

# The COMMERCIAL and FINANCIAL CHRONICLE

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## EDITORIAL

### As We See It

President Kennedy in the current campaign is said in some quarters to have adopted the "blunder" which Woodrow Wilson once made in appealing to the voting public not merely to send men to Congress who would support his programs, but to elect members of his own party. General Eisenhower has retorted by asking if the President is trying to destroy our two party system, replacing it with a one party system in national politics. This and all that has gone with it are familiar political tactics and, we presume, need not be taken too seriously. It is, of course, true that already we seem to have something very near a one party system nationally speaking since for a long while past Congress has, with a single exception, always been strongly Democratic. The election and the reelection of President Eisenhower may, perhaps, be put down mainly to the personal popularity of a war hero. All this though we gladly leave to those better versed in politics "as she is spake" than are we.

How wonderful it would be, however, if we had now or seemed likely to have in any reasonably near future a real, two party system in this country—a two party system in which the two parties stood for basically different notions of national welfare and sound public policy! Of course, we have no such thing today, and have had no such thing for a good many years, certainly not since Franklin Roosevelt and his New Deal became well established in the national scene. To be sure, there are individual members of the Republican party who have not become, or apparently have not become, victims of creeping socialism—if it is creeping. It is a fact, however that it is equally easy to find individual members of the Democratic party who still believe in the good old American doctrines. The fact (Continued on page 30)

## Canada Takes Aggressive Measures To Establish a Durable Economy

By Dr. Ira U. Cobleigh, Economist

An early Autumn review of the changes in the Canadian political economy following in the train of dollar devaluation and the decline of the Conservative Party; plus evidence of the enduring attractiveness of Canadian equities highlighted by a list of such stocks which have paid dividends, without interruption, for from 5 to 134 years.

The current picture of the Canadian economy may best be painted against a panoramic background extending back for 15 years. The great postwar upsurge in Canadian material welfare was primarily activated by the famous oil strike at Leduc in 1947. This started Canada along the road to ultimate self-sufficiency in respect to petroleum products, attracted billions in foreign investment in oil and natural gas corporations for drilling and production programs, the building of a vast network of oil and gas pipelines and most recently, petrochemical companies to process the hydrocarbon fractions derived from oil and gas production.

### Fifteen Year Expansion

All this forward motion, particularly in the Western Provinces, had a pervasive effect on the entire national economy. The steel industry livened to supply the oil pipes and casings, and the structural steel for greatly expanded regional industrial and

commercial constructions. These new demands for steel in turn accelerated the search for native ore; and a second major factor provided further drive to Canadian progress—the huge Labrador-Quebec iron production. This now amounts to 20 million tons annually and will doubtless increase to 40 million within the decade.

This new iron industry (which prompted the building of a big new steel mill on the St. Lawrence) was in turn instrumental in hastening completion of the third great contributor to Canadian prosperity since 1947—the St. Lawrence Seaway. This key commercial artery, talked about for decades, might not yet have been built were it not for the demand for low cost water transportation to the Great Lakes, created by hundreds of millions of new found tons of Labrador ore seeking a market.

These three milestones of Canada's economic progress, just swiftly cited, may be said to have provided the basic propellants behind Canada's growth in Gross National Product from \$13½ billion in 1947 to \$36 billion in 1961. They sparked international enthusiasm for investment in Canada during the 1950 decade, and Canada rapidly became a favorite haven for foreign investment in the Free World. A (Continued on page 20)

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ISKANDER HOURWICH  
Partner, Hourwich & Co.,  
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#### Hawaiian Telephone Company

Hawaii, the state last to join the Union, has an area roughly equivalent to that of Connecticut and Rhode Island combined. The population, in the decade from 1950 to 1960 increased 26.6% as compared with a nationwide increase of 18.5%. By contrast the growth in Texas was 24.2%.

Hawaii is generally thought of as an area in which agriculture is a dominant occupation. Nevertheless, agriculture employs only half as many persons of the labor force as does manufacturing. Trade, finance and business employ more workers.

The Armed Forces of the United States are by far the largest single segment of the population. Of the 662,000 population (estimated at Jan. 1, 1962) members of the Forces numbered 59,487 and accounted for 61,977 dependents.

A realistic appraisal of world affairs must inevitably assume that for the foreseeable future, Hawaii will continue to be the operational and communications center for defense throughout the entire Pacific Hemisphere — with increasingly high levels of expenditure.

Hawaii is presently connected with California by a voice cable, jointly owned by Hawaiian (35%) and American Tel. & Tel. (65%). When completed in 1957 the cable had a capacity of 36 voice channels of which one was set aside for teletype service. The capacity was further increased to 48 circuits in 1960 and to 80 in 1961.

Hawaiian Telephone will invest \$7,000,000 in the Hawaii-Japan submarine voice cable which is scheduled to be in operation by mid-1964. Total cost of the system will be \$80,000,000 shared by American Tel. & Tel. and Kokusai Denzoku of Japan. The voice cable will connect Oahu (Hawaii), Midway, Wake and Guam — all important American military installations — and will terminate near Tokyo. Initially, it will have a capacity of 128 circuits. Hawaiian will own 35% of the portion serving Hawaii.

On completion of the Hawaii-Japan cable, a second voice cable providing 200 additional circuits, will be placed between the Islands and California.

Hawaiian Telephone will share in the use of the British Commonwealth voice cable being laid between Australia and Canada via Oahu. The Australia-New Zealand link has been completed and will terminate at Vancouver in British Columbia.

The company's long distance business is currently operating at very high levels. During the first six months of 1962 out-of-state long distance calls were 26% higher than in the corresponding period of 1961. Toll service has averaged about a fifth of the company's revenues. Hawaiian participated in the preliminary discussions for the establishment of a world system of communications satellites. It seems certain that

Hawaii, as a suitable center for a Pacific ground transmitting and receiving station will play an important part in the operation of such a satellite system.

Demand for telephone service is characterized by sharply increasing growth. While population of Hawaii, as noted before, increased in the decade from 1950 to 1960 by 26.6%, the number of telephones in service increased by 109.9%, more than four times as fast. The number of telephones in the period rose from 21.0 per hundred of population to 34.5.

In the decade from 1952 to 1961 telephones in service increased from 119,146 to 221,599 or 86.0%; gross revenues rose from \$10,404,639 to \$28,394,009 or 172.9%; net income rose from \$1,018,865 to \$4,257,997 or 317.9%.

During this period the nation suffered three economic recessions, in 1953, 1957 and 1960 and Hawaii suffered a disastrous sugar strike in 1958. Nevertheless, the number of telephones and gross revenues increased each year without interruption.

The relatively low importance of labor cost, due to the high level of automation, is reflected in the same decade when operating revenues rose from \$10,404,639 to \$28,394,009 or 172.2%, whereas the total payroll increased only 89.3% from \$6,054,542 to \$11,462,131. The increase in the number of employees was even less—from 1,629 to 1,971, or 21.0%. In 1961 an increase of \$3,454,678 in revenues necessitated an increase of but nine persons in the total number of employees—from 1,962 to 1,971.

Operating results recently have been strikingly higher whatever period of comparison is selected. In the year ended Dec. 31, 1961, as compared with 1960, revenues increased 14.0%, net operating income was up 22.0%. Net income per share rose from 75 cents to 86 cents or 15.0%.

In the three month period ended July 31, 1962, operating revenues rose 18.5% from 1961 and net operating income was up 33.2%. Despite an increase in the average number of shares outstanding of 15.2%, the earnings per share for the quarter increased from 21 cents to 24 cents or 14.3%.

We estimate that 1962 earnings will be 95 cents per share and in 1963 will range between \$1.05 and \$1.15. Per share earnings between \$1.40 and \$1.50 in 1965 are not improbable.

The company has been generous with shareholders. Valuable rights were offered four times since 1957. The stock was split in 1961 and the dividend rate increased twice in the last two years. We anticipate a further increase in the dividend rate perhaps in the spring of 1963, to the 65-70 cent range.

At the current market of about 17, the stock is selling 17.9 times estimated 1962 earnings and 16.2 times estimated 1963 earnings. The yield on the percent dividend of 14.5 cents quarterly is 3.4% on an annual basis of 3.8-4.1% on the anticipated 1963 dividend rate.

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

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

Hawaiian Telephone Co. — Iskander Hourwich, Partner, Hourwich & Co., New York City. (Page 2)

E. I. du Pont de Nemours & Co. — Tadeusz Kozlowski, Security Analyst, A. M. Kidder & Co., New York City. (Page 2)

The stock, trade in the Over-the-Counter Market, has ranged in 1962 between 15 and 23%.

#### TADEUSZ KOZLOWSKI

Security Analyst, A. M. Kidder & Co., Inc., New York City

E. I. du Pont de Nemours & Co.

Average prices of chemical common shares fell more than 20% behind the general market in the five years 1955-1960 due to the pressure that declining product prices put on chemical company earnings. At the same time, du Pont lagged an additional 10% in relation to its group due to the overhanging court order requiring divestiture of its 63 million shares of General Motors. However, a basic change in both these trends has already made du Pont stock a slightly above average market performer. Weak product prices have been countered by increased purchases, from others, of basic chemical raw materials in which price declines have been the greatest, and by concentration of company's own efforts on higher margin finished products.

The final outcome this year of the General Motors divestiture proceedings, particularly its tax angle (no immediate tax liability on distributed shares), was more favorable than originally expected. With the negative aspects of the anti-trust case already amply reflected in du Pont's price, settlement has become a favorable market factor, especially since divestiture has come at a good time, when earnings of both companies are registering strong gains and longer-term outlook brightening.

Supported since 1955 by capital expenditures at twice the industry rate, du Pont's altered production and marketing program offers well justified hopes of a significant upside breakout from the past five years' earnings plateau and shareholders can look with reasonable confidence to higher earnings and dividends; current yield is an attractive 3.3%. At its present price of 204, around the middle of a 7-year trading channel (adjusted for GM distribution), and with a very reasonable price/earnings ratio of 22 near the bottom of a 6-year range, the blue chip issue appears attractive for long-term investment accounts.

While du Pont's sales have advanced 44% in the past decade, profit margins, although still the highest in the industry, followed the industry trend by declining from the peak 30% in 1953 to 24% last year. Now having made good initial progress with such end-use oriented products as Delrain pipe for the oil industry and Lucite paint for the consumer market, company is preparing, jointly with Bell & Howell, to use its extensive know-how in photography to invade the enormous market of amateur color film. This policy is

Continued on page 45

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# Outlook for Uranium

By Rafford L. Faulkner,\* Deputy Director, Division of Raw Materials, United States Atomic Energy Commission, Washington, D. C.

AEC spokesman predicts the uranium industry faces a lean period after 1966 when present U.S.A. government contracts run out, characterized by substantially lower prices, succeeded by brighter long range prospects. Mr. Faulkner promises that an early decision on the government's post-1966 uranium requirements will be made. In reviewing the present and future prospects for civilian nuclear power, he urges the uranium industry to cast aside its complacency and to go all out in striving to reduce uranium costs through research, to step up its exploration of the ore, and to work more closely with the electric power industry in such areas as financing, capital cost reduction, etc. Mr. Faulkner forecasts 5,000,000 electric kilowatts installed capacity by 1970 from its present less than a million kilowatts output and the need to build more than the six presently contemplated plants.

AEC procurement of uranium from domestic sources is continuing at close to last year's level of about 17,000 tons of  $U_3O_8$ . Total procurement in the current fiscal year will be about 28,000 tons, down over a thousand tons from last year, primarily due to a decrease in foreign receipts. Next year and in succeeding years until Dec. 31, 1966, when AEC's present procurement commitments terminate, foreign receipts will decline sharply. Present contracts for domestic procurement, on the other hand, provide for continued domestic production at relatively high levels throughout the period. The accompanying table shows estimated receipts through Dec. 31, 1966, based on outstanding commitments.

How much uranium the government will need after 1966 and how its needs should be met are questions which are uppermost in the minds of those connected with the uranium industry and many of us in AEC. Although the need for an early decision on the government's post-1966 procurement is recognized, it has not yet been possible to determine forward requirements with sufficient precision to provide a basis for procurement planning.

Most of the uranium the Commission has purchased to date has gone into the military program, and nuclear weapons continue to be the major factor in requirements. The uranium required for civilian reactors, nuclear propulsion, and research and development will be small in relation to projected receipts. It is clear, therefore, that forward military needs will largely determine the government market for uranium in the early years after 1966. From the long-range standpoint, however, it seems clear that the uranium industry should look to nuclear power for its primary market and to this end it should lose no opportunities to reduce costs and enhance its competitive position.

## Nuclear Power Requirements

Earlier this year in testimony before the Joint Committee on Atomic Energy, the AEC gave estimates of the  $U_3O_8$  required for domestic power reactors using en-

riched uranium. I will summarize these figures, but wish to point out that they are only as valid as the assumptions on which they are based and there can be substantial differences of opinion on what assumptions should be made.

Uranium requirements for nuclear power plants between now and the end of 1966 will total only a few thousand tons. From Jan. 1, 1967 to June 30, 1970, the production of enriched uranium for power reactors in the U. S. may require about 10,000 tons of  $U_3O_8$ . This figure contemplates an installed capacity by 1970 of about 5,000,000 electrical kilowatts in the U. S., as compared with present capacity of less than a million. The estimate is based on nuclear power plants in existence, under construction, or being planned, plus additional development prototypes and large plants that may go into operation in the late 1960's. During this period other non-weapons requirements for uranium, such as for nuclear propulsion and research and development, are expected to continue to be relatively small.

The growth of atomic power after 1970 will be greatly influenced by the operating cost data obtained from power reactors built in the 60's. If one assumes that nuclear power will be competitive in those areas of the United States where conventional fuel costs are high, that is, in the range of 30 to 35 cents per million BTU's, the  $U_3O_8$  requirements for the 10-year period F.Y. 1971 through F.Y. 1980 are estimated to lie in the range of 75,000 to 110,000 tons. Annual requirements, of course, would start off small and increase over the period. In 1971 they may be on the order of 4,000 tons of  $U_3O_8$ , increasing to 10,000 to 20,000 tons by 1980. If foreign requirements for U. S. enriched uranium approximate those for domestic reactors, then these figures would double.

The estimated requirements for the 1970-1980 decade are based upon the installation during this period of an additional 32,000,000 electrical kilowatts, primarily in the northeastern states and Cali-

Continued on page 32

## CONTENTS

Thursday, October 18, 1962

### Articles and News

	PAGE
Canada Takes Aggressive Measures to Establish a Durable Economy.....	Ira U. Cobleigh 1
Outlook for Uranium.....	Rafford L. Faulkner 3
An Appraisal of Canada's Maturing Expansion.....	Roy A. Matthew 4
Competing for Tomorrow's Doubled Savings Pie.....	George A. Murphy 6
Canada's Currency History Since World War II.....	Zdenek Cernohous 11
Merger Motives and Methods.....	Ira U. Cobleigh 13
Equal State Banks' Power With Federal Institutions.....	Alfred S. Mills 14
ECM's Impact on Canada Studied by Conference Board.....	26

### CANADIAN INVESTMENT OPPORTUNITIES

Article starting on the cover page, "Canada Takes Aggressive Measures to Establish a Durable Economy," discusses the investment opportunities inherent in Canadian securities and, by way of documenting the views presented, includes a tabulation of the Canadian banks and companies which have paid consecutive cash dividends from 10 to 134 years (Table I, page 20) and from 5 to 10 years (Table II, page 26), along with other data of interest to investors.

### Regular Features

As We See It.....	(Editorial) 1
Bank and Insurance Stocks.....	28
Coming Events in the Investment Field.....	48
Commentary.....	5
Current News in the Field.....	47
Dealer-Broker Investment Recommendations.....	8
Einzig: "Why Expansion Methods are Expected in Britain".....	9
From Washington Ahead of the News.....	19
Indications of Current Business Activity.....	33
Market... and You (The).....	12
Mutual Funds.....	14
News About Banks and Bankers.....	18
Observations.....	4
Our Reporter on Governments.....	29
Public Utility Securities.....	16
Securities Now in Registration.....	34
Prospective Security Offerings.....	44
Security I Like Best (The).....	2
Security Salesman's Corner.....	8
State of Trade and Industry (The).....	15
Tax-Exempt Bond Market.....	10
Washington and You.....	48

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## OBSERVATIONS...

BY A. WILFRED MAY

## THE WRONG RIGHTS IN TODAY'S MARKET

Two current pieces of "literature" coming to hand simultaneously carry implications which are far broader than their inconsistency. In fact, they go to the root of Wall Street's overhanging "business" dilemma.

On the one hand, the Stock Exchange is devoting great expense to cajoling the public to behave like good investors instead of falling for misguided speculation. Thus, in *Life Magazine*, of Oct. 12, the Big Board's Member Firms run a full-page advertisement under the sanctimonious, if blazing, caption *RIGHT VS. WRONG—When You Choose Stocks and Bonds*. Beginning with this 99%-pure investing keynote: "You might have in mind owning stock to increase your income through dividends or perhaps to give your capital a chance to grow as the [sic] years go by," the message cites "right and wrong ways to proceed," as the following:

**"Wrong:** Jump in when the first hot tip comes along."

**"Right:** What's the hurry? [Sic] Buy securities the way you'd buy anything important—with care. When a company interests you, get all the facts you can—growth pattern, profit record, factors that might affect its future. . . ."

**"Wrong:** Try for a quick killing."

Included also are these constructive admonitions in the long-term investment vein: To one's broker, "Speak your mind. Tell him how much you can invest. Discuss your goals. Inquire about the Monthly Investment Plan for systematic investing on a budget" . . . and this recurring, but wholly unexcep-

tional old-age provision theme: "Investing may offer you a new interest in life—a way to meet growing expenses or realize some of your family's ambitions in the years ahead."

## The Wrong Now Right

Not only inconsistent with, but directly contradictory to, the above fine caveats ("What's the hurry," concentration on "the years ahead," etc.) is the Exchange's concurrent announcement of the further super speed-up of its trading mechanics. Thus goes President Funston's proud description of the Exchange's multiple-millions of dollars participation in the advantages of the electronics age (but surely not of its *investment* areas):

"A uniquely designed computer system, via contracts signed with I.B.M. and the New York Telephone Co., will completely automate dissemination of Exchange trading data by early 1965, running stock tickers and even 'speaking' to member subscribers."

He further announced that new optical "readers" will transmit price and volume information from the trading floor to the Exchange computing center; and new audio response equipment will assemble the information answering member subscribers' inquiries "with split-second speed."

The Exchange head describes the newly ordered equipment as capable of handling trading volume in excess of 16 million shares a day, and of being programmed to perform a variety of additional functions. And summarizing his accolades to the new computer system, is Mr. Funston's terming it "a high point in nearly a decade

of continuing automation planning by the Exchange aimed at helping member organizations provide even better service to increasing millions of [sic] investors throughout the country."

## Realism About the Numbers Game (So-Called "Liquidity")

Far from providing service for true investors, the further speed-up of the numbers game will, by its own definitions in its above-cited advertisement, be sabotaging their proper behavior.

But even more important is the motive for ever larger injections of the speed-up; namely Wall Street's need to make a living. During the last weeks it has been significantly demonstrated, via wholesale lay-offs of employees and general retrenchments, that the stock market community finds it difficult to survive in an *investment* atmosphere—that hence it will never forsake the gambling side of the demonstrated speculation-versus-investment dilemma. The Street must realistically face up to the problem of how to make a living under investment conduct—or else frankly and permanently abandon that image.

\* \* \*

Highly interesting is the impact of the current depression in the Street's state of business on the conduct and status of the Exchange's member firms' customers brokers and on mutual fund salesmen—and on the controversy over the part-timers whose critics include Exchange President Funston. The overlooked valid point in defense of the part-timer, namely that the diversity of his jobs makes him less prone than is the wholly dependent full-timer to exert pressure on his fund prospects, is strongly substantiated in this period of declining and more difficult Fund sales. And the lesser pressures exerted both on and by him compared to the full-time customers' brokers are shown by the wholesale firings of the latter.

## An Appraisal of Canada's Maturing Expansion

By Roy A. Matthew,\* *Economist, National Industrial Conference Board, Canadian Office, Montreal, Canada*

Comparison of current Canadian recovery rate with the two previous recovery periods shows that it exceeds the immediate prior period of 1958-59 but not the earlier one of 1954-55. Stimulus provided to the economy by the decided progress made in the current account part of the balance of payments is expected, however, to be counterbalanced by the depressive effect of monetary restraint and slow down in the increased scale of Government spending. Government policy is seen delicately walking the tight rope between the domestic and international demands of the nation's economy.

The business expansion that has been underway in Canada over most of the past two years appears somewhat better than that of 1958-59 but not as pronounced as the upturn of 1954-55.

While the methods used in the precise timing and measurement of business cycles were legion, the National Industrial Conference Board's calculations indicated that the current growth phase had been in progress, up to the date of the latest available statistics, for some nineteen months, during which industrial production had risen by over 12%, as compared with less than 11% in the same number of months after the trough of the 1957 recession but almost 17% in the equivalent period after the low point in 1954.

Similarly, the gross national product had recorded an increase of close to 10% in the present upswing, while the corresponding gains in the earlier recoveries were 8½% and 14½%.

The relative amplitudes of the three expansions held good throughout most of the principal economic indicators, although there were some interesting exceptions. Personal income had shown the same growth in 1961-62 as in the generally more buoyant years of 1954-55, but this improvement had not been fully translated in terms of personal consumption and retail sales, which had risen less rapidly than in either of the previous upturns. However, while this was true of the overall situation in personal expenditures, spending on certain durable items, notably automobiles, had been strong, and regionally, retail trade had fared much better in the West than the East. The later factor was explained in considerable part by the prosperity of Western farmers, exceptionally large exports of wheat in the past crop year having contributed to an increase in farm cash income of over 10% in the current upturn, as against ½% and 1% in the earlier periods mentioned.

The main elements of strength, aside from the farm sector, had been government spending, capital investment and exports.

## Increased Government Spending

The steadily increasing scale of government expenditures had become an established feature of the economic scene in Canada, as in most Western countries, but the continuing federal deficits of recent years had further boosted such outlays. Spending by all levels of government since the trough of the last recession had

risen by almost 16%, by far the largest gain in a similar period for many years.

Business capital expenditures, which had provided so dynamic a fillip to the Canadian economy in the mid-1950's, had been watched for signs of revival ever since they began to fall in early 1957. It was therefore of interest that such investment had shown a decided upward trend since the second quarter of last year, and moreover that this tendency was visible in both non-residential construction and spending on new machinery and equipment. House-building also had been well sustained, the number of starts in 1962 being likely to come close to 125,000.

But the focus of attention in past months had, for obvious reasons, been mainly on the country's foreign trade and payments. Here, a decided improvement in the balance on current account had been observed in the last year and a half, merchandise trade having moved to a surplus position for the first time since 1955 and the rate of increase in the non-merchandise deficit having been somewhat reduced. The growth of more than 30% in exports to the United States had been the most marked feature of this recovery, in sharp contrast to the decline in sales to Canada's second-largest foreign market, the United Kingdom.

Into this environment of maturing expansion, the exchange crisis of last summer, with its sequels of devaluation and austerity, had injected a new imponderable. On the one hand, the reduced external value of the Canadian dollar, augmented (for the time being at least) by the import surcharges, seemed likely to further stimulate exports and reduce imports, encouraging domestic production and employment, and perhaps inducing the enlargement of capacity in industries that would now be better able to compete with foreign goods. On the other hand, monetary restraint and curtailed government expenditures were bound to have a depressive effect on the economy. Therefore, despite the possibility that the improvement in Canada's international payments position in recent weeks might permit some easing of the austerity program before long, considerable skill would doubtless be called for in the exercise of government policy over the coming months in order to produce the optimum balance between the external and internal requirements of the nation's economy.

\* From a talk by Mr. Matthew at the "Canadian Economic Outlook" session, 425th meeting of the National Industrial Conference Board, Montreal, Canada, October 11, 1962.

## REPORT ON

## Offer to Purchase Common Stock of

## SONOTONE CORPORATION

On September 19, 1962, SERVEL, INC. offered to purchase 700,000 shares of Common Stock (including shares of Convertible Preferred Stocks taken as the equivalent of the number of shares of Common Stock issuable upon conversion thereof) of SONOTONE CORPORATION, for \$10 in cash per common share, free from transfer taxes and stock exchange commissions.

*The Offer expired on October 10, 1962.*

In response to the Offer, there were tendered approximately 800,000 shares of Common Stock (or the equivalent in shares of Convertible Preferred Stocks) of SONOTONE.

SERVEL is purchasing, in accordance with the terms of its Offer, the first 700,000 shares which were properly tendered, being a majority of SONOTONE's outstanding Common Stock.

First National City Bank, 2 Broadway, New York 15, N. Y., the Depositary, is forwarding the purchase price for all shares which are being purchased, and is returning all excess tendered shares which are not being purchased without expense to the depositors. Any inquiry or communication with respect to this matter should be directed to the Depositary at its above address.

SERVEL, INC.

October 11, 1962



## COMMENTARY...

By M. R. LEFKOE

The unprecedented success of capitalism in raising man's standard of living to heights never even dreamed of in pre-industrial societies is everywhere in evidence in America today. The home of the average laborer contains more luxuries than the palaces of the wealthiest kings several centuries ago. Thus, because the benefits of a free industrial society are so obvious, one would normally expect the citizens of such a society to risk their lives fighting to protect it.

But, what if the people enjoying the unparalleled prosperity of free enterprise were led to believe that capitalism is like an unbridled horse running wild, and in order to obtain the benefits it has to offer, it must be harnessed by the government?

The question is not rhetorical: Too many Americans have been led to believe that a *laissez faire* economic system is more of a threat than a benefactor. But, one might ask, how have so many people been convinced that the rewards of capitalism are not what their own eyes indicate them to be? Essentially, the answer lies in the popular acceptance of a grossly distorted history of capitalism, in which the industrial revolution has been blamed for numerous "horrible things" which allegedly took place in its early years.

## Myth Exploder

Serious historical treatises which challenge the prevalent myths regarding the beginnings of the industrial revolution are extremely rare. Such essays which have been written usually are found buried in huge scholarly volumes, hidden from the public eye. Thus, I was pleasantly surprised when I recently ran across a short, well-documented, and easily readable article which completely explodes one of the more popular myths: the exploitation of child labor.

Entitled "Child Labor and the Industrial Revolution," and written by Robert Hessen, the article originally appeared in *The Objectivist Newsletter* earlier this year. I have presented most of Mr. Hessen's article below, not only because it so effectively demolishes one particular myth, but also because it exposes the real villain — in this and every other instance. This article brilliantly demonstrates that in this instance, the "evils" and "injustices" popularly attributed to capitalism actually were caused and necessitated by government intervention. In fact, such is the case in every instance.

"The least understood and most widely misrepresented aspect of the history of capitalism is child labor.

"One cannot evaluate the phenomenon of child labor in England during the Industrial Revolution of the late eighteenth and early nineteenth century, unless one realizes that the introduction of the factory system offered a livelihood, a means of survival, to tens of thousands of children who would have not lived to be youths in the pre-capitalist eras.

"The factory system led to a rise in the general standard of living, to rapidly falling urban death rates and decreasing infant mortality—and produced an unprece-

dent population explosion. . . . Children who hitherto would have died in infancy now had a chance for survival.

"Both the rising population and the rising life expectancy give the lie to the claims of socialist and fascist critics of capitalism that the conditions of the laboring classes were progressively deteriorating during the Industrial Revolution.

"One is both morally unjust and ignorant of history if one blames capitalism for the condition of children during the Industrial Revolution, since, in fact, capitalism brought an enormous improvement over their condition in the preceding age. . . .

## The Previous Condition

"How did children thrive before the Industrial Revolution? In 1697, John Locke wrote a report for the Board of Trade on the problem of poverty and poor-relief. Locke estimated that a laboring man and his wife in good health could support no more than two children, and he recommended that all children over three years of age (!) should be taught to earn their living at working schools for spinning and knitting, where they would be given food. 'What they can have at home, from their parents,' wrote Locke, 'is seldom more than bread and water, and that very scantily too.'

"Professor Ludwig von Mises reminds us: 'The factory owners did not have the power to compel anybody to take a factory job. They could only hire people who were ready to work for the wages offered to them. Low as these wage rates were, they were nonetheless much more than these paupers could earn in any other field open to them. It is a distortion of facts to say that the factories carried off the housewives from the nurseries and the kitchen and the children from their play. These women had nothing to cook with and to feed their children. These children were destitute and starving. Their only refuge was the factory. It saved them, in the strict sense of the term, from death by starvation.' (*Human Action*, p. 615.)

"Factory children went to work at the insistence of their parents. The children's hours of labor were very long, but the work was often quite easy — usually just attending a spinning or weaving machine and retying threads when they broke. It was not on behalf of such children that the agitation for factory legislation began. The first child labor law in England (1788) regulated the hours and conditions of labor of the miserable children who worked as chimney sweeps — a dirty, dangerous job which long antedated the Industrial Revolution, and which was not connected with factories.

"The first Act which applied to factory children was passed to protect those who had been sent into virtual slavery by the parish authorities, a government body: they were deserted or orphaned pauper children who were legally under the custody of the poor-law officials in the parish, and who were bound by these officials into long terms of unpaid apprenticeship in return for a bare subsistence.

## Bureaucratic Meddling

"Conditions of employment and sanitation are acknowledged to have been best in the larger and newer factories. As successive Factory Acts, between 1819 and 1846, placed greater and greater restrictions on the employment of children and adolescents, the owners of the largest factories, which were more easily and frequently subject to visitation and scrutiny by the Factory Inspectors, increasingly chose to dismiss children from employment rather than be subjected to elaborate, arbitrary and ever-changing regulations on how they might run a factory which employed children.

"The terrible result of this bureaucratic meddling was that these dismissed children, who needed to work in order to sur-

vive, were forced to seek jobs in smaller, older and more out-of-the-way factories, where the conditions of employment, sanitation and safety were markedly inferior. . . .

"Child labor was not ended by legislative fiat; child labor ended when it became economically unnecessary for children to earn wages in order to survive—when the income of their parents became sufficient to support them. The emancipators and benefactors of those children were not bureaucrats, but manufacturers and financiers. Their efforts and investments in machinery led to a rise in real wages, to a growing abundance of goods at lower prices and to an incomparable improvement in the general standard of living.

"The proper answer to the crit-

ics of the Industrial Revolution is given by Professor T. S. Ashton: 'There are today on the plains of India and China men and women, plague-ridden and hungry, living lives little better, to outward appearance, than those of the cattle that toil with them by day and share their places of sleep by night. Such Asiatic standards, and such unmechanized horrors, are the lot of those who increase their numbers without passing through an industrial revolution.' (*The Industrial Revolution*, p. 161.)

"Let me add that the Industrial Revolution and its consequent prosperity, were the achievement of capitalism and cannot be achieved under any other politico-economic system. As proof, I offer you the current spectacle of Soviet Russia which combines industrialization—and famine."

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1,012,000	1969	2.20
1,012,000	1970	2.30
1,012,000	1971	2.35
1,012,000	1972	2.40
1,012,000	1973	2.45
1,012,000	1974	2.50
1,012,000	1975	2.55
1,012,000	1976	2.60
1,012,000	1977	2.65
1,012,000	1978	2.70
1,012,000	1979	2.75
1,012,000	1980	2.80
1,012,000	1981	2.85
1,012,000	1982	2.90
263,000	1983	2.95
263,000	1984	3.00
263,000	1985-86	3.05
263,000	1987-88	3.10
263,000	1989-90	3.15
263,000	1991-92	3.20
229,000	1993-94	3.25
230,000	1995	3.25
230,000	1996-97	3.30
230,000	1998-99	3.35
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# Competing for Tomorrow's Doubled Savings Pie

By George A. Murphy,\* Chairman of the Board, Irving Trust Co., New York City

Commercial banker projects a doubling of time and savings deposits and share accounts in the next eight years, if not more, from its present \$200 billion in reviewing the basis for constructive future competition between mutual savings banks, savings and loan associations and commercial banks. Mr. Murphy describes the changing shifts in the holdings of the competing institutions for savings, including mutual funds and credit unions; points out the extent to which bond holdings have given way to savings and time accounts; traces the factors responsible for the growth of savings—from an average of 4½% in the 1920's to 7¼% since 1950; and stresses the role of investments in bringing about economic growth and the essentials required to accelerate such growth. An equal sharing of the projected savings, he adds, would mean each of our savings institutions and departments by 1970 would be more than twice as large as it is today.

Although the functions of savings bankers and commercial bankers in the financial community are not the same—we do have a great deal in common. We are all associated with banking institutions and we have the same objective: that is—to provide certain basic financial services and in doing so—to act in the best interest of the public.



George A. Murphy

## Competition for Savings

And, of course, we have another area in common. We compete with one another. In the great American tradition, competition has been quite active between the institutions which form your industry and those which make up mine. You in the Mutual Savings Banks and we in Commercial Banks find ourselves in active competition for the savings dollar—along with the savings and loan associations, credit unions, mutual funds and the entire range of investment media.

But that is as it should be. For no one can deny that competition is a good thing. It is, in fact, the driving force which has given the United States its high standard of living, and this has made our country the envy of the world. We are accustomed to competition and we are aware of the fact that competition means opportunity.

Constructive Competition—There

importance of active competition in the field of savings was stated strongly in the report prepared by the National Association of Mutual Savings Banks for the Commission on Money and Credit. This interesting study, just released last month, contains the following statement: "fundamentally, it is competition among various types of savings institutions that tends to stimulate the total flow of liquid savings. The history of United States economic growth is replete with evidence that sound, vigorous competition leads, in general, to expanded product markets and improved services. When the choice of savings media is enlarged, the market for savings is broadened with a consequent increase in the flow of such funds and the accompanying benefits to sound economic growth."

This is the kind of competition that breathes vitality into the economy and creates incentives which stimulate new and greater economic development.

The constructive competition of the marketplace makes a real contribution to the progress of our nation. The never ending search for newer and better services to offer our customers insures a constant improvement in customer benefits; the urge to emulate that which is successful insures the rapid spread of desirable innovations throughout the nation. Constructive competition is the vehicle of growth because it invites the maximum rate of beneficial change.

Destructive Competition—There

is another kind of competition, too—unfortunately. And that is the destructive kind of competition—a negative force that seeks to destroy instead of building. It is energy wasted in trying to tear down the other fellow. It is a kind of competition that feeds on criticism, halts progress and shatters the very concepts upon which our country thrives. You don't like this brand of competition, I don't like it and the public doesn't like it.

There is no place—and we have no time—for the destructive type of competition in this rapidly moving economy of ours today. Rather, I contend that it is our mutual responsibility to maintain a healthy and vigorous type of constructive competition so that your institutions and mine can fulfill their role in fostering a sound expansion of the American economy. Our energy should be fully utilized in a constructive manner, constructive for our banks and constructive for all of business. I would like to support my contention with a brief discussion of the role of saving in our expanding economy.

## Volume of Savings

Let us take a moment, first, to review the basis of the competition between mutual savings banks, savings and loan associations and commercial banks. Just how large a sum of money are these institutions competing for? It is, in fact, quite large and it is rapidly growing larger. The data show that the total of time and savings deposits and share accounts has expanded from something less than \$8 billion in 1910 to \$209 billion by August of 1962—an average growth rate of slightly more than 6½% per year over more than half a century. More recently, this rate of growth has been even faster. During the past six years time and savings deposits and share accounts have increased at an average rate of more than 10%.

One factor of importance in the accelerated growth of savings type institutions is the recent shift away from direct investment by individuals in marketable bonds. During most of the postwar years, individuals placed a significant proportion of their savings in holdings of these securities. For example, three years ago, in 1959, the year of the "Magic Fives," individuals acquired \$11 billion of marketable bonds—an amount not

much smaller than the \$11.3 billion increase in their time and savings deposits and share accounts. Since then, however, there has been a sharp change. In the last 2½ years individuals' holdings of marketable bonds increased by only \$300 million. Funds that were being invested in bonds have been diverted to other forms of saving, and the inflow of savings into the principal savings institutions has continued to increase year after year. The \$12.9 billion inflow in the first six months of 1962 was larger than that for the full year in 1959.

The long upward drift in rates since the depression and war period has reached the level where rates paid to savers look impressive even to those members of a younger generation who grew up at a time when some people were embracing the point of view that saving tends to retard economic growth. The current level of interest rates has resulted in savings deposits moving upward at an accelerated pace.

There is no question but that there is something magic about attractive interest rates. Aside from the interest rates, the achievement of essentially stable overall price levels in this country has also helped. Average wholesale prices in the United States were as high in 1958 as they are now, and prices of many commodities and raw materials are definitely soft today. It is true that prices paid by consumers continue to drift upward, largely because of increasing costs of serv-

ices, but the rate of rise is as nothing compared with our experience in the earlier postwar years. Growing recognition by our citizens of the cessation of inflationary pressures has stimulated savings in our institutions. It will probably continue to be an important factor helping us to sell savings accounts to our customers.

Looking ahead, we can see the total of savings doubling in the next 8 or 10 years. Estimates, based on conservative assumptions, place the total in 1970 within a range of \$385 to \$470 billion.

## Distribution of Savings

It's interesting to review the shifts in the relative position of the three principal competing groups of savings institutions. The growth pattern of each has varied rather markedly at times down through history.

Commercial banks are increasing their share of the market right now, but our proportion is still smaller than it has been during most of the past fifty years. The data dramatize the inroads savings and loan associations have made into the share of the market held by commercial banks and by mutual savings banks.

At the end of August commercial banks held \$93 billion, or 44% of the \$209 billion total. This amount includes time deposits of foreign central banks and of corporations which cannot be segregated from the total on a historical basis. At the present time, it is estimated that the savings type of deposit represents roughly three-quarters of the total held by com-

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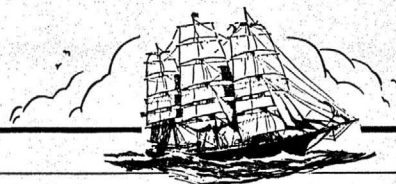
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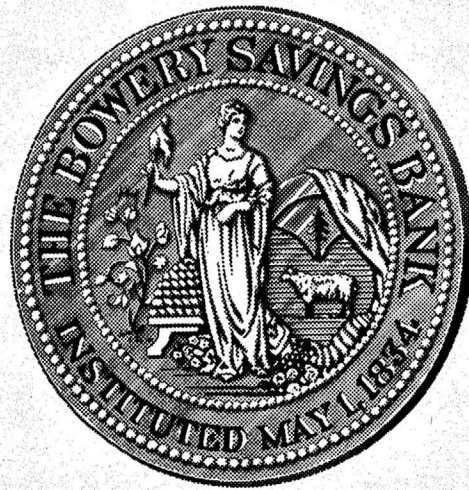
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mercial banks, or from \$65 to \$70 billion.

Savings and loan associations held \$76 billion, or 36% of the total, and mutual savings banks held \$40 billion, or 19% of the total of such savings.

#### Other Savings Outlets

We are so accustomed to thinking in terms of the "big three" savings institutions, that the speed with which a couple of the newer savings forms are growing may have gone unnoticed. The accompanying chart compares savings held by commercial banks, savings banks, and savings and loan associations with the total assets of credit unions and mutual funds. (This is a logarithmic chart.) In recent years credit unions and mutual funds have grown faster than any of the three larger groups, and they are rapidly becoming competitors of real significance. Mutual funds have moved from \$1 billion to more than \$22 billion in two decades. Credit unions reached the \$1 billion mark in 1951; and during the past decade they have increased sixfold.

The point, I think, is this. In a dynamic economy there will always be competition. It may take old and familiar forms; or it may take on new forms encouraged by the economic and social framework of the moment. But in any event competition will continue and any individual institution will stay ahead only by displaying constant initiative and imagination in trying to do a better job of serving the needs of its customers.

#### Factors in Growth

The twenty-five fold increase in time and savings funds in approximately half of century has been the product of many developments. The most important include:

Our growing population.

A rising standard of living, and greater ability to save.

Our expanding economy.

**Growing Population** — The population of the United States has just about doubled in the last half century; it has grown from 92 million in 1910 to 186 million at present. World War II ended about seventeen years ago. Look ahead for the same period of time, and we find ourselves moving into 1980 when the estimated population of our country will be 260 million. This is an increase of 74 million people—74 million new potential savings customers. This growth of population in the short period of 18 years is equal to the combined population of Canada and Great Britain. The distribution by age groups has varied materially over the years and undoubtedly has been an important factor in the changing rate of growth in savings. Such variations may also be expected in the future and it is our responsibility to be prepared to meet the changing demands and needs of our ever growing list of customers.

**Rising Standard of Living** — Income has been rising at an even faster rate than our population. As a result, annual per capita after-tax income increased from about \$300 in 1910 to approximately \$2,000 in 1961. A large part of this expansion, of course, has been absorbed by higher costs. Even so, a steadily rising standard of living has occurred and this has sharply increased the ability of Americans to save. Barring the World War II period, when many products were unavailable for consumer purchase,

Continued on page 28

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NEW ISSUE

October 17, 1962

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October 17, 1962

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**Canadian Business Guide**—A new revised edition of the memorandum on income taxes—The Bank of Nova Scotia, Business Development Dept. (CFC-10), 44 King St., West, Toronto, Ont., Canada. Also available is a monthly review of Canadian Business.

**Canadian Business Review**—Brochure—Royal Securities Corporation Limited, 244 St. James Street, West, Montreal 1, Que., Canada.

**Canadian Dollar**—Review—Bank of Montreal, P. O. Box 6002, Montreal 3, Que., Canada.

**Canadian Independent Petroleum Producers**—Review with particular reference to **Central Del Rio Oils Limited, Consolidated Mac Mac Oils Ltd., Dome Petroleum Ltd., Home Oil Company Ltd., Hudson's Bay Oil & Gas Company, Ltd., Medallion Petroleum Ltd., and Security Freehold Petroleum Ltd.**—Annett Partners Limited, 220 Bay Street, Toronto, Ont., Canada.

**Central American Integration**—Discussion in current issue of Latin-American Business Highlights—Chase Manhattan Bank, 1 Chase Manhattan Plaza, New York 15, N. Y. Also in the same issue is a discussion of **New Nations in the Western Hemisphere**.

**Cocoa**—Report—Thomson & McKinnon, 2 Broadway, New York 4, New York.

**Commercial Finance Companies**—Analysis—David L. Babson and Company, Inc., 89 Broad Street, Boston 10, Mass.

**Consumer Electronic Issues**—Review with particular reference to **Magnavox Company, Motorola Inc., Radio Corporation of America, and Zenith Radio**—H. Hentz & Co., 72 Wall Street, New York 5, N. Y. Also available is an analysis of **Dura Corporation** and a bulletin on **Convertible Bonds**.

**Cosmetics Industry**—Memorandum—Stirling, Linder & Prigal, Inc., 50 Broadway, New York 4, New York.

**Electric Utilities**—Memorandum—Jas. H. Oliphant & Co., 61 Broadway, New York 6, N. Y.

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

**Japanese Market**—Survey—Daiwa Securities Co., 149 Broadway, New York 6, N. Y. Also available are memoranda on **Honda Motor Co. and Yokohama Rubber Co.**

**Japanese Market**—Review—Yamaichi Securities Co. of New York, Inc., 111 Broadway, New York 6, N. Y. Also available are data on **Asahi Asbestos Co., Nippon Asbestos Co., Nippon Toki Kaisha, and Toyo Toki Co.**

**Life Insurance Stocks**—Memorandum—Houben & Company, 734 15th Street, N. W., Washington 5, District of Columbia.

**New York City Bank Stocks**—Third quarter comparison and analysis of 10 New York Bank stocks—Laird, Bissell & Meeds, 120 Broadway, New York 5, N. Y.

**OTC Institutional-Type Utilities, Gas Producers/Pipelines and Independent Telephones**—Brochure on 56 issues—Troster, Singer & Co., 74 Trinity Place, New York 6, N. Y.

**Overseas Markets**—Report—International Bond and Share, Inc., International Building, San Francisco 8, Calif.

**Portfolio Reappraisal**—Bulletin—Freehling, Meyerhoff & Co., 120 South La Salle Street, Chicago 3, Illinois.

**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 Bonds**—For investment—Memorandum—Garvin, Bantel & Co., 120 Broadway, New York 5, N. Y.

**Real Estate Investment Trust Stocks**—Bulletin—Eisele & King, Libaire, Stout & Co., 50 Broadway, New York 4, N. Y.

**Real Estate Securities**—Review—Nat Berger Securities Corp., 595 Madison Avenue, New York 22, N. Y. Also available is an analysis of **Gould Properties, Inc.**

**Aluminum Company of America**—Analysis—Hornblower & Weeks, 1 Chase Manhattan Plaza, New York 5, N. Y. Also available are comments on **Combustion Engineering, Burlington Industries, Kroger Co., Buffalo Forge, Radio Corporation, Fruehauf Trailer and Westinghouse.**

**American Automatic Vending**—Memorandum—Saunders, Stiver & Co., Terminal Tower Building, Cleveland 13, Ohio.

**American Express Company**—Analysis—Laird, Bissell & Meeds, 120 Broadway, New York 5, N. Y. Also available is an analysis of **Purex Corp. Ltd.**

**American Metal Climax Inc.**—Report—Reynolds & Co., 120 Broadway, New York 5, N. Y.

**American Viscose Corp.**—Analysis—Evans & Co. Incorporated, 300 Park Avenue, New York 22, N. Y.

**Anken Chemical & Film**—Report—Harris, Upham & Co., 120 Broadway, New York 5, N. Y. Also available are data on **Zenith Radio.**

**Arizona Valley Development Co., Inc.**—Report—William Glanzman & Co., Inc., 27 William Street, New York 5, N. Y.

**Armstrong Paint & Varnish**—Memorandum—Lee Higginson Corporation, 231 South La Salle Street, Chicago 4, Ill.

**Associated Transport**—Memorandum—Frank Ginberg & Co., Inc., 25 Broad Street, New York 4, New York.

**Avery Adhesive Products Inc.**—Analysis—Hill Richards & Co. Incorporated, 621 South Spring Street, Los Angeles 14, Calif.

**Babcock & Wilcox Co.**—Report—W. E. Hutton & Co., 14 Wall Street, New York 5, N. Y.

**Bemis Bro. Bag Company**—Analysis—Piper, Jaffray & Hopwood, 115 South Seventh Street, Minneapolis 2, Minn. Also available is an analysis of **General Life Insurance Corp. of Wisconsin.**

**Buckingham Corp.**—Review—Bell & Farrell, Inc., 119 Monona Avenue, Madison 3, Wis. Also available are data on **Paddington and Star Industries.**

**Carrier Corp.**—Memorandum—Uhlmann & Co., Board of Trade Building, Kansas City 5, Mo.

**J. I. Case**—Analysis—D. R. Partka Company, 264-61 Langston Avenue, Glen Oaks, N. Y.

**Chesebrough Pond's Inc.**—Memorandum—McDonnell & Company, Incorporated 120 Broadway, New York 5, N. Y.

**Cluett, Peabody & Co., Inc.**—Analysis—Walston & Co., Inc., 74 Wall Street, New York 4, N. Y.

Continued on page 45

## SECURITY SALESMAN'S CORNER

BY JOHN DUTTON

### Sales Strategy In A Bear Market

These suggestions are respectfully presented to all the faint-hearted, irresolute, and emotional individuals who are now supplying the financial press and our daily papers with gruesome stories about the terrible conditions in the stock brokerage and investment business. The other day I picked up a national financial publication, and from the contents of a feature article you would have believed that the securities business was just about washed up for good in this country. A few days later, I read another story on the financial page of my home town paper, wherein a reporter had interviewed the managers of four local member firm's branch offices. One manager said his business was off 30%, another reported 50% off, another mentioned several registered representatives he had fired because they couldn't even earn \$1.25 a hour, and the wage and hour law was "a hartin'." I don't know where the partners of these firms where when interviews such as these were granted to the press, but if I was a partner in a member firm, and one of my "goose pimples" branch office managers told some newspaper reporter that kind of a story, I'd find a new manager—and quick!

#### Not the End of the World

In this column we are not going to worry too much about the partners, or managers, or any of the other executives that for years have been riding a gravy train in the investment business, dating back to June, 1949. This does not imply that all of these management people who have enjoyed the pleasures and profits of a 12-year bull market (the likes of which we have never seen before), are collectively a muddle-headed bunch of nitwits. Many of them have worked hard, and some of them, I am sure, regret the panic and the outward display of stupidity that is becoming so obvious today—as far as the public relations aspects of the investment banking business is concerned.

Well, I for one don't pay much attention to such nonsense, I've heard it before. But truthfully, I never have witnessed such a mob rush for the exits on the part of some firms and their executive officers—even in 1929. Salaries are being slashed, experienced back office employees are living from week to week not knowing when their jobs will be cut from under them, and fear and trembling is heard in many parts of Wall Street, La Salle Street, and Main Street. But for what it is worth, here is what one "old-Pro" salesman (if you'll excuse the immodesty of this appellation) would like to pass along to the rest of you fellows who have to live in an atmosphere of doom and gloom.

#### A Salesman's Credo for October, 1962

Don't worry about the market, don't talk about it with other salesmen, and don't try to be the biggest pessimist in the office. Keep busy. There are more customers around today than ever before. Most of them have head-

aches. If you stop listening to the belly-achers, and the prophets of doom, and make some appointments to go out and see investors who can discuss tax losses, or who will welcome some sound advice, you'll forget there is supposed to be a depression in the security business, and you will begin to prove it.

Don't listen to gossip. Don't gossip. Don't pay attention to what other people are doing, or who is losing his job, or who is going to close an office, or why the country is sure to go to pot. It won't; and you are just wasting time and energy in that sort of useless activity.

If anyone tells you they don't want to buy a mutual fund because they read that the SEC is investigating them, make light of it. Don't get into an argument. Just answer, "There are millions of people who have owned mutual funds through two wars, four recessions, and other investigations, including this one, and no one I know has ever yet regretted it. You realize how politicians like the headlines? Well, the SEC and the professors who made the report for them at a cost to the taxpayers of \$76,000, couldn't find a thing that the mutual funds had done that was illegal. That is a pretty good recommendation for an industry that has approximately \$20 billion of the public's savings entrusted to it—DON'T YOU AGREE?" Never let any of uninformed advocates of doom and destruction keep you from doing business. You never should be afraid to tell the truth.

If you don't believe me, try this. Pick up your daily paper. Go over a representative list of common stocks rated "A" or better. Note their price today. Compare it with their 1961-62 high. Take a look at the average earnings for the past three years. Check the yields you can now offer to your customers, compared with that which was available to them a year or two ago when everyone was saying, "It's a wonderful world, look at the beckoning sixties, the sky's the limit, nothing can stop the U.S.A."

Then, put some cotton in your ears, stop reading the papers, and go to work. I've never yet seen it fail—everytime there are some real bargains around, a lot of jackasses (who should know better) are busy telling us that we shouldn't buy them, and the world is coming to an end. Could it be that is why there are so few millionaires, so many confused investors, and such a minority of successful security salesmen?

### N. Y. Inv. Ass'n Annual Dinner

The Investment Association of New York will hold its annual dinner at the Starlight Roof of the Waldorf-Astoria Hotel at 7:15 p.m. Nov. 7. Cocktails will precede the dinner at 6 p.m. in the Palm Court.

Charles M. Percy, Chairman of the Board of Bell & Howell Co., will be guest speaker.

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# Why Expansion Methods Are Expected in Britain

By Paul Einzig

Forecasts made as to the probability of British reflationary policies and timing foresee greater stimulative effect upon consumer spending than on investment spending. This conclusion is based on uncertainties stemming from Cuba, Berlin and the EGM negotiations which are expected to hold back a real revival in the capital goods sector. Lending support to anticipated sizable reflationary dosages are such factors as: (1) the present lag in business growth and the fruitlessness of waiting for labor-wage restraint when labor obtains wage increases anyway; and (2) the fact that the generally unpopular Conservative Party must hold an election no later than October, 1964.

LONDON, England—There can be little doubt that Britain will embark on a truly expansionary economic policy in the near future. It is true, in two major speeches made within a week, the new Chancellor of the Exchequer, Mr. Maudling disappointed his audiences by failing to make any sensational announcements. But such is the situation that the adoption of far-reaching reflationary measures is now widely considered to be merely a question of time.

First of all, the balance of payments is now in equilibrium. The figures for the first half of 1962 show in fact quite a substantial surplus. From the point of view of the defense of sterling against an adverse balance of payments and its effect on confidence in sterling, there does not seem to be any further justification from holding back.

The need for expansionary measures is strongly urged by the latest report of the Federation of British Industries, stating that the level of industrial output remained unchanged over the four months ended September. The increase of the extent to which manufacturing capacity is used was very slight.

Obviously, British industry expects a great deal more than the timid doses of reflation administered in recent months. The government is fully determined to increase the dosage, and it is now only a question of timing. The basic fact of the situation is that the next General Election will have to be held not later than October, 1964. And since it takes some time before a major movement of recovery can fully develop, there is not much time to lose.

## Reflation Announcement Expected

It seems, therefore, reasonable to expect that new important reflationary measures will be announced either immediately after the opening of the new Parliamentary Session in November or at any rate not later than in the next Budget in April 1963.

From the point of view of sterling's position the government is now reasonably safe in proceeding with reflation. For months sterling has been reasonably stable and is weathering the import season remarkably well.

There is of course the labor situation, which is a perpetual source of danger. Britain is having trouble with the railroads and a major strike or a series of strikes might paralyze the transport system and affect exports to an appreciable extent. The trade unions of other major in-

government may hold one or two bargaining counters with the aid of which it hopes to restrain wage increases in spite of a trade revival. The forthcoming legislation providing for compensation to redundant workers is one of them. Possibly some form of restraint on take-over bids may be another. Unfortunately by adopting a capital gains tax the government discarded a very important bargaining counter without getting anything for it. It is to be hoped that in future more care will be exercised to avoid giving something for nothing.

## Election Uncertainty

All the above forecasts are based on the assumption that there will be no general election next year. Owing to the unpopularity of the Conservative Party in the country, it seems to be to the interest of the government to defer the election right to the last moment permissible under the British Constitution. But owing to the flexibility of the British Constitution, under which the Prime Minister in office can dissolve Parliament at any time within five years from the last election date, the possibility of an earlier election cannot be ruled out altogether even if it is unlikely. It is just conceivable that the railroad strikes might antagonize the public to such an extent that Mr. Macmillan would decide to appeal to the country at once with the programme of re-introducing the Trade Disputes Act adopted

after the general strike of 1926 and abolished by the Labor Government. That Act curtailed the power of the trade unions very drastically. Any attempt at re-introducing it is bound to be resisted to the utmost, but should the government be returned from the election with a decisive majority it would rightly feel that it has a mandate from the electorate to curb the power of the unions.

The possibility of such an early election is not the only source of uncertainty. Once more the prospect of an international conflict in connection with Berlin or Cuba is causing much concern. For this reason reflationary measures, while stimulating consumer demand and the increased use of existing industrial capacity, are not likely to stimulate capital expenditure by industry until the political horizon becomes clear.

Over and above other uncertainties, there is the uncertainty about the outcome of the Common Market negotiations and about the effect of its outcome on various industries. Both supporters and opponents of Britain's adherence to the Common Market are absolutely cocksure about the effect of such a change. Most businessmen, however, are utterly bewildered and feel that the effects on their respective industries or firms is incalculable. It is impossible to expect a real revival in the capital goods industries until this uncertainty is eliminated.

# Foundation Honors Pierce

The New York Arthritis & Rheumatism Foundation opened its 1962-63 campaign at a testimonial dinner to its President, Edward Allen Pierce, October 17.



Edward Allen Pierce

Charles B. Harding, General Campaign Chairman, presented the Foundation's plans to raise \$1 million in the New York metropolitan area to support and expand services to arthritics in

the area and advance research in the disease. Mr. Harding is the senior partner in the brokerage firm of Smith, Barney & Co.

Floyd B. Odum, National Chairman of the Foundation, presented the first Floyd B. Odum Award to Mr. Pierce, in recognition of his service as New York President for more than 11 years.

Mr. Pierce started his Wall Street career in May, 1901, in the firm that through a series of changes and mergers became Merrill Lynch, Pierce, Fenner & Smith Inc. He is still a Vice-President and director, Bernard Baruch once was a partner in the firm.

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*Due October 1, 1982*

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*October 17, 1962.*



# Tax-Exempt Bond Market

BY DONALD D. MACKEY

The trend of the market for state and municipal bonds has developed enough inertia over the past few weeks to carry the level through to a new high for 1962. The *Commercial and Financial Chronicle's* yield Index, which is derived from 20-year high grade general obligation offerings as listed on this page, averaged at a 2.95% yield on Oct. 17. Last week the Index stood at 2.973%. The decreased yield represents a market gain of 3/8ths of a point.

In early May the Index averaged at a 2.965% yield for a week or more, with a subsequent increase in yields which carried the Index to 3.123% in early August. Since then the Index yield has been gradually reduced to the present level. Whereas the market for high grade municipals broke about 1 1/2 from early May through early August, this loss has now been overcome by a 1 1/4 point gain with further market momentum apparent.

## Higher Prices Indicated

On the average, municipal bond prices are now higher than they have been at any time since mid-1958 and market factors are presently such as to encourage a continuation of the trend.

The number one force impelling the bond market continues to be the strength in U. S. Treasury issues. With balance of payment relationships in better perspective than they have been, and with the signing into law by the President of the bill allowing banks to pay higher interest rates on deposits by foreign governments and with the decline of the British bill rate, it would appear that the financial atmosphere per se is less precarious than it has been for a year or more. The operations of our own monetary authorities have directly favored the bond market through Federal Reserve interest in Treasury issues at it is required to contain the complex federal financial facade.

## Light Inventory

With all these factors going for the bond market generally, there are well known particulars that have specifically favored the state and municipal bond market which bear emphasis as the level breaks through to a new high area. Inventories are apparently more moderate than at any time during this year. Our best measure of the inventory situation is found in the daily *Blue List* state and municipal bond offerings. This total has wavered between \$300,000,000 and \$325,000,000 for the last several days. Current figure (Oct. 17) is \$316,499,829. This visible total would have been moderate five or ten years ago but when related to the expanded level of current financial activities it is very light. In this relationship it should be recalled that during the first half of 1962 a record total of state and municipal underwriting was accomplished.

Another factor stimulating municipal bond prices is the continuing lack of heavy new issue volume. Since mid-year the supply of new issues has dwindled to a disturbingly low average. The apparent calendar, scheduled and tentative, now totals less than \$350,000,000, close to one-third of which is \$107,900,000 New York City bonds scheduled for sale on October 24. This small average total, or less, has prevailed since early August. This circumstance has lent considerable impetus to the market trend; at what price investor attrition is not as yet apparent.

However, as we have previously inferred, it appears to us that the market has further to go after some breath gaining.

## Recent Awards

The new issue calendar for the past week totaled a modest \$121,650,000 of bonds but as is generally the case there were a half dozen issues of general market importance that were eagerly bid for by dealers and dealer banks.

As reported earlier in the article, bidding reached new high levels and profit margins for underwriters were reduced to new low levels.

Last Thursday saw two issues of note come into market place. Warren Township, Indiana Junior High School Building Corporation awarded \$2,500,000 First Mortgage revenue (1965-1979) bonds to the group headed by *Indianapolis Bond and Share Corporation* at a net interest cost bid of 2.910%. The second bid, a 2.938% net interest cost, was made by the account managed jointly by John Nuveen & Company and City Securities Corporation of Indianapolis.

Other members of the winning account include Shearson, Ham-mill & Co., Braun, Bosworth & Co., Reynolds & Co., Rodman & Renshaw, Mullaney, Wells & Co., and Lyons, Hannahs & Lee, Inc. Scaled to yield from 2.00% to 3.00% more than half of the bonds were sold upon first offering. Balance at press time is \$540,000.

Topeka, Kansas sold \$1,797,000 various purpose (1963 - 1977) bonds to the syndicate managed by the *Chase Manhattan Bank* at a net interest cost of 2.3071%. The runner-up bid, a 2.3422% net interest cost, was made by the First National Bank of Chicago and associates.

Other major members of the winning syndicate include Chemical Bank, New York Trust Co., William Blair & Co., Blunt, Ellis & Simons and Bacon, Whipple & Co. Scaled to yield from 1.45% to 2.40%, initial investor demand has been slow with \$1,670,000 of bonds remaining in account.

## Tuesday Was A Busy Day

Friday was a holiday and there were no issues of importance on the calendar and most of the municipal bond people were away. Monday was also quiet with no important new issues up for sale and dealers' time was spent busily preparing for Tuesday's \$90,248,680 total of new issues.

The largest loan of the week, \$26,652,000 Pennsylvania State Public School Building (1963-2002) Lease revenue bonds, was won by the group headed by *Halsey, Stuart & Co., Inc.* at a net interest cost of 3.056%. The only competing bid for the bonds, offering a 3.10% net interest cost, came from the syndicate headed jointly by Drexel & Co., Harri-man Ripley & Co., First Boston Corp. and Kidder, Peabody & Co.

Associated with Halsey, Stuart & Co., Inc. as major members are C. J. Devine & Co., Goldman, Sachs & Co., Glone, Forgan & Co., Blair & Co., Inc., Ira Haupt & Co., Stone & Webster Securities Corp., Salomon Brothers & Hutzler, John Nuveen & Co., Hornblower & Weeks, Dean Witter & Co., F. S. Smithers & Co., Weeden & Co., Inc. and Bache & Co. The group offered the bonds to yield 1.50% in 1963 to 3.30% in 1991 and, upon reoffering, about 30% of the bonds were sold. The bonds due 1992 to 2002 carried a 1% coupon and were committed pre-sale for the account at a 3.95% yield.

On Tuesday, The Commonwealth of Massachusetts awarded \$25,600,000 various general obligation (1963-2012) bonds to the group headed jointly by the *Chase Manhattan Bank* and *Halsey, Stuart & Co., Inc.* at a net interest cost of 2.8805%. The runner-up bid of a 2.893% net in-

Continued on page 16

# 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.

## October 18 (Thursday)

Austin, Texas	2,000,000	1964-1987	10:00 a.m.
Galveston, Texas	3,700,000	1965-1992	2:00 p.m.
Somerset, Hartland etc., Central School District No. 1, N. Y.	1,093,000	1963-1992	2:00 p.m.

## October 22 (Monday)

Deer Park Indep. Sch. Dist., Texas	3,500,000	1963-1987	-----
Edina, Minn.	1,150,000	1964-1975	7:00 p.m.
Rutgers, The State University, New Brunswick, N. J.	2,500,000	1964-1998	3:00 p.m.
Sheboygan County, Wis.	1,100,000	1963-1982	2:00 p.m.

## October 23 (Tuesday)

Bucks County, Pa.	1,400,000	1963-1992	11:00 a.m.
Chicago Park District, Ill.	11,300,000	1964-1984	10:30 a.m.
Hartford Co. Metro. Dist., Conn.	4,400,000	1963-2002	2:00 p.m.
Lafayette College, Easton, Pa.	1,000,000	1964-2001	10:00 a.m.
St. Charles, Mo.	1,300,000	1964-1993	8:00 p.m.
Union Sanitary District, Calif.	1,250,000	1964-1993	7:30 p.m.
Willoughby-Eastlake S. D., Ohio	1,000,000	1964-1978	Noon

## October 24 (Wednesday)

Douglas County S. D. No. 54, Neb.	1,600,000	1964-1983	11:00 a.m.
Florissant, Mo.	2,125,000	1964-1982	8:00 p.m.
New York, N. Y.	107,900,000	1963-1992	11:00 a.m.
Ramsey County, Minn.	3,000,000	1963-1992	10:00 a.m.
Richfield, Minn.	1,500,000	1966-1985	7:30 p.m.

## October 25 (Thursday)

Dover, School District, N. J.	2,946,000	1963-1992	8:00 p.m.
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## October 29 (Monday)

Rainbow Mun. Water Dist., Calif.	1,500,000	1963-1986	4:00 p.m.
Wyoming, Mich.	2,325,000	1964-2001	8:00 p.m.

## October 30 (Tuesday)

Boston, Mass.	6,500,000	-----	-----
Costa Mesa Union S. D., Calif.	1,085,000	1963-1982	11:00 a.m.
La Puente Union High S. D., Calif.	1,795,000	1963-1987	9:00 a.m.
Mississippi (State of)	3,900,000	1964-1996	10:00 a.m.
Parkersburg, W. Va.	1,000,000	1971-2002	10:00 a.m.
Ridgefield, Conn.	1,125,000	1963-1981	11:30 a.m.
Warwick, R. I.	2,350,000	1963-1982	11:00 a.m.
Washington Union H. S. D., Calif.	1,010,000	1963-1987	10:00 a.m.

## October 31 (Wednesday)

Arlington County, Va.	1,925,000	1964-1983	Noon
New York State Dorm. Auth., N. Y.	45,000,000	1965-1994	11:30 a.m.
Orleans Par., Parish Sch. Bd., La.	6,500,000	1963-2002	10:00 a.m.
Woodbridge Township, N. J.	2,075,000	1963-1982	Noon

## November 1 (Thursday)

La Porte Indep. Sch. Dist., Texas	1,500,000	-----	-----
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## November 5 (Monday)

Euclid, Ohio	1,300,000	1964-1983	Noon
State Teachers' College Board of Regents (Austin, Texas)	2,170,000	1966-2012	10:00 a.m.

## November 7 (Wednesday)

Cincinnati, Ohio	12,250,000	1964-1998	Noon
Palos Verdes Peninsula Unified School District, Calif.	1,200,000	1965-1987	9:00 a.m.
Roseville, Minn.	1,000,000	-----	8:00 p.m.
Whittier Union H. S. Dist., Calif.	3,185,000	1964-1982	9:00 a.m.

## November 8 (Thursday)

Galveston, Texas	4,000,000	-----	2:00 p.m.
Hunterdon Central H. S. D., N. J.	1,600,000	1963-1982	8:00 p.m.
Port of Portland, Ore.	2,000,000	1963-1982	10:00 a.m.
Port of Seattle, Wash.	2,500,000	1964-1974	11:00 a.m.

## November 13 (Tuesday)

Las Virgenes Mun. Water D., Calif.	2,000,000	1967-1992	8:00 p.m.
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## November 14 (Wednesday)

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

## November 15 (Thursday)

Oklahoma City Municipal Improvement Auth. (Rev.), Okla.	10,000,000	-----	-----
Philadelphia, Pa.	26,640,000	1964-1993	-----
Shreveport, La.	9,200,000	1965-1987	10:00 a.m.

## November 20 (Tuesday)

Cupertino Sanitary District, Calif.	1,700,000	-----	-----
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## November 27 (Tuesday)

St. Landry Parish Consolidated School District No. 1, La.	4,000,000	-----	-----
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## December 1 (Saturday)

Los Angeles County Malibu Waterworks District No. 29, Calif.	1,600,000	-----	-----
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## December 3 (Monday)

El Monte Elementary S. D., Calif.	3,500,000	-----	-----
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## December 5 (Wednesday)

Georgia State Hospital Authority, Atlanta, Ga.	6,500,000	-----	-----
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Macon County Special Charter School District No. 61, Ill.	3,655,000	-----	-----
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## January 1 (Tuesday)

Hemet School District (Riverside County), Calif.	1,085,000	-----	-----
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## MARKET ON REPRESENTATIVE SERIAL ISSUES

	Rate	Maturity	Bid	Asked
California, State	3 1/2%	1982	3.20%	3.05%
Connecticut, State	3 3/4%	1981-1982	3.05%	2.90%
New Jersey Hwy. Auth., Gtd.	3%	1981-1982	3.05%	2.90%
New York, State	3 1/4%	1981-1982	3.00%	2.85%
Pennsylvania, State	3%	1974-1975	2.75%	2.60%
*Delaware, State	2.90%	1981-1982	3.00%	2.85%
New Housing Auth. (N. Y., N. Y.)	3 1/2%	1981-1982	3.00%	2.85%
Los Angeles, California	3 3/4%	1981-1982	3.20%	3.05%
Baltimore, Maryland	3 1/4%	1981	3.10%	2.95%
*Cincinnati, Ohio (U. T.)	3 1/2%	1981	3.10%	2.90%
Philadelphia, Pennsylvania	3 1/2%	1981	3.25%	3.10%
*Chicago, Illinois	3 3/4%	1981	3.25%	3.10%
New York, New York	3%	1980	3.30%	3.25%

October 17, 1962 Index=2.95%

\*No apparent availability.

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Continued on page 16



# Canada's Currency History Since World War II

By Zdenek Cernohous, Ph.D., Associate Economist, Federal Reserve Bank of Minneapolis\*

Minneapolis central bank economist cites Canada's recent dollar crisis as highlighting her syndrome of foreign exchange developments. Maintains her experiments with foreign exchange rate systems over past 20 years evidence difficulty of countries which are dependent on external conditions, to escape balance of payments discipline. Points to de-stabilizing pressures of exchange speculation on fiscal and monetary policies. Foresees uncertainty of Canada's ability to maintain currency's new par value. Explains necessity of monetary policy complementary to the operations of the Exchange Stabilization Account.

The crisis of the Canadian dollar during the last part of June brought into focus once again Canada's recent foreign exchange developments.

Only a few weeks before the crisis (on May 2) the Canadian Government formally terminated its famous experiment with a floating exchange rate and after more than 11 years, re-established an official par value for the Canadian dollar at 92.5 U. S. cents. It also agreed to adhere in the future to the rules of the IMF and to maintain the rate of exchange within a range of 1% above and 1% below the par value.

Actually, the authorities moved away from a true floating rate, determined by free market forces as early as December, 1960. At that time they began intervening in the foreign exchange market with the purpose of driving the exchange rate to a lower level. At first they acted surreptitiously, but in June, 1961, Finance Minister Fleming made the policy public when announcing his intention to establish the exchange value of the Canadian dollar at a level (a "significant discount" with the U. S. dollar) considered most appropriate by the authorities from the viewpoint of Canada's external and internal equilibrium.<sup>1</sup>

In retrospect, it seems clear that it was the latter action which set off a chain of developments that were eventually climaxed by the run on the Canadian dollar precisely one year later. However, to be able to evaluate the foreign exchange rate policies of the Canadian Government during this critical period, it is necessary to view the whole experience in proper historical perspective. This is exactly what this paper attempts to do.

## The Canadian Experience With Exchange Controls, 1940-50

During the war and early post-war years the Canadian fiscal authorities had a virtual monopoly power over all foreign exchange dealings. All buying and selling was done by them at officially fixed rates of exchange which, as a matter of policy, were rarely altered. At the same time, Canada's international trade and capital transactions were subject to tight controls, designed to keep her total foreign payments and receipts in balance.

\* See Finance Minister Fleming's speech before the Dominion Parliament on June 20, 1961.



Zdenek Cernohous

The official par value of the Canadian dollar was altered altogether twice during the period. Initially, after the suspension of private trading in foreign exchange in March, 1940, it was fixed at 90.9 U. S. cents. This rate was then maintained unchanged for the following six years until July, 1946. Thereafter, however, the periods of uninterrupted exchange stability were considerably shorter. The Canadian dollar was at full parity with the U. S. dollar between July 5, 1946 and Sept. 20, 1949, while subsequently, between Sept. 20, 1949 and Sept. 30, 1950, it was back again at 90.9 U. S. cents. After Sept. 30, 1950, the rate was permitted to fluctuate freely.

The prolonged ability of the Canadian authorities in the first part of the forties to avoid any changes in the pegged rate of exchange was largely due to the special circumstances stemming from Canada's involvement in the war. The direction, value, and nature of her international trade was then determined by inter-allied shipping and commodity agreements while the question of financing was solved by such inter-governmental arrangements as the Lend-Lease. Moreover, due to strict exchange restrictions, private capital transfers from Canada were practically nonexistent. Accordingly, Canada's international reserves were subjected to very little pressure.

The termination of the war brought some important changes in the situation. Although exchange restrictions were retained, in the postwar political and economic climate their administration became somewhat more relaxed. Furthermore, foreign trade had largely returned to private initiative and private financing.

## Postwar Stress on Domestic Scene

All combined, these developments meant that the authorities lost some degree of their direct control over the nation's international transactions. Thus, to prevent pressure on the international reserve while maintaining the rate unchanged would have required some use of fiscal and monetary policies. However, (apart from the desirability of such an objective) the Government was not particularly concerned at that time with Canada's balance of international payments and/or her international liquidity position. Rather, its attention was focused on the domestic scene, specifically on those problems that it anticipated would be connected with the economic transition from war to peace. Hence, the fiscal and monetary tools remained reserved for the execution of the Government's domestic economic policy.

Immediately upon the termination of the war, fearing an early recurrence of unemployment and business depression, the Canadian authorities reduced taxes, imple-

mented an easy money policy, and put into effect an array of other expansionary measures in order to promote private investment, to stimulate incentives, and to provide adequate financing for the hoped-for expansion. All this was done at a time when the economy was already highly liquid and when there was a large backlog of unfilled demand for consumer as well as capital goods due to postponed purchases during the war. As a consequence, while the transition to a peace economy was accomplished under conditions of uninterrupted prosperity, with a rise in real income in every year between 1945 and 1948, the price level rose in the same span of time by over 50%.

## Exchange Rate Appreciated

Although a strong inflationary pressure became apparent early in the period, the authorities hesitated to apply an all-out brake on the economic expansion. Instead they decided to continue their policy of easy money and to attempt to control the inflation by means of budgetary surpluses and exchange rate appreciation. Accordingly, beginning July 5, 1946, the exchange value of the Canadian dollar was raised to parity with the U. S. dollar in expectation that exports would be restrained and imports encouraged so that some productive resources would be freed for other uses, particularly domestic investment. The large surplus on the trade account in each of the preceding two years was probably an important factor in the decision.

Despite budgetary surpluses and a drastic decline in the merchandise trade surplus after 1946, the price level continued to rise at a rapid rate until 1948. In the latter part of 1948 the postwar inflation finally subsided. However, by this time Canada was faced with the problem of a serious balance of payments deficit and a declining international reserve. Thus, being confronted with a reversed situa-

tion, the Canadian authorities on Sept. 20, 1949, after the devaluation of the pound sterling, reversed their policy decision of three years earlier and depreciated their dollar back to 90.9 U. S. cents.

## New Problem in 1949

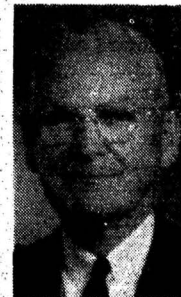
However, beginning in 1949, a number of new external factors emerged which partly frustrated the expected outcome. Due to inflationary forces abroad, foreign prices of both Canadian imports and exports soared. But while the volume of exports declined in 1949 and in 1950, so as to offset the increase in price, the volume of imports actually increased. As a result, Canada's total outlay on imports rose substantially, while exports receipts remained virtually unchanged. The trade surplus was therefore reduced further both in 1949 and 1950 despite the depreciated rate of exchange. The price level, probably in part for this reason, remained relatively stable until after the outbreak of the Korean War in mid-1950. The balance of payments, reflecting the decrease in the trade surplus, deteriorated in 1949. However, in 1950 the decline in the trade balance was more than offset by a large increase in foreign long-term investments in Canada so that the balance of payments actually improved, and Canada's international reserves were considerably increased during that year.

In 1950 when a second wave of postwar inflation set in, the Canadian Government decided that the new situation did not permit a repetition of the policy of the 1946-49 period. Realizing that, in view of Canada's military and other international commitments, an anti-inflationary fiscal policy might be excessively difficult to implement, it brought into play monetary policy for the first time since the end of World War II. However, right at the outset, the implementation of the policy ran

Continued on page 30

## Dobson V.-P. of First Boston Corp.

Ivan S. Dobson has been elected a Vice-President of The First Boston Corporation, 20 Exchange Place, New York City, it has been announced.



Ivan S. Dobson

Mr. Dobson commenced his career in the investment business in 1926. In 1945, he joined Mellon Securities Corp., in Pittsburgh, which merged into The First Boston Corporation in 1946. Mr. Dobson was transferred to the New York office of The First Boston Corporation in 1958 and since that time has been an officer in the Underwriting Department.

## Named Director of American Cement Corp.

LOS ANGELES, Calif.—Alfred J. Mayman, Senior Vice-President of the Bank of California, N. A., has been elected to the Board of Directors of American Cement Corporation, according to an announcement by the company.

## Schlenger Partner In Ira Haupt Co.

NEW YORK CITY.—Ira Haupt & Co., 111 Broadway, members of the New York Stock Exchange, on Oct. 4 admitted Henry Schlenger to limited partnership.

This announcement is not an offer of securities for sale or a solicitation of an offer to buy securities.

October 16, 1962

## 315,730 Shares The Hawaiian Electric Company, Limited Common Stock

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The Company has issued warrants to holders of its Common Stock evidencing rights to subscribe for full shares thereof, at the rate and subject to the terms set forth in the Prospectus. Common Stock may be offered by the underwriters as set forth in the Prospectus.

Subscription Price \$21.25 per Share

Copies of the prospectus may be obtained from such of the undersigned (who are among the underwriters named in the prospectus) as may legally offer these securities under applicable securities laws.

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White, Weld & Co.

Hornblower & Weeks

Paine, Webber, Jackson & Curtis



# The Market . . . And You

BY WALLACE STREETE

The string of largely aimless stock markets persisted in this week's trading as public participation fell off to a low ebb and trading held to a slow pace by recent standards.

What support showed occasionally was concentrated largely in special situations and in the issues where heavy short selling had been apparent recently. The buying was at least partially based on the expectation that the forthcoming report would show a higher level in the short positions.

There was little in the business picture to spark any broad market participation and the caution was heightened by the expectation that there will be substantial year-end tax selling and institutional switching to keep the market restrained.

## Technical Factors

Without anything in sight to prompt more vigorous action, the market as far as the D-J industrial average was concerned was left in a comparatively narrow trading range between roughly 570 and 600. The ability to move out of that area would be the technical indication of what the market's near-term course will be. The Average had found support at the lower area early this month and upside progress has been stymied by the upper level for nearly a month. Recent standings were in the upper portion of the range.

As far as individual issues were concerned, some of the technicians were noting some issues building up strong base formations that augured well for them if any new buying moves into the market. There was no apparent lack of funds available for buying opportunities but, so far, little incentive to do so.

## Some Drastic Declines

The market's correction, meanwhile, has dropped some prices far under their optimistic peaks. The shares of Minneapolis Honeywell recently have been available at a trim of a hundred points from the peak of 1960.

There was a reason for the fall from grace of Minneapolis Honeywell; namely, the heavy expenses to which it was committed in entering the electronic data processing business. With these heavy charges, the earnings that had peaked at \$4.20 a share in 1959 were down to \$3.74 in 1960 and \$3.48 last year. But the prospects are that this year will show a recovery from last year's results now that the heavy charges are seen as tapering off.

Nevertheless, the company is still a highly-regarded profit-maker and a giant in making automatic control instruments and systems. Moreover, it has been increasing both its defense work and its sales in foreign markets. In short, at the very least the shares of this well-known company are selling at a realistic level that doesn't indicate any excessive enthusiasm over what still is potentially a growth company of established standing.

## Outstanding Record

In the ranks of the home appliance business, Maytag has carved out a superior record of resisting

business downturns, despite the fact that it has scorned diversification and deliberately concentrated on the washing machine dryer field. In that, its accent was on manufacturing economies and improvements. While in a decade its sales grew 24%, net income was ahead 80%, and per-share results almost doubled.

So Maytag without being spectacular about it, still can point to a growth element in its makeup that is even more enhanced now that the company is expanding its operations in the European markets. There is only common stock in its capitalization and the shares recently were only a bit above a 14-times price/earnings ratio, with an indicated yield of about 5%. With business thriving, the company is again candidate for a year-end extra dividend since it has paid them in each of the past 14 years. The company has also boosted the regular rate in eight of the past 10 years.

## Growth Issue—With Stock Split

The growth aspect of most electric utility companies has not been played up in the stock market even back when the hunt for anything that could fit the bill was somewhat hectic. But higher dividends every year for a decade, a record American Electric Power has carved out, would have to indicate that it isn't any stranger to growth. A stock split is pending.

American Electric's territory is highly industrialized and it has had a rapid expansion in both industrial customers as well as consumers, as the population grew in its area. With large coal deposits in the territory, it has been able to stand out as a highly efficient electrical generator. It has no rate problems of any import at the moment, and is able to generate funds for expansion internally to where no equity financing is on the horizon for several years ahead.

## Among the Friendless Tobaccos

Tobacco shares, despite their definitely above-average yields, have had few persistent friends among investors for a long time which helps account for a return of well into the 5% bracket offered by Philip Morris. This company has been busily expanding in such fields as razor blades, packaging materials and adhesives and textile chemicals. The company, moreover, has been able to keep cigaret sales booming so that even heavy costs of several projects, including a Canadian cigaret plant, haven't affected the profit showing.

Expanded foreign operations were able to help the company's cigaret business prosper and for the half year the sales hit a mid-year high. On a 4% gain, profit was up 3% for Philip Morris. With the drains on earnings starting to lighten, and with a couple of potential acquisitions outside the tobacco field being investigated, the future is bright for improved sales better operating margins and net profits.

There is, of course, the recurrent health facet that has found tobacco shares vulnerable to selling in the past, and no guarantee that new ones won't crop up in the future. But the available fig-

ures indicate that such scares have done little to chill the public appetite for cigarets, with sales gains persisting with something of a new generation of potential smokers just starting to mature. And the tobacco shares are no stranger to investment company portfolios. One tabulation lists the market value of shares held by more than 150 funds as well past a third of a billion dollars.

## Mixed Reaction to the Electronics Sector

Electronics continue to draw divergent comment from market analysts after their wild days of previous years, some taking the line that the bloom is permanently off and others maintaining that the quality items in the section are leading candidates for spirited rebounds. Zenith was rather highly regarded for its impressive record in dominating the television market and other areas in the home entertainment field.

With a pay-TV system under its control, Zenith in the past has been known for volatile price action over the prospects for this type of broadcasting. But pay-TV is still largely an unknown factor and certainly in no position to promise any immediate contribution to earnings. But lately the entire subject has been pretty much shrugged off by the stock-buying public; so Zenith seems to be less vulnerable to developments in the field. It has meanwhile jumped sales by a fourth in the first half of this year, to record levels. And profits have increased by 30% to contribute to an outstanding record.

[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.]

## Cruttenden, Podesta Absorbs Wood Co.

ST. PAUL, Minn. — Cruttenden, Podesta & Miller has acquired the securities business of Harold E. Wood & Company, according to a joint announcement from the two investment firms. The consolidation, as approved by the New York Stock Exchange, became effective Oct. 15.

Mahlon C. Bundy, Cruttenden, Podesta & Miller's resident manager in St. Paul since 1957, continues in that capacity. Herbert G. Lancaster, a member of the Wood & Company staff since 1955, has been appointed assistant manager. All other members of that staff are now affiliated with CP&M.

The two firms have shared the same St. Paul address—First National Bank Building—for many years. The expanded, consolidated operation is occupying the former Wood & Company space, on the 29th floor.

Harold E. Wood & Company has been an active and distinguished member of the Twin Cities financial community since it opened for business, in 1932. Its founder, the late Harold E. Wood, was Chairman of the Board of Governors of the National Association of Securities Dealers, Inc. (1955), and also served as a national governor of the Investment Bankers Association of America (1936-39).

# Connecticut Brevities

The Associated Spring Corp., Bristol, has announced a \$1 million expansion program that includes the construction of a new building containing 25,000 square feet of floor space on land already owned by the company in Bristol. It is estimated that the plant, when it attains full operation, will employ an additional 75 workers per shift and will operate on a three-shift schedule. It is expected that the new facility will be ready for occupancy by the end of the year.

Dunham-Bush, Inc., West Hartford, and Thermotronics Corporation, Westbury, L. I., N. Y., have announced that Micro-Therm Heater Units will be manufactured exclusively for Dunham-Bush, Inc. The Micro-Therm Heater is the first miniature electro-hydraulic energy conversion unit designed to heat an entire dwelling and supply domestic hot water, also for heating of apartment motels, swimming pools, gas stations, and many other similar applications. The unit weighs only 40 pounds and measures 14" by 14" by 6½". It takes the place of a boiler and, as a result, no chimney is needed. It can be mounted on the wall completely out of the way and therefore allows space for an extra room.

The Emhart Manufacturing Company of Hartford has announced the disposal of its 50% stock interest in Plax Corporation to Monsanto Chemical Corporation of St. Louis, Mo. The number of shares of Monsanto stock to be received is from a minimum of 301,088 to a maximum of 314,850 shares, depending upon the times of delivery. Monsanto will also prepay a \$3,000,000 Plax note held by Emhart. The management of Emhart believes the sale will be advantageous in that the assets derived from it can be applied toward Emhart growth in fields more closely allied to those in which it is now conducting its own business.

United Aircraft Research Laboratories, East Hartford, a subsidiary of United Aircraft Corporation, will double its facilities through construction of three new buildings adjoining the present laboratories. The new air-conditioned buildings will contain 121,000 square feet of floor space and will be used to expand the basic and applied research programs being carried on by the company in most of the physical sciences important to space flight. The new facilities will consist of a two-story physics building, a single-story office unit and a single-story wing containing the corporation library, a cafeteria, an auditorium and executive offices. All will adjoin the present re-

search facility where a technical staff of 800 presently works.

The Packaging Division of the Warner Brothers Company, Bridgeport, has announced the development of an exclusive SMSC (simultaneous multiple sealing and cutting) process that makes it possible to fill and seal large groups of blisters at the same time, and in a single step to cut these groups into complete, individual blister packages. Depending on the size of the blisters, it is possible to fill, seal and cut as many as sixty blisters in just one operation. Warner Packaging will lease SMSC equipment to product manufacturers or can handle the entire blister packaging operation from design, printing and forming of the paperboard and plastic right through complete assembly.

The Carwin Company of North Haven will be acquired by the Upjohn Company as a result of a Carwin stockholders vote of approval on Oct. 4. About 74% of Carwin stock was voted in favor of the deal. The terms are an exchange of seven shares of Upjohn for each eight shares of Carwin. The acquisition closing is scheduled for Oct. 23. The Upjohn Company is a leading manufacturer of pharmaceutical products, and its acquisition of the assets of Carwin should enable the full and profitable development of isocyanates and other products formulated by Carwin, according to its officials.

Scoville Manufacturing Company, Waterbury, has announced entry into the expanding field of plastic piping with a full line of rigid unplasticized Polyvinyl Chloride (PVC) pipe and fittings for general commercial and industrial use. Initial marketing will be limited to Northeastern territories, since it is the company's intention to develop close cooperation between Scoville Technical Services and the plumbing, heating, and specialized distributors and contractors concerned in the sales and installation of plastic pipe and fittings, which find their principal present applications in the chemical, petrochemical, water supply, irrigation, food processing, power, and commercial piping fields.

## Wood, Walker to Absorb Butler Co.

Effective Nov. 5, it is reported that the firm of Butler, Herrick & Marshall, will merge with Wood, Walker & Co., 63 Wall St., New York City, members of the New York Stock Exchange.

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# Merger Motives and Methods

By Dr. Ira U. Cobleigh, Economist

**A consideration of the merger as a vehicle for accelerating corporate growth and earning power; and for broadening the base, and stabilizing the flow, of profits through diversification.**

The urge to merge is one of the oldest human instincts. The first merger was the marriage of Adam and Eve, in the Garden of Eden, with the snake serving in the capacity of "finder!" In social and political life, this urge to merge found expression, first in the family, then in the tribe, community, nation, alliance, empire and, more recently, in United Nations. In business life, this merger trend is documented in the expansion of individual proprietorships to partnerships, joint stock companies, corporations, holding companies, consolidations, joint ventures, trusts, cartels and, now, the Common Market.

Today, we want to discuss corporation mergers. Before we do, however, we'd like to clarify our language a bit. It's clumsy to keep talking about the "company that takes over," "the company being acquired," etc., so we've coined two new words: "MERGEROR," defined as the buying or acquiring company, and "MERGEREE," the company selling out or being absorbed. We plan to use these words.

## History

Historically, mergers fall into three major categories: Vertical, from raw material to the finished product; Horizontal, broadening the base in a given market or economic sector; and Conglomerate, merging without regard to compatibility of existing service or product lines. Examples of companies built on Vertical mergers would include U. S. Steel, Anaconda Corp., Texaco, Kimberly Clark; horizontal growth by merger is illustrated by Sheraton Corp., Gillette (Toni-Papermate), Holt Winston and Rinehart, Coca-Cola (Minute Maid), Revlon, Flintcote, American Home Products; while conglomerate companies, assimilating a broad variety of enterprises would include Textron, Inc., FMC, Inc., Houdaille Industries, Inc., Philadelphia and Reading, Brunswick Corp., etc.

In the United States there have been three periods of surging mergers: 1897-1904, characterized by vertical mergers, tending towards monopolies (steel, tobacco, insurance, tinplate); from 1919-1930, with mergers emphasizing the growth of the holding company, especially in public utilities; and from 1950 to now, the greatest merging period, accenting the quest for corporate growth and diversification. In 1961, there were over 1,100 mergers important enough to be reported in newspapers and financial journals.

## Purposes of Mergers

For the mergeror, the main drive—the ultimate reason—for mergers is to make more money, with the stabilization of earning power frequently a part of the motivation. The easiest way to grow is often to merge. Larger companies have (generally) more resources, better credit, greater production and sales capacity, more money for research, development and promotion, and superior survival characteristics.

Specifically, companies merge to broaden markets or secure captive ones (Cities Service-Colum-

bian Carbon); to insure sources of supply (Shell Oil's recent offer for Canadian Oil, Ltd.); to diversify earnings and minimize cyclical swings (Warner Lambert-American Chiclé); to acquire talented managements (Naumkeg Steam Cotton, by merger got the aggressive management of Indian Head Mills); to get nearer (and reduce transportation costs) to major markets; to gain needed additional plant facilities; to sell more products with the same sales force (Gillette, Toni); to existing customers; to enter a cheap labor market; to eliminate duplication in sales, production, marketing, warehouse, transport or research facilities; to gain cash resources or a tax carry back; to prepare for a public offering and, finally, to survive. This swift catalog summarizes, with a few illustrations, the major motives which animate mergerors.

## Mergeree Motives

The reasons for a potential mergeree to look for a buyer are fewer but often more urgent. Most frequently, there is an elderly president, a large or controlling stockholder, who wants to value and make liquid his equity by converting it into cash or marketable securities, in anticipation of inheritance taxes and estate distribution problems. Other motives prompting a "sellout" would include family squabbles in closely held companies; no effective younger management in sight; financial anemia, lack of adequate funds for promotion, research and expansion; high operating or marketing costs, or cashing in on a king-size capital gain. In certain instances merging is the best hope for survival of a smaller enterprise. Sometimes, too, a company has lost so much money that its tax loss carry forward becomes, by peculiar financial magic, an asset attractive to certain mergerors.

## Negotiating

Once the potential mergeror sees a likely mergeree (or vice versa) there begins the negotiation cycle. This negotiating must be conducted with the greatest secrecy and diplomacy. Mergerees will almost never admit openly that they are "for sale" and they hesitate to let the word get around lest their employees get jumpy and leave. The matter must be mutually and gingerly explored. The parties may be drawn together through a lawyer, accountant, commercial or investment banker, a trade association head, a business consultant, a "finder" (who may be almost anyone) or mutual friends. Many large metropolitan banks, investment houses and larger accounting firms now have departments devoted to searching out, initiating and shepherding mergers; and there are several dozen responsible and competent financial consultants (individuals and firms) who specialize in this field on a fee basis.

## Implementing the Merger

A large mergeror will usually have either an individual officer, a merger committee of many men from several corporate departments, a team of specialists, or entire department devoted to find-

ing, screening and evaluating mergers. It is most important that corporate objectives be defined, the type and size of company sought be outlined, and the amount of funds or stock available for mergers allocated.

A top level officer heading the screening group or committee will frequently do the negotiating. Often, however, the actual "deal" is personally concluded by the president, and, on the record, a merger will almost never "go through" unless the presidents of both companies strongly favor it.

In considering possible mergerees, three quarters of them will be weeded out after a screening of (1) a complete description of the business, (2) balance sheets and earnings statements for the last five years, and (3) the asking price. Merging, in general, is a buyer's market, with at least ten eager mergerees for each mergeror. In 1956, Rockwell Manufacturing was offered over 200 merger proposals, but actually bought only two companies.

Coming down "to the wire" in a deal involves the crucial agreement on price. Here, valuation techniques must be carefully applied by the mergeror. Cross checking and balancing of appraisals by book value, price/earnings ratios, replacement costs, recent sales of comparable properties all go into the price calculation. The best "buys" are companies in growing industries, in any early phase of their corporate development. Old, tired

companies may still stay that way, even after infusions of new money and new management.

Finally, there's the decision as to what to use for money. Cash rich companies may buy outright. Notes, mortgages and annual "payouts" are often used. The great majority of mergers, these days, however, seem to be "tax free reorganizations" where the mergeree shareholders receive common or preferred stock for their equities. The convertible preferred, seems especially popular, as it offers a senior security, dividend stability plus a chance for gain. It was used effectively in the Transamerica-Pacific Finance, Cities Service-Columbian Carbon, and Newmont Mining-Magma Copper mergers.

## Compatibility

The mergers that pay off have to "fit." There must be a blend in facilities, managerial skills, production and marketing. A good merger means that the whole is greater than the sum of its parts! Some companies have displayed great talent for successful merging: FMC, Inc., Grace Co., American Can, American Home Products, Franklin National Bank, Flintcote, Brunswick Corp., Gillette, Textron, Inc. Others have achieved less happy results: Case (American Tractor), Fairbanks-Whitney and General Dynamics. At least 20% of all mergers should never have taken place at all! And, some big ones get an anti-trust whistle blown on them—Bethlehem-Youngstown, and now

Stauffer Chemical-American Viscose).

## The Future

Mergers are a corporate way of life. A dozen railroads are, at this moment, engrossed in merger discussions; air lines, discount stores, motels, and many smaller electronic companies are in a joining mood; and speculators are constantly on the lookout for the market profits that forseen mergers can bring.

We have, of course, presented here only the barest outline of the vast panorama of mergers. We have endeavored, however, to throw some light on the gains that sound mergers can create, and to offer, at the least, two new words on the subject.

## New York Agency With Bank of Montreal

Ronald J. Allen has been appointed an agent at the Bank of Montreal's New York agency, it has been announced.

Mr. Allen comes to the post from the bank's head office in Montreal, where he has been superintendent of the business development division for the past two and a half years. Previously, he served extensively in the Bank of Montreal's British Columbia division, latterly as manager of the business development department, Vancouver, and travelled widely through Washington, Oregon, Idaho and Utah as a representative of the bank.

This announcement is neither an offer to sell nor a solicitation of an offer to buy these securities. The offer is made only by the Prospectus.

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October 18, 1962.



# MUTUAL FUNDS

BY JOSEPH C. POTTER

## The Common Market of the Funds

Pioneers in the fund field were well aware that the market for their products and services extended far beyond New York, even though the prime market in those early days was between New York and Boston. But it is doubtful that they could have foreseen the growth of their business within 20 years to a point where California would surpass New York and the Pacific Coast States (California, Washington, Oregon, Alaska & Hawaii) would top the Middle Atlantic States (New York, New Jersey and Pennsylvania).

In 1959 California investors led those of all other states, but New York regained first place the next year. Last year California regained first position by a wide margin and, based on the figures of the Investment Company Institute, is going to be there in 1962 with ease.

During the first six months of this year Californians bought \$372 million worth of mutual funds, a hefty gain of nearly one-third from the less than \$252 million bought in the first six months of last year. For the first half of 1962 folks in the Empire State plunked down \$259 million for fund purchases, a sizable increase from the \$213 million of the like 1961 period but a long way from the upsurge in the Golden State.

California and New York can be expected to lead the market for funds for many years to come, but the rate of growth, most likely, will not be the fastest in those places. Indeed, the growth rate nowhere in the United States seems likely to match that beyond our borders.

Thus the Investment Company Institute calculates that mutual-fund share purchases in Canada hit the five and a quarter million

figure in the first six months of this year, compared with \$2,178,000 in the year-earlier period. Other countries reported sales of nearly \$27 million for the first half of this year, against little more than \$14 million during the first six months of 1961.

All of the foregoing should prove heartening to fundmen, troubled by the Wharton School study released recently by the Securities and Exchange Commission. It may even be that there is a lesson here for Wall Street brokerage firms, many of which have been decimating or even dismantling research and analytical departments even since the spring debacle.

From the figures garnered by the fund people, it is obvious that stocks have not gone out of style. True, the public is wary and utterly lacking in enthusiasm for overpriced, untested issues. But the people's appetite for equities of merit apparently is still sizable, based on the experience of the mutual funds. That appetite can be expected to grow throughout the Free World.

For the small investor—the individual of moderate means—the investment services provided by mutual funds practically assure continued growth. And a recent survey of purchasers of Wellington Fund and Wellington Equity Fund shares indicates that these services also command the respect and attention of substantial investors. As a matter of fact, the large accounts are increasing even more rapidly than the small ones. The Wellington people note that from 1956 to 1961 total purchases of Wellington shares rose 61%, going from \$101 million to \$163 million.

Volume purchases—1,000 shares or more, generally about \$15,000—rose 250%, or from \$11 million to \$38.5 million. Last year alone, 24% of Wellington share purchases were represented by the volume buyers. That was a record annual high and more than double the 11% figure for 1956. Thus far this year volume purchasers are even higher, representing one-quarter of all sales.

The securities industry is beset with problems that have created a good deal of gloom. But problems also create opportunities.

## The Funds Report

Federated Growth Fund reports that during the quarter ended Sept. 30 the net asset value per

share rose to \$4.28 from \$4.26 and total net assets to \$2,601,722 from \$2,161,653.

During the quarter it added to the portfolio Woodward Stores and Argus Corp.

Fidelity Capital Fund reports that Aug. 31 total net assets were \$135,929,525, or \$7.63 a share, against \$7.51 a share at May 31.

General American Investors Co., Inc. reports that on Sept. 30 net assets were \$50,377,087, a decline of \$15,255,145 for the nine months. Net assets were equal to \$24.64 per share of common stock, compared with \$24.15 on June 30 and \$32.60 at the close of 1961.

During the latest quarter the company increased holdings of Control Data Corp. and reduced holdings of Allied Chemical and Celanese.

General Public Service reports that on Sept. 30 net assets amounted to \$70,283,140, or \$5.79 per share. This compares with assets of \$81,735,664 and \$6.90 per share a year earlier.

Tri-Continental Corp. gross assets on Sept. 30 amounted to \$390,109,763, equal to \$44.07 per share. At the start of 1962 assets were \$499,785,817, equivalent to \$58.80 per share. Net investment income for the first nine months of this year totaled \$8,847,765, compared with \$8,464,746 in the same period of 1961.

## Randell Joins Filor, Bullard

Filor, Bullard & Smyth, 26 Broadway, New York City, members of the New York Stock Exchange, have announced that Donald H. Randell has been appointed director of Institutional Research and Sales.

Mr. Randell was formerly associated with E. F. Hutton & Co., and the investment departments of Home Insurance Co. and the United States Trust Co. of New York. He also has managed mutual funds and has been a consultant to several brokerage houses, oil companies and government agencies.

He is a director of the New York Society of Security Analysts, and has been an officer and chairman of the program and convention committees; and chairman of the education committee.

# Equal State Banks' Power With Federal Institutions

By Alfred S. Mills,\* President, Savings Banks Association of New York State and President, The Bank for Savings in the City of New York

Savings banks' spokesman flatly and unequivocally declares that if laws and regulations governing national banks are liberalized then comparable State laws must be liberalized to allow equal rights with those afforded Federal institutions. Mr. Mills invites State-chartered banks to join savings banks in striving for power equal to national banks and other Federally chartered financial institutions. The bankers do not ask for checking accounts, or commercial loans, or corporation accounts, or trust powers, etc., in asking for equality and in explaining the role played by savings banks as a repository for savings essential to economic growth.

To some, it may appear that we savings bankers have a dull and routine job, with nothing very exciting about it. And perhaps some of us may, at times, think the same thing.

But if we do find ourselves thinking so, it may be because we have momentarily lost sight of the fact that savings banking has a tremendous impact on the world in which we live. When we watch a man or woman making a deposit in a savings account—what is happening often appears to be simply a matter of routine.

It is routine, of course, but it is also something much greater. That common, everyday occurrence—a person depositing money in a savings bank—is vital to our whole economy. For that transaction is, reduced to its simplest terms, what keeps our nation powerful and free, and what bolsters the whole free world.

This fact was forcefully brought home to me the other day as I was reading a book called *The Rich Nations and the Poor Nations*, by the distinguished British economist, Barbara Ward.

Flatly and without qualification, Miss Ward wrote this simple sentence—"Without saving there is no economic growth."

Now I know that Miss Ward is by no means the first or the only person to make this point—but stated so briefly and simply it made me sit up in my chair. For of course it is true—without saving there is no economic growth. And the reverse is true, too—with saving, there is economic growth.

Individual saving brings about the formation of capital. As the American economist Simon Kuznets writes in his study of *Capital in the American Economy: Its Formation and Financing*, "Capital formation is . . . essential to economic productivity and economic growth."

And Mr. Kuznets goes on: "In a society such as ours, the basic decisions that determine capital formation are those made by households, business units, and governments, in the disposition of their income between current expenditures and savings."

Notice the word "households" in that sentence. We are brought back to that routine, everyday scene on the banking floor—the man or woman making a deposit in a savings account. And we can now see that this scene is really the heart of the matter. The decision of a household has been

made, and money is being diverted into savings—and hence into the economic bloodstream of the nation and the free world—through a savings bank.

In each and every one of our savings banks, at this very moment, we are helping to gather the savings, to form the capital, that insures economic growth. We are helping to keep this nation—and the free world—strong, powerful, healthy—and free.

This surely, is no dull routine job. It lies at the very heart of our economic system.

We, as savings bankers, of course recognize the importance of savings—the importance that is stressed by the economists I have quoted. We recognize the importance of the role of savings banks in helping to form capital.

But not everyone recognizes the simple fact that without saving there is no economic growth. And some of those who apparently fail to recognize that fact are in high places.

## Mixed Federal Views on Savings

Does the Federal Government recognize the importance of savings? Does New York State recognize it? Let us look at some recent evidence that points toward the answers to these questions.

This year, the Administration here in Washington sponsored two tax proposals which, in my opinion, would have been detrimental to the accumulation of savings, and hence to capital formation.

The proposed withholding tax on interest and dividend income would no doubt have confused the small saver—and it is the small saver who is most essential to our whole thrift industry. He is the man who in many cases would have experienced over-withholding from his interest-dividends. Even the fear, generated by press reports that withholding was being considered, had an effect. It caused some deposits to go out; kept others from coming in.

The other tax proposal—the increased income tax on savings banks—will tend to reduce the interest-dividends we can pay. It will make it difficult or impossible for us to offer the saver incentives as great as those we have offered him up to now. It, too, is bound to have its depressant effects on potential savings deposits.

These two tax proposals seem to me to indicate some lack of understanding, on the part of the Federal Government itself, of the importance of savings.

On the other hand, however, within the Federal Government we have the Federal Home Loan Bank Board, which supervises the Federal savings and loan associations and which has shown a strong determination to strengthen

Continued on page 46



Alfred S. Mills



Donald H. Randell

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# The State of TRADE and INDUSTRY

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

Although most indicators of business activity are at record levels, economic expansion has slowed to a creep stated the October issue of *Barometer of Business* published by Harris Trust and Savings Bank, Chicago.

The current business recovery, which started 20 months ago, moved briskly ahead through most of 1961 but has progressed at a slower rate this year. In fact production in several consumer goods industries, such as television, radios, and furniture, declined during the past few months.

Recently there has been some upward movement in steel and auto output. Steel production increased approximately 100,000 tons in September from August's production of 7,150,000 tons, which is in line with the typical seasonal pattern, points out the periodical.

Auto production climbed sharply from under 200,000 cars in August to over 450,000 last month as the 1963 models came off the assembly lines. A big gain is forecast this month, possibly over 700,000 autos. The overall new effect has been a level trend in total industrial production.

Business sales reflect a pattern similar to that of production, indicated the Harris Bank. With the exception of the June dip, coincident in timing with the sell off in the stock market, sales of manufacturers, wholesalers, and retailers have varied little since last April.

Seasonally adjusted car sales were somewhat higher in September, the final month of the 1962 model sales year. Department store sales are above year-earlier levels, but seasonally adjusted sales were running at about the July-August rate in September.

In the October *Barometer of Business*, the Harris Bank analyzed the payments difficulties of other countries compared to the U. S. The publication states that in contrast to the lack-luster trend in domestic output and sales, the U. S. international balance of payments position improved markedly in 1962. Just like the U. S., other nations have faced similar difficulties during the past two years.

The United Kingdom, Japan and Canada, three large trading and industrially advanced nations, were forced to take remedial action to protect their foreign exchange reserves because of international accounts deficits.

The Bank of England raised its discount rate to 7% in July, 1961, and introduced higher consumer taxes in order to halt a loss of foreign exchange. Japan moved its discount rate up to 7.3% in September last year and took steps to discourage capital spending. Due to a sharp decline in foreign exchange reserves earlier this year, Canada was forced to increase its discount rate to 6% in June and raise tariffs on selected items.

In analyzing the period 1954 through June 1962, the periodical reports that balance of payments surpluses can change to deficits, and vice versa in the course of a few years.

While the United States and

Australia were suffering international reserve losses in 1960, Germany, France, the United Kingdom, Switzerland, the Netherlands, Japan, and Belgium were all gaining reserves.

In 1961 the United States lost reserves at a more modest rate, and Australia enjoyed a sharp gain. After increasing its foreign reserves by \$500 million in 1960, the United Kingdom lost \$500 million in the first half of 1961, but gained it back by year-end.

Following revaluations of their currencies, Germany and the Netherlands ceased to increase their reserves in 1961. France, Switzerland, and Belgium gained additional foreign reserves in 1961, but only France of these three is still a net gainer. Italy and Canada were net receivers of reserves in 1961, but both experienced a decline in the first half of the current year.

The United States is cutting the deficit in its international accounts this year, and has suffered no further loss in its foreign reserves since the end of last year, indicates the Harris Bank. Gold losses were offset by increased holdings of foreign currencies. This improvement in the U. S. balance of payments has lessened some fears concerning the U. S. dollar.

## Bank Clearings Decline 1.1% 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, Oct. 13, clearings for all cities of the United States for which it is possible to obtain weekly clearings will be 1.1% below those of the corresponding week last year. Our preliminary totals stand at \$24,470,737,996 against \$24,752,167,317 for the same week in 1961. Our comparative summary for some of the principal money centers follows:

Week Ended	(000s omitted)	%
Oct. 13, 1962	100.0	100.0
Oct. 13, 1961	101.1	101.1
New York	\$13,128,473	\$12,372,161 + 6.1
Chicago	1,004,313	1,168,302 -14.0
Philadelphia	861,000	999,000 -12.9
London	614,884	678,738 -9.4
Kansas City	513,128	490,705 + 4.6

## October Steel Shipments to Be Up 5 to 10%

Steel makers expect a 5 to 10% gain in shipments this month to be followed by another of about the same size in November, *Steel* magazine said this week.

Forecasts vary from mill to mill because of differences in products made and markets served. The lack of buoyancy in the market can be attributed largely to inventory liquidation, although orders for tin plate, construction products, line pipe, and pipemaking plate are tapering off seasonally.

Fortunately, seasonal losses are being offset by bigger orders from Ford Motor Co., Chrysler Corp., appliance manufacturers, and miscellaneous users who have completed inventory adjustments.

Steel production is on an even keel. Output this week is expected to be about the same as the 1,746,000 ingot tons that *Steel* es-

timated were poured the previous week. Operations are at 57% of annual capacity (estimated at 160 million ingot tons).

*Steel's* scrap price composite on No. 1 heavy melting grade fell 67 cents a gross ton last week to \$25, after holding steady the two preceding weeks.

## Kaiser Steel Price Cut Still Reverberates

Steelmakers from one end of the country to the other are studying Kaiser Steel Corp's price reductions on the West Coast, *Steel* stated.

The other major West Coast steelmakers, Bethlehem Steel Co. and U. S. Steel Corp's Columbia-Geneva Steel Div., have already adjusted prices.

Colorado Fuel & Iron Corp. at Pueblo, Colo. may react by asking Western railroads for lower freight rates. If the carriers figure they're going to lose lots of East-West business, they may ask the Interstate Commerce Commission's approval for rate cuts.

Even before Kaiser's price reductions, Midwestern mills had a hard time shipping steel to the West Coast. Said a large Ohio producer: "We've never been able to ship hot rolled or cold rolled carbon sheets out here at a profit."

U. S. steelmakers recently filed dumping charges against foreign producers of wire mesh and wire rods. Now they are scrutinizing other imports, *Steel* reported. A Japanese mill last week cabled its U. S. representatives to watch for dumping complaints on gas transmission pipe, plates, and bars.

Foreign producers are exploiting a tariff loophole and flooding

the market with polished stainless steel sheets, *Steel* said.

## Steel's Output Unchanged From Preceding Week and Down 15.7% From Last Year's Week

According to data compiled by the American Iron and Steel Institute, production for the week ended Oct. 13, 1962, was the same 1,746,000 tons (\*93.7%), as against 1,766,000 tons (94.8%) in the week ending Oct. 6.

Data for the latest week ended Oct. 6, 1962, shows a production decline of 15.7% compared to last year's week output of 2,071,000 tons (\*111.2%).

Production this year through Oct. 13, amounted to 78,274,000 tons (\*102.5%), or 4.8% above the Jan. 1-Oct. 14, 1961, period.

The Institute concludes with Index of Ingot Production by Districts for week ended Oct. 13, 1962, as follows:

	*Index of Ingot Production for Week Ended Oct. 13, 1962
North East Coast	91
Buffalo	88
Pittsburgh	84
Youngstown	80
Cleveland	95
Detroit	33
Chicago	102
Cincinnati	98
St. Louis	113
Southern	94
Western	84
Total	93.7

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

## Spectacular Splurge in Specialty Steelmaking Seen

A technological burst in specialty steelmaking was forecast this week by *The Iron Age*.

"The lid is about to blow off specialty steel technology," the metalworking weekly said. "Radically new processes are being tried or considered for virtually every phase of manufacturing of stainless, electrical, and other specialty steel products."

The magazine said all the various developments have one note in common: They offer efficiency in compact, low-cost packages. In the past, cost and volume created a wide gap between tonnage steelmaking and all elements of specialty production.

This was particularly true of ironmaking. To get hot metal, the specialty mill had to build a blast furnace that might cost more than \$50 million and could turn out large tonnages. This was not practical for a mill selling steel by the pound.

What the new concept does is open up to the specialty producer means for full integration, with all the efficiency of hot metal use and oxygen steelmaking, *The Iron Age* stated.

In the general steel market, *The Iron Age* said only a late-month flurry of new orders can prevent November from being a disappointing month. The flow of orders for November shipment at this point does not indicate more than a slight improvement for the month.

There is a small chance that a change in automotive steel buying could alter the picture. Automakers are scheduling production at near-record rates, but are still working off their own stocks of steel to the extent that their steel

Continued on page 46

# Serving the Savings Banks

Savings Banks Trust Company is wholly owned by the Mutual Savings Banks in New York State and provides them and their agencies liquidity, deposit-loan banking, trust, investment, research and statistical services. As their liquidity agency, it is the instrumentality through which its savings bank owners have access to capital market sources of credit.

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## SAVINGS BANKS TRUST COMPANY

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## TAX-EXEMPT BOND MARKET

Continued from page 10

terest cost was made by the account headed by Bankers Trust Co., First National City Bank and The First Boston Corp.

Other major members of the successful group include Salomon Brothers & Hutzler, Blyth & Co., the Northern Trust Co., Blair & Co., Inc., Hornblower & Weeks, John Nuveen & Co., the Connecticut Bank and Trust Co., Dick & Merle-Smith, Adams, McEntee & Co., Inc., the First Western Bank & Trust Co., First of Michigan Corp. and Republic National Bank of Dallas. Scaled to yield from 1.50% to 3.50% for 3% and 2.80% coupons, initial investor demand has been moderate with

the balance as we go to press being \$15,500,000.

Also on Tuesday, The Hampton Roads Sanitary District, Virginia came to market with \$10,000,000 Primary Pledge Sewer revenue (1963-2002) bonds. This issue was bought by the Merrill Lynch Pierce, Fenner & Smith and John Nuveen & Company syndicate on a net interest cost bid of 3.351%. The second bid, a 3.352% net interest cost, was made by the account managed by Halsey, Stuart & Co., Inc., and Alex. Brown & Sons. Four other bids ranging in interest cost from 3.364% to 3.40% were also made for this well regarded issue.

This district was created in 1940 for the purpose of providing means of controlling pollution in the Hampton Roads area through the use of interception of raw sewage by providing sewage treatment and other facilities. The district covers over 1,100 square miles, the Hampton Roads basin, and services a population of 710,000.

Other major members of the winning syndicate include: J. C. Bradford & Co., Ira Haupt & Co., Stroud & Co., Stifel, Nicolaus & Co., Inc., Mackall & Coe, Edward G. Webb & Co., Willis, Kenny & Ayres, Inc., C. F. Cassell & Co., Inc., Charles King & Co., and Park, Ryan, Inc. Scaled to yield from 1.60% to 3.50%, initial demand has been excellent with all the bonds maturing out to 20 years sold. The present balance is only \$3,100,000.

Wednesday saw two issues of general importance come to market with competition continuing unabated at new high levels. The City of Vero Beach, Florida sold \$2,400,000 Electric Revenue (1964-1991) Certificates to the group headed by Halsey, Stuart & Co., Inc., at a net interest cost of 3.3107%. This bid compared very favorably with the second bid, a 3.314% interest cost made by The First Boston Corp., and Dominick & Dominick group.

Other major members of the winning syndicate include American Securities Corp., Alex. Brown & Sons, Auchincloss, Parker & Redpath, Fahnestock & Co., Roosevelt & Cross, Stifel, Nicolaus & Co., Inc., and Tucker, Anthony & R. L. Day. The bonds were offered to yield from 1.90% in 1964 to 3.55% in 1989 and upon offering about 85% of the bonds were sold. The 1990 and 1991 maturities carried a one-tenth of 1% coupon and were sold at a 4.50% yield.

The final competitive sale of the week involved \$3,765,000 Bergen County, New Jersey, general obligation (1963-1979) bonds which were awarded to the Halsey, Stuart & Co., Inc. syndicate

on a bid of 100.084 for a 2.60% coupon. The second bid, 100.24 for 2½s, was made by the Northern Trust Co. account.

Associated with Halsey, Stuart & Co., Inc., are B. J. Van Ingen & Co., Philadelphia National Bank, F. S. Moseley & Co., First of Michigan Corp., Adams, McEntee & Co. and George B. Gibbons & Co. Scale to yield from 1.50% to 2.75%, about one-third of the bonds have been sold.

### New York Transit Bonds Well Received

In the realm of revenue issues, the \$51,000,000 New York City Transit Authority, gross revenue (1965-1987) issue was brought to market on Wednesday, Oct. 17, having been negotiated by Phelps, Fenn & Co., Lehman Brothers, White, Weld & Co. and B. J. Van Ingen & Co., Inc.

This well secured issue, payable solely from the gross revenues of the Authority, was well received by investors. The bonds were priced to yield from 2.00% in 1962 to 3.30% for the bonds due 1985-1987. Most of the loan was placed pre-sale. Some bonds maturing 1968-1976 were re-offered. The present authorization totals \$92,000,000 and may be increased under certain circumstances fully protective to the bondholders.

### Toll Issues Again Higher

The toll road, toll bridge, public utility district and other long-term revenue issues have all participated in the further rise of the market this week. The Chronicle Revenue Bond Index moved from an average yield of 3.599% to 3.572%, representing a fractional gain of close to one-half point.

Prominent gains were as follows: Chicago Calumet 3½s up 2; Chicago Transit 3½s up ¾; Washington Toll Bridge 4.90s up ½; West Virginia Turnpike 3½s up 1¼; Tri Dam Project 3.05s up 1; Kentucky Turnpike 4.80s up 1 and Kentucky Turnpike 4.85s up ½.

The recent light volume in new issues has quickened more general interest in the better yielding long-term revenue issues. The gap as between the Chronicle's 20-year high grade general obligation bond yield index and the long-term revenue bond index narrows as the market proceeds.

### D. L. Cardinal Joins Bosworth, Sullivan

DENVER, Colo. — David L. Cardinal has been added to the staff of Bosworth, Sullivan & Company, Inc., 660 Seventeenth Street, members of the New York and Midwest Stock Exchanges.

## PUBLIC UTILITY SECURITIES BY OWEN ELY

### Pennsylvania Power & Light Company

Pennsylvania Power & Light serves electricity to extensive farm and industrial areas in Pennsylvania. Population in these areas is 2,210,000, and important cities served include Scranton, Allentown, Wilkes-Barre, Harrisburg, Lancaster, Bethlehem and Williamsport. While anthracite mining was at one time of great importance in a portion of the company's territory, it now accounts for only about 11% of industrial sales compared with 33% in 1950. Industries which have largely replaced the coal mine business include metal and metal products, textiles, cement, etc.

A number of important industrial companies have located in the industrial parks set up by the cities of Scranton, Wilkes-Barre and others in the coal-mining area. Pennsylvania Power & Light having cooperated in the promotion of these parks. These include New Jersey Zinc, Trane Co., Alcoa, Merck, Air Products, Allied Chemical, RCA, Armstrong Cork and others. Some of these firms such as Trane and RCA have expanded rapidly since they came into the area. This has helped to retard the loss of population resulting from the decline in the number of workers in the anthracite mines from 60,000-70,000 a decade ago to around 10,000 currently. The company has no competition from REAs since in 1946 it initiated a vigorous campaign to run extensions to practically all farmers who wanted service. While some 15 municipalities have their own power, this totals only about 28,000 kw altogether. The company's residential sales account for 43% of revenues, commercial 24%, industrial 29% and miscellaneous 4%.

The company is now actively promoting electric househeating since the all-electric home consumes 6 or 7 times as much electricity as the average home which does not have major appliances. Early this year rates for electric heating were reduced to 1.5 cents per kw-hr, and water-heating rates are also very low; the all-electric rate is the lowest in the state. At the end of last year the company had only 1,000 all-electric homes but they hope to double by the end of this year; the company normally gains about 8,000 to 10,000 homes a year and if 1,000 of these are electric, this would substantially increase residential revenues. It is estimated that the cost of heating a typical six-room

house of 1,200 square feet (with approved insulation) has now been reduced to about \$220 a year.

The company's generating capability aggregates 1,683,000 kw of which 144,000 kw is hydro. Peak load in 1961 was 1,446,000 kw. Installation of the next generating unit is scheduled for mid-1965 at Brunner Island, with 350,000 kw capacity. Fuel costs are gradually being reduced, now averaging 2.9 mills per kw-hr vs. 3.1 mills in 1950, and are expected to drop to 2.5 mills by 1970. The company is using some anthracite (mostly from reworked culm banks) at two of their stations, but this supply may run out in about five years; only one deep anthracite mine is still operating and it does not pay to use coal from this mine. Bituminous coal is used at three other plants.

The company hopes to reduce transportation costs by taking over an individual bituminous mine, then arranging for solid-coal trains direct to one of their plants; they have already arranged to use one such mine, to begin operating in about a year, and the Pennsylvania Railroad has filed a trainload rate. Rates have already come down rather sharply in recent years. They are also studying the possibility of a mine-mouth generating plant, with high-voltage transmission lines. The company's heat rate now averages about 11,800 btu but by 1970 they expect to lower it to 10,000, an increase in efficiency of about 18%.

The company estimates that for 1962-70 inclusive it will need about \$354 million cash—\$337 million for construction and \$17 million for bond maturities. To meet this, they expect internally generated cash to supply \$261 million or nearly three-quarters, and new debt financing of \$93 million will take care of the balance. No sales of preferred or common stock are foreseen during the 1960's; debt financing will probably be through sale of mortgage bonds. No bank loans are now outstanding and none are likely to be outstanding at the end of the period. The equity ratio is expected to increase from 32% at the end of 1961 to 35% in 1970 despite the lack of equity financing. Dividend payout is expected to range between 70% and 75%.

Admittedly, the company's growth has been handicapped by the steady decline in the anthra-

### DIVIDEND NOTICES

#### DIVIDEND NO. 92

#### Hudson Bay Mining and Smelting Co., Limited

A Dividend of seventy-five cents (\$0.75) (Canadian) per share has been declared on the Capital Stock of this Company, payable December 17, 1962, to shareholders of record at the close of business on October 16, 1962.

J. F. MCCARTHY, Treasurer

#### COMBUSTION ENGINEERING



#### Dividend No. 236

A Quarterly Dividend of Thirty Cents (30¢) per share on all the outstanding stock of Combustion Engineering, Inc. has been declared, payable October 31, 1962, to stockholders of record at the close of business October 22, 1962.

LAMBERT J. GROSS  
Vice-President and Treasurer

### UNITED STATES LINES COMPANY



Common  
Stock  
DIVIDEND

The Board of Directors has authorized the payment of a dividend of fifty cents (\$0.50) per share payable December 7, 1962, to holders of Common Stock of record November 16, 1962.

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

### R. J. Reynolds Tobacco Company

Makers of  
Camel, Winston, Salem & Cavalier  
cigarettes  
Prince Albert, George Washington  
Corte Hal  
smoking tobacco

#### QUARTERLY DIVIDEND

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

WILLIAM R. LYBROOK  
Secretary

Winston-Salem, N. C.  
October 11, 1962

Sixty-two Consecutive Years of  
Cash Dividend Payments

### DIVIDEND NOTICE

#### TENNESSEE GAS TRANSMISSION COMPANY HOUSTON, TEXAS

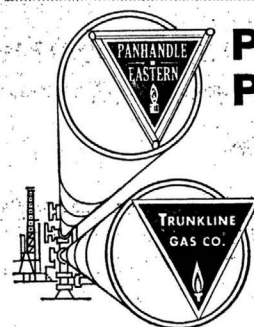


DIVIDEND  
NO. 61

The Board of Directors has declared a cash dividend of 16¢ per share on the Common Stock, plus a one per cent dividend in Common Stock, payable December 11, 1962, to stockholders of record on November 16, 1962, for the fourth quarter of 1962.

H. F. ABY, Secretary

### DIVIDEND NOTICE



#### PANHANDLE EASTERN PIPE LINE COMPANY

#### QUARTERLY DIVIDEND

#### 50¢ per Common Share

- Payable December 15, 1962
- Record November 30, 1962
- Declared October 15, 1962

WILLIAM C. KEEFE,  
Vice President & Secretary

Pioneer Long-Distance Transporter and Producer of Natural Gas



cite mining industry but that industry seems to be approaching a bottom level where it will cease to be much of factor in the company's industrial sales. Annual growth figures and projections prepared by the company, based on kwh sales, are as follows:

	1950-1961	1958-1961	Est. 1962-1970
Commercial Sales	7.3%	8.1%	7.4%
Industrial Sales	1.9	2.4	4.6
Residential	9.5	6.1	7.5
Total	4.7	4.6	6.2

A breakdown of industrial sales indicates that anthracite mining, which in 1950 contributed one-third of kwh sales and in 1961 9%, will drop to 3% by 1970; cement, formerly 10% and recently 9%, would drop to 6%; textiles, which contributed 11% in 1950 and 10% in 1961, would decline to 7%; and corresponding figures for steel are 12%, 8% and 7%. On the other hand metal products increased from 12% in 1950 to 24% in 1961, and by 1970 should be 31% while miscellaneous industrial sales, which already have advanced from 22% to 40%, will be up to 46%.

Regarding regulation, Pennsylvania is a "fair value" state, means that the average rate base may approximate 113% of net original cost. The allowed return on "fair value" is around 5¼-6%, which works out at about 6½-6¾% on net original cost. The company last year earned about 6.3% on net cost of plant and while this is based on year-end figures rather than mid-year, it is considered to be within the allowable range. The company reduced rates on promotional business about \$900,000 last year and other downward readjustments are being made currently. "Flow through" of tax savings resulting from the use of accelerated depreciation is followed.

A sharp drop in the interest credit in 1962 is expected to hold share earnings to around \$1.80 which compares with \$1.75 last year and \$1.73 in the two previous years. Over the past decade earnings have increased from \$1.23 in 1952 to an estimated \$1.80 this year.

At the recent price around 31½ the stock is selling at about 17.5 times earnings. The dividend of \$1.32 affords a yield of 4.2%.

## NYSE to Install Data System

Keith Funston, President of the New York Stock Exchange, has announced that a uniquely designed computer system will completely automate dissemination of Exchange trading data by early 1965, running stock tickers and even "speaking" to member subscribers over the Exchange's Telephone Quotation Service.

Contracts were signed this week with International Business Machines Corporation for manufacture and installation of the computer system and with New York Telephone Company for special communications facilities.

Mr. Funston said the IBM Teleprocessing installation will feature two specially designed devices never before utilized in an IBM system: An optical "reader," which will speed sales and bid-asked information directly from the trading floor to a computer; and a "voice assembler," which will compose messages from a pre-recorded electronic vocabulary

and "speak" them over the telephone to member subscribers of the Quotation Service.

Another major component will be a specially designed New York Telephone Company high speed access switching system, the only one of its kind. This will link the computer center with direct private telephone wires of the Quotation Service.

The data processing installation will include two IBM 1410 computers and two IBM 7750 programmed transmission control units. Trading information now transmitted by pneumatic tubes and voice will instead be sped to

the computer center in the Exchange via direct electronic signals from 19 "data readers" on the trading floor. After that, the system automatically and with split-second speed will:

... Print sales on the thousands of Exchange stock tickers across the continent in as little as a half-second after a special reporting card is "read" on the trading floor.

... Compose voice responses to as many as 400,000 phone inquiries a day from Exchange member subscribers to the Telephone Quotation Service.

... Electronically process and

store in time sequence all trading information, continually determining total volume, plus volume for each stock, open, high, low, last sale prices and latest bid-asked quote.

... Furnish up-to-the-market reports to the floor and for such operations as the Exchange's "stock watching" program.

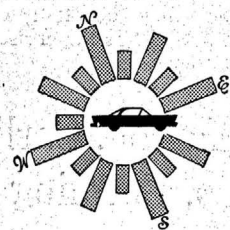
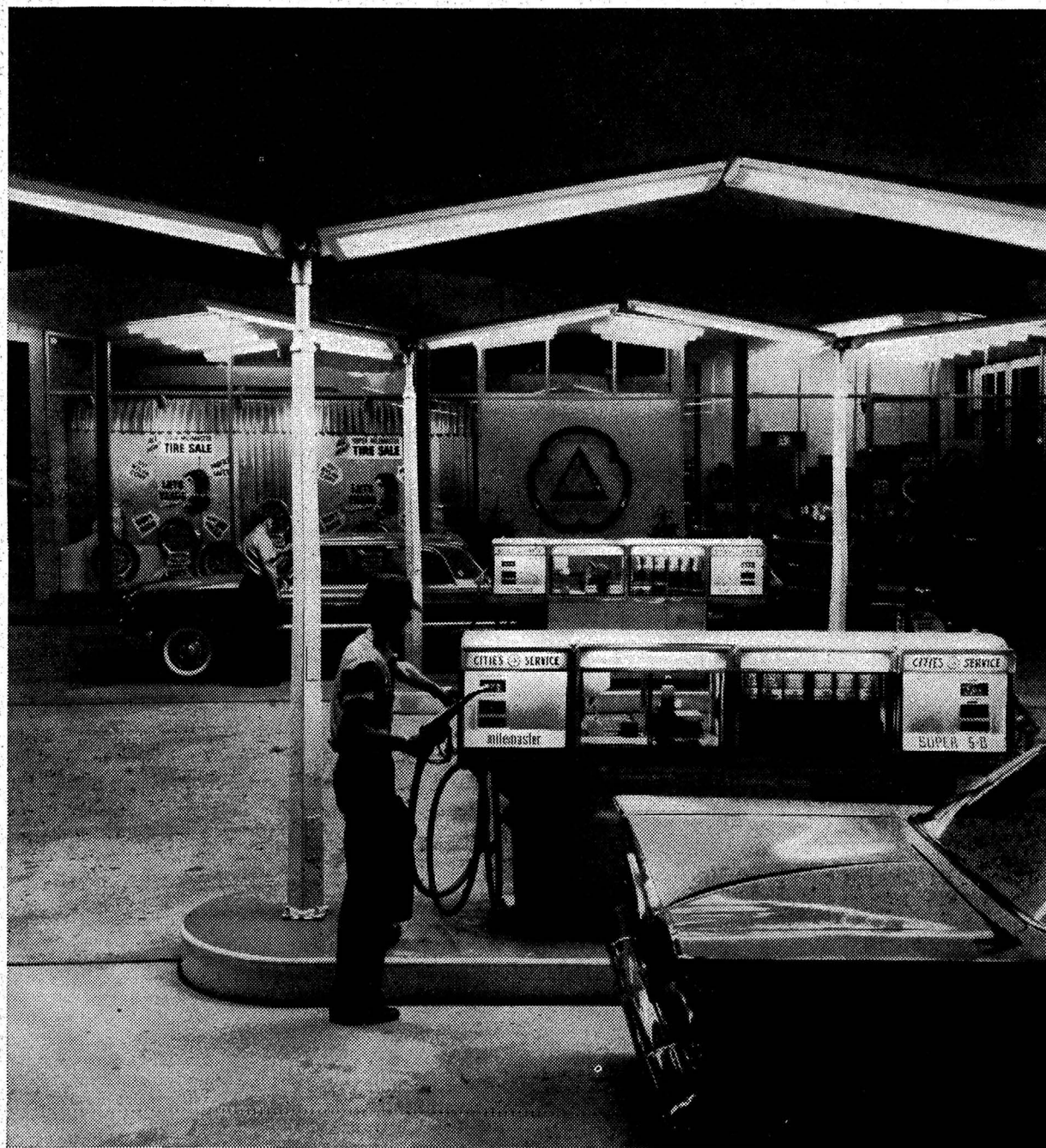
The new equipment will be capable of handling trading volume in excess of 16 million shares a day and of being programmed to perform a variety of additional functions, the Exchange President noted.

In addition, he added that the

Exchange will soon start a program to re-train employees whose jobs will be affected, for placement in other positions. For the present, he said, the reporting of Exchange bond sales will not be incorporated into the new system.

## Chicago Analysts Meet

CHICAGO, Ill.—J. Wilson Newman, Chairman of the Board of Dun & Bradstreet, Inc., will be guest speaker at the luncheon meeting of the Investment Analysts Society of Chicago to be held Oct. 18 in the Illinois Room of the La Salle Hotel.



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**



# NEWS ABOUT BANKS AND BANKERS

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

**The Chase Manhattan Bank, New York**, announced on Oct. 11 the promotion of six Assistant Vice-Presidents in the United States department, the bank's territorial organization.

They are John C. Archibald, Gregory L. Brennan, W. Griffin Burnett, George M. Grace, Keith Kingsbury, and Francis X. Stankard. They were formerly Assistant Treasurers.

In addition the bank announced the appointment of four new officers. E. Russell Eggers and Alvaro Holguin became Managers of the Paris branch, Douglas S. Lasher was named Assistant Treasurer in the United States department and George A. Albrecht was appointed electronic research officer.

**Manufacturers Hanover Trust, New York**, elected Erving S. Adler, John F. McGillicuddy, Theodore Notides and Minos A. Zombanakis Vice-Presidents.

**Manufacturers Hanover Trust, New York**, opened on Oct. 15 its new downtown headquarters office at 40 Wall Street.

The bank occupies the first five floors of the building, and the first and second basement levels.

These facilities serve as headquarters for Manufacturers Hanover's Wall Street division, corporate trust division, the securities department for the entire bank and the money transfer and wire communications center.

**MANUFACTURERS HANOVER TRUST COMPANY, NEW YORK**

	Sept. 30, '62	June 30, '62
Total resources	5,857,185,781	6,111,772,708
Deposits	5,041,848,941	5,278,419,829
Cash and due from banks	1,508,705,953	1,695,092,488
U. S. Govt. securities holdings	997,991,819	1,130,944,463
Loans & discounts	2,389,104,198	2,369,944,394
Undivd. profits	89,780,687	86,187,075

Chandler R. Brewer, Anthony Concetta, William E. Gleason, Thomas J. Tyler and Charles J. Werring have been elected Assistant Vice-Presidents of Chemical Bank New York Trust Company, New York, it was announced Oct. 10 by Chairman Harold H. Helm. All are with the bank's Metropolitan Division except Mr. Werring who is with the International Division.

Rudolph F. Badum, Noble J. Bell, Victor A. Rizzo and William G. Rudolph have also been promoted from Assistant Managers to Assistant Secretaries. Joseph Krysko, formerly Assistant Manager, is named Manager of the Grand Street & Graham Avenue Office in Brooklyn. All are with the bank's Metropolitan Division except Mr. Rudolph who is with the International Division at 20 Pine Street. Mr. Badum is at the bank's 39th Street & 7th Avenue office of Messrs. Bell and Rizzo are at its 11 West 51st Street office in Rockefeller Center.

**UNDERWRITERS' TRUST COMPANY, NEW YORK**

	Sept. 28, '62	June 30, '62
Total resources	\$60,619,886	\$53,526,755
Deposits	56,137,867	49,111,776
Cash and due from banks	6,307,844	6,709,198
U. S. Government securities holdings	19,858,810	18,723,880
Loans & discounts	30,192,171	24,501,021
Undivided profits	887,045	850,846

**THE CORPORATION TRUST COMPANY, NEW YORK**

	Sept. 28, '62	June 30, '62
Total resources	\$6,078,181	\$6,128,333
Deposits	1,582,641	1,629,271
Cash and due from banks	3,813,977	3,545,223
U. S. Government securities holdings	600,180	600,337
Undivided profits	950,154	934,759

James W. Maitland was elected Chairman of the Board of Trustees, New York Savings Bank, New York. Arthur J. Quinn was elected Administrative Vice-President.

Mr. Maitland, a Senior Trustee of the bank, will exercise the duties of President. Richard L. Maloney, President since 1947, died on October 5. Mr. Maitland has been a member of the Board of Trustees since 1944.

**SECURITY NATIONAL BANK OF LONG ISLAND, N. Y.**

	Sept. 30, '62	June 30, '62
Total resources	256,280,668	247,634,567
Deposits	234,025,696	225,165,894
Cash and due from banks	25,356,334	26,100,712
U. S. Government securities holdings	48,408,988	50,414,878
Loans & discounts	82,802,762	80,652,686
Undivided profits	1,076,575	902,004

**New England Merchants National Bank, Boston, Mass.**, elected William J. Robinson and Robert R. Wheeler Vice-Presidents.

**THE FAIRFIELD COUNTY TRUST CO., STAMFORD, CONN.**

	Sept. 30, '62	Mar. 31, '62
Total resources	221,861,777	206,413,214
Deposits	196,405,779	183,205,534
Cash and due from banks	16,498,584	16,354,003
U. S. Government securities holdings	41,786,862	38,346,681
Loans & discounts	140,003,214	127,398,177
Undivided profits	2,484,541	2,204,439

The Board of Governors of the Federal Reserve System on Oct. 9 announced its approval of the merger of The Madison Trust Company, Madison, Conn., into The Union and New Haven Trust Company, New Haven, Conn. The merger will be effective Oct. 22. The Union and New Haven Trust Company has assets of \$88,000,000 and the Madison Trust Company has assets of over \$4,000,000.

Two new Assistant Vice-Presidents were elected by the Trust Company of Morris County, Morristown, N. J.

The management of the mortgage portfolio of the bank was conferred on H. Theodore Blohm with his election as an Assistant Vice-President.

Douglas K. Hamilton, the Officer in Charge of Consumer Credit and presently an Assistant Secretary and Assistant Treasurer of the Trust Company, was also elected an Assistant Vice-President.

**Mellon National Bank & Trust Co., Pittsburgh, Pa.**, elected Cleveland D. Rea Vice-President of the trust department, and Robert H. Smith, Vice-President of the national department.

**The Board of Governors of the Federal Reserve System** approved on Oct. 5 the application of the Peoples Union Bank and Trust Company, McKeesport, Pa., to merge with The Bank of Glassport, Glassport, Pa., under the

charter and title of Peoples Union Bank and Trust Company.

Preliminary approval to organize a new national bank in Wilmington, Del., was granted Oct. 5 by Comptroller of the Currency James J. Saxon.

The new bank will be operated under the title of "The First National Bank of Wilmington," and its proposed initial capitalization will consist of \$300,000 capital, \$100,000 surplus, and \$50,000 undivided profits.

**Central National Bank, Cleveland, Ohio**, made James J. Nance, President and Chief Executive Officer, Chairman until the annual meeting of stockholders in January. He succeeds Loring L. Gelbach, who will retire Oct. 31.

Chalkley J. Hambleton was named Vice-President and Secretary of the Harris Trust and Savings Bank, Chicago, Ill. Mr. Hambleton joined Harris Bank in 1935 and has since been in its trust department, where he was elected Assistant Secretary in 1943, Assistant Vice-President in 1953 and Vice-President in 1960.

**La Salle National Bank, Chicago, Ill.**, made Clyde V. Hackney and Charles D. Turgimson Vice-Presidents.

Comptroller of the Currency James J. Saxon announced Oct. 4 that he has granted preliminary approval to organize a new national bank in Montgomery, Minn.

The title of the new bank will be "First National Bank of Montgomery," and its initial capital structure will be \$150,000.

Two new members were elected to the Advisory Board of the First National Bank in St. Louis, Mo.

They were Louis W. Menk and W. Ashley Gray, Jr.

Sam Fanara, Assistant Cashier, employed in the computer systems and procedures division, was advanced to Assistant Vice-President and Louis M. Donley, Manager of the transit department, was named Assistant Cashier.

**Mercantile Trust Co., St. Louis, Mo.**, elected Monte E. Shoemaker, a Director.

**Citizens & Southern National Bank, Atlanta, Ga.**, elected Leo L. Rainey, Jr., John W. McIntyre and Winton H. Mott Vice-Presidents.

Comptroller of the Currency James J. Saxon announced Oct. 10 that he has granted preliminary approval of an application to organize a new national bank at Eau Gallie, Fla.

Title of the new bank will be "The Harbor City National Bank of Eau Gallie," and its proposed initial capitalization will total \$750,000.

**The Bank of California, N. A., San Francisco, Calif.**, announced that John C. O'Hearn was appointed Assistant Cashier. Named as Assistant Trust Officers were: John A. Avanzino, Roane T. Sias and Robert E. Lee Walker.

**The Bank of California, N. A., San Francisco, Calif.**, opens its 30th office on Oct. 12 in Fremont, Calif.

Located in the newly-developed Fremont Hub Shopping Cen-

ter, the new quarters will be under the management of Wayne E. Lucas, with Frank F. Haggerty Assistant Cashier.

Organizers of a proposed new national bank in Daly City, Calif., were notified Oct. 4 by Comptroller of the Currency James J. Saxon that preliminary approval of their application has been granted.

The new bank will operate under the title "First National Bank of Daly City." Its initial capitalization of \$1,000,200 will consist of \$600,000 capital, \$300,000 surplus, and \$100,200 undivided profits.

**Crocker-Anglo National Bank, San Francisco, Calif.**, elected Robert S. Norton, Jr., Vice-President.

Roy A. LeBaron was also made Vice-President and Manager of the Oakland, Calif., main office. He succeeds George Keffer, who is retiring.

Mortimer Fleischhacker, Jr., has also been elected a Director to fill a vacancy created by the resignation of Laurence H. Odell.

**First Western Bank & Trust Co., Los Angeles, Calif.**, elected William J. Chapman, Senior Vice-President.

Webb J. Thomas has been elected President of the Beverly Hills National Bank, Beverly Hills, Cal., it was announced Oct. 16 by Sydney R. Barlow, Chairman.

Mr. Thomas, whose banking experience spans 40 years in Southern California, was until recently, a Vice-President at the main Los Angeles office of the United California Bank, serving in this key post for the past seven years.

Supporting Mr. Thomas in his new position will be our excellent top management staff, headed by Executive Vice-President David H. Rowen.

**The Seattle-First National Bank, Seattle, Wash.**, announced that Paul Olson, Main Office, and Charles A. Erdahl, Spokane and Eastern Branch, were elected Assistant Cashiers and John E. Clute, Spokane and Eastern Branch, was advanced to Assistant Trust Officer.

**The Bank of Hawaii, Honolulu, Hawaii**, announced a change of authority for Vice-President Robert T. Sasaki, who has been Vice-President in charge of Oahu branches, with assume greater responsibilities which are two-fold. He will serve as a Loan Officer on the platform at head office and will assist Senior Vice-President Edward A. Schneider in the management of head office. Frank J. Manaut, Assistant to the President since July, 1961, will replace Mr. Sasaki as Supervisor of Oahu branches.

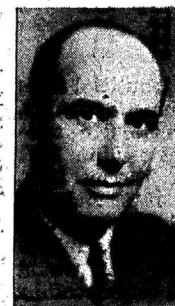
## Marron, Carlino Co. Forming

**RIDGEWOOD, N. J.** — Marron, Carlino & Co., members of the New York Stock Exchange, will be formed as of Oct. 25, with offices at 55 Franklin Avenue. A branch will be maintained at 120 Broadway, New York City.

Partners will be Joseph Marron and Edward W. Marron, general partners, and Louis E. Marron, limited partner.

## Woods To Head World Bank

George D. Woods, Chairman of the First Boston Corporation, New York City, has been chosen by President Kennedy and his advisers for the next President of the International Bank for Reconstruction and Development. It is understood that Mr. Woods is the choice of Eugene R. Black, present President of the World Bank,



George D. Woods

in addition to the Administration.

The choice of Mr. Woods, who has had great experience in international economic development work, must be approved only by the Bank's directors.

## Wainwright & Ramsey, App'ted

Wainwright & Ramsey Inc., municipal financial consultants, of 70 Pine Street, New York, have been appointed financial advisors to the Board of Airport Commissioners of the City of Los Angeles, it was announced by T. D. Dannenbrink, the Board's assistant general manager.

Wainwright & Ramsey also maintains offices in Washington, D. C. and Miami, Fla.

## REPORT OF CONDITION OF THE CORPORATION TRUST COMPANY

of 120 Broadway, New York, New York, at the close of business on September 28, 1962, published in accordance with a call made by the Superintendent of Banks pursuant to the provisions of the Banking Law of the State of New York.

ASSETS	
Cash, balances with other banks, and cash items in process of collection	\$3,813,976.79
United States Government obligations, direct and guaranteed	600,179.71
Corporate stocks	60,000.00
Leasehold improvements	162,368.25
Furniture and fixtures	402,099.17
Other assets	1,039,557.40
<b>TOTAL ASSETS</b>	<b>\$6,078,181.32</b>

LIABILITIES	
Demand deposits of individuals, partnerships, and corporations	\$1,582,640.90
<b>TOTAL DEPOSITS</b>	<b>\$1,582,640.90</b>
Other liabilities	2,720,386.58
<b>TOTAL LIABILITIES</b>	<b>\$4,303,027.48</b>

CAPITAL ACCOUNTS	
Capital: Common stocks total par value	\$500,000.00
Surplus fund	325,000.00
Undivided profits	950,153.84
<b>TOTAL CAPITAL ACCOUNTS</b>	<b>\$1,775,153.84</b>

TOTAL LIABILITIES AND CAPITAL ACCOUNTS	
	\$6,078,181.32

MEMORANDA	
Assets pledged or assigned to secure liabilities and for other purposes	109,676.60
Securities as shown above are after deduction of reserves of	1,101.54

I, T. R. HOPKINS, Treasurer, of the above-named institution, hereby certify that this report of condition is true and correct to the best of my knowledge and belief.

We, the undersigned directors attest the correctness of this report of condition and declare that it has been examined by us and to the best of our knowledge and belief is true and correct.

Correct—Attest:  
G. F. LE PAGE  
RALPH CREWS, Directors  
O. L. THORNE



## FROM WASHINGTON ... Ahead of the News

BY CARLISLE BARGERON

Probably the most important legislation enacted by the Congress, just ended, was that by which Mr. Kennedy is given full authority to do what he wants with tariffs, cut them, as he pleases, make such deals with foreign nations as he chooses.

It is amazing that such important legislation received relatively little opposition in the press or in Congress. A tremendous propaganda campaign was launched in behalf of the legislation and, instead of the promised great debate in the House and Senate, it had relatively easy sailing through the Congress.

Admittedly the legislation will cause unemployment and the shutdown of industries. The workers are to be protected with unemployment compensation and the closed down industries are to be given some sort of subsidy to engage in a new business. But this costs money.

We are now spending billions of dollars on unemployment and working with a deficit budget. It seems to be a particularly bad time for experimenting. Literally thousands of industries may have to shut down. The numbers of industries already in distress and howling for increased tariffs will be augmented over and over again. It may be that the lowered tariffs will give us honey and pie in the skies but apparently we are in for a lot of hardship before it comes.

We have gone whole hog for world trade. Higher tariffs are no longer a party issue.

Most of the fury in the debate regarding the tariff came from outraged senators against the State Department's apparent ignoring of a provision in the foreign aid bill of 1961 providing that no aid would be given to a country which expropriated American property.

Senator Bourke B. Hickenlooper, of Iowa, second ranking Republican on the Foreign Relations Committee, charged that "specific instructions had gone from our State Department, to our representatives abroad to soft pedal this amendment opposed by the Administration in the first place."

Senator Wayne Morse, Democrat of Oregon, Chairman of a sub-committee on Latin American affairs, said: "there is a deliberate attempt on the part of the State Department to ignore and evade the law. I consider (the department officials) to be guilty of malfeasance in office."

What particularly prompted this rash of outbursts was an "agrarian reform" law passed by the Honduran Government on Sept. 30. This law, according to Senator Hickenlooper, establishes a commission with the right to seize foreign property, provides no specific method of payment and grants no appeal. "In short," said Senator Hickenlooper, "the commission could do as it pleased, and it has been openly announced that its purpose is to seize American property in Honduras."

Moreover, Thomas E. Sunderland, President of United Fruit Company, in a letter to the State Department stresses that Honduran officials believe that the law has the tacit approval of the United States.

And Honduras, apparently, still expects to get American foreign aid if it confiscates American property. A province in Brazil recently expropriated the property of International Telephone & Telegraph Company, it is recalled. But it was explained the national government couldn't do anything about it since it was done by the governor of the province.

In addition, the person appointed Chairman of the agency, it is reported, has just returned from a visit to Cuba, where, it is remarked, he was learning from the experts of expropriation. Yet, said Hickenlooper, "I know of no vigorous protests" from the State Department against the law.

## Servel, Inc. Buys Stock Interest In Sonotone Corp.

Servel, Inc., reports that under its recent offer to purchase 700,000 common shares of Sonotone Corp., at \$10 per share, free from transfer taxes and stock exchange commissions, it received a total of 800,000 shares prior to the expiration date of Oct. 10.

In accordance with the terms of its offer, the first 700,000 shares which were properly tendered,

being a majority of Sonotone's outstanding common, were accepted. First National City Bank, 2 Broadway, New York 15, N. Y., the Depository, is forwarding the purchase price for all the shares which are being purchased, and is returning all excess tendered shares which are not being purchased without expense to the depositors.

Both companies manufacture batteries. Sonotone also makes hearing aids, electron tubes, and high-fidelity phonograph pick-up cartridges. Servel's other products are magnetic recording tape and automatic ice makers.



## A LITTLE COPPER GOES A LONG WAY— THIS POUND CAN SPAN A DISTANCE OF 24 MILES

Drawn into a spider-like thread .0016 inches in diameter, a single pound of copper becomes 125,000 feet long. Despite the fact that you can hardly see it, this fine wire has many practical uses—windings for missile synchro-motors, for extremely small relays,

solenoids, and transformers. The metal cost is small—about 31 cents a pound at copper refinery prices. Even after the complicated process of rolling, drawing, and finishing through multiple diamond dies, 100 feet of this enamel-insulated wire costs less

than a penny. In motors, generators, underground cables—wherever electrical conductivity must be high because space is at a premium—copper is at its best. 62206B

**ANACONDA®**



# Canada Takes Aggressive Measures to Establish a Durable Economy

Continued from page 1

stable political climate favorable to free enterprise, a sound currency and banking system, several years of balanced national budgets, and an energetic and ambitious citizenry, made possible rewarding use of all this foreign capital. Canada attained new material heights. People prospered, her dollar was at a premium, stock markets boomed and the Conservative Party seemed well entrenched.

But there arose some disquietude. In 1960/61 unemployment increased to over 8%, an economic slowdown was visible and considerable discontent developed over the fact that so much of Canadian business was owned abroad, and so much of Canadian expansion depended on continued imports of foreign capital. So, in 1961, the Diefenbaker government launched a specially tailored program designed to slow down the importation of capital by reducing interest rates; to encourage native investment and to increase production and consumption of "home grown" goods and services. A key element in this program was the deliberate effort to let the Canadian dollar "drift" to a discount that would stimulate exports and discourage imports. This all seemed to make quite good sense at the time. What was not foreseen was that these discouragements to "outside" investors (plus such "left wing" actions as expropriation of investor owned British Columbia Power Co.) created abroad a pronounced lack of confidence, and foreigners sold Canadian securities instead of holding or buying them. The "drift" in the Canadian dollar looked, in April of this year, as though it might be getting out of hand. So an official devaluation and stabilization was decided upon.

## Devaluation

On May 2, 1962, Finance Minister Fleming announced stabilization of the Canadian dollar at 92½¢ (in United States funds) buttressed by loans from International Monetary Fund and from the United States and the Bank of England, totalling \$1.1 billion. This quite drastic step was made necessary by heavy speculation against the Canadian dollar, and by sizable losses of gold and U. S. dollar reserves—from \$2.1 billion in October 1, 1961 to \$1.3 billion in early May.

Further steps implementing the new austerity were: boosting the bank rate to 6%; a \$250 million reduction in government spending; a 75% slash in duty free imports by returning tourists; and a surcharge of from 5% to 15% on roughly half of all imports.

The devaluation was, in general, quite well received. Newsprint shares responded swiftly since about 75% of output of Canadian newsprint is exported. Gold stocks benefited from the increase of the price of gold to \$37.62 an ounce. Hardest hit were the importers and provincial and municipal governments which had borrowed heavily in the United States' market.

As a result of these quite Spartan measures, world confidence in the Canadian economy appears to have been substantially restored and U. S. citizens who usually supply about 75% of Canada's foreign capital, have, since midsummer, been resuming purchase of Canadian securities.

Having thus commented upon the changed economic climate now prevailing in Canada, we should mention certain business and investment areas especially in line for growth. Urban constructions are moving forward with major projects under way in downtown Toronto and in Place Victoria in Montreal; extensive apartment building in Vancouver; and Halifax's plan for a \$20 million public housing project. New department, discount stores and shopping centers are emerging and motor hotels are multiplying to serve the Trans Canada Highway and many of the cities along it.

In minerals, in which Canada has so long excelled, the picture is bright. Silver prices are at a 42-year high and the Cobalt area, in particular, has benefited. Gold mines are earning more due to the higher gold price. British Columbia producers led by Bralorne Pioneer have commanded attention. In the Summer, International Nickel reported a major gold discovery in the Northwest Territories. Further, the stage is set for Canada's first production of helium from sizable occurrences in Saskatchewan and Manitoba.

California Standard has located and staked out in the Yukon what may prove to be the largest high grade iron ore deposits in the World, variously estimated to contain from 20 to 100 billion tons. This might, in due course, lead to an in-

tegrated iron industry near the headwaters of the Snake River and 100 miles below the Arctic Circle.

Ahead, too, are exciting new oil developments—the possible "mining" of oil from the rich tar sands of Athabasca. Cities Service, Imperial Oil, Royalite, Richfield Oil constitute one group at work on this on a large scale, and Great Canadian Oil Sands Ltd., another.

## Buying and Investing

While all these interesting projects provide stimulation to business, the Canadian consumer has been eagerly buying almost everything in great profusion—homes, appliances, motor cars, food, travel, insurance and education, etc. The banks continue to earn splendidly and their shares have been substantially sought and bought in recent months. Canada continues to lead the world in per capita ownership of life insurance.

Canadian security markets which declined in sympathy with American Spring sell-offs have strengthened. Natural gas and pipeline shares continue to respond to the rising demand for gas, especially for export to Western United States, and Canada's vast proven oil and gas reserves are more than keeping up with this demand. Food, brewing and merchandising shares have found increasing favor.

Politically, the Conservative Party has waned, with new dynamism evidenced by the Liberal Party and the right wing Social Credit Party. Just what economic changes this political leavening will produce is uncertain, but the realignment of electoral forces appears to offer no impediment to substantial resurgence in the Canadian economy and continued investment, in moderation, by citizens of other nations who retain the opinion that "the Twentieth Century belongs to Canada." The specific shares these confident investors may consider will, no doubt, include selections from the accompanying list of seasoned and durable dividend payers.

TABLE 1

## CANADIAN

(Listed and Unlisted)

## Common Stocks

On Which  
CONSECUTIVE CASH  
DIVIDENDS

Have Been Paid From

## 10 to 134 Years

	No. Con- secutive Years Cash Divs. Paid	Cash Divs. Including Extras for 12 Mos. to June 29, 1962	Quota- tion June 29, 1962*	Approx. % Yield Based on Paymts. to June 29, 1962
— Canadian \$ —				
Abitibi Power & Paper Co., Ltd.	14	1.775	44¼	4.0
Newsprint and allied products				
Agnew-Surpass Shoe Stores, Ltd.	29	0.72	15	4.8
Makes and distributes shoes through 145 store retail chain				
Aluminium Ltd. new	24	0.60	21¼	2.8
Largest producer of aluminum ingot in the world				
Andian National Corp., Ltd.	19	*0.50	b8½	5.8
Operates oil pipe line in Colombia, S. A.				
Anglo-Canadian Pulp and Paper Mills, Ltd.	17	2.00	b36	5.6
Newsprint and allied products				
Anglo-Huronian Ltd.	23	0.50	8.75	5.7
Holding & operating co.—chiefly interests in Can. gold mining				

\* Quotations represent June 29, 1962 sale prices or the last sale price prior to that date. Bid and ask quotations are as of June 29, 1962.  
b Less current Canadian Exchange Rate.  
b Bid

## BONDS



## STOCKS

MARKETS maintained in all classes of Canadian external and internal bond issues.

Stock orders executed on the Montreal and Toronto Stock Exchanges, or net New York markets quoted on request.

DIRECT PRIVATE WIRES TO TORONTO, MONTREAL, OTTAWA, WINNIPEG,  
CALGARY, VANCOUVER, VICTORIA AND HALIFAX.  
BELL SYSTEM TELETYPE 571-0880 (Area Code 212)

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VANCOUVER  
VICTORIA  
HALIFAX



# Canada Takes Aggressive Steps To Establish Durable Economy

	No. Con- secutive Years Cash Divs. Paid	Cash Divs. Including Extras for 12 Mos. to June 29, 1962 — Canadian \$ —	Quota- tion June 29, 1962 <sup>†</sup> — Canadian \$ —	Approx. % Yield Based on Paymts. to June 29, 1962		No. Con- secutive Years Cash Divs. Paid	Cash Divs. Including Extras for 12 Mos. to June 29, 1962 — Canadian \$ —	Quota- tion June 29, 1962 <sup>†</sup> — Canadian \$ —	Approx. % Yield Based on Paymts. to June 29, 1962
Anglo-Newfoundland Devel- opment Co., Ltd. "Ord." 18	18	0.30	b8½	3.5	Bell Telephone Co. of Canada 82	82	2.20	50%	4.3
Newsprint and allied products; also mining interests					Most important telephone system in Ontario and Quebec				
Arcadia Atlantic Sugar Refineries, Ltd. 18	18	1.00	19%	5.0	Biltmore Hats Ltd. 29	29	0.40	b7½	5.6
Name changed in June 1962 to Atlantic Sugar Ltd.					Men's fur, felt and wool felt hats				
Argus Corp., Ltd. new 16	16	0.1786	8	2.2	Bird Construction Co. Ltd. 14	14	2.80	53	5.3
Investment co.—manufacturing & merchandising interests					Engaged in general building and road construction with branches in several cities in central Can.				
Asbestos Corp., Ltd. 25	25	1.60	28¼	5.7	British American Bank Note Co. Ltd. 28	28	2.50	a61	4.1
Mining & milling of asbestos fibre					Makes bank notes, bonds, rev- enue stamps and similar items				
Ashtown Hardware Co., Ltd. 25	25	0.36	8	4.5	British American Oil Co. Ltd. 53	53	1.00	30½	3.3
J. H. "B" 25	25	0.36	8	4.5	Petroleum production, refining, distribution				
Large wholesale and retail busi- ness in general hardware					B. C. Sugar Refinery Ltd. 11	11	0.95	25¼	3.8
Atlantic Sugar Ltd., new 12	12	0.525	13¾	3.8	Holding Co. holds 99.6% B. C. Sugar Refining Co. Ltd. which operates cane sugar refinery with capacity of 500 tons daily. Through subsidiaries operates 4 sugar beet factories in Western Canada				
Refines raw sugar cane & pro- duces 50 or more grades & pack- ages of sugar					British Columbia Telephone Co. "Ord." 47	47	2.20	47½	4.6
Aunor Gold Mines Ltd. 22	22	0.20	4.05	4.9	Second largest privately owned telephone system in Canada				
Ontario gold producer					Brock (Stanley) Ltd. "B" 16	16	0.40	a12	3.3
Auto Electric Service Co. Ltd. new 16	16	0.25	4.00	6.3	Laundry supplies, hardware, plumbing supplies, etc.				
Service distributors of automo- tive electrical, carburetors & auxiliary equipment					Building Products Ltd. 36	36	1.80	19%	9.1
Avalon Telephone Co., Ltd. 35	35	0.40	a15	2.7	Asphalt roofing, flooring and insulation				
Operates telephone system in St. John's, Newfoundland and vicinity; 49,618 telephones serving popu- lation of over 300,000. Franchise is non-exclusive to 1977.					Bulolo Gold Dredging, Ltd. 15	15	0.50	6.40	7.8
BANK OF MONTREAL 134	134	2.05	57½	3.6	Operates a gold dredging project in New Guinea				
Operates 887 branches and agen- cies throughout the world					Burlington Steel Co. Ltd. new 16	16	0.25	8	3.1
BANK OF NOVA SCOTIA 130	130	2.30	63¼	3.6	All stock acquired by Slater Steel Industries Ltd.				
Operates 633 branches and sub- offices throughout the world					Burns & Co. Ltd. 16	16	0.25	8	3.1
Banque Canadienne Nationale 81	81	2.20	63¾	3.5	Meat, lards, butter, poultry prod- ucts, etc.				
Operates 598 branches in Canada					Calgary & Edmonton Corp., Ltd. 26	26	0.50	21%	2.3
Barber-Ellis of Canada, Ltd. 32	32	5.00	†	†	Leases oil and gas drilling rights in Alberta				
Stationery and printers' supplies					Campbell Red Lake Mines Ltd. 11	11	0.4125	17	2.4
Barymin Explorations Ltd. 13	13	0.04	0.22	18.2	Ontario gold producer				
Holding company, prospecting and exploring various properties in N.W. Ontario					Canada Cement Co., Ltd. 13	13	1.00	25¾	3.9
Beaver Lumber Co. Ltd. 19	19	1.35	29½	4.6	Portland cement				
Lumber & building supply retailer, 271 branches in Canada					Canada & Dominion Sugar Co., Ltd. 32	32	0.95	22½	4.2
					Cane and beet sugar refining				
					Canada Bread Co., Ltd. 19	19	0.10	6%	1.6
					Bread and cake wholesaler and retailer				
					Canada Flooring Co., Ltd. "B" 13	13	0.60	b12¼	4.9
					Specializes in manufacture of hardwood flooring of all kinds				

♦ Quotations represent June 29, 1962 sale prices or the last sale price prior to that date. Bid and ask quotations are as of June 29, 1962.  
\$ Less current Canadian Exchange Rate.  
† Adjusted for stock dividends, splits, distributions, etc.  
‡ Inactive issue; doesn't trade.  
b Bid

♦ Quotations represent June 29, 1962 sale prices or the last sale price prior to that date. Bid and ask quotations are as of June 29, 1962.  
\$ Less current Canadian Exchange Rate.  
† Adjusted for stock dividends, splits, distributions, etc.  
b Bid

♦ Quotations represent June 29, 1962 sale prices or the last sale price prior to that date. Bid and ask quotations are as of June 29, 1962.  
\$ Less current Canadian Exchange Rate.  
† Adjusted for stock dividends, splits, distributions, etc.  
b Bid

Continued on page 22



## Two Wall Street Headquarters for Canadian Information

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# Canada Takes Aggressive Steps To Establish Durable Economy

Continued from page 21

	No. Con- secutive Years Cash Divs. Paid	Cash Divs. Including Extras for 12 Mos. to June 29, 1962 — Canadian \$ —	Quota- tion June 29, 1962*	Approx. % Yield Based on Paymts. to June 29, 1962
Canadian Oil Cos., Ltd.----- Petroleum refining & distribution	37	0.80	27 1/4	2.9
Can. Pac. Ry. Co., "Ord."----- "The" private railway system of Canada	19	1.50	23 3/8	6.3
Canadian Tire Corp., Ltd. new Sells automotive accessories, parts, etc., through 190 stores	19	0.70	34	2.0
Canadian Vickers, Ltd.----- Shipbuilding, repairs; also makes industrial and mining machinery	19	0.90	20 1/2	4.4
Canadian Westinghouse Co., Ltd.----- Airbrakes and large variety of electrical apparatus	17	0.60	26 3/8	2.3
Chartered Trust Co.----- General fiduciary business	28	2.00	b96	2.1
Chateau-Gai Wines Ltd.----- Wines and juices	18	1.30	35 1/2	3.7
Cochenour Willans Gold Mines Ltd.----- Gold producer N. W. Ontario	15	0.14	5.05	2.8
Collingwood Terminals, Ltd.----- Operates a 2 million bushel grain elevator in Collingwood, Ontario	21	1.10	b16	6.9
Combined Enterprises Ltd.----- Owns & operates companies mfg. food flavors, paints, industrial rubber goods, moulded drug sun- dries, elevator gears & machinery. Plants in Montreal, Toronto and Farnham, Ont.	10	0.60	12 1/2	4.8
Commonwealth Int'l Corp. Ltd.----- A mutual investment trust of management type	29	0.30	b7.87	3.8
Conduits National Co., Ltd.----- Rigid electrical conduits, elbows, couplings, etc.	26	0.80	9	8.9
Confederation Life Assoc.----- Wide range of endowment and life policies	39	2.00	b159 1/2	1.3
Consolidated Bakeries of Canada Ltd.----- Holding Co. through subs. oper- ates 19 bakeries in Ontario & Quebec	10	0.50	7 3/8	6.8
Consolidated Mining & Smelting Co. of Can. Ltd.----- Lead, zinc, silver, chemical fer- tilizers, etc.	30	1.00	20 1/2	4.9
Consol. Paper Corp., Ltd.----- Owns five mills: daily newsprint capacity 2,764 tons	17	2.00	38 5/8	5.2
Consumers Gas Co. new----- Manufactures and distributes gas in the Toronto area	115	0.40	16 3/8	2.4
Consumers Glass Co., Ltd.----- Wide variety of glass containers	27	0.80	b27	3.0
Corby (H.) Distillery Ltd. V.t.----- Holding and operating co.—al- cohol and spirits	16	1.00	17 1/2	5.7
Corporate Investors Ltd.----- A mutual fund trust of manage- ment type	30	0.33	b9.14	3.6
Cosmos Imperial Mills Ltd.----- Manufactures heavier grades of cotton duck	28	0.80	b10	8.0
Crain, R. L. Ltd.----- Manufactures & sells continuous business forms	17	0.40	b12 1/8	3.3
Crown Cork & Seal Co., Ltd.----- Bottle caps for the beverage in- dustry	34	3.00	b70	4.3
Crown Trust Co.----- General fiduciary business	63	1.10	43	2.6

\* Quotations represent June 29, 1962 sale prices or the last sale price prior to that date. Bid and ask quotations are as of June 29, 1962.  
 † Less current Canadian Exchange Rate.  
 b Bid  
 a Asked

	No. Con- secutive Years Cash Divs. Paid	Cash Divs. Including Extras for 12 Mos. to June 29, 1962 — Canadian \$ —	Quota- tion June 29, 1962*	Approx. % Yield Based on Paymts. to June 29, 1962
Crow's Nest Pass Coal Co., Ltd.----- Coal producer on western slope of Canadian Rockies	45	0.75	b15	5.0
Distillers Corp.-Seagrams Ltd.----- A holding co.—interests include a complete line of whiskies and gins	26	1.70	41	4.1
Dome Mines Ltd.----- Ontario gold producer	43	0.70	30	2.3
Dominion and Anglo Invest- ment Corp., Ltd. new----- Investment holding company	23	0.40	b17	2.4
Dominion Bridge Co., Ltd.----- Bridges, ornies and structural steel of all kinds	50	0.80	18	4.4
Dominion Carpet Co. Ltd.----- Manufactures ladies' foundation garments	13	1.00	b17 3/4	5.6
Dominion Engineering Wks., Ltd.----- All stock acquired by Canadian General Electric Co., Ltd.	36	0.60	b12	5.0
Dominion Fabrics, Ltd.----- Towels, tapestries, draperies, etc.	26	1.50	50	3.0
Dominion Foundries & Steel Ltd.----- Makes wide variety of primary steel products	45	2.80	75	3.7
Dominion Glass Co., Ltd.----- Wide variety of glassware	76	1.20	b22	5.5
Dominion Oilcloth and Lino- leum Co., Ltd.----- Wide range of linoleum and oil- cloth products	11	†0.275	6 1/2	4.2
Dominion Scottish Invest- ments Ltd., new----- Investment trust of management type	17	0.40	9	4.4
Dominion Steel & Coal Corp. Ltd.----- A holding co.—coal, iron & steel interests	21	0.32	12 1/8	2.6
Dominion Stores Ltd.----- Operates grocery and meat chain of 358 stores	17	0.80	17 3/8	4.5
Dominion Tar & Chemical Co., Ltd.----- Distiller of coal tar & producer of its derivatives	51	0.80	16 3/4	4.8
Dominion Textile Co., Ltd.----- Wide range of cotton yarns and fabrics	17	0.90	b21 1/4	4.2
Donohue Brothers Ltd.----- Owns and operates a paper mill at Clermont, Quebec	23	0.60	b10 3/4	5.6
Dover Industries Ltd.----- Owns and operates two flour mills, capacity 1,350 bbls. daily; also 2 box and 1 ice cream cone factory	36	1.70	b35	4.9
Economic Invest't Trust Ltd.----- General investment trust-business	25	1.50	27 1/2	5.5
Eddy Match Co. Ltd.----- Manufactures and sells wood and book matches and through subs. is in lumber business and manu- facturer of vending machines	19	1.50	b37	4.1
Electrolux Corp.----- "Electrolux" vacuum cleaners, & air purifiers	12	1.00	b126	0.8
Empire Life Insurance Co.----- Operates as life insurance co.	24	0.90	b62 3/4	1.4
Equitable Life Insurance Co. of Canada----- Wide line of life and endowment policies	30	1.85	48 3/8	3.8
Falconbridge Nickel Mines, Ltd.----- Nickel, copper, cobalt; subsidiary produces steel castings				

\* Quotations represent June 29, 1962 sale prices or the last sale price prior to that date. Bid and ask quotations are as of June 29, 1962.  
 † Less current Canadian Exchange Rate.  
 ‡ Adjusted for stock dividends, splits, distributions, etc.  
 b Bid

	No. Con- secutive Years Cash Divs. Paid	Cash Divs. Including Extras for 12 Mos. to June 29, 1962 — Canadian \$ —	Quota- tion June 29, 1962*	Approx. % Yield Based on Paymts. to June 29, 1962
Famous Players Canadian Corp., Ltd.----- Largest operator of motion pic- ture theatres in Canada	28	1.25	16 1/2	7.6
Fanny Farmer Candy Shops, Inc.----- Operates large candy chain of 402 stores and 1,660 agencies	35	*1.15	25	4.6
Fintayson Enterprises Ltd. "B"----- Distributes through subsidiaries smokers' requisites, drugs, cos- metics, etc.	12	0.20	b3.50	5.7
Ford Motor Co. of Canada, Common----- Automotive manufacturer	30	5.00	134	3.7
Foundation Co. of Canada Ltd.----- Engineers & general contractors	23	0.50	b10	5.0
Fraser Companies, Ltd.----- Wide variety paper and lumber products; synthetic yarns and fabrics	19	1.20	23 1/2	5.1
Gatineau Power Co.----- Hydro-electric energy in Eastern Canada	25	†2.20	30	7.3
General Bakeries Ltd.----- One of Canada's largest, inde- pendent bakery operations. Makes bread, cakes, biscuits and con- fectionery	12	0.40	9 1/2	4.2

## Listed Companies Which Have Paid Consecutive Dividends From 5 to 10 Years Appear in the Second Table Starting on Page 26.

General Steel Wares Ltd.----- Household utensils; hotel, restau- rants, and hospital equipment; refrigerators, etc.	22	0.05	9 3/8	0.05
Giant Yellowknife Mines Ltd.----- Gold producer Yellowknife area, N. W. T.	10	0.50	12 1/4	4.1
Goderich Elevator and Transit Co. Ltd.----- Operates 4 grain elevators. Ca- pacity 3,000,000 bushels	30	1.50	b17 1/2	9.6
Goodyear Tire & Rubber Co. of Canada, Ltd.----- Natural and synthetic rubber products	36	6.00	126	4.8
Gordon Mackay Stores Ltd. "B"----- Manages subsidiaries which dis- tribute textile products and allied goods	38	0.50	b6 3/8	8.2
Grand & Toy Ltd.----- Manufactures commercial & gen- eral stationery & business forms and distributes office supplies & furniture throughout Ontario	19	1.80	b56	3.2
Great Lakes Paper Co., Ltd.----- Manufactures newsprint and un- bleached sulphite paper	16	0.60	17	3.5
Great West Coal Co., Ltd. "B"----- Wholesale distributor of lignite coal	16	0.25	b4.25	5.9
Great-West Life Assur. Co.----- Wide range of life, accident and health policies	63	5.70	590	1.0
Greening Industries Ltd.----- Name changed from Greening (B) Wire Co., Ltd. Wide variety of wire products	25	0.15	3.70	4.1
Guaranty Trust Co. of Can.----- General fiduciary business	34	0.975	50	2.0
Hallnor Mines, Ltd.----- Ontario gold producer	24	0.16	b2.35	6.8

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 † Less current Canadian Exchange Rate.  
 ‡ Dividend paid in U. S. Currency.  
 † Adjusted for stock dividends, splits, distributions, etc.  
 b Bid



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# Canada Takes Aggressive Steps To Establish Durable Economy

	No. Con- secutive Years Cash Divs. Paid	Cash Divs. Including Extras for 12 Mos. to June 29, 1962 — Canadian \$ —	Quota- tion June 29, 1962* — Canadian \$ —	Approx. % Yield Based on Paymts. to June 29, 1962
<b>Hamilton Cotton Co., Ltd.</b> — Wide variety of textile products	21	1.05	b25¼	4.2
<b>Handing Carpets Ltd.</b> — Specializes in seamless "Axminster" and "Wilton" rugs	27	†0.70	11½	6.1
<b>Hayes Steel Products Ltd.</b> — Wide variety of automotive parts	20	1.00	81	3.2
<b>Hinde and Dauch Ltd.</b> — Wide variety of paperboards, boxes, etc.	29	1.80	52½	3.5
<b>Hollinger Consolidated Gold Mines, Ltd.</b> — Ontario gold producer	47	0.60	20	3.0
<b>Hudson's Bay Co.</b> — Operates chain of department and retail stores in Western Canada. Also wholesale name brand products. Has 229 all type stores. Acquired Henry Morgan & Co. Ltd. in 1960	25	†0.28	10½	2.7
<b>Hudson Bay Mining &amp; Smelting Co. Ltd.</b> — Manitoba copper & zinc products	28	3.00	51	5.9
<b>Hughes-Owens Co. Ltd. "B"</b> — Mfg. & retailer of drafting equip., scientific instruments & artists' supplies	10	0.35	b8	4.4
<b>Huron &amp; Erie Mortgage Corp.</b> — New — Lends money on first mortgage security and operates deposit and debenture accounts	98	1.15	54	2.1
<b>Imperial Flo - Glaze Paints Ltd.</b> — Varnishes, lacquers, enamels, paints, etc.	22	1.60	b30¼	5.3
<b>Imperial Life Assurance Co. of Canada</b> — Comprehensive range of life, endowment and term policies	88	2.80	123	2.3
<b>Imperial Oil Ltd.</b> — With subsidiaries comprises full integrated oil enterprises	63	1.40	41	3.4
<b>Imperial Tobacco Co. of Canada, Ltd. "Ord."</b> — Tobacco, cigars and cigarettes	51	0.75	13½	5.6
<b>Industrial Acceptance Corp., Ltd., new</b> — Purchases acceptances; also small loans & gen'l insurance business	15	†1.00	20½	4.9
<b>Industrial Minerals of Canada Ltd.</b> — Mines and processes nepheline syenite for use in glass and ceramic trade in Ontario.	10	0.20	b3.90	5.1

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 † Less current Canadian Exchange Rate.  
 ‡ Adjusted for stock dividends, splits, distributions, etc.  
 b Bid

	No. Con- secutive Years Cash Divs. Paid	Cash Divs. Including Extras for 12 Mos. to June 29, 1962 — Canadian \$ —	Quota- tion June 29, 1962* — Canadian \$ —	Approx. % Yield Based on Paymts. to June 29, 1962
<b>Interior Breweries Ltd. "B"</b> — Operates 2 breweries with combined capacity of 70,000 barrels per year	12	0.30	5¼	5.7
<b>International Bronze Powders Ltd.</b> — Holding co. Subs. manufacture bronze and aluminum powders	12	0.70	16¼	4.2
<b>International Nickel Co. of Canada, Ltd., new</b> — Holding and operating co. — Primary operations at mines and smelters near Sudbury, Ontario	29	*1.60	62	2.6
<b>International Paper Co.</b> — Holding and operating co. — Operates pulp and paper mills in Canada and the U. S.	17	†1.0395	28	3.7
<b>International Utilities Corp.</b> — Management and development of natural gas and electrical companies in Alberta	19	1.55	38½	4.0
<b>Interprovincial Pipe Line Co.</b> — Owns and operates crude oil pipeline from Red Water, Alta. to Superior, Wis. and Sarnia, Ont. 1,930 miles	10	3.15	70	4.5
<b>Investment Foundation Ltd.</b> — Management type investment trust	19	2.40	b44	5.5
<b>Jamaica Public Service, Ltd.</b> — new — Holding company. Holds all common stock of Jamaica Public Service Co. Ltd. which serves Jamaica with light & power from 2 steam electric, 5 hydro-electric and 4 diesel power generating stations. Capacity 67,400 hp.	10	†0.725	13	5.6
<b>Jockey Club Ltd.</b> — Operates several horse race tracks in Ontario	11	0.11	3.00	3.7
<b>Johnston Terminals &amp; Storage Ltd.</b> — Holding Co. Through subsidiaries operates as freight distributors, movers and operates warehouses & cartage.	10	0.40	†	†
<b>Kerr-Addison Gold Mines Ltd.</b> — Ontario gold producer	23	0.80	9.05	8.8
<b>Labatt (John) Ltd., new</b> — General brewing business	18	†0.45	13¼	3.4
<b>Lamaque Gold Mines Ltd.</b> — Quebec gold producer	24	0.20	3.85	5.2
<b>Lambert, Alfred, Inc. "B"</b> — Manufacturers, wholesalers and retailers of footwear goods	12	0.90	†	†

\* Quotations represent June 29, 1962 sale prices or the last sale price prior to that date. Bid and ask quotations are as of June 29, 1962.  
 † Less current Canadian Exchange Rate.  
 ‡ Dividend paid in U. S. Currency.  
 † Adjusted for stock dividends, splits, distributions, etc.  
 ‡ Inactive issue; doesn't trade.  
 b Bid

	No. Con- secutive Years Cash Divs. Paid	Cash Divs. Including Extras for 12 Mos. to June 29, 1962 — Canadian \$ —	Quota- tion June 29, 1962* — Canadian \$ —	Approx. % Yield Based on Paymts. to June 29, 1962
<b>Lambton Loan &amp; Investment Co.</b> — Oldest mortgage company in Canada. Company also issues debentures and accepts deposits.	119	1.40	81½	4.4
<b>Laura Secord Candy Shops, Ltd., new</b> — Retail candy chain in Ontario & Quebec—137 stores	36	0.70	15½	4.5
<b>Lawson and Jones Ltd. "B"</b> — Engaged in printing and lithographing, manufactures labels, folding cartons and calendars, etc.	14	1.00	31	3.2
<b>Leitch Gold Mines Ltd.</b> — Ontario gold producer	25	0.06	1.50	4.0
<b>Lewis Bros., Ltd.</b> — Wholesale hardware trade in Eastern Canada	17	0.30	b7¼	4.1
<b>Loblaw Cos. Ltd. "B"</b> — Operates chain of 238 "self-service" grocery stores in Ontario	31	0.1625	8½	2.0
<b>Loblaw, Inc.</b> — Operates 252 "self-service" food markets in northern New York, Pennsylvania and Ohio	24	*0.40	9	4.4
<b>Lower St. Lawrence Power Co.</b> — Quebec electric utility	12	1.20	b28	4.3
<b>Walter M. Lowney Co., Ltd.</b> — Chocolate and other confection products	27	1.00	b25¼	3.9
<b>Macassa Mines, Ltd.</b> — Ontario gold producer	14	0.20	3.60	5.6
<b>MacLaren Power &amp; Paper Co. "B"</b> — Holding company—newsprint, lumbering and power interest	21	1.00	21½	4.7
<b>MacMillan, Bloedel &amp; Powell River Ltd.</b> — Fully integrated lumber business; large exporter	22	0.75	17½	4.3
<b>Madsen Red Lake Gold Mines Ltd.</b> — Ontario gold producer	23	0.15	2.25	6.7
<b>Maple Leaf Gardens, Ltd.</b> — Owns and operates Toronto sports arena of same name	17	1.50	30	5.0
<b>Maple Leaf Mills, Ltd., new</b> — Grain handling; flour milling; operation of bakeries, etc.	17	†0.50	12	4.2
<b>Maritime Telegraph &amp; Telephone Co. Ltd.</b> — Operates largest telephone system in Nova Scotia and through subsidiaries in P.E.I.	23	0.90	18½	4.9
<b>Massey-Ferguson, Ltd.</b> — Complete line of farm implements and machinery	17	0.40	11	3.6

\* Quotations represent June 29, 1962 sale prices or the last sale price prior to that date. Bid and ask quotations are as of June 29, 1962.  
 † Less current Canadian Exchange Rate.  
 ‡ Dividend paid in U. S. Currency.  
 † Adjusted for stock dividends, splits, distributions, etc.  
 b Bid

Continued on page 24

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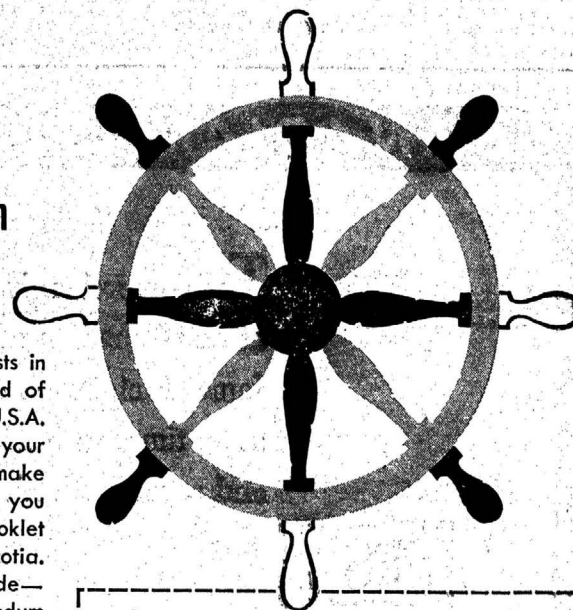
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# Canada Takes Aggressive Steps To Establish Durable Economy

Continued from page 23

	No. Con- secutive Years Cash Divs. Paid	Cash Divs. Including Extras for 12 Mos. to June 29, 1962 — Canadian \$ —	Quota- tion June 29, 1962*	Approx. % Yield Based on Paymts. to June 29, 1962
McCabe Grain Co., Ltd., com. General grain dealings	16	1.40	38	3.7
McIntyre Porcupine Mines, Ltd. Ontario gold producer	46	1.05	40½	2.6
Midland & Pacific Grain Corp., Ltd. Dealers in grain and operates line elevators in Western Canada	17	0.20	b4.00	5.0
Milton Brick Co., Ltd. Makes first quality face brick	13	0.20	b2.40	8.3
Mining Corp. of Canada, Ltd. Holding, exploration & financing company	14	0.75	12¾	5.9
Minnesota and Ontario Paper Co. Newsprint, specialty papers and other timber products	16	1.30	18	7.2
Molson's Brewery, Ltd. "B" Montreal brewer	18	1.00	25½	3.9
Monarch Investments Ltd. Operates and owns number of apartment houses	15	2.00	b51	3.9
Montreal City & District Sav- ings Bank Operates 53 branches in province of Quebec	92	2.60	b130	2.0
Montreal Locomotive Works, Ltd. Diesel-electric locomotives and related production	17	1.00	13¾	7.3
Montreal Refrigerating & Storage Ltd. "B" Operates general and cold storage warehouse in Montreal	17	0.30	b10½	2.9
Montreal Trust Co. Executor & trustee, management of securities & real estate	54	1.80	74	2.4
Moore Corp. Ltd. Business forms, advertising dis- play products, etc.	19	†0.90	42½	2.1
Mount Royal Rice Mills, new Manufactures and distributes rice products	17	†0.40	b8	5.0
National Drug and Chemical Co. of Canada, Ltd. Wholesaler of drugs, chemical & general merchandise	22	0.80	16	5.0
National Grocers Co., Ltd. Ontario grocery wholesaler	21	0.60	b20	3.0
National Steel Car Corp., Ltd. Railway cars, automobile chassis, etc.	26	0.40	b15	2.7
National Trust Co., Ltd. General trust business, also accepts deposits	64	2.20	93	2.4
Neon Products of Canada Ltd. Neon advertising signs	33	0.60	14	4.3

\* Quotations represent June 29, 1962 sale prices or the last sale price prior to that date. Bid and ask quotations are as of June 29, 1962.  
 † Less current Canadian Exchange Rate.  
 ‡ Dividend paid in U. S. Currency.  
 † Adjusted for stock dividends, splits, distributions, etc.  
 b Bid

	No. Con- secutive Years Cash Divs. Paid	Cash Divs. Including Extras for 12 Mos. to June 29, 1962 — Canadian \$ —	Quota- tion June 29, 1962*	Approx. % Yield Based on Paymts. to June 29, 1962
New Brunswick Telephone Co. Ltd. Operates telephone system in New Brunswick	54	0.60	b13	4.6
Newfoundland Light & Pow. Co., Ltd. Operating public utility	14	2.30	a70	3.3
Niagara Wire Weaving Co., Ltd. Makes wire mesh, cloth, wire weaving machinery, etc.	28	0.80	b13	6.2
Noranda Mines, Ltd. Copper and gold producer	33	2.15	29%	7.3
Normetal Mining Corp., Ltd. Quebec copper and zinc producer	17	0.27	2.76	10.0
Northern Telephone Ltd. Operates telephone system in 150 centres Northern Ontario and Northwestern Quebec. Dec. 31, 1957, had 59,896 telephones in use	52	0.18	b7¾	2.3
Northland Utilities Ltd. Distributes electric power and gas to several cities in Western Can.	11	0.40	b17½	2.3
Northwest Industries Ltd. Engages in overhaul and repair of aircraft, aircraft instruments and accessories	10	0.20	a3.30	6.1
Nova Scotia Light & Power Co. Ltd. Diverse utility interests in Hal- fax and vicinity in Nova Scotia	33	0.70	19	3.7
Ogilvie Flour Mills Co., Ltd. Mills flour, feeds, and cereals	60	2.25	45	5.0
Okanagan Telephone Co. Owns and operates local and long distance phone system. At latest report has 22,421 phones in use.	14	0.60	12½	4.8
Oland & Son Ltd. "B" Directly and through subsidiaries operates 2 breweries in Halifax & one in St. John, N. B.	10	0.50	†	†
Ontario Loan and Debenture Co. Accepts deposits and sells debentures; invests in first mortgages	92	1.20	34¼	3.5
Ontario Steel Products Co., Ltd. Automotive springs, bumpers and plastic products	25	1.40	26	5.4
Pacific Atlantic Canadian Investment Co. Ltd. Investment trust of Management type	21	0.15	b2.75	5.5
Pacific Coast Terminals Co. Ltd., new Owns terminal facilities and cold storage warehouse at New West- minster, B. C. Capacity—1,500,000 tons cargo per year	19	†0.75	19	3.9
Page-Hersey Tubes, Ltd. Industrial pipe and tubing	37	0.90	19½	4.7
Parker Drilling Co. of Canada Ltd. Owns & operates oil drilling rigs in Western Canada	10	0.30	3.50	8.6

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 † Less current Canadian Exchange Rate.  
 ‡ Adjusted for stock dividends, splits, distributions, etc.  
 † Inactive issue; doesn't trade.  
 † Asked  
 b Bid

	No. Con- secutive Years Cash Divs. Paid	Cash Divs. Including Extras for 12 Mos. to June 29, 1962 — Canadian \$ —	Quota- tion June 29, 1962*	Approx. % Yield Based on Paymts. to June 29, 1962
Pato Consolidated Gold Dredging Ltd. Operates a gold dredging project in Colombia, S. A.	24	0.20	3.40	5.9
Penmans Ltd. Woolen, cotton and silk knitted goods	56	1.80	35	5.1
People's Credit Jewellers Ltd. Retailer of jewelry and associated merchandise	21	0.70	24	2.9
Photo Engravers & Electro- typers Ltd. Photo engravings, electrotypes, commercial photography, etc.	29	0.80	15	5.3
Placer Development, Ltd. Investment—holding company— gold interests	30	0.85	23	3.7
Power Corp. of Canada, Ltd. A utility holding management and engineering company	26	2.00	45½	4.4
Premier Trust Co. Operates as trust company trustee, etc.	46	8.00	295	2.7
Price Brothers & Co., Ltd. Newsprint and related products	19	2.00	42	4.8
Provincial Bank of Canada Operates 178 branches and 176 agencies in eastern Canada	62	1.45	42	3.5
Quebec Power Co. Operating public utility	48	1.60	30¼	5.3
Quebec Telephone Provides telephone services to some 300 towns & villages in 17 counties of Eastern Quebec	12	1.10	40½	2.7
Quemont Mining Corporation Ltd. Produces gold, silver, copper, zinc, and pyrites in Quebec	12	0.90	9.20	9.8
Quinte Milk Prod., Ltd. "B" Wide variety of milk products	14	0.15	b4.50	3.3
Reitman's (Canada) Ltd. Through holdings of 3 subs. oper- ates 153 retail clothing stores in Ontario and Quebec	12	0.45	a13	3.5
Robertson (P. L.) Manufac- turing Co., Ltd. Wide range of screws and bolts	21	0.20	10	2.0

## Listed Companies Which Have Paid Consecutive Dividends From 5 to 10 Years Appear in the Second Table Starting on Page 26.

	No. Con- secutive Years Cash Divs. Paid	Cash Divs. Including Extras for 12 Mos. to June 29, 1962 — Canadian \$ —	Quota- tion June 29, 1962*	Approx. % Yield Based on Paymts. to June 29, 1962
Robinson Little & Co., Ltd. Wholesale and retail merchandis- ing of dry goods & variety store lines	15	0.80	15	5.3
Rolland Paper Co., Ltd. "B" High-grade bond writing paper & related products	13	0.175	b11	1.6
Royal Bank of Canada Operates 1,042 branches through- out the world	94	2.50	70½	3.5
Russell Industries Ltd. Holding company—machine tool interests	27	0.60	16¾	3.6
St. Lawrence Corporation Ltd. Newsprint and allied products	12	1.00	22¼	4.5
Sangamo Co., Ltd. Electric meters, motors, switches, etc.	26	0.40	b7½	5.3
Seythes & Co. Ltd. Manufactures cotton and wool waste, cotton, wipers, etc.	27	1.00	13½	7.4
Shawinigan Water and Power Co. new Quebec electric utility	56	0.80	21½	3.7
Sherwin-Williams Co. of Canada, Ltd. Paints, varnishes, enamels, etc.	21	1.00	a29½	3.4
Sicks' Breweries Ltd. Beer, ale, stout and carbonated beverages	35	1.20	b32%	3.7
Sigma Mines (Quebec) Ltd. Quebec gold producer	23	0.20	5.95	3.4
Silknet Ltd. Lingerie, swim suits and other rayon products	15	1.25	b23¾	5.3
Silverwood Dairies, Ltd. "A" Full line of dairy products	16	0.60	11¾	5.1
Simpson's Ltd. Owns and operates through subs. dept. stores in Canada	17	0.80	27	3.0
Siscoe Mines Ltd. Holding Co. with interest in var- ious mines located in Ontario and Quebec	13	0.05	1.89	2.6
Slater Steel Industries Ltd., new Pole-line hardware for power companies; also metal stampings and forgings	25	†0.25	10	2.5
Southam Co., Ltd. Publishes seven daily newspapers across Canada; operates three radio stations	27	0.80	27½	2.9
Southern Canada Power Co., Ltd. Operating public utility; Southern Quebec	40	2.50	a48	5.2
Sovereign Life Assurance Co. of Canada Life and endowment insurance	44	2.75	a311	0.9

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 † Less current Canadian Exchange Rate.  
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## Canada Takes Aggressive Steps To Establish Durable Economy

	No. Con- secutive Years Cash Divs. Paid	Cash Divs. Including Extras for 12 Mos. to June 29, 1962	Quota- tion June 29, 1962	Approx. % Yield Based on Paymts. to June 29, 1962
<b>Standard Paving &amp; Materials Ltd.</b> -----	15	0.70	10¼	6.8
General paving contractor				
<b>Standard Radio Ltd.</b> -----	22	0.80	32½	2.5
Through subsidiaries owns and operates radio and short wave stations in Canada				
<b>Stanfield's Ltd. "B"</b> -----	25	0.80	b25	3.2
Manufactures woolen & rayon underwear and hand knitting yarns				
<b>Stedman Brothers Ltd., new</b> ---	28	†0.45	11½	3.9
Wholesale and retail small wares business				
<b>Steel Co. of Canada, Ltd., new</b> ---	47	†0.60	16⅞	3.6
Engaged in all branches of steel production				
<b>Sterling Trust Corp., new</b> -----	26	1.50	b45	3.3
General fiduciary business				
<b>Stuart (D. A.) Oil Co., Ltd.</b> ---	23	1.25	b23½	5.3
Makes extreme friction lubricants and related products				
<b>Sun Publishing Co. Ltd., "B"</b> ---	10	†0.1125	b15	0.8
Publishes The Vancouver Sun, 216,500 circulation and has other varied interests				
<b>Supertest Petroleum Corp., Ltd. "Vot. Com." new</b> -----	37	0.05	4.00	1.3
Markets petroleum products in Ontario and Quebec				
<b>Switson Industries Ltd.</b> -----	10	0.08	1.50	5.3
Mfgs. vacuum cleaners, floor polishers, gas heaters, furnaces, etc.				
<b>Tamblyn (G.) Ltd.</b> -----	26	1.05	16½	6.4
Operates chain of 134 drug stores				
<b>Teck-Hughes Gold Mines, Ltd.</b> -----	37	0.10	1.57	6.4
Ontario gold producer				
<b>Texaco Canada Limited</b> -----	19	1.60	43¾	3.7
Oil production, refining and distribution				
<b>Third Canadian General Investment Trust Ltd., new</b> ---	34	†0.11	6½	1.7
Investment trust of the management type				
<b>Toronto-Dominion Bank</b> -----	105	2.00	55	3.6
Operates 588 branches, 584 in Canada, one in New York, Chicago, and two in London, England				
<b>Traders Finance Corp., Ltd. "B" new</b> -----	16	†0.80	11½	7.0
Purchases installment sales obligations				
<b>Union Gas Co. of Canada, Ltd.</b> ---	14	0.50	17	2.9
Production, storage, transmission and distribution of natural gas				
<b>United Amusement Corp., Ltd., "A"</b> -----	38	1.00	†	†
Operates 34 motion picture theatres in Montreal and other Quebec cities				
<b>United Canadian Shares Ltd.</b> ---	38	0.85	a24½	3.5
Holding co.—insurance interests				
<b>United Corporations Ltd. "B"</b> ---	22	0.95	b20¼	4.7
An investment trust of the management type				
<b>United Towns Electric Co. Ltd.</b> ---	12	0.60	b10½	5.7
Supplies power to 160 communities in Newfoundland. Operates 10 plants with capacity of 29,060 hp.				
<b>Upper Canada Mines Ltd.</b> -----	23	0.05	1.74	2.9
Ontario gold producer				
<b>Ventures Ltd.</b> -----				
Merged with Falconbridge Nickel Mines Ltd.				
<b>Viau Ltd. new</b> -----	16	0.80	a12½	6.4
Biscuits and confectionery				

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 ‡ Inactive issue; doesn't trade.  
 a Asked  
 b Bid

Continued on page 26

## Panhandle Eastern Pipe Line Company Securities Offered

Two New York City investment banking groups have announced they are offering publicly two issues of Panhandle Eastern Pipe Line Co. as follows:

\$60,000,000 of 4½% debentures due 1982, by a group headed by Kidder, Peabody & Co.; Merrill Lynch, Peirce, Fenner & Smith Inc., and Halsey, Stuart & Co. Inc.

200,000 shares of 4.64% series cumulative preferred stock, \$100 par value, by a group headed by Kidder, Peabody & Co. and Merrill Lynch, Pierce, Fenner & Smith Inc.

The debentures are priced at 99.40% and accrued interest to yield approximately 4.42%. They are not redeemable at a lower interest cost to the company than 4.42% prior to Oct. 1, 1967. Otherwise the debentures are redeemable at optional redemption prices ranging from 104.38% to the principal amount. They are redeemable for the sinking fund beginning April 1, 1965, at prices ranging from 100% of the principal amount.

The new preferred stock is being offered at \$100 and accrued dividends. Prior to Oct. 1, 1967, the preferred is not redeemable from borrowed funds having an interest or dividend cost of less than 4.64%. At the option of the company, the issue will be redeemable at \$104.64 per share prior to Oct. 1, 1967, and at prices declining to \$100 per share.

Proceeds from the financing will be used to retire \$80,000,000 principal amount of outstanding short-term bank loans.

Panhandle Eastern Pipe Line and its subsidiaries, Trunkline Gas Co. and Anadarko Production Co. produce, transport and sell natural gas. Panhandle's main transmission system extends a distance of 1,300 miles from the gas producing areas of Texas, Oklahoma and Kansas into Michigan.

Trunkline's gas transmission system extends 1,500 miles from the Gulf Coast areas of Texas and Louisiana, through to a point on the Indiana-Michigan border.

## Jacobs & Co. New NYSE Firm

Jacobs & Co., members of the New York Stock Exchange, will be formed as of Oct. 19, with offices at 25 Broad St., New York City. Partners will be Paul S. Jacobs, member of the Exchange, and Ernest Lowber.

## Stern, Frank To Admit

LOS ANGELES, Calif. — Stern, Frank, Meyer & Fox, 325 West Eighth St., members of the New York and Pacific Coast Stock Exchanges, on Nov. 1 will admit Geoffrey M. Berman to partnership. Mr. Berman will make his headquarters at the firm's Beverly Hills office, 9675 Santa Monica Boulevard.

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## ECM's Impact on Canada Studied by Conference Board

Recently completed study by the National Industrial Conference Board assesses impact of the Common Market upon Canada. Principal commodities affected; consequences of England's entry into the ECM; and declining share of total free world trade are some of the subjects studied. Revised U. S. A. trade bill passed in the closing session of Congress is expected to help ease some of Canada's economic discomfort by increasing trade with U. S. and other "favored-nation" treaty countries.

The growing Common Market can be expected beyond those may leave Canada as one of a handful of isolated industrialized nations standing between the United States and a united Europe, the National Industrial Conference Board reported in a chart survey of the Canadian economy prepared by its Canadian office in Montreal and released recently.

With Great Britain included, the Common Market nations and the United States would account for 80% of all manufacturing and mining output in the free world, according to the NICB charts.

However, the U. S. Trade Expansion Act, by generally liberalizing tariffs, seems likely to provide Canada with an opportunity to avoid some of its economic discomfort. Up to 45% of total Canadian exports to the U. S. could benefit from a provision in the Act giving the President power to reduce all existing tariffs by 50%.

Since all tariff reductions under the Act will require concessions from other countries, improved trading opportunities for Canada

with the U. S. alone, the chart indicated.

### Common Market Poses Major Problem

Canadian trade will be broadly affected by the Common Market, which may ultimately include 300 million people and already represents a formidable productive and trading potential. Because Canada is one of the world's major suppliers of primary and semiprocessed goods (the country ranked fifth in world trade with \$12 billion in 1960), it is unusually susceptible to international trade developments.

Four major Canadian exports are most likely to be injured by Common Market tariffs—wheat, aluminum, newsprint and wood pulp.

New Common Market stipulations provide that:

Wheat, the largest Canadian export to Western Europe, is to be subject to a variable levy, which

may reduce imports from outside the Common Market area.

Aluminum, some 40% of which goes to Western Europe (including Great Britain), will face a 9% tariff—subject to certain exceptions. This commodity stands to lose Great Britain's current preference (up to 10%) if Britain joins the new community.

Newsprint and wood pulp, which now enter the United Kingdom duty free and enter some Common Market countries at low rates, will encounter duties of 7% and 6%, respectively. The pulp and paper industry is Canada's largest.

### British Entry Challenges Canadian Trade

The challenge to Canadian trade represented by Great Britain's prospective entry into the Common Market is emphatically shown in Canada's export figures. In 1961, Canada exported 86% more of its goods to Great Britain than to the six Common Market countries.

The significance of this factor, the NICB noted, rests in the margin of preference Britain extends to Canadian products. If Britain joins the Common Market, this preference system would end; so also, it may be expected, would the corresponding concessions granted by Canada. To date, British exporters have been deriving substantially greater benefit from the arrangement than have Canadian suppliers of the British market. The NICB noted, however, that this distinction is mainly the result of Britain's policy of granting duty-free entry to primary products from all sources and the preponderance of Canadian exports in this category.

### Canada Has Large Stake in World Trade

While manufacturing is becoming increasingly more important to the Canadian economy, (62% of the value added in all goods-producing industries now come from manufacturing as compared with 34% at the turn of the century), Canada is a relatively high-cost producer and is still heavily reliant on imports of finished products. During the last decade, imports of industrial machinery, electrical apparatus, aircraft and parts, engines and boilers, and automobiles and parts have increased faster than total Canadian imports. At the same time, Canadian exports of nickel, aluminum, copper, uranium, petroleum and iron ore have grown more rapidly than total exports, the survey shows.

Thus Canada has a large stake in international trade and is highly vulnerable to changes in the external environment.

### Western Europe, Japan Show Rapid Gains

The most apparent of recent international changes has been the dynamic economic expansion of Western Europe and Japan, whose growth rates (except possibly the United Kingdom) have eclipsed those of Canada and the United States in recent years. The NICB charts show that:

Western Europe's share of total free world trade jumped from 36% in 1947 to 46% in 1961.

Japan's share increased from less than 1% to more than 4% during this period.

The Canadian and U. S. share declined from 27% in 1947 to 19% in 1961.

This shifting balance of world trade is, of course, seriously affecting Canada's trade position.

## Canada Takes Aggressive Steps To Establish Durable Economy

Continued from page 25

	No. Consecutive Years Cash Divs. Paid	Cash Divs. Including Extras for 12 Mos. to June 29, 1962	Quotation June 29, 1962* Canadian \$	Approx. % Yield Based on Paymts. to June 29, 1962
Victoria & Grey Trust Co.—Operates as trust company	12	1.65	54	3.1
Waite Amulet Mines, Ltd.—All stock acquired by Noranda Mines Ltd.				
Walker (Hiram)—Gooderham & Worts, Ltd.—Holding company—extensive liquor interests	27	2.00	49	4.1
Westeel Products Ltd.—Manufactures sheet metal	22	0.10	10½	1.0
Western Canada Breweries, Ltd.—Serves four western provinces	26	1.20	30	4.0
Westminster Paper Co., Ltd.—"B" Common—Wide range of paper specialty products	30	0.80	a31	2.6
Weston (George) Ltd. "B"—Fine biscuits, bread, cakes, confectionery, etc.	33	0.30	17½	1.7
Wood Alexander Ltd.—Operates wholesale hardware business	12	0.20	2.85	7.0
Wood, John, Industries Ltd. "A"—Holding Co. Subs. Canada & U. S. mfr. water heaters, oil trade equipment, etc.	20	1.60	40	4.0
Woodward Stores (1947) "A" Ltd.—A holding company which operates seven departmental stores in western Canada through subsidiaries	15	0.45	14	3.2
Zeller's Ltd.—Operates chain of 61 specialty stores across Canada	22	1.40	b33	4.2

TABLE II

## CANADIAN

(Listed and Unlisted)

## Common Stocks

On Which  
CONSECUTIVE CASH  
DIVIDENDS

Have Been Paid From

## 5 to 10 Years

	No. Consecutive Years Cash Divs. Paid	Cash Divs. Including Extras for 12 Mos. to June 29, 1962	Quotation June 29, 1962* Canadian \$	Approx. % Yield Based on Paymts. to June 29, 1962
American Nepheline Ltd.—Name changed to Industrial Minerals of Canada Ltd.				
Algonia Steel Corp. Ltd.—Owns & operates fully integrated plant for iron, steel, coke & by-products. Also iron mines & subs. operates coal mines.	6	1.30	40	3.3
Anglo Canadian Oils Ltd. (Brandon)—Owns & operates refinery in Brandon, Man. Distributes and sells through company owned stations & agents	8	1.00	a41	2.4
Anglo Scandinavian Investment Corp. of Canada—Operates as an investment company	7	0.40	b9¼	4.3
Anthes-Imperial Co., Ltd. "A" new—Manufactures and distributes pipe and fittings for soil, water and air. Also boilers, radiators and steel scaffolding	8	†0.36	11	3.3
Atlas Steels Ltd.—Major producer of wide range of alloy & tool steels & stainless steel with plant at Welland, Ont. Subsidiaries operate in England, Mexico, has interest in similar operation in Belgium.	7	1.25	30¾	4.1
Bowes Company Ltd.—Manufacturers, importers and wholesalers of confectioners' and bakers' supplies	8	1.50	27	5.6
Bralorne Pioneer Mines Ltd.—Owns 2 producing gold mines, Cadwallader Creek, Bridge River area British Columbia	8	0.40	7.05	5.7

\* Quotations represent June 29, 1962 sale prices or the last sale price prior to that date. Bid and ask quotations are as of June 29, 1962. † Less current Canadian Exchange Rate.

a Asked

b Bid

† Adjusted for stock dividends, splits, distributions, etc.



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## Canada Takes Aggressive Steps To Establish Durable Economy

	No. Con- secutive Years Cash Divs. Paid	Cash Divs. Including Extras for 12 Mos. to June 29, 1962 — Canadian \$ —	Quota- tion June 29, 1962* — Canadian \$ —	Approx. % Yield Based on Paymts. to June 29, 1962
<b>Bridge &amp; Tank of Canada Ltd.</b> Directly and through subsidiaries designs, erects & fabricates buildings, bridges, etc.	7	0.20	3.40	5.9
<b>Bright, T. G. &amp; Co.</b> Manufactures Canadian Wines, owning 1,500 acres of vineyards in Ontario. Plants in Niagara Falls, Ont. and Lachine, Que. Storage capacity 5,000,000 gals. Also operates 14 retail stores.	6	1.00	69½	1.4
<b>British Columbia Packers Ltd. "B"</b> Packs Salmon, clams, oysters, etc. with plants in British Columbia, Nova Scotia and Manitoba. Brand names are "Clover Leaf" and "Rupert Brand."	8	1.00	15¼	6.6
<b>Bullock's Ltd. "B"</b> Manufactures warm air furnaces using gas, oil or coal with plant in Winnipeg.	7	0.35	b5½	6.8
<b>Calgary Power Ltd.</b> Alberta power utility	7	0.40	19½	2.0
<b>Canada Crushed &amp; Cut Stone Ltd.</b> Processes crushed stone, chemical stone, agriculture limestone. Produces bituminous asphalt. 3 quarries in Ontario. Warehouse and docks at Hamilton, Ontario.	6	0.20	17½	1.1
<b>Canadian Arena Co.</b> Operates Montreal Forum	7	4.00	b175	2.3
<b>Canadian General Securities Ltd. "B"</b> Investment holding company	8	1.00	19	5.3
<b>Canadian Power &amp; Paper Securities Ltd.</b> Investment Trust of management type	6	0.20	b6	3.3
<b>Canadian Utilities Ltd.</b> Supplies electricity in Alberta. Operates 12 plants. Capacity 90,460 KW; serving 46,082 customers	6	1.25	25	5.0
<b>Canadian Wallpaper Manufacturers Ltd. "B"</b> Manufactures wallpapers. Through subsidiaries operates wallpaper & paint stores.	7	1.00	b25	4.0
<b>Carter, James B. Ltd. "B"</b> Manufactures & markets automatic electrical, farm & heat transfer products & acts as exclusive representative for allied products. Plant in Winnipeg.	8	1.00	45	2.2
<b>Consolidated Discovery Yknife Mines Ltd.</b> Gold producer, Yellowknife Dist., N. W. T.	9	0.13	1.05	12.4
<b>Copp Clark Publishing Co., Ltd.</b> Prints and publishes books and prints and lithographs other specialized printed material.	6	0.40	8	5.0
<b>Craig Bit Co. Ltd.</b> Manufactures and sells detachable bits for rock drilling and carbide drill rods	8	0.08	1.70	4.7
<b>Dickenson Mines Ltd.</b> Gold producer Northern Ontario	9	0.18	4.45	4.0
<b>Dominion Electrohome Industries Ltd.</b> Manufactures and sells radios, phonographs, television, electric fans, electric motors and allied products	8	0.20	9¼	2.1
<b>Dow Brewery Ltd.</b> Brewer with plants at Montreal, Quebec City, and Toronto	5	1.50	50	3.0
<b>DuPont of Canada Ltd.</b> Manufactures chemicals, textile fibres, commercial explosives, etc.	9	0.65	b26½	2.5
<b>Eddy Paper Co Ltd. new com.</b> Holding Co. through wholly owned subs. operates pulp & paper mills.	6	0.60	22½	2.6
<b>Edmonton Concrete Block Co. Ltd.</b> Manufactures concrete blocks and lightweight aggregate. Capacity is 20,000 8-in. blocks per day	8	0.16	a3.25	4.9
<b>Greyhound Lines of Canada Ltd.</b> Operates bus service in eastern and western Canada. Thru subs also manufactures buses and parts	5	0.70	16¼	4.3
<b>Highland Bell Ltd.</b> Owns producing silver-lead-zinc-gold property in British Columbia.	6	0.10	2.35	4.3
<b>Hi-Tower Drilling Co. Ltd.</b> Operates as contract driller for oil & gas wells. Owns 9 modern rigs capable of drilling from 4500 ft. to 10,000 ft.	7	0.50	16½	3.0
<b>Investors Syndicate of Canada Ltd.</b> Issues and distributes investment certificates. Also acts as manager & distributor on fee basis.	6	0.95	b46¼	2.1
<b>Labrador Mining &amp; Exploration Ltd.</b> Has leases on extensive iron ore prospect acreage in Labrador. Also holds interest in producer, Iron Ore Co. of Can. and receives royalties on all ore produced. Co. also has right to ship ore for its own account.	6	0.50	23½	2.1
<b>Manitoba and Saskatchewan Coal Co. Ltd. "B"</b> Mines and wholesales lignite coal. Capacity: 850,000 tons per year.	8	0.50	b5½	9.1

	No. Con- secutive Years Cash Divs. Paid	Cash Divs. Including Extras for 12 Mos. to June 29, 1962 — Canadian \$ —	Quota- tion June 29, 1962* — Canadian \$ —	Approx. % Yield Based on Paymts. to June 29, 1962
<b>Northern Quebec Power Co. Ltd.</b> Generates & distributes power in N. W. Quebec mining areas. Operates five electrical merchandise stores. Serves 15,889 customers.	7	1.95	29½	6.6
<b>Ocean Cement &amp; Supplies Ltd.</b> Through subsidiaries manufactures and sells cement and allied products	5	0.30	9¾	3.1
<b>Ocean Fisheries Ltd.</b> Holding company. Through subsidiaries operates in fishing, processing and marketing seafood fish and fish byproducts	7	0.25	†	†
<b>Okanagan Helicopters Ltd.</b> Operates helicopters for topographical survey work, prospecting, oil surveys, timber cruising and pipeline patrol.	6	0.05	1.85	2.7
<b>Paul Service Stores Ltd.</b> Operates as dry cleaner, launderer, tailor, shoe repairing & fur storages. Has 81 stores in Montreal area.	6	0.50	b6½	7.7
<b>Reeves Macdonald Mines Ltd.</b> Lead-zinc-silver-cadmium property in British Columbia	7	0.20	1.45	13.8
<b>Salada Foods Ltd.</b> Name changed from Salada-Shirriff-Horsey Ltd. Directly & through subsidiaries manufactures, processes & sell extensive variety of food products. Has four plants in Canada, four in U. S. A. and one in Jamaica.	7	0.30	11½	2.7

	No. Con- secutive Years Cash Divs. Paid	Cash Divs. Including Extras for 12 Mos. to June 29, 1962 — Canadian \$ —	Quota- tion June 29, 1962* — Canadian \$ —	Approx. % Yield Based on Paymts. to June 29, 1962
<b>Thompson Paper Box Co. Ltd.</b> Company and subsidiary manufacture a wide range of paper boxes	7	0.20	6	3.3
<b>Union Acceptance Corp. Ltd.</b> Purchases installment obligations of motor vehicle & household equipment purchases. Subs. operate loan divisions.	6	0.40	85%	4.6
<b>United Keno Hill Mines Ltd.</b> Silver-lead-zinc-cadmium producer, Yukon	9	0.40	9.15	4.4
<b>Western Canada Steel Ltd.</b> Holding company. Subsidiaries produce small steel bars, small structural shapes, nuts, bolts, rivets, spikes and bands. Company also has interest in Hawaiian Western steel Ltd. Total capacity of subsidiaries 182,000 tons.	8	0.30	7	4.3
<b>Willson Stationers &amp; Envelopes Ltd.</b> Company and subsidiaries carries on stationery and office supply business. Factories at Winnipeg, Regina, Edmonton and Vancouver	7	2.00	b43	4.7
<b>Wool Combing Corp of Canada Ltd.</b> Through subsidiaries dyes wools tops in Quebec.	5	0.60	a12	5.0

\* Quotations represent June 29, 1962 sale prices or the last sale price prior to that date. Bid and ask quotations are as of June 29, 1962.  
† Less current Canadian Exchange Rate.  
‡ Adjusted for stock dividends, splits, distributions, etc.  
§ Inactive issue; doesn't trade.  
a Asked  
b Bid

## Reynolds Team Wins Hayden Tournament

The 32nd annual Charles Hayden memorial golf tournament was won at the Baltusrol Golf Club by a two-man team representing Reynolds & Co. The low net total was 140.

Members of the Reynolds' team were John F. Bryan, who won low gross with a 72, and Kenneth F. Mountcastle. Low net for the day was taken by James E. Osborn II of Dominick & Dominick with a 70.

Runnerup team at the tournament was Morgan Stanley. Ninety golfers from 45 Wall Street firms participated.

## Hawaiian Electric Rights Offering To Stockholders

The Hawaiian Electric Co. Ltd. is offering 315,730 additional common shares at \$21.25 per share to stockholders of record Sept. 12, 1962 at the rate of one full share of common stock for each ten shares then held. The offering to stockholders expires 3:30 p. m. Oct. 30.

Holders who exercise their right to subscribe will have the privilege of oversubscribing (subject to allotment) at \$21.25 per share for not more than one full share for each share subscribed for pursuant to the primary subscription privilege. Dillon, Read & Co. Inc., New York City, and Dean Witter & Co., San Francisco, announce that they head an underwriting group which is underwriting the offering.

Net proceeds from the sale will be applied by the company toward the cost of its capital expenditure program. This program calls for total estimated expenditures of \$92,761,000 for the period 1962-1966, of which an estimated \$19,996,000 is budgeted for 1962.

Hawaiian Electric, incorporated

in 1891, is engaged principally in the production, transmission, distribution and sale of electric energy for domestic, commercial, industrial, agricultural and governmental purposes on the Island of Oahu, Hawaii. The company serves the City of Honolulu, sugar and pineapple plantations, Armed Forces establishments, and numerous towns and villages. The estimated civilian population of the entire territory served was 500,317 as of Jan. 1, 1962.

*A reliable source of information is the basic requirement of any Investor . . .*

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# BANK AND INSURANCE STOCKS

## This Week — Insurance Stocks

### UNITED STATES FIDELITY & GUARANTY CO.-MERCHANTS FIRE ASSURANCE MERGER

The United States Fidelity & Guaranty Company has formally announced its intention to acquire the Merchants Fire Assurance Corporation of New York through an exchange of stock. It is anticipated that the offer will be accepted by Merchants' stockholders following the approval of the plan by the Boards of Directors of both companies.

Under the proposed offer U.S.F. & G. is offering a maximum of 1,112,625 shares of its stock in exchange for all of the outstanding shares of Merchants Fire. The latter has 1,210,000 shares presently outstanding. Therefore, the exchange rate will be nine shares of U.S.F. & G. for each ten shares of Merchants Fire. The terms of exchange appear to be equitable on the basis of full consideration of underwriting earnings, investment income, dividends paid, book and liquidating values, and market values.

There appear to be numerous advantages to be realized by both companies in the proposed affiliation. First, the lines of insurance written by the two companies are largely complementary. Over two-thirds of U.S.F. & G.'s premium volume of \$303 million in 1961 was derived from casualty lines while over one-half of Merchants Fire's 1961 volume of \$28 million was attained in the property field. The combination will result in a better balanced portfolio of business with a wider diversification of risks and types of insurance. Improved geographical distribution of business will also be gained by the merger.

It is anticipated that substantial operating economies will be realized by the merger. This is particularly true of the Merchants operation. U.S.F. & G. has 57 fully staffed and long-established branch offices throughout the country providing underwriting, sales, claims, auditing and safety engineering services to nearly 10,000 agencies. These services will now be available to the agents of the Merchants Fire, which had no branch office system of its own. The use of the branch offices facilities is expected to result in more efficient use of personnel and an increase in volume of business from Merchants agents. Merchants will now be able to offer its agents the greater capacity of the U.S.F. & G. group which should attract additional business as trend towards consolidating all insurance business with one agent and one group of companies continues. The merger will also provide the Merchants organization with the life insurance facilities of Fidelity and Guaranty Life Insurance Company, a wholly-owned life subsidiary of U.S.F. & G., thereby enhancing the competitive effectiveness of the Merchants agents.

Another major benefit expected to be realized by the combination of the two companies is a more effective use of capital funds. Merchants has developed and maintained an unusually high ratio of capital funds to volume of business. In 1961 the company wrote

#### SELECTED STATISTICS

##### U. S. F. & G.

	Written (Millions)	Underwrt. Profit Margin	Net Investment Income	Per Share Data			Price Range
				Total Adjusted Earnings	Dividends		
1957	\$250.1	-5.6%	\$2.10	\$0.53	\$0.83	30½ - 20¾	
1958	250.3	0.4	2.23	2.14	0.83	33½ - 23½	
1959	277.9	3.8	2.06	2.68	0.91	38½ - 25	
1960	301.3	2.8	2.39	2.83	0.91	39½ - 31½	
1961	303.3	3.5	2.58	3.16	1.09	74 - 37½	
7 Months, 1962	198.0	-0.4	1.57	1.38	0.57	72¼ - 49½	

##### Merchants Fire

	Written (Millions)	Underwrt. Profit Margin	Net Investment Income	Per Share Data			Price Range
				Total Adjusted Earnings	Dividends		
1957	\$27.1	-5.2%	\$1.88	\$1.06	\$1.00	27½ - 22	
1958	26.4	-3.3	1.96	1.43	1.03	33¼ - 23	
1959	27.1	-0.3	2.15	1.81	1.15	42½ - 29	
1960	31.0	1.0	2.30	2.03	1.40	37 - 29½	
1961	28.0	-1.5	2.35	1.87	1.60	45½ - 35	
7 Months, 1962	16.6	-2.0	1.43	1.08	0.80	44 - 39	

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### 10 N. Y. CITY BANK STOCKS

#### 3rd Quarter Comparison & Analysis

Bulletin on Request

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only \$42 in premiums per dollar of policyholders' surplus. In contrast the rapidly-expanding U. S. F. & G. organization wrote \$126 in premium volume per dollar of policyholders' surplus. The affiliation with such a strongly capitalized organization will enhance U. S. F. & G.'s growth prospects and offers a considerable potential for increased earnings power.

On the basis of the terms of the exchange the Merchants shareholders will gain in net investment income and adjusted earnings while sacrificing book value and market value. Dividend income may also be reduced as Merchants pays a current \$1.60 annual dividend while U. S. F. & G. is expected to continue its \$1.20 annual rate. However, the Merchants stockholders will definitely benefit from the merger over the longer term because of the considerably greater strength of the U. S. F. & G. organization.

The combination of U. S. F. & G. Merchants Fire is one of many mergers in the insurance industry during the past decade. More are anticipated in view of the difficulties of the small organization with limited underwriting facilities in competing with the larger companies offering complete insurance coverages as the trend towards package policies and agents writing all forms of insurance continues.

## Competing for Tomorrow's Doubled Savings Pie

Continued from page 7

Americans have tended to save larger amounts each year—from an average per capita of approximately \$20 per year in the '20's and '30's to as much as \$140 in recent years.

A somewhat larger proportion of the income dollar has thus gone into saving recently than a generation ago. Saving has represented an average of 7¼% of income since 1950, as compared with only about 4½% in the 1920's. The higher saving, of course, helps to provide the funds for a larger amount of spending on capital goods by our economy. And this is a key factor in working for expanded economic growth.

**Expanding Economy** — Growth of our economy used to be something that was taken for granted in this country and not too much attention was paid to this element of our economic life. But today economic growth is a topic of vital concern in formulating national monetary and fiscal policy, a decisive factor in the planning of business activities, and an important consideration for any long-range blueprint for economic, political and military survival. There is, too, a whole new awareness on the part of the public as to their own involvement in the nation's economic progress.

The process of growth is often inconspicuous, marked at times by slowness and irregularity, but in a free market economy such as ours, it continues to move forward and upward.

#### Gross National Product

In 1960—for the first time in history—our nation's output totalled more than five hundred billion dollars. By 1970—in just eight more years—we can expect to reach another landmark in our nation's output; an economy which produces half again as much as in 1960—more than \$750 billion a year in dollars of 1962 purchasing power. And a trillion dollar Gross National Product is not only possible but probable within the life time of most of us. These numbers imply such a spectacular growth over the next few years that it is difficult for us to comprehend.

In its Annual Report issued in 1962, the Bank for International Settlements concluded that the rate of growth necessary to achieve a \$70 billion output in

the United States would be easily attainable by 1970. The President of the United States and his Council of Economic Advisors assume the possibility of reaching this level in 1969. So do the economic projections of a number of private economists.

Such an accomplishment, however, will require a faster rate of growth than our recent experience. Since 1954 our growth rate has averaged 3.5%, but looking ahead, a 5.0% increase in the decade of the Sixties will require a 4.1% annual growth rate. The difference—0.6%—doesn't sound very impressive—but it is substantial. To achieve this growth objective will require a significant increase in our rate of investment in new plant and equipment and in homes. Merely holding investment at its present share of gross national product is not sufficient. We will have to invest a larger part of our national product.

#### Investment and Growth

Investment in capital goods is the very heart of economic growth. It is one of the most important factors responsible for expansion of output. It gives us more and better facilities and tools to work with. It provides us with the plant and equipment needed to pour out an ever-increasing flow of goods and services.

But investment outlays in recent years have not been strong enough to push our economy to its full potential. In our nation, whose fabulous growth has demonstrated the tremendous potential of a high rate of saving efficiently channeled into investment activities, investment in new productive facilities has been falling short of our needs.

Our investment deficiency has added to our international problems as our domestic ones. It is my view that one of the more interesting developments in recent years has been a subtle shift in the pattern of the cold war. Increasingly, this is becoming an economic war—one in which the comparative performances of two economic ideologies are tremendously important factors in determining our political and military future. Our system is on trial before the world—and so is the communist system. Many of the uncommitted under-developed nations seem to be drawn mag-

netically toward socialistic measures and economic controls—and not unnaturally, since the strengths of a free market system and the virtues of individual freedom of choice are not immediately apparent to those who have not known their advantages.

To the African who has never had enough to eat, a promise of a square meal may be far more important than the idealistic and ethereal benefits of the economic or political ballot box. Thus our international commitments as well as our domestic needs make it imperative that we realize the full potential of our economy. If we are to succeed in our struggle against communism, one thing we must continue to do is to demonstrate that our system offers better economic results.

#### Need for Accelerated Growth

Our unfavorable rate of investment has made it more difficult for our business firms to compete with those of other friendly nations which have been pouring funds into newer and more efficient equipment. As a result, our productivity has not increased as rapidly as that of some other nations of the free world, especially the common market countries. This has been one—though only one—of the important factors contributing to the nation's balance of payment difficulties.

#### REPORT OF CONDITION OF

### Underwriters Trust Company

of 50 Broadway, New York 4, N. Y., at the close of business on September 28, 1962, published in accordance with a call made by the Superintendent of Banks pursuant to the provisions of the Banking Law of the State of New York.

ASSETS	
Cash, balances with other banks, and cash items in process of collection	\$6,307,841.03
United States Government obligations, direct and guaranteed	19,858,810.46
Obligations of States and political subdivisions	3,609,565.50
Loans and discounts (including \$121.00 overdrafts)	30,192,170.99
Bank premises owned, none, furniture and fixtures	243,236.96
Real estate owned other than bank premises	143,752.64
Other assets	264,508.81
<b>TOTAL ASSETS</b>	<b>\$60,619,886.39</b>
LIABILITIES	
Demand deposits of individuals, partnerships, and corporations	\$21,393,471.95
Time and savings deposits of individuals, partnerships, and corporations	7,130,051.77
Deposits of United States Government (including postal savings)	597,504.05
Deposits of States and political subdivisions	24,108,423.36
Deposits of banks	1,552,323.31
Certified and officers' checks, etc.	1,356,092.20
<b>TOTAL DEPOSITS</b>	<b>\$56,137,866.64</b>
(a) Total demand deposits	29,515,232.37
(b) Total time and savings deposits	26,622,634.27
Other liabilities	294,975.02
<b>TOTAL LIABILITIES</b>	<b>\$56,432,841.66</b>
CAPITAL ACCOUNTS	
Capital: Common stock, total par value	\$2,000,000.00
Surplus fund	1,300,000.00
Undivided profits	887,044.73
<b>TOTAL CAPITAL ACCOUNTS</b>	<b>\$4,187,044.73</b>
<b>TOTAL LIABILITIES AND CAPITAL ACCOUNTS</b>	<b>\$60,619,886.39</b>

MEMORANDA	
Assets pledged or assigned to secure liabilities and for other purposes	\$20,915,478.10
(a) Loans as shown above are after deduction of reserves of	164,427.80
(b) Securities as shown above are after deduction of reserves of	187,959.10

I, NICHOLAS F. PIOMBINO, Auditor of the above-named institution, hereby certify that this report of condition is true and correct to the best of my knowledge and belief.

NICHOLAS F. PIOMBINO

Correct—Attest:

CHRISTIAN W. KORELL  
JOSEPH B. V. TAMNEY  
JOHN E. BOOTH



Fortunately, our international position has been improving, but there is still a need to further modernize plant and equipment so we can compete in the world markets more effectively.

#### Investment in Capital Goods

In order to set the stage for increasing investment in capital goods, we need to accomplish certain important objectives:

- (1) a reform of our tax structure, including tax reduction
- (2) a better climate for corporate profits must be created
- (3) less Government interference with business
- (4) the powers granted Government under the new trade bill must be applied intelligently
- (5) our efforts to maintain price stability must succeed.

I am sure every banker would like to add something to this list, but I want to add an important thought about the need for savings.

#### Need for Greater Saving

If our nation is to achieve an investment rate consistent with its growth potential it is clear that savings will have to rise, too. It will take greater savings to finance greater investment, and further increases in the standard of living will make it possible to obtain greater savings with relative ease. So our opportunities should be greater than ever before. The \$200 billion of time deposits of commercial and savings banks and share capital of savings and loan associations amassed over the past 150 years can be expected to more than double in the next eight years and it doesn't require much stretching of the imagination to think in terms of total holdings of close to \$500 billion of time money. This growth if shared equally, would mean that each of our savings institutions and departments by 1970 would be more than twice as large as it is today.

And so we have another bond in common. We will start the next decade with a savings pie to share which will be 2 to 2½ times its present size. In such a climate, we will experience virtually unlimited opportunities for developing savings funds. We will share the responsibility for a financial structure which will provide the base for sound and healthy economic growth.

#### Changes

As our economy has grown and prospered, the needs of our people have changed. We have witnessed many changes in the financial services required by our customers. The Savings Banks and the Commercial Banks perform a vital function and the nature of the services rendered will continue to change just as surely as day follows night. It's up to all of us, to see that we develop the necessary flexibility within our respective areas of operation in order that the financial needs of our customers can be fully satisfied. This will not be accomplished by standing still. If we do not satisfy these demands—new institutions will come into being to do the job. We must be forward looking—we must be imaginative—and we must not fear the process of change. New demands will, without a doubt, bring about radical changes in our services of tomorrow.

#### Looking Ahead

Tens of millions of new savings customers are looming just over the horizon and the demand for greatly expanded savings services is crystal clear. The portion of that demand to be satisfied by Savings & Loan Associations, by Mutual Savings Banks, by Credit Unions, by Mutual Funds or by Commercial Banks remains to be seen. Obviously, all will share in the expansion of savings services to a greater or lesser degree but imagination and aggressiveness will determine which individual institutions and which segment of the financial community will lead the pack in the decade ahead. It behooves us, those in the Mutual

Savings Bank field and those of us in Commercial Banks, to look into the mirror and view ourselves as our customers view us and with the resulting self-criticism as a background to get busy and plan constructively for the future. There's plenty of room for improvement for all of us.

As we plan for the future and analyze ways and means for creating better services for our customers we are going to discover many obstacles—some in the form of limiting legislation. Representatives of various institutional groups are proposing changes in existing legislation—some of little significance and some which would substantially alter present boundaries of operations. If you feel that savings banks would be able to serve the public better with additional powers, you undoubtedly will ask for such powers. If you prove your case in the court of public opinion, you will be given what you ask for. After all, banks (Mutual Savings and Commercial) are in business to serve the public, and if it is clear that if they are being hampered in their efforts, they should speak out. It is the public interest which should determine our direction. But we need to remember that legal limitations on institutional activities have historical origins which reflect both important and unimportant differences in the characteristics of the institutions. As changes are now made a good approach would be to apply essentially the same rules and regulations to institutions performing essentially similar services.

In the final analysis, we can hope to accomplish the job that lies ahead only by utilizing our resources to their utmost capacity and by preserving the type of healthy competition that has made our country great. I am convinced the Mutual Savings Banks and we in the Commercial Banks will meet this challenge to the full satisfaction of the millions we serve.

\*An address by Mr. Murphy before the 69th Annual Fall Convention of the Savings Banks Association of New York State, Oct. 2, 1962, in Washington, D. C.

## Our Reporter on GOVERNMENTS

BY JOHN T. CHIPPENDALE, JR.

The Treasury is using its present debt management policy to supply the money market with the needed short-term issues to keep these rates high enough so that funds which would seek a haven in other large money centers will continue to remain here. The capital market, under a new turn in the debt management policy of the Treasury, will be tested in the near future with the offering of a modest amount of Government bonds through the medium of competitive bidding. There is no question but what the coming offering of long-term Government bonds will be a very successful one, provided the Treasury is willing to meet existing competitive conditions. There is no better credit in the whole financial scheme of things than our Government's obligations. How the November maturities and maybe the December maturity, as well as the impending new money raising will be provided for should be announced by the Treasury soon.

#### Pension Funds, Active Buyers Of Treasury Bonds

The long-term area of the bond market continues to display a favorable tone because there is a substantial amount of money seeking investment. So far the bulk of these funds has been going into corporate and tax-exempt bonds, because the rate of return is more favorable in the non-Federal obligations. Pension funds continue to be the principal buyers of corporate bonds as well as Government bonds even though the purchases of the Federal securities have not been nearly as large as the commitments that have been and still are being made in corporate issues.

Pension funds, mainly those of the public variety, are continual buyers of the most distant Government maturities, with the 4% due 1980 and the 4¼% due 1987-1992 being the favorites at this time. However, it is reported that the all-time favorite of these pension buyers, namely the 3½% due 1998, continues to get its usual share of the buying that is being done.

#### One-Year Treasury Bills Avidly Sought

Competition for the bond market as far as pension fund buying is concerned are the purchases that are being made of selected common stocks. It is indicated that the dollar averaging idea is being used by these funds in making commitments in the equity market, with more attention evidently being paid now to the current return that is available in these securities. The liquid position of private pension funds continue to be sizable in short-term Government obligations, with the 12-month Treasury bill enjoying a growing and favored spot in the near term holdings of these funds. It is reported that, because of the favorable yield that is now available in the longest of the Treasury bills, there is more and more of a tendency among those who have funds to invest to put them into the 12-month Treasury bill at this time. It seems as though the uncertain conditions that are cur-

rently prevailing are responsible in no small way for the very large demand that continues for the most liquid Government issues.

#### Strong Competitive Bidding Looked For

The corporate new issue list is small even though there have been quite a few new offerings going into registration. Some of these, it is reported, are being made available to the investing public in order to get ahead of the expected new long-term bond offering by the Government.

It is evident that the coming offering of long-term bonds by the Treasury is attracting considerable attention in financial circles with the bidding syndicates representing some of the most important ones in the business. It is believed that the first public offering by the Government of its bonds through a modified form of competitive bidding will result in very close bidding. Whether or not those who are interested in buying long-term Government bonds will hold back on current commitments in order to make more sizable purchases at the first public offering by the Treasury through competitive bidding is not too clear yet, although it is reported in some circles that funds of some prospective buyers of these securities are being invested on a smaller scale than has been the case in the immediate past.

#### Portfolio Switching

Exchanges and switches continue to be in the forefront in the activity that is going on in the Government market with these sales and reinvestments following the same pattern that has been in style so long, namely from the longer ones into the intermediate or short-term issues. This kind of operation, however, is mainly for the commercial banks. In not a few instances, sales of tax-exempt bonds are being made by these same institutions with the proceeds being invested in the most liquid Government issues as well as selected intermediate term obligations.

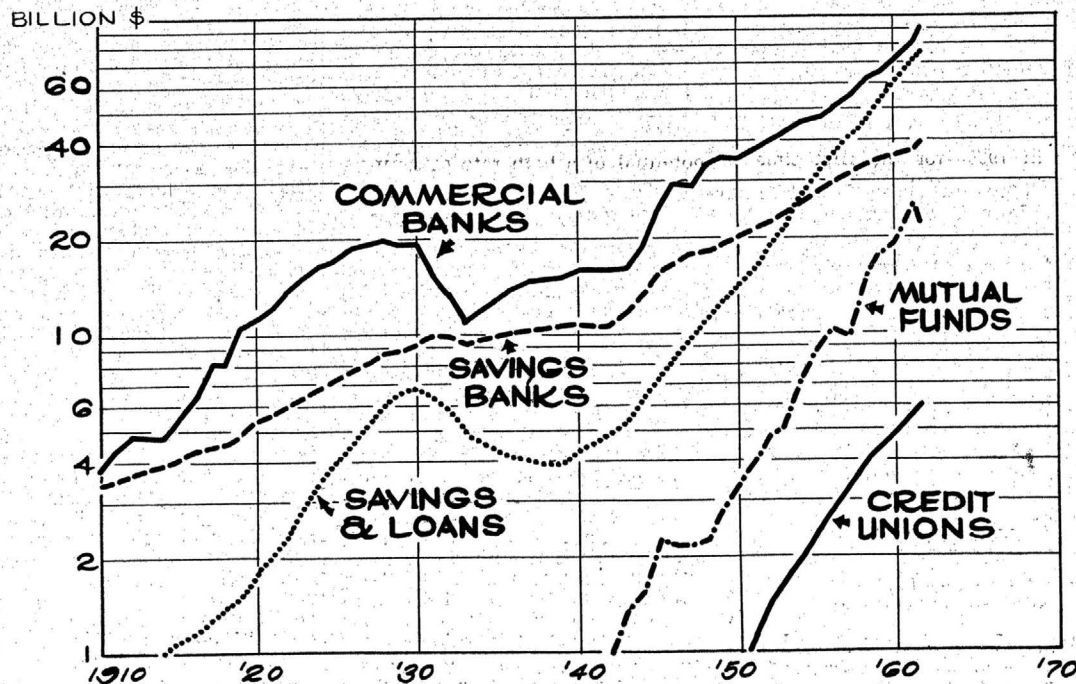
#### Peters, Writer Officials

DENVER, Colo. — On Oct. 1, George Seeman formerly Secretary and Treasurer of Peters, Writer & Christensen Corporation, 724 Seventeenth St., members of the New York Stock Exchange, became a Vice-President. Allan R. Hickerson, Jr., became Secretary and Assistant Treasurer, and Thomas P. Owen, Treasurer and Assistant Secretary, on the same date.

#### Phila. Secs. Ass'n

Ginn, President of Baldwin-Lima-Hamilton Corp., will be guest speaker at a luncheon meeting of the Philadelphia Securities Association to be held on Tuesday, Oct. 23, at The Warwick Hotel. Edwin J. Pearson of Smith, Barney & Co. is in charge of arrangements.

## SAVINGS in SELECTED FINANCIAL INSTITUTIONS



SOURCES: BO. OF GOV. F.R. SYSTEM  
FED. HOME LOAN B.C. BOARD  
INVESTMENT COMPANY INSTITUTE



## As We See It

Continued from page 1

remains that neither party as such differs from the other in any really significant way so far as fundamentals are concerned.

We do not mean to contend that there is nothing at all to choose between them or their leaders. Certainly, President Kennedy has made it clear that he would move with very considerable dispatch to the left in order to establish and to maintain a "new frontier." Compared with the general attitude of his predecessor, there is a marked difference in degree between the two of them — so much so, in fact, that the "Madison Avenue" promoters of the Kennedy regime like to refer to General Eisenhower as a do-nothing or lazy President. For our part we should much rather have a man of this kind of donothingism in the White House than a young Don Quixote charging windmills at very heavy cost to us all. On the whole, we should prefer a Republican Congress working with a General Eisenhower — even if we did not expect any great change in the direction of basic soundness in public policy.

We may, however, as well face the fact that the Eisenhower regime did not undertake even to start us back on the road to sanity and soundness in public policy. True, he had to work with a Democratic Congress during most of his years in the White House but, even when he had a Congress of his own party, not a great deal was undertaken or even promised. Neither was there any effort in the other years to turn the trend of things in the right direction although, of course, he could have had the support of some of the most influential men of the opposition party. He knew, probably, as all the rest of us knew, that he could not really carry his own party with him in any spade work in undoing what the New Deal and the Fair Deal had done to us.

### But What Has Been Done?

The facts, of course, clearly show that despite its greater friendliness toward business in general, and notwithstanding its avoidance of further lunges into the economic unknown at the expense of the public, the Eisenhower Administration largely drifted along with the tide that had been set in motion by Franklin Roosevelt and continued by Harry Truman. When candidate Eisenhower was campaigning in 1952 for the

Presidency Federal budget expenditures were running around \$65 billion per year. When his successor was telling the world about all the good things he and his party would do for the country, they were running at better than \$76.5 billion and on the way up. As was inevitable, the crushing load of taxes about which candidate Eisenhower so warrantably complained in 1952 rose by the end of the General's second term to some \$77.8 billion, far above what he found when he entered the White House.

When the good general was promising to clean up the mess in Washington the gross debt of the Federal Government stood at roughly \$267 billion; by 1960 it had risen to over \$290 billion. In fiscal 1953 social insurance taxes were collected in the amount of a little less than five billion; in 1960 they came to upwards of \$11 billion. Vigorous steps were to be taken to lengthen out the maturities of Federal obligations. The fact is that during the two terms of the Eisenhower Administration there was a sharp increase in the proportion of that debt which matured within five years. There was a good deal of talk about tax reform — as there is today — but individual income tax rates now run up to 91% in the higher brackets and they become but little short of confiscatory long before they reach amounts which must bear this highest rate. Corporations, or all those of substantial size and success, must still hand over to Uncle Sam over half of their net income.

### Little Promise Seen

We suppose that we must not regard the campaigns of this year as being in full sway until the rank and file of the members of the 87th Congress are back home and presumably expressing their minds and giving their assurances to the electorate. It may be said with certainty, however, and with regret, that there has as yet appeared no sign of either party or any substantial element in either party having any real interest in this basic matter. There is talk of tax reform, and some changes of a sort have been made but if our system of taking practically all of the income of individuals over and above a certain amount is to be abandoned or substantially modified there does not now appear to be any indication of it.

Neither do corporations have good ground for hope that presently they may be able to keep a much larger share of what they earn for investment in the improved and enlarged capacity in which the New Frontiersmen seem to have so much interest.

Of course, we have touched on but a few of the programs which any really constructive opposition to the New Frontier would normally be attacking. We still have our securities markets in shackles; we still permit monopolies to exist in the labor field even if much is being made of alleged violations of the antitrust laws elsewhere. We are still pouring out huge funds to the farmers of the country, and for housing construction the demand for which remains for the future to disclose. And the list could, of course, be greatly lengthened. So long as all this goes on without protest from the politicians, we can hardly say we have a real two party system.

## Commonwealth Of Australia Bonds Offered

Morgan Stanley & Co., New York City, announces that an underwriting group which it is managing is offering for public sale an issue of \$25,000,000 Commonwealth of Australia 5½% bonds due Oct. 1, 1982, priced at 99% and accruing interest to yield approximately 5.58% to maturity.

The bonds are not redeemable prior to Oct. 1, 1972 except through operation of the sinking fund which provides for semi-annual payments of \$694,000 before April 1, 1965 and before each April 1 and Oct. 1 thereafter to and including April 1, 1982, together with a payment of \$710,000 on Oct. 1, 1982. These payments are calculated to retire all of the issue. The sinking fund redemption price is 100%.

Regular redemption prices for the bonds on and after Oct. 1, 1972 range from 102½% to the principal amount. Principal and interest on the bonds will be payable in U. S. currency.

Proceeds will be applied toward capital expenditures to be financed under the government's 1962-63 borrowing program. Funds are required to finance public works projects, the extension of electric power transmission facilities, the modernization of railroad equipment and the construction of additional water supply, irrigation and sewerage facilities.

## Development Counsellors

Development Counsellors International, Ltd. has opened new offices at 20 East 46th Street, New York City. Ted M. Levine is President and E. T. Ellinis, Vice-President.

## Canada's Currency History Since World War II

Continued from page 11

into difficulties. The authorities did not succeed in raising the interest rates significantly, and there was no tightening of credit conditions.

### Unprecedented Influx of U. S. Capital

The factor principally responsible for the failure to force a monetary contraction was the very strong influx of American capital which during 1950 reached a total of \$960 million (compared to \$49 million during 1949). Out of this total, only \$240 million were for direct investments into Canadian productive resources. The rest consisted of purchases of Canadian securities and a build-up of Canadian bank balances by U. S. residents. The two latter forms of highly liquid capital transfers were mostly of a speculative character which were moved into Canada after the outbreak of the Korean War in anticipation of an official appreciation of the Canadian dollar.

As a result of the unprecedented capital inflow, Canada's balance of payments suddenly showed a large surplus materializing over a very short period of time. Thus, being forced to absorb the excess of foreign receipts over foreign payments into the official foreign exchange reserve, the authorities found themselves increasing the money supply and liquidity at a time when monetary policy, in their judgment, called for monetary contraction. During the third quarter alone, the Bank of Canada acquired a total of \$588 million of foreign exchange, of which \$293 million was financed by the Bank and \$295 million by advances from the Treasury.<sup>2</sup>

The authorities were greatly concerned about the problem of financing the accumulation of foreign exchange. Since they were convinced that, in the absence of large budgetary surpluses, such financing would be inflationary,<sup>3</sup> they had to decide on some measure which would stem the inflow of speculative capital. They rejected an official appreciation on the ground that, under the existing circumstances, it was impossible to estimate a realistic par value. They feared that they might raise the rate either "too little" and cause the speculative capital inflow to increase in anticipation of further appreciation, or raise it "too much" and face the repatriation of the speculative capital seeking to secure the exchange profit. If on a sufficiently large scale, such repatriation might have reversed the capital inflow into a net capital outflow and put a new pressure on Canada's international reserve.

### Fixed Par Value Suspended

Under the influence of these considerations, the Canadian authorities eventually decided to leave the exchange rate free to find its own level in the market. Accordingly, on Sept. 30, 1950, they suspended the fixed par value of their dollar, and within the following year gradually removed all remaining wartime exchange restrictions. Thereafter, the only official interference in the exchange market has been the operations of the Exchange Stabilization Account. Until June, 1961, however, the magnitude of these operations remained small. They were intended solely to help maintain orderly marketing conditions in the exchange market without

interfering with long-run trends. Thus, for all practical purposes, the exchange rate had become a freely fluctuating one, allowed to be determined predominantly by free market forces.

### II

### The Canadian Experience With The Free Exchange Rate

With the suspension of the fixed par value, the inflow of U. S. speculative capital subsided and the rate appreciated to 95 U. S. cents. In 1951 the surplus on the combined current and long-term capital account was substantially reduced and there was some outflow of short-term capital. As a result, the rate remained very stable, moving within a range of about 2 U. S. cents until the latter part of 1951. Then it started moving upward at a rather steady rate. Early in 1952, the Canadian dollar reached parity with the U. S. dollar but continued to climb until the third quarter when it surpassed 104 U. S. cents. The renewed upward pressure on the rate resulted from an extremely favorable balance of trade due to greatly improved world market prices for Canada's primary exports. Whereas in the first half of 1951, Canada suffered a large trade deficit, in the fourth quarter of the same year, she experienced a substantial surplus which continued throughout 1952.

At this point, the policy of permitting the exchange rate to fluctuate freely appeared to have accomplished its purpose. The exchange rate had found a new higher level without excessive fluctuations, while the additional accumulation of official reserves which resulted from the smoothing out operations of the Exchange Account, remained rather negligible. Moreover, the orientation of fiscal and monetary policies toward domestic economic objectives began to show results. The second wave of postwar inflation subsided toward the end of 1951, and in the following two years the economy experienced a very rapid rate of growth, without generating new inflationary pressures.

### Effect of Appreciation

Meanwhile, as is apparent from Table I, the balance of payments position was undergoing a basic change. As the boom in Canada's export markets subsided, the appreciation began to bear on the level of her export and imports of goods and services. By 1955, the balance on current account deteriorated by \$860 million from 1952. In addition, the inflow of foreign long-term capital fell appreciably. As a result, in 1955 the balance on the combined current and long-term capital account turned from a surplus into a deficit. Yet, the Canadian dollar did not show this weakening in Canada's basic position. After a brief decline, to just below parity with the U. S. dollar in the latter part of the year, it appreciated very rapidly back to above the parity level, due mainly to a strong inflow of short-term foreign capital.

Since the mid-fifties, Canada's balance of payments situation has remained within the general pattern set in 1955, with large current account deficits, financed by long-term and short-term capital inflow. Changes in official reserves remained negligible. The rate of exchange remained remarkably stable with quarter-to-quarter fluctuations never exceeding two cents, although the balance on the combined current and long-term capital account fluctuated quite substantially, such fluctuation exceeding \$100 million in almost half of the quarters. Moreover, throughout the period the Canadian dollar remained at a pre-

<sup>2</sup> Bank of Canada, *Annual Report for 1961*, p. 8.

<sup>3</sup> For an expression of the official view on this subject, see for example Foreign Exchange Control Board, *Annual Report of 1950*, p. 14-15.



mium with the U. S. dollar of approximately 1 to 6 U. S. cents.

#### Correlation of Exchange Rate and Short-Term Capital Flows

The factor mainly responsible for the high degree of stability over the short run was the responsiveness of speculative short-term capital movements to changes in the exchange rate. A comparison of the two time series reveals a distinct association between a falling rate of exchange and a short-term capital inflow and between a rising rate and a short-term capital outflow through most of the period in question. This suggests that when the rate began to weaken, exchange speculators tended to increase their holdings of Canadian dollars in anticipation of future appreciation, thus putting a brake on the decline. On the other hand, when the rate was rising, speculators responded by moving their funds out of Canada so as to realize their exchange profit. As a result, the appreciation tended to be automatically weakened.<sup>4</sup>

#### Long-Term Capital Inflow Acted as a Peg

The stability of the Canadian dollar over the longer run was due principally to long-term capital inflow through both direct investments and transactions in securities. In 1956 the net flow of long-term foreign capital into Canada increased 260% over 1955 to \$1,308 million; and subsequently, it remained well over \$1 billion in every year until 1960. At the end of 1960, nearly 80% of the \$7.2 billion current account deficit accumulated since 1955 was financed

by an increase in foreign long-term investments. The bulk of the remainder was financed by an increase in foreign liquid asset holdings.

However, the importance of long-term capital imports as a peg under the Canadian dollar was greatest immediately after the middle of the decade. Toward the end of the fifties there was an increasing tendency for foreign funds to move into short-term investments. Thus, whereas in 1956 and 1957 the net inflow of short-term capital amounted to only about 6% and 4%, respectively, of the current account deficit, in 1958 the inflow increased to 21%; in 1959 to 25%; and in 1960 to 30% of the deficit.

#### Higher Interest Rate Differential

Probably the bulk of the short-term investments were motivated by interest arbitrage. In 1958 the interest rate rose in Canada considerably higher than in the United States and a rate differential often as high as 1% on comparable short-term investments has persisted ever since, with only little interruption. Moreover, due to the stabilizing behavior of exchange speculators, the forward rate of the Canadian dollar had rarely fallen in relation to the spot rate to a degree where the cost of hedging equaled or exceeded the interest rate differential. Thus, through most of the period, U. S. investors had a clear incentive to keep their liquid funds in Canada.

#### Evidence of External Disequilibrium

The balance of payments since the mid-fifties indicates that Canadians during that period had used up for consumption and for domestic and foreign investment, more goods and services than they themselves produced plus what foreigners have supplied to Canada on a long-term investment basis, financing the difference by the issuance of short-term IOU's. While this might have been quite a normal phenomenon in a situation of rapid economic growth and fully employed domestic resources, in the actual circumstances of considerable unemployment and excess capacity as they existed in Canada throughout most of the critical period, it indicated the

existence of a basic external disequilibrium. In effect, it meant that while a significant part of Canada's own resources remained unemployed, Canada was accruing a large external short-term debt which was rapidly becoming a source of potential instability. Due to the liquid nature of such funds, Canada's rate of exchange (or her foreign exchange reserves) could have been subjected at any time, at the whim of the speculators, to such a downward pressure as to make it necessary for the Government to either reintroduce exchange controls or risk a serious economic disruption.

In part, the extreme worsening of the current account balance in the second half of the fifties was directly attributable to the greatly increased inflow of foreign long-term capital after 1955. The large volume of foreign direct investment alone undoubtedly generated some additional imports and, of course, the cost of servicing Canada's external debt accelerated as it began to accumulate rapidly. However, the relatively high value of the Canadian dollar was probably also a contributing factor since, in view of the length of time involved, the elasticities of both the domestic demand for imports and of the foreign demand for exports were likely to be significant.

#### Depreciation Unsettled the Market

In view of these circumstances, and confronted with the resistance of the market to any significant adjustment in the rate of exchange downward, the authorities finally decided to resort to a direct depreciation in order to establish with a minimum of time lag the conditions which they considered essential for the correction of the current account imbalance. Moreover, they expected that the devaluation would complement the expansionary fiscal and monetary policies, upon which they simultaneously embarked, and contribute to higher rates of domestic production and employment.

However, the announcement of the Government's intentions unsettled the market and introduced new elements of uncertainty which were growing increasingly destabilizing, necessitating ever increasing operations of the Exchange Stabilization Account to keep the decline of the rate or-

derly.<sup>5</sup> In the end, after a prolonged capital outflow spurred by expectations of further depreciation subjected Canada's external reserves to a serious drain, the authorities decided to fix the par value, apparently in the hope that it would end the uncertainty concerning the future level of the exchange rate.

#### Last June's Flight of Capital

Yet, as it turned out, the feeling of uncertainty had progressed much too far at this point than to make it possible to restore confidence in the future value of the Canadian dollar by the mere fixing of an official par value. Although the pressure abated somewhat for a while after this action, following the inconclusive parliamentary elections on June 18, 1962, the flight from the Canadian dollar attained suddenly panic proportions.

As official external reserves declined by over \$400 million in just a few days as a result of official rate support operations, the authorities felt compelled to arrange for more than \$1 billion external credit from various sources, including \$300 million drawings on the IMF. In addition, in order to restore confidence in their determination to maintain the new par value and to again attract foreign capital, the authorities adopted a number of extraordinary measures which combined amount to an impressive austerity program.

Thus, in the monetary field, the Bank of Canada abandoned its earlier practice of permitting its discount rate to fluctuate one-fourth percent above the weekly Treasury bill rate and instead fixed the rate at 6% in an effort to spur further increase in interest rates.

In the fiscal area, the Government announced it would slash the budget deficit for the current fiscal year by some \$300 million to about \$500 million. In addition, it imposed surtaxes on a variety of imports and reduced the duty-free foreign purchase allowance of Canadians traveling abroad.

### III

#### Conclusions

In general, Canada's experiments with various foreign exchange rate systems in the last two decades demonstrated how difficult it is for a country as heavily dependent on external conditions as Canada to escape balance of payments discipline. Both the foreign exchange controls in the forties and the floating rate in the fifties were essentially attempts to maintain an external equilibrium without undue dependence on fiscal and monetary policies so they could be applied more effectively to pursue domestic objectives.

It is significant that both experiments were abandoned under pressure generated mainly by exchange speculation. Although, to be sure, exchange speculation during the floating rate era was stabilizing until the Government's attempt to reduce the exchange value of the Canadian dollar through market intervention, it was, nevertheless, a disturbing speculation at least since the mid-fifties due to persistent underestimating of the basic changes in the country's balance of payments position.

After the Government upset the market by announcing its intention to depreciate, exchange speculation became destabilizing, requiring large scale official intervention to prevent excessive rate instability. Eventually, the Government reestablished an official par value for the Canadian dollar, but, significantly, it did not re-

turn to exchange controls even when subsequently its international reserves came under severe pressure. Instead, it backed down on its expansionary fiscal and monetary policies in an apparent effort to regain the confidence of foreign investors even at the expense of some deflationary pressure at home.

The recent Canadian foreign exchange rate policies cannot be appraised easily. It is possible to argue that what has actually happened after June, 1961 was the worst that could have possibly happened and that, in a less unsettled international financial climate, the transition from the floating rate to the fixed rate at a lower level might have been relatively smooth. On the other hand, the market could have eventually become upset even without any government action, but at a less favorable point in time when the reestablishment of exchange controls might have been inevitable.

Any prediction concerning Canada's ability to maintain the new par value of her currency over the longer run would be extremely hazardous at this stage. However, in view of Canada's vulnerability to external factors, it is clear that the imbalance on her basic external accounts will in the future again be subjected to large and prolonged swings, which—unless relieved by appropriate movements of short-term capital—could subject official external reserves to severe pressures. Thus, in the absence of stabilizing exchange speculation, the maintenance of the par value over time will require a monetary policy strictly complementary to the operations of the Exchange Stabilization Account. It remains to be seen whether or not exchange speculation will ever become as stabilizing in respect to the pegged rate as it was during the floating rate era.

\*The opinions expressed in this paper are those of the author and do not necessarily represent the views of the Federal Reserve Bank of Minneapolis or of the Federal Reserve System.

## Westheimer Co. In New Location

CINCINNATI, Ohio—Westheimer and Company, members of the New York Stock Exchange, and other principal exchanges, have announced the removal of their offices to new and greatly enlarged quarters on the ground floor at 124 East Fourth Street.

Westheimer and Co., established in 1916, act as underwriters, distributors and dealers in corporate issues, municipal and U. S. government bonds, specializing in sale and merger of businesses. The firm has a direct phone to New York City (WO 6-2115).

## Bache Inv. Course

Bache & Co., members of the New York Stock Exchange, is conducting a free, three-week practical course for investors and traders at its office at 724 Fifth Avenue, New York City of which the first session was held on Oct. 17. Subsequent sessions will be held on Oct. 24 and 31.

The course will cover such subjects as market indicators and forecasting, evaluation of the individual financing situation, selectivity and timing involved in profitable purchase and sale of securities, as well as analysis of specific securities and prospects of major industries. Each session will be followed by an informal question and answer period.

### THE CANADIAN BALANCE OF PAYMENTS

(in millions of Canadian dollars)

Period	Exports	Imports	Balance	Current Account Surplus (+) or Deficit (-)	Net Long-Term Foreign Capital Inflow	Term Capital Account Surplus (+) or Deficit (-)	Net Short-Term Capital Inflow (+) or Outflow (-)	Net Decrease (+) or Increase (-) in Official Reserves
1948	+3,030	-2,598	+432	+451	+55	+905	-14	-492
1949	+2,989	-2,696	+293	+177	-9	+168	-40	-128
1950	+3,139	-3,129	+10	-334	+613	+279	+443	-722
1951	+3,950	-4,097	-147	-517	+637	+120	-64	-56
1952	+4,339	-3,850	+489	+164	+450	+614	-577	-37
1953	+4,152	-4,210	-58	-443	+608	+165	-203	+38
1954	+3,929	-3,916	+13	-432	+550	+118	+5	-124
1955	+4,332	-4,543	-211	-698	+361	-337	+293	+44
1956	+4,837	-5,565	-728	-1,366	+1,308	-58	+91	-31
1957	+4,909	-5,488	-579	-1,424	+1,259	-165	+60	+105
1958	+4,827	-5,066	-179	-1,131	+1,012	-119	+228	-109
1959	+5,150	-5,572	-422	-1,504	+1,081	-443	+373	+70
1960	+5,400	-5,545	-145	-1,217	+813	-402	+363	+39
1961*	+5,896	-5,717	+179	-989	+621	-368	+597	-229

Source: Bank of Canada, Statistical Summary, various issues.

\*Preliminary

<sup>5</sup>From the end of May 1961, to the establishment of the par value in May, 1962, the Canadian dollar fell from approximately 100.25 U. S. cents to 95.25 U. S. cents.



## Outlook for Uranium

Continued from page 3

fornia. To reach this level it was assumed that nuclear power costs would decrease gradually from seven mills per kilowatt hour in 1970 to six mills in 1980 for new large plants and that the cost of power from conventional fossil fuel plants would decrease less rapidly.

### 1980 Nuclear Capacity

The range in the forecast of uranium requirements for the 1970-1980 period is due to the fact that there can be a large variation in requirements for reactors of comparable size but of different design and operating characteristics, as, for instance, whether the reactor is designed to use stainless steel rather than zirconium as cladding for fuel elements. The Edison Electric Institute, in a study made at the end of 1959, projected total nuclear capacity in the United States by 1980 at about 39 million electrical kilowatts. Although based on somewhat different assumptions, this estimate closely approximates the figures given above.

In my opinion, we have successively moved from a position of overoptimism regarding the prospects for competitive nuclear power at an early date to one of over-pessimism and now are at an approximate mid-point between the two. On the bright side is Pacific Gas & Electric's forecast of 5.6 mill power from its planned 313,000 electrical kilowatt reactor which is expected to be operating in the late 60's. Also on the bright side is the fact that several reactors already built appear capable of achieving power outputs higher than those for which the reactors were originally designed. This is, of course, equivalent to a decrease in capital cost and may also bring about some decrease in direct operating expense per unit of output.

Six reactor projects, which could total 2,000,000 to 2,500,000 electrical kilowatts are under consideration by various groups. Some of these projects may jell in the next 12 months or earlier and some may be postponed or dropped. However, these power plants and a number of others would have to be built to meet the first peg point on the forecast of 5,000,000 electrical kilowatts installed capacity by 1970.

### Projections Could Be Invalid

Most of the estimates of nuclear power growth in the 1970-1980 decade will almost certainly prove invalid unless a number of large plants are started in the next few years and these plants either achieve competitive status or give assurance of competitive costs for future generations of reactors. A further factor which may affect the rate of growth of the nuclear power industry is public confidence or lack of it in the safety of nuclear power plants. Additionally, power companies must feel certain that the reactor units are reliable sources of power which can be operated

continuously on base loads for extended periods of time. There is mounting evidence that such operation is feasible.

Finally, a power company, in making a choice between conventional power plants and nuclear power, must have confidence that sufficient uranium will be available at reasonable cost to operate a reactor throughout its useful life. The coal industry and the oil industry maintain close contacts with their customers in the utility field. Uranium producers should do the same. They should be able to provide the necessary assurance that uranium is available, that it will continue to be available, and at reasonable cost.

### Advice to Uranium Industry

It would seem logical that the uranium industry, in looking ahead to the future expansion of atomic power, should concern itself not only with the marketing of uranium concentrates, but also with the opportunities which will undoubtedly develop for expanding its role in the nuclear industry in general. On the assumption that Congress will sanction private ownership of special nuclear material, some segments of the reactor industry are looking at the feasibility of a separate organization to acquire uranium and lease it to the reactor operator. Perhaps this is an area which should be explored by the uranium industry. Possibly uranium producers should also consider whether it would be to their advantage either to undertake some form of financial participation in reactor projects or to undertake research to improve fuel processing and fuel element manufacturing methods.

A number of chemical and metallurgical steps are involved in the transformation of concentrates to fuel elements which would appear to lie well within the capabilities of segments of the uranium industry. Figures published on the projected Pacific Gas and Electric plant at Bodega Bay, Calif., indicate a total cost for uranium in fuel elements of \$260.00 per kg. of contained uranium. About 30% of the cost is the value of the uranium concentrates going into the enriched uranium, about 20% covers the charge for enrichment in AEC-owned plants, 40% is for fuel fabrication, and about 5% for the cost of conversion of uranium to UF<sub>6</sub> and reconversion of enriched uranium to the desired form. Transportation accounts for the remaining 5%. It would appear that future cost reductions should be possible in some of these areas.

It appears likely that the greatest savings in overall nuclear power costs will be achieved by reduction of capital costs. The cost of nuclear fuel is sufficiently large to be a significant part of the total. One reactor design may require more uranium than another, and the effect of a change in the cost of uranium is therefore different with each reactor. A reduction in price to, say, \$5.00 a pound of U<sub>3</sub>O<sub>8</sub> from the current

\$8.00 could, however, mean a reduction of two-tenths to three-tenths of a mill in the ultimate cost of the power produced. Such a reduction, however attained, should help open new areas to nuclear power.

A half mill reduction in the cost of nuclear power could significantly enlarge the market for nuclear power plants. For example, the estimated 32,000,000 kilowatts of new capacity installed between 1970 and 1980 might double if the cost could be reduced from the estimated six mills in 1980 to 5.5 mills. If, however, such a cost reduction resulted entirely from increases in thermal efficiencies, specific powers, or irradiation levels, or from recycle of otherwise unused plutonium or U-233, it would be associated with substantially lower requirements for enriched uranium per installed kilowatt and the total uranium required might still fall within the range of the estimates given herein. One can look forward to cost reductions in this area. Substantial cost reductions should, however, also result from lower capital costs and cheaper fuel processing and fuel element fabrication.

### Large Order for Canada

Over the past year domestic producers have offered small quantities of U<sub>3</sub>O<sub>8</sub> to foreign users at around \$4.00 a pound. This, of course, was incremental production supported by AEC contracts. A more important development is the recent agreement by the United Kingdom Atomic Energy Authority to purchase 24,000,000 pounds of Canadian uranium at an average base price of about \$4.60 in U. S. currency. This uranium is to be produced and delivered by the participating mines on completion of their present contracts with the AEC and the U.K. Atomic Energy Authority. Most of the Canadian mines will complete delivery of the additional quantity between now and the end of 1966, but deliveries by one of the major producers will extend into 1970. Base prices to be paid to individual companies range from as low as \$3.75 a pound to around \$6.50. The base prices will be increased by 8 cents per pound per year from July 1, 1961 to date of delivery. Other foreign sources, such as the Republic of South Africa and Australia, are also in a position to produce and sell uranium at competitive prices.

From the foregoing it is quite obvious that the domestic uranium industry must be prepared by the end of 1966 to weather several years in which the market may be limited and in which substantially lower prices may prevail.

### Long-Range Picture Bright

Although the market may be lean for a period after 1966, the long-range picture is brighter. The expected demand for nuclear fuel leaves no room for complacency concerning the adequacy of presently known domestic reserves, which, except for the impact of possible new discoveries, will be reduced by mining to about 100,000 tons of U<sub>3</sub>O<sub>8</sub> by the end of 1966.

Renewed exploration, which will probably await a clearer picture of the future commercial market will undoubtedly turn up additional reserves in currently producing areas. Important finds may also be made in areas known to be uranium bearing but which

have not yet been sufficiently tested to indicate whether or not economic deposits exist. Large new finds will probably await the discovery of deposits in wholly new areas, areas which so far have not been extensively prospected.

Most deposits found in the future probably will not have surface outcrops and may occur at considerably greater depth than in the past. As a result, the cost of finding them by traditional methods could be quite high. However, information developed in recent years on the geology of uranium, both as the result of the development and mining of uranium ore bodies and scientific studies, should be of considerable assistance to the uranium industry in future exploration efforts. The use of new geological tools should enable geologists to narrow down the areas on which intensive exploration should be done. Under these circumstances the cost of finding new ore may not materially increase. I am not writing off the prospector. The part he will play may continue to be important.

Recent developments in uranium geology give promise of aiding future exploration. For example, studies of the relative abundance of the naturally occurring sulfur isotopes in uranium deposits in sandstones indicates that most of the uranium was precipitated by hydrogen sulfide derived from bacterial activity during the decay of organic matter. This supports the concept that areas of continental sediments containing abundant organic matter are favorable targets for exploration.

Measurements of the relative abundance of radionuclides in leached outcrops have indicated that, geologically speaking, many deposits are quite recent. Such information may also prove useful in estimating the quantities of uranium which have been leached and redeposited. Knowledge of present or recent ground water hydrology may permit narrowing the target area to locations favorable to H<sub>2</sub>S generation and uranium deposition.

### Future Dividends

These and perhaps other possible approaches to better defining exploration targets through the use of geochemistry and nuclear geology have not been extensively used in actual exploration. There is little doubt, however, that such applications will become increasingly important to uranium exploration. At a time when exploration to assure adequate long-term supplies would be desirable but the immediate financial incentive for expensive programs is limited, geologic investigations would represent only a modest cost and could pay large dividends in terms of future exploration success.

In closing, I can assure the uranium industry that top priority will continue to be given to an early determination of forward requirements so that a decision can be made on the extent of the Government's post-1966 uranium purchases. We recognize the importance to industry of an early decision and hope that it need not be long delayed.

\*An address by Mr. Faulkner before the American Mining Congress 1962 Mining Convention, San Francisco, Calif., Sept. 27, 1962.

## Los Angeles Bond Club Hears Rickenbacker

LOS ANGELES, Calif. — Captain Eddie Rickenbacker, Chairman of the Board of Eastern Air Lines, Inc., addressed The Bond Club of



Eddie Rickenbacker

Los Angeles at a luncheon meeting at the Biltmore Hotel on Monday, October 15.

Speaking on the subject, "Conservatism Must Face Up to Liberalism," Captain Rickenbacker summed up a philosophy based on a life of outstanding service spanning nearly a half-century. Decorated in both World War I and World War II, he has also received many honorary degrees. In 1938 he was appointed President and General Manager of Eastern Air Lines, and has been Chairman of the Board of that company since 1953.

## Minn. IBA Group Elects Officials

MINNEAPOLIS, Minn.—Wheelock Whitney, Jr., Vice-President, J. M. Dain & Co., Minneapolis, was elected Chairman of the Minnesota Group, Investment Bankers Association of America, announced James M. Klingel, Juran & Moody, St. Paul, retiring Chairman of the group. Election was held at the 42nd Annual Meeting of the group, October 10, at the Minnehaha Club, Minneapolis. Elected with Mr. Whitney were the following officers:

Vice-Chairman—Ben M. Storey, Jr., Kalman & Co., St. Paul.

Secretary-Treas.—Willis P. Jones, Allison-Williams, Minneapolis.

Members of the Executive Committee: William S. Lewis, Reynolds & Co., Minneapolis; Leslie A. Nelson, Merrill Lynch, Pierce, Fenner & Smith Inc., Minneapolis; Bruce Bennett, Piper, Jaffray & Hopwood, Minneapolis; James M. Wallace, Jr., Merrill Lynch, Pierce, Fenner & Smith Inc., St. Paul; Walter R. Hanson, Caldwell, Phillips & Co., St. Paul; Robert D. Field, Paine, Webber, Jackson & Curtis, St. Paul.

Mr. Klingel, as past Chairman will be the ex officio member of the board for one year. Mr. Whitney, Mr. Klingel and Mr. Arthur Rand, Woodward Elwood, Minneapolis, National Governor, will represent the Minnesota Group at the National Convention of the Association to be held from November 25, to November 30 in Hollywood Beach, Florida.

Featured speakers at last week's meeting were Curtis H. Bingham, President of Bingham, Walter & Hurry, Inc., Los Angeles, and President of the Investment Bankers Association of America and Murray Hanson, Managing Director and General Counsel of the Association.

### PROJECTED U<sub>3</sub>O<sub>8</sub> RECEIPTS (Short Tons)

	F.Y. 1963	F.Y. 1964	F.Y. 1965	F.Y. 1966	First Half F.Y. 1967	Total
Domestic.....	17,000	16,500	15,000	14,500	6,800	69,800
Canada.....	6,900	2,275	1,540	500	210	11,425
Overseas.....	4,200	3,835	2,805	1,600	625	13,065
Total.....	28,100	22,610	19,345	16,600	7,635	94,290



# 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:

AMERICAN IRON & STEEL INSTITUTE:					AMERICAN IRON AND STEEL INSTITUTE—				
Steel ingots and castings (net tons).....	Oct. 13	1,746,000	1,746,000	1,682,000	2,071,000	Steel ingots and steel for castings produced (net tons)—Month of August.....	7,100,000	6,174,187	8,660,527
Index of production based on average weekly production for 1957-1959.....	Oct. 13	93.7	93.7	90.3	111.2	Shipments of steel products (net tons)—Month of August.....	5,402,161	4,504,907	6,139,418
Unofficial indicated steel operations (per cent capacity). The American Iron & Steel Institute discontinued issuing this data late in 1960.....	Oct. 13	58.5	58.5	57.2	72.0	<b>AMERICAN ZINC INSTITUTE, INC.—Month of September:</b>			
<b>AMERICAN PETROLEUM INSTITUTE:</b>					Slab zinc smelter output all grades (tons of 2,000 pounds).....				
Crude oil and condensate output—daily average (bbbls. of 42 gallons each).....	Oct. 5	7,344,560	7,355,210	7,328,860	7,131,210	Shipments (tons of 2,000 pounds).....	74,512	*72,805	68,003
Crude runs to stills—daily average (bbbls.).....	Oct. 5	8,372,000	*8,263,000	8,581,000	8,155,000	Stocks at end of period (tons).....	73,426	*67,364	91,029
Gasoline output (bbbls.).....	Oct. 5	29,671,000	*30,212,000	31,327,000	28,793,000		168,943	167,857	165,064
Kerosene output (bbbls.).....	Oct. 5	2,927,000	*2,798,000	3,204,000	2,683,000	<b>BUILDING CONSTRUCTION—U. S. DEPT. OF LABOR—Month of Sept. (in millions):</b>			
Distillate fuel oil output (bbbls.).....	Oct. 5	13,369,000	*13,596,000	13,106,000	13,409,000	Total new construction.....	5,851	*5,813	5,473
Residual fuel oil output (bbbls.).....	Oct. 5	5,521,000	*5,000,000	5,531,000	5,523,000	Private construction.....	4,075	*4,062	3,740
Stocks at refineries, bulk terminals, in transit, in pipe lines						Residential buildings (nonfarm).....	2,335	*2,339	2,122
Finished gasoline (bbl.) at.....	Oct. 5	177,241,000	*178,161,000	178,749,000	173,431,000	New housing units.....	1,802	*1,782	1,602
Kerosene (bbls.) at.....	Oct. 5	35,845,000	36,519,000	36,429,000	36,265,000	Additions and alterations.....	421	*443	417
Distillate fuel oil (bbls.) at.....	Oct. 5	174,097,000	170,480,000	163,906,000	166,438,000	Nonhousekeeping.....	112	114	103
Residual fuel oil (bbls.) at.....	Oct. 5	54,705,000	53,949,000	53,486,000	50,080,000	Nonresidential buildings.....	1,037	1,039	949
<b>ASSOCIATION OF AMERICAN RAILROADS:</b>					Industrial.....				
Revenue freight loaded (number of cars).....	Oct. 6	594,722	596,862	495,286	638,784	Commercial.....	245	241	218
Revenue freight received from connections (no. of cars).....	Oct. 6	527,953	524,456	460,461	535,914	Office buildings and warehouses.....	465	475	421
<b>CIVIL ENGINEERING CONSTRUCTION—ENGINEERING NEWS-RECORD:</b>					Stores, restaurants, and garages.....				
Total U. S. construction.....	Oct. 11	\$504,700,000	\$353,960,000	\$413,600,000	\$398,900,000	Other nonresidential buildings.....	327	327	320
Private construction.....	Oct. 11	231,100,000	179,700,000	193,700,000	193,000,000	Religious.....	91	90	91
Public construction.....	Oct. 11	273,600,000	174,260,000	219,900,000	195,900,000	Educational.....	57	56	56
State and municipal.....	Oct. 11	195,800,000	158,300,000	191,600,000	168,500,000	Hospital and institutional.....	83	83	71
Federal.....	Oct. 11	77,800,000	15,900,000	28,300,000	27,400,000	Social and recreational.....	72	74	67
<b>COAL OUTPUT (U. S. BUREAU OF MINES):</b>					Miscellaneous.....				
Bituminous coal and lignite (tons).....	Oct. 6	8,820,000	*8,720,000	7,355,000	8,763,000	Farm construction.....	152	*154	147
Pennsylvania anthracite (tons).....	Oct. 6	344,000	309,000	271,000	357,000	Public utilities.....	522	*503	503
<b>DEPARTMENT STORE SALES INDEX—FEDERAL RESERVE SYSTEM—1957-59 AVERAGE=100</b>					Telephone and telegraph.....				
	Oct. 6	118	116	105	118	Other public utilities.....	86	*81	82
<b>EDISON ELECTRIC INSTITUTE:</b>					All other private.....				
Electric output (in 000 kwh.).....	Oct. 13	16,317,000	15,987,000	16,837,000	15,125,000	Public construction.....	436	422	421
<b>FAILURES (COMMERCIAL AND INDUSTRIAL) — DUN &amp; BRADSTREET, INC.</b>					Residential buildings.....				
	Oct. 11	298	318	270	341	Nonresidential buildings.....	29	27	19
<b>IRON AGE COMPOSITE PRICES:</b>					Industrial.....				
Finished steel (per lb.).....	Oct. 8	6.196c	6.196c	6.196c	6.196c	Educational.....	1,776	*1,751	1,733
Pig iron (per gross ton).....	Oct. 8	\$66.33	\$66.33	\$66.33	\$66.44	Hospital and institutional.....	74	74	73
Scrap steel (per gross ton).....	Oct. 8	\$24.17	\$24.83	\$26.50	\$39.17	Administrative and service.....	465	*464	463
<b>METAL PRICES (E. &amp; M. J. QUOTATIONS):</b>					Other nonresidential buildings.....				
Electrolytic copper.....						Military facilities.....	71	*73	69
Domestic refinery at.....	Oct. 10	30.600c	30.600c	30.600c	30.600c	Highways.....	59	*62	53
Export refinery at.....	Oct. 10	28.550c	28.600c	28.575c	27.750c	Sewer and water systems.....	†	†	138
Leau (New York) at.....	Oct. 10	9.500c	9.500c	9.500c	11.000c	Sewer.....	†	*700	685
Lead (St. Louis) at.....	Oct. 10	9.300c	9.300c	9.300c	10.800c	Water.....	163	169	146
Zinc (delivered) at.....	Oct. 10	12.000c	12.000c	12.000c	12.000c	Public service enterprises.....	102	*105	83
Zinc (East St. Louis) at.....	Oct. 11	11.500c	11.500c	11.500c	11.500c	Conservation and development.....	61	*64	63
Aluminum (primary pig, 99.5% at.....	Oct. 10	24.000c	24.000c	24.000c	24.000c	All other public.....	53	*54	60
Straits tin (New York) at.....	Oct. 10	107.375c	108.125c	108.250c	121.625c		†	*147	132
<b>MOODY'S BOND PRICES DAILY AVERAGES:</b>					35				
U. S. Government Bonds.....	Oct. 16	89.49	89.26	88.67	87.13	<b>CIVIL ENGINEERING CONSTRUCTION—ENGINEERING NEWS RECORD — Month of September (000's omitted):</b>			
Average corporate.....	Oct. 16	87.86	87.86	87.32	85.85	Total U. S. construction.....	\$1,621,000	\$2,181,000	\$1,657,000
Aaa.....	Oct. 16	91.91	91.91	91.34	89.92	Private construction.....	775,000	1,010,000	862,000
Aa.....	Oct. 16	90.20	90.20	89.37	87.39	Public construction.....	846,000	1,171,000	795,000
A.....	Oct. 16	87.32	87.32	87.13	85.07	State and municipal.....	707,000	1,025,000	684,000
Baa.....	Oct. 16	82.40	82.52	81.90	80.69	Federal.....	139,000	145,000	111,000
Railroad Group.....	Oct. 16	84.04	84.30	83.79	83.28	<b>COKE (BUREAU OF MINES)—Month of August:</b>			
Public Utilities Group.....	Oct. 16	89.37	89.37	88.81	86.65	Production (net tons).....	3,740,672	*3,593,397	4,549,900
Industrials Group.....	Oct. 16	90.20	90.20	89.51	87.59	Oven coke (net tons).....	3,692,013	3,551,676	4,465,700
<b>MOODY'S BOND YIELD DAILY AVERAGES:</b>					Beehive coke (net tons).....				
U. S. Government Bonds.....	Oct. 16	3.78	3.80	3.86	3.97	Oven coke stocks at end of month (net tons).....	4,065,051	*3,978,337	4,301,477
Average corporate.....	Oct. 16	4.57	4.57	4.61	4.72	<b>COTTON AND LINTERS—DEPARTMENT OF COMMERCE—RUNNING BALES:</b>			
Aaa.....	Oct. 16	4.28	4.28	4.32	4.42	Consumed, month of August.....	692,589	691,767	650,188
Aa.....	Oct. 16	4.40	4.40	4.46	4.56	In consuming establishments as of Sept. 1.....	1,269,306	1,536,214	1,810,722
A.....	Oct. 16	4.61	4.61	4.62	4.78	In public storage as of Sept. 1.....	6,677,586	6,123,426	4,288,609
Baa.....	Oct. 16	4.99	4.98	5.03	5.13	Linters—Consumed month of August.....	105,177	84,099	105,281
Railroad Group.....	Oct. 16	4.86	4.84	4.88	4.92	Stocks—Sept. 1.....	528,945	575,655	384,832
Public Utilities Group.....	Oct. 16	4.46	4.46	4.50	4.66	Cotton spindles active as of Sept. 1.....	16,731,000	16,773,000	17,270,000
Industrials Group.....	Oct. 16	4.40	4.40	4.45	4.59	<b>COTTON GINNING (DEPT. OF COMMERCE):</b>			
<b>MOODY'S COMMODITY INDEX</b>					October 1, running bales.....				
NATIONAL PAPERBOARD ASSOCIATION:	Oct. 16	362.6	362.3	367.1	371.7	4,680,894	-----	2,683,390	
Orders received (tons).....	Oct. 6	406,017	363,568	301,263	382,118	<b>COTTON PRODUCTION (DEPT. OF COMMERCE) (500-lb. gross bales) as of Oct. 1</b>			
Production (tons).....	Oct. 6	355,086	370,697	257,064	349,930	14,675,000	14,687,000	14,317,954	
Percentage of activity.....	Oct. 6	97	99	72	97	<b>COTTON SEED AND COTTON SEED PRODUCTS—DEPT. OF COMMERCE—Month of August:</b>			
Unfilled orders (tons) at end of period.....	Oct. 6	536,369	485,804	514,740	598,031	Cotton Seed.....			
<b>OIL, PAINT AND DRUG REPORTER PRICE INDEX—1949 AVERAGE=100</b>					Received at mills (tons).....				
ROUND-LOT TRANSACTIONS FOR ACCOUNT OF MEMBERS, EXCEPT ODD-LOT DEALERS AND SPECIALISTS						407,300	96,800	177,800	
Transactions of specialists in stocks in which registered—						Crushed (tons).....	228,000	183,400	144,400
Total purchases.....	Sept. 21	2,233,010	1,997,880	2,923,900	2,482,070	Stocks (tons) Aug. 31.....	459,800	280,500	221,900
Short sales.....	Sept. 21	453,710	409,830	632,710	431,700	Cake and Meal.....			
Other sales.....	Sept. 21	1,794,120	1,445,660	2,173,370	2,111,580	Stocks (tons) Aug. 31.....	94,200	133,900	89,400
Total sales.....	Sept. 21	2,247,830	1,855,490	2,806,080	2,543,280	Produced (tons).....	103,200	85,200	68,600
Other transactions initiated off the floor—						Shipped (tons).....	142,900	107,000	121,800
Total purchases.....	Sept. 21	382,570	428,710	686,730	347,820	Hulls.....			
Short sales.....	Sept. 21	81,800	67,800	97,100	61,300	Stocks (tons) August 31.....	67,500	83,800	80,300
Other sales.....	Sept. 21	423,430	332,070	495,090	439,930	Produced (tons).....	58,900	52,300	34,800
Total sales.....	Sept. 21	505,250	399,870	592,190	501,230	Shipped (tons).....	75,200	68,200	49,900
Other transactions initiated on the floor—						Linters.....			
Total purchases.....	Sept. 21	796,043	717,193	1,067,985	840,748	Stocks (bales) August 31.....	96,800	95,600	98,100
Short sales.....	Sept. 21	167,250	139,616	225,019	69,390	Produced (bales).....	69,000	51,000	43,200
Other sales.....	Sept. 21	818,918	682,177	955,631	697,455	Shipped (bales).....	72,800	58,800	86,800
Total sales.....	Sept. 21	986,168	820,793	1,180,650	766,845	<b>COTTON SPINNING (DEPT. OF COMMERCE):</b>			
Total round-lot transactions for account of members—						Spinning spindles in place on Aug. 4.....	19,489,000	19,491,000	19,605,000
Total purchases.....	Sept. 21	3,411,623	3,143,783	4,678,615	3,670,638	Spinning spindles active on Aug. 4.....	16,773,000	16,869,000	17,279,000
Short sales.....	Sept. 21	702,760	616,246	954,825	562,390	Active spindle hours (000's omitted) Aug. 4.....	8,621,000	8,481,000	6,798,000
Other sales.....	Sept. 21	3,036,488	2,459,907	3,624,091	3,248,965	Active spindle hours for spindles in place Aug. 4.....	344.8	424.0	339.9
Total sales.....	Sept. 21	3,739,248	3,076,153	4,578,920	3,811,355	<b>MOODY'S WEIGHTED AVERAGE YIELD—100 COMMON STOCKS—Month of September:</b>			
<b>STOCK TRANSACTIONS FOR ODD-LOT ACCOUNT OF ODD-LOT DEALERS AND SPECIALISTS ON N. Y. STOCK EXCHANGE—SECURITIES EXCHANGE COMMISSION</b>					Industrials (125).....				
Odd-lot sales by dealers (customers' purchases).....	Sept. 21	1,335,747	1,145,158	1,600,511	1,672,408	Railroads (25).....	3.71	3.53	2.99
Number of shares.....	Sept. 21	\$64,030,756	\$55,530,757	\$79,561,191	\$92,576,924	Utilities (not incl. Amer. Tel. & Tel.) (24).....	5.96	5.65	4.90
Dollar value.....						Banks and trust companies.....	3.45	3.32	2.99
Odd-lot purchases by dealers (customers' sales).....						Mutual savings banks.....	3.70	3.43	3.06
Number of orders—customers' total sales.....	Sept. 21	1,527,926	1,347,483	1,578,678	1,607,540	Insurance (10).....	2.85	2.63	2.22
Customers' short sales.....	Sept. 21	41,429	25,862	29,913	22,297	Average (200).....	3.69	3.50	3.03
Customers' other sales.....	Sept. 31	1,486,497	1,321,621	1,548,765	1,585,243	<b>PRICES RECEIVED BY FARMERS — INDEX NUMBER — U. S. DEPT. OF AGRICULTURE 1910-1914=100—As of Aug. 15:</b>			
Dollar value.....	Sept. 21	\$74,172,809	\$61,984,568	\$79,971,767	\$83,291,749	All farm products.....	244	240	240
Round-lot sales by dealers—						Crops.....	229	231	228
Number of shares—Total sales.....	Sept. 21	557,990	470,500	498,520	489,670	Commercial vegetables, fresh.....	201	229	201
Short sales.....	Sept. 21	557,990	470,500	498,520	489,670	Cotton.....	275	275	276
Other sales.....	Sept. 21	320,530	284,490	513,100	526,770	Feed, grain and hay.....	151	155	154
Total round-lot purchases by dealers—Number of shares.....						Food grains.....	226	229	209
Short sales.....	Sept. 21	1,103,830	893,070	1,395,770	769,720	Fruit.....	243	191	244
Other sales.....	Sept. 21	17,189,970	14,373,430	19,773,040	16,026,270	Oil-bearing crops.....	245	252	259
Total sales.....	Sept. 21	18,293,800	15,266,500	21,168,810	16,795,990	Potatoes.....	174	205	153
<b>WHOLESALE PRICES, NEW SERIES — U. S. DEPT. OF LABOR — (1947-49=100):</b>					Tobacco.....				
Commodity Group.....						Livestock.....	518	542	536
All commodities.....	Oct. 9	100.6	100.8	101.1	Not Avail.	Dairy products.....	256	248	250
Farm products.....	Oct. 9	97.8	*98.5	109.5	Not Avail.	Meat animals.....	248	239	256
Processed foods.....	Oct. 9	101.6	102.1	103.3	Not Avail.	Poultry and eggs.....	318	310	301
Meats.....	Oct. 9	100.5	*101.4	105.7	Not Avail.				



# 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, firm offering dates.

Also shown under the caption "Effective Registrations" are those issues which became effective this week and were offered publicly.

## ABC Business Forms, Inc.

July 27, 1962 ("Reg. A") 51,500 common. Price—\$3.50. **Business**—Manufacture, design and development of business forms. **Proceeds**—For debt repayment and working capital. **Office**—3500 N. W. 71st St., Miami. **Underwriter**—Givens & Co., Inc., Miami. **Note**—The SEC has issued an order temporarily suspending this issue.

## A. L. S. Steel Corp.

March 29, 1962 filed 100,000 common. Price—\$4.50. **Business**—Sale of processed flat rolled strip steel. **Proceeds**—For debt repayment, equipment, and working capital. **Office**—126-02 Northern Blvd., Corona, N. Y. **Underwriter**—Bernard L. Madoff, N. Y.

## Abbott Realty Fund, Inc.

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

## Advance Mortgage Corp. (10/23)

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. (10/29-11/2)

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.

## 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.

## 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**—To be named.

## 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**—To be named.

## Allied Graphic Arts, Inc. (10/22-26)

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., New York.

## 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. (11/7-9)

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.

## American Educational Life Insurance Co.

Sept. 28, 1962 filed 60,000 class A common. Price—\$7.50. **Business**—Writing of life insurance policies and allied lines. **Proceeds**—For investments, and working capital. **Office**—1808 West End Bldg., Nashville. **Underwriter**—Standard American Securities, Inc., Nashville.

## 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 Finance Co., Inc. (10/29-11/2)

April 21, 1961 filed \$500,000 of 6% convertible subordinated debentures due 1972, 75,000 common, and 25,000 warrants, to be offered in units of one \$200 debenture, 30 shares, and 10 warrants. Price—\$500 per unit. **Business**—Company and its subsidiaries are primarily engaged in the automobile sale finance business. One additional subsidiary is a Maryland savings and loan association and two are automobile insurance brokers. **Proceeds**—For the retirement of debentures, and additional capital funds. **Office**—1472 Broadway, N. Y. **Underwriter**—Myron A. Lomasney & Co., New York.

## American Flag & Banner Co. of New Jersey (11/7-9)

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. (10/29-31)

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. (10/26)

June 25, 1962 filed 130,000 common. Price—\$. **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 340,000 class A shares. Price—\$10. **Business**—General real estate. **Proceeds**—For corporate purposes. **Office**—320 Park Ave., N. Y. **Underwriter**—Troster, Singer & Co., New York.

## American Plan Corp. (10/29-11/2)

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 Re-Insurance Co.

Sept. 28, 1962 filed 175,862 capital shares being offered for subscription by stockholders on the basis of one new share for each eight shares held of record Oct. 16. Rights will expire Oct. 31. Price—\$40. **Business**—Company reinsures fire, marine and casualty firms. **Proceeds**—To increase capital funds. **Office**—99 John St., N. Y. **Underwriter**—Eastman Dillon, Union Securities & Co., 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 Falling Bldg., Portland, Ore. **Underwriter**—To be named.

## American Telephone & Telegraph Co. (10/23)

Oct. 2, 1962 filed \$250,000 of debentures due Oct. 1, 1996. **Proceeds**—For advances to subsidiaries and expansion. **Office**—195 Broadway, N. Y. **Underwriters**—(Competitive). Probable bidders: Morgan Stanley & Co.; First Boston Corp.; Halsey, Stuart & Co. Inc. (jointly). **Bids**—Oct. 23 (11:30 a.m. EST) in room 2315, 195 Broadway, N. Y.

## Americana East Inc.

Sept. 18, 1962 filed 400,000 common. Price—\$2.50. **Business**—Development, construction and management of industrial, commercial and residential properties. **Proceeds**—For construction, surveys, working capital, and other corporate purposes. **Office**—173 First St., Macon, Ga. **Underwriter**—Nusouth Growth Stock Sales Corp., 4101 Steam Mill Rd., Columbus, Ga. **Note**—This registration was withdrawn.

## Ampal-American Israel Corp.

Oct. 8, 1962 filed \$5,000,000 of its 6% s. f. debentures (series J) due 1972. Price—At par. **Business**—Company was formed in 1942 to develop trade between U. S. and Israel, and to aid in economic development of Israel. **Proceeds**—For repayment of loans. **Office**—17 E. 71st St., N. Y. **Underwriter**—Israel Securities Corp. (same address).

## Angler Industries, Inc.

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

## Antenna Systems, Inc.

Sept. 28, 1962 filed 35,000 common. Price—By amendment (max. \$30). **Business**—Design, manufacture and installation of large microwave antennas and antenna components. **Proceeds**—For reduction of bank loans, and working capital. **Office**—349 Lincoln St., Hingham, Mass. **Underwriter**—None.

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**Arden Farms Co.**

May 23, 1962 filed \$6,000,000 of 6% conv. subord. debentures due 1990 to be offered in \$100 units; also 49,993 shares of \$3 cumulative preferred stock and 205,105 common shares to be offered for subscription by stockholders of the respective classes on the basis of one new share for each 10 held. **Price**—For debentures, at par; for stock, by amendment. **Business**—Manufacture, purchase and sale of ice cream and other dairy products. **Proceeds**—For debt repayment. **Office**—1900 W. Slauson Ave., Los Angeles. **Underwriter**—None.

**Argus Financial Fund, Inc.**

Feb. 12, 1962 filed 800,000 capital shares to be offered in exchange for certain securities acceptable to the Fund. **Price**—Net asset value (expected at \$12.50 per share). **Business**—A diversified open-end investment company which plans to participate in the long-term progress of savings and loan associations, and allied financial businesses. **Proceeds**—For investment. **Office**—1118 Torrey Pines Road, La Jolla, Calif. **Dealer-Manager**—Argus Financial Sales Corp. (same address).

**Artlin Mills Inc.**

Sept. 28, 1961 filed 35,000 class A common shares. **Price**—\$5. **Business**—The purchase, conversion, decoration, gift packaging and distribution of terrycloth towels and cotton pillow cases. **Proceeds**—For inventory, repayment of loans and working capital. **Office**—1030 Pearl St., Long Branch, N. J. **Underwriter**—Mortimer R. Burnside & Co., Inc., N. Y. **Note**—This registration was withdrawn.

**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.

**fiers. Proceeds**—For equipment, inventories and working capital. **Office**—668 Jenks Ave., St. Paul, Minn. **Underwriter**—Pewters, Donnelly & Jansen, Inc., St. Paul, Minn.

**Automatic Controls, Inc.**

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

**Automatic Merchandising, Inc.**

May 24, 1962 filed 225,000 common, of which 125,000 are to be offered by company and 100,000 by stockholders. **Price**—By amendment (max. \$8). **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**—138 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.

**Barker Bros. Corp.**

March 15, 1962 filed 200,000 common. **Price**—By amendment (approx. \$12). **Business**—Merchandising of home, commercial and institutional furnishings. **Proceeds**—For

expansion and debt repayment. **Office**—818 W. Seventh St., Los Angeles. **Underwriter**—William R. Staats & Co., Los Angeles. **Offering**—Postponed.

**Basic Properties, Inc.**

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

**Bene Cosmetics, Inc.**

March 2, 1962 ("Reg. A") 100,000 common. **Price**—\$3. **Business**—Importation, sale and distribution of Italian cosmetics. **Proceeds**—For advertising, inventory and working capital. **Office**—114 W. 13th St., N. Y. **Underwriter**—Granite Securities, Inc., N. Y.

**Birtcher Corp.**

Sept. 21, 1962 filed 288,476 capital shares to be offered for subscription by stockholders on the basis of one new share for each three held. **Price**—By amendment (max. \$5). **Business**—Manufacture of electrotherapeutic, electronic surgical, diagnostic and monitoring equipment. **Proceeds**—For debt repayment, machinery and working capital. **Office**—4371 Valley Blvd., Los Angeles. **Underwriter**—None.

**Blue Magic Co. of Ohio, Inc. (11/7-9)**

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

Continued on page 36

**NEW ISSUE CALENDAR****October 19 (Friday)**

Texas Gas Producing Co.-----Units  
(Equitable Securities Corp.) \$1,000,000

**October 22 (Monday)**

Allied Graphic Arts, Inc.-----Common  
(Bache & Co.) 180,000 shares

Cameo Lingerie, Inc.-----Common  
(Schweickart & Co.) \$1,000,000

Consolidated Leasing Corp. of America-----Common  
(Blair & Co.) 99,000 shares

Consolidated Leasing Corp. of America-----Debt  
(Blair & Co.) \$1,000,000

Cosnat Corp.-----Debt  
(Van Alstyne, Noel & Co.) \$1,250,000

Forst (Alex) & Sons, Inc.-----Common  
(McDonnell & Co.) 125,000 shares

Intercontinental Management Corp.-----Common  
(Walnut Securities Corp.) \$1,011,500

Maremount Corp.-----Common  
(Kuhn, Loeb & Co., Inc. and Straus, Blosser & McDowell)  
240,000 shares

Nuveen Tax-Exempt Bond Fund, Series 3-----Units  
(John Nuveen & Co.) \$15,300,000

Packaging Corp. of America-----Debt  
(Blyth & Co., Inc.) \$25,000,000

Stainless Steel Products Inc.-----Capital Stock  
(First California Co., Inc., and Dempsey-Tegeler  
& Co., Inc.) \$800,000

Worth Financial Corp.-----Units  
(Leib, Sklout & Co., Inc.) \$450,000

**October 23 (Tuesday)**

Advance Mortgage Corp.-----Common  
(Shields & Co.) 200,000 shares

American Telephone & Telegraph Co.-----Debt  
(Bids 11:30 a.m. EST) \$250,000,000

Cameron Iron Works, Inc.-----Common  
(White, Weld & Co., Inc., and Lehman Brothers) 280,000 shares

**October 24 (Wednesday)**

California Financial Corp.-----Debt  
(William R. Staats & Co. and J. Barth & Co.) \$5,000,000

**October 26 (Friday)**

American Kosh Provisions, Inc.-----Common  
(Willard Securities, Inc.) \$650,000

**October 29 (Monday)**

Aerosystems Technology Corp.-----Common  
(Chase Securities Corp.) \$165,000

American Finance Co., Inc.-----Units  
(Myron A. Lomasney & Co.) \$1,250,000

American Gas Co.-----Common  
(Crutenden, Podesta & Miller) 275,000 shares

American Gas Co.-----Debt  
(Crutenden, Podesta & Miller) \$1,685,000

American Plan Corp.-----Units  
(Bear, Stearns & Co.) 248,000 units

Chestnut Hill Industries, Inc.-----Common  
(Clayton Securities Corp.) \$2,250,000

College Publishing Corp.-----Common  
(James Co.) \$155,000

Ernst, Inc.-----Common  
(Burr, Wilson & Co., Inc.) \$300,000

First Connecticut Small Business Investment  
Co.-----Common  
(P. W. Brooks & Co.) 200,000 shares

Global Construction Devices, Inc.-----Common  
(Winslow, Cohu & Stetson and Laird, Bissell & Meeds)  
\$1,000,000

Gulf Atlantic Utilities, Inc.-----Common  
(Pierce, Carrison, Wulbern, Inc.) 90,000 shares

Industrial Development Bank of Israel Ltd.-----Units  
(Brager & Co.) 1,500 units

Jamoco Air Conditioning Corp.-----Common  
(Martin-Warren Co., Ltd.) \$120,000

Jetronic Industries, Inc.-----Debt  
(Weil & Co.) \$375,000

Met Food Corp.-----Debt  
(Brand, Grumet & Siegel, Inc.) \$1,500,000

National Union Life Insurance Co. of  
Pittsburgh-----Capital  
(Offering to stockholders of National Union Fire  
Insurance Co.—No underwriting) \$1,500,000

Nebraska Consolidated Mills Co.-----Debt  
(First Nebraska Securities Corp.) \$3,000,000

Orbit Stores, Inc.-----Common  
(Norton, Fox & Co., Inc.) 100,000 shares

Poulsen Insurance Co. of America-----Common  
(A. C. Allyn & Co.) 100,000 shares

Russell Stover Candies, Inc.-----Common  
(Stern Brothers & Co. and Harriman Ripley  
& Co., Inc.) 120,000 shares

Security Aluminum Corp.-----Common  
(Vickers, MacPherson & Warwick, Inc.) \$990,000

Servotronics, Inc.-----Capital  
(General Securities Co., Inc.) \$375,000

Tabach Industries, Inc.-----Common  
(Costello, Russotto & Co.) \$250,000

**October 30 (Tuesday)**

Prosperity Cleaners & Laundries, Inc.-----Common  
(Edwards & Hanly) 100,000 shares

Southern California Edison Co.-----Bonds  
(Bids 8:30 a.m. PST) \$50,000,000

Tennessee Gas Transmission Co.-----Bonds  
(Stone & Webster Securities Corp.; White, Weld & Co.  
& Halsey, Stuart & Co., Inc.) \$50,000,000

Zero Mountain, Inc.-----Common  
(Don D. Anderson & Co., Inc.) \$300,000

**October 31 (Wednesday)**

Wisconsin Natural Gas Co.-----Bonds  
(Bids 11 a.m. EST) \$5,000,000

**November 1 (Thursday)**

Columbia Gas System, Inc.-----Debt  
(Bids to be received) \$20,000,000

Florida Power Corp.-----Preferred  
(Kidder, Peabody & Co., Inc. and Merrill Lynch, Pierce,  
Fenner & Smith Inc.) 100,000 shares

**November 7 (Wednesday)**

American Bolt & Screw Mfg. Corp.-----Units  
(S. D. Fuller & Co.) \$900,000

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

Blue Magic Co. of Ohio, Inc.-----Common  
(Hallowell, Sulzberger, Jenks, Kirkland & Co.) \$400,000

Computer Concepts Inc.-----Common  
(Doft & Co.) \$500,000

Georgia Power Co.-----Bonds  
(Bids 12:30 a.m. EST) \$23,000,000

Georgia Power Co.-----Preferred  
(Bids 11:30 a.m. EST) 70,000 shares

Jackson's/Byrons Enterprises, Inc.-----Class A  
(Clayton Securities Corp.) 120,000 shares

Jackson's/Byrons Enterprises, Inc.-----Debt  
(Clayton Securities Corp.) \$750,000

Kaiser-Nelson Corp.-----Common  
(Robert L. Ferman & Co., Inc.) 140,000 shares

Norton Co.-----Common  
(Paine, Webber, Jackson & Curtis and Goldman, Sachs & Co.)  
425,000 shares

Pak-Well Paper Industries, Inc.-----Class A  
(Francis I. du Pont & Co.) 150,000 shares

Putnam Management Co., Inc.-----Common  
(Paine, Webber, Jackson & Curtis and Kidder, Peabody  
& Co., Inc.) 150,000 shares

Radar Relay, Inc.-----Common  
(White, Weld & Co., Inc.) 100,000 shares

Rona Lee Corp.-----Common  
(Winslow, Cohu & Stetson Inc.) \$500,000

San Diego Imperial Corp.-----Common  
(Blyth & Co., Inc.) 124,552 shares

Standard Security Life Insurance Co.  
of New York-----Common  
(Ira Haupt & Co.) 230,000 shares

**November 8 (Thursday)**

West Penn Power Co.-----Bonds  
(Bids 11 a.m. EST) \$14,000,000

**November 13 (Tuesday)**

Gulf States Utilities Co.-----Bonds  
(Bids to be received) \$16,000,000

I. P. D. Financial Corp.-----Common  
(J. J. LeCort Associates, Inc. and Harris, Clare & Co., Inc.)  
\$1,200,000

Instromech Industries, Inc.-----Common  
(Price Investing Co.) \$300,000

Livestock Financial Corp.-----Common  
(Shearson, Hammill & Co.) \$1,300,000

Russell Mills, Inc.-----Common  
(Hornblower & Weeks) 312,500 shares

**November 14 (Wednesday)**

Louisville & Nashville RR.-----Bonds  
(Bids to be received) \$25,000,000

**November 19 (Monday)**

First American Israel Mutual Fund-----Ben. Int.  
(Paine, Webber, Jackson & Curtis) 2,750,000 shares

Hallandale Rock & Sand Co.-----Units  
(Mutch, Khanbegian, Flynn & Green, Inc.) \$450,000

Jersey Central Power & Light Co.-----Bonds  
(Bids 12 noon EST) \$11,000,000

Lewis (Tillie) Foods, Inc.-----Debt  
(Van Alstyne, Noel & Co.) \$4,000,000

Optech, Inc.-----Common  
(Stone, Ackerman & Co., Inc. and Heritage Equity Corp.)  
\$300,000

**November 26 (Monday)**

Hunter Engineering Co.-----Units  
(Eastman Dillon, Union Securities & Co.) 100,000 units

Interworld Film Distributors, Inc.-----Common  
(General Securities Co., Inc. and S. Kasdan & Co., Inc.)  
\$425,000

Pacific Power & Light Co.-----Bonds  
(Bids 11 a.m. EST) \$32,000,000

**November 27 (Tuesday)**

Pacific Gas & Electric Co.-----Bonds  
(Bids to be received) \$65,000,000

**November 28 (Wednesday)**

Southern Electric Generating Co.-----Bonds  
(Bids to be received) \$6,500,000

**December 3 (Monday)**

Metropolitan Edison Co.-----Bonds  
(Bids to be received) \$15,000,000

**December 4 (Tuesday)**

New England Power Co.-----Bonds  
(Bids 11 a.m. EST) \$12,000,000

New England Power Co.-----Preferred  
(Bids 12 noon EST) \$10,000,000

**December 5 (Wednesday)**

Montana-Dakota Utilities Co.-----Bonds  
(Bids to be received) \$12,000,000

**December 11 (Tuesday)**

Southern New England Telephone Co.-----Debt  
(Bids to be received) \$45,000,000



Continued from page 35

purposes. Office—115 Cutter Mill Rd., Great Neck, N. Y. Underwriter—D. B. Marron & Co., N. Y.

• **Bruce (Michael) Distributors, Inc.**

March 29, 1962 filed \$400,000 of convertible debentures and 28,000 common shares to be offered in units, each consisting of a \$500 debenture and 35 shares. Price—\$675 per unit. Business—Operation of self-service discount department stores. Proceeds—To retire outstanding debentures, and for working capital. Office—1101 Albany Ave., Hartford, Conn. Underwriter—Glanis & Co., Inc., New York. Note—This registration was withdrawn.

• **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 Financial Corp. (10/24)**

Oct. 2, 1962 filed \$5,000,000 of conv. subord. debentures due 1977. Price—At par. Business—A holding company for savings and loan associations. Certain subsidiaries are engaged in trust deed, title, escrow, mortgage brokerage and insurance businesses. Proceeds—For debt repayment and cash reserves. Office—11 Tillman Pl., San Francisco. Underwriters—William R. Staats & Co., Los Angeles, and J. Barth & Co., San Francisco.

• **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.

• **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. (10/22-26)**

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.

• **Cameron Iron Works, Inc. (10/23)**

Sept. 14, 1962 filed 280,000 common. Price—By amendment (max. \$21.50). Business—Manufacture of equipment used in the petroleum and processing industries. Company also makes forged metal products used in the aviation, missile and atomic industries. Proceeds—For selling stockholders. Address—P. O. Box 1212, Houston, Texas. Underwriters—White, Weld & Co., Inc., and Lehman Brothers, 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.

• **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. (10/29-11/2)**

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.

• **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.

• **Coastal Chemical Corp.**

Sept. 24, 1962 filed 40,000 class A, 39,239 outstanding class C, and 20,000 class D shares. Price—\$35. Business—Manufacture of anhydrous ammonia and other fertilizer materials and components. Proceeds—For working capital. Mississippi Chemical Corp., parent, will receive the proceeds from the sale of the class C stock. Address—Yazoo City, Miss. Underwriter—Mississippi Chemical Corp., Yazoo City, Miss., will act as underwriter for the stock.

• **College Publishing Corp. (10/29-11/2)**

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.

• **Collins Radio Co.**

Sept. 21, 1962 filed 557,515 common shares to be offered for subscription by common stockholders on the basis of one new share for each four held. Price—By amendment (max. \$26). Business—Design, development and manufacture of specialized radio communication equipment and aircraft and flight control devices. Proceeds—To reduce bank loans. Office—5225 "C" Ave., N. E., Cedar Rapids, Iowa. Underwriters—Kidder, Peabody & Co., Inc., and White, Weld & Co., Inc., N. Y. Offering—Indefinitely postponed.

• **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.

• **Colorado Imperial Mining Co.**

Sept. 20, 1962 filed 200,000 common. Price—\$1. Business—General mining. Proceeds—For exploration and operating expenses. Office—Creede, Colo. Underwriter—None.

• **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. Note—This registration will be withdrawn.

• **Columbia Gas System, Inc. (11/1)**

Sept. 24, 1962 filed \$30,000,000 of debentures due 1987. Proceeds—For construction programs of subsidiaries. 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.

• **Columbia Realty Trust**

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

• **Commercial Trust Co.**

May 16, 1962 filed 150,000 common. Price—By amendment (max. \$13). Business—Acquisition or administration of mortgage loans for institutional investors. Company also is engaged in the consumer loan business and acts as an insurance agent or broker in connection therewith. Proceeds—For debt repayment. Office—66 Pryor St., N. E., Atlanta. Underwriters—F. S. Moseley & Co., Boston and Courts & Co., Atlanta.

• **Computer Concepts Inc. (11/7-9)**

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. Note—This registration was withdrawn.

• **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.

• **Conso Products, Inc.**

Sept. 27, 1962 filed 125,000 common. Price—By amendment (max. \$10). Business—Manufacture of home furnishing trimmings and accessories. Proceeds—For machinery and working capital. Office—27 W. 23d St., N. Y. Underwriter—H. Hentz & Co., N. Y.

• **Consolidated Leasing Corp. of America**

(10/22-26) 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.

• **Contact Lens Guild, Inc.**

Sept. 19, 1962 ("Reg. A") 75,000 class "A" common. Price—\$4. Business—Manufacture and sale of a patented contact lens. Proceeds—For moving expenses, research, inventory, advertising and working capital. Office—360 Main St. E., Rochester, N. Y. Underwriter—John J. DeGolger Co., Inc., Rochester, 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. (10/22-26)**

May 26, 1962 filed \$1,250,000 of 6% convertible subordinated debentures due 1977. Price—At par. Business—The manufacture and distribution of phonograph records. Proceeds—For the repayment of debt, and working capital. Office—315 W. 47th St., N. Y. Underwriter—Van Alstyne, Noel & Co., N. Y. Note—This firm was known formerly as the Cosnat Record Distributing Corp.

**Country Set Inc.**

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

**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—R. J. Henderson & Co., Los Angeles.

**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.

**Data-Vend Corp.**

Sept. 28, 1962 filed 125,000 common. Price—\$4. Business—Company plans to acquire and operate enterprises in the publishing, communications and related fields. Proceeds—For expansion and working capital. Office—369 E. 149th St., N. Y. Underwriter—Dynamic Planning Corp., N. Y.

**Delta Bowling Corp.**

Sept. 28, 1962 filed 100,000 common, of which 50,000 shares are to be offered by company and 50,000 by stockholders. Price—\$3. Business—Leasing and operating of bowling centers. Proceeds—For expansion, equipment and working capital. Office—230 Park Ave., N. Y. Underwriter—Provost Securities, Inc., N. Y.

**Deuterium Corp.**

Sept. 28, 1962 filed 120,000 common with attached warrants to purchase an additional 120,000 shares to be offered for subscription by holders of its stock and debentures in units (of one share and one warrant) on the basis of 3 units for each 5% prior preferred share held, 2 units for each 5% preferred A stock held and 40 units for each \$1,200 face amount of non-interest bearing subordinated debentures held. At the same time, the company will offer the securities to the public. Price—To subscribers, \$20; to public, \$22.25. Business—Company plans to erect a small size production and experimental plant for the limited manufacture of deuterium and deuterium oxide, and to establish and equip a general research laboratory. Proceeds—For working capital, construction, equipment and other corporate purposes. Office—360 Lexington Ave., N. Y. 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 Nov.

**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.

**Dixie Lime & Stone Co.**

Sept. 27, 1962 filed 100,000 common. Price—By amendment (max. \$6.75). Business—Mining and processing of crushed granite, lime rock, and agricultural limestone. Proceeds—For loan repayment, and working capital. Office—11 N. Main St., Ocala, Fla. Underwriter—Courts & Co., Atlanta, Ga.

**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. Note—The SEC has questioned the accuracy and adequacy of this statement.

**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.

**Duro-Test Corp.**

Sept. 19, 1962 filed \$3,500,000 of subord. debentures (series A), due 1982, and 15-year warrants to purchase 210,000 common shares, to be offered in units consisting of \$1,000 of debentures and an attached warrant to purchase 60 shares. Price—By amendment. Business—Manufacture of incandescent, fluorescent and mercury vapor lamps. Proceeds—For working capital. Office—2321 Hudson Blvd., North Bergen, N. J. Underwriter—Auchincloss, Parker & Redpath, 2 Broadway, N. Y. Offering—Imminent.

**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—Thomas Jay, Winston & Co., Inc., Beverly Hills, Calif. Offering—Imminent.

**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.

**Dynapower Systems Corp.**

Sept. 28, 1962 filed 750,000 common. Price—\$1. Business—Manufacture of electro-mechanical vehicles and electronic devices for medical and marine purposes. Proceeds—For working capital, equipment and debt repayment. Office—2222 S. Centinela Ave., Los Angeles. Underwriter—None.

**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.

**Electro-Nucleonics, Inc.**

Sept. 24, 1962 ("Reg. A") 29,525 common. Price—\$5. Business—Research and development toward improvement of gas centrifuge technology for separation of isotopes and gaseous materials. Proceeds—For equipment, expansion, research and working capital. Office—368 Passaic Ave., Caldwell, N. J. Underwriter—Richard Bruce & Co. Inc., N. Y.

**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.

**Ernst, Inc. (10/29-11/2)**

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—Burr, Wilson & Co., Inc., San Francisco.

**Everbest Engineering Corp.**

April 2, 1962 filed 100,000 class A shares. Price—\$2.40. Business—Manufacture and sale of long-lived electric lamps. Proceeds—New product development, inventories and working capital. Office—41 E. Twelfth St., N. Y. Underwriter—Planned Investing Corp., N. Y.

**Fabco Enterprises, Inc.**

Sept. 17, 1962 filed 83,500 common. Price—\$4.50. Business—Operation of self-service retail shoe department in discount department stores and one retail store. Proceeds—For inventory, expansion, debt repayment, and working capital. Office—4906-08 Ave. D, Brooklyn, N. Y. Underwriter—Dynamic Planning Corp., 51 Broadway, New York.

**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.

**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.

**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.

**First American Israel Mutual Fund (11/19-21)**

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 Connecticut Small Business Investment Co. (10/22-31)**

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.

**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 offering was postponed.

**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,



Continued from page 37

building improvements, working capital. **Office**—Fern Park, Fla. **Underwriter**—To be named.

#### Florida Power Corp. (11/1)

Oct. 10, 1962 filed 100,000 cumulative preferred. **Price**—By amendment (max. \$102). **Proceeds**—For debt repayment and construction. **Office**—101 First St., S., St. Petersburg, Fla. **Underwriters**—Kidder, Peabody & Co., Inc., and Merrill Lynch, Pierce, Fenner & Smith Inc., N. Y.

#### 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. (10/22-26)

March 23, 1962 filed 125,000 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.

#### 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.

#### Gamma Leather Goods Corp.

June 29, 1962 filed 75,000 common and 75,000 five-year warrants to be offered in units consisting of one share and one warrant. **Price**—\$4.75 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.

#### Geigher Pipe Supply Inc.

Sept. 28, 1962 filed 60,000 class A common, of which 50,000 are to be offered by company and 10,000 by stockholders. **Price**—\$9.50. **Business**—Sale of steel pipes, valves and fittings. **Proceeds**—For inventory. **Office**—4124 N. Broadway, St. Louis. **Underwriter**—Midland Securities Co., Inc., Kansas City, Mo.

#### 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.

#### Georgia Power Co. (11/7)

Oct. 5, 1962 filed 70,000 shares of no par cum. preferred. **Price**—By amendment. **Proceeds**—For repayment of bank loans, and construction. **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**—Nov. 7 (11:30 a.m. EST) in Room 1690, 250 Park Ave., N. Y. **Information Meeting**—Nov. 1 (2:30 p.m. EST) in Room 1420, 20 Pine St., N. Y.

#### Georgia Power Co. (11/7)

Oct. 5, 1962 filed \$23,000,000 of first mortgage bonds due 1992. **Proceeds**—For repayment of bank loans, and construction. **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**—Nov. 7 (12:30 a.m. EST) in Room 1600, 250 Park Ave., N. Y. **Information Meeting**—Nov. 1 (2:30 p.m. EST) in Room 1420, 20 Pine St., N. Y.

#### 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 Street, San Jose, Calif. **Underwriter**—Burr, Wilson & Co., Inc., San Francisco.

#### Glen Ellen 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.

#### 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. (10/29-11/2)

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-Pharmaceutical 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.

#### 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 28,113 common. **Price**—\$3.50. **Business**—Growing, purchasing, distributing and selling whole potatoes and processing and selling of prepared potato products. **Proceeds**—For the selling stockholders. **Office**—915 Southeast 10th Ave., Portland, Ore. **Underwriter**—To be named.

#### 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.

#### 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. (10/29-11/2)

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

#### Hallandale Rock & Sand Co. (11/19-21)

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, Khanbegan, Flynn & Green, Inc., 115 Broadway, 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.

#### 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 being offered for subscription by stockholders on the basis of one new share for each 10 shares held of record Sept. 12, 1962, with rights to expire Oct. 30. **Price**—\$21.25. **Proceeds**—For expansion. **Office**—900 Richards St., Honolulu. **Underwriters**—Dillon, Read & Co., Inc., N. Y., and Dean Witter & Co., San Francisco.

#### Heartland Development Corp.

March 28, 1962 filed 23,300 shares of 5% convertible preference stock to be offered for subscription by stockholders on basis of one preferred share for each 10 common held. **Price**—\$12. **Business**—Real estate. **Proceeds**—For general corporate purposes and debt repayment. **Office**—40 Beaver St., Albany, N. Y. **Underwriter**—None.

#### Heck's Discount Centers, Inc.

June 7, 1962 filed 125,000 common. **Price**—By amendment (max. \$5). **Business**—Operation of discount stores. **Proceeds**—For inventory, expansion, debt repayment and working capital. **Office**—6400 MacCorkle Ave., S. W., St. Albans, W. Va. **Underwriter**—Willard Securities, Inc., New York. **Offering**—Expected in November.

#### 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.

#### 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.

#### Household Gas Service, Inc.

Sept. 13, 1962 ("Reg. A") \$299,000 of 6% s. f. debentures, series A due Oct. 1, 1977. **Price**—At par. **Business**—Sale and distribution of propane gas. **Proceeds**—For purchase of a plant site, moving expenses, and additional equipment. **Office**—238 Genessee St., Utica, N. Y. **Underwriter**—Mohawk Valley Investing Co., Inc., Utica New York.

#### 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.



**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.

**Hunter Engineering Co. (11/26-29)**

Sept. 26, 1962 filed 100,000 shares of convertible preferred (par \$25) and 100,000 of common to be offered in units of one preferred and one common share. **Price**—By amendment (max. \$32). **Business**—Production of aluminum mill products and the building of rolling mill machinery and continuous casting equipment for the non-ferrous metals industry. **Proceeds**—For debt repayment, and construction of a new mill. **Address**—1495 Columbia Ave., Riverside, Calif. **Underwriter**—Eastman Dillon, Union Securities & Co., N. Y.

**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. (11/13-16)**

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. Allen & Co., Chicago. **Note**—This registration will be withdrawn.

**Industrial Development Bank of Israel Ltd. (10/29-11/2)**

Sept. 21, 1962 filed 1,000,000 of 6% preference CC shares and 1,500 ordinary AA shares. The AA shares may be purchased only as a part of a unit consisting of one AA share and 345 CC shares. The CC shares may be purchased as part of a unit or separately. **Price**—For units, by amendment; for CC shares, \$10.50 per share. **Business**—The bank was organized in 1957 to encourage the establishment of industrial undertakings in Israel. **Proceeds**—For general corporate purposes. **Address**—Tel-Aviv, Israel. **Underwriter**—Brager & Co., N. Y.

**Instr-O-Matics, Inc.**

Sept. 28, 1962 filed 32,000 class A common. **Price**—By amendment (max. \$10). **Business**—Company develops, manufactures and sells electronic equipment for use in the marine field, principally in pleasure boating. **Proceeds**—For debt repayment, advertising, inventories, new products and working capital. **Office**—3181 N. Elston Ave., Chicago. **Underwriter**—R. A. Holman & Co., Inc., N. Y.

**Instromech Industries, Inc. (11/13-16)**

March 30, 1962 ("Reg. A") 100,000 common. **Price**—\$3. **Business**—A contract manufacturer of precision products. **Proceeds**—For acquisition of land and building, equipment, inventory and other corporate purposes. **Office**—4 Broadway Plaza, Huntington Station, N. Y. **Underwriter**—Price Investing Co., N. Y.

**Instron Engineering Corp.**

March 26, 1962 filed 120,000 common. **Price**—By amendment (max. \$14). **Business**—Development and production of equipment for use in testing the physical characteristics of various materials. **Proceeds**—For selling stockholders. **Office**—2500 Washington St., Canton, Mass. **Underwriter**—None.

**Instrument Components, Inc.**

June 11, 1962 ("Reg. A") 135,000 common. **Price**—\$1. **Business**—Manufacture and distribution of electromechanical rotating devices. **Proceeds**—For debt repayment, sales promotion and other corporate purposes. **Office**—312 Mt. Pleasant Ave., Newark, N. J. **Underwriter**—Gold-Slovin Co., Inc., N. Y.

**Intercontinental Management Corp. (10/22-26)**

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 Data Systems, Inc.**

Sept. 28, 1962 filed 150,000 common. **Price**—By amendment (max. \$3.50). **Business**—Research, design and manufacture of analog and digital electronic devices.

**Proceeds**—For loan repayment and working capital. **Office**—2925 Merrell Rd., Dallas, Tex. **Underwriter**—E. H. Austin & Co., San Antonio.

**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.

**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. (11/26-30)**

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.

**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., New York. **Offering**—In mid-November.

**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. (11/7-9)**

March 13, 1962 filed \$750,000 convertible subordinated debentures due 1977; also 120,000 class A common, of which 66,666 shares are to be offered by the company and 53,334 by stockholders. **Price**—By amendment (max. \$12.50 for common). **Business**—Operation of a chain of retail department stores. **Proceeds**—For debt repayment and working capital. **Office**—29 N. W. 10th St., Miami, Fla. **Underwriter**—Clayton Securities Corp., Boston.

**Jamaica Public Service Ltd.**

March 30, 1962 filed 215,000 common, of which 100,000 shares are to be offered by company and 115,000 shares by stockholders. **Price**—By amendment (max. \$25). **Business**—A holding company for a Jamaican Electric utility. **Proceeds**—For acquisition of additional stock in subsidiary. **Office**—507 Place D'Armes, Montreal, Canada. **Underwriters**—Stone & Webster Securities Corp. and Greenshields & Co., Inc., N. Y. **Offering**—Indefinitely postponed.

**Jamoco Air Conditioning Corp. (10/29-11/2)**

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.

**Jersey Central Power & Light Co. (11/19)**

Sept. 20, 1962 filed \$11,000,000 of first mortgage bonds, due Nov. 1, 1992. **Proceeds**—For construction. **Office**—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**—Nov. 19, 1962 (12 noon, EST) at 80 Pine St., N. Y. **Information Meeting**—Nov. 9 (10 a.m. EST) at same address.

**Jetronic Industries, Inc. (10/29-11/2)**

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. **Of-**

**fice**—Main & Cotton Sts., Philadelphia. **Underwriter**—Weil & Co., Washington, D. C.

**(J. D.) Jewell, Inc.**

Sept. 21, 1962 filed 60,000 common. **Price**—\$9. **Business**—Raising, preparation and distribution of poultry and processed frozen specialty foods. **Proceeds**—For debt repayment, additional equipment, and working capital. **Office**—322 Maple St., S. W., Gainesville, Ga. **Underwriters**—Crow, Brouman & Chatkin, Inc., and Pistell, Inc., N. Y.

**Kaiser-Nelson Corp. (11/7)**

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 6% conv. subord. debens. due 1977 being offered for subscription by stockholders on the basis of \$100 of debentures for each 100 shares held of record Sept. 18, with rights to expire Oct. 15, 1962. **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**—Packaging 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. **Offering**—In late November.

**Kenner Products Co.**

March 30, 1962 filed 542,000 common, of which 205,000 are to be offered by company and 317,000 by stockholders. **Price**—By amendment (max. \$24). **Business**—Manufacture, design, and distribution of plastic toys. **Proceeds**—For general corporate purposes. **Office**—912 Sycamore St., Cincinnati, Ohio. **Underwriter**—Kuhn, Loeb & Co., New York.

**Keystone Discount Stores, Inc.**

May 24, 1962 filed 110,000 common. **Price**—By amendment (\$5.25). **Business**—Operation of three retail discount stores. **Proceeds**—For expansion. **Address**—R. D. No. 2, North Lebanon Township, Lebanon, Pa. **Underwriters**—Suplee, Yeatman, Mosley Co., Inc. and Woodcock, Moyer, Fricke & French, Inc., Philadelphia.

**Keystone-Universal Industries Inc.**

July 24, 1962 filed 100,000 common. **Price**—\$3.50. **Business**—Retail sale of carpets. **Proceeds**—For expansion and working capital. **Office**—4042-54 Sawmill Run Blvd., Pittsburgh. **Underwriter**—Strathmore Securities, Inc., Pittsburgh.

**Kine Camera Co., Inc.**

Nov. 21, 1961 filed 75,000 common. **Price**—\$5. **Business**—Importing and distribution of cameras, binoculars and photographic equipment. **Proceeds**—For debt repayment and working capital. **Office**—889 Broadway, N. Y. **Underwriter**—Underhill Securities Corp., N. Y.

**Kingsberry Homes Corp.**

April 9, 1962 filed 140,000 shares of capital stock of which 100,000 will be offered by company and 40,000 by stockholders. **Price**—By amendment (max. \$17.50). **Business**—Manufacture of prefabricated homes. **Proceeds**—For a new plant. **Office**—1725 S. Gault Ave., Ft. Payne, Ala. **Underwriters**—The Robinson-Humphrey Co., Inc., Atlanta, and J. C. Bradford & Co., Nashville. **Offering**—Indefinitely postponed.

**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

Continued on page 40



Continued from page 39

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.

**Laminetics Inc.**

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. Offering—Imminent.

**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. Note—This registration was withdrawn.

**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. (11/19-21)**

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.

**Livestock Financial Corp. (11/13-16)**

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—B. & D. Investors Corp., Port Washington, N. Y. Offering—Indefinitely postponed.

**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.

**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.

**Mac-Allan Co., Inc.**

Feb. 23, 1962 filed 130,260 of class A common, of which 65,130 are to be offered by the company and 65,130 by stockholders. Price—\$5. Business—Sale and distribution of costume jewelry, ladies' handbags, and accessories. Proceeds—For working capital. Office—1650 Broadway, Kansas City, Mo. Underwriter—George K. Baum & Co., Kansas City. Offering—Indefinitely postponed.

**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.

**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.

**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).

**Maremont Corp. (10/22-26)**

Sept. 10, 1962 filed 240,000 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.

**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—To be named. 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.

**McGrath (John W.) Corp.**

June 28, 1962 filed 253,875 common. Price—By amendment (max. \$15). Business—Contract stevedoring and related operations. Proceeds—For selling stockholders. Office—39 Broadway, N. Y. Underwriter—Bear, Stearns & Co., New York.

**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—\$1. 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.

**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. (10/29-11/2)**

March 30, 1962 filed \$1,500,000 of convertible subordinated debentures due Sept. 1, 1977. Price—By amendment. Business—Distribution of food and related products to supermarkets and other retail stores in the New York Metropolitan area. Proceeds—For general corporate purposes. Office—345 Underhill Blvd., Syosset, N. Y. Underwriter—Brand, Grumet & Siegel, Inc., N. Y.

**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 Edison Co. (12/3)**

Oct. 10, 1962 filed \$15,000,000 of first mortgage bonds due 1992. Proceeds—For construction. Office—2800 Pottsville Pike, Muhlenberg 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—Dec. 3, 1962 (12 noon EST) at 80 Pine St., N. Y. Information Meeting—Nov. 30 (10 a.m. EST), same address.

**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—\$12 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.

**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 15, 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.

**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.**

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. Note—This registration was withdrawn.

**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.

**National Union Life Insurance Co. of Pittsburgh (10/29)**

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.

**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.

**Nebraska Consolidated Mills Co. (10/29-11/2)**

Sept. 17, 1962 filed \$3,000,000 of 6¼% subord. s. f. debentures, series A, due 1977. Price—\$1,000. Business—Manufacture of flour, animal feed, and other consumer and agricultural products. Proceeds—For debt repayment and the financing of increased inventories and accounts receivable. Office—500 Kiewit Plaza, Omaha. Underwriter—First Nebraska Securities Corp., Lincoln.

**New Campbell Island Mines Ltd.**

Oct. 13, 1961 filed 475,000 common, of which 400,000 are to be offered by the company and 75,000 by a stockholder. Price—50c. Business—Exploration, development and mining. Proceeds—General corporate purposes. Office—90 Industry St., Toronto, Canada. Underwriter—A. C. MacPherson & Co., Toronto.

**New York Testing Laboratories, Inc.**

Jan. 29, 1962 filed 50,000 common. Price—\$5. Business—Analyzing and testing of electronic, chemical and other materials. Proceeds—For plant relocation, equipment, and working capital. Office—47 West St., N. Y. Underwriter—Robbins, Clark & Co., Inc., N. Y.

**• Norda Essential Oil & Chemical Co., Inc.**

March 20, 1962 filed 200,000 class A shares. Price—By amendment (max. \$15). Business—Manufacture, processing and distribution of natural and synthetic essential oils, flavor, essences, etc., to food and drug industries. Proceeds—For debt repayment, working capital and other corporate purposes. Office—601 W. 26th St., N. Y. Underwriter—S. D. Fuller & Co., N. Y. Offering—Expected sometime in December.

**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. Note—This registration was withdrawn.

**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.

**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.

**Norton Co. (11/7-9)**

Sept. 28, 1962 filed 425,000 common. Price—By amendment (max. \$36). Business—Manufacture of various types of abrasive products. Proceeds—For selling stockholders. Office—One New Bond St., Worcester, Mass. Underwriters—Paine, Webber, Jackson & Curtis, Boston, and Goldman, Sachs & Co., N. Y.

**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 (10/22)**

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.

**Optec, Inc. (11/19-23)**

Dec. 26, 1961 filed 100,000 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. (10/29-11/2)**

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.

**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 Power & Light Co. (11/26)**

Oct. 3, 1962 filed \$32,000,000 of first mortgage bonds, due 1992. Proceeds—To refund \$12,000,000 outstanding 5½% bonds due Jan. 1, 1987 and \$20,000 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 (11 a.m. EST). Information Meeting—Nov. 21 (2:30 p.m. EST) at 2 Rector St., N. Y.

**• Packaging Corp. of America (10/22-26)**

Sept. 26, 1962 filed \$25,000,000 of sinking fund debentures due 1987. Price—By amendment. Business—Manufacture of corrugated and solid fibre containers, folding cartons, paperboard mill products and molded pulp and plastic products. Proceeds—For debt repayment, redemption of preferred and other corporate purposes. Office—1632 Chicago Ave., Evanston, Ill. Underwriter—Blyth & Co., Inc., New York.

**• Pak-Well Paper Industries, Inc. (11/7-9)**

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.

**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.

**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 Aggregato 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.

**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 devel-

opment of land, and other corporate purposes. Office—319 MacArthur Blvd., San Leandro, Calif. Underwriter—Robert A. Martin Associates, Inc., N. Y.

**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.

**Pioneer Restaurants, Inc.**

Dec. 21, 1961 filed 125,000 common, of which 75,000 are to be offered by the company and 50,000 by a selling stockholder. Price—By amendment. Business—Operation of six restaurants in Sacramento. Proceeds—For expansion, debt repayment and working capital. Office—1626 J St., Sacramento. Underwriter—Stewart, Eubanks, Myerson & Co., San Francisco. Offering—Temporarily postponed.

**Playboy Clubs International, Inc.**

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 (10/29-11/2)**

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. Note—This stock will not be offered for sale in New York State.

**Powell Petroleum, Inc.**

Sept. 28, 1962 filed 100,000 common. Price—\$5. Proceeds—To drill for and operate oil wells. Office—418 Market St., Shreveport, La. Underwriter—None.

**Prescott-Lancaster Corp.**

March 30, 1962 filed 150,000 common. Price—\$5. Business—Real estate. Proceeds—For purchase of mortgages, and working capital. Office—18 Lancaster Rd., Union, N. J. Underwriter—Jacey Securities Co., N. Y.

**Prosperity Cleaners & Laundries, Inc. (10/30)**

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.

**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. (11/7-9)**

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.

**Quick-N-Clean Corp. of Minnesota, Inc.**

Oct. 1, 1962 ("Reg. A") 205,000 common. Price—\$1.15. Business—Company plans to open a chain of coin operated dry cleaning stores. Proceeds—Advertising, expansion and working capital. Office—712 Fir St., Brainerd, Minn. Underwriter—Northwest Securities, Inc., Detroit Lakes, Minn.

**• R. E. D. M. Corp.**

June 29, 1962 filed 125,000 common, of which 50,000 will be offered for the company and 75,000 for certain stockholders. Price—By amendment (max. \$6). Business—Engaged in manufacturing, engineering and research under Defense Department contracts; also manufactures ball point pens, points, mechanical pencils and desk sets. Proceeds—For equipment and working capital. Office—Little Falls, Passaic County, N. J. Underwriter—To be named.

Continued on page 42



Continued from page 41

**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., New York.

**Radar Relay, Inc. (11/7-9)**

Oct. 1, 1962 filed 100,000 common, of which 75,000 will be sold by company and 25,000 by a stockholder. Price—By amendment (max. \$10). **Business**—Design and manufacture of electronic monitoring and warning systems, and integrally lighted switches. **Proceeds**—For product improvement and development, working capital, and other corporate purposes. **Office**—1631 10th St., Santa Monica, Calif. **Underwriter**—White, Weld & Co. Inc., N. Y.

**Real Properties Corp. of America**

April 27, 1962 filed 300,000 class A shares. Price—By amendment (max. \$16). **Business**—Company owns certain real estate, general insurance agency and a mortgage servicing company. **Proceeds**—For debt repayment. **Office**—745 Fifth Ave., N. Y. **Underwriter**—Stanley Heller & Co., N. Y. **Note**—This registration will be withdrawn and then refilled.

**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.

**Regal Factors, Inc.**

Oct. 2, 1962 ("Reg. A") 90,000 common. Price—\$2. **Business**—Company plans to engage in factoring and accounts receivable financing. **Proceeds**—For working capital. **Office**—32 Broadway, N. Y. **Underwriter**—Edward H. Stern & 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. Lomasnev & 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.

**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**—Postponed.

**Rona Lee Corp. (11/7-9)**

Sept. 26, 1962 filed 100,000 common. Price—\$5. **Business**—Design, manufacture, and distribution of girls' blouses, sportswear, and coordinates. **Proceeds**—For debt repayment. **Office**—112 W. 34th St., N. Y. **Underwriter**—Winslow, Cohu & Stetson Inc., N. Y.

**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**—To be named. **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.

**Russ Togs, Inc.**

Oct. 4, 1962 filed 159,254 class A. Price—By amendment (max. \$15). **Business**—Production of misses, junior and children's popular priced sportswear. **Proceeds**—For selling stockholders. **Office**—1372 Broadway, N. Y. **Underwriter**—Shearson, Hammill & Co., N. Y.

**Russell Mills, Inc. (11/13-16)**

Sept. 28, 1962 filed 312,500 common. Price—By amendment (max. \$12). **Business**—Manufacture of athletic clothing, knitted underwear, children's sleepwear and cotton cloth. **Proceeds**—For bond retirement and plant expansion. **Address**—Alexander City, Ala. **Underwriter**—Hornblower & Weeks, N. Y. **Note**—This company formerly was called Russell Manufacturing Co.

**Russell Stover Candies, Inc. (10/29-11/2)**

Oct. 3, 1962 filed 120,000 common. Price—By amendment (max. \$25). **Business**—Manufacture of chocolates and other candies. **Proceeds**—For selling stockholders. **Office**—1206 Main St., Kansas City, Mo. **Underwriters**—Stern Brothers & Co., Kansas City, and Harriman Ripley & Co., Inc., N. Y.

**Sampson Enterprises, Inc.**

Feb. 28, 1962 filed 450,000 common. Price—By amendment (max. \$8). **Business**—A holding company for a real estate concern, motor inn, shopping centers, bowling establishments, etc. **Proceeds**—For debt repayment and working capital. **Office**—222 E. Erie St., Milwaukee. **Underwriters**—Straus, Blosser & McDowell, Chicago and Dempsey-Tegeler & Co., Inc., St. Louis. **Offering**—Temporarily postponed.

**San Diego Imperial Corp. (11/7-9)**

Oct. 1, 1962 filed 124,552 common. Price—By amendment (max. \$14). **Business**—A holding company for 15 savings and loan associations. **Proceeds**—For selling stockholders. **Office**—1400 Fifth Ave., San Diego. **Underwriters**—White, Weld & Co., N. Y., and J. A. Hogle & Co., Salt Lake City.

**San Francisco Capital Corp.**

April 23, 1962 filed 60,000 common. Price—\$12.50. **Business**—A small business investment company. **Proceeds**—For investment. **Office**—400 Montgomery St., San Francisco. **Underwriter**—Cantor, Fitzgerald & Co., Inc., Beverly Hills, Calif.

**Saw Mill River Industries, Inc.**

March 29, 1962 filed 100,000 common. Price—\$5. **Business**—Design, development and manufacture of steel products for home use. **Proceeds**—For working capital. **Office**—1051 Saw Mill River Rd., Yonkers, N. Y. **Underwriter**—Arnold Malkan & Co., Inc., N. Y.

**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.

**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. (10/29-11/2)**

Jan. 26, 1962 filed 165,000 common. Price—\$6. **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., New York.

**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 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.

**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. (10/29-31)**

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.

**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.

**Simpson (J.) & Co., Inc.**

Oct. 1, 1962 ("Reg. A") 50,000 class A. Price—\$6. **Business**—Company is a licensed pawn broker. **Proceeds**—For general corporate purposes. **Office**—1176 Ave. of Americas, N. Y. **Underwriter**—Richard Bruce & Co., Inc., N. Y.

**Smith-Corona Marchant, Inc.**

Aug. 31, 1962 filed 240,044 5½% convertible preferred shares (par \$50) being offered for subscription by common stockholders on the basis of one preferred share for each 8 common shares held of record Oct. 11, with rights to expire Oct. 26. Price—At par. **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 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.

**Southern California Edison Co. (10/30)**

Oct. 1, 1962 filed \$50,000,000 of first and partial refunding mortgage bonds, series P, due Nov. 1, 1987. **Proceeds**—For redemption of outstanding 3s of 1965, 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**—Oct. 30 (8:30 a.m. PST) at company's office. **Information Meeting**—Oct. 26 at office of Sullivan & Cromwell, 48 Wall St., 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. (10/22-26)**

May 28, 1962 filed 100,000 capital shares. Price—\$8. **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. **Underwriters**—First California Co., Inc., San Francisco, and Dempsey-Tegeler & Co., Inc., St. Louis.

**Standard Security Life Insurance Co. of New York (11/7-9)**

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

**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.

**T-A Development Co.**

Sept. 12, 1962 filed 2,000 common. Price—By amendment (max. \$1,000). **Business**—Company plans to acquire, develop, and improve industrial real properties, primarily in Los Angeles County. **Proceeds**—For general corporate purposes. **Office**—9601 Wilshire Blvd., Beverly Hills, Calif. **Underwriter**—None.

**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 Pennington, Colket & Co., Philadelphia.

#### **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.

#### **Tenna Corp.**

Sept. 28, 1962 filed 122,000 common. **Price**—By amendment (max. \$11). **Business**—Manufacture of automobile antennas and radios. **Proceeds**—For repayment of bank loans and working capital. **Office**—19201 Cranwood Parkway, Warrensville Heights, Ohio. **Underwriters**—Westheimer & Co., Cincinnati, and Hartzmark & Co., Inc., Cleveland.

#### **• Texas Gas Producing Co. (10/19)**

Aug. 28, 1962 filed \$1,000,000 of 5 3/4% 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.

#### **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.

#### **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.

#### **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.

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

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

#### **United Markets Inc.**

March 15, 1962 filed \$400,000 of 8% conv. subord. 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 early November.

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

#### **U. S. Cold Storage of Hawaii, Inc.**

Sept. 14, 1962 filed 30,000 capital shares, of which 20,000 are to be offered by company and 10,000 by present stockholders. **Price**—\$10. **Business**—Company plans to construct and operate cold storage facilities in Hawaii. **Proceeds**—For construction, and working capital. **Office**—3140 Ualena St., Honolulu. **Underwriter**—None.

#### **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 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**—R. J. 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.

#### **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.

#### **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.

#### **Western Empire Real Estate Investments**

Sept. 26, 1962 filed 600,000 shares of beneficial interest. **Price**—\$4. **Business**—Company plans to qualify as a real estate investment trust. **Proceeds**—For investment. **Office**—1755 Gilpin St., Denver, Colo. **Underwriter**—None.

#### **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.

#### **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 December.

#### **Widman (L. F.), Inc.**

Oct. 27, 1961 filed 162,000 common, of which 102,000 are to be offered by the company and 60,000 by stockholders. **Price**—\$3. **Business**—Operates a chain of retail drug stores. **Proceeds**—Expansion, equipment and working capital. **Office**—738 Bellefonte Ave., Lock Haven, Pa. **Underwriter**—Godfrey, Hamilton, Taylor & Co., N. Y.

#### **Wiegand (Edwin L.) Co.**

March 30, 1962 filed 606,450 common. **Price**—By amendment. **Business**—Manufacture of electrical heating elements for industrial, commercial and household applications. **Proceeds**—For selling stockholders. **Office**—7500 Thomas Blvd., Pittsburgh. **Underwriters**—Eastman Dillon, Union Securities & Co., N. Y., Moore, Leonard & Lynch, Pittsburgh and Reinholdt & Gardner, St. Louis. **Offering**—Temporarily postponed.

#### **Wiener Shoes Inc.**

April 2, 1962 filed 80,000 common. **Price**—By amendment (max. \$11). **Business**—Operation of a chain of shoe stores. **Proceeds**—For debt repayment, expansion and working capital. **Office**—808 Dakin St., New Orleans. **Underwriter**—Howard, Weil, Labouisse, Friedrichs & Co., New Orleans.

#### **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.

#### **• Wisconsin Natural Gas Co. (10/31)**

Oct. 3, 1962 filed \$5,000,000 of first mortgage bonds due Nov. 1, 1987. **Proceeds**—For loan repayment, retirement of 5 1/2% bonds due 1982, and construction. **Office**—100 Third St., Racine, Wis. **Underwriters**—(Competitive). Probable bidders: Halsey, Stuart & Co. Inc.; Salomon Brothers & Hutzler-Merrill Lynch, Pierce Fenner and Smith Inc. (jointly); White, Weld & Co.-Kidder, Peabody & Co. (jointly). **Bids**—Oct. 31 (11 a.m. EST) at the offices of Sullivan & Cromwell, 48 Wall St., N. Y. **Information Meeting**—Oct. 30 (11 a.m. EST) at Bankers Trust Co., 16 Wall St., 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 East 40th St., N. Y. **Underwriter**—S. E. Securities, Inc., 10 East 40th Street, New York. **Note**—This registration will be withdrawn.

#### **Wolf (Howard B.), Inc.**

Oct. 8, 1962 filed 105,000 common, of which 50,000 shares are to be offered by company and 50,000 shares by a stockholder. **Price**—By amendment (max. \$10). **Business**—Design, manufacture and sale of retail stores of junior dresses and suits. **Proceeds**—For debt repayment, advertising, and working capital. **Office**—3809 Perry Ave., Dallas. **Underwriter**—Eppler, Guerin & Turner, Inc., Dallas.

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

#### **Worth Financial Corp. (10/22-26)**

March 22, 1962 filed \$360,000 of 6% convertible debentures (with warrants) and 36,000 common, to be offered in units of one \$80 debenture and 8 shares. **Price**—\$100 per unit. **Business**—Financing of commercial accounts receivable. **Proceeds**—For general corporate purposes. **Office**—114 E. 40th St., New York. **Underwriter**—Leib, Skloot & Co., Inc., Clifton, N. J.

#### **Zero Mountain, Inc. (10/30)**

March 30, 1962 ("Reg. A") 100,000 common. **Price**—\$3. **Business**—Operation of underground cold storage facilities. **Proceeds**—Expansion, debt repayment and working capital. **Address**—Box 594, Fayetteville, Ark. **Underwriter**—Don D. Anderson & Co., Inc., Oklahoma City.

#### **Zipco Inc.**

Sept. 26, 1962 filed 150,000 common. **Price**—\$5. **Business**—Manufacture of a new type nylon zipper. **Proceeds**—For equipment, debt repayment, advertising, and working capital. **Office**—Box 117 Uncasville, Conn. **Underwriter**—None.

Continued on page 44



Continued from page 43

## Issues Filed With SEC This Week

### ★ Commonwealth Edison Co.

Oct. 11, 1962 filed 5,000 common. Price—By amendment (max. \$50). **Proceeds**—For selling stockholders. **Office**—72 W. Adams St., Chicago. **Underwriters**—First Boston Corp., N. Y. and Glore, Forgan & Co., Chicago.

### ★ Flower City Industries, Inc.

Oct. 11, 1962 filed 100,000 common. Price—\$3.75. **Business**—Company plans to engage in the manufacture, export and sale of artificial floral and foliage arrangements. A subsidiary, now manufactures artificial flowers in Hong Kong for shipment to the United States and other countries. **Proceeds**—For plants and equipment, a new subsidiary and working capital. **Address**—St. Thomas, Virgin Islands. **Underwriter**—Lieb, Skloot & Co., Inc., Clifton, N. J.

### ★ National Memorial Estates

Oct. 11, 1962 filed 4,750,000 common. Price—\$1. **Business**—Company plans to engage in cemetery development and to establish and operate a life and disability insurance concern. **Proceeds**—For general corporate purposes. **Office**—13 S. Broadway, Red Lodge, Mont. **Underwriter**—Security Brokerage Co., Billings, Mont.

### ★ Nevada Northern Gas Co.

Oct. 15, 1962 filed 209,000 common to be offered for subscription by holders of the common stock and convertible securities of Southwest Gas Corp., parent, on the basis of two-ninths of a share for each Southwest share held (or to be received on conversion). Price—By amendment. **Business**—Company is constructing, and will operate, a natural gas pipeline in northern Nevada. **Proceeds**—For construction, and working capital. **Office**—2011 Las Vegas Blvd., South, Las Vegas. **Underwriter**—Eastman Dillon, Union Securities & Co., N. Y.

### ★ Omega Natural Gas Co., Ltd.

Oct. 10, 1962 ("Reg. A") 100,000 common. Price—\$2.50. **Business**—Natural gas operations. **Proceeds**—For selling stockholders. **Office**—505-8th Ave. W., Calgary, Alberta, Canada. **Underwriter**—None.

### ★ Photonetics Corp.

Oct. 9, 1962 ("Reg. A") 100,000 common. Price—\$3. **Business**—Research and development in the fields of electro-luminescent-photoconductive devices, high vacuum components, and plasma physics. **Proceeds**—For plant construction and equipment, sales promotion and working capital. **Address**—Walker Valley, N. Y. **Underwriter**—None.

### ★ Prince Georges Country Club, Inc.

Oct. 15, 1962 filed 500 common to be offered for subscription by stockholders on the basis of one new share for each share held of record Feb. 18, 1962. Price—\$1,000. **Proceeds**—For debt repayment, construction of a swimming pool, and other improvements. **Address**—Landover, Prince Georges County, Md. **Underwriter**—None.

### ★ Security Reserve Life Insurance Co.

Oct. 5, 1962 ("Reg. A") 75,000 common. Price—\$4. **Business**—General life insurance. **Proceeds**—For surplus, operating expenses and other corporate purposes. **Office**—1301 E. Colfax, Denver. **Underwriter**—None.

### ★ Tennessee Gas Transmission Co. (10/30)

Oct. 11, 1962 filed \$50,000,000 of first mortgage pipe line bonds due Dec. 1, 1982. Price—By amendment. **Proceeds**—For debt repayment, and construction. **Office**—Tennessee Bldg., Houston. **Underwriters**—Stone & Webster Securities Corp.; White, Weld & Co.; Halsey Stuart & Co. Inc.

### ★ West Penn Power Co. (11/8)

Oct. 10, 1962 filed \$14,000,000 of first and refunding mortgage bonds due Nov. 1, 1992. **Proceeds**—To redeem a like amount of 5½% bonds due June 1, 1989. **Address**—Cabin Hill, Greensburg, Pa. **Underwriters**—(Competitive). Probable bidders: Kidder, Peabody & Co.; White, Weld & Co. (jointly); Halsey, Stuart & Co. Inc.; W. C. Langley & Co.—Stone & Webster Securities Corp. (jointly); First Boston Corp.—Harriman Ripley & Co. (jointly); Lehman Brothers—Eastman Dillon, Union Securities Corp. (jointly). **Bids**—Expected Nov. 8 (11 a.m. EST) at 320 Park Ave. (31st floor), N. Y.

## 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."

### American Safety Table Co., Inc.

60,000 common shares offered at \$7.50 per share by Reuben Rose & Co., Inc., New York.

### American Re-Insurance Co.

175,862 capital shares being offered to stockholders at \$40 per share on the basis of one new share for each 8 held of record Oct. 16. Rights will expire Oct. 31, 1962. Eastman Dillon, Union Securities & Co., New York, is the principal underwriter.

### Associates Investment Co.

\$50,000,000 of 4½% debentures due Oct. 1, 1983 offered at 100.68%, plus accrued interest, to yield 4.45%, by Lehman Brothers and Salomon Brothers & Hutzler, New York.

### Australia (Commonwealth of)

\$25,000,000 of 5½% bonds due Oct. 1, 1982 offered at 99, and accrued interest, to yield 5.58%, by Morgan Stanley & Co., New York, and associates.

### Badger Northland, Inc.

\$800,000 of 6¼% subordinated convertible debentures due Oct. 1, 1982 offered at par, and accrued interest, by Loewi & Co., Inc., Milwaukee, and associates.

### Certified Capital Corp.

\$200,000 of 8% registered subordinated debentures due 1965 and \$400,000 of 8% debentures due 1967 (with attached warrants) offered at par, by the company without underwriting.

### Electronic Transmission Corp.

100,000 common offered at \$3 per share by V. S. Wickett & Co., Inc., and Thomas, Williams & Lee, New York.

### Gabriel Industries, Inc.

60,000 class A common shares offered at \$8.50 per share by Hemphill, Noyes & Co., New York.

### Hawaiian Electric Co., Ltd.

315,730 common shares offered for subscription by stockholders at \$21.25 per share on the basis of one new share for each 10 held of record Sept. 12, with rights to expire Oct. 30, 1962. Dillon Read & Co., Inc., New York, and Dean Witter & Co., San Francisco, were the principal underwriters.

### Panhandle Eastern Pipe Line Co.

\$60,000,000 of 4¾% debentures due Oct. 1, 1982 offered at 99.40% and accrued interest, to yield about 4.42% by Kidder, Peabody & Co., Merrill Lynch, Pierce, Fenner & Smith Inc., and Halsey, Stuart & Co. Inc., New York.

### Panhandle Eastern Pipe Line Co.

200,000 shares of 4.64% cumulative preferred stock offered at \$100 per share by Kidder, Peabody & Co. and Merrill Lynch, Pierce, Fenner & Smith Inc., New York.

### (L. L.) Ridgway Enterprises, Inc.

170,000 common shares offered at \$9 per share by Underwood, Neuhaus & Co., Inc., and Rotan, Mosle & Co., Houston.

### Scientific Equipment Manufacturing Corp.

60,000 common shares offered at \$5 per share by Coggeshall & Hicks and Ernest M. Fuller & Co., New York.

### Security International Corp.

548,000 common shares offered at \$3.50 per share by Investment Brokerage Corp., Fargo, N. D.

### Smith-Corona Marchant, Inc.

240,044 shares of 5½% convertible preferred stock offered for subscription by stockholders at \$50 per share on the basis of one new preferred share for each 8 common shares held of record Oct. 11, with rights to expire Oct. 26, 1962. First Boston Corp., New York, is the principal underwriter.

### Urban America Real Estate Trust

400,000 shares of beneficial interest offered at \$6 per share by Conway Brothers, Inc., Des Moines, Iowa.

## 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

### ● Be-Mac Transport Co., Inc. (10/15)

Sept. 17, 1962 it was reported that the ICC had authorized the sale of 35,000 outstanding \$1 par common shares. Price—\$11. **Business**—A motor carrier of general commodities providing direct service to over 600 municipalities in six mid-western states. **Proceeds**—For selling stockholders. **Office**—7400 North Broadway, St. Louis. **Underwriter**—Edward D. Jones & Co., St. Louis.

### ● Belock Instrument Corp.

Sept. 4, 1962 it was reported that the company plans to raise an additional \$1,000,000 by sale of securities. **Business**—Company produces various defense items, such as bomb-sights, gun directors, missile system components, etc. **Proceeds**—For working capital and other corporate purposes. **Office**—112-03 Fourteenth Ave., College Point, N. Y. **Underwriter**—Carl M. Loeb, Rhoades & Co., N. Y.

### ● Biologics International Inc.

Aug. 15, 1962 it was reported that this company plans to file a registration statement covering 125,000 common shares. Price—\$3. **Business**—Company plans to breed and supply animals for biological research purposes. **Proceeds**—For general corporate purposes. **Office**—7520 Bergenline Ave., North Bergen, N. J. **Underwriter**—To be named.

### ● Central Illinois Public Service Co.

July 10, 1962 it was reported that this company plans to issue about \$10,000,000 of first mortgage bonds in 1963. **Proceeds**—For construction. **Office**—607 E. Adams St., Springfield, Ill. **Underwriters**—(Competitive). Probable bidders: Eastman Dillon, Union Securities & Co.—Equitable Securities Corp. (jointly); Blyth & Co.—Kidder, Peabody & Co.—Merrill Lynch, Pierce, Fenner & Smith Inc. (jointly); Halsey, Stuart & Co. Inc.; Salomon Brothers & Hutzler; First Boston Corp.; Lehman Brothers—Bear, Stearns & Co. (jointly).

### ● 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).

### ★ Eastern Freight Ways, Inc.

Oct. 9, 1962 the ICC authorized the company to issue 100,000 common. Price—By amendment (min. \$5). **Business**—A motor vehicle common carrier operating in nine eastern states from Vermont to Virginia. **Proceeds**—For working capital, debt repayment and advances to subsidiaries. **Office**—Moonachie Ave., Carlstadt, N. J. **Underwriter**—Allen & Co., New York.

### ● Food Fair Properties, Inc.

May 11, 1962 stockholders authorized the company to issue 756,000 shares of a new convertible preferred stock which will be offered to stockholders through subscription rights on a 1-for-10 basis. Price—By amendment. **Business**—Development and operation of shopping centers. **Proceeds**—To retire outstanding 6% preferred stock and purchase up to \$6,000,000 convertible debentures of Major Realty Corp., an affiliate. **Office**—223 East Allegheny Ave., Philadelphia. **Underwriter**—To be named. The last rights offering in December 1957 was underwritten by Eastman Dillon, Union Securities & Co., New York.

### ★ Gulf States Utilities Co. (11/13)

Oct. 5, 1962 it was reported that this company plans to sell \$16,000,000 of first mortgage bonds due 1992. **Proceeds**—To retire a like amount of 5¼% bonds due 1989. **Office**—285 Liberty Ave., Beaumont, Tex. **Underwriters**—(Competitive). Probable bidders: Salomon Brothers & Hutzler—Eastman Dillon, Union Securities & Co. (jointly); Stone & Webster Securities Corp.; Halsey, Stuart & Co. Inc.; Merrill Lynch, Pierce, Fenner & Smith Inc.—White, Weld & Co. (jointly); Lehman Brothers. **Bids**—Expected Nov. 13.

### ● 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.

Oct. 10, 1962 it was reported that the company plans to sell \$8,000,000 of first mortgage bonds and \$4,000,000 of common stock in late May, 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 de-



velopment. **Office**—Tokyo, Japan. **Underwriters**—First Boston Corp.; Dillon, Read & Co. Inc.; Smith, Barney & Co., Inc., N. Y.

#### 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. (11/14)

Aug. 28, 1962 it was reported that this road is considering the issuance of \$25,000,000 of collateral trust bonds due 1987, 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. **Bids**—Expected Nov. 14.

#### Montana-Dakota Utilities Co. (12/5)

Oct. 2, 1962 it was reported that this company plans to sell \$12,000,000 of 25-year first mortgage bonds in December. **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. **Bids**—Expected Dec. 5, 1962.

#### 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. (12/4)

Oct. 2, 1962 it was reported that this subsidiary of New England Electric System plans to sell 100,000 shares of cum. dividend series preferred (par \$100) in December. **Proceeds**—To redeem \$10,000,000 of outstanding 5.52% series preferred. **Office**—441 Stuart St., Boston. **Underwriters**—(Competitive). Probable bidders: Merrill Lynch, Pierce, Fenner & Smith Inc.—Eastman Dillon, Union Securities & Co. (jointly); Lehman Brothers; Equitable Securities Corp.; Kidder, Peabody & Co.; Lee Higginson Corp.—White, Weld & Co. (jointly). **Bids**—Expected Dec. 4, 1962 (12 noon EST).

#### New England Power Co. (12/4)

Oct. 2, 1962 it was reported that this utility plans to sell \$12,000,000 of 30-year first mortgage bonds in Decem-

ber, 1962. **Proceeds**—For debt repayment and construction. **Office**—441 Stuart St., Boston. **Underwriters**—(Competitive). Probable bidders: Halsey, Stuart & Co.; Kidder, Peabody & Co.—White, Weld & Co. (jointly); Inc.; Merrill Lynch, Pierce, Fenner & Smith Inc.—Lehman Brothers—Equitable Securities Corp. (jointly); First Boston Corp.; Kuhn, Loeb & Co. **Bids**—Expected Dec. 4 (11 a.m. EST).

#### 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**—815 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); Glorie, Forgan & Co.

#### 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 Gas & Electric Co. (11/27)

Sept. 21, 1962 it was reported that this utility plans to sell \$65,000,000 of first and refunding mortgage bonds due 1987. **Proceeds**—For construction. **Office**—245 Market St., San Francisco. **Underwriters**—(Competitive). Probable bidders: Halsey, Stuart & Co. Inc.; Blyth & Co. Inc.; First Boston Corp. **Bids**—Expected Nov. 27.

#### South Carolina Electric & Gas Co.

Aug. 1, 1962 it was reported that the company plans a rights offering to stockholders of approximately \$8,500,000 of common stock. **Office**—328 Main St., Columbia, S. C. **Underwriter**—To be named. The last rights offering in February, 1958, was underwritten by Kidder, Peabody & Co., N. Y. **Offering**—Expected in the first quarter of 1963.

#### Southern 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 St., Birmingham, Ala. **Underwriters**—(Competitive). Probable bidders: First Boston Corp.; Halsey Stuart & Co., Inc.; White, Weld & Co.—Kidder, Peabody & Co. (jointly); Merrill Lynch, Pierce, Fenner & Smith Inc.—Blyth & Co., Inc. (jointly); Eastman Dillon, Union Securities & Co.—Equitable Securities Corp.—Drexel & Co. (jointly); Morgan Stanley & Co. **Bids**—Expected Nov. 28. **Registration**—Scheduled for Nov. 1.

#### ★ Southern New England Telephone Co. (12/11)

Oct. 5, 1962 it was reported that this A. T. & T. affiliate plans to sell \$45,000,000 of debentures. **Proceeds**—To re-

pay advances from A.T. & T., and for other corporate purposes. **Office**—227 Church St., New Haven, Conn. **Underwriters**—(Competitive). Probable bidders: White, Weld & Co.—Kidder, Peabody & Co. (jointly); Halsey, Stuart & Co. Inc.; Morgan Stanley & Co.; Lehman Brothers—Salomon Brothers & Hutzler (jointly); First Boston Corp.; Merrill Lynch, Pierce, Fenner & Smith Inc. **Bids**—Expected Dec. 11 at 195 Broadway, New York.

#### 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.

#### ★ Tennessee Valley Authority

Oct. 3, 1962, A. J. Wagner, Chairman, stated that the Authority plans to issue \$50,000,000 of short- or long-term securities in the spring of 1963. **Proceeds**—For construction. **Office**—Knoxville, Tenn. **Underwriters**—To be named. On Jan. 24, 1962 the Authority sold at competitive bidding \$45,000,000 of 4½% bonds due Feb. 1, 1987. The issue was won by a group jointly managed by Chase Manhattan Bank; Morgan Guaranty Trust Co. of New York; Chemical Bank New York Trust Co.; C. J. Devine & Co.; and the First National Bank of Chicago.

#### Washington Gas Light Co.

Aug. 1, 1962 it was reported that this company plans to sell \$12,000,000 of 25-year bonds, in the second quarter of 1963. **Office**—1100 H. St., N. W., Washington, D. C. **Underwriters**—(Competitive). Probable bidders: Eastman Dillon, Union Securities & Co.; Equitable Securities Corp.; Kidder, Peabody & Co.; First Boston Corp.; Halsey, Stuart & Co. Inc.

#### Western Light & Telephone Co., Inc.

Aug. 1, 1962 it was reported that the company plans to sell approximately \$5,000,000 of common stock through a rights offering to stockholders, in the second quarter of 1963. **Office**—2015 Forest Ave., Great Bend, Kan. **Underwriter**—To be named. The last rights offering in January, 1957, was underwritten by Dean Witter & Co. San Francisco.

#### ★ West Penn Power Co. (11/8)

Oct. 5, 1962 it was reported that this utility plans to sell \$14,000,000 of first and refunding mortgage bonds due 1992. **Proceeds**—To redeem a like amount of 5½% bonds due June 1, 1989. **Address**—Cabin Hill, Greensburg, Pa. **Underwriters**—(Competitive). Probable bidders: Kidder, Peabody & Co.—White, Weld & Co. (jointly); Halsey, Stuart & Co. Inc.; W. C. Langley & Co.—Stone & Webster Securities Corp. (jointly); First Boston Corp.—Harriman Ripley & Co. (jointly); Lehman Brothers—Eastman Dillon, Union Securities Corp. (jointly). **Bids**—Expected Nov. 8 (11 a.m. EST).

## The Security I Like Best

Continued from page 2

already beginning to pay off. Additionally, contributions to margins could be derived from the continuing sharp declines in prices of chemical raw materials bought from outsiders.

In support of its long-range program to adjust product mix and to speed up commercial exploitation of new ideas coming out of its unusually prolific research, du Pont has stepped up new plant and equipment investment so that, although its 1961 sales were about 7.5% of the chemical market, over the past six years it accounted for nearly 14% of total industry investment (\$1¼ billion out of \$9 billion, all internally generated). Company's high rate of internal capital plowback, combined with an excellent high liquid position and no long-term debt, makes for more effective long-term planning which in the industry often includes large expenditures on products which, though potentially very promising, involve heavy initial risks. This comfortable capital cushion helps to withstand failures while great benefits can be reaped from successes. Within this framework, du Pont has been investing particularly heavily in foreign facilities. Sales from ex-

isting plants abroad increased 26% last year and, together with exports, were equivalent to 17% of du Pont's consolidated volume.

Sales growth slowed down to a little more than 2% annually after 1955, but a 7% sales gain is expected this year. Net income from operations has remained in a generally flat range with last year's \$5.72 a share roughly in the middle of this range. In the first nine months of 1962, operating earnings jumped 22% and, even though

fourth quarter comparisons may be somewhat less favorable, full year operating results could still advance some 20% to around \$6.80-\$7.00 per share, for the first time exceeding the 1955 peak, with total earnings (including G. M. dividend) at \$9.25. Indications are that one-quarter GM share (one-half, if market conditions warrant) will be distributed around mid-1963 and again in 1964, and the remaining 0.37 shares at the beginning of 1965.

## Dealer-Broker Recommendations

Continued from page 8

Also available is a discussion of "Averaging Down."

**Eckert Packing Company**—Analysis—The Ohio Company, 51 North High Street, Columbus 15, Ohio.

**Edgerton, Germeshausen & Grier, Inc.**—Memorandum—Foristall Associates, 420 Lexington Avenue, New York 17, N. Y.

**Electronic Specialty**—Memorandum—Bear, Stearns & Co., 1 Wall Street, New York 5, N. Y.

**Emerson Electric Manufacturing Co.**—Analysis—Dempsey-Tegeler & Company Incorporated, 1000 Locust Street, St. Louis 1, Mo.

**Ennis Business Forms, Inc.**—Analysis—Dittmar & Company, Inc., 201 North St. Mary's Street, San Antonio 5, Texas.

**Flintkote**—Review—F. S. Moseley & Co., 50 Congress Street, Boston 2, Mass. Also available is a review of Food Chains.

**General Acceptance Corp.**—Analysis—Butcher & Sherrerd, 1500 Walnut Street, Philadelphia 2, Pa. **General American Transportation**—Memorandum—Sincere and Company, 208 South La Salle Street, Chicago 4, Ill.

**General Telephone & Electronics Corp.**—Report—Dean Witter & Co., 45 Montgomery Street, San Francisco 6, Calif. Also available is a review of United Aircraft Corp. and a memorandum on Santa Fe Drilling Corp.

**Greyhound**—Memorandum—Courts & Co., 11 Marietta Street N. W., Atlanta 1, Ga. Also avail-

able is a memorandum on Southern Co.

**Grinnell Corporation**—Analysis—New York Hanseatic Corporation, 60 Broad Street, New York 4, New York.

**Hercules Powder Company**—Analysis—J. R. Williston & Beane, 2 Broadway, New York 4, N. Y. Also available is a review of Georgia Pacific Corp.

**Kentucky Central Life & Accident Insurance Co.**—Memorandum—Straus, Blosser & McDowell, 39 South La Salle St., Chicago 3, Ill.

**Leader Durst Corporation**—Analysis—Charles A. Taggart & Co., Inc., 1516 Locust Street, Philadelphia 2, Pa.

**Long Mile Rubber Corporation**—Card memorandum—Scherck, Richter Company, 320 North Fourth Street, St. Louis 2, Mo.

**Longs Drug Stores, Inc.**—Analysis—First California Company, Inc., 300 Montgomery Street, San Francisco 20, Calif.

**Martin Marietta Corp.**—Report—A. M. Kidder & Co., Incorporated, 1 Wall Street, New York 5, N. Y. Also available is a report on Mississippi River Fuel Corp.

**Public Service of North Carolina**—Memorandum—Southern Investment Co., Inc., Johnston Building, Charlotte 2, N. C.

**Quebec Natural Gas Corp.**—Analysis—Greenshields Incorporated, 507 Place d'Armes, Montreal, Que., Canada.

**Radio Corporation of America**—Review—Carl M. Loeb, Rhoades & Co., 42 Wall Street, New York 5, N. Y. Also available are reviews of Beech Nut Life Saver, Northrop, Armour & Co., Island Creek Coal Company, Standard & Poor's Corporation, Philips Lamp, and Audio Devices, and memoranda on IBM and Small Business Investment Companies.

**Royal Dutch Petroleum**—Review—Bache & Co., 36 Wall Street, New York 5, N. Y. Also available are memoranda on Shamrock Oil & Gas, Philip Morris, Reynolds Tobacco, P. Lorillard, American Tobacco, Lane Bryant and Maryland Cup.

**Science Research Associates, Inc.**—Analysis—William Blair & Company, 135 South La Salle Street, Chicago 3, Ill.

**Sterling Oil of Oklahoma Inc.**—Analysis—First Investment Savings Corp., 404 North 21st Street, Birmingham, Ala.

**Tex Star Oil Gas Corp.**—Memorandum—McCormick & Co., 135 South La Salle Street, Chicago 3, Illinois.

**United Nuclear Corp.**—Memorandum—Dempsey-Tegeler and Company, Inc., Vaughn Building, Dallas 1, Texas.

**West Bay Financial Corporation**—Analysis—Mitchum, Jones & Templeton, Incorporated, 650 South Spring Street, Los Angeles 14, Calif.



## The State of TRADE and INDUSTRY

Continued from page 15

buying is lagging at about 60 to 65% of normal.

### 1962's Auto Output Exceeds Last Year's

Production of passenger cars in the U. S. in 1962 will overtake output for entire 1961 on October 29, Ward's Automotive Reports predicted in its latest weekly release.

The statistical agency said record October output of nearly 725,000 units would boom 1962 production to near the 5.6 million level. In the whole of 1961, only 5,516,317 cars were made.

Ward's said that the auto makers scheduled a 2.9% rise in output last week. Planning 155,693 assemblies in the week ending October 12, compared with 151,344 in the prior week, the industry made its 700,000th '63 model last Friday.

More than half of the 47 assembly plants across the nation are presently employing two shifts, and overtime operations remain heavy. Last Saturday 13 assembly lines were working.

General Motors Corp. has assigned Saturday sessions to Chevrolet plants at Flint (Mich.), Willow Run and Janesville (Wisc.), and to combination Buick, Oldsmobile and Pontiac plants at Arlington (Tex.), South Gate (Calif.) and Kansas City.

Ford Motor Co. continues to work lengthened shifts at most plants. Six of its plants worked last Friday, including facilities at Chicago, Dallas, Louisville, Norfolk, St. Paul and Wixom (Mich.).

American Motors programmed its fifth consecutive two-shift Saturday schedule; Studebaker Corp., at South Bend (Ind.) worked nine-hour shifts last Monday and Tuesday and went to 10-hour work beginning last Wednesday. It did not, however, assemble cars last Saturday; Chrysler Corp., also working a five-day program, during the week announced it would increase its work force at its Detroit Jefferson Ave. plant as of Nov. 1. Beginning last week, Chrysler Corp. put out a major work recall to institute a second shift at its Hamtramck (Mich.) plant.

Meanwhile, truck production in the U. S. is running 12.0 per cent ahead of a year ago. It will reach the one-million-unit level during October.

Of passenger car output last week, General Motors is expected to account for 52.6%; Ford Motor Co. 27.6%; Chrysler Corp. 11.8%; American Motors 5.4%; and Studebaker Corp. 2.6%.

Meanwhile combined car and truck output since Jan. 1 passed the 6,000,000 mark last week.

### Rail Freight Loading Fall 7% Below 1961 Week

Loading of revenue freight in the week ended Oct. 6 totaled 594,722 cars, the Association of American Railroads announced. This was a decrease of 2,140 cars or four-tenths of 1% below the preceding week.

The loadings represented a decrease of 45,062 cars of 7.0% below the corresponding week in 1961, and a decrease of 51,264 cars of 7.9% below the corresponding week in 1960.

There were 15,402 cars reported loaded with one or more revenue highway trailers or highway containers (piggyback) in the week ended Sept. 29, 1962, (which were included in that week's over-all

total). This was an increase of 1,941 cars or 14.4% above the corresponding week of 1961 and 3,178 cars or 26.0% above the 1960 week.

Cumulative piggyback loadings for the first 39 weeks of 1962 totaled 522,430 cars for an increase of 89,411 cars or 20.6% above the corresponding period of 1961, and 107,568 cars or 25.9% 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 59 one year ago and 55 in the corresponding week in 1960.

### Truck Freight Volume Gains 0.3% Above 1961 Week

Intercity truck tonnage in the week ended Oct. 6 was 0.3% ahead of the corresponding week of 1961, the American Trucking Associations announced. Truck tonnage was 2.7% below the volume for the previous week of this year.

While the yearly findings show only a slight upturn over 1961, this fact is colored by the unusually heavy volume a year ago at this time. The week-to-week decline is consistent with that experienced during comparable periods in past years.

These findings are based on the weekly survey of 34 metropolitan areas conducted by the ATA Department of Research and Transport Economics. The report reflects tonnage handled at more than 400 truck terminals of common carriers of general freight throughout the country.

### Lumber Output Drops 1.1% Below 1961 Level

Lumber production in the United States in the week ended Oct. 6, totaled 217,068,000 board feet compared with 235,373,000 in the prior week, according to reports from regional associations. A year ago the figure was 219,482,000 board feet.

Compared with 1961 levels, output declined 1.1%, shipments rose 8.1% and new orders declined 0.7%.

Following are the figures in thousands of board feet for the weeks indicated:

	Oct. 6 1962	Sept. 29 1962	Oct. 7 1961
Output	217,068	235,373	219,482
Shipments	223,281	247,362	206,480
New Orders	221,917	238,789	223,520

### Electric Output Up 7.9% Over Last Year

The amount of electric energy distributed by the electric light and power industry for the week ended Saturday, Oct. 13, was estimated at 16,317,000,000 kwh., according to the Edison Electric Institute. Output was 330,000,000 kwh. above that of the previous week's total of 15,987,000,000 kwh. and 90,000,000 kwh. or 7.9% above the total output of the comparable 1961 week.

### Business Failures Drop From Week Ago

Commercial and industrial failures dropped to 298 from 318 in the preceding week, reports Dun & Bradstreet, Inc. Casualties fell short of the 341 and 326 occurring in the comparable weeks of 1961 and 1960. However, 26% more businesses succumbed than the 237 in the comparable pre-war week of 1939.

Failures with liabilities topping \$100,000 declined to 36 from 48 a week ago, but held even with the 1961 level. Among casualties

involving losses under \$100,000 the toll dipped to 262 from 270 in the previous week and from 306 in the corresponding week a year ago.

The week's downturn centered in retailing where the toll dipped to 135 from 152, and in manufacturing off to 43 from 58, construction to 44 from 50. Among wholesaling, there was a contrasting climb to 49 from 31, while virtually no change appeared in commercial service. Fewer concerns failed than a year ago in all groups except wholesaling.

### Wholesale Commodity Price Index Continues Below Prior Month and Year Ago

After rising slightly during the past week, the general wholesale commodity price level turned down to 270.29 this Monday, reported Dun & Bradstreet, Inc. Fractional increases were registered for wheat, oats, lard, sugar, steers, hides, rubber and silver. These advances were offset by substantial dips in quotations for hogs, lambs and steel scrap and slight downturns in quotations for corn, rye and tin.

The Daily Wholesale Commodity Price Index stood at 270.29 (1930-32=100) on Oct. 15, down slightly from 270.41 on the corresponding day last week and appreciably below the 274.38 of a year ago.

### Wholesale Food Price Index Continues Down

Dipping for the second successive week, the Wholesale Food Price Index, compiled by Dun & Bradstreet, Inc., inched down to the lowest level since July 17 and also continued below a year ago. On Oct. 16, the index was off 0.2% to \$5.87 from \$5.88 last week and down 1.2% from \$5.94 in the similar week of 1961.

Lower prices were quoted at wholesale this week for corn, rye, barley, cocoa, eggs, prunes, hogs and lambs. Contrasting increases occurred in wheat, oats, hams, lard, sugar and steers.

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.

### Consumer Buyingfalters

Torrential downpours, the religious holiday and interest in the World Series all helped to keep consumers at home or inside, causing retail volume to falter in the week ended last Wednesday. Aside from sportswear purchases, both men's and women's apparel stores experienced only limited activity. Interest in home furnishings also slackened with most major cities reporting volume erratic or slightly off. Sales of the '63 model cars provided the only highlight of the week in many areas.

The total dollar volume of retail trade in the week ended this Wednesday ranged from 3% below to 1% higher than a year ago, according to spot estimates collected by Dun & Bradstreet, Inc. Regional estimates varied from comparable 1961 levels by the following percentages: New England —8 to —4; Mid Atlantic —7 to —3; East North Central —6 to —2; East South Central and West North Central —4 to 0; Mountain —1 to +3; West South Central 0

## Equal State Banks' Power With Federal Institutions

Continued from page 14

and expand the Federal savings and loan industry.

For instance, it has permitted savings and loan associations to have branch powers equal to those of the most favorably treated financial institutions in any particular state. There is evidence of this in Rochester, where the Federal savings and loan association has 10 branches, and can have more, whereas our savings banks are limited to three.

Furthermore, the Federal Home Loan Bank Board has not imposed across-the-board dividend ceilings on its members. Whatever control is exercised in this respect is presumably done by means of discussions with individual associations.

Perhaps even more significant than these evidences of the Federal Home Loan Bank Board's recognition of the importance of savings is the Board's clearly defined position as spokesman and advocate for the industry in its competitive struggle with other financial institutions.

Still considering the Federal Government, let us turn to the case of the national banks, which are now leading competitors for savings. Their supervisor and advocate is the Controller of the Currency—and Mr. Saxon's recent proposals, to which I will return shortly, make it abundantly clear that he will do everything in his power to permit expansion of the national banking system.

On balance, I think we may conclude that the Federal Government, as represented by the Federal Home Loan Bank Board and the Controller of the Currency, is well aware of the importance of savings, and is actively encouraging the Federally chartered financial institutions to grow and prosper.

### New York State's Views

To return now to another question—Does New York State recognize the importance of savings?

In the first place, the State Banking Law as it relates to savings banks is highly restrictive and complicated. It severely limits and in some cases forbids branches. It imposes a ceiling on the amount of deposits in individual accounts. It forbids the offering of competitive savings account features. It does not permit the offering of services such as small loans to the public. It spells out in minute detail regulations per-

to +4; Pacific +1 to +5; South Atlantic +2 to +6.

### Nationwide Department Store Sales Averaged Out to 1961 Week

Department store sales on a country-wide basis as taken from the Federal Reserve Board's index reported neither a gain nor a decline for the week ended Oct. 6, 1962, compared with the like period in 1961. For the week ended Sept. 29, sales rose 3% from the corresponding 1961 week. In the four week period ended Oct. 6, 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 Oct. 6, were 3% below the same period in 1961.

taining to investments and to the internal operations of savings banks.

In 1960, after a tremendous effort, the Omnibus Banking Law was enacted. That law marked a great step forward, for it indicated that there is dawning recognition of the need for strengthening and modernizing the state's banking system.

Actually, however, that law provided remarkably little for the savings banks. One additional branch in certain locations, nothing whatsoever in others. And it provided for no increase in investment rights or deposit privileges.

Consider, too, the organization of bank regulation within the state. Whereas the Federal Government has established separate agencies for its thrift institutions and its commercial banks New York State law provides for one Banking Department which supervises commercial banks, savings and loan associations, savings banks, credit unions, licensed lenders, check-cashers and others.

Apparently, it was the original intent of the Legislature that the Banking Department concern itself primarily with making sure that depositors' funds were safe. In those far-off days, there was no thought of the complex competitive situations that exist today, and the law establishing the Banking Department did not recognize the now-established need for a protector of the state banking system.

Little by little, through custom and usage, the Superintendent has assumed the role of arbiter between the various segments of state banking and often does speak out for the dual banking system—but is it not fair to ask if this is not a very different concept from that evidenced by the Federal Home Loan Bank Board and the Controller of the Currency?

Is it not natural to wonder if New York State might not consider a similar setup, if it is agreed that the Federal Government's plan has merit?

Now, having asked whether the Federal Government and New York State recognize the importance of savings, I might ask, do our savings banks themselves recognize the importance of the work they are doing?

And the answer today is—yes. If anything, our role as the basic thrift institutions has come into even clearer focus in the present highly competitive atmosphere. So has our role as the major source of mortgage funds for home financing in New York State.

I might add, however, my belief that savings banks can play a somewhat more active and constructive role in helping to rehabilitate the neighborhoods in which their offices are located. The main offices of savings banks, particularly those in the downtown areas of our larger cities, could well become the focal points of urban renewal programs. Many of our banks are already active in this important field.

Thus far, I have tried to make a few simple points. Let me try to sum them up.

First, the importance of savings to the progress and prosperity of this country. This fact cannot be over-emphasized. In fact, the ex-



istence of a large volume of savings is one thing that distinguishes this nation from the underdeveloped countries of the world.

Second, I believe that there are powerful segments of the Federal Government which are actively supporting and promoting Federal and national savings facilities.

Third, in New York State we have a strong banking system—first in importance in the entire nation. It is, however, a system rigidly confined by laws and regulations which may have been appropriate 50 years ago but which are becoming more onerous and restrictive with the passing of each day.

Now, assuming that I am correct on these points, let me ask this question—and it is an important one. What should be done to protect and nurture our New York State banking system, the system which includes state-chartered commercial banks and state-chartered savings and loan associations, as well as the state-chartered savings banks?

#### Recent Commercial Banking Proposals

In seeking the answer to that question, let us turn for a moment to the recent recommendations of the Controller of the Currency's Advisory Committee on Banking. As reported in the press, this Committee—Mr. Saxon's committee—has proposed 84 changes in laws and regulations which would benefit national banks.

Here are a few of the 84 proposals which impinge upon the savings field:

- (1) More liberal lending authority.
  - (2) No reserve deposits against savings deposits.
  - (3) Removal of interest rate ceiling.
  - (4) Transfer of interest controls from the Federal Reserve to the Controller.
  - (5) Increase the limits on loans to one borrower to 10% of capital.
  - (6) Increase mortgage loans to 80% of appraisal.
  - (7) Purchase personal property for the purpose of leasing.
- And so on. But among all these proposals there are two that particularly stand out, it seems to me. These would:

First, reduce income taxes by increasing permitted bad debt reserve to 5% of loans, and

Second, permit establishment of branches anywhere within 25 miles of the main office.

It is well known that national banks already have powers enormously in excess of those possessed by savings banks, and the fact is that the Saxon proposals would give them greater powers still.

Now savings banks have never tried to stand in the way of legislation sought by their competitors. If the national banks want all 84 of the Saxon proposals, that is for them to decide.

As *The New York Times* pointed out recently, the report does indicate the need for a widespread revision of the regulations covering the banking system.

I would like to say here, as forcefully as I can, that state-chartered financial institutions, including savings banks, are as much a part of the banking system as are the national banks—and I would like to state that the state-chartered savings banks, commercial banks and savings and loan associations must have

equal powers within their respective fields.

If the laws and regulations governing national banks are liberalized, then most certainly our New York State Legislature must grant comparable liberalization of state laws and regulations governing our state-chartered financial institutions.

#### State Laws Must Be Liberalized

In fact, the bitter truth is that the state laws must be liberalized just to enable savings banks to obtain rights equal to those now enjoyed by Federal institutions. This liberalization must be done if we are to continue to have a strong and modern banking system in New York State—if our state is to continue to lead the nation in banking.

Therefore I would like today to voice the hope that the great commercial banks of New York State—the state-chartered commercial banks will stand shoulder-to-shoulder with us in an attempt to gain powers equal to those of the national banks and the other Federally chartered financial institutions.

I hope that all the state-chartered banks will come to understand that we have more in common than we do in opposition.

For it seems to me that the constructive approach to banking in New York State is to support, not to oppose—moves that would bring about better banking services for the people of the state. We see no reason to oppose measures that might appear to benefit some competing segment of the industry, provided the public interest will be served.

It is no secret, I hope that our State Association has adopted a simple four-point program—we call it a Growth and Service Program—which is needed to help the savings banks compete with some degree of equality. In comparison with the proposals of the Saxon Committee, our program seems extremely modest. And in framing it, we eliminated from our thinking all proposals that would seem to encroach upon the long established field of commercial banking.

We are not asking for checking accounts, or trust powers, or commercial loans, or corporation accounts, nor for any of a dozen services which we might have included in our program.

We are, however, asking this, and hoping for this. We are asking the state-chartered commercial banks of New York State to recognize the justice and moderation of our program, and the need for it, and to join with us in working, in our state, for equality with the national banks and the Federal savings and loan associations.

If this could be accomplished, the entire financial community of New York State could stand behind its banking leader, Superintendent Oren Root, who is ideally qualified to lead us ahead—and all the banks of the state could work together to bring improved banking facilities to the people of New York State.

We are standard-bearers of one of the most important industries in New York State and in the nation. We must fight for the right to remain standard-bearers. We must fight to maintain New York State's financial leadership.

We must fight for the right to keep our banks vigorous and thriving.

And we must show our fellow bankers in New York State that within our respective areas of

## Doremus Receives Award



Agency Executives admire plaque given Doremus & Company by the National Association of Insurance Agents "in recognition of the agency's outstanding contributions and invaluable services in carrying out the N.A.I.A. advertising program." Looking on are (l. to r.), George A. Erickson, Vice Chairman; Frank E. Schaffer, Exec. V.-P., and William H. Long, Jr., Chairman.

## \$25.6 Million Massachusetts Bonds Offered

The Chase Manhattan Bank and Halsey, Stuart & Co. Inc., are joint managers of an underwriting group which on Oct. 17 offered \$25,600,000 Commonwealth of Massachusetts various purpose general obligation bonds, due Nov. 1, 1963 through 1982. The group was awarded the bonds at competitive sale on a bid of 100.02999 for 3% and 2.80% coupons, setting an annual net interest cost of 2.88059% to the borrower.

The bonds are being reoffered at prices scaled to yield from 1.50% for the 1963 maturity out to 3.50% for those due in 2012.

Among the firms associated in the offering are:

Salomon Brothers & Hutzler; Blyth & Co., Inc.; The Northern Trust Company; Blair & Co. Incorporated; Hornblower & Weeks; John Nuveen & Co. (Incorporated); The Connecticut Bank & Trust Company, Hartford; Dick & Merle-Smith; Adams, McEntee & Co., Inc.

The First Western Bank & Trust Company, Los Angeles; First of Michigan Corporation; Republic National Bank of Dallas; The Ohio Company; Townsend, Dabney & Tyson; Newburger, Loeb & Co.; J. R. Williston & Beane; Ball, Burge & Kraus.

Malvern Hill & Company Incorporated; Van Alstyne, Noel & Co.; Fahnestock & Co.; Brown Brothers Harriman & Co.; Arthur L. Wright & Co., Inc.; J. B. Hanauer & Co.; Kenower, MacArthur & Co.; Shannon & Company; Folger, Nolan, Fleming & Co. Incorporated.

## Assoc. Investment Debentures Sold

Public offering of \$50,000,000 Associates Investment Co. (South Bend, Ind.) 4½% debentures due Oct. 1, 1983 is being made by a group managed by Lehman Brothers and Salomon Brothers & Hutzler, New York City. The debentures are priced at 100.68% plus accrued interest, to yield 4.45%.

The issue is not redeemable before Oct. 1, 1970 except under certain conditions. On and after that date the company may, at its option, redeem the debentures either in whole or in part at prices ranging from 103½% to 100%, plus accrued interest.

Associates Investment is engaged primarily in time sales financing of consumer and industrial products, in wholesale financing, in direct and personal loans and in industrial and commercial financing and in providing insurance incident thereto. It is the fourth largest sales finance company in the United States.

Net proceeds from the sale of the debentures will be initially applied to the reduction of short-term notes due within one year.

Consolidated assets of the company and subsidiaries as of June 30, 1962 totaled \$1,323,465,286.

Total income in the six months ended June 30 amounted to \$77,244,000 compared with \$73,915,000 in the 1961 half year, while net income in the respective periods was \$8,164,000 and \$7,904,000, respectively.

## Current News in the Field

These items are supplemental to similar notices appearing elsewhere in this issue

#### NEW FIRMS

BISMARCK, N. D.—Ward, Inc., Provident Life Building. Leonard F. Ward is President of the firm.

BRONX, N. Y.—Winston E. Allen, 5550 Fieldston Road. Mr. Allen was formerly with Investors Planning Corp.

BROOKLYN, N. Y.—Maurice Talbot, 3215 Avenue H. Mr. Talbot was formerly a principal of Talbot Brahms Associates, Inc.

BURLINGTON, Wash.—Duane Berentson, 515 Fairhaven.

DECATUR, Ill.—Mid-America Bend and Share Co., 256 East Main Street. Officers are R. Ron Heiligenstein, President and Treasurer, and Erik C. Brechnitz, Vice-President and Secretary. Mr. Heiligenstein was formerly an officer of Tabor & Co., with which Mr. Brechnitz was also associated.

JERSEY CITY, N. J.—Lee Securities Company, 665 Newark Ave. Kalman Lee is Proprietor.

NEW YORK, N. Y.—John L. Amberg, 30 East 42nd Street.

service we believe in equal rights and privileges for all state-chartered financial institutions—the savings banks, the commercial banks and the savings and loan associations.

Together, we can maintain the dignity, the prestige, the greatness of New York State as the financial center of the nation and the free world. Or we can watch our state fall from its proud position as the national banks and Federally chartered institutions come to dominate our state's banking system.

To every New York State banker and legislator, and public official I say this—all of us must make our choice.

\*An address by Mr. Mills before the 69th Annual Fall Convention of the Savings Banks Association of New York State, Washington, D. C., Oct. 1, 1962.

NEW YORK, N. Y.—Anthony Shroyer, Inc., 501 Fifth Avenue. Murray Furer is President and Treasurer. He was formerly with B. Ray Robbins Co.

NEW YORK, N. Y.—Stratton & Company, 15 East 40th Street. A. Benjamin Stratton and Joyce Stratton are partners.

NEWTON, Mass.—Nationwide Investment Services, 134 Woodcliff Road. Aaron Sugarman and Gordon M. MacLeod are partners. Both were formerly with Investors Planning Corp. of New England, Incorporated.

PALM BEACH, Fla.—Palm Beach Securities Inc., 235 South Country Road. Ruth B. Sawyer is a principal.

PITTSBURGH, Pa.—Amsbary, Allen & Morton, Inc., Law & Finance Building. Officers are Hugh M. Casper, President; Louis A. Moore, Vice-President; and Larry A. Hirsh, Secretary and Treasurer. All were formerly with Blair F. Claybaugh & Co.

SILVER SPRING, Md.—North American Seaboard Securities Corporation, 912 Thayer Avenue. Melvin A. Robinson is a principal.

WICHITA FALLS, Texas—Davenport, Dillard & Associates, Inc., Staley Building. Officers are John D. Davenport, President; Arvin R. Dillard, Jr., Vice-President; and Richard R. Cocke, Secretary and Treasurer.

#### NEW BRANCHES

BOSTON, Mass.—Melvin Gordon Company, 40 Court Street. Melvin Gordon is Manager.

COLUMBUS, Ohio—Dempsey-Tegeler & Co., Inc., 20 North High Street. Sigmund J. Munster and Thomas L. Hammons are Co-Managers.

GREENWOOD, Miss.—M.A. Saunders & Company, Inc., 120 West Market Street. James C. Tyler is Manager.



# WASHINGTON AND YOU



BEHIND-THE-SCENES INTERPRETATIONS  
FROM THE NATION'S CAPITAL

WASHINGTON, D. C.—After the longest continuous peacetime session since 1949 during the Truman Administration, the 87th bickering Congress finally adjourned, but it is going to be a subject of pro and con debate for some time yet.

The membership of the national law-making body has scattered around the nation and overseas. A substantial number has gone home to do some electioneering because they have opponents in next month's general election.

Besides those who face an opponent on Nov. 6, there are 51 members of Congress who are leaving their positions either in the House or Senate. They are leaving because of voluntary retirement or because they lost out in primary elections.

Eleven of the House members hope to return to Capitol Hill Jan. 9 as members of the Senate.

The political story in Washington runs something like this: The Republicans are going to pick up strength, particularly in the House. Nevertheless, Congress apparently will remain in control of the Democrats. Thus the law-making bodies and the White House will continue in control of the Democrats.

There is no question that President Kennedy has had his troubles during the 87th Congress. It began in a terrible brawl when the Administration forces under the late Speaker of the House Sam Rayburn rallied enough support to pack the House Rules Committee.

## Rules Committee Fight

The coalition between conservative Southern Democrats and Republicans on the Rules Committee had stymied many New Deal and Fair Deal measures, and the Administration hoped that the coalition could be dissolved before New Frontier proposals could be sidetracked.

The bickering was bitter from the outset. The session closed with a sharp verbal assault on the Democratic leadership by Rep. Clarence Cannon, Democrat of Missouri, and Chairman of the House Appropriations Committee.

Up rose Mr. Cannon, who wields marked influence on money matters. "I have sat under 10 speakers," said he, "and have never seen such biased and inept leadership."

The tirade by the Missourian was the outgrowth of the feud between the House and Senate Appropriations Committees in the last two or three months of the session. There has been a growing battle on the question of whether the House should control both appropriations and revenue-raising measures. Of course the dispute has not been solved, nor is it likely to be solved anytime soon.

## New Frontier Gains

President Kennedy, who moved into the White House on Jan. 20, 1961, has had a great deal of frustration since shouldering the great responsibility. Nevertheless, he is an old "pro" in Congressional matters, having served in both the House and Senate before being elected Chief Executive of the United States.

While the New Frontier had some defeats, it nevertheless chalked up some gains in the second session of the 87th Congress. For instance, the liberalized trade bill was approved which was undoubtedly one of the most important, if not the most important, measure enacted into law during the year.

Congress also—just to name a few—passed the Administration's foreign aid bill, even though the total was not as much as the Administration wanted.

While taxes on travel, such as train, plane and bus fares were reduced, Congress raised postal rates, and increased the pay of hundreds of thousands of postal workers and classified Government workers. A tax revision bill passed closing some loopholes, and a compromise omnibus farm bill was enacted.

## Cooperation Banking Services Approved

A measure that will affect many people is the self-employed retirement bill that passed in the closing days. Under this new law self-employed persons may set-up their own retirement fund. They would receive tax deferrals on part of their contributions. The law is expected to result in a yearly treasury loss of about \$115,000,000 a year through tax deferrals.

Another measure sent to the White House in the final days of the long session was a bill permitting national banks, as well as certain other Federally supervised institutions, to perform clerical, and data processing services in the growing automation age on a cooperative basis.

The real purpose of this law is to help small banks and other Federally supervised institutions to combine their services in a cooperative effort. Data processing equipment is too expensive for a small bank to own singularly.

## Business Reports Remain Confidential

Congress also approved legislation that should end the dispute between the Federal Trade Commission and the Bureau of the Census. The confidential census reports that the Bureau of Census have been collecting from businesses for years will continue to be confidential. The United States Supreme Court last year ruled that the Federal Trade Commission and other government agencies had a right to get those confidential reports in connection with its anti-trust suits.

The Bureau of the Census did a little lobbying of its own to get the law changed because it said its surveys since the court ruling had "deteriorated."

## More Public Works Expenditures

The accelerated highway construction program apparently is going to continue for several years. Congress authorized appropriations of \$1,151,400,000 in fiscal 1964 and \$1,140,000,000 in fiscal 1965.

One of the largest public works authorizations in years was one of the last actions taken by Congress. The measure authorizes an esti-

mated \$3,600,000,000 in river, harbor, flood control and beach erosion projects in all the states except Indiana, Colorado, Utah, Vermont, Wyoming and South Dakota.

## President's Biggest Defeat

The biggest defeat for President Kennedy during the session was the medical care bill which would have raised the social security taxes to cover the cost. Although defeated, it is certain to be introduced again in January. Under a resolution adopted, Congress will reconvene on Jan. 9. Without a resolution, Congress would have met on Jan. 3.

The Democrats are planning to use the loss of the medical care bill as a campaign issue between now and Nov. 6, the general election date.

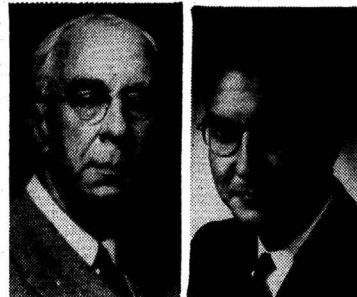
[This column is intended to reflect the "behind the scene" interpretation from the nation's Capital and may or may not coincide with the "Chronicle's" own views.]

## Logan To Be V.-P. Of Walston & Co.

DETROIT, Mich.—Peter S. Logan on Nov. 1 will become a Vice-President of Walston & Co., Inc., members of the New York Stock Exchange. Mr. Logan is a partner in Harris, Logan & Co., Book Building, which will be dissolved.

## Inv. Co. Inst. Names Richardson

The appointment of Dorsey Richardson as President of the Investment Company Institute was announced by Charles H. Schimpff,



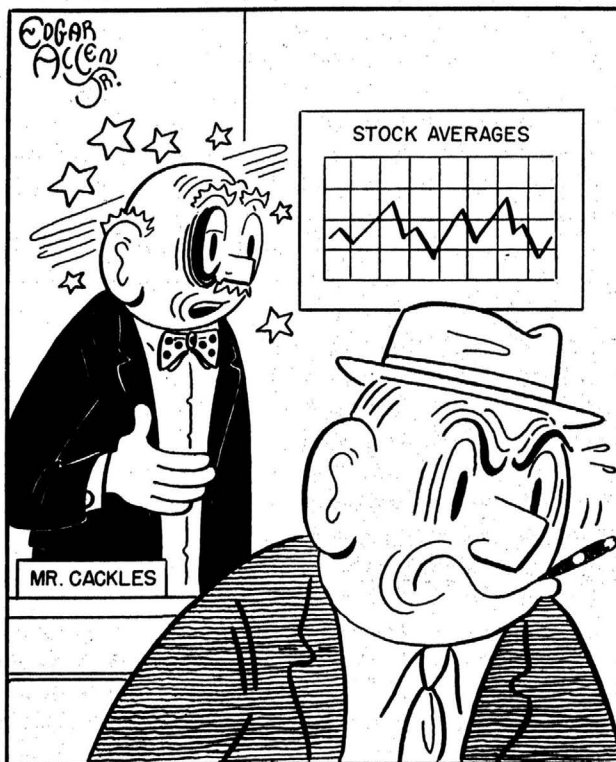
Dorsey Richardson Bruce B. Robe

Chairman of the Board of Governors of the Institute. Mr. Richardson's appointment is for a two-year term.

Mr. Richardson retired last December as President and Director of The One William Street Fund and from his 34 year association with the investment banking firm of Lehman Brothers.

Mr. Richardson headed the Institute from 1945 to 1956 when it was known as the National Association of Investment Companies. He will be the Institute's first full-time, salaried President, this office heretofore being held by an officer of one of the member companies elected by the Board of Governors.

Bruce B. Robe was appointed



"Does this mean you are taking your account elsewhere?"

as Executive Secretary of the Institute.

Mr. Robe, who has wide experience in financial and investment activities and business and industrial management, has been serving as Executive Vice-President and Director of Columbus Capital Corporation, a small business investment company based in Columbus, Ohio.

He formerly was Assistant to the President of Battelle Memorial Institute, an international applied research and development organization. In addition, Mr. Robe has spent several years as a management consultant to industry on business, financial and technical problems.

## COMING EVENTS

### IN INVESTMENT FIELD

Oct. 24, 1962 (Cincinnati, Ohio) Ohio Valley Group Investment Bankers Association Meeting.

Oct. 26-28, 1962 (Hot Springs, Va.) Southeastern Group Investment Bankers Association Meeting.

Nov. 4-9, 1962 (Boca Raton, Fla.) National Security Traders Association Convention at the Boca Raton Hotel & Club.

The CHRONICLE will publish on Nov. 29 a special pictorial Supplement giving complete coverage to the proceedings at the Convention.

Nov. 7, 1962 (New York City) Investment Association of New York Annual Dinner at the Waldorf Astoria Hotel.

Nov. 14, 1962 (New York City) Association of Stock Exchange Firms Annual Meeting of members and organizational meeting of the Board of Governors. Dinner at the University Club.

Nov. 25-30, 1962 (Hollywood, Fla.) Investment Bankers Association Annual Convention at Hollywood Beach Hotel.

The CHRONICLE will publish on Dec. 20 a special pictorial Supplement giving complete coverage to the proceedings at the Convention.

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