside the government, having broad international experience, sophistication and imagination. Just as the War Production Board led and coordinated the successful provision of our war-time requirements, so can such an International Board create coordination between our domestic and international objectives, give leadership to our efforts and seek the participation of the financial, industrial and commercial organizations of other advanced countries in international trade, investment and development programs.

Such a Board should be enabled to bring together representatives of American industry to plan the financing, staffing, construction or management of international projects without the participating companies fearing the impact of our anti-trust regulations.

Such a Board should improve the "image" of the United States abroad by providing consistency to our international policies and effectiveness to the handling of our international programs and activities.

With the stakes so high, with the economic and political problems confronting us so complex, why do we not return to the formula which was so effective during World War II. Let us use this well-tested mechanism again — this time to supply the leadership and coordination required domestically and internationally to wage successfully this new kind of economic warfare.

#### Conclusion

In conclusion, may I recommend that we recognize the strength of the United States in international trade; the smallness of the areas in American industry which really have been adversely affected by tariff reduction; the smallness of manufactured imports in our domestic market for manufactured goods; the importance of the "Cold War" victory which has been won in Europe; the huge size of the new, integrated market which is being formed across the Atlantic; the extent of the opportunity in that new market for American industry and agriculture if the common outer tariff and other trade barriers can be lessened quickly; the security which can be established for the Free World by an economic association of the Atlantic nations; the ability which such an Atlantic grouping would have to establish two-way trade with the less-developed areas in amounts exceeding any conceivable economic aid through loans and grants; and the eventual thwarting of the Communist objectives which could flow from the choice of association with the Free World by the newer and less developed nations.

Such a program can provide the stimulus of international competition along with the incentives of very large new markets to accelerate our own economic growth and re-employment at home. With courageous, imaginative leadership in both private enterprise and government, with stronger collaboration between the two and with consistent, stimulating policies, one can foresee a new era of economic opportunity and of improving international conditions.

\*From an address by Mr. Williams before the 14th Annual New Jersey Business Conference, New Brunswick, N. J.

## The State of TRADE and INDUSTRY

Continued from page 13

first quarter appropriations in that industry, notes *The Iron Age*.

Here's how major industry groups fared in capital spending plans in the second quarter compared with the first:

Primary metals, \$276 million, down 46%. Transportation equipment, \$221 million, down 3%. Non-electrical machinery, \$148 million, level with first quarter. Electrical machinery and equipment, \$97 million, down 32%. Fabricated metal products, \$53 million, down 43%. Instruments, \$26 million, down 38%. Metal furniture, \$4.3 million up 22%.

[ED. NOTE: *Steel Magazine's* comments on the steel outlook were unavailable this week.]

#### Week-To-Week Auto Output Jumps 88.2%

Despite the Labor Day holiday, auto production in the U. S. last week headed for an 88.2% rise over the previous week, Ward's Automotive Reports said.

The statistical agency estimated that 66,072 cars would be assembled in the nation's auto plants by the end of overtime shifts Sept. 8, compared with only 35,115 assemblies last week.

Ward's said last week's rise will reflect first output of '63 model cars by General Motors Corp.; addition of Lark and Hawk models to Studebaker assembly operations at South Bend (Ind.) and a general volume increase by other auto makers.

#### Rail Freight Carloads Down 2.7% Below Last Year

Loading of revenue freight in the week ended Sept. 1 totaled 581,420 cars, the Association of American Railroads announced. This was a decrease of 1,539 cars or three-tenths of one per cent below the preceding week, due to a work stoppage on the Chicago and North Western system.

The loadings represented a decrease of 16,310 cars or 2.7% below the corresponding week in 1961, but an increase of 4,214 cars or seven-tenths of one per cent above the corresponding week in 1960, when loadings were affected by a strike on the Pennsylvania Railroad.

There were 14,048 cars reported loaded with one or more revenue highway trailers or highway containers (piggyback) in the week ended Aug. 25, 1962 (which were included in that week's over-all total). This was an increase of 2,236 cars or 18.9% above the corresponding week of 1961 and 3,274 cars or 30.4% above the 1960 week.

Cumulative piggyback loadings for the first 34 weeks of 1962 totaled 450,689 cars for an increase of 77,910 cars or 20.9% above the corresponding period of 1961, and 91,498 cars or 25.5% above the corresponding period in 1960. There were 61 Class I U. S. railroad systems originating this type traffic in this year's week compared with 58 one year ago and 55 in the corresponding week in 1960.

#### Truck Tonnage Fell Fractionally From Year Ago

Intercity truck tonnage in the week ended Sept. 1 was 0.6% behind the volume in the corresponding week of 1961, the American Trucking Association announced. Truck tonnage was 3.9% ahead of the volume for the previous week of this year. The ATA pointed out that the year-to-year decrease is colored by the unusually strong upturn in traffic during the pre-Labor Day period in 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 com-

mon carriers of general freight throughout the country.

The terminal survey for last week showed increased tonnage from a year ago at 17 localities, with the remaining 17 points reflecting decreases from the 1961 level. Two trucking centers registered gains from the corresponding week of 1961 of 10% or more — Houston, up 13.6%, and Pittsburgh, up 12.9%. Cincinnati and Indianapolis terminals were down by 10%. Most terminal cities showed relatively small year-to-year changes in over-all volume.

Compared with the immediately preceding week, 26 metropolitan areas registered increased tonnage and 7 areas reported decreases. One point, Baltimore, reported no over-all change from last week's traffic for the reporting terminals.

#### Lumber Output Declines 3.1% Below 1961 Level

Lumber production in the United States in the week ended Sept. 1, totaled 217,913,000 board feet compared with 229,409,000 in the prior week according to reports from regional associations. A year ago the figure was 224,761,000 board feet.

Compared with 1961 levels, output declined 3.1%, shipments rose 7.9% and new orders advanced 5.6%.

Following are the figures in thousands of board feet for the weeks indicated:

	Sept. 1, 1962	Aug. 25, 1962	Sept. 2, 1961
Production	217,913	229,409	224,761
Shipments	232,550	231,786	215,340
New Orders	229,690	235,016	217,571

#### Electric Output Up 1.0% Over Last Year

The amount of electric energy distributed by the electric light and power industry for the week ended Saturday, Sept. 8, was estimated at 15,999,000,000 kwh., according to the Edison Electric Institute. Output was 1,089,000,000 kwh. below that of the previous week's total of 17,088,000,000 kwh. and 161,000,000 kwh. or 1.0% above the total output of the comparable 1961 week.

#### Holiday Drop in Business Failures

Commercial and industrial failures fell sharply to 204 in the holiday week ended Sept. 6 from 282 in the preceding week, reported Dun & Bradstreet, Inc. This downturn dropped casualties to the lowest level since 1959. They were down appreciably from the 275 and 276 occurring in the comparable weeks of 1961 and 1960, but were about even with the pre-war toll of 209 in 1939.

Liabilities topping \$100,000 were involved in 34 of the week's failures, off from 41 a week earlier but still above the 30 of this size a year ago. On the other hand, casualties with losses under \$100,000 dropped to 170 from 241 in the prior week and 245 in the similar week last year.

Little change occurred in manufacturing mortality which stood at 38 as against 41. But, tolls took a steep holiday downturn in retailing to 98 from 124, in wholesaling to 20 from 36, in construction to 37 from 55, and in commercial service to 11 from 26. Fewer retailers, wholesalers, and service concerns succumbed than last year, whereas both manufacturing and construction casualties remained slightly above 1961 levels.

Tolls declined sharply in seven of the nine major geographic regions. The Pacific States reported a plunge to 38 from 62 in the preceding week. In contrast to the over-all downturn, Middle Atlantic failures edged up to 64 from 59 and East North Central failures held steady at 45. In most regions, fewer businesses failed than in the corresponding week of last year. The East North Central States, however, suffered as many casualties as in 1961.

Canadian failures dropped to 21 from 52 a week ago and 28 last year.

#### Retail Purchases Regain Strength

After a listless performance in the previous week, consumer buying turned to a lively pace again in the week ended September 5. Cooler temperatures helped to push volume appreciably ahead of activity in the similar period last year. Purchases of school and college clothing dominating the retail apparel picture, ended on a strong note. Substantial gains were racked up in the final days of August home furnishings sales. Appliances continued to be a lagging item, however. Buying of home improvement materials and hardware made moderate headway, while auto sales maintained their impressive margin over a year-ago.

The total dollar volume of retail trade in the week ended September 5 ranged from 2 to 6% higher than last year. Regional estimates varied from comparable 1961 levels by the following percentages: Mountain and Pacific —1 to +3; South Atlantic and East South Central 0 to +4; New England and West North Central +1 to +5; East North Central +2 to +6; West South Central +3 to +7; Middle Atlantic +4 to +8.

#### Nationwide Department Store Sales Rose 5% Above 1961 Week

Department store sales on a country-wide basis as taken from the Federal Reserve Board's index reported a 5% advance for the week ended Sept. 1, 1962, compared with the like period in 1961. For the week ended Aug. 25, sales declined 3% from the corresponding 1961 week. In the four-week period ended Sept. 1, 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 Sept. 1, were 9% less when compared with the same period in 1961.

#### Wholesale Commodity Price Index Moves Highest Since February But Below Last Year

Although the general wholesale commodity price level rose last Friday to reach the highest point since mid-February, it eased slightly this Monday and remained below the comparable year-ago level, reported Dun & Bradstreet, Inc. Mild advances from the prior week were chalked up in prices quoted for hogs, steers, lambs, wheat, corn and oats.

The Daily Wholesale Commodity Price Index climbed to 273.58 (1930-32=100) on Monday, September 10 from 272.26 last week and was also up appreciably from 271.87 last month. However, it continued lower than on the corresponding day a year ago when it stood at 274.36.

#### Wholesale Food Price Index Off From Previous Week's High

After climbing to a 1962 peak last week, the Wholesale Food Price Index, compiled by Dun & Bradstreet, Inc., slipped 1.8% to \$6.00 on September 11. However, it remained above any other week so far this year and exceeded slightly, by 0.5%, the \$5.97 on the similar day a year ago and the \$5.96 in 1960.

Substantial declines in the wholesale quotations for sugar and cocoa along with mild dips in rye and beans pushed the index lower despite numerous small increases. Nine meat and foodstuffs were priced a little higher: wheat, beef, hams, bellies, lard, butter, cottonseed oil, eggs and hogs.

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.

## Dealer-Broker Literature

Continued from page 8

37th Ave., Jackson Heights 72, N. Y.

National Can — Data-Filter, Bulard & Smyth, 26 Broadway, New York 4, N. Y.

National Connector Corp. — Analysis — Craig-Hallum, Kinnard, Inc., 133 So. Seventh Street, Minneapolis 2, Minn.

Nytronics Inc. — Bulletin — De Witt Conklin Organization, Inc., 120 Broadway, New York 5, N. Y. Also available is a bulletin on U. S. Vitamin & Pharmaceutical Corp.

Occidental Petroleum — Memorandum — Theodore Tsolainos & Co., 44 Wall St., New York 5, N. Y.

Olin Mathieson — Review — Colby & Co., Inc., 85 State St., Boston 9, Mass. Also available are reviews of Cleveite, Bayuk Cigars, Creole Petroleum, Ling Temco Vought and Marlin Rockwell.

Pearl Brewing Co. — Analysis — Piper, Jaffray & Hopwood, 115 So. Seventh St., Minneapolis 2, Minn. Also available is a memorandum on Scientific Computers Inc.

Permian Corp. — Memorandum — Lehman Brothers, 1 William St., New York 4, N. Y.

Rayonier Inc. — Bulletin — Purcell & Co., 50 Broadway, New York 4, N. Y.

Rochester Telephone — Memorandum — Blair & Co., Inc., 20 Broad St., New York 5, N. Y.

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

Rudd-Melikian — Analysis — Higas Co., The Wellington, Rittenhouse Square, Philadelphia 3, Pa.

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

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Tastee Freez Industries — Memorandum — Sincere & Co., 208 So. La Salle St., Chicago 4, Ill. Also available is a memorandum on Brunswick.

Textron — Memorandum — Coburn & Middlebrook Inc., 49 Pearl St., Hartford 3, Conn.

Transamerica Corp. — Review — Fahnstock & Co., 65 Broadway, New York 6, N. Y. Also available is a review of Helene Curtis Industries.

Union Bag Camp Paper — Comment — Harris, Upham & Co., 120 Broadway, New York 5, N. Y. Also available are bulletins on General Steel Industries, Superior Oil Co. and Transcontinental Gas Pipe Line.

Union Carbide — Discussion — Evans & Co., Inc., 300 Park Ave., New York 22, N. Y. Also available is a discussion of American Cyanamid.

United Air Lines — Survey — Shields & Co., 44 Wall St., New York 5, N. Y.

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

Zion Foods — Memorandum — Dishy, Easton & Co., 40 Exchange Place, New York 5, N. Y.

## Officer of N. C. Roberts

SAN DIEGO, Calif. — E. Keene Wolcott on Sept. 19 will become Executive Vice-President and Director of N. C. Roberts & Co., Inc., 625 Broadway, members of the New York Stock Exchange.



# WASHINGTON AND YOU



BEHIND-THE-SCENES INTERPRETATIONS  
FROM THE NATION'S CAPITAL

WASHINGTON, D. C.—There appears to be a great deal going on behind the scenes in the Capital of our Nation.

It could be merely imagination, but it seems that more automobiles were parked at week's end in the series of large parking lots at the Pentagon, than are usually parked there at the end of a normal week.

The growing menace in Cuba, because of the Communist build-up, has seemingly quickened the pace at the Pentagon. It seems likely that the United States might very well take drastic action in Cuba, and do it alone, if necessary.

Because of the constant build-up at our back door, the feeling is there is no time to waste. There is no need to call up reserves to handle the Cuban situation. There is sufficient power already to handle the Cuban situation, but the Red build-up calls for prompt action before the danger spreads to other nearby Central and South American countries.

More and more the feeling in Washington is that we should take positive action. As a result, there is speculation that President Kennedy may demand that Dictator Fidel Castro send the several thousand "Russian" technicians home. Then, if Premier Castro doesn't do it, the feeling is growing that we should send the proper military forces to Cuba to see that it is done in the name of the Monroe Doctrine.

The Cuban crisis and the President's request to Congress to call up 150,000 reservists to active duty is in the forefront of the news.

## Individual Tax Cuts Unlikely

The big tax news is taking place among the Senate and House conferees after Senate passage of the so-called tax revision bill. Missing from the bill was the proposal to withhold dividend and interest payments. However, there is a provision that all interest and dividend payments must be reported to the U. S. Treasury by the companies, etc., paying out interest and dividends.

Meantime, there is no likelihood of a sweeping tax cut for individuals for months and months, if then. A new international crisis could very well eliminate a reduction for some time.

On the other hand, there is hope for a little relief to industry, in addition to the accelerated depreciation schedules. There is going to be a small tax credit for new investments.

## New Labor Secretary Opposes 35-Hour Week

While not surprising, it is known the new Secretary of Labor, W. Willard Wirtz is prepared to oppose the AFL-CIO in their efforts for a 35-hour work week.

Mr. Wirtz, who must be confirmed by the Senate, before he is officially the Secretary, believes it would be a great waste of manpower to have the millions of working people in this country reduce the work week by an hour a day.

The working man and woman are not overworked by the present work-week of 40 hours. They themselves realize that nor-

mally such a schedule is not too heavy. However, the top brass of the labor organizations believe that a 35-hour week schedule would result in increased pay because of overtime, and it would require more pepole.

The Department of Labor is the smallest of the departments of our government headed by a cabinet officer. There are about 7,500 employees, and about half of them work in Washington.

The 35-hour work week proposal will be in the news many times in the years ahead. Congress would have to pass such a law, and Congress is not about to pass such a schedule this year or next year. What the future years hold, of course, is something else.

## Changes in Packaging Regulations Likely

The packaging industry in this country has had a rapid growth. Packaging has brightened food and other commodities and made them more saleable. Most packaging and labeling practices are strictly on the level. But there are some misleading practices.

Senator Phillip A. Hart, Democrat of Michigan, after months of testimony from industry and government witnesses, is ready to introduce a bill designed to change some practices. He particularly does not like the packaging and labeling practices such as "Cents-Off" and "Economy Size." He wants weight and content clearly spelled out with no double talk.

There will be no action on the proposal this session, but unquestionably it will get some attention next year.

## Depletion Allowances Being Scrutinized

The petroleum industry, to the liking of the industry, has not attracted any special attention on Capitol Hill this year. The lull may not last too long.

Judging by some informal discussions, one hears there will be a solid attack made next year on the depletion allowances granted to the oil and natural gas industry, as well as allowances for certain other industries that are smaller.

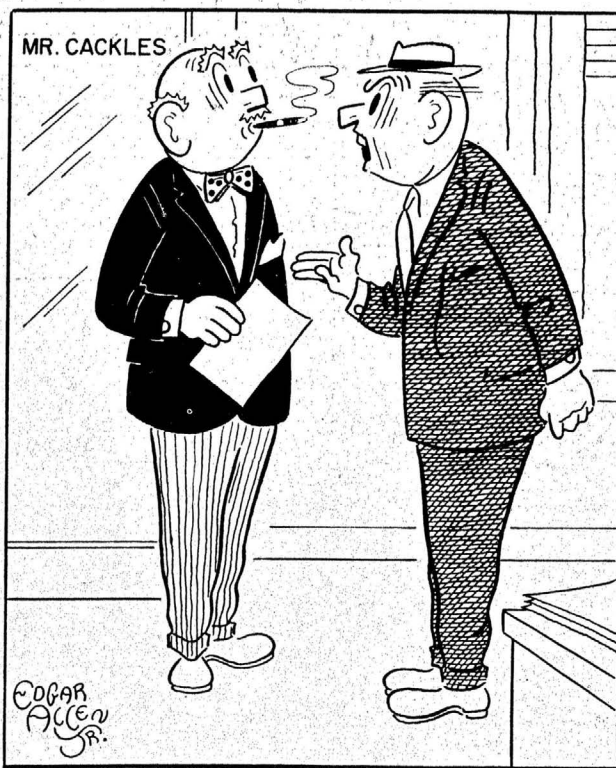
There will be no depletion allowance enacted by Congress in 1963, it appears reasonably certain. A cut in 1964 is no certainty either.

Yet there seems to be no question that the oil and gas industry is going to be subjected to a lot of discussion and a lot of wrangling during the next two years or more. In the end the 27½% allowance probably will be cut substantially, but it will not be eliminated as some liberals would like.

Because the oil and gas industry is highly speculative, it is given the highest depreciation. Once the petroleum is taken from the earth, it cannot be replenished like a forest. Hence the term "wasting assets."

The facts are the oil and gas industry have nothing to look forward to from Congress during the next couple of years.

[This column is intended to reflect the "behind the scene" interpretation from the nation's Capital and may not coincide with the "Chronicle's" own views.]



"I spent so much money on books telling me how to make money in stocks that now I don't have any money left to buy stocks!"

## COMING EVENTS IN INVESTMENT FIELD

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)

The CHRONICLE will publish on Dec. 20 a special pictorial Supplement giving complete coverage to the proceedings at the Convention.

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.

The CHRONICLE will publish on Nov. 22 a special pictorial Supplement giving complete coverage to the proceedings at the Convention.

Oct. 11-12, 1962 (Los Angeles) Association of Stock Exchange Firms Board of Governors meeting at the Ambassador Hotel.

Oct. 13, 1962 (New York City) Security Traders Association of New York 8th Annual Dinner Dance at the Americana Hotel.

Oct. 19-20, 1962 (Philadelphia, Pa.) National Association of Investment Clubs Twelfth Annual Convention at the Sheraton Hotel.

Oct. 24, 1962 (Cincinnati, Ohio) Ohio Valley Group Investment Bankers Association Meeting.

Oct. 26-28, 1962 (Hot Springs, Va.) Southeastern Group Investment Bankers Association Meeting.

Nov. 4-9, 1962 (Boca Raton, Fla.) National Security Traders Association Convention at the Boca Raton Hotel & Club.

Nov. 25-30, 1962 (Hollywood, Fla.) Investment Bankers Association Annual Convention at Hollywood Beach Hotel.

Nov. 29, 1962 (Chicago, Ill.) Investment Analysts Society of Chicago luncheon meeting. Speaker: Herbert R. Silverman, President, James Talcott & Co.

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.

## Equity Research's New Service for Banks and Dealers

Equity Research Associates, 37 Wall St., New York City, have announced the introduction of a new financial appraisal and research service available to banks, brokerage firms and other financial institutions. In addition to personal consultation, the service includes staff reports, special analytical reports, and studies in depth on companies and industries of particular investment interest.

## W. C. Pitfield 25 Years in N.Y.C.

W. C. Pitfield & Co., Inc., 30 Broad St., New York City, is celebrating the 25th anniversary of the firm's establishment in New York City in 1937. The firm is an affiliate of W. C. Pitfield & Company Limited of Canada.

## Seiden & de Cuevas To Be NYSE Firm

John de Cuevas on Sept. 19 will acquire a membership in the New York Stock Exchange, and as of the same date Seiden & de Cuevas, 63 Wall Street, New York City, will become an exchange member firm. Mr. de Cuevas and Melvin R. Seiden are partners in the firm.

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