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EDITORIAL

As We See It

It would be difficult to say which takes the leading place in the thought of many would-be leaders of popular thought, a "tax cut" or large additions to an already whopping Federal deficit as a means of reducing unemployment and stimulating growth in industry and trade. All too many advocate a tax cut and would rejoice if it were to increase our already disquieting deficit. There are also a good many self-appointed Presidential advisers (and quite possibly some not self-appointed) who are at least as much interested in mammoth deficits as in tax relief. These elements would not only not worry about present expenditures, but would definitely plan greater outlays, and many, if not most of them, would do nothing at all about the rate of progressiveness in our income tax system. Indeed, at least some of them apparently would increase rather than reduce the rate at which income tax rates rise as income increases—increases, that is, in one way or another.

Word has recently come from Paris where European economists have been exchanging ideas about the world and its financial problems that these leaders of thought (if that is what they are) in Western Europe strongly approve tax cuts here, and at the very least are not concerned with the possible increases in our massive deficits. The election returns are being interpreted in Washington as supporting the New Frontier ideas of the President, particularly his belief in the legerdemain of tax reduction and larger deficits as a means of stimulating more rapid economic growth. All in all, it would appear that the stage is being set—whether with design aforethought or not—for a good deal of fiscal madness during the year ahead. It gives us (Continued on page 41)

Funds' Buying Dried Up During Stock Market's Intermediate Rally

By A. Wilfred May

Analysis of 100 investment companies' portfolio operations during September quarter's short-lived rally reveals sharply curtailed buying (keyed to declines in sales of fund shares to the public). . . . Importantly liquidated industry groups included aircraft, automotive, rubber, tobacco and steel. Most widely sold issue was Republic Steel; with Allied Chemical, Ford, I. B. M. and Telephone also substantially sold on balance. Oils dominated buying. Most popular issue was Royal Dutch followed by Standard Oil, New Jersey, and Schlumberger. Interest in foreign issues waned. Redemptions related to fund assets declined.

This analysis of 99 Investment Companies during the September quarter covers a period of stock market's rise and fall. The Dow-Jones Industrial Average which stood at 561 on June 30, advanced sharply to 616 on August 23, and thereupon declined to close the quarter at 571 (leaving a meager 0.04% net gain from the round trip.)

During the quarter the Investment Companies as a whole reduced their gross purchases as compared with the preceding quarter, by 43.5%, and also increased their sales slightly—by 6.9%. This resulted in an unprecedented excess, of *sales* over purchases of $58.1 million in contrast to net *purchases* of $328,000,000 during the previous quarter. The closed-end companies, unaffected by inflowing investable funds derived from the sales of their own shares, almost doubled their net liquidation from the preceding quarter.

The quarter-to-quarter's far greater decline in portfolio purchases than in liquidation was no doubt importantly contributed to by the large drop in the funds' sales of their own shares. In other words, both the public and the fund managements

[Tables appearing on pages 18 and 21 show funds' comparative investment positions; total common stock and other securities transactions; and individual common stock transactions by industry groups.]

were bearish. No less than 29 funds in all categories switched to the net selling-on-balance side from on-balance buying in the preceding June quarter.

The open-end *balanced* funds' third quarter operations aggregated *net* selling of $56 million in the June quarter, to which result the quarter-to-quarter buyer-to-seller change-over by 10 funds importantly contributed. Included in these balanced funds were Axe Science, General Investors Trust, Knickerbocker, Loomis-Sayles, and Wellington.

The open-end stock funds' change-over from net buying by $435 million in the June quarter to net selling of $50 million in the September quarter was abetted by buyer-to-seller switching by 14 such stock funds. These included Delaware Fund, Eaton & Howard, Incorporated Investors, Guardian, Investment Co. of America, United Science, United Continental, State Street, and Selected American Shares.

In the closed-end sector which experienced an overall selling balance in both the June and September quarters, the sellers were joined by four additional managements during the September quarter. These were Adams Express, American European, American International and U. S. & Foreign.

"Bullish" funds buying-on-balance during the September quarter included, among the balanced companies: Broad Street, Investors Mutual, Mass. Life Fund, Shareholders (Continued on page 16)

SECURITIES NOW IN REGISTRATION—Underwriters, dealers and investors in corporate securities are afforded a complete picture of issues now registered with the SEC and potential undertakings in our "Securities in Registration" Section, starting on page 26.

The Security I Like Best . . .

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

This Week's Forum Participants and Their Selections

Northwest Airlines — Donald M. Liddell, Jr., Chairman of the Board, Templeton, Dobbrow & Vance, Inc., New York City. (Page 2)

Kern County Land Co.—George W. Weedon, Partner, Crowell, Weedon & Co., Los Angeles, Calif. (Page 2)

DONALD M. LIDDELL, JR.

Chairman of the Board, Templeton, Dobbrow & Vance, Inc., New York City

Northwest Airlines

Northwest Airlines is the successor to a company incorporated in 1926. Accordingly, it is one of the oldest airlines in the country. It operates close to 19,000 route miles in this country and across the Pacific.

Principal domestic routes connect the cities of the northwest, Seattle, Tacoma, Portland and Spokane with New York, Washington and Florida, via such important points as Minneapolis, St. Paul, Milwaukee, Chicago, Detroit, Cleveland and Pittsburgh. The external operations include service to Alaska, Japan, Hawaii, the Philippines, Korea and Taiwan.

For many years prior to 1960, revenues showed a continuous and rather rapid increase, just doubling from 1953 to 1959. Along with this increase, there was a fairly steady and even more rapid rise in net income. This figure approximately tripled between 1953 and 1959 and increased about eleven times between 1944 and 1959.

In 1960, the uptrend was interrupted due to a combination of mishaps. There was trouble with the new Electra planes. Also, there was a major strike which began in October and which severely curtailed operations until March 1961. In consequence, the company actually showed a decline in gross as compared with 1959 while net income dropped from $3.68 per share in the earlier year to only 75 cents in 1960. If it had not been for profits on the sale of property and for payments made by other airlines to compensate in part for strike losses, the payments being made in accordance with a mutual aid pact, a deficit would have been shown.

Apparently some benefits were derived from the strike, serious as it was. As the result of intensive efforts to economize, the company found ways in which to improve the efficiency of operations. Consequently, results during the past year and a half have been highly satisfactory.

Even though Northwest's 1961 operation was curtailed by the flight engineer strike during the early part of the year, net income for the full year was equivalent to $2.21 per common share, nearly three times the common share earnings reported for the preceding year. For the nine months ending Sept. 30 this year, the company earned $3.83 per share. It appears that for the year 1962 the company should be able to show better than $4 per share of common stock. This would be equivalent to roughly $3.40 per share if the convertible preferred stock were exchanged into common.

Revenues are currently running well ahead of 1961. It may be thought that this is largely the result of the Seattle Fair. Of course, this factor has been helpful but it has been responsible for only part of the gain. While the uncertainties in connection with Cuba may have an adverse effect on winter vacation travel, the company believes that if this situation returns to normal, a considerable improvement over last winter's traffic and revenues could be shown due to new schedules which are expected to provide more and better service.

As to the more distant future, it appears that the CAB is much more aware of the operating problems of the airlines than it was several years ago. It seems likely that fewer new routes will be granted and that competition will not increase materially for some time to come. On the other hand, it appears that traffic on existing lines will continue to grow and that the number of passengers per plane will increase with a disproportionate benefit to earnings. Accordingly, it appears that within a few years this company should be able to earn better than $5 per share of stock even after allowing for conversion of the preferred stock into approximately an equivalent number of common shares.

The common stock is currently selling at about 32 (Nov. 14). Although the yield on the 20 cent quarterly dividend is small now, higher disbursements should follow if earnings improve in line with expectations. The stock, accordingly, appears to be a good bargain at the present time.

GEORGE W. WEEDON

Partner, Crowell, Weedon & Co., Los Angeles, Calif., Members Pacific Coast Stock Exchange

Kern County Land Company

For the investor seeking a share in the continuing growth of California, Kern County Land offers the security of a proven enterprise and the opportunity to participate in the area's expanding industrialization. Kern County Land is a well diversified corporation with interests in oil, minerals, automotive parts, agriculture, livestock, electronics, natural gas extraction equipment, and real estate development. The company owns about 1,783,000 acres of land on the Pacific Coast and in the Southwest (or approximately two-fifths of an acre per share of common stock outstanding).

The major portion of net income derives from oil royalties on California lands. In 1961, the company received $1.28 a barrel for each of the 20,210,000 barrels of crude oil and condensate produced by lessees. To augment this, Kern County Land is also aggressively engaged in the search for oil on leased land in Mexico, offshore Louisiana, Canada and Australia. In September, the Kern County-Union Oil-Australian Oil group announced the successful completion of seven wells in Queensland, Australia and plans for a 200-mile crude oil pipeline.

To further exploit its valuable mineral holdings, the company has entered into an agreement with Johns-Manville to mine and mill asbestos. Pilot operations are also under way in Wyoming and California to test the feasibility of phosphate and borate production in these areas.

Profits from the wholly-owned Walker Manufacturing subsidiary continue to rise, with prospects greatly enhanced by the development of anti-smog auto-muffler and crankcase devices. The 50% owned Watkins-Johnson microwave electronics firm is also expected to contribute modestly to earnings.

Rain has fallen in sufficient quantities this year to insure canal water for crops, thereby reducing Kern County's usual pumping costs for agriculture and therefore directly aiding profits. As the largest integrated cattle operation in the West, the company also looks forward to profits in this area.

Land development operations are in high gear—with important projects in Stockdale and Santa Monica, California and Honolulu, Oahu, Hawaii. California operations are in conjunction with developer Del E. Webb. More than 6,000 acres of company land are being developed at Stockdale, with Kern City (a planned community for retired couples) the main feature. In Santa Monica, Webb and Kern County are involved in an urban renewal project which will comprise 27 acres of beach property—2,000 apartment units and seven acres of commercial property.

Total operating revenues for the year ended Dec. 31, 1962 are expected to top $105 million, reflecting the improvement registered in the first half of the year. Earnings are expected around the record $4.10 a share level.

Listed on both the N.Y.S.E. & P.C.S.E., there are 4,328,932 shares of common stock outstanding, with options to buy 29,016 additional shares. Long term debt is equal to $3,535,078.

Revenues are up over 180% in the past five years, reflecting the company's wise decision to diversify operations. Since 1957, Kern County has acquired Walker Manufacturing, Watkins-Johnson, and its 40% interest in the Australian oil venture. It has also expanded its oil exploration activities, begun exploitation of its other mineral resources and entered the real estate development field.

The future looks very promising indeed. Start-up and change-over costs are diminishing, and already Walker Manufacturing is contributing substantially to earnings. The electronics, real estate and oil operations now appear to be profitable, and the company can depend on its oil leasing and agricultural activities for considerable income.

The common stock of Kern County Land Company, therefore, appears to be a worthwhile investment as both a long range inflation hedge with reasonable return and a long range growth situation.

(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.)

Why Blue Chip Issues Should Be Favored at This Time

By Edmund W. Tabell,* *Vice-President and Director of Institutional Research, Walston & Co., Inc., New York City*

Mr. Tabell believes we reached a major top in 1961 and a major bottom in 1962 and that there will be a long and lengthy consolidation and accumulation in the 700-500 range with the next advance led by strong Blue Chips. Thus, the Wall Street analyst advises selective buying on weakness with preference given to Blue Chip issues at this time. He lists P/E ratios of previous highs and current lows of 35 Blue Chips, and warns against buying what is merely fashionable or repeating the relatively recent error of attributing growth to undeserving issues.

The emotional background of the stock market is subject to sudden and dramatic changes. Two weeks ago, pessimism and bearishness were in the ascendancy. Now the pattern is reversed and the market has advanced 70 points in the Dow-Jones Industrial average for a gain of 12% in 10 trading days.

Edmund W. Tabell

The market is prone to move to extremes—both on the upside and the downside. Regardless of the facts, the market generates the most optimism near the top and the most pessimism near the bottom. Take 1961 as an example. The market in general, and individual stocks in particular, rose to ridiculous heights, based not on immediate earnings, but on a dreamboat future. The inevitable result was a 30% decline from the November 1961 high of 740 to the June low of 525.

Since June, the market has moved back and forth in a trading area between 550 and 620 and the average investor is still a pretty confused individual. Usually, however, the broad market swings brought about by nervous buying and selling results in the formation of a technical pattern on which to base a longer term investment policy.

To summarize the technical pattern:

(1) The stock market made a major top in 1961 at 741.30 in the Industrial average. This high will not be penetrated for a long time to come—probably not until 1964 or 1965.

(2) The decline from the 1961 top to the June low of 524.55 was a decline of 29%. This has been the steepest decline since the 1937 decline of 25 years ago. The decline met support at the logical level off the 1956-1957 high of 525, which was also the approximate technical downside objective of the top pattern formed in 1961 and early 1962. If there is a downside penetration of the June low, it will, in our opinion, be minor in nature. The probabilities are that the market made a major bottom in 1962.

(3) If the two above points are correct, the market will remain in a wide trading area for a long time to come. It could follow the pattern of 1946-1949 when the Industrial average fluctuated in a 20% range for 32 months. The price swings could be somewhat wider and the time period somewhat shorter, however. The probabilities favor 550-525 as the lower limits of the range, and 650-675 as the upper limits.

(4) This broad trading area will eventually turn out to be an accumulation base that will result in a price level considerably above the 1961 highs. It will be an extremely trying period. Many stocks will reach new lows during this basing out process. In 1946-1949, the Industrial Average did not break the initial low of October, 1946, but during the next 32 months, 48 of the 55 Standard & Poor's industry groups made new lows. Selectivity will be of prime importance. Many stocks have reached their lows of the accumulation pattern. Many others will reach new lows before they start their own accumulation patterns.

(5) The upside objective of the May-June base was 620-650. The lower part of this range was reached at 622.02 in August. The downside penetration of the 620-600 area suggested a decline to 580-545. The October low was 549.65. The potential base in the 525-625 area has been broadened and an upside objective of 650-685 is indicated if the August high is penetrated on the upside. We believe it will and continue to suggest a basic policy of buying selected issues on weakness.

What to Buy

The important question, of course, is what to buy. Probably this is a time when it is wise not to try to master-mind the market as far as individual issues are concerned. Fashions in stocks change just as fashions in clothes change. In the last few years while the market was reaching the mature stage of the 12-year advance from the 1949 lows, the

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A Securities Portfolio Selected for Income

By Dr. Ira U. Cobleigh, *Economist*

Selection from the current market of ten diversified and durable dividend payers, providing an average return of over 5%.

In the surging markets of the past decade, the quest and zeal for capital gains has caused a very broad group of investors to view, with only casual interest, if not disdain, the income their shares deliver in cash dividends. For them, the question to ask in buying a stock has been, "How much (and how fast) will it go up?" and seldom, "What does it pay?." Historically, however, after market selloffs, such as we witnessed last May, accompanied by dwindling paper profits and even losses, there has usually occurred a renewed interest in "pinning down an income." Under such conditions, issues, less volatile in market action, and less likely to produce exciting capital gains, are given more consideration. They are acquired with the selection importantly based on the capacity of each issue to pay dependable cash dividends, on an attractive yield basis.

The Quest For Income

Not only do the more speculatively minded turn to "dividend payers" when markets become less buoyant, but there is an increasing group of senior citizens (17 million Americans, 65 or over) to whom a steady and comfortable income in retirement years is far more conducive to serenity than a program of speculation. Speculation always involves risk of loss, and older folks may not have time to wait for "growth stocks" to flower. Further, any losses in principal for them would be disturbing, and might never be recouped.

Accordingly, we now see a solid market demand for investment-type stocks, and renewed respect for constancy of dividend payments. The recent dividend reductions, in certain steel shares, has prompted a more intensive analysis of the earning power from which dividends flow; and the attractive interest rates now offered by thrift institutions indicate that stocks should yield 5% or better in order to be competitive on a strictly income basis.

Having some of these points in mind, we have outlined below a sample list of income-slanted equities. It is, in no sense offered as a list recommended for purchase; and from the thousands of deserving issues available in the market, dozens of other groupings of securities might easily be made, including none of the following. The purpose in presenting the tabulation is to illustrate the type of better-yielding stocks now available and the sensibly diversified and, hopefully, dependable income they may produce. So, with these appropriate caveats, we shall proceed.

Individual Comment in Capsule

Phelps, Dodge is the second largest American copper producer. The company boasts a long record of successful operation, a talented management, and strong financial resources. The $3 dividend seems securely protected, and there exist, as well, legitimate prospects for possible gain, from improvement in copper prices and the company's aggressive program of seeking out profitable opportunities in the production of a number of needed metals.

Celanese Corp., which started out as a producer of cellulose acetate filament and staple, is now a major company engaged in the chemical up-grading of petroleum and wood into organic chemicals, and the manufacture of broadly useful end products in the fields of fibers and plastics. Celanese now appears in a definite earnings' uptrend.

Champion Spark Plug is the leading producer of spark plugs. Its business derives not only from the equipment of new cars, but the vast, and rising, replacement demand, created by tens of millions of cars, trucks, buses, tractors, marine and agricultural engines in use, throughout the world. Earnings have doubled in the past seven years.

Kansas City Southern ranks among the best managed and most efficiently operated railroads. Dividends have been consistently covered by wide margins ($7.67 per share last year) and the line has formed a holding company, offering considerable promise for effective diversification into other profitable fields.

Continental Insurance is the largest exclusively casualty company, with total resources of well over a billion dollars, including a magnificent investment portfolio. Underwriting results are improving, and ahead lies possible entry of this big company into life insurance. The dividend of $2.20 is well covered and cash dividend income has been supplemented by small extra declarations in stock.

Cities Service is a progressive, integrated oil company, with a sound management, aggressive marketing program and valid potential for long term growth.

El Paso Natural Gas is one of the major gas pipelines in North America. It has had some problems respecting regulation and rate structures that are the cause of the present rather low price of its common. For the long term pull, however, the growth rate in the vast territory served, the stores of reserve gas owned or controlled, and the historic record of managerial excellence point to the worth of El Paso common, at current levels.

National Tea is a broad gauged grocery chain, providing good consumer distribution, with a respected management and a rewarding yield on its common stock.

New England Telephone & Telegraph common, which has paid continuous dividends since 1886, requires no special introduction. It is of investment quality by any and all standards of intelligent security analysis. If it yields a bit more than other telephone shares, that is, perhaps, due to the fact that the territory served is not one of the regions of most rapid population growth.

Lone Star Cement ranks among the very largest cement companies. Wide geographical diversification of its plants, and efficient manufacturing and selling have contributed to delivery of solid and rewarding net earnings year after year.

In summary, this list is more of a road map, a challenge to investigation and comparison, rather than any difinitive description of how you should spend your money to produce diversified dividend income. With 4,000 issues listed on our exchanges, and 40,000 issues traded with some frequency in the Over-the-Counter Market, there is plenty of room for substitution of other deserving issues. The things to seek are sound managements, proven durability of earning power, and satisfactory yields.

POSSIBLE STOCK SELECTIONS FOR THE INVESTMENT OF $10,000 TO YIELD ABOVE 5%

Issue	No. of shares	Approximate Cost	Indicated Dividend Rate	Annual Income
Phelps Dodge Corp.	20	$1,050	$3.00	$60
Continental Insurance	20	1,100	2.20	44
Champion Spark Plug	30	1,000	1.80	48
Kansas City Southern	15	1,130	4.00	60
Celanese Corporation	30	1,050	1.60	48
Cities Service	20	980	2.40	48
El Paso Natural Gas	50	900	1.30	65
National Tea	60	900	.80	48
New England Tel. & Tel.	20	880	1.90	38
Lone Star Cement	50	900	1.00	50
		$9,890		$509

Composite Yield: 5.14%

The State of TRADE and INDUSTRY

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

Short-term borrowing by businesses expanded sharply during the third quarter even though over-all economic activity has risen only slightly since July, reported the Federal Reserve Bank of Chicago in the November issue of *Business Conditions*.

Many analysts, the Bank noted, are puzzled whether the recent upsurge in credit demand may signal better business news ahead or whether it is just another temporary spurt such as occurred in December of last year and again in February and March.

After a sluggish showing in July, which was in part seasonal, business loans at large banks in major cities across the country rose $1.1 billion in August and September. This was an increase of 4%, much larger than that seen in similar months of other recent years, the Bank said.

The strongest demand for business loans during August and September came from public utilities and durable goods manufacturers. However, loans to food processors and commodity dealers, usually large seasonal borrowers, were the lowest in recent years.

According to the Bank, part of the increase in bank borrowing by public utilities and durable goods firms during August-September may have reflected interim financing in anticipation of better opportunities to borrow in the bond market or to sell additional stock in the months ahead.

Part of the increase also may have reflected borrowing for corporate tax payments due Sept. 15. However, there was no apparent reason why tax borrowing should have been especially large. Corporations increased their holdings of short-term securities substantially in July and August, largely reflecting temporary investment of funds earmarked for tax payments, the Bank said.

Banks in the Seventh Federal Reserve District did not participate in the recent strengthening of business loan demand to the extent they did earlier in the year, the Bank noted. They accounted for only about 10% of the loan expansion reported by the nation's leading banks during August and September. In the preceding six-month period they accounted for about 18% of the increase. Reports from Seventh District banks indicated that loan demand remained relatively weak in the Midwest during most of October but rose sharply in the final week.

The Bank also noted a sharp rise in mortgage lending activity by commercial banks since the first of the year. The need to cover considerably high costs of time deposits was cited as a contributing factor.

Five-Fold Increase in Real Estate Loans

During the first nine months of 1962 the large banks in the leading cities in the United States increased their real estate loans by $1.5 billion—more than five times as much as in the same period a year earlier. Midwest banks reported roughly similar gains in mortgage lending activity.

Increased activity in the mortgage market by banks and other lenders has brought a gradual liberalization of mortgage terms in recent months. Nominal interest rates on conventional mortgages are reported to have declined by as much as a half percentage point since the first of the year.

The foregoing has occurred against a background of strong mortgage demand, the Bank said. The monthly volume of nonfarm mortgages, seasonally adjusted, reached a net record high by midyear. Recordings of mortgages of $20,000 or less in June totaled $2.9 billion, or 12% above June of last year. This largely reflects the strong showing of residential construction activity.

Bank Clearings Rise 7.9% From 1961 Week's Volume

Bank clearings this week will show an increase 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, Nov. 10, clearings for all cities of the United States for which it is possible to obtain weekly clearings will be 7.9% above those of the corresponding week last year. Our preliminary totals stand at $28,113,988,308 against $26,045,361,145 for the same week in 1961. Our comparative summary for some of the principal money centers follows:

Week End. Nov. 10—	(000s Omitted) 1962	1961	%
New York	$15,168,325	$13,274,221	+14.3
Chicago	1,259,215	1,189,601	+ 5.9
Philadelphia	1,047,000	1,049,000	— 0.2
Boston	895,397	795,611	+12.5
Kansas City	500,441	518,226	— 3.4

Stepped-Up Buying Brightens Fourth Quarter Steel Outlook

Strong demand for automotive steel is brightening the fourth quarter outlook for the steel industry, *Steel* magazine said this week.

Automakers are ordering extra tonnage and asking suppliers to ship some of their December steel ahead of schedule.

There is a good chance for a continued uptrend in steel production if new car sales continue at last month's record pace and automakers build as many cars as they have tentatively programed for November (660,000 to 700,000).

Other users have also stepped up their buying. Pressure for quick deliveries is mounting, and that suggests inventories are returning to normal levels. Between now and yearend, stocks will probably be cut by an additional one million tons. Liquidation will end by Dec. 31, with stocks between eight million and nine million tons.

Several of the industry's largest producers estimate their November bookings and shipments will slightly exceed last month's figures. Products in best demand: Hot rolled and cold rolled sheets, hot rolled bars, and cold finished bars.

Steel ingot production is at the highest level since the first week of May. Output this week is expected to be slightly higher than

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How "People's Capitalism" Was Achieved in Japan

By Terumasa Hasebe,* *Managing Director, Nikko Securities Co., Ltd., New York, N.Y.*

Amazing to American broker-dealers is the phenomenal number of shareholders in Japan — where there was none 13 years ago — out-ranking Europe and ranking second to U.S.A. as per cent of population. Mr. Hasebe details unique selling and investor-educational techniques employed so successfully to bring about "people's capitalism." In briefly highlighting Japan's exceedingly rapid growth rate and need for capital, the writer indicates that the present $150 million direct purchases of Japanese stocks by Americans are expected to rise to $300 million annually within the next five years. Among the measures employed by the author's firm to help bring about small stock ownership are: free correspondence courses, TV classes, and the establishment of branches at rail terminals, subways, department stores and shopping centers — wherever customers are. Indicative of the successful investor-education is the fact that about 40% of Japanese stocks are already owned directly by women investors.

Japan has become a nation of investors.

And the adoption of what New York Stock Exchange President Keith Funston has termed "people's capitalism" has come about, in no small measure, because millions of Japanese have been sold on the idea of investment in securities.

Terumasa Hasebe

In the U. S. the sale of stocks as well as bonds and mutual funds still maintains an aura of "high finance." Most of the larger firms have been banker rather than individual investor oriented.

But in Japan, for the past 10 years, we have concentrated on bringing stocks to our people in a way that has often amazed even the Merrill Lynches, Baches, du Ponts, and others of the giant American "wire" houses.

Many factors have had a bearing on the success of this Japanese distribution operation. Certainly the convenience to a Japanese investor of buying securities almost in the same easy fashion as he—or she—buys groceries or soft goods, has helped.

The average Japanese can, and does, purchase securities in his favorite department store, in amusement and recreation parks, in subway and suburban railway stations, and in scores of other locations which Americans might find unusual.

In many such locations, and in countless others, securities houses maintain what we call "public relations centers." These are really more like the investment information center which Merrill Lynch maintained for a time, in Manhattan's Grand Central Station.

All these things, plus others I discuss later in this paper, have been responsible for our ownership figure which is 4% to 5% of our population.

For comparison, the latest study issued by the New York Stock Exchange on American stock ownership shows approximately 8% of all Americans owning shares.

Thus, within the short space of 13 years, Japan's investors have climbed to second place among the free nations in number of shareholders.

Looking back on this growth—even as an active participant—I find it little short of phenomenal.

Before detailing how we have brought securities to Japan's man —and woman — in the street, I should like to recapitulate briefly some of the reasons for this growth.

Reasons for Phenomenal Shareholders' Population

Japan's industry at war's end was at a standstill. Our industrial plant and equipment were almost totally destroyed. Our population was on the verge of starvation. Commerce and industry had ground completely to a halt.

As a Japanese, I not unnaturally, have reservations regarding the effectiveness of some of the measures adopted by General MacArthur and his headquarters.

But speaking as an investment broker, I can applaud the SCAP decision to assign to Japan's securities houses the task of disposing of the shares of the Zaibatsu, Japan's great prewar family holding firms.

This decision to broaden the ownership basis of Japanese industry was taken in 1947. This was nearly two years before the Tokyo, Osaka and Nagoya stock exchanges were permitted to reopen their doors and commence trading.

When the stock exchanges were reopened, trading was conducted under a new Securities & Exchange Law. It was patterned after U. S. A. securities acts of 1933 and 1934. Protection of stockholders became a major consideration. Unlike prewar, the exchanges were placed on a membership basis.

Much of the success in the establishment of a democratic and broad-based securities market in the past decade is due to these measures. And, as I am sure many know, this is a phenomenon still largely limited to the U. S. and Japan.

There have been, in recent years, increases in share ownership in both Germany and Great Britain based on a recognition of the potential advantage of wider corporate ownership.

But even today most European stock exchanges and their member houses remain closed clubs. Shareholding is limited almost entirely to large-scale professional investors.

How is "people's capitalism" brought to the people when there has been no previous tradition of small stock ownership? My own company has, in many instances, taken the lead.

We now have about 8,000 employees, 112 offices, in 1961 the value of securities traded for customers was $11,430,000,000. But while we may have shown the way, our competitors have been quick to recognize the success of our techniques.

Admittedly, our drive to attract the small shareholder has a sound economic reason—the shortage of capital prevalent in Japan since the war.

The average Japanese has a strong ingrained sense of thrift. To finance the rebuilding and then the expansion of Japanese industry, we were faced with the necessity of tapping this potential source of capital.

Today, with one out of every six Japanese families a shareholder, we are moving forward to increase our efforts both at home and abroad.

Our first problem was to make the individual Japanese worker conscious of the potential of investing in Japanese industry. We are as a nation proud and hard-working, and accustomed to saving for the future. How were we to divert these thousands and millions of yen into channels where they would contribute to the rebuilding of the nation's industries?

We have approached this problem from several different directions.

First and foremost, we have employed an educational process —just as here in the U. S. We have sought to persuade the average workman to buy a few shares in a Japanese company rather than to keep his yen at home or in a low interest savings account.

Free Correspondence Courses

Our educational approach has been employed in various ways, through newspapers, magazines, radio, and now, in recent years, television. We offer free correspondence courses on securities investment for both beginners and more sophisticated investors. At last count over 100,000 people had enrolled in our correspondence courses.

Each of the courses has a series of ten books of roughly 100 pages each. These develop progressively from elementary securities information to technical discussions based on material not available in other publications. By the time an individual investor has completed these two courses, I can say without hesitation that he has a considerable knowledge of both the operation of the market and how to invest.

I know that in America it is pointed out that American women control the major share of the nation's capital.

According to recent surveys, some 40% of all Japanese stocks are held by women. Partially, this is a result of the evolving status of women in Japan since the war. Our young women now take jobs and work for a few years before they marry.

Successful Education of Women Investors

But also it is due to the efforts of the securities houses to attract and educate women investors. Back in 1949, for example, our firm began holding study meetings at its head office in Tokyo to disseminate knowledge about investment and securities to women investors. In our early meetings, about 300 women attended regularly. They participated in our discussion groups. Many eventually made field trips to plants and company offices as part of their study.

For them we began publishing a periodical called *Friend of Investment* for which they paid dues of between 30 cents and 60 cents a month. Later we changed the name of this periodical to *Women and Economics*. This year we adopted its present title, *Money Building Age*.

In ten years the membership of the women's investment group had so expanded that we reorganized the club's activities into a branch system. Under this system we had between 200 and 500 women attending weekly investment meetings in each of our offices.

Eventually, we found our women investors becoming so sophisticated that last year we discontinued our special activities for them. The program was self-liquidating.

Although our branches continue their publicity and educational efforts in various fashions, none of these is especially planned for women.

TV Classes for Housewives

We do, however, still have one television program on Monday mornings. We call this our "Economic Class for Housewives." The commentator discusses current topics relating to economic affairs with special attention to security and investment opportunities.

Replacing the old meetings for women investors, we now hold a weekly series of "Management Consultation" meetings. These specialize in management techniques for small and medium-size businesses. Guest lecturers include noted economists who discuss management and investment problems. During these meetings, we also show films on various Japanese corporations.

Among our other television programs, we sponsor jointly with a weekly economics magazine, a weekly half-hour show on Wednesdays called "Information on This and That." The commentator dispenses investment advice to listeners.

More important in terms of viewers is our twice-daily television program telecast directly from the Customer's Room of the Nikko Securities Co. This on-the-spot program keeps investors informed of market movement. The program covers the morning opening for 40 minutes and the closing 45 minutes each afternoon. Program guests include some of Japan's most noted economic writers, commentators and analysts.

Running a security house in Japan means, it seems to me, that you also operate a publishing business. In addition to our monthly magazine *Money Building Age*, already mentioned, we issue a quarterly newspaper for more advanced investors. Its called *Money Building Press*. We also issue a magazine called *Investment Monthly*, and a semi-annual business report.

This last provides data on Japan's leading companies following the closing of corporate accounts on Sept. 30, and March 31 of each year.

Money Building Press is probably our best known publication. It analyzes individual companies and their industries, together with informative sections on how to interpret stock price behavior, movements of the investment trusts, illustrated histories of individual companies and a section for readers' questions and answers.

Investment Monthly is for the more sophisticated investor. It carries comments on both the domestic and overseas economic outlook, research reports on business situations and individual stocks and analyses of economic statistics related to securities movements.

Mail Order and Counselling Department

This past March we decided that there was sufficient interest and knowledge of the stock market to commence a mail-order department. This step, I should add, supplements the buying and selling activities of our 112 branch offices.

Previously we had handled mail-orders as a convenience for our customers. But with the establishment of our new mail-order department, we offer a complete service to the investor unable to visit one of our branches.

The mail-order service offers counseling on securities investment. It provides for the custody of stock certificates and other proxy services, sales and purchases of securities as requested by our clients and a monthly savings service which is a form of investment trust.

We are now working on a method to provide more positive counseling to mail-order clients, to enable them to build up their investments. At present, the most popular items transacted by mail-order are discounted bonds and the bonds of such public corpora-

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Tax-Exempt Bond Market

BY DONALD D. MACKEY

Since reporting a week ago the market for state and municipal bonds has been very quiet with the inactivity stemming primarily from the Monday holiday (Veteran's Day). This coincidence has reduced the present socalled work week to little more than three days should cognizance be given to the almost established fact that Friday has unfortunately become a half holiday for most bond people. Should there be many conscientious municipal bond traders left around they might blush while backing up to the pay window this week for, on performance, there hasn't been much money made.

Reason for Fear

However, the diminished market activity during these few working hours has lent itself to an increased concern about what may be happening to the market and whither it's headed in the near future. As the *Blue List* total increases, and new issue volume looms as potentially expansive, both approaching the tell-tale half billion dollar level, there appears to be more than a little jocular apprehension expressed in friendly trader conversations concerning the present high level of municipal bond prices and the recent apathy in general investor interest.

As if an abrupt happening, the dealers seem concerned with the potential build-up in the supply of bonds. With close to $2,000,000,000 of bonds authorized by the voters on Election Day these worriments are by no means merely ephemeral. With this factor indicative of a continuous if not prodigious flow of new issue financing throughout the year (as if we didn't suspect this anyhow) municipal bond dealers now talk of an easier bond market deriving from a more confident business picture and a better stock market. Their concern is then heightened by allusion to a widely heralded tax cut which is interpreted to mean lower tax-exempt bond prices are just around the corner. And so it goes ad infinitum.

Ahead of Investors

This concern for the market level seems justified to us in light of the gain made during the last two months and particularly that substantial portion of it which accrued since the easing of reserve requirements. Municipal bond prices have been jumped close to one point since this announcement with but little noticeable favorable investor interest. On scarcity, the market had more than discounted the value of this lessening of reserve requirements, and the big investors pretty well know it.

As a result, the tax-exempt bond market now appears as being 10 to 15 basis points ahead of substantial investor interest. A build-up in inventories is developing, with close to $225,000,000 of new issues scheduled for bidding Nov. 13-16. At the market's present level this abnormally high volume seems likely to further swell inventories. A modest retreat from the market's current offering side might well bring in substantial buying. From past performances, however, it appears inevitable that both calendar and inventories must increase before new issue bidding becomes properly realistic.

Decline May Be Moderate

We believe that any market reaction will be limited to correcting the extravagant recent advance triggered by the lowered reserve requirements, the strong government bond market and the recent scarcity in new municipal issues. This may amount to very little in practical terms. After all is reviewed, we must recall that the national Administration, as well as most state and city administrations, desire cheap money. While our government has been working diligently in this direction, international thinking appears recently to be tending towards an easier money philosophy also.

Per Jacobsson's recent pronouncements lead inevitably to this general conclusion. His big fear is the advent of deflation and its consequential diminished business tempo. The logical inference is that much easy money must flow before the wheels of industry regenerate a volume of economic activity seriously impinging on the ability of the managers to keep money in supply. Let's face it, we must have all this and then some in order to reach, let alone maintain, "suspended dynamism."

Tax Cut Dubious

Those expressing concern for a tax cut as a factor for further market decline might well peer beyond the headlines and consider the real problems. The tax planners are far ahead of the public in this regard. The present confusion of national interests has become too involved to allow substantial budget cutting; actually the budget seems likely to increase. Fiscal responsibility rules out the compounding of the present deficit (estimated at $7,800,000,000) through the granting of meaningful tax relief.

Although gradual tax reform is now being headlined as desirable, under present fiscal circumstances and conditions such reform might be longer coming than was the reduction in the wartime transportation tax. This took 15 years or more.

Yield Index Unchanged

The Commercial and Financial Chronicle's high grade 20 - year general obligation bond yield Index averages out at 2.904% for the past week. This Index is derived from our selected list of actual bond offerings. This is practically unchanged from the level of a week ago when the Index was 2.903%. This slight market change is its first negative inclination since the market turn in early August.

The new issue calendar, including the tentatively scheduled as well as scheduled offerings, now totals approximately $450,000,000 through the year's end. This continues as a moderate total and one that should be exceeded as an annual average if for no other reason than market balance.

The largest offering now scheduled is comprised of New Housing Authority issues totaling $100,130,000 for sale on Dec. 12.

Bulge in Inventories

Inventories appear to be expanding again as recent new issues have met with less enthusiastic investor welcome. From the appearances of recent dealer offering sheets and relying on a rule of thumb measurement, we would guess that many dealers are carrying more inventory as a matter of policy than has usually been the case.

The *Blue List* of state and municipal offerings now totals $445,048,000. A week ago this total was $406,006,626. As large a total had not previously shown since early August.

Recent Awards

This past week has been belatedly active in the new issue underwriting field with $160,831,000 of various bonds selling at competitive bidding. Last Thursday, while not overly heavy in volume, saw four issues of general importance come to market. The largest issue of the day, $4,000,000 Galveston, Texas Wharves and Terminal revenue (1965-1988) bonds, was purchased by the group headed by *Phelps, Fenn & Company*, at a net interest cost of 3.3086%. The runner-up bid of a 3.319% net interest cost was made by F. S. Smithers & Company and associates.

Associated with Phelps, Fenn & Co. as major underwriters of the winning group are Rauscher, Pierce & Co., Inc., A. C. Allyn & Co., Inc., Estabrook & Co., Julien Collins & Co., Wood, Gundy & Co., Dittmar & Co., Inc., McCormick & Co., Hattier & Sanford, George K. Baum & Co., Charles B. White & Co., and Herbert J. Sims & Co., Inc. Scaled to yield from 2.00% in 1965 to 3.45% in 1985, about one-third of the bonds have been sold. The 1986 to 1988 maturities carried a 1% coupon and were offered at 4.00% yield.

The Port of Seattle, Washington, awarded $2,500,000 general obligation (1964-1972) bonds to the *C. J. Devine & Co.* syndicate at a net interest cost of 2.3247%. The runner-up bid of 2.3267% net

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MARKET ON REPRESENTATIVE SERIAL ISSUES

	Rate	Maturity	Bid	Asked
California, State	3½%	1982	3.15%	3.00%
Connecticut, State	3¾%	1981-1982	3.05%	2.90%
New Jersey Hwy. Auth., Gtd.	3%	1981-1982	3.00%	2.85%
New York, State	3¼%	1981-1982	2.90%	2.80%
Pennsylvania, State	3⅜%	1974-1975	2.70%	2.55%
*Delaware, State	2.90%	1981-1982	2.90%	2.80%
New Housing Auth. (N. Y., N. Y.)	3½%	1981-1982	3.00%	2.85%
Los Angeles, California	3¾%	1981-1982	3.20%	3.05%
Baltimore, Maryland	3¼%	1981	3.00%	2.85%
*Cincinnati, Ohio (U. T.)	3½%	1981	3.10%	2.90%
Philadelphia, Pennsylvania	3½%	1981	3.15%	3.00%
*Chicago, Illinois	3¼%	1981	3.25%	3.10%
New York, New York	3%	1980	3.17%	3.11%

November 14, 1962 Index=2.9046%

*No apparent availability.

Larger Issues Scheduled For Sale

In the following tabulations we list the bond issues of $1,000,000 or more for which specific sale dates have been set.

November 15 (Thursday)			
Elbridge, Van Buren etc., Central School District No. 1, N. Y.	2,000,000	1963-1991	11:00 a.m.
Leland Stanford Jr. Univ., Calif.	2,250,000	1963-2002	2:00 p.m.
Marshall, Texas	1,750,000	1965-1992	2:00 p.m.
Oklahoma City Municipal Improvement Auth. (Rev.), Okla.	10,000,000	--------	--------
Philadelphia, Pa.	26,640,000	1964-1993	Noon
St. Louis, Mo.	6,000,000	1964-1993	11:00 a.m.
Shreveport, La.	9,200,000	1965-1987	10:00 a.m.
South Carolina (State of)	5,000,000	1963-1982	Noon
Syracuse, N. Y.	6,730,000	1963-1976	11:00 a.m.
Univ. of Calif. (The Regents of), Berkeley, Calif.	8,750,000	1963-2000	10:00 a.m.
November 19 (Monday)			
Florida Development Commission, Tallahassee, Fla.	4,160,000	1964-1990	2:00 p.m.
November 20 (Tuesday)			
Cupertino Sanitary District, Calif.	1,700,000	1966-1992	8:00 p.m.
Islip, N. Y.	1,570,500	1963-1992	11:00 a.m.
Jefferson Union High S. D., Calif.	1,430,000	1964-1983	10:00 a.m.
La Porte Indep. Sch. Dist., Texas	1,500,000	1963-1975	7:30 p.m.
Lake County Ela-Vernon Consol. High Sch. Dist. No. 125, Ill.	1,600,000	1972-1982	10:30 a.m.
Livonia Public Sch. Dist., Mich.	7,500,000	1966-1992	8:00 p.m.
Meridian Township, Mich.	1,890,000	1964-1982	8:00 p.m.
Miami University, Ohio	1,050,000	1964-2001	11:00 a.m.
Mt. Diablo Unified School District, (Contra Costa County), Calif.	2,205,000	1964-1983	10:30 a.m.
Richmond County, Ga.	5,000,000	1964-1993	Noon
Simi Valley Unified S. D., Calif.	1,242,000	1963-1982	11:00 a.m.
South Bend, Ind.	1,000,000	1963-1968	2:00 p.m.
University of Mass. Bldg. Auth.	5,150,000	1964-1991	11:00 a.m.
Wabash City Sch. Bldg. Corp., Ind.	2,880,000	1965-1993	11:00 a.m.
Wake County, N. C.	1,000,000	1964-1982	11:00 a.m.
November 21 (Wednesday)			
Glynn County, County S. D., Ga.	1,000,000	1963-1992	2:00 p.m.
November 23 (Friday)			
Chicago, Ill.	7,000,000	1964-1977	11:00 a.m.
November 26 (Monday)			
Akron, Ohio	3,100,000	1964-1983	1:00 p.m.
Cedar Rapids, Iowa	1,370,000	1964-1974	10:00 a.m.
Pella, Iowa	2,180,000	1963-1977	1:30 p.m.
November 27 (Tuesday)			
Bayard Con. S. D., No. 1, N. Mex.	1,600,000	--------	--------
Grant County Cobre Consol. Sch. Dist No. 2, New Mex.	1,600,000	1963-1972	8:00 p.m.
Norman, Okla.	4,400,000	1964-1981	11:00 a.m.
Northwest Wayne County Community College Dist., Mich.	2,435,000	1963-1980	8:00 p.m.
Purdue University, Ind.	9,800,000	1966-2003	2:00 p.m.
St. Landry Parish Consolidated School District No. 1, La.	4,000,000	1966-1988	2:00 p.m.
Texas Water Dev. Bd., Austin, Tex.	15,000,000	1964-1997	10:00 a.m.
November 28 (Wednesday)			
Decatur, Ga.	1,500,000	1965-1992	2:00 p.m.
Jersey City, N. J.	3,000,000	1963-1982	11:00 a.m.
Kentucky (State of)	25,000,000	1972-1990	11:00 a.m.
Leesburg, Fla.	1,000,000	1964-1990	11:00 a.m.
Mobile County, Ala.	3,885,000	1965-1990	10:30 a.m.
Oklahoma City Municipal Imp. Authority (Revenue), Okla.	10,000,000	1971-1999	11:00 a.m.
Pittsylvania County, Va.	2,250,000	1963-1982	Noon
November 29 (Thursday)			
Buena Vista Township, Mich.	2,200,000	1965-1992	7:30 p.m.
Jefferson Parish La.	1,728,219	1964-1972	2:00 p.m.
December 1 (Saturday)			
Los Angeles County Malibu Waterworks District No. 29, Calif.	1,600,000	--------	--------
December 3 (Monday)			
Dallas County (General Obligation County Bonds), Texas	8,000,000	--------	10:00 a.m.
El Monte Elementary S. D., Calif.	3,500,000	--------	--------
Florida. Devel. Commission (Road Rev. Bonds), Broward Co., Fla.	9,000,000	1964-1935	2:00 p.m.
Gary Sanitary District, Ind.	9,900,000	1965-1994	10:00 a.m.
Hemet Valley Union S. D., Calif.	1,084,000	1965-1988	11:00 a.m.
Madison, N. J.	1,360,000	1963-1984	8:00 p.m.
December 4 (Tuesday)			
Garland, Texas	2,440,000	1964-1990	7:30 p.m.
Nashville, Tenn.	8,000,000	1966-1993	7:30 p.m.
Ouachita Parish S. D. No. 1, La.	2,000,000	1964-1983	7:00 p.m.
Salt Lake Co. Granite S. D., Utah	5,500,000	--------	--------
December 5 (Wednesday)			
Cook County Township High Sch. Dist. No. 205, Ill.	4,500,000	--------	--------
Mentor Exempted Village SD, Ohio	1,100,000	--------	--------
Williamsburg, Va.	1,100,000	1964-1983	Noon
December 6 (Thursday)			
Marietta City Sch. Dist., Ohio	2,000,000	--------	--------
December 10 (Monday)			
Maricopa County SD. No. 210, Ariz.	2,400,000	1967-1977	11:00 a.m.

Advance-Decline Line and The Stock Market Outlook

By Lester Wyetzner,* *Stock Market Analyst, Bache & Co., New York City*

Wall Street analyst doubts most stocks have yet reached an important base area. He advises tempering any long positions with stop-loss orders, particularly mental ones. Mr. Wyetzner cautions against mistaking short-lived rallies for marking the end of a decline until majority of stocks goes through a long period of accumulation and building. The stock market analyst arrives at this conclusion after first explaining and then comparing the indicative relevancy of the Daily Cumulative Advance-Decline Line and the Dow-Jones Industrial Average. He observes that the two indicators plus other technical factors indicate: (1) the market drop has yet to be concluded; (2) trading volume is low and the majority of stocks is still in a declining pattern; and (3) there are stocks that do show possibilities of near improvement.

Before going into a discussion of the outlook for the market, I think we must define some terms. First, what do we mean when we talk about the "market?" It may seem a rather simple thing, but how many times have you heard the term defined. From a technical point of view, we must define the word "market" as meaning all stocks traded—not just the 30 stocks in the Dow-Jones Industrial Average nor the 500 in the Standard & Poor's composite Average, but all stocks traded on the New York Stock Exchange. Taking this idea one step further, we have to define the phrase "market action." As we know, all stocks do not perform in the same market at the same time. Therefore, market action can be defined as the action of the majority of stocks.

We are next faced with the problem of determining what the majority of stocks is doing. In approaching this problem, we find that two numbers reported each day by the New York Stock Exchange provide an invaluable guide to the technician. These are advances and declines, the number of stocks that have gone up on any particular day and the number that have gone down. When you realize that the total number of stocks whose prices change during the day usually amounts to 1,000 or more, you can easily see that an indicator based on these numbers provides a far broader picture than any of the popular averages.

Advance-Decline Line

Of course, there are many things that can be done with just two numbers. One of the most important technical indicators in use today is formulated by taking the difference between advances and declines each day and cumulating the difference. The mathematical process involved is simple. Starting on any day in market history, we compute the difference between advances and declines. On the following day the process is repeated and the new difference is added, or subtracted if declines outnumber advances, to that of the previous day. The resulting cumulative difference is then plotted on an appropriate chart. The process is repeated each succeeding day, *ad infinitum*. There is no time period involved. The resulting line can be said to represent the direction of the majority of stocks. We call it the Daily Cumulative Advance-Decline Line. Others refer to it as the breadth of the market but we feel that our title is more descriptive of its actual function. The main use of this index is as a comparative device against the Dow-Jones Industrial Average. Incidentally, we have found that the principal use of the Dow-Jones Industrial Average is not as a representative of the overall market, but as a yardstick against which to compare other technical measurements, such as the Advance-Decline Line. The performance of the Average in this role will be seen clearly as we go along.

Now let us compare the action of these two indicators during the past several years. In late 1958 and early 1959, both the Average and the Advance-Decline Line were rising together. When both indicators move together in the same direction, they reflect a pattern of strength, either a strong upward move or a strong downward move. The combined rise continued into March, 1959. Each index hit a peak in that month, then declined moderately. Shortly thereafter, however, the Dow-Jones Industrial Average resumed its rise and in a short time was again establishing new highs. The Advance-Decline Line, on the other hand, began to establish a downtrend since, following the establishment of its March high, it repeatedly failed to reach that peak in spite of the rise of the Industrial Average. The Average rose to a high of 683 in August of 1959 while, during that period, the Advance-Decline Line was falling. In other words, the Average rose some 80 points while the market was actually falling.

You might well ask how can this occur. The answer is simple. I am sure many have noticed certain days in market history on which the Average rose yet at the same time more stocks declined than advanced. Remember May 29? The newspapers described the action of that day as an amazing rally. It was amazing in terms of the Dow-Jones Industrial Average since that index rose over 24 points. Yet the most important factor to remember about May 29 is that despite the rise of Average, more stocks fell than rose. A series of performances such as this over a relatively short period of time will create the discrepancy we are now discussing.

When Divergences Occur in the Indicators

I said before that when both indicators moved together in the same direction, it indicates a move of strength. However, when a discrepancy occurs between them, it indicates that change is probably taking place. Following the divergence between March and August, 1959, the Dow-Jones Industrial Average reacted, falling to a low of 613 in September of that year. It then began to move up again and in early January, 1960, it established what was then an all-time high at 688. And what did the market do during that time? Absolutely nothing. A weekly chart of the Advance-Decline Line reveals that the market moved practically sideways while the average was going to a new high. In the opinion of many technicians the period of divergence from March, 1959, to January, 1960, was an important part of the preparation for the decline which took place between January and October, 1960. During this latter period, both indexes fell together, indicating that a stronger downward move was in progress. Both hit low points in late October, 1960, and then turned up together. The rise in unison at the end of that year suggested that an important upward move was underway.

Both continued rising together into May of 1961. A reaction took place at that time but it wasn't too long before the Industrial Average began moving up again and by mid-August it had established another new all-time high. The Advance-Decline Line, however, failed by a wide margin to reach the peak it established in May. In other words, the discrepancy between these two major indicators was beginning all over again. It continued in effect throughout the remainder of that year. On Dec. 13, 1961, the Dow-Jones Industrial Average established what is now its all-time closing high of 734.91. At that time the Advance-Decline Line was nowhere near its peak of the previous May. Again we see an extended period of time during which these two major indicators diverged. The subsequent market drop which followed this latest discrepancy is now market history.

We have now seen two cases of b r o a d divergence. The same theory holds true when looking at these indicators in a more narrow aspect. A discrepancy provided a strong warning signal in March of this year. At that time the Dow-Jones Industrial Average rose above the intermediate high it set in February, yet at the same time the Advance-Decline Line refused to better its February peak, creating within a period of only a few weeks, another discrepancy. Immediately thereafter the April-May-June break developed.

Market Drop Not Yet Concluded

Using these two indicators plus other technical factors we can now make some observations about the current scene. The decline last spring carried both the Dow-Jones Industrial Average and the Advance-Decline Line to low points in late June. Both indexes then rallied in July and August. Since mid-August, however, there has been a definite change in the scene. Just two weeks ago the Industrial Average declined but held well above the low it established in June. The weakness in the general market, however, was far greater than that reflected by the average. As a result, the Advance-Decline Line fell below the level at which it stood in late June. We emphasize this point because the pattern created by this action has not, in the past 35 years, been characteristic of the bottom of a major decline. Important market drops have ended with the Average and the Advance-Decline Line establishing new lows together or with the Average falling to a new low while the Advance-Decline Line remained above its previous bottom.

The next point to be made about current market action is that of volume. One of the most outstanding characteristics of the past four months has been the fact that in almost every instance, trading activity during rallies has been decidedly below the level reached during the immediately preceding declines. Still another factor to be considered is the action of individual stocks. The technical patterns of the majority of stocks still do not reflect important changes in the downward patterns which they have been building for many months. What has been happening during rallies is that most issues have been pulling back to their down-trend lines or to areas of major overhead resistance. Take IBM, for example. The stock has dropped so far below its downtrend line that it can rally 30 or 40 points and still be in a declining pattern. This is typical of many of today's volatile issues.

Within the minority, of course, there are stocks which show possibilities of near-term improvement. Allied Chemical, for example, will have completed an

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DEALER-BROKER INVESTMENT LITERATURE AND RECOMMENDATIONS

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

Automotive Industry—Memoranrum with patricular reference to **Maremount Fram** and **Chrysler**—Amott, Baker & Co. Incorporated, 150 Broadway, New York 38, N. Y.

Chemicals—Bulletin with particular reference to **Heyden Newport**—Filor, Bullard & Smyth, 26 Broadway, New York 4, N. Y.

Cigaret Manufacturers—Detailed Survey—The Ohio Company, 15 North High Street, Columbus 15, Ohio.

Construction Industry—Report—Goodbody & Co., 2 Broadway, New York 4, N. Y.

Japanese Listed Stocks—Bulletin—Daiwa Securities Co., Ltd., 149 Broadway, New York 6, N. Y. Also available is a memorandum on **Sankyo Co. Ltd.**

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

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

Life Stocks—Memorandum—A. M. Kidder & Co., Inc., 1 Wall Street, New York 5, N. Y.

Midwestern Utilities for Gain and Yield—Brochure—A. C. Allyn & Co., 122 South La Salle Street, Chicago 3, Ill. Also available are analyses of **Avco, Henry I. Siegel Co.** and **Sunset International Petroleum Corp.**

Municipal Bond Financing in Texas—Review—Federal Reserve Bank of Dallas, Dallas, Texas.

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.

Ohlman's Manual on the Mutual Fund Management Company—A 128-page analysis of management company stocks — Free booklet "W" on request—Laird, Bissell & Meeds, 120 Broadway, New York 5, N. Y.

Over-the-Counter Index — Folder showing an up-to-date comparison between the listed industrial stocks used in the Dow-Jones Averages and the 35 over-the-counter industrial stocks used in the National Quotation Bureau Averages, both as to yield and market performance over a 23-year period — National Quotation Bureau, Inc., 46 Front Street, New York 4, N. Y.

Over the Counter Stocks—840 charts in the current "OTC Chart Manual"—OTC Publications, Inc., Department, CM 1, 82 Beaver Street, New York 5, N. Y.—$15 per copy; $40 for six months; $75 per year.

Railroads — 1962 estimates and nine months summary—Vilas & Hickey, 26 Broadway, New York 4, New York.

Space Age Optics—Discussion in November issue of The Exchange Magazine—20c per copy; $1.50 per year. — Dept. 7, The Exchange Magazine, 11 Wall St., New York 5, N. Y. Also in the November issue are articles on the Stock Exchange of the Future and data on four companies recently listed.

Suggested Stocks—Bulletin—Sutro Bros. & Co., 80 Pine Street, New York 5, N. Y.

Switch Suggestions — Bulletin — Walston & Co., Inc., 74 Wall Street, New York 5, N. Y. Also available is a bulletin on "Doubling Up" in currently depressed issues and a memorandum on **Fred Meyer.**

Tax Free 5½% Income—General obligation municipal bonds of the San Francisco Bay Area—Information—Grande & Co., Inc., Hoge Building, Seattle 4, Wash.

Utility Outlook—Bulletin—Hornblower & Weeks, 1 Chase Manhattan Plaza, New York 5, N. Y. Also available is an analysis of **Federated Department Stores,** and data on **Standard Oil Company of California, North American Aviation, Lockheed Aircraft, Bendix, Brooklyn Union Gas, Columbia Broadcasting System** and **Kroger.**

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Allied Chemical—Review—Newburger & Company, 1401 Walnut Street, Philadelphia 2, Pa. Also available are reviews of **Bearings, Inc., Cluett, Peabody, Continental Oil, Texas Eastern Transmission,** and **Wells Gardner Electronics.**

Amerada Petroleum — Review — Hirsch & Co., 25 Broad Street, New York 4, N. Y. Also available are reviews of **American Can, E. I. du Pont de Nemours, Seaboard Air Line Railroad,** and **Wisconsin Public Service.**

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

American Greetings Corporation—Analysis—McDonald & Company, Union Commerce Building, Cleveland 14, Ohio.

American Metal Climax—Analysis—Harris, Upham & Co., 120 Broadway, New York 5, N. Y. Also available are analyses of **American Motors, Interchemical Corp.** and **May Department Stores.**

Arkansas Louisiana Gas Company—Analysis—Butcher & Sherrerd, 1500 Walnut Street, Philadelphia 2, Penna.

Arlans' Department Stores, Inc.—Analysis—Eastman Dillon, Union Securities & Co., 1 Chase Manhattan Plaza, New York 5, N. Y.

Australian Oil & Gas Corp.—Bulletin—Dempsey-Tegeler & Co., Inc., American Building, Houston, 2, Texas. Also available are comments on **Santos, Ltd.** and **Seneca Oil Co.**

Avco — Memorandum — Paine, Webber, Jackson & Curtis, 25 Broad Steeet, New York 4, N. Y.

Benrus Watch—Memorandum—Van Alstyne, Noel & Co., 40 Wall Street, New York 5, N. Y.

Blackman Merchandising—Memorandum—B. C. Christopher & Co., Board of Trade Building, Kansas City 5, Mo.

Botany Industries Inc.—Analysis—H. Hentz & Co., 72 Wall Street, New York 5, N. Y. Also available is an analysis of **Electronic Associates, Inc.** and a review of the **Department Stores.**

Carriers & General Corporation—Analysis—Gude, Winmill & Co., 1 Wall Street, New York 5, N. Y.

Consolidated Credit Corp.—Data—Ferris & Company, 611 15th Street, N. W., Washington 5, D. C. Also available are comments on **Macke Vending Co.**

Consolidated Laundries—Report—Shearson, Hammill & Co., 14 Wall Street, New York 5, N. Y.

Dictaphone Corp. — Analysis — Schweickart & Co., 29 Broadway, New York 6, N. Y. Also available are memoranda on **General Precision Equipment, McDonnell Aircraft, Montgomery Ward, Pacific Intermountain Express, Philadelphia & Reading** and **Westinghouse Electric.**

Dominion Stores Limited—Analysis—Royal Securities Corporation Limited, 244 St. James Street, West, Montreal 1, Que., Canada. Also available is a report on **Rolland Paper Co. Ltd.**

E. I. du Pont de Nemours & Co.—Analysis—Dreyfus & Co., 2 Broadway, New York 4, N. Y.

Florida Gas Company—Analysis—Straus, Blosser & McDowell, 39 South La Salle Street, Chicago 3, Ill. Also available is an analysis of **Supercrete Ltd.**

General Cigar Company—Comments in current issue of "Investor's Reader"—Merrill Lynch, Pierce, Fenner & Smith Incorporated, 70 Pine Street, New York 5, N. Y. Also in the same issue are comments on **Red Owl, Minneapolis Honeywell, Coffee, Bigelow Sanford Carpet Company, James Talcott & Co., Thiokol, Avco,** and **Kendall Company.**

General Steel Industries Inc. — Analysis — Dempsey - Tegeler & Co., Inc., 1000 Locust Street, St. Louis 1, Mo.

Gillette—Analysis—F. S. Moseley & Co., 50 Congress Street, Boston 2, Mass.

Gimbel Brothers Inc.—Analysis—Halle & Stieglitz, 52 Wall Street, New York 5, N. Y.

W. R. Grace—Memorandum—Sincere and Company, 208 South La Salle Street, Chicago 4, Ill. Also available is a memorandum on **Tastee Freez.**

Haveg Industries—Report—Purcell & Co., 50 Broadway, New York 4, N. Y.

Hicks Ponder Co. — Analysis — Eppler, Guerin & Turner, Inc., Fidelity Union Tower, Dallas 1, Texas.

Horizon Land Corporation—Report—Ross, Lyon & Co., Inc., 41 East 42nd Street, New York 17, New York.

Latrobe Steel—Memorandum—Singer, Deane & Scribner, Union Trus tBuilding, Pittsburgh 19, Pa.

Max Factor & Co.—Analysis—Mitchum, Jones & Templeton, Inc., 650 South Spring Street, Los Angeles 14, Calif. Also available is an anlysis of **Van Camp Sea Food Company.**

McLean Industries—Memorandum—Moynahan & Co., Inc., 111 Broadway, New York 6, N. Y.

Mohawk Rubber Company—Analysis—J. N. Russell & Co., Inc., Union Commerce Building, Cleveland 14, Ohio.

Newmont Mining—Review—Carl M. Loeb, Rhoades & Co., 42 Wall Street, New York 5, N. Y. Also available are reviews of **Rayonier** and **IBM.**

Piedmont Aviation—Memorandum—Carolina Securities Corporation, Insurance Building, Raleigh, N. C. Also available is a memorandum on **Superior Cable.**

Providence Washington Insurance—Memorandum—Carreau & Co., 115 Broadway, New York 6, N. Y. Also available is a memorandum on **Texas Pacific Coal & Oil.**

R. C. Can Co.—Memorandum—G. H. Walker & Co., Broadway and Locust, St. Louis 1, Mo.

Rochester Telephone Corp.—Analysis—J. R. Williston & Beane, 2 Broadway, New York 4, N. Y.

Seaboard Air Line Railroad Company—Review—L. F. Rothschild & Co., 120 Broadway, New York 5, New York.

Seaboard World Airline—Memorandum—Auchincloss, Parker & Redpath, 2 Broadway, New York 4, New York.

Sealecto Corporation—Analysis—Bache & Co., 36 Wall Street, New York 5, N. Y.

Stone Container Corp.—Analysis—Orvis Brothers & Co., 30 Broad Street, New York 4, N. Y. Also available are memoranda on **Tip Top Products, White Motor,** and **Varian Associates.**

Transcontinental Gas Pipe Line Corp.—Analysis—Suplee, Yeatman, Mosley Co., Incorporated, 1500 Walnut Street, Philadelphia 2, Penna.

Union Oil of California—Survey—Abraham & Co., 120 Broadway, New York 5, N. Y. Also available is a survey of **Virginia, Carolina Chemical Corp.**

United Airlines — Report — Uhlmann & Co., Inc., Board of Trade Building, Kansas City 5, Mo. Also available is a bulletin on **Westinghouse Electric.**

United States Finance—Memorandum—D. A. Campbell Co., 45 East End Avenue, New York 28, N. Y. Also available is a memorandum on **Home Installment Finance Industry.**

Universal Oil Products—Analysis—Stein & Bros. & Boyce, 6 South Calvert Street, Baltimore 2, Md.

Westinghouse Electric Corporation—Review—Herzfeld & Stern, 30 Broad Street, New York 4, N. Y.

McCall Heads Charity Drive

Howard W. McCall, Jr., Vice-Chairman of the Chemical Bank New York Trust Company, will serve as Chairman of The Salvation Army New York Annual Appeal for 1963, it has been announced by Arthur B. Langlie, Chairman of The Salvation Army New York Advisory Board and Chairman of the Board of McCall Corporation, and Colonel Edward Carey, Director of Salvation Army Operations in Metropolitan New York.

H. W. McCall, Jr.

Under Mr. McCall's leadership, the 1963 Appeal, which opens in January, will seek $1,800,000 for the support of The Salvation Army's 125 services and institutions in Metropolitan New York and Long Island. This goal is 18% larger than the goal of last year's appeal. The Salvation Army's total operating budget for 1963 is $8,051,257.55. Mr. McCall aims to raise $1,800,000 to cover the complete operating deficit so that The Salvation Army will no longer have to mortgage the future to operate its on-going program of service to the community.

N. Y. Inv. Clubs To Meet

The Greater New York Council of the National Association of Investment Clubs will hold an all-day seminar on Saturday, Nov. 17, at the Statler Hilton Hotel.

Speakers will be:

A. Wilfred May, Editor of the *Commercial & Financial Chronicle,* on "The Pros and Cons of the Mutual Funds and Investment Companies."

James A. Agee, National Director of the N. A. I. C., Detroit, on "Legal and Tax Problems of Investment Clubs."

Mrs. Vicki McCabe, Director of the Greater New York Council, on "You and Your Investment Club."

Lee H. Idleman, Merrill Lynch, Pierce, Fenner & Smith Incorporated, on "Aerospace Issues in the Limelight."

Charles Margolis, J. R. Williston & Beane, on "Selected Realty Stocks for Investment Club Capital Appreciation."

Reservations should be made with the Council, 70 Hudson Street, New York.

Britain Risks Inflation by Ending Wage Restraint

By Paul Einzig

Dr. Einzig states that Britain's recent move to scrap wage-restraint and to turn on the inflationary tap is designed to invigorate business. In reviewing recent and proposed policy changes, the British commentator expresses his fears that the floodgates will be opened to inflationary wage increases, that the efficient-expanding industries will be penalized, and that the improved balance of payments will be jeopardized. In addition, the about-face concession to labor is depicted as occurring at a most inopportune time for British Ford Co.

London, Eng.—With the decision to offer to 400,000 railroad employees a 6% wage increase the British Government has now discarded the last pretense at upholding its policy of wage restraint. The official limit of 2½% has never been strictly observed and recent pay increases — not only in the private sector but also in the public sector—exceeded it considerably. But the offer made by a publicly owned industry of an increase more than twice the official limit has reduced that policy to absurdity. The floodgates have now been thrown wide open for inflationary wage increases.

To realize the full absurdity of the situation it must be borne in mind that the British Transport Commission is engaged in an effort to reduce the number of railroad employees by some 10%, through the closure of hopelessly unprofitable branch lines and of engine repair shops which have become largely inactive owing to the gradual replacement of steam engines by Diesel engines. There was a violent outcry to protest against the idea of reducing the staff and there was a one day token strike followed by threats of further protest strikes. The utmost pressure was brought to bear on the government and on the Transport Commission to retain the unprofitable lines and to continue to employ men for the purpose of repairing steam engines even if there are no steam engines to repair.

Now the normal solution for such a situation would be to reduce the deficit of the railroads by cutting down wages and releasing for other industries the men who are not prepared to work for the lower pay. Even a rigid resistance to wage demands would divert manpower to expanding industries which can afford to pay higher wages.

"Fools' Paradise Economics"

It is an outstanding example of how "Fools' Paradise Economics" operates in Britain today that, even though the railroads have more men than they have use for, they offer them higher pay. This is done in an effort to placate them for the dismissal of redundant employees. Yet it should be obvious that as a result of the higher pay the redundant men will be even more reluctant to leave.

The whole thing reads like *Alice in Wonderland*. But there is worse to come. Instead of being grateful for the original uneconomic wage offer of 5% the three trade unions representing the employees rejected it with scorn and asked a much higher rise. And of course they got it, adding many more millions to the railroad deficit and causing in due course another turn in the inflationary spiral through yet another increase of fares and freights. Those increases have been so frequent in recent years that when one sees headlines about another of them one is never certain whether the report refers to the last increase or the next.

Overcome Stagnation

But possibly the inflationary tap has been turned on deliberately in order to overcome the state of stagnation which undoubtedly exists in industry and commerce. Since it has proved to be impossible to restrain wages by resisting inflation, conceivably official quarters have grown tired of getting the worst of both worlds. Unemployment having risen to above 2% of the employable population, the government is determined to bring about a business revival by every means at its disposal. To that end public expenditure is increased and the purchase tax on automobiles has just been drastically reduced, even though the roads in Southern England are so crammed with motor traffic that any further increase of the number of vehicles might well bring the traffic to a standstill.

In order to encourage capital expenditure by industry the government also definitely promised substantial tax concession on new capital expenditure in next year's budget. Even so, it is by no means certain that there will be an adequate response. Business firms hesitate to engage in new capital expenditure, owing to the uncertainty of the outlook caused by the Cuba and Berlin situation, by the impending decision about joining the Common Market and by the pessimistic views taken about business prospects in the United States. Above all, profit margins are declining and are expected to continue to decline. Evidently, tax reductions are not enough to overcome hesitation due to the uncertainty of the outlook.

It is therefore, conceivable that the government is resorting to another method of bringing about a revival of demand by deliberately giving up its policy to restrain wage increases. If, as is more than probable, the increase to railroad employees will be followed by increases of comparable size in other industries, there is bound to be sufficient additional consumer demand to enable the consumer goods industries to work to capacity. This in turn would lead to increased demand for additional equipment causing an increase in the activities of capital goods industries.

Possibly the government's adviser's may deem it safe to envisage wage increases in view of the steep wage increases that have taken place recently in Germany and other countries. Having regard to the fact that until recently wages in those countries relative to output were well below British wages, Britain can ill afford, however, to keep pace with the increase of wages abroad. It is only by restraining increases at home that the improvement of the balance of payments could be maintained.

Unfortunate Timing Affects British Ford Co.

Incidentally the concession made by the automobile industry could not have been made at a more unfortunate moment. The British Ford Co. at Dagenham, having suffered for many years as a result of lack of discipline among its employees, has at long last decided to make a firm stand to reassert its authority by dismissing the worst troublemakers. For many days the trade unions concerned were uncertain whether to take a tough line, having regard to the possibility of large-scale dismissals through redundancy. Within a couple of hours of the announcement of the purchase tax concession the trade unions announced their decision to organize an official strike at the Ford plant unless the troublemakers are re-engaged. Should Ford yield, all hope of being ever able to reestablish tolerable working conditions at their Dagenham works might as well be abandoned.

Krier, Leadingham With Becker Co.

(Special to THE FINANCIAL CHRONICLE)

MILWAUKEE, Wis. — Wallace Krier and Harry P. Leadingham have become associated with A. G. Becker & Co., Inc., First Wisconsin National Bank Building. Both were formerly Vice-Presidents of the Milwaukee Company.

duPont & Co. to Conduct Open House Meeting

A unique "Open House" meeting to discuss the stock market and investment opportunities for building a second income will be held today at 8:00 p.m. at the Francis I. duPont & Co., offices, 144 East 86th St., Manhattan.

Chester J. Murphy, Manager of the investment firm's Manhattan office, said that the meeting is intended for both experienced and novice investors of this area. There will be an analysis of events influencing market trends, a discussion of securities which lend themselves to investments designed for second incomes, and personalized attention will be given to individuals requiring assistance in developing their own investment plans.

Program for the meeting will include a presentation by Mr. Murphy entitled, "Building a Second Income From Common Stocks." A number of recommended common stocks will be analyzed for current income, increasing income over the years and growth potential. An informative new motion picture in color, "Down Payment on Tomorrow," will be shown and the meeting will be thrown open for a discussion and question and answer period.

After the meeting, the guests will be invited to stay and discuss their personal situations and investment plans with one of the firm's registered representatives.

There will be no charge for admission, but Mr. Murphy said that due to the limited seating capacity and because of the numbers who have already expressed interest in such a meeting, requests for reservations must be made in advance by mail or telephone.

McDonnell Chmn. Of Frisco Ry.

ST. LOUIS, Mo. — At a special meeting of the Board of Directors of the St. Louis-San Francisco (Frisco) Railway Co., William A. McDonnell was elected Chairman of Board to fill the vacancy created by the death of the late Clark Hungerford.


W. A. McDonnell

Mr. McDonnell, who has been a Director of the railroad since March 6, 1953, will resign from his present position as Chairman of the Executive Committee of the First National Bank in St. Louis in order to devote his full time to the railroad, commencing Nov. 19.

Long prominent in banking and civic affairs, Mr. McDonnell was head of the First National Bank in St. Louis from 1949 to 1962, first as President and more recently as Chairman of the Board. He will continue with the bank in an advisory capacity as a Director and a member of its Executive Committee.

SBICs, Commercial Finance Companies Need Each Other

By Herbert R. Silverman,* *President and Chairman of the Board, James Talcott, Inc., New York City*

Noting the rise of SBICs and potential growth in store for both commercial financing and this new investment industry, Mr. Silverman outlines six specific ways to further each other's growth. They include making commercial financing interim funds and intimate financial counseling available to SBICs portfolio companies. Also mentioned are some of the problems facing both types of financing institutions, and the need for making full use of the nation's total financing resources to increase productivity, economic growth and the nation's survival prospects.

I believe that commercial finance companies and Small Business Investment Companies provide complementary financial services that have the effect of strengthening the entire economy as each service expands. Our own experience in developing closer cooperation with commercial banks suggests the wisdom — and mutual profitability — of concentrating on the benefits of cooperation rather than on the bogeymen of competition.

Herbert R. Silverman

Our unique function is to provide interim financing to bridge the gap between equity financing and financing normally available through commercial banks. The financing of receivables figures prominently, but not exclusively, in this function. We advance funds against many types of collateral. The distinctive feature of our operations is the flexibility with which we can custom tailor financing plans to meet the specific needs of many types of clients in many industries anywhere in the country. Because a company like Talcott can offer factoring, industrial times sales plans, leasing plans and rediscount facilities —in addition to accounts receivable financing — we are able to meet just about every interim financing need likely to arise in well-managed enterprises.

The growing acceptance of our commercial financing and factoring services alone is suggested by the fact that industry volume has risen from little more than \$1½ billion in 1941 to nearly \$15½ billion in 1961.

The rapid and solid growth of commercial financing and factoring during the past 20 years may well indicate what is in store for the SBIC program. It is almost impossible to conceive what the dimensions of the American economy are likely to be two decades from now. We can be confident, however, that they are going to be far larger than they are today, with great and complex challenges to those who are responsible for efficient management of the total credit apparatus of the country.

Against this perspective, I would like to discuss three specific subjects.

First, I would like to focus attention on certain potentially fruitful areas of cooperation between commercial finance companies and SBICs.

Second, I would offer for consideration a number of problems in which the SBIC industry and mine share a common concern.

Third, I am going to invite a fresh look at the need for making full use of the nation's total financing resources.

Potential Areas for Cooperative Growth

Taking first things first, it is tempting to speak glibly of "areas of cooperation" without spelling out precisely what the cooperation involves for the parties concerned. I want to avoid this type of generality.

It seems to me that there are six clearly-defined things that we in the commercial finance industry can do to help SBICs.

Our first responsibility is to become more familiar with the purposes and operations of the Small Business Investment Companies. Before we can work together efficiently and productively, people in our field must have a clear understanding of what SBICs can and cannot do—of how they actually operate in a variety of situations. We must have a clear picture of the maximum scope of their operations, as well as the limitations upon their activities. And I think we should get our information by talking directly about SBIC's successes and failures, rather than by reading abbreviated summaries in the press.

The second thing that we can do is to make available more freely to the SBICs both the intuitive and the developed skills that we are forced to use daily in evaluating risks. Please note that I am not claiming that our skills are infallible, or that many SBIC operating executives are not equally sophisticated in this area. My point is that years of accumulated experience, success and error by management people in commercial financing represent a reservoir of talent and judgment that can prove helpful. These managerial skills in appraising the potential for success or failure of a business venture should, I believe, be shared even though there is no immediate tangible return to the commercial finance company. I say this because I am convinced that, in the long run, a strong SBIC structure cannot fail to contribute to our own development and growth.

Sound credit j u d g m e n t, of course, is the end product of analysis of the most reliable experience data available. There may well be occasions when SBIC managers—being willing to make their judgments — merely want access to credit data itself. Thus, I think that the third thing we can do is to develop equitable methods whereby the SBIC's managers can quickly obtain specific credit information that we have been in a position to accumulate and test over a period of years.

A fourth area where we can be of service is through provision of our specialized facilities for making prompt, thorough and perceptive field audits where we have a joint interest in a company. In many situations, these field audits provide the most dependable facts and figures on which credit judgment can be exercised. Techniques for conducting and reporting such audits are being refined continuously. Methods for selecting and training the auditors themselves are similarly being strengthened. The result is that a commercial finance company field audit can, almost without exception, give the most comprehensive picture available of the current financial position and probable future prospects of a business enterprise.

The fifth way in which we can take the initiative in cooperating with SBICs is through increasing willingness to participate with SBICs in making funds available to their portfolio companies. There are undoubtedly many situations —notably those involving seasonal production and inventory problems—where the interim financing facilities of commercial finance companies can be used profitably by SBICs.

Finally, I believe that commercial finance companies can often be helpful with portfolio prospects that require temporary financial assistance before they can qualify for an SBIC loan. The potential for cooperation in this area should parallel our experience in working with both investment bankers and commercial bankers. Here, particularly, our interest in advancing funds on an interim basis to qualified growth firms, certainly complements your interest in proving long-term equity financing to the soundest possible firms in the small business field.

Learn to Work Together

Not long ago, I asked a friend who is a top executive of an SBIC what he thought was the most important thing we could do in connection with developments in the SBIC field.

His answer was brief and pointed.

"Learn to work together," he said. Then he asked me what I thought was the most important thing SBICs could do to cooperate with commercial finance companies.

My answer was the same as his. "Learn to work together."

The specific services each field can offer the other are important, of course. But the absolutely essential element on both sides of the fence is a continuing desire to establish and maintain personal contacts and to keep learning enough of the other fellows' business so that we may be mutually helpful.

For example, as we have studied the SBICs' field of operations, it has appeared to us on a number of occasions that some of their portfolio companies could make better progress if they had access to what might be called intimate financial counseling.

By "intimate," I mean the kind of help and guidance and counsel a businessman can get from another businessman who knows his field, and who have already solved —or helped to solve—a variety of financial problems in the field. These problems might involve financial planning, personnel, the installation of modern reporting systems, changes needed in accounting practice and procedures —and related problems.

Now, as the SBICs come closer to us, and learn to know our operations better, we believe they will become increasingly aware that commercial finance companies have been providing precisely this type of intimate financial counseling with notable success for many years. We believe, further, that it will seem logical that this backlog of experience can be applied in many situations involving portfolio companies.

Financial Management

It has long since become trite to say that lack of sound management in portfolio companies has been a major factor hampering the SBIC program. I am not certain that this is an entirely accurate statement of the problem. Management has many facets. I think it would be more realistic to say that many companies with managements that are strong on research, or manufacturing, or sales, run into trouble simply because they lack adequate experience or counsel in a single area: financial management.

These companies need help but they usually do not require a complete change of management, nor do they require someone to move in on them so closely that little room is left for independent executive action.

This is definitely an area where experienced commercial finance companies can be helpful. And I might add that the manner in which the help is given is nearly as important as the counseling itself. For we have learned how to work productively with sensitive managements, how to counsel effectively w i t h o u t disturbing basically sound company set-ups and how to get companies moving forward without "moving in" on them.

So I am confident that as commercial finance companies and SBICs learn to work more closely together, increasing use will be made of the specialized financial counseling that we can offer.

Thus far, we have been considering problems and opportunities that are concerned rather narrowly with our own fields of operation.

Toward Broader Horizons

If we look beyond today's walls toward broader horizons, we must recognize the existence of certain other problems that deserve at least preliminary attention and discussion on a paper such as this one. I am not certain that I can present solutions to these problems but I believe our common interest is served when we at least acknowledge their existence and consider the need for practical approaches to them.

One of the most compelling demands upon all of us in financing is the challenge to make a meaningful contribution to increased productivity in this country. We are committed to an economy that must continue to grow if it is to be certain of survival. And we are accustomed to measure that growth as a headline writer does, in terms of Gross National Product.

But we all know that a great deal has to happen before the numerical symbols of productivity emerge. The most important thing is a continuing infusion of capital into the production mechanism itself. These funds must flow continuously not only to our giant enterprises but also, and perhaps even more crucially, to the small productive enterprises of today that contain the seeds for much of the progress we hope to record tomorrow. If for no other reason than to stimulate the inventive genius that has traditionally flourished in small ventures, we must redouble our efforts to assure a constant supply of capital adequate to the needs and opportunities throughout the economy.

Again it may be demonstrated through the SBIC program that a new type of financing mechanism can supplement and reinforce, rather than compete with, older forms of financing. We can all make a lasting contribution to the strength of our society by making it possible for an entirely new segment of our economy to test the opportunities inherent in our culture.

We look forward to working closely with SBICs and other financial institutions in meeting the tremendous financing and credit needs that can be foreseen in this nation in the years ahead.

*An address by Mr. Silverman before a meeting of the Northeastern Regional Association of SBIC's, New York City.

Investors Clinic For Women

The fifth annual all day Woman Investors Clinic sponsored by the Federation of Women Shareholders in American Business, Inc. will be held Monday, Nov. 19 at the Waldorf Astoria. P r o c e e d s go toward eliminating financial illiteracy among women. Judge Hilda Schwartz, Treasurer of the City of New York which has a budget second only to the United States, will give a report on the status of women. The afternoon session will include estate planning. Some 14 financial authorities will participate including: Dr. Robert French, President, The Tax Foundation; Franz Pick, publisher, Pick's Currency Report; Jackson Martindell, President, American Institute of Management; Edmund Tabell, Vice-President, director of research, Walston and Company; Walter P. Stern, General Partner and director in charge of foreign research, Burnham and Co. will discuss The Common Market in relation to the Stock Market. Lewis D. Gilbert will lecture on "What Brokers and Investment Counselors Don't Tell You." Mr. Gilbert is publisher of "Stockholders Activities at Corporation Meetings." Judge Edward Kennedy, Earl H. Miner, Trust and Estates, and John Gilbert will be on the panel for updating estate planning. Moderators will be: Faye Henle and Irene Rutherford O'Crowley. Wilma Soss will be the Chairman.

M. B. Lewis With William T. Robbins

(Special to THE FINANCIAL CHRONICLE)

CLEVELAND, Ohio — Milton B. Lewis has become associated with William T. Robbins & Co., Inc., Terminal Tower. Mr. Lewis was formerly Vice-President of Jaffe, Lewis & Co., Inc.

Elected Director

John M. Young, a partner of Morgan Stanley & Co., New York, has been elected to the Board of Directors of American Viscose Corp., it has been announced by Dr. Frank H. Reichel, Chairman.

Outlook for Capital Formation in 1963

By Douglas Greenwald, Manager, Economic Services, McGraw-Hill Department of Economics, New York City*

In projecting a $2.4 billion decline in 1963's capital spending compared to this year's $77.3 billion capital formation, Mr. Greenwald notes an encouraging $1 billion planned increase in plant-equipment expenditures which he believes will forestall any chance of a serious downturn. In fact, he takes an encouraging view of the projected spending in terms of what was pessimistically foreseen only a few months ago. The bulk of the decline is attributed to a fall-off in inventory spending. Factors exerting upward pressure on capital spending are said to be international competition, and accelerated depreciation and tax credit program, and downward spending forces are attributed to existing excess capacity and insufficiently high profits. The steel and non-ferrous industry is singled out for its dramatic about-face decisions to increase sizeably its investment expenditures, and an optimistic forecast is offered with regard to housing-apartment construction in 1963.

The prospects for thoroughgoing tax reform and reduction in 1963 is of prime concern to us in the forecasting profession. Having observed the rocky road traveled by the less sweeping tax revision through this year's Congress, I must confess that I am somewhat skeptical of the prospects for sound over-all tax revision next year especially if the Cuban situation develops into a Berlin situation or a Turkey situation.

Douglas Greenwald

Gauging the future of a free economy can be a fairly difficult undertaking. A minor change in the assumptions on which a judgment is based can easily knock into a cocked hat even the most carefully constructed business forecast. Forecasting capital formation, of course, is no exception to that general hazard. I now turn to the outlook for capital formation in 1963. Capital formation will total $74.9 billion in 1963. This is a drop of $2.4 billion from this year's estimate or somewhat more than 3%.

Capital formation is made up of (1) business investment in new plants and equipment; (2) business inventory change; (3) residential construction and (4) the catch-all group of all other capital formation which includes investment by farmers, professional men and women and private non-profit institutions in buildings and equipment. And also business outlays for some durable items and construction charged to current expense instead of capital account. I plan to deal with the various segments of capital formation in that order.

Business Investment

Business now plans to spend a record dollar volume of $38.15 billion on new plants and equipment in 1963; about 3% more than it invested in 1962.

In physical terms planned investment for 1963 is still 6% below the twin peaks of 1956-1957. We always emphasize the word plans when referring to our investment surveys because that is what our survey reports — the present capital spending plans of a large sample of large companies. We all know plans can change, and in fact, usually do change with the direction of change corresponding very closely to the direction of business. The year-to-year trend is up, but only moderately. The present survey indicates that next year's total planned investment is approximately the same as the current quarterly rate of expenditures for new plants and equipment, as reported by the U. S. Department of Commerce and the Securities and Exchange Commission. Thus expenditures for new facilities will either hold at the current level throughout the year ahead, or turn down moderately some time during the year 1963, and then bounce back again. My own forecast has investment moving up through the early months of 1963 spurred by some carry-over of projects added in the fall of 1962 because of changes in the depreciation rules and the 7% tax credit. A year to year gain of 3%, as now planned by business, eliminates, it seems to me, any possibility of a serious correction in general business during 1963. American industry is not going to seriously trim its plant and equipment expenditures during the year ahead. Therefore, the outlook for general business appears to be a lot brighter than most of us dared to hope it would be, only a few months ago.

In previous fall periods of economic sluggishness, preliminary surveys for the following year indicated a drop in investment was in the cards. In the fall of 1957, the survey for 1958 showed a drop of 7% in plans. In the fall of 1960, the survey for 1961 showed a decline of 3% in plans. But this is not the case this year. The survey suggests investment will be higher, not lower in 1963.

Business currently plans a high level of investment for 1964 too. Preliminary plans for two years ahead, while 3% lower than 1963's planned investment, are at nearly the same level as the amount actually spent in 1962. And several industries now indicate that their 1964 plans are higher than their 1963 plans.

The moderate upward trend of business investment generally is confirmed by developments in the major industrial areas. Manufacturing companies now plan to increase their investment in 1963 by an average of 1%, with 10 out of 15 major manufacturing industries planning to raise investment in 1963. Five out of seven major nonmanufacturing industries plan to increase investment in 1963, with only mining companies and railroads cutting their investment plans for next year.

Steel and Nonferrous Expansion

For individual manufacturing industries, the range between planned increases and decreases is substantial. Manufacturers of basic materials, steel and nonferrous metals, while currently operating considerably below their preferred rates, are planning the largest percentage increases in capital spending for next year, despite the fact that both of these industries are currently operating considerably below their preferred rates and are anticipating no increase in sales next year.

Steel companies, after the fracas with President Kennedy over price increases, announced that their profits were insufficient for them to go ahead with their capital spending plans. They cut them during 1962. But now they are increasing them again, probably because of the liberalized depreciation rules, the tax incentive program and also, perhaps, because of the industry's determination to become more competitive. Planned increases in other manufacturing industries range from a high of 10% in fabricated metals and instruments to a low of 2% planned by food and beverage companies.

But not all manufacturing industries are increasing investment next year. Many, which plan to cut investment in 1963, are industries where sales have not grown as much as was anticipated earlier—electric machinery, construction materials, textiles and miscellaneous consumer goods, such as apparel and furniture.

Textile firms indicate their investment will be off 11% next year. This industry was the first to receive the benefits of liberalized depreciation early in 1962. As a result, investment by textile manufacturers rose 26% this year. But obviously this was as far as they could go.

Commercial and Office Building Expansion

In the non-manufacturing area, the largest increase is planned by commercial businesses. If next year's plans are realized, commercial expenditures will top $10 billion for the first time. This high investment program reflects a continuation in the growth of suburban shopping centers, office buildings and warehouses.

Despite the extraordinary office building activity in recent years, prime office space still is finding a ready market generally. Occupancy rates in office structures in major cities remain high. With the nation's over-all economic prospects for the mid-1960's and later remaining fairly bright, it is clear that demand for additional office space will continue to rise. However, I must add one cautionary note: all new commercial structures in all places will not necessarily be profitable investments.

Both electric and gas utilities plan to increase investment next year. Together they plan to spend 4% more next year, with electric utilities planning to raise their expenditures by a slightly bigger percentage than the gas utilities. Furthermore, the electric utilities already have plans to step up their investment in 1964.

Among the transportation industries, railroads plan to cut back capital spending 12% in 1963, and another 12% in 1964. They cite lower earnings, high costs and declining freight traffic as the reasons. But companies and airlines are also raising their investment. Many airlines are replacing some of the jet aircraft they purchased in 1959-1960 with newer planes.

Manufacturing at 83% Capacity

While factory output has inched forward since last December, companies have added to their capacity so that the net result is that the operating rate for manufacturing as a whole, remains at 83%; the same rate as at the end of 1961. This, obviously, is one reason why investment plans for 1963 are not more ebullient. With industry preferring to operate at about 90% of capacity, there is still quite a lot of spare capacity around. And if production doesn't move up in the next few months, the excess capacity gap will widen.

Another reason why planned investment in new producing facilities is not higher is because of disappointing profits and profit margins. Profits are high but not high enough to give industry the incentive to substantially increase its capital expenditures next year. In the first nine months of 1962 corporate profits after taxes were at the annual rate of $25.8 billion. This was the best profits showing for a nine-month period in our history. 1962 may yet work out to be the best profits year on our corporate record books even with the further changes in bookkeeping that are occurring because of the new depreciation rules.

Despite this record performance, profits have not lived up to expectations. Most of us were not so bold as the Council of Eco-

Continued on page 40

The Market . . . And You

BY WALLACE STREETE

Stocks topped off their post-Cuba rally this week by reaching levels not seen for the industrial average since before the May break. Then when there was a pause to digest the sharp gain, the list held well and few issues were inclined to give important ground even where the profit-taking centered.

It added up to an encouraging performance through a reaction on top of a sensational gain in a short span of time. In only ten sessions, and only one where the industrial average showed a loss, the list had soared more than 55 points.

The progress was so swift that even the most enthusiastic bulls were well braced for a correction of far greater proportions than that which showed up. But basically the power of the advance was such as to change a lot of the thinking in Wall Street.

Where previous declines had broken through supposed support levels easily, to drop to areas lower than expected, the current phase has been the opposite, with strength carrying to areas higher than the technicians had expected.

New Bull Market?

The major debate was over whether this was the start of a new bull swing, or merely a rally in a bear market. Those clinging to the latter idea made the point that the market sell-off, particularly during May and June, had been so violent that it was eminently logical to expect a bear market rally to show equal violence.

To the more hopeful market spectators, the fact that business, while not sensational, was running at a high level without any signs yet of a recession was a background for a new bull swing. Some doubt was being expressed publicly over the possibility of any recession developing and, to this clan, the possibility of stimulating tax cuts next year was added fuel for a better-acting market.

The fact is that there was plenty of room both ways before either school of thought could be pronounced the victor in this guessing game. Much is made that the industrial average had, in the latest upsurge, erased the damage done in May and June. But much damage had been done even before the May break as the industrial average skidded downhill some 10 dozen points.

The total decline came to nearly 200 points — from the November-December peaks above 734 to the June closing low of 535. And despite the latest upsurge, less than a 100 points of the total loss had been recovered; so at best the job of making up lost ground was only half done. Market theory provides for a bull market without eclipsing a previous high but whether the public will accept the theory is moot. For a full dozen years they had become accustomed to a never-ending string of new, all-time highs being posted by the industrial average as the measure of a bull move.

New Friends for Oversold Issues

Even some of the badly-handled items that had suffered marketwise were getting some new friends. Where the talk had concentrated on the overbuilding, and saturation, in the field of bowling pin spotters, lately Brunswick was appearing more in discussions of how deeply oversold it was when its business other than bowling was thriving so well.

Brunswick was something of a regular on the most active list, more times than not at the top of it. Last week a six-figure block of Brunswick had crossed the tape, leading to the belief that shares overhanging the market were finally cleaned up. From there on it proceeded to tack on a handful of points from its year's low.

Like the general market, Brunswick has a lot of territory to cover if it is going to make up to any considerable degree the ground lost so precipitously. In its plunge, Brunswick dropped from nearly 75 to a low of nearly 13 before the general market rally began.

One issue that, like Brunswick, has had a rough time of it, is a former "hot issue"—Horizon Land. This item had worked above 24 in the heyday when offerings were so popular, then promptly lost nearly a score of points in value. It has been a bit steadier lately.

To its followers, Horizon is thriving, sales having grown from \$3.6 million in 1960 to \$6 million in 1961 and \$12 million in its last fiscal year ending May 31. Profits of \$1.49 in the 1961 fiscal year were up to \$1.61 in the 1962 period. The company's estimate is that sales will reach \$15 million in the present fiscal period and provide earnings of around \$2 per share, which would make the present market price less than three times its anticipated per share earnings. This would seem to be a ridiculously low price-earnings multiple if the estimate is borne out. The dividend in this case is stock. So far since it was organized in 1959 its stock payments have been 5% in 1960, 10% in 1961, 5% in 1962 and 10% due next February.

Some listed items had as much trouble marketwise, not the least being Seeburg Corp., the giant in coin-operated phonographs. These shares were above 48 last year, this year topped out at 26 and lately have been available at around half of this year's high. The company has been making progress in rounding out a line of vending machines which, for the fiscal year just closed, accounted for approximately half of the company's sales. Profit for the 1962 fiscal year, still to be reported, is expected by company estimate to show an upturn after declining for the last two years, and projections for the new year are for continued increase as its vending line broadens. So at the very least the shares of the company are certainly well deflated if a turn for the better in its fortunes is being carved out.

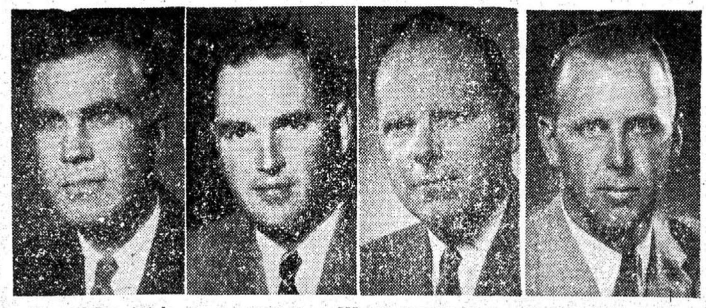
Dictaphone Corp., a name not unknown even to people with no interest in stocks, has had some earnings problems in recent years which, along with the near-collapse of the over-the-counter market when selling was heavy, has swept the price of its shares downhill sharply. At recent levels the going market value has been down to almost a third of '57 high.

After a couple of years of exceptional earnings, the company took a hard fall and set out to rebuild its competitive standing as well as add to its product line while increasing its operating efficiency. Earnings improved last year, but are expected to decline slightly this year because of some temporary expenses, but seems poised for making an excellent showing next year which could be a turn for the better for it.

Carpet issues have been out of popularity for a long time, despite some indications that some have been doing well. Bigelow-Sanford, for one, was sufficiently encouraged by its figures to add an extra dividend to its quarterly payments, nearly doubling the payout of last year and making it a four-fold increase over 1960. Earnings have been on the rise for three years with a broad hint that they will be good enough next year to warrant another dividend boost.

[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.]

Exchange Firms Assn. Elects Officers



Bayard Dominick James C. Kellogg III McKee Nunnally Robert H. B. Baldwin

Bayard Dominick, partner in Dominick & Dominick, New York, was elected President of the Association of Stock Exchange Firms, at the annual meeting of the Board of Governors. He succeeds Brittin C. Eustis of Spencer Trask & Co., New York.

James Crane Kellogg, III, Spear, Leeds & Kellogg, New York, and McKee Nunnally, Courts & Co., Atlanta, were elected Vice-Presidents and Robert H. B. Baldwin, Morgan Stanley & Co., New York, Treasurer.

Mr. Dominick, a member of the Board since 1958, was Treasurer in 1960. He joined Dominick & Dominick following graduation from Yale University in 1937, becoming a partner a year later. From 1954 to 1958, Mr. Dominick was a member of the Board of Governors of the New York Stock Exchange.

Twelve new Governors were elected by the membership and three additional Governors were appointed by the Board, increasing the number of Board members from 35 to 38.

Governors elected and appointed to the Board are: John H. Brooks, Putnam & Co., Hartford; Howard B. Dean, Harris, Upham & Co., New York; G. Shelby Friedrichs, Howard, Weil, Labouisse, Friedrichs & Co., New Orleans; John H. Hayward, Reinholdt & Gardner, St. Louis; James E. Hogle, J. A. Hogle & Co., Salt Lake City; J. Earle Jardine, Jr., William R. Staats & Co., Los Angeles; William D. Kerr, Wertheim & Co., New York; W. Bruce McConnel, Jr., Lazard Freres & Co., New York; William M. Meehan, M. J. Meehan & Co., New York; George J. Otto, Irving Lundborg & Co., San Francisco; Nathan K. Parker, Kay, Richards & Co., Pittsburgh; Robert A. Podesta, Cruttenden, Podesta & Miller, Chicago; Henry W. Putnam, DeCoppet & Doremus, New York; Millard F. West, Jr., Auchincloss, Parker, Redpath, Washington, D. C.; John C. Whitehead, Goldman, Sachs & Co., New York.

Elected as the Nominating Committee for Governors for 1963: James A. Hetherington, II, Goodbody & Co., New York; John D. Baker, Jr., Reynolds & Co., New York; William E. Huger, Courts & Co., Atlanta; Harry C. Piper, Jr., Piper, Jaffray & Hopwood, Minneapolis; Edward Starr, Jr., Drexel & Co., Philadelphia.

SECURITY SALESMAN'S CORNER

BY JOHN DUTTON

We Can All Learn From This Experience

The other day I received a letter from a reader of this column. He is a security salesman and he wrote to me because of an incident that is proof of the value of conscientious application of your job, whatever it may be. Here's what my correspondent had to say:

"Several weeks ago I read in your column entitled 'What Did You Do Last Week?' some of the things we securities salesmen should do, and often what many of us don't do; especially during periods when there is discouragement around us. Possibly some of your friends might be interested in an experience I had last week that illustrates the value of staying on your job, keeping busy, and possibly might also be described as just plain, old fashioned 'work.'

"I went out for a cup of coffee about ten-thirty the other morning with another salesman. The market was dragging along, and we told our telephone operator we would be back in about ten minutes. When I returned there was a typewritten note from an alert secretary on my desk. It stated that a Mr. Johnson had called the office and asked to be placed on a mailing list to receive a copy of *Bank Guide* which is published semi-annually by my firm. The secretary then dutifully checked the customer files and discovered that a year and a half ago I had bought a block of bonds from this man. She then, according to the rules in our office, referred the inquiry to the salesman who had once done business with this customer (which was me).

Always Friendly

"My first reaction (I'll admit) was that I remembered that I had called Mr. Johnson several times after he sold us that block of bonds. He had always been friendly but he stated firmly that he was not an investor in securities; that he was out of the market, and that he had put all of his capital into real-estate and first mortgages. Remembering this, my first thought was, 'O. K. put him on the mailing list. I guess the old fellow is just curious to see how the banks are doing around this town. Why call him?' Then I remembered your column where you said, 'Did you continue your financial reading? Did you follow your daily routine of keeping in touch with customers and prospects by mail and phone, or did you say, what's the use, there is no sense talking investment to anyone in times like these? Yes, or No.'

"So I picked up the telephone and I called Mr. Johnson and I thanked him for his inquiry, and I also promised to see that he would get a copy of the *Bank Guide* he requested. He was very cordial. He remembered me. I asked him if he had time to talk with me for a little while over the phone. He replied that all he had was time. I asked him if he owned any local bank stocks. 'Yes,' he replied, 'Indeed I do. I have a thousand shares of a certain bank stock that I want to sell but I don't want to sell it until next year because of the large tax I'll have to pay on the profit.' Mr. Dutton, you could have knocked me over with a feather when I heard this. For the past three weeks I had been looking for a block of that stock for a man who was a good prospect, who wanted to buy it, and had indicated he would pay a price for it that was a point and a half above the current inactive quotation.

"Fortunate Occasion"

" 'Mr. Johnson,' " I said, 'I think this is a most fortunate occasion that I called you. Right now I know of one man who would buy that stock at a price that would look mighty good to you and possibly we can work this out some way where all of us can be happy.' 'What do you mean?' he asked. Then I questioned him if he had some other stocks, and sure enough he had a block of stock in a listed company that had declined sharply this year. I suggested he could sell that stock and buy it back 31 days later and offset his profit on the bank stock; or handle it vice-versa, buy it now and sell the higher priced stock 31 days later. Without going into a lot of details, I arranged with him to let me have a large slice of that 1,000 shares of that bank stock 'firm' for a call to my prospect who wanted to buy it. Luckily, he was available. He said, 'Sure I'd like to buy it. You know I want it, and if you can deliver I'll pay you what I said I would pay for it.' I called Mr. Johnson once again. I bought his stock from him. I confirmed it to my prospect (now another client). I also obtained a 'buy order' from Mr. Johnson for 1,000 shares of the listed stock. After I buy it for him, 31 days later I'll have a thousand more to sell for him. I got him a price above the market for part of his bank stock holdings. He will have more to sell in January. If it goes up he will still be happy. If it goes down he has sold part of his holdings at a price that is most satisfactory to him. I also have a new customer.

"And none of this would have happened if I did not have an alert, conscientious lady on our clerical staff, who put that note on my desk, or *if I had thrown it in the waste basket* and said, 'What the use? I've tried that old fellow Johnson before, why waste the phone call?' "

How the Careful Investor Can Keep Up With Crises

By Roger W. Babson

After reviewing quickly the history of the world as a series of crises, big and small, Mr. Babson explains why he is not pessimistic about undertaking investments. Conditions, he says, are better than in the past and a multitude of investment opportunities await the careful investor. What must be done, he adds, is to adjust one's stocks and bonds to keep up with the changing times.

The Cuban situation is featured in the news as a great "crisis." I think, however, that all news today must be discounted somewhat because of the competition between the various news media. The newspapers have to come out with an edition on schedule, while radio and television grind out material for eighteen hours daily. Owing to the fact that these newer methods of communication get tremendous income from advertising in connection with these newcasts, probably 20% of the news has to be manufactured and certainly much of it is exaggerated. Therefore anything called a crisis today should be discounted.

The Struggle Between Those Who Have and Those Who Have Not

It seems as if this struggle all started with Cain and Abel, and has continued throughout the ages. A reading of the *Old Testament* shows how crises constantly developed in Persian, Babylonian, Egyptian, and Roman history. Whatever change has occurred in military warfare, there seems to have been no change in human nature.

Furthermore, each nation has its cycle. Those who are at the bottom gradually come to the top; then power and wealth deteriorate and they go back to the bottom again. Even the stock market has its cycles. Moody counts ten of these from the time our battleship Maine was sunk in the harbor of Havana, Cuba, in 1898 to President Eisenhower's heart attack in 1955.

Taking a Lesson From the History of England

During the past summer, I have been reading a most complete history of England. It consists of seven volumes and about six thousand pages. It is entitled THE PICTORIAL HISTORY OF ENGLAND, published by W. and R. Chambers of London, England, about 1850. The story consists of continual crises beginning with the year 56 B.C. As one reads these volumes, he thinks that England could not possibly last more than a hundred years. The serfs were continually fighting to get a little property and freedom, while those who inherited their property lived in great castles. The conflict, however, was much the same as today.

From my reading of history I see no possibility of either Democracy or Communism being wiped out. Both will be suppressed at certain times in certain nations, but will rise up again in other nations. Whether, in the final analysis, it will be the same old struggle with each group alternately becoming stronger, or whether the two groups will gradually merge by becoming more alike, no one can tell.

There Will Always Be Presidents and Dictators

At present, the Communist nations consist of Russia, China, and their satellites, with India less on the fence. The Communist countries are controlled by Dictators and hence are more efficient in time of war (whether cold or hot) than are the democratic nations.

The Dictators of these countries can control the news and actions of the people much better than can the President and the Congress of any Democratic country. Furthermore, I believe there will always be Dictators, and there will always be Presidents or other such heads of free states, and both will always have the above advantages and disadvantages. This even applies to a little country like Cuba, which is making headlines today.

A Word of Advice to the Investing Public

Yet, I am not pessimistic. Conditions are far better today than in any of the two thousand years covered by the history of England which I have been reading supplemented by THE STORY OF MANKIND, written by Hendrik Van Loon, and similar books. There is today and always will be an opportunity for those with integrity, industry, scientific and inventive curiosity. Opportunities may be more difficult for those who are living on inherited property without making a definite contribution to the welfare of the world.

Human nature is the same—legislation is of only temporary value; while the conflict continues to be between those who "have" and those who "have not," whether of nations, political parties, families, or individuals. This also applies to industries and corporations in their competitive fight for markets. As new inventions, new products, and new laws take the place of existing ones, the careful investor should adjust his stocks and bonds to keep up with the changing times.

FROM WASHINGTON ... Ahead of the News

BY CARLISLE BARGERON

Richard Nixon is one of the greatest tragedies on the American political scene today. He had a brilliant political career cut short within less than a few thousand votes of the Presidency.

He took on some of the most vicious foes on the American political scene to get to the point he reached and, when these foes went to work on him, they spared no weapon and never once let up until they got him. The friends of Jerry Vorhees, former Congressman from California whom Nixon defeated as his first scalp in 1946 and later, the friends of Alger Hiss whom Nixon was instrumental in sending to jail, can now rest satisfied that they have gotten their revenge. Neither Voorhees nor Hiss got any more than he deserved but the spirit in which they lived, the ultra liberal crowd, can well feel now that they have done a good job.

They have silenced quite an able figure and an ambitious one.

I remember the first year Richard Nixon was in Congress. He served on the House Labor Committee. The committee was considering the Taft-Hartley bill. It was a foregone conclusion that the committee was going to pass the bill. The Republicans were in control of the House. As a result, the committee hearings were mostly perfunctory. Members of the committee asked perfunctory questions. Apparently it was a question of killing time until the House was prepared to receive the bill.

Young Nixon, serving as a freshman member, stood out in his questioning of the witnesses. It is a commentary on something that John P. Kennedy was another freshman member and he and Nixon served closely together in questioning the labor witnesses, particularly in developing Communism in labor's ranks.

He and Nixon together were responsible, more than any other group, for breaking a two year old Commie strike in the Allis Chalmers plants. They brought out unmistakably that it was a Commie led strike.

Nixon complained after the Presidential campaign of unfair treatment by newspapermen. His feeling was justified. One of the biggest jokes is the statement that the majority of newspapers in the country were for Nixon. Yes, they were on their editorial pages which only a small percentage of the people read. The reporters covering a story can shape it up to their pleasure. With a candidate they can, by asking questions at a press conference, make the story.

The majority of the reporters covering Nixon's Presidential campaign and his recent gubernatorial campaign managed to bring up unpleasant incidents at every press conference Nixon had. Particularly was the story of his brother's loan from millionaire Hughes. If Nixon answered it once he answered it a dozen times. The idea of repeatedly asking him about it was not to get a different answer but to keep the story alive.

Nixon was probably at fault in saying the things he did at his last press conference. They don't do him any good. Except they probably make him feel better by getting them off his chest.

The Leftist campaign against Nixon was studiously designed to create the widely held impression that you didn't know what it was but there was something about Nixon you didn't like. As well as I know Nixon, and as much as I admire him, this sort of feeling was even getting to me so well was it done.

Central States IBA Elects

CHICAGO, Ill. — Francis R. Schanck Jr., partner of Bacon, Whipple & Co., was elected chairman of The Central States Group


Francis R. Schank, Jr. James E. Snyder

of The Investment Bankers Association of America at the Group's Annual Meeting. Named Vice-Chairman is James E. Snyder, partner of A. C. Allyn and Company Incorporated. Robert I. Kelley, Vice-President of Harriman Ripley & Co., Incorporated, became Secretary-Treasurer.

Richard B. Walbert, Vice-President of Blyth & Co., Inc., and Robert Mason, midwest underwriting representative of Merrill Lynch, Pierce, Fenner & Smith Inc., were named as Governors of The National Association for a three year term.

St. Louis Fed. Reserve Elects

ST. LOUIS, Mo.—According to announcement of Pierre B. McBride, Chairman of the Board, the results of the election of a Class A and a Class B director of the Federal Reserve Bank of St. Louis are as follows:

Harry F. Harrington, Chairman of the Board and President, The Boatmen's National Bank of St. Louis, St. Louis, Mo., was elected by member banks in Group 1 as a Class A Director of the Federal Reserve Bank of St. Louis for a three-year term beginning Jan. 1, 1963. Mr. Harrington is a Director of the Petrolite Corp., Wm. S. Barnickel & Co., and T. J. Moss Tie Co., St. Louis, Mo.

Harold O. McCutchan, Senior Executive Vice-President, Mead Johnson & Co., Evansville, Ind., was re-elected by member banks in Group 3 as a Class B Director of the Federal Reserve Bank of St. Louis for a three-year term beginning Jan. 1, 1963. Mr. McCutchan has been a Director of this bank since January 1957.

Why the Newsprint Industry Should Grow and Prosper

By Guy McRae Minard,* *President and Director, Kimberly-Clark Canada Ltd., Toronto, Canada*

Canadian pulp and paper manufacturer warns capacity-expansion is running ahead of the world's increasing need for newsprint and, therefore, necessitates some slowing down to a rate of 700,000 to 800,000 tons of new capacity annually. Mr. Minard holds that the Canadian industry's future lies primarily in North America and Western Europe. He is confident that Canada will keep its traditional share of the U. S. market, but is concerned about the European Common Market's restrictions and hopes liberal duty-free quotas will prevail until a trade policy change can be made in the future.

Our nation and our industry have been obliged in recent years to accept many new economic facts of life. Some of these have been harsh and unpleasant. Many have forced us to revise our ideas and our hopes concerning Canada's place in the world.

Guy McRae Minard

One of these facts is that world capacity to produce newsprint has outrun world demand, by a margin that is already substantial, and that is growing larger. The companion fact is that this imbalance will not soon be corrected. Instead, it will last for at least the next three or four years, and perhaps for even longer.

I should hasten to add that in its present state I do not regard this excess of capacity as alarming. It still comprises a relatively small proportion of our total capacity, and indeed, to some extent, it does provide a reserve which our industry should always have so as to be able to meet any temporary upsurge in demand. Nevertheless, remembering the past, I do consider it a warning, to which we should all pay heed.

This current situation in newsprint has arisen from a variety of factors. And so I should like to review briefly the way in which it developed; and then to consider one or two of the more significant trends which will help to determine our course for the future.

Newsprint Characteristics

First, let us consider this product upon which so many Canadians depend for their livelihood.

On the one hand, newsprint is essential, if not to the actual sustenance of life then certainly to the spreading of information and ideas which make life more meaningful and our society more democratic. Newsprint is essential, too, in mass marketing, the foundation of mass production and thus of our economic well-being.

Moreover, for the task which it performs — the production of newspapers — newsprint has no substitute. Thus we are not concerned with competition from materials seeking to displace newsprint, in the way that, say, aluminum and steel, or paperboard and plastics, struggle for a more significant place in the economic spectrum.

So, in many ways, we newsprint manufacturers are fortunate. Our product plays a vital role in modern society; and it enjoys a growing and remarkably stable demand. Nevertheless, the makers of a good many other basic commodities do have one important advantage over us, an advantage which is particularly relevant today. By their own efforts in research and in sales, they are able to strike out into new fields where their products are utilized in a variety of different ways. Thus they can and do expand the total market which they serve.

This, by and large, we newsprint manufacturers are unable to do. For newsprint has but a single basic use, and the quantities in which it is required depend not at all upon the vigor with which we encourage its consumption.

I mention this merely to indicate that, for all practical purposes, the demand side of our supply-demand equation is fixed largely by forces beyond our control. We merely respond, and the extent to which we do so determines the degree of balance in the relationship.

Since the end of World War II, this relationship has undergone many changes. For the greater part of the first ten years, many areas of the world experienced newsprint shortages. Demand rose sharply, and although capacity, both here in Canada and elsewhere in the world, also increased rapidly, an approximate balance was not attained until the mid-1950s. Since that time world demand has continued to advance. But its rise has been far outstripped by the continued increase in capacity, to which all of the major producing areas have contributed.

Let me illustrate what has happened with particular reference to our Canadian industry.

From Capacity to Over-Capacity

From the end of the war until 1956, the Canadian newsprint mills produced at capacity. During this period, their output increased by 80%, their annual capacity rose by some 1½ million tons, and they accounted for more than half of all the newsprint produced in the world.

Since 1956, their growth has followed a rather different course. Production has risen by 4%. But capacity has continued to advance, and at an accelerating pace. Indeed, for 1962 it is some 1.7 million tons or 28% higher than it was six years ago. Moreover, the Canadian industry has been producing only slightly over 40% of the world's newsprint, a proportion considerably below that of the late 1940s and early 1950s, although still somewhat higher than in the 1930s.

This rate of expansion, rapid though it has been, is less, proportionately, than in some other areas of the world. In the United States since 1956, annual capacity has been increased by some 750,000 tons, or by almost 50%; in Britain by over 300,000 tons or some 45%; in Japan by nearly 500,000 tons or some 80%. And in the three Scandinavian producing nations, Finland, Sweden and Norway, the addition of more than one million tons of capacity since 1956 has more than doubled their ability to produce newsprint.

The combined effect of these vast increases has been to create the imblance between world production and world capacity, to which I referred earlier. Since 1958, this margin has ranged between two and two and one-half million tons annually. And in the years immediately ahead, it now appears that the margin will become not smaller, as we had hoped, but larger, as we had feared.

The gap will probably remain at about its current level through 1963. However, the practice of seven-day mill operations, which is general throughout the rest of the world, is becoming increasingly necessary for economic operation in Eastern Canada. As this practice becomes more widespread in this area, the gap will become substantially larger. And in any event, a huge construction program, largely overseas, will add 1.5 million tons to the world's capacity during 1964, and an additional 1.3 million tons in 1965.

I think we can safely assume that during this period world demand will continue to increase at a healthy and reasonable rate. Nevertheless, it could well be that by 1964 the excess of capacity over production will have risen to some 2.6 million tons, and by 1965 to some 2.7 million tons.

A gap of such magnitude would still represent less than one-sixth of the world capacity which, we anticipate, will be available in 1965. By contrast, during the year in which the great depression touched bottom, 1932, one-third of the world's newsprint capacity stood idle.

Thus, we still have some considerable distance to travel before reaching that uncomfortable level of 30 years ago, which many of us remember so vividly. Obviously, however, the rather sobering fact is that if expansion continues for many more years at its current rate, we shall approach the danger point rather quickly.

Need to Slow Down Expansion

In short, it seems clear that if are to avoid a situation much more serious than at present, then there must soon be a slowing down in the rate at which the newsprint industry of the world is adding to its physical plant. This curtailment need not be drastic; for the world's needs for newsprint are growing more rapidly than ever before, indeed at a rate sufficient to support some 700,000 to 800,000 tons of new capacity annually. But that it must come is unquestionable and also, I believe, in the best interests of us all.

Certainly, our interests as Canadian newsprint manufacturers are best served if our actions are based on realities. Thus, surely it is more sensible for us to enjoy a growth that is steady and sure than one which is precipitate and unwarranted, and which can only be followed by a more violent swing of the pendulum in the opposite direction.

The world's needs for newsprint are increasing today more rapidly than ever before. And so, here in Canada and elsewhere in the world, the prospects for the continued expansion of our actual production of newsprint are very good. Nevertheless, several uncertainties do confront us, and these have a bearing on the extent to which our Canadian industry can be expected to grow in the future.

For example, much has been written about the tremendous increase in newsprint consumption that will occur in the underdeveloped nations of the world as their economies develop. Yet only a small portion of this increase is likely to have much real meaning for us in Canada. Throughout the Southern Hemisphere, for example, in Latin America, Asia, and Africa, far-reaching programs of economic and cultural development are going forward. Standards of living are inching gradually higher, and each year millions more people are learning to read and to write. Thus in these areas the need for newsprint is certain to rise very rapidly. Indeed the projected rate of increase over the next decade is far higher than in the mature industrial nations of the north, but of course in these smaller consuming areas the actual **volume** involved is relatively low.

Moreover, because of foreign exchange shortages which will probably last for many years, most of this demand can never be reflected in a higher level of activity in our Canadian mills. Instead, by and large the underdeveloped nations will attempt to meet a larger portion of their needs by building their own mills

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Funds' Buying Dried Up During Market's Rally

Continued from page 1

Trust of Boston, Stein Roe & Farnham. The buying *stock funds* included Affiliated, Dreyfus, and Energy Fund.

As a proportion of total portfolio assets, holdings of net cash and governments rose to 7.3% as of September 30 from 6.1% on June 30, continuing the trend since the turn of the year. The proportion of other defensive securities (non-government bonds and high-grade preferred stocks) remained unchanged. The common stock proportion of total balance sheet assets declined to 81.9% from 83% at the end of the June quarter. The September quarter's *redemption* performance highlights the correctness, which we have continually endorsed, of relating redemptions to the average net assets rather than to the concurrent sales of fund shares, and one of over emphasis fluctuations in the dollar total of redemptions (since the continuing growth in the outstanding net assets, that is the "pool of redeemables," automatically gives an upward push to the dollar redemption total).

As shown in Table A, the redemptions as logically calculated as a percentage of the *assets*, disclosed a marked improvement from the June to the September quarter, while the customarily used relation of the redemptions to the fund's concurrent *sales* of their own shares exhibited a substantial deterioration during the third quarter. In fact, the 1.20% of redemptions of *assets* marked its lowest level in the Table going back to the first quarter of 1961; and, on the other hand, where illogically figured as a percentage of the concurrent *sales*, the redemptions during the September quarter were the highest over the same interval.

* * *

TABLE A

Sales of Fund Shares, Redemptions, % Redemptions of Sales, and % Redemptions of Average Net Assets

Sales of Fund Shares

(000's omitted)

	Shares	Redemptions
1961 1st Quarter	$719,905	$331,088
1961 2nd Quarter	695,413	317,947
1961 3rd Quarter	722,415	247,987
1961 4th Quarter	813,127	263,335
1962 1st Quarter	922.086	282,421
1962 2nd Quarter	771,089	319,956
1962 3rd Quarter	495,005	234,739

	Redemptions to Sales	Redemptions to Aver. Net Assets
1961 1st Quarter	46.0%	1.76%
1961 2nd Quarter	45.7	1.58
1961 3rd Quarter	34.3	1.19
1961 4th Quarter	32.4	1.18
1962 1st Quarter	40.6	1.24
1962 2nd Quarter	41.5	1.59
1962 3rd Quarter	47.4	1.20

Management Attitudes

In this period of major stock market "adjustment," the first of its kind in the ken of most fund managers and shareholders, their policy expressions have unusual interest.

In the forefront of "back to normalcy," observations is the following common sense from the trustees of General Investors Trust, domiciled in Boston: "This is the time for patience. Many—perhaps most — of the present generation of investors had never experienced a bad break in stock market prices or an even more trying experience, a sustained period of time without a continuing upward surge in the value of investment caliber stocks.

"It is in this latter situation, where the action of the stock market swings like a weather vane without any sustained direction, that the patience of investors is often sorely tried. It is also during such a period that bizarre excuses for lack of performance become prevalent, and reports are circulated in which the very lack of definiteness brings anxiety to the inexperienced.

"Even the present day fraternity of brokers and investment dealers has not altogether escaped the 'quickie' approach to predicting or evaluating the future worth of specific investments.

"There are those in the field of investment management, however, who can look back over the years and know for a certainty that growth is an inherent force in this country, and that there are, and presumably will continue to be, cycles which at any one point may seem disquieting.

"Nevertheless it is during a period of this kind, which sometimes appears uncomfortably prolonged, and when adjustments to more rational values are taking place, that patience is not only required but, in the end, is rewarded."

Patience To Be Rewarded

Patience and the long-term view are likewise stressed by the Lazard Fund's management, per the following from Albert J. Hettinger, Jr., Chairman, and Richard H. Mansfield, President:

"The objective of the Lazard Fund is long-term capital gains rather than trading profits. Markets have been volatile during the quarter just ended, with sentiment confused. The intensity of the confidence crisis lies behind, but skepticism as to the duration and extent of the recovery is general. Declines in foreign equity markets have added to the prevailing caution. It has been our effort to create and maintain a portfolio possessing sound underlying values. We do not feel that inflationary forces no longer exist, or that balance of payments problems can be forgotten. Our heavy position consistently maintained in natural resource equities, represents the closest attainable approach to tangible underlying values. We seek growth equities at prices we deem attractive relative values, but we are unwilling to assume uninterrupted growth projected into the remote future.

We believe the defensive strength of the economy renders any serious decline in industrial production unlikely, but also find lacking, an economic climate conducive to the vigorous growth we feel possible. Portfolio changes, detailed in the statistical tables, have been minor. There has been a modest increase in the liquid position of the Fund."

* * *

ISSUE POPULARITY CONTEST RESULTS

The Winners

Top rank as the most widely bought stock during the quarter went to Royal Dutch Petroleum, purchased by 11 managements and sold by none (in the June quarter this issue encountered 11 buyers and one seller).

Second most popular issue was another international petroleum company, Standard Oil of New Jersey, with nine buyers and one elimination. Third most popular issue was Schlumberger Ltd., another international enterprise with oil interests, with eight buyers and three sellers.

The following six issues bought by four or more fund managements, met no selling:

Financial Federation; International Telephone & Telegraph; New England Electric System; Pfizer (Chas.) & Co.; Royal Dutch Petroleum; Woolworth Co.

Other issues which were heavily, but not unanimously, purchased included Aluminum Ltd., Caterpillar Tractor, Continental Oil, General Motors, Grace & Company, International Paper, Lockheed, J. C. Penney, R. C. A., and Standard Oil of California.

Off the Beaten Path

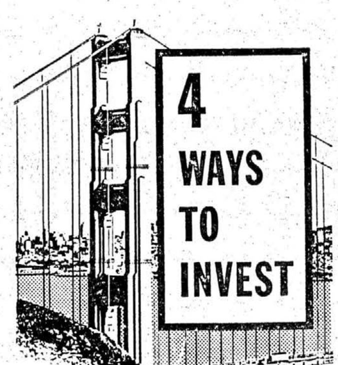
Issues reflecting the desire by managements to "get into virgin territory" included:

Bemis Brothers Bag Co.; Coburn Credit Co.; Great Southern Life Insurance; Galerias Preciados; Kay Windsor "A"; Liberty Loan Corp.; Merchants Fast Motor Lines; Miss Pat; E. F. MacDonald*; Nashua Corp.; Oceanics Inc.; Panacolor, Inc.; U. S. Sugar Corp.; UARCO INC.

*Plaid Stamp producer—48,000 shares by Institutional Growth Fund.

The Losers

Among the issues meeting a large number of sellers were: Ford with 10 sellers (and also nine buyers); American Tele-



phone with nine sellers (and also seven buyers); Republic Steel with eight sellers (and no buyers); Allied Chemical with eight sellers (and three buyers), and IBM with eight sellers (and seven buyers).

"Exiled" Issues

The following issues, sold by four or more managements, found no buyers:

American Photocopy Equipment
American Smelting & Refining
Arizona Public Service
Central & Southwest Corp.
Columbia Broadcasting
General Tire & Rubber
Republic Steel
Sperry Rand

* * *

Waning Interest in Foreign Issues

Previous periods' "hot" interest in foreign equities has developed into a "stabilization" interval despite the widening public familiarity with the Common Market (heavy fund buying of Schlumberger, Royal Dutch and other international oils being exceptions).

Significant is the policy followed by the Nelson Fund, since although, it is heavily committed abroad, it is a non-specialty company with full discretion in the geographical apportionment of its holdings.

After boosting its proportion of foreign investments from 32% to 53% in the first quarter of this year, Nelson has since maintained this level almost unchanged.

Issues eliminated by Nelson during the September quarter follow with nationalities. All are British excepting the first-mentioned Monarch which is Canadian.

Monarch Fine Foods; Daily Mirror Newspapers, Ltd., and Edwards High Vacuum Ltd., Penguin Books, and Plessey Co., Ltd. ADR.

Nelson's new commitments during the latest period with their respective nationalities, were: **Canada**—Shawinigan Water & Power; **Great Britain**—Harvey's of Bristol and **Japan**—Yasuda Fire and Marine Insurance Co., Ltd.

Retreat by a Specialty Fund

Eurofund, the closed-end investment company limited by its charter to European securities or cash, strikingly showed lessening of its trans-Atlantic enthusiasm during the September quarter. Its total purchases aggregating $2,305,000 were overbalanced by sales totaling $2,430,000, or a net sales balance of $125,000; which was transferred into short-term U. S. Treasury obligations. In the preceding (June) quarter, contrastingly the Fund's purchases of $3,012,000 were offset by sales of only $271,959, leaving a net buying balance of $2,733,901.

Among the issues sold by Eurofund during the September quarter, with their respective countries indicated, were: *Belgium* — Photo Produits Gevaert S. A., Societe Generale Metallurgique de Hoboken S. A.; *France* —Au Printemps, Compagnie des Machines Bull, Galeries Lafayette, S. A., Kléber-Colombes, S. A. des Automobiles Peugeot, Saint Fréres, Source Perrier; *Germany* —Badische Anlin & Sodafabriken A. G. (BASF), Commerzbank A. G., Deutsche Bank A. G., Dresdner Bank A. G.; *Italy* — Etruriafin, Generalfin Societa Finanziaria Siderurgica per Azioni (Finsider); *Netherlands* — Sikkens Groep, N. V.; *United Kingdom*—Distillers Co. Ltd.

Among the issues bought by Eurofund during the quarter were: de Bruxelles, S. A., Grande Magazinz "A L'Innovation." *France* — Societe de Cimente de Marseille; *Germany* — Metallgesellschaft A. G.; *Italy* — Pirelli S.p.a.; *Netherlands* — Rotterdamsche Bank N. V.; *Spain*—Banco Hispano Americano; *Switzerland* —Interiberia; *United Kingdom*— Imperial Chemical Industries.

Perhaps the funds' fancy for the shares of banks in Europe will spill over to the less developed countries, presently restricted to European institutions. Although holdings in African banks by private industrial investors are now barred, future relaxation of this rule may well entail American investors' following the example of the Bankers Trust Company, the Bank of America, et al., in their current acquisitions there of stakes up to 49%.

* * *

Policy Toward Industry Groups

During the September quarter, fund managements showed a complete change in overall market attitude by selling 13 industry groups and favoring only six. This compares with 15 industry groups being bought and only two sold during the June quarter.

In the September quarter, in the following groups selling predominated: aircraft and aircraft equipment, automotive, automotive equipment, cosmetics, metals (mixed), natural gas, office equipment, radio - television - movies, railroads, rubber, steels and tobaccos.

At the same time, fund managements bought containers, food products, metals (aluminum), oils, papers and publishing. Also favored, but to a lesser extent, were airlines, banks, drug products, insurance, machinery and industrial equipment. A mixed, neutral, or highly selective attitude prevailed toward building, construction and equipment, chemicals, electronics and electricals, finance companies, public utilities and retail trade.

Transactions in the Liquidated Groups

Aircraft and Aircraft Equipment Fall From Orbit

Boeing, a past favorite, met heavy selling from seven managements and had only one buyer. Completely eliminating this issue from their portfolios were Loomis-Sayles (25,000), and Mutual Investment. Dreyfus also sold 22,100 shares. Martin encountered heavy selling despite a huge government contract for the Titan III missile, which is said to involve some $500,000,000. It was completely eliminated by Fundamental Investors (184,000) and Fidelity (28,600).

Automotives Turn to Liquidation

Despite the industry's booming output, the auto sector changed to predominant selling from its mixed showing in the previous quarter. Ford, which had been heavily bought (with 11 buyers) in the June quarter, was sold on balance (with 10 sellers against nine buyers) during the September quarter. The biggest seller in this issue was Madison (21,200). Other issues in this group sold on balance included American Motors, Fruehauf Trailer, and White Motors.

Cosmetics Also Sold

Gillette, dubbed a *growth situation* in recent periods, was sold to the tune of 221,400 shares by three funds (including a 151,400-share block by Wellington).

Miscellaneous Metals Liquidated

In this group both American Smelting and Chromalloy were sold (the former by four managements and the latter by three) without any buyers. International Nickel was disposed of by six funds, and bought by three.

Natural Gas Issues Encounter Selling

This group met bearishness,

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Funds' Buying Dried Up During Market's Rally

Continued from page 17

possibly abetted by threatened adverse legislation. Arkansas Louisiana Gas was sold by four funds with volume aggregating 126,100 shares; with three funds buying 49,000 shares. American Natural Gas was sold by two funds, without any buyers.

Office Equipments in Disfavor

Turning from their strong popularity in the preceding quarter was the office equipment group. That intriguing "blue chip" IBM, which had been the most popular issue in the June quarter, was sold on balance in the September period. Among the larger sellers were Dreyfus, Wellington and Affiliated Funds. The issue was newly bought by Texas Fund.

Radio-TV on the Disposal Side

Radio-TV and motion pictures compose another group changing to the sold category from high popularity during the preceding June quarter. M.C.A., which was involved in anti-trust contention with the government, was sold by three funds, including elimination by two (Fund of America and Institutional Income.) Columbia Broadcasting, one of the "exiled issues" cited above, was sold by four funds, including 32,230 shares by State Street Investment and completely eliminated by Bullock (4,060).

Railroads Go Downhill

The carriers composed another group changing to unpopularity from the previous quarter's favor. Three issues were sold unanimously (without any buyers), namely, Canadian Pacific, Chesapeake and Ohio, and Seaboard Airlines. Canadian Pacific was completely eliminated by each of its two sellers, Selected American Shares and Institutional Income.

Rubbers Unpopular

Rubbers and tires truly represented as an "exiled group," with all five issues being sold on balance. General Tire & Rubber was sold by four companies, including complete elimination of a 30,000-share bloc by Investment Company of America.

Steels Heavily Sold

The steels, reflecting investor worry over the highly publicized low operating level and dividend prospects, witnessed accelerated selling over the previous quarter. In the June quarter they had changed to unpopularity from their favor during the year's first quarter.

Republic, one of the "exiled issues" without any buyers which reduced its dividend was sold by eight funds, including a complete elimination by Consolidated Investment Trust; and was also sold by National Securities Stock (75,000). Controversial U. S Steel was disposed of by six funds, including a complete elimination, also by Consolidated Investment Trust.

Textiles in Disfavor

Apparently also reflecting worry about over-capacity, and disregarding the enactment of accelerated depreciation benefits, the funds here too abandoned their optimism exhibited during the previous quarter. American Viscose which was completely neglected by buyers, was completely eliminated by all its three sellers, Investment Trust of its Boston, Guardian Mutual and Axe Stock.

Tobaccos Turned Completed Sour

Apparently abandoning its previous unconcern over the cancer scare, and reflecting the newly experienced decline in cigarette sales, the tobacco shares also joined the quarter-to-quarter unpopular category. Most heavily sold within this group were American and Reynolds. In the case of the former, eliminations by Institutional Foundation, Investment Company of America, Investment Trust of Boston and Shareholders' Trust of Boston totaled some 140,000 shares. Reynolds, with six sellers and only one buyer, was completely eliminated by Loomis-Sayles and Fund of America.

* * *

Transactions in the Favored Groups

Containers Again Acquired

As in the preceding quarter, containers were again unanimously bought. Container Corporation was bought by two funds with no sellers, the buyers including Pine Street newly, and the United Organization (Accumulative and Income). A 50,000-share bloc of American Can was newly bought by Fundamental Investors. Continental Can was picked up by National Security Stock and Affiliated Fund.

Foods Remain Favored

The food industry, including the meat packers, displayed good buying as was the case during tne June quarter. Of Armour, Dreyfus bought 11,000 shares. (They also bought this issue during the previous quarter.) Hunt Foods and Industries also encountered no selling; Lehman (5,000 shares) and Stein Roe & Farnham Stock (25,000) both bought it newly.

Metals-Aluminum Remain Popular

Sentiment toward the aluminum issues continue to show improvement over previous quarters. In the case of Aluminium Limited, which was most actively sought, both de Vegh (10,000) and Stein Roe & Farnham Balanced (21,000) bought newly. Within this group Aluminum Company of America and Reynolds Metals both had three buyers and no sellers.

Oils Still Dominated Portfolio

As in the two preceding quarters oils were in the buying forefront. This was particularly true of the international operators as Royal Dutch (the most popular of all portfolio acquisitions), Standard Oil of New Jersey, Continental, Standard of California, and Socony.

A 100,000-share bloc of Union Oil of California was acquired by Affiliated Fund, which also purchased 172,300 of the Standard Oil of New Jersey, and 43,000 Royal Dutch.

Affiliated joined other "international" buyers of Royal Dutch, which included Delaware, Investment Company of America, Wellington Fund, and Dreyfus, which funds also heavily bought Standard of New Jersey. The buying of Continental included a

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Changes in Common Stock Holdings of 72 Investment Management Groups

(July - September, 1962)

Issues in which transactions by more than one management group occurred. Issues which more managements sold than bought are in italics. Numerals in parentheses indicate number of managements making entirely new purchases or completely eliminating the stock from their portfolios. *(Purchases exclude shares received through stock splits, dividends, etc. Number of shares bought or sold prior to stock splits are expressed giving effect to the split.)*

—Bought—			——Sold——	
No. of Mgts.	No. of Shares		No. of Shares	No. of Mgts.
		Agricultural Equipment		
2	45,100	Deere	19,100	2(2)
1	2,500	International Harvester	26,300	1
		Aircraft and Aircraft Equipment		
6	158,500	Lockheed	30,000	1(1)
3	52,500	North American Aviation	33,000	3
3(1)	12,000	United Aircraft Corp.	14,400	1
None	*None*	*Beech Aircraft*	*55,800*	*2(2)*
1	*500*	*Boeing*	*67,800*	*7(2)*
1	*89,100*	*Martin-Marietta*	*232,600*	*3(2)*
1	*1,300*	*McDonnell*	*11,000*	*2(2)*
		Airlines		
3(1)	19,300	American	20,300	2
2(2)	41,400	Delta	None	None
3	87,000	United	12,198	2(1)
1	*47,600*	*Eastern*	*25,000*	*2(2)*
		Automotive		
1	1,500	Cummings Engine	2,700	1(1)
7	74,894	General Motors	67,800	4(2)
2(1)	10,300	Mack Trucks	None	None
1	*1,000*	*American Motors*	*10,700*	*2(1)*
2	*5,700*	*Chrysler*	*7,000*	*3(2)*
None	*None*	*Fruehauf Trailer*	*58,100*	*2(1)*
9(1)	*101,229*	*Ford Motors*	*88,200*	*10(5)*
1	*6,000*	*White Motors*	*16,000*	*2(1)*
		Automotive Equipment		
2	14,600	Thompson Ramo	5,000	1
None	*None*	*Bendix Corp.*	*21,800*	*2(1)*
1(1)	*1,000*	*Borg Warner*	*65,000*	*2(1)*
None	*None*	*Clark Equipment*	*13,200*	*2(1)*
None	*None*	*Dana Corp.*	*41,700*	*3*
		Banks		
2(1)	8,000	Bank of America	6,500	1(1)
3	7,166	Bankers Trust Co. (N. Y.)	5,700	3
1	5,200	Chase Manhattan Bank	2,000	1
3	12,900	First National Bank of Boston	None	None
1	*14,700*	*First Nat'l City Bank of N. Y.*	*16,966*	*4*
		Beverages		
2	12,600	Ccca-Cola	None	None
4	21,500	Pepsi-Cola	500	1
		Building, Construction and Equipment		
1	4,800	Bestwall Gypsum	10	1
2	15,000	Carrier Corp.	2,000	1
5(4)	36,700	Caterpillar Tractor	28,400	2
1	22,600	General Portland Cement	3,300	1(1)
1	5,000	Ideal Cement	7,290	1
2	15,500	Marquette Cement	35,000	1
3	10,800	Otis Elevator	3,200	2(2)
2	26,000	Sherwin-Williams	None	None
2	5,900	Trane Company	17,000	1
1	1,000	Weyerhaeuser Company	20,000	1(1)
None	*None*	*Flintkote*	*25,300*	*2*
None	*None*	*Johns-Manville*	*24,800*	*3(2)*
None	*None*	*Owens-Cornings Fiberglas*	*13,000*	*2(2)*
1	*1,500*	*Worthington Corp.*	*27,200*	*5(3)*
		Chemicals		
3	18,800	Air Products & Chemicals	2,900	1
2(1)	3,400	Air Reduction	None	None
2(2)	3,000	American Potash & Chemical	None	None
4(1)	109,600	Dow Chemical	1,500	1
5	23,900	Eastman Kodak	4,400	2(1)
5(2)	69,020	Grace & Co.	134,250	4(2)
1	800	Hooker Chemical	29,000	1(1)
2	6,500	Hercules Powder	15,000	1
2	17,200	Internatl. Minerals & Chemicals	None	None
5(1)	9,700	Monsanto Chemical	20,000	1
2	9,700	Pennsalt Chemical	None	None
2	7,030	Rohm & Haas	160	1
2(1)	93,300	Rayonier	151,000	2(2)
1(1)	1,200	Witco Chemical Co.	20,000	1(1)
3(1)	*60,000*	*Allied Chemical*	*117,732*	*8(1)*
None	*None*	*American Cyanamid*	*25,000*	*2(2)*
3(1)	*15,000*	*duPont (E. I.)*	*22,500*	*5(1)*
2	*8,200*	*F M C Corporation*	*27,600*	*4(2)*
1	*200*	*Faben-Bayer A.G.*	*12,060*	*2*
1	*2,700*	*Olin Mathieson*	*4,000*	*2*
None	*None*	*Stauffer Chemical*	*4,200*	*2*
2	*54,000*	*Union Carbide*	*7,000*	*5(2)*

—Bought— No. of Mgts.	No. of Shares		—Sold— No. of Shares	No. of Mgts.
		Containers		
2(1)	66,000	American Can	6,500	1
2(1)	30,700	Container Corp.	None	None
2	76,200	Continental Can	22,000	1(1)
		Cosmetics		
3	13,400	Avon Products	6,000	2
2	3,400	Chesebrough-Ponds	None	None
2	*35,100*	*Gillette*	*221,400*	*3*
1	*25,500*	*Revlon*	*76,000*	*2(2)*
		Drug Products		
2	8,900	American Home Products	6,000	2(2)
2	2,300	Bristol-Myers	None	None
3(1)	22,500	Carter Products	None	None
4	30,500	Merck	33,500	3(2)
1	10,000	Mead Johnson	10,000	1
4	51,500	Pfizer (Chas.)	None	None
2	10,460	Rexall Drug	40,000	1(1)
5	45,600	Smith Klein & French	56,100	3(1)
5	17,200	Sterling Drug	3,900	1
3	96,000	Warner-Lambert	119,300	2(2)
None	*None*	*Norwich Pharmacal*	*10,700*	*2*
1	*2,000*	*Richardson-Merrell*	*40,400*	*2(2)*
1	*12,500*	*Upjohn Co.*	*52,800*	*4(2)*
		Electronics and Electricals		
1	30,000	Ampex	2,300	1
1(1)	10,000	Beckman Instruments	30,000	1(1)
2	7,200	Consolidated Electronics Indust.	12,000	1(1)
1	500	Control Data	2,500	1
4(1)	84,500	General Electric	11,300	2
2	3,048	General Precision Equipment	15,000	1(1)
3(1)	31,200	Litton Industries	25,000	2(2)
3	4,430	Philips Lamp Works	35,240	2
7	22,300	R. C. A.	15,200	2
2	10,500	Reliance Elec. & Eng.	None	None
8(3)	31,500	Schlumberger Ltd.	5,000	3
3	5,800	Siemens & Halske A.G.	8,800	2(2)
3(1)	14,800	Sunbeam Corp.	None	None
2	15,000	Westinghouse	125,000	1(1)
None	*None*	*Foxboro*	*6,300*	*3(3)*
None	*None*	*Magnavox*	*42,000*	*2(1)*
1	*1,400*	*Motorola*	*64,700*	*3(2)*
None	*None*	*Sperry Rand*	*68,180*	*4(3)*
2(1)	*5,300*	*Texas Instruments*	*20,200*	*3(1)*
2(1)	*1,600*	*Xerox*	*21,200*	*4*
1	*27,000*	*Zenith Radio*	*82,500*	*4(1)*
		Finance Companies		
2	5,000	American Express Co.	None	None
1	1,560	Beneficial Finance	4,500	1
1	2,200	Commercial Credit	22,000	1
7(3)	79,300	Financial Federation	None	None
3	10,000	First Charter Financial	6,400	1(1)
3	*85,300*	*C. I. T. Financial*	*119,200*	*6(2)*
1	*1,501*	*Great Western Financial*	*57,715*	*4(1)*
None	*None*	*Household Finance*	*60,120*	*2(1)*
		Food Products		
3	16,200	Armour	None	None
2	36,000	Beech-Nut Life Savers	9,700	1
1	2,200	California Packing	18,218	1
1	28,800	Continental Baking Co.	10,000	1(1)
1(1)	1,000	Corn Products	15,000	1
3	38,000	General Foods	10,100	2
3(2)	40,000	Hunt Foods & Industries	None	None
1	7,500	National Dairy Products	15,000	1(1)
2	6,600	Swift & Co.	39,800	2(2)
1(1)	*12,000*	*Campbell Soup*	*95,900*	*2(1)*
		Glass		
3	7,700	Corning Glass Works	3,000	1
None	*None*	*Pittsburgh Plate Glass*	*4,100*	*2*
		Insurance—Fire & Casualty		
2	7,500	Continental Casualty	None	None
2	5,600	Marsh & McLennan	None	None
1	10,700	Maryland Casualty	27,200	1(1)
2(1)	20,400	U. S. Fidelity & Guaranty	1,500	1(1)
		Insurance—Life		
1(1)	20,000	Commonwealth Life Insurance	30,000	1(1)
2	15,000	Transamerica Corp.	30,100	1
3	16,600	Travelers Insurance	3,500	1(1)
1	*4,000*	*Aetna Life Insurance*	*9,000*	*2(2)*
		Machinery and Industrial Equipment		
1	500	American Machine & Foundry	34,100	1(1)
2(1)	39,700	Babcock & Wilcox	5,000	1
2	8,200	Baldwin-Lima-Hamilton	1,000	1
3	52,000	Combustion Engineering	34,500	1
None	*None*	*Leesona Corp.*	*14,000*	*2(1)*
1	*4,300*	*Singer Mfg.*	*13,100*	*4(1)*
		Metals and Mining—Aluminum		
5(2)	62,200	Aluminium Ltd.	56,200	3
3	13,000	Aluminum Co. of America	None	None
1	21,100	Kaiser Aluminum & Chemical	50,000	1
3	7,000	Reynolds Metals	None	None

—Bought— No. of Mgts.	No. of Shares		—Sold— No. of Shares	No. of Mgts.
		Metals and Mining—Copper		
1	7,000	Anaconda	2,000	1
1	2,000	Cerro Corp.	27,000	1(1)
1	3,000	Phelps Dodge	9,400	1
None	*None*	*Kennecott Copper*	*20,000*	*2(1)*
		Metals and Mining—Other		
3	12,100	American Metal Climax	None	None
3	8,500	National Lead	18,112	1
None	*None*	*American Smelting & Refining*	*32,500*	*4(1)*
None	*None*	*Chromalloy*	*18,900*	*3(3)*
3(1)	*6,500*	*International Nickel*	*56,000*	*6(1)*
		Natural Gas		
2(1)	5,700	Eastern Gas & Fuel	20,510	1
2(2)	11,000	Southern Natural Gas	10,000	1(1)
1	4,500	Southern Union Gas Co.	500	1
3	6,200	Suburban Propane Gas	None	None
1	17,000	Tennessee Gas Transmission	57,900	1
2	8,800	Texas Gas Transmission	None	None
3	*49,000*	*Arkansas Louisiana Gas*	*126,100*	*4*
None	*None*	*American Natural Gas*	*7,200*	*2*
1	*5,400*	*Panhandle Eastern Pipeline*	*5,500*	*2(2)*
1	*80,000*	*United Gas Corp.*	*63,000*	*2(2)*
		Office Equipment		
3	6,600	Minneapolis-Honeywell	None	None
2	2,400	National Cash Register	1,400	1
1(1)	*1,200*	*Addressograph*	*34,409*	*6(3)*
7(1)	*14,481*	*I. B. M.*	*19,100*	*8*
2	*9,000*	*Pitney Bowes*	*35,100*	*3(1)*
1	*3,000*	*Smith-Corona*	*3,500*	*2*
		Oil		
3	84,100	Amerada Petroleum	26,360	3
1	13,600	Ashland Oil & Refining	10,000	1
2(1)	21,700	Atlantic Refining	None	None
1(1)	20,000	Champlin Oil & Refining	30,000	1(1)
5(1)	98,600	Continental Oil	11,400	2
2	4,200	Gulf Oil	17,600	2(1)
3	28,700	Louisiana Land & Exploration	24,600	2
3	39,600	Marathon Oil	4,148	2(2)
3(1)	41,500	Phillips Petroleum	59,100	3(2)
2	29,700	Pure Oil	None	None
11(3)	180,500	Royal Dutch Petroleum	None	None
1	1,200	Shell Oil	5,000	1
4	42,600	Socony Mobil Oil	26,000	2(1)
7(1)	118,600	Standard Oil — California	13,500	3
3	42,500	Standard Oil — Indiana	4,000	1(1)
9	241,308	Standard Oil — New Jersey	2,500	1(1)
2	300	Superior Oil	390	1(1)
2	101,000	Union Oil California	76,500	1
None	*None*	*Calgary & Edmonton Ltd.*	*47,500*	*2(1)*
1	*69,600*	*Cities Service*	*4,900*	*2*
1	*2,000*	*Sunray DX Oil*	*64,700*	*3*
5(1)	*87,800*	*Texaco*	*28,360*	*7*
1(1)	*10,000*	*Texas Pacific Coal & Oil*	*51,300*	*2(1)*
		Paper and Paper Products		
2	15,000	Fibreboard Paper Products	28,705	2(1)
5(1)	26,000	International Paper	31,600	3
2	21,200	Union Bag-Camp Paper	24,500	2(1)
2	20,500	Warren (S. D.)	22,700	2(1)
1(1)	*8,500*	*Crown Zellerbach*	*19,000*	*2*
		Public Utilities—Telephone & Telegraph		
6	57,100	International Tel. & Tel.	None	None
2	95,600	Western Union	None	None
7	*25,290*	*American Tel. & Tel.*	*97,500*	*9(1)*
1	*65,000*	*General Telephone & Electronics*	*32,000*	*2(2)*
		Public Utilities—Electric and Gas		
1(1)	42,000	Central Illinois Public Service	31,200	1(1)
3(2)	22,500	Cleveland Electric Illuminating	None	None
1(1)	500	Columbus & So. Ohio Electric	18,000	1(1)
2	50,000	Commonwealth Edison	3,808	1
1	2,500	Consolidated Edison (N. Y.)	2,000	1
2(2)	41,400	Dayton Power & Light	None	None
3	18,400	Detroit Edison	4,000	1
4	12,500	Florida Power & Light	20,500	4
3(1)	44,000	General Public Utilities	338,020	3(2)
3	32,400	Kansas Gas & Electric	8,000	2(2)
2	19,700	Kansas Power & Light	None	None
2	8,100	Montana Power	5,400	1
4(1)	68,066	New England Electric System	None	None
2(1)	25,500	Ohio Edison	None	None
4	13,350	Oklahoma Gas & Electric	18,500	1
1(1)	30,000	Pacific Lighting	500	1
6(2)	77,070	Public Service of Colorado	None	None
4(1)	48,660	Southern California Edison	2,300	1
3	6,900	Tampa Electric	27,000	3(1)
2	*24,800*	*Allegheny Power Systems*	*44,000*	*4(2)*
None	*None*	*American Electric Power*	*21,200*	*3(1)*
None	*None*	*Arizona Public Service*	*48,400*	*5(2)*
None	*None*	*Central & South West Corp.*	*56,600*	*6*
None	*None*	*Florida Power Corp.*	*21,700*	*2*
1	*10,000*	*Gulf States Utilities*	*19,400*	*3*

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Crowther V.-P. of Clark, Dodge

James G. Crowther, member of the New York Stock Exchange, has been elected a Vice-President of Clark, Dodge & Co., Inc., 61 Wall Street, New York City, member of the New York Stock Exchange and other leading exchanges.

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—Bought— No. of Mgts.	No. of Shares		—Sold— No. of Shares	No. of Mgts.
None	None	*Middle South Utilities*	15,500	3
5(2)	127,800	*Southern Co.*	59,000	6(1)
None	None	*Texas Utilities*	13,000	2
None	None	*Virginia Electric & Power*	45,300	3
		Printing and Publishing		
1	2,000	Crowell-Collier	4,680	1(1)
3(1)	28,500	Ginn & Co.	4,200	1(1)
1	17,600	Harris-Intertype	2,500	1(1)
1	5,000	Heath D. C. & Co.	10,000	1(1)
		Radio, Television and Movies		
2	8,900	American Broadcasting	88,000	2(1)
None	None	*Columbia Broadcasting*	59,935	4(1)
1	8,400	*M. C. A. Corporation*	10,201	3(2)
		Railroads		
2	10,900	Louisville & Nashville	None	None
4(1)	24,950	Norfolk & Western	35,300	4
5	26,300	Southern Pacific	45,000	1(1)
2	79,800	Union Pacific	None	None
2	15,000	*Atchison, Topeka & Santa Fe*	101,200	4(1)
None	None	*Canadian Pacific*	27,600	2(2)
None	None	*Chesapeake & Ohio*	70,000	2
None	None	*Seaboard Airline RR*	6,400	2
		Railroad Equipment		
5(2)	19,000	A. C. F. Industries	6,000	2
		Retail Trade		
3(1)	48,800	Associated Dry Goods	5,000	1
1	6,000	Gimbel Bros.	22,000	1
1(1)	5,000	Grand Union	94,000	1(1)
1(1)	1,000	Montgomery Ward	13,100	1(1)
6(2)	79,500	Penney (J. C.)	2,700	1(1)
4(1)	37,200	Sears, Roebuck	89,200	2
4(2)	81,700	Woolworth Co.	None	None
2	7,800	*Federated Department Stores*	10,800	3
1	2,000	*Great Atlantic & Pacific Tea*	26,500	2(1)
None	None	*Marshall Field*	14,400	2(2)
1	3,000	*Safeway Stores*	138,200	2(1)
		Rubber and Tire		
2	39,000	*Firestone Tire & Rubber*	84,700	3
None	None	*General Tire & Rubber*	74,000	4(1)
1	1,000	*Goodrich (B. F.) Co.*	18,750	5(2)
3	33,500	*Goodyear Tire & Rubber*	75,127	5(2)
1	2,000	*U. S. Rubber*	11,102	2(1)
		Steel and Iron		
1	10,000	Inland Steel	4,400	1(1)
1	11,000	Jones & Laughlin	4,000	1
1	5,000	Youngstown Sheet & Tube	2,500	1
None	None	*Allegheny Ludlum Steel*	17,300	2(1)
None	None	*Armco Steel*	10,800	2(2)
None	None	*Bethlehem Steel*	16,500	2
None	None	*McLouth Steel*	29,000	2(1)
None	None	*Republic Steel*	218,400	8(1)
1	11,000	*U. S. Steel*	36,700	6(1)
		Textile and Rayon		
1(1)	2,800	Celanese Corp. of America	11,000	1
1	25,000	United Merchants & Mfg.	30,000	1(1)
None	None	*American Viscose Co.*	14,000	3(3)
1(1)	50,000	*Burlington Industries*	4,400	2
		Tobacco		
3	89,400	*American Tobacco*	155,100	5(4)
1	9,000	*Imperial Tobacco*	5,000	2(1)
1	800	*Liggett & Myers*	14,800	2
1	4,000	*Philip Morris*	13,000	2
1	20,000	*Reynolds Tobacco*	59,600	6(2)
		Miscellaneous		
2	6,250	Automatic Retailers	None	None
1	3,500	Brunswick Corp.	6,000	1
1	10,600	Disney Productions	5,395	1(1)
2	12,200	Gevaert Photo N.V.	7,500	2(1)
2(1)	14,600	Hertz Corp.	55,000	1(1)
3(1)	22,800	Int'l Flavors & Fragrances	None	None
4	54,000	Minnesota Mining & Mfg.	50,000	1
1	8,400	Newport News	7,000	1(1)
2	7,200	Peabody Coal	4,400	1
2(2)	107,000	Unilever N.V.	None	None
3(1)	30,750	U. S. Lines	1,360	1
None	None	*American Photocopy Equipment*	215,000	4(1)
1(1)	14,800	*Procter & Gamble*	51,600	4(2)

The foregoing tabulation also includes transactions by 11 investment companies (under 7 additional managements) in addition to those shown in our tabulation "Balance Between Cash and Investments."

Purchases and sales by Affiliated Fund included above and in our article are for the July quarter 1962; those by American Business Shares, Fidelity Capital Fund are for the August 1962 quarter.

Funds' Buying Dried Up During Market's Rally

Continued from page 18

new acquisition of 7,500 shares by National Investors.

Publishers Still Popular

The printing group, whose new offerings had been so eagerly sought remained on the buying side. Ginn & Company with three buyers was newly bought by Putnam (24,500).

Banks Mildly Bought

Again bought, but more mildly than in the two previous quarters, were the banks. First National Bank of Boston was heavily bought by Massachusetts Investors Trust (10,000), Massachusetts Life and New England with no sellers.

Drugs on the Buying Side

Bristol-Myers, Carter Products, and Pfizer all met buying without any selling. Carter was newly bought by Madison Fund (5,000). Pfizer, one of the "unanimous favorites" was bought by Dreyfus, Fundamental Investors, General Public Service, and Guardian Mutual—and had no sellers.

Insurance Still Popular

The Fire and Casualty Group consisted of four buyers and no sellers. U. S. Fidelity & Guaranty was newly bought by National Investors, and Commonwealth Life Investment Company of America, and completely eliminated by Delaware Fund. The diversified Travelers was bought by Fundamental Investors, National Investors, and Institutional Growth.

Machinery and Equipment Continue Pick-up

Selective purchases of Babcock & Wilcox and Combustion Engineering displayed the greatest interest. The former newly by National Securities Stock (15,000).

Mixed Groups

Building, Construction and Equipment

Building, construction and equipment, the first in our *mixed* groups experienced both selective buying and selling. Issues meeting good support were Caterpillar Tractor, Otis Elevator and Sherwin Williams; whereas those showing little support included Johns-Manville, Owens-Corning Fiberglas and Worthington Corp. New purchases in Caterpillar Tractor were made by four funds, with a block of 19,700 by Dividend Shares by far the largest. Worthington remained under selling pressure and was eliminated by three funds.

Chemicals Meet Selective Policy

A greater selectivity for issues within this group was shown during the quarter. Good buying was indicated in Dow, Eastman Kodak, Grace & Company and Monsanto. Heavy selling was witnessed in Allied, du Pont, FMC Corp., and Union Carbide. The buyers of Dow included American Business Shares and Affiliated Fund (100,000 newly). Allied Chemical came under heavy selling pressure with eight sellers and only three buyers. Funds liquidating heavily included Chemical Fund (42,300), Massachusetts Investors Trust (44,932) and One William Street (10,000).

Electronics Turn Mixed

Although a greater interest within this group was indicated during the quarter, an overall mixed reaction prevailed. Buying in such issues as General Electric, RCA and Schlumberger were met by offsetting sales in issues such

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Balance vs. Cash and Investments By Investment Companies With Aggregate Net Assets of $15.3 Billion 9-30-62 vs. 6-30-62

Security Transactions by the 89 Investment Companies During July-September, 1962

(In Thousands of Dollars)

	Net Cash & Governments† Thousands of Dollars —End of— June	Sept.	Net Cash & Governments† Percent of Net Assets —End of— June	Sept.	Investment Bonds and Pfd. Stocks Percent of Net Assets —End of— June	Sept.	Common Stocks Percent of Net Assets —End of— June	Sept.	Portfolio Securities Other than Governments Total Purchases††	Total Sales**	Of this: Portfolio Common Stocks Total Purchases††	Total Sales**
Open-End Balanced Funds:												
American Business Shares	b6,630	b4,109	b26.4	b16.3	b27.1	b25.3	b46.6	b58.4	2,981	618	2,981	234
Axe-Houghton Fund A	309	619	0.8	8.6	35.7	20.5	64.5	70.9	962	4,886	962	3,723
Axe-Houghton Fund B	7,028	6,004	4.6	3.5	31.9	27.7	63.5	68.8	1,785	1,159	1,785	1,159
Axe-Houghton Stock Fund	24	619	0.3	8.6	21.5	20.5	78.2	70.9	450	1,026	450	900
Axe Science & Electronics	4	2,851	0.1	14.7	5.0	4.9	94.9	80.4	84	2,681	84	2,681
Boston Fund	2,909	6,548	1.1	2.3	38.7	36.6	60.2	61.1	535	366	535	366
Broad Street Investing	4,192	2,764	1.9	1.3	8.9	8.4	89.2	90.3	7,604	6,243	7,485	5,573
Commonwealth Investment	5,090	5,484	3.6	3.8	37.2	38.1	59.2	58.1	7,249	7,407	3,295	4,675
Diversified Investment Fund	1,889	2,430	0.8	1.9	36.3	36.7	62.9	61.4	2,650	4,800	2,250	3,987
Dodge & Cox Fund	411	356	5.4	4.5	31.5	28.1	65.8	67.4	358	278	358	273
Eaton & Howard Balanced Fund	34,710	34,240	18.0	18.8	20.3	19.5	61.7	61.7	6,192	6,299	258	2,045
Fund of America	470	396	10.9	9.3	3.2	28.8	85.9	61.9	669	1,006	84	986
General Investors Trust	354	1,671	2.5	11.2	32.2	27.1	65.3	61.7	Nil	270	Nil	270
Group Securities—Fully Admin. Fund	241	320	2.2	3.2	23.7	22.8	74.1	74.0	Nil	6	Nil	Nil
Institutional Foundation Fund	2,681	2,602	5.4	4.9	23.6	27.1	71.0	68.0	1,533	950	1,533	950
Investors Mutual	60,397	62,442	3.6	3.7	40.0	39.3	56.4	57.0	59,535	55,364	51,610	44,420
Johnston Mutual Fund	4,778	4,991	18.3	17.8	20.4	18.1	61.3	64.1	1,925	1,261	1,738	735
Knickerbocker Fund	143	242	1.3	2.2	7.4	6.6	91.3	91.2	398	495	298	375
Loomis-Sayles Mutual Fund	8,872	23,120	9.8	33.0	10.2	8.1	80.0	58.9	6,201	21,361	1,191	19,277
Massachusetts Life Fund	6,809	6,316	9.2	8.2	34.3	32.8	56.5	59.0	2,788	1,688	2,230	350
Mutual Investment Fund	1,537	2,450	5.1	7.9	11.1	10.6	83.8	81.5	505	664	505	534
National Securities-Income	2,203	1,332	3.0	1.8	37.3	37.0	59.7	60.0	5,648	4,023	4,581	2,094
Nation-Wide Securities	3,808	3,567	9.2	8.5	32.3	30.2	58.5	61.3	1,463	1,159	1,463	321
Nelson Fund Inc.	112	270	2.8	6.6	18.8	18.8	78.0	74.6	241	383	208	359
New England Fund	4,498	4,661	25.2	24.7	18.4	18.5	56.4	56.8	420	395	390	273
Putnam (George) Fund	12,102	22,074	5.0	8.4	34.5	31.6	61.0	60.0	16,142	20,489	8,996	9,453
Scudder, Stevens & Clark Fund	8,287	12,076	9.6	15.7	25.3	19.5	65.1	65.0	4,007	3,074	1,097	1,050
Shareholders' Trust of Boston	1,062	1,521	1.9	2.5	33.9	34.7	64.2	62.8	5,579	4,816	4,859	4,794
Stein Roe & Farnham Balanced Fund	4,697	9,807	7.3	14.1	27.1	19.7	65.6	66.2	2,099	5,232	2,005	1,359
Value Line Fund	470	241	6.0	3.1	None	None	94.0	96.9	485	269	485	269
Value Line Income Fund	3,586	1,786	4.9	2.4	45.4	46.6	49.7	51.1	2,615	1,513	1,562	720
Wellington Fund	139,165	215,496	11.2	16.5	33.7	32.3	55.1	51.2	29,997	81,058	29,997	77,736
Whitehall Fund	513	723	4.3	5.8	46.7	45.0	49.0	49.2	128	117	43	Nil
Sub-Total Open-End Bal. Funds	326,987	444,128	6.8	8.5	26.4	25.8	66.8	65.7	173,236	241,350	135,318	191,976
Open-End Stock Funds:												
Aberdeen Fund	724	758	4.0	4.2	None	None	96.0	95.8	1,438	870	1,438	870
Affiliated Fund	a119,388	a59,548	a15.6	a8.5	a None	a None	a84.4	a91.5	77,204	9,262	77,204	9,262
Blue Ridge Mutual Fund	1,692	67	5.6	0.2	9.8	13.3	84.6	86.5	1,633	1,236	1,633	1,236
Bullock Fund	5,049	5,318	8.1	8.3	None	None	91.6	91.7	1,487	898	1,487	893
Chemical Fund	4,623	3,438	2.1	1.8	0.6	1.0	97.3	97.2	10,701	11,272	9,955	11,272
Delaware Fund	4,882	10,487	4.5	9.0	1.8	2.0	93.7	89.0	6,752	10,479	6,587	10,362
de Vegh Mutual Fund	1,470	1,105	8.3	6.9	1.5	1.2	90.2	91.9	1,722	2,544	1,722	2,342
Dividend Shares	18,107	17,500	6.8	6.4	None	None	93.2	93.6	3,251	2,859	3,251	2,359
Dreyfus Fund	13,840	9,938	4.9	3.2	0.3	0.3	94.8	96.5	34,204	10,232	34,103	10,232
Eaton & Howard Stock Fund	12,841	10,270	6.3	6.7	None	None	93.7	93.3	6,458	7,654	3,481	4,654
Energy Fund	999	288	4.6	1.2	0.5	None	95.0	98.8	2,529	1,662	2,398	1,567
Fidelity Fund	5,917	8,081	1.6	2.2	16.8	21.3	81.6	76.5	14,227	33,275	14,227	33,275
Fundamental Investors	21,471	29,538	3.9	5.2	None	None	96.1	94.8	36,554	42,554	36,554	42,554
Group Securities—Com. Stock Fund	1,610	4,354	1.2	3.2	None	None	98.8	96.8	1,967	2,267	1,967	2,267
Guardian Mutual Fund	2,046	2,407	13.6	15.7	7.5	8.8	78.9	75.5	3,743	4,108	3,425	3,995
Incorporated Investors	14,994	30,640	6.4	12.9	None	None	93.6	87.1	2,025	20,223	2,025	20,223
Institutional Investors Mutual Fund	3,355	4,050	4.5	5.0	None	None	95.5	95.0	1,025	2,570	1,025	2,570
Investment Co. of America	8,711	24,739	4.1	11.3	1.9	1.9	94.0	86.8	9,217	21,208	9,217	21,208
Investment Trust of Boston	----	1,635	----	2.8	1.0	None	99.0	97.2	141	3,936	141	3,436
Lazard Fund	7,030	10,246	7.6	11.2	None	None	92.4	88.8	c----	c----	c----	c----
Massachusetts Investors Trust	22,150	27,764	1.6	2.0	None	None	98.4	98.0	11,394	18,123	11,394	18,123
Massachusetts Investors Growth Stock	9,541	12,827	2.1	2.7	None	None	97.9	97.3	1,982	3,020	1,982	3,020
National Investors	4,406	7,882	1.9	3.0	None	None	98.1	97.0	11,175	4,818	11,175	4,818
National Securities—Stock	4,317	6,321	3.9	3.6	None	None	96.1	96.4	11,620	11,809	11,620	11,809
One William Street	17,826	19,286	8.0	8.6	1.7	1.7	90.3	89.7	2,857	7,304	2,857	7,304
Pine Street Fund	3,404	2,892	13.0	14.6	6.1	6.5	80.9	78.9	372	575	372	575
Pioneer Fund	834	1,058	2.0	2.3	14.6	14.0	83.4	83.7	1,348	1,275	1,263	1,113
Price (T. Rowe) Growth Stock	3,515	6,228	5.5	6.8	0.8	1.0	93.7	92.2	1,504	1,325	1,504	1,325
Scudder, Stevens & Clark—Com. Stk.	1,625	2,188	1.3	4.7	None	None	98.7	95.3	5,078	3,013	5,078	3,013
Selected American Shares	2,110	10,970	2.2	11.3	1.1	0.2	96.7	88.5	2,975	11,617	2,965	10,333
Sovereign Investors	61	----	1.9	----	3.7	3.8	94.4	96.2	202	100	202	100
State Street Investment	10,103	20,028	5.5	10.9	0.8	0.7	93.7	88.4	1,353	12,880	1,353	12,880
Stein Roe & Farnham Stock Fund	911	1,224	3.5	4.4	0.6	None	95.9	95.6	921	684	901	504
Texas Fund	2,023	2,199	5.0	4.8	0.1	0.3	94.9	95.0	1,689	1,715	1,689	1,684
United Accumulative Fund	18,868	21,841	3.8	4.1	4.1	5.5	92.2	90.4	49,021	30,296	14,279	7,287
United Continental Fund	2,743	3,050	6.9	7.5	3.5	3.6	89.7	88.9	2,184	2,925	Nil	725
United Income Fund	12,460	13,207	4.3	4.3	4.5	5.7	91.2	90.0	34,257	25,247	15,398	11,280
United Science Fund	8,173	5,908	5.3	3.7	0.5	4.1	94.2	92.3	15,480	15,018	580	2,801
Value Line Special Situations	285	399	4.0	2.7	9.3	12.2	86.7	85.1	1,584	1,322	1,463	1,322
Wall Street Investing	68	78	0.7	0.8	13.8	13.2	85.5	86.0	313	253	313	Nil
Wisconsin Fund	3,296	3,730	19.0	20.9	1.5	1.5	79.5	77.6	Nil	433	Nil	438
Sub-Total Open-End Stock Funds	377,438	399,437	5.2	6.4	2.7	3.4	92.1	90.2	374,587	348,414	298,228	291,541
Total Open-End Funds	704,425	843,565	6.0	6.6	14.5	14.7	79.5	78.7	547,823	589,764	433,546	483,517
Closed-End Companies:												
Abacus Fund	1,321	2,422	4.1	7.3	None	None	95.9	92.7	Nil	679	Nil	679
Adams Express	1,643	2,690	2.0	3.2	0.8	1.0	97.2	95.8	Nil	1,365	Nil	1,176
American European Securities	239	222	1.4	1.3	13.6	16.7	85.0	82.0	745	766	743	764
American International	1,207	1,892	3.4	5.1	1.4	1.9	95.2	93.0	Nil	982	Nil	855
Carriers & General	1,286	1,306	8.0	7.9	2.4	1.3	89.6	90.8	691	675	691	675
Consolidated Investment Trust	1,246	343	2.1	0.5	0.4	1.8	97.5	97.9	1,802	925	958	925
Dominick Fund	2,940	2,759	8.9	8.2	3.4	3.5	87.7	88.3	5,755	3,058	5,755	3,058
General American Investors	5,832	6,313	11.7	12.5	2.0	2.2	86.0	85.3	391	898	391	898
General Public Service	15,312	15,897	22.8	22.6	1.0	1.0	76.2	76.4	529	566	529	565
Lehman Corp.	25,636	28,304	9.7	10.2	2.6	1.1	87.7	88.7	3,626	4,185	3,626	4,185
Madison Fund	6,555	14,234	5.3	11.1	0.4	0.1	94.3	88.8	5,995	12,368	5,995	12,363
Niagara Share	3,342	4,527	5.7	7.6	0.2	0.2	94.1	92.2	1,794	798	1,794	798
Overseas Securities	----	----	----	----	7.7	7.9	91.5	90.0	278	285	278	285
Tri-Continental	4,996	6,061	1.3	1.6	10.3	9.8	88.4	88.6	2,422	4,152	2,422	2,259
U. S. & Foreign Securities	7,663	7,598	8.1	7.8	None	None	91.9	92.2	1,290	3,137	1,290	3,137
Total Closed-End Companies	79,218	94,568	5.7	7.1	3.6	3.4	90.7	89.5	25,318	34,839	24,472	32,628
Grand Total	783,643	938,133	6.1	7.3	10.9	10.8	83.0	81.9	573,141	624,603	458,018	516,145

†Includes corporate short-term notes where so included by reporting fund. a For April 30-July 31 period. b For May 31-Aug. 31 period. c Sold on balance. ‡Cost of purchases. **Proceeds from sale.

—— SUMMARY ——

CHANGES OF CASH POSITION OF 89 INVESTMENT COMPANIES
September 30, 1962 vs. June 30, 1962

	Plus	Minus	Approx. Unchngd.	Total
OPEN-END COMPANIES: Balanced Funds	20	9	4	33
Stock Funds	30	10	1	41
CLOSED-END COMPANIES	10	2	3	15
Totals	60	21	8	89

AVERAGE ALLOCATION BY 89 COMPANIES OF ASSETS TO CASH AND EQUIVALENT, DEFENSIVE SECURITIES, AND RISK SECURITIES

	June 31, 1962	Sept. 30, 1962
Net cash, etc. and Governments	6.1%	7.3%
Defensive Securities (Bonds and Preferreds)	10.9	10.8
Risk Securities (Common Stocks)	83.0	81.9
Totals	100.0%	100.0%

Funds' Buying Ended During Market Rally

Continued from page 20

as Sperry-Rand, Xerox and Zenith. Schlumberger, a hybrid oil field equipment and electronics business, was quite popular among the buyers. New acquisitions in this issue were made by Bullock, Wall Street Investing and Guardian Mutual.

Finance Companies Neutral

Issues in this group after being bought heavily in the preceding two quarters balanced out. Strength was shown in Financial Federation, a "unanimous favorite," in which new acquisitions were made by National Investors (11,800), Incorporated Investors (30,000) and Wellington (25,000). This issue met with no selling. On the other hand, CIT Financial met with considerable selling including elimination by Guardian Mutual and Commonwealth Investment.

Public Utilities Meet Mixed Reaction

In the Telephone and Telegraph sector of this group two issues were bought and two were sold. International Tel. & Tel. a unanimous favorite met no selling and was bought by Dreyfus, Fidelity, and Knickerbocker. However, A. T. & T., which had been bought on balance during the June quarter, reversed its position, being sold on balance during the September quarter. By far the largest seller was Wellington (65,000).

Within the electric and gas sector of this group a greater interest in the overall number of companies was shown. Although strong buying was indicated in New England Electric System, Oklahoma Gas and Electric and Public Service of Colorado, heavy selling existed in Arizona Public Service, Central and Southwest Corp. and Southern Company.

Retailers Meet Mixed Reaction

This particular group turned in almost a repeat performance over the June survey, once again showing unusual demand was J. C. Penney. Newly bought by Fundamental Investors (34,000) and Shareholders Trust of Boston (15,000).

Miscellaneous Issues

Among the companies which are inappropriate to categorize industry-wise, selective purchases took place. Overall some 10 companies found buyers and only two were sold. Buying in International Flavors & Fragrances, Minnesota Mining and Mfg. and U. S. Lines dominated while American Photocopy and Procter & Gamble were the only sold issues. Unilever N.V., a foreign issue, was newly bought by Affiliated (100,000).

Longwell To Be Walston V.-P.

Effective Dec. 1 Harold W. Longwell will become a Vice-President of Walston & Co., Inc., 74 Wall Street, New York City, members of the New York Stock Exchange and other leading exchanges. Mr. Longwell is now an Assistant Vice-President of the firm.

Bache & Co. Offers Talks for Women

Recognizing the increasing interest of women in investments, the New York Stock Exchange firm of Bache & Co. has arranged to give a free 2-hour informative talk on this subject at 1:45 o'clock Saturday afternoon, Nov. 17, at the firm's office, 770 Lexington Avenue (60th Street).

The talks will be by women and for women only. They will be repeated at the same time and place on three consecutive Saturdays, Nov. 24, Dec. 1, and Dec. 8. Advance reservations for the course are necessary. An informal question-answer period over a cup of tea will follow each session.

Fowler, Rosenau Admit

Fowler & Rosenau, 40 Wall Street, New York City, members of the New York Stock Exchange, will admit James N. Rosenau to limited partnership Dec. 1.

Elected Director

Bethuel M. Webster, partner of Webster Sheffield Fleischmann Hitchcock & Chrystie, has been elected a Director of General American Investors Co., Inc., it has been announced by Arthur G. Altschul, Chairman of the Board. General American Investors is a closed-end investment company listed on the New York Stock Exchange.

Mr. Webster, a Trustee of the Ford Foundation, is a former President of the Association of the Bar of the City of New York.

Named to Board

John B. Huhn, a partner in Bache & Co. has been elected to the Board of Directors of American Business Systems, Inc.

American Business Systems designs and manufactures a wide variety of business forms and data processing tabulating cards.

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Arizona Bankers Annual Meeting

PHOENIX, Ariz.—The Arizona Bankers Association has concluded its 59th annual convention.

George H. Stack, Senior Vice-President of Pioneer Bank of Arizona, Prescott, was elected President of the assoication for the coming year.

During the meetings in Phoenix, association President James E. Patrick reported record attendance by financial leaders from throughout Arizona, the U. S. Canada and Mexico. Mr. Patrick is President of Valley National Bank of Arizona.

Major speakers were Weldon P. Gibson, Executive Vice-President, Stanford Research Institute, Menlo Park, Calif.; Edward E. Edwards, Professor of Finance, graduate school of business, Indiana University, Bloomington, Ind., and Martin R. Gainsbrugh, Vice-President and Chief Economist, National Industrial Conference Board, New York City.

Other new Association officers elected were:

1st Vice-President—James Byers, President, First National Bank of Arizona, Phoenix; 2nd Vice-President—James P. Simmons, President, Guaranty Bank, Phoenix; Exeutive Councilman—G. F. Bradley, Vice-President, Valley National Bank, Tucson, and Robert C. Haden, President, First Security Bank, Mesa.

Officers who will continue unexpired terms are:

Secretary — Willis E. Henze, Vice-President, First National Bank of Arizona, Phoenix; Treasurer — Holden W. Olsen, Vice-President, Southern Arizona Bank & Trust Co., Tucson; Executive Councilmen—James S. Douglas, Administrative Vice-President, Southern Arizona Bank & Trust Co., Tucson; G. Clarke Bean, Senior Vice-President, Arizona Bank, Phoenix, and Gordon E. Parker, President, First Navajo National Bank, Holbrook.

Nat'l SBIC Assn. To Hold Meeting

Kenneth Kramer, Executive Editor of "Business Week" and John E. Horne, Administrator of the Small Business Administration, will be among the principal speakers at the Fourth Annual Meeting of the National Association of Small Business Investment Companies (SBICs) at the Hotel Shoreham, Dec. 3-5.

Mr. Kramer, whose publication is widely known for its coverage of business and financial news, will speak on "The SBIC: What Lies Ahead?" Mr. Horne will discuss the progress of SBICs during the past three years and their role in the future of the American economy.

The three-day meeting will be devoted primarily to a series of workshop sessions moderated by economists, financial analysts, accounting experts and corporate attorneys associated with the SBIC program.

More than 500 investment executives will be registered at the sessions which will be attended also by representatives of the Small Business Administration, the Securities and Exchange Commission and the Internal Revenue Service.

IDAC Members to Register Salesmen

TORONTO, Canada—Commencing Nov. 15, 1962, all salesmen employed by Members of The Investment Dealers' Association of Canada must be registered with the Association. In order to become a registered salesman application must be made on an approved form which requires the applicant to provide detailed information on his background and experience. Registrants are also required either to be graduates of the Association's educational Course I "Principles and Practices of Investment Finance in Canada," or to pass a Special Examination based on this Course.

Working in cooperation with the Toronto, Montreal-Canadian and Vancouver Stock Exchanges, the Association anticipates that the new requirements will raise minimum standards throughout the securities business.

The Association has always required a high level of competence and ethical conduct and the careful selection of sales personnel by members. The registration requirement will, however, provide for a more formal scrutiny of applicants for sales positions by District Executive Committees.

D. B. Marron Names Rosen V.P.

D. B. Marron & Co., Inc., 63 Wall Street, New York City, members of the New York Stock Exchange, have elected Alvin S. Rosen a Vice-President of the firm.

Lamb V.-P. of Lyons, Hannahs

Thomas Lamb has become associated with Lyons, Hannahs & Lee, Inc., 115 Broadway, New York City, as a Vice-President.

NEWS ABOUT BANKS AND BANKERS

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

J. Henry Schroder Banking Corporation, New York and **Schroder Trust Company, New York,** announced that Gerard Meehin and Michael McGarry have been named Assistant Secretaries and that Martin Armytage has been made an Assistant Treasurer of the two banks.

* * *

The Board of Trustees of the **Union Square Savings Bank, New York,** has announced the appointment of William J. Schaefer as Assistant Treasurer.

Mr. Schaefer has been with the bank 23 years.

* * *

The Board of Governors of the Federal Reserve System Nov. 7 announced its approval of the merger of **The Gramatan National Bank and Trust Company of Bronxville, Bronxville, N. Y.,** into **The County Trust Company, White Plains, N. Y.** The merger was previously apprved by the Banking Department of New York State.

* * *

Ralph T. Tyner, Jr., Chairman of the Board, announced today that the Board of Directors of **National Bank of Westchester, White Plains, N. Y.,** had declared a 5% special stock dividend. The dividend, payable on or about Feb. 21, to shareholders of record on Jan. 25, would increase the number of shares outstanding to 1,249,592 shares and capital stock to $6,247,960 subject to approval of two-third's of the shareholders at the annual meeting, Jan. 17.

* * *

Edward J. O'Gorman, Jr. was appointed Assistant Controller of the **National Bank of Westchester, White Plains, N. Y.,** on Nov. 8.

Mr. O'Gorman comes to NBW from **First National City Bank, New York.**

* * *

Oren Root, New York State Superintendent of Banks and Chairman of the Banking Board, announced Nov. 8 that he had approved the mergers of **The First National Bank of Batavia** into **Liberty Bank and Trust Company of Buffalo,** and of the **Prattsburgh State Bank** into **Central Trust Company of Rochester,** and that the Banking Board had approved the continued operation of the merged banks as offices of the respective receiving institutions.

* * *

The appointment of seven to the newly created Bloomfield Avenue office Advisory Board of **The National State Bank of Newark, Newark, N. J.,** has been announced.

The new board members are Joseph De Deo, Raymond P. Stabile, Eugene D. Molinaro, Anthony Coraci, Samuel A. Kaphan, Ross B. Cameron and M. I. Rayner.

* * *

Ground was broken in Caldwell, N. J., Nov. 8 at the corner of Central and Bloomfield Avenues for **The National State Bank of Newark, N. J.,** new motor bank.

* * *

The Raritan State Bank, Raritan, N. J., has changed its title to **State Bank of Somerset County.**

The Hillside State Bank, Hillside, N. J., a newly organized bank, was admitted to membership in the Federal Reserve System on Nov. 8, The capital of the bank is $200,000 and its surplus, $200,000.

Officers of the bank are: Louis H. Burfeind, President; Walter M. D. Kern, Executive Vice-President and Cashier; Walter H. Jones, Vice-President; Max Schleifer, Vice-President; Charles S. Mancuso, Assistant Cashier and Henry Goldhor, Secretary.

* * *

Mellon National Bank & Trust Co., Pittsburgh, Pa., elected Philip A. Fleger, a Director. He succeeds Childs Frick, who resigned.

* * *

The Western Pennsylvania National Bank, Pittsburgh, Pa., announced that George J. Arth, Jr., was appointed a Trust Officer; Edward P. Lawson, was appointed a Mortgage Officer in charge of mortgage underwriting; Robert F. Gross was promoted to Manager of Bookkeeping and Proof Operations for WPNB, and Curry Blank was promoted to Assistant Manager of the Dravosburg Community Office.

* * *

The Comptroller of the Currency announced Nov. 9 that preliminary approval to organize a new National Bank in Suitland, Prince Georges County, Md., has been granted.

The proposed bank, to be operated under the title **Peoples National Bank of Prince Georges County,** will be located at the intersection of Suitland Road and Silver Hill Road.

Proposed initial capitalization will amount to $1,050,000, consisting of $500,000 capital, $400,000 surplus, and $150,000 undivided profits. Alfred C. Scuderi of Marlow Heights, Md., has been proposed as Chairman of the Board.

* * *

George T. Ewell has been elected a Director of **The Bank of Virginia, Richmond, Va.**

O. B. Wooldridge, Bank Director since Sept. 1, 1959, has retired after 52 years in business and banking, inluding nearly 30 years the Bank of Virginia.

* * *

The National City Bank of Cleveland, Ohio, announced Nov. 8 that Robert E. Sipes has been named Vice-President and Trust Officer in the Administrative Division of the Trust Department; Kenneth T. Willis has been appointed Assistant Vice-President in the Branch Operations Department at the bank's main office, and John S. Darst has been promoted to Manager of National City's Babbitt-Lake Shore office.

* * *

The Comptroller of the Currency James J. Saxon approved on Nov. 2 the application to merge the $3,800,000 **City National Bank of Tiffin, Tiffin, Ohio,** and the $14,600,000 **First National Bank of Fostoria, Fostoria, Ohio,** under the charter of the latter and with the title **"Tri-County National Bank."**

* * *

The trust department of **Harris Trust and Savings Bank, Chicago, Ill.** has established a trust for the consolidated investment of employee benefit plans. This Treasury Department approved pooled fund is an investment vehicle for the funds of small and medium size tax-exempt employee benefit plans.

Companies may enter the new fund with cash or securities acceptable to the Harris trust department. The fund will have monthly openings. Income of the fund is to be accumulated and reinvested.

According to the Harris announcement, the fund can purchase any type of investment except securities of participating companies. Harris Bank must be named trustee, co-trustee or agent for the individual trustees of any employee benefit plan using the fund as an investment vehicle.

* * *

Samuel Spitzbart, Vice-President and Director of the **Security National Bank of Huntington, N. Y.,** has been elected to the Board of Directors of the **Bank of Miami Beach, Miami Beach, Fla.**

* * *

Preliminary approval to organize a new National Bank in Hialeah, Fla., was granted Nov. 7 by Comptroller of the Currency James J. Saxon.

The new bank, to be operated under the title **"First National Bank of Hialeah,"** will have initial capitalization of $1,000,000.

* * *

Comptroller of the Currency James J. Saxon announced Nov. 7 that he has granted preliminary approval to organize a new National Bank in Indian River City, Fla., under the title **"Brevard National Bank."**

The new bank will have an initial capital structure of $500,000 capital, $190,000 surplus, and $60,000 undivided profits.

* * *

Kenneth G. House has been named President of the **Canadian Bank of Commerce (California),** succeeding Robert B. Arnold who is retiring after 40 years service with the bank and its Canadian parent company. Mr. Arnold has been President of the California affiliate for the past six years.

Mr. House most recently has been Manager of the **Canadian Imperial Bank of Commerce at St. Catharines, Ontario.** Prior experience includes service as Assistant Manager at the Windsor, Ontario branch, with the bank's New York agency and at the head office of Canadian Imperial in Toronto.

* * *

Bank of America, San Francisco, Calif., elected Guido Bartolo a Vice-President and appointed him to a new Senior position in lending.

* * *

Directors of the **Seattle-First National Bank, Seattle, Wash.,** announced Nov. 9 that Lawrence M. Arnold will relinquish his duties as Chairman of the Board and Chief Executive Officer of the bank on Dec. 1 and that William M. Jenkins, presently a Director of the bank and Executive Vice-President and Manager of the Everett Division, will succeed Mr. Arnold as Chairman of the Board and Chief Executive Officer on that day.

The directors also announced the election of Mr. Arnold to a newly-created position of Honorary Chairman of the Board, effective upon his retirement. In his new capacity, Mr. Arnold's duties will be of a advisory nature. He will continue as a member of the Board of Directors and as a member of the Executive Committee, but has asked to be relieved of all other administrative and executive duties.

* * *

The new Eastlake Avenue Branch of **Seattle-First National Bank,** at 1551 Eastlake Avenue, East, opened for business Nov. 12.

Manager Robert P. Plough, who has been with the Seattle-First National Bank since 1946 and Assistant Manager of the Sixth and Denny Branch since 1958, will head a staff of six persons.

Our Reporter on GOVERNMENTS

BY JOHN T. CHIPPENDALE, JR.

The money and capital markets appear to have settled back into the patterns that were in vogue prior to the Cuban crisis. The initial shock of what was taking place in and around the island of Cuba and what might come out of this very tense situation resulted in temporary but thoroughly disorganized markets. When it was realized that unless there was to be an atomic war, the money and capital markets would likely remain pretty much as they had been, there was a rather rapid recovery of equilibrium.

Accordingly, short-term rates continued to decline which was not to the liking of the monetary authorities while long-term rates also moved in much the same direction. In order not to have unfavorable effects on our balance of payments, the Government filled the short-term market with a surprise offering of Treasury bills in order to harden the yield of the most liquid obligations.

Business Trend

The economy is expected to return to pre-Cuban crisis conditions which probably means that business will continue in the high plateau that it has been in for a period of time. This means that our problems concerning unemployment, the balance of payments deficit and the international position of the dollar, as well as the gold holdings, will be watched as closely in the future as they have been in the past.

It is evident that business conditions, although not booming, are nonetheless good by whatever indices that may be used to make these measurements. To be sure, there are soft spots such as steel and a few other industries, but the overall picture has much that is on the favorable side. In addition, there is none of that pressure around that is to be found when inflationary developments are in ascendancy.

On the other hand, there is some notice being given, however, to the opinions that deflation is a force that must be watched very closely since the economy may move in that direction unless there is some kind of a stimulant found to move it out of the top plateau where it has been stuck for quite a while now.

Therefore, it appears as though the domestic situation, while a point of concern among some economists, does not seem to be as loaded at this time as does the international political picture. Accordingly, unless there is a sizable extension of the cold war fronts that might eventually be merged into a real hot war, it is believed that money and capital conditions are going to be determined in the foreseeable future largely by what goes on with the dollar, our gold holdings as well as our international balance of payments.

Defending the Dollar

The combination of monetary policy and debt management has been used effectively to prevent further aggravation of our balance of payments problems, which also have an influence on our monetary unit and our gold holdings. The Federal Reserve Board in an expansionary year-end monetary move, recently decreased reserves against savings deposits in commercial banks from 5% to 4%. In this fashion, credit was made available to the deposit banks without having to resort to short-term open market operations which would have further depressed the yields of near-term obligations and put them more out of line with those in other world money centers. This could have brought about an outflow of gold which would have worsened our balance of payments problem.

The Treasury in its debt management operation recently and suddenly issued a strip of $1,000,000,000 of bills with the purpose of pushing up short yields so that the differential between here and England and other money centers would be brought more in line so that an outflow of gold would be averted and our balance of payments problem would not become more acute. In both of these instances the desired results were achieved and aid was given to the dollar, our gold position, as well as our balance of payments problem.

Small Attrition on Refunding Offer

The late fall refunding operation of the Treasury, in addition to being a very successful one with an attrition of only about 5%, showed the owners of the maturing issues were inclined to give considerable attention to the 3½% note due in 1965 and the 4% bond maturing in 1972.

According to reports, these two securities, the longest maturities in the package exchange offer, were taken in the amount of $5,567,000,000 compared with $4,845,000,000 for the 3⅛% certificate.

The higher coupon rates, and evidently a lessening fear of important changes in the more distant interest rates, were probably responsible in some measure for these selections.

Syracuse Regional Bar Assn.

SYRACUSE, N. Y.—The Syracuse Regional Meeting of the American Bar Association will be held in Syracuse, N. Y. April 17 to 21, 1963.

George B. Peluso, Peluso and Lynch, is Chairman of the publicity committee.

COMMENTARY...

By M. R. LEFKOE

Capitalism in America is engaged in a desperate struggle for survival. Its two primary enemies are the government — which is sabotaging the free market with arbitrary regulations and controls —and the intellectuals—most of whom are trying to discredit free enterprise by distorting its true nature and its accomplishments.

The attack on the only political-economic system in which businessmen are able to exist as free men is being supported, however, by yet another group: the capitalists themselves. By failing to recognize that they are in a fight for their very existence and by failing to identify their adversaries, businessmen have been financially supporting their own destroyers.

Don Rogers' Thesis

This incredible phenomenon was analyzed recently by Donald I. Rogers, business and financial editor of the New York *Herald Tribune*, in an address before the Washington Roundtable. In his talk before this group of business executives, Mr. Rogers made a suggestion which, if accepted and put into practice, would be a major step in the businessman's fight for freedom. Every businessman who thinks that his freedom is worth fighting for should give serious consideration to Mr. Rogers' proposal:

"You are voluntarily paying hundreds of millions of dollars in support of your most vicious and most effective enemies. . . . You do it through your advertising budgets.

"Let's consider the newspapers in our Nation's Capital. There are three daily newspapers in Washington—two of them conservative and in sympathy with the business point of view. These are the old and respected Washington *Star*, and the Scripps-Howard afternoon paper, the *Daily News*.

"The third paper, the Washington *Post*, is the journalistic flagship of the New Frontier. It rallies behind anything that is advocated or even suggested by Kennedy, Schlesinger or Heller. . . .

"So, when businessmen place their advertising in Washington, where do they place it?

"They place 600,000 more lines per month with the liberal, welfare-state-loving *Post* than in the *Star*, and the poor old conservative *News* runs a poor—a very poor—third. . . .

"The picture is no different here in New York. We find that the greatest amount of advertising placed by businessmen goes into the liberal *Times*, which supports most of the welfare-state program and at most gently chides the Administration from time to time.

"The influential conservative papers, the *Herald Tribune* and the *World-Telegram and Sun* get very sparse pickings indeed from the American business community which they so effectively support in their editorial policies.

"In some other cities, we find the same kind of situation — as in St. Louis, where the liberal — sometimes wildly liberal — *Post-Dispatch* gets the businessmen's dollars in much more plentiful quantities than does the conservative pro-business *Globe-Democrat*. . . .

"Even in the predominantly conservative press, however, businessmen have no standing and do not make their wishes known. For if the publisher, being a conservative himself, makes his conservative policies prevail on the editorial pages, the editors, whenever they have carte blanche, as most of them do, fill the papers with liberal columnists, and squeeze out the conservative columnists wherever and whenever they can. . . .

Same Situation on TV

"Far more attention needs to be given to the broadcast media. This is where business and the ideals of conservatism are taking a twin trouncing the like of which has never been seen before. . . .

"For some time the only network-wide sponsored newscast on TV was the Huntley-Brinkley report. . . . On that show the liberals get the breaks and the conservatives do not.

"The special reports that Chet Huntley narrates are even further on the liberal side than when he restrains himself in company with Brinkley. I'm sure you heard the repercussions that followed Huntley's sponsored show on the Newburgh story. Whether it is true or not that Huntley's crew bribed reliefers to wail and weep their lies into the microphones, it most certainly is true that the Newburgh city officials who were attempting to clean up relief abuses were made to look like cruel and heartless monsters. . . .

"And then there is Howard K. Smith in Washington who supplies free air time to the New Frontiersmen to push their programs. He does this with the sponsorship of American business enterprises. They pay him liberally to help defeat the system that permits them to operate. . . .

"With the increased emphasis on information programs, promoted by FCC Chairman Newton Minow, you can expect that Washington officials will be given more time on the air to put their views across to the public.

"The broadcasters' fear of the FCC dictates this action. But if American businessmen choose to sponsor such programs dedicated to undermining themselves, they can have no complaint. If the broadcasters are acting out of coercion, the businessmen will be acting merely out of bad judgment. . . .

Time for Reappraisal

"Gentlemen, how about a reappraisal?

"Don't you believe that in all of the incidents I have cited here American businessmen probably would have done less harm to the American institutions if they had paid all of these millions of dollars right into the Communist Party? I doubt that Americans could be persuaded to accept communism right off the bat, but they most certainly are being persuaded to accept Fabian socialism, and it is business money — your money—that is financing the job. Are you happy with the results? Is this what you wanted? . . .

"First, let me tell you what I would not do if I were the head of a corporation. I would not try to influence the policy of newspapers, radio stations, and TV networks. They have a right to pursue the policies their managements choose. Businessmen would be guilty of flagrant abuse of their positions as advertisers if they tried to buy changes of policy with their advertising budgets. If we have any freedom left, it is because we have a free press, and it must be preserved.

"But there is nothing unethical —indeed I think the practice is most ethical—in making sure that your company's dollars don't go to undermine your company and all other companies operating within the framework of the free enterprise system. . . .

"If I were the top executive of a company, I would quietly lay down the policy that prohibited advertising in any publication or upon any TV show which had a predominantly leftish tinge to it. . . . The company need only be concerned that it does not sponsor leftwing propaganda, whether in news, documentaries, or outright propaganda. . . .

"We are not yet halfway through the first four-year term of President Kennedy. Over the years much power has been ceded to the Presidency. Mr. Kennedy has gained more power than ever before and is still seeking more power. Much of the power he seeks is power directly over you in business. . . .

"Are you going to be among those businessmen who pay for the ammunition for the enemy's side?"

Answering the Opposition

Shortly after the full text of this speech was inserted in the *Congressional Record* by Senator Barry Goldwater, *Time* Magazine published an article which attempted to discredit Mr. Rogers' proposal. The crux of *Time's* attack on Mr. Rogers was summed up in its remark that "advertising comes to the paper with readership and readership comes to the paper that does its job."

This blanket condemnation of Mr. Rogers' proposal is fallacious on two counts. In the first place, while there is certainly a vast difference in the size of various TV show audiences and the circulation of competing magazines and newspapers, the difference between the advertising cost per thousand viewers or readers in each medium is relatively slim.

But even more important, what good will it do a company to spend a fortune on advertising to interest the consumer in its products, if that same advertising is contributing to the destruction of the company itself? A company first must fight for the free political-economic environment it requires to produce its goods and distribute them; then—and only then—can it begin to worry about how to get the consumer to purchase them.

Businessmen had better begin to realize that their only hope for survival lies in the creation of a *laissez faire* society. If they passively sit back and watch themselves being destroyed, or worse —if they actively continue to assist their own destroyers—when a rigid totalitarian state ultimately is established in America, businessmen will not be justified in crying: "We couldn't help it!"

They could have.

BANK AND INSURANCE STOCKS

This Week — Insurance Stocks

INSURANCE STOCK MARKET PERFORMANCE IN 1962—

Insurance stock market prices have shown strong recovery trends in recent weeks in line with the general stock market. Prices for many insurance stocks are now above the median of their price range for the year. As a group, fire and casualty stocks have performed as well as the leading statistical indices of the stock market for the year, while life insurance stocks, the leading market performer among all major industry stock groups in 1961, continue to lag somewhat behind the indices.

Fire and casualty stock prices have been buoyed by improved underwriting results through the first six months of the year. For the industry as a whole a profit margin of 0.3% was recorded in contrast to a loss of 0.3% in the first half of 1931. Premiums written increased approximately 5%. Although the industry's surplus position has been hard hit by the 1962 decline in market values of common stocks, net investment income was 8% higher than in the first six months of 1961.

The growth in sales of life insurance has continued unabated in 1962. A new record high in sales of individual life coverages is in prospect. The important factors which influence the profitability of life insurance—operating expenses, mortality rates and return on investment — continue to be highly favorable to the industry. In view of these factors the relatively poorer market performance of life insurance stocks to date in 1962 is attributed principally to the normal corrective reaction in a declining market of a stock group which paced the previous bull market rise as life insurance stocks led the 1961 market advance.

During the past few months investors in an uncertain market have been turning to industry groups with established fundamental values in search of investment opportunities. The stocks of financial institutions — banks and insurance companies — have been one of the recipients of this investment attention. A relatively favorably market performance over the next few months appears in prospect for insurance stocks in light of present market conditions and operating results.

Insurance Stock Market Prices

	1962 Price-Range	Recent Price	Current Dividend	Yield
Aetna Casualty	$77 - 58	$70	$0.88	1.2%
Aetna Life	145½ - 90	111½	1.60	1.4
American Insurance	34½ - 22½	26	1.30	5.0
Boston Insurance	44½ - 30½	33	1.80	5.3
Connecticut General	143 - 98	120	0.80	0.7
Continental Casualty	108 - 64	66½	1.50	2.3
Continental Insurance	72¾ - 47¼	54	2.20	4.5
Federal Insurance	77½ - 50¾	57	1.10	1.9
Fireman's Fund	71¾ - 55½	66½	2.00	3.0
Franklin Life	156 - 73	94	0.45	0.5
General Reinsurance	223 -115	182	2.00	1.0
Glens Falls	54 - 36½	37	1.00	2.7
Great American	63½ - 45	50¾	2.00	3.9
Hartford Fire	81¼ - 51¼	58¾	1.10	1.9
Home Insurance	62 - 43½	50¾	2.20	4.3
Ins. Company of N. A.	107 - 65½	81½	1.80	2.2
Lincoln National Life	190 -115	132	1.00	0.8
Maryland Casualty	52¾ - 41	44¾	1.90	4.2
Northern Insurance	55¾ - 34½	37	1.50	4.0
St. Paul F. & M.	73 - 47½	52	1.28	2.4
Springfield Insurance	46½ - 28	31¼	1.00	3.1
Travelers Insurance	173 -110	138	1.80	1.3
United States F. & G.	80 - 48½	51½	1.20	2.3
U. S. Life	88½ - 46	69	0.20	0.3
Westchester Fire	41 - 30	30	1.40	4.5

Heads Div. in Hosp. Fund Drive

George R. Macalister, Jr., Vice-President of The Chase Manhattan Bank, has been named Chairman of the Banks and Trusts Committee of the Business and Professional Division of the 1962 United Hospital Fund campaign for the second year. John L. Taylor, Chairman of the Division, announced his appointment today. Mr. Taylor is Senior Vice-President also of The Chase Manhattan Bank.

As Chairman of his committee, Mr. Macalister will lead volunteers in the solicitation of contributions from executives and privately-owned firms in the banking field in Manhattan and the Bronx. The goal of the 83rd annual campaign is $3,000,000 and the money raised will help reimburse the Fund's 81 member voluntary, nonprofit hospitals for their care of over one million medically needy, free or below-cost.

Mr. Macalister lives on Briarcliff Road in Tenafly, New Jersey.

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, Marx & 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.

● Aerosystems Technology Corp. (11/26-30)
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., New York. **Note**—This letter was withdrawn.

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.
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. **Offering**—Temporarily postponed.

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

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. (11/26-30)
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 Cruttenden, Podesta & Miller, Chicago.

● American Finance Co., Inc. (11/20-21)
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
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. **Offering**—Imminent.

American Gas Co. (11/28)
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**—Cruttenden, Podesta & Miller, Chicago.

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 Plan Corp. (11/26-30)
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 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.

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). **Offering**—Expected sometime in January.

Ampeg Co., Inc. (12/17-21)
Oct. 29, 1962 ("Reg. A") $294,000 7% conv. subord. debentures due 1972 and 29,400 common to be offered in units of one $1,000 debenture and 100 shares. **Price**—$1,020 per unit. **Business**—Manufacture of amplifiers and accessory equipment for musical instruments. **Proceeds**—For inventory, equipment, debt repayment and new products. **Office**—1570 W. Blancke, Linden, N. J. **Underwriter**—John R. Boland & Co., Inc., N. Y.

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

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.

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.

● Arkansas Valley Industries, Inc. (12/12)
Nov. 5, 1962 filed $2,000,000 of 6% convertible subord. s. f. debentures due 1977 and 25,000 capital shares. **Price**—For debentures, at par; for stock by amendment. **Business**—A holding company for 24 subsidiaries engaged in all phases of the poultry business. **Proceeds**—For debt repayment and working capital. **Address**—Dandanelle, Ark. **Underwriters**—A. G. Edwards & Sons, St. Louis, and A. C. Allyn & Co., Chicago.

● 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 letter will be withdrawn.

Atmosphere Control, Inc.
May 28, 1962 ("Reg. A") 200,000 common. **Price**—$1.50. **Business**—Manufacture and sale of Misti-Cone humidifiers. **Proceeds**—For equipment, inventories and working capital. **Office**—668 Jenks Ave., St. Paul, Minn. **Underwriter**—Pewters, Donnelly & Jansen, Inc., St. Paul, Minn.

Automatic Controls, Inc.
Dec. 28, 1961 filed 50,000 common. **Price**—$4. **Business**—Design, manufacture and installation of electrical, pneumatic, hydraulic and mechanical systems, controls and devices to control and automatically operate industrial machinery and processes. **Proceeds** — For general corporate purposes. **Office**—3601 Merrick Rd., Seaford, N. Y. **Underwriter**—S. Schramm & Co., Inc., N. Y.

Automatic Merchandising, Inc.
May 24, 1962 filed 225,000 common, of which 125,000 are to be offered by company and 100,000 by stockholders. **Price**—By amendment (max. $6). **Business**—Company operates, owns, services and leases coin-operated automatic vending machines. **Proceeds**—For debt repayment, inventories, equipment and working capital. **Office**—217 N. Willow Ave., Tampa. **Underwriter**—A. C. Allyn & Co., Chicago.

Bank "Adanim" Mortgages & Loan Ltd.
Dec. 29, 1961 filed $556,000 of 6% cumulative preference dividend participating dollar-linked shares. **Price**—By amendment. **Business** — A mortgage lending company. **Proceeds**—For general corporate purposes. **Address**—108 Achad Haam St., Tel-Aviv, Israel. **Underwriter**—Adanim American Israel Investment Co., Inc.

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

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 286,009 capital shares being offered for subscription by stockholders on theb asis of one new share for each two held of record Nov. 13 with rights to expire Dec. 3, 1962. **Business**—Manufacture of electro-therapeutic, electronic surgical, diagnostic and monitoring equipment. **Procedes**—For debt repayment, machinery and working capital. **Office**—4371 Valley Blvd., Los Angeles. **Underwriter**—None.

Blue Magic Co. of Ohio, Inc.
July 16, 1962 filed 100,000 common. **Price**—$4. **Business**—Manufacture of liquid starch, a rinse, and spray starch for household use. **Proceeds**—For equipment, plant expansion and working capital. **Office**—901 Florence Ave., Lima, Ohio. **Underwriter**—Hallowell, Sulzberger, Jenks, Kirkland & Co., Philadelphia. **Offering**—Indefinite.

Brinkmann Instruments, Inc.
March 26, 1962 filed 100,000 common, of which 77,420 shares are to be offered by the company and 22,580 shares by stockholders. **Price**—By amendment (max. $7.75). **Business**—Importing and distribution of scientific instruments. **Proceeds**—For research and development, equipment, debt repayment and other corporate purposes. **Office**—115 Cutter Mill Rd., Great Neck, N. Y. **Underwriter**—D. B. Marron & Co., N. Y.

Buddy L. Corp.
April 2, 1962 filed 225,000 common. **Price**—By amendment (max. $10). **Business**—Design, manufacture and sale of various type toys. **Proceeds**—For a proposed acquisition of another toy company. **Office**—200 Fifth Ave., N. Y. **Underwriter**—Milton D. Blauner & Co., Inc., N. Y. **Offering**—Temporarily postponed.

Cable Carriers, Inc.
June 22, 1962 filed 1,015,564 capital shares to be offered for subscription by stockholders on the basis of four new shares for each share held on Feb. 14, 1962. **Price**—25 cents. **Business**—Manufacture and sale of overhead trolley conveyers, vertical tray lift systems, floor and overhead tow systems, etc. **Proceeds**—For working capital. **Office** — Kirk Blvd., Greenville, S. C. **Underwriter**—None.

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

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

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. (11/28)**
Feb. 12, 1962 filed 200,000 common, of which 120,000 are to be offered by the company and 80,000 by stockholders. **Price**—$5. **Business**—Manufactuer of women's and children's tailored panties. **Proceeds**—For debt repayment, inventory and working capital. **Office**—Fajardo Puerto Rico. **Underwriter** — Schweickart & Co., N. Y.

Cameron Iron Works, Inc.
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. **Offering** — Temporarily postponed.

Canaveral Hills Enterprises, Inc. (12/3-7)
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.

Career Academy, Inc. (12/10-14)
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. **Note** — This registration will be withdrawn.

Center Star Gold Mines, Inc.
Apri 10, 1962 ("Reg. A") 2,000,000 common. **Price**—15c. **Business**—For exploration, development and production of mineral deposits. **Proceeds** — For mining expenses. **Address**—Box 469, Wallace, Idaho. **Underwriters**—Pennaluna & Co. and Standard Securities, Inc., Spokane, Wash. **Offering**—Expected in early 1963.

Central Maine Raceways, Inc.
Oct. 26, 1962 filed 450,000 common. **Price**—$1. **Business**—Company conducts commercial parimutuel harness racing meets. **Proceeds**—For debt repayment, purchase of land, and raceway improvements. **Office**—33 Court St., Auburn, Maine. **Underwriter**—None.

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. (11/26-29)
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.

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 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).

● **Computer Concepts Inc. (12/4)**
Dec. 29, 1961 filed 20,000 class A common. **Price** — $25. **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.

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. (12/10-14)**
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 (11/26-30)
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. **Note**—This registration will be withdrawn.

Consumers Cooperative Association
Oct. 31, 1962 filed $8,000,000 of 5½% 25-year subordinated certificates of indebtedness and 160,000 shares of 5½% preferred (par $25). **Price**—For certificates, $100; for preferred, $25. **Business**—A cooperative wholesale purchasing and manufacturing association specializing in petroleum products, fertilizer, feed, and farm supplies. **Proceeds**—For debt repayment, and expansion. **Office**—3315 N. Oak Trafficway, Kansas City, Mo. **Underwriter**—None.

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.

Consumers Water Co.
Oct. 12, 1962 ("Reg. A") 2,900 common. **Price**—$34.25. **Business**—A holding company for seven water supply firms. **Proceeds**—For selling stockholders. **Office**—95 Exchange Pl., Portland, Me. **Underwriter**—H. M. Payson & Co., 93 Exchange St., Portland, Me.

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.

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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. (11/19-21)
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.

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.

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 Corp of America
Oct. 29, 1962 filed 105,000 common. **Price**—$1.25. **Business**—Development of specialized data processing applications and the furnishing of data processing services. **Proceeds**—For training of personnel, advertising and sales promotion, and working capital. **Office**—44 Beaver St., New York. **Underwriter**—A. D. Gilhart & Co., Inc., New York.

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

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

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

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

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

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. **Offering**—Expected in January.

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.

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., New York. **Note**—This registration is expected to be withdrawn.

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

Econo-Car International, Inc. (11/26-30)
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.

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 isotope 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.

Electro-Temp Systems, Inc.
Oct. 18, 1962 ("Reg. A") 160,000 common. **Price** — $1. **Business**—Sale of commercial and industrial refrigeration machinery and equipment. **Proceeds**—For debt repayment, equipment, inventory and working capital. **Office**—150-49 Hillside Ave., Jamaica, N. Y. **Underwriter** —S. C. Burns & 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.
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**—Birr, Wilson & Co., Inc., San Francisco. **Note**—This letter was withdrawn.

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

• Fairlane Finance Co. (11/20)
Oct. 26, 1962 ("Reg. A") 300 6½% s, f. junior subord. debentures due 1977. **Price**—$1,000 each. **Business**—Automobile and consumer financing. **Proceeds**—For loan repayments and additional working capital. **Office**—Greenville Rd., Easly, S. C. **Underwriter**—Alester G. Furman Co., Inc., Greenville, S. C.

Falcon National Life Insurance Co.
June 25, 1962 filed 300,000 common to be offered for subscription by stockholders on the basis of one new share for each three shares held. **Price**—$1.20. **Business** —Life insurance. **Proceeds** — For investments. **Office**—1330 Leyden St., Denver. **Underwriter**—None.

Fastpak, Inc.
Nov. 30, 1961 filed 125,000 common. **Price**—$5. **Business** —The distribution of nuts, bolts and other fastening devices manufactured by others. **Proceeds**—For debt repayment and general corporate purposes. **Office**—8 Benson Place, Freeport, N. Y. **Underwriter** — Arnold Malkan & Co., Inc., N. Y. **Note**—This registration will be withdrawn.

Fedco Corp.
Oct. 29, 1962 filed 20,000 common, of which 17,500 are to be offered by company and 2,500 by a shareholder. **Price** —By amendment (max. $15). **Business**—Design and manufacture of tools, dies, molds, beryllium castings and the distribution of plastic, metal and glass products for home use. **Proceeds**—For a recession offer to stockholders and reduction of accounts payable. **Office**—3600 W. Pratt Ave., Chicago. **Underwriter**—None.

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 (12/19)
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. (11/26-30)
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 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, building improvements, working capital. **Office**—Fern Park, Fla. **Underwriter**—To be named.

Floseal Corp.
May 10, 1962 filed 169,420 common to be offered for subscription by stockholders. **Price**—By amendment (max. $2). **Business**—Company owns and licenses carton pouring spout patents and die patents. **Proceeds**—For debt repayment and other corporate purposes. **Office**—100 W. 10th St., Wilmington, Del. **Underwriter**—None.

Flower City Industries, Inc. (11/19)
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 arrange-

ments. 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.

• 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. **Underwriter** — None. **Note** — This registration will be withdrawn.

• Forst (Alex) & Sons, Inc. (11/19-21)
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.

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.

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. (11/26-30)
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.

General Motors Corp. (11/20)
Nov. 6, 1962 filed 1,581,692 common. **Price**—By amendment (max. $58). **Proceeds**—For selling stockholders. **Office**—1775 Broadway, N. Y. **Underwriter**—Morgan Stanley & Co., N. Y.

Gilfillan Corp.
April 4, 1962 filed 254,000 common. **Price** — By amendment (max. $18). **Business**—Development and production of radar and other specialized electronic systems. **Proceeds**—For selling stockholders. **Office**—1815 Venice Blvd., Los Angeles. **Underwriter**—Blyth & Co., Inc., Los Angeles.

• 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**—Birr, Wilson & Co., Inc., San Francisco. **Note**—This registration will be withdrawn.

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.
June 29, 1962 filed 100,000 common. **Price**—$10. **Business**—Manufacture, sale and lease of steel supports and beams used in construction. **Proceeds**—For debt repayment, expansion, research, and inventory. **Office**—545 Cedar Lane, Teaneck, N. J. **Underwriters**—Winslow, Cohu & Stetson and Laird, Bissell & Meeds, N. Y.

Gold Leaf Pharmacal Co., Inc.
March 13, 1962 filed 80,000 common. **Price**—$4. **Business**—Manufacture, development and sale of pharmaceutical and veterinarian products. **Proceeds**—For advertising, research, debt repayment and working capital. **Office**—36 Lawton St., New Rochelle, N. Y. **Underwriter**—Droulia & Co., N. Y.

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.

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NEW ISSUE CALENDAR

November 19 (Monday)
Cosnat Corp. ____ Debentures
(Van Alstyne, Noel & Co.) $1,250,000
Flower City Industries, Inc. ____ Common
(Leib, Skloot & Co., Inc.) $375,000
Illinois Terminal RR. ____ Bonds
(Bids 12 noon CST) $8,750,000
Jersey Central Power & Light Co. ____ Bonds
(Bids 12 noon EST) $11,000,000

November 20 (Tuesday)
American Finance Co., Inc. ____ Units
(Myron A. Lomasney & Co.) $1,250,000
Fairlane Finance Co. ____ Debentures
(Alester G. Furman Co., Inc.) $300,000
General Motors Corp. ____ Common
(Morgan Stanley & Co.) 1,581,692 shares
International Data Systems, Inc. ____ Common
(E. H. Austin & Co.) $325,000
Nevada Northern Gas Co. ____ Common
(Offering to stockholders—underwritten by Eastman Dillon, Union Securities & Co.) $2,194,500
Permeator Corp. ____ Common
(Offering to stockholders of National Petroleum Corp., Ltd.—Underwritten by Irving Weis & Co.) $1,500,000

November 21 (Wednesday)
Livestock Financial Corp. ____ Common
(Shearson, Hammill & Co.) $1,300,000

November 23 (Friday)
Norton Co. ____ Common
(Paine, Webber, Jackson & Curtis and Goldman, Sachs & Co.) 425,000 shares

November 26 (Monday)
Aerosystems Technology Corp. ____ Common
(Chase Securities Corp.) $495,000
American Bolt & Screw Mfg. Corp. ____ Units
(S. D. Fuller & Co.) $900,000
American Plan Corp. ____ Units
(Bear, Stearns & Co.) 248,000 units
Chestnut Hill Industries, Inc. ____ Common
(Clayton Securities Corp.) $2,250,000
Consolidated Leasing Corp. of America ____ Common
(Blair & Co.) 99,000 shares
Consolidated Leasing Corp. of America ____ Debentures
(Blair & Co.) $1,000,000
Econo-Car International, Inc. ____ Class A
(Crosse & Co., Inc.) $400,000
First Connecticut Small Business Investment Co. ____ Common
(P. W. Brooks & Co.) 200,000 shares
Geigher Pipe Supply Inc. ____ Class A
(Midland Securities Co., Inc.) $570,000
Industrial Development Bank of Israel Ltd. ____ Units
(Brager & Co.) 1,500 units
Jackson's/Byrons Enterprises, Inc. ____ Class A
(Clayton Securities Corp.) 120,000 shares
Jackson's/Byrons Enterprises, Inc. ____ Debentures
(Clayton Securities Corp.) $750,000
Kaiser-Nelson Corp. ____ Common
(Robert L. Ferman & Co., Inc.) 140,000 shares
Logos Options, Ltd. ____ Capital
(Filor, Bullard & Smyth) 250,000 shares
McGrath (John W.) Corp. ____ Common
(Bear, Stearns & Co.) 253,875 shares
Met Food Corp. ____ Debentures
(Brand, Grumet & Siegel, Inc.) $1,000,000
Orbit Stores, Inc. ____ Common
(Norton, Fox & Co., Inc.) 100,000 shares
Pacific Power & Light Co. ____ Bonds
(Bids 11 a.m. EST) $32,000,000
Pak-Well Paper Industries, Inc. ____ Class A
(Francis I. du Pont & Co.) 150,000 shares
Standard Security Life Insurance Co. of New York ____ Common
(Ira Haupt & Co.) 230,000 shares
Tabach Industries, Inc. ____ Common
(Costello, Russotto & Co.) $250,000
Top Dollar Stores, Inc. ____ Common
(Philips, Appel & Walden) $1,000,000

November 27 (Tuesday)
Pacific Gas & Electric Co. ____ Bonds
(Bids 8 a.m. PCT) $65,000,000
Richard Gray & Co., Inc. ____ Common
(Richard Gray Co.) $300,000
United Markets Inc. ____ Units
(Moran & Co.) $500,000

November 28 (Wednesday)
American Gas Co. ____ Common
(Cruttenden, Podesta & Miller) 275,000 shares
American Gas Co. ____ Debentures
(Cruttenden, Podesta & Miller) $1,685,000
Cameo Lingeries, Inc. ____ Common
(Schweickart & Co.) $1,000,000
Keene Packaging Associates ____ Common
(Hardy & Co. and Kleiner, Bell & Co.) $600,000
Southern Electric Generating Co. ____ Bonds
(Bids to be received) $7,500,000

November 29 (Thursday)
Zero Mountain, Inc. ____ Common
(Don D. Anderson & Co., Inc.) $300,000

December 3 (Monday)
Canaveral Hills Enterprises, Inc. ____ Common
(Willis E. Burnside & Co., Inc.) $500,000
Heck's Discount Centers, Inc. ____ Common
(Willard Securities, Inc.) 125,000 shares
Jamoco Air Conditioning Corp. ____ Common
(Martin-Warren Co., Ltd.) $120,000
Metropolitan Edison Co. ____ Bonds
(Bids to be received) $15,000,000
Rona Lee Corp. ____ Common
(Winslow, Cohu & Stetson Inc.) $500,000

December 4 (Tuesday)
Computer Concepts Inc. ____ Common
(Doft & Co.) $500,000
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)
Consolidated Edison Co. of New York, Inc. ____ Bonds
(Bids 11 a.m. EST) $60,000,000
Montana-Dakota Utilities Co. ____ Bonds
(Bids 11 a.m. EST) $15,000,000

December 10 (Monday)
Career Academy, Inc. ____ Common
(Divine & Fishman) 100,000 shares
Conso Products, Inc. ____ Common
(H. Hentz & Co.) 125,000 shares
I. P. D. Financial Corp. ____ Common
(J. J. LeCort Associates, Inc. and Harris, Clare & Co., Inc.) $1,200,000
Jetronic Industries, Inc. ____ Debentures
(Weil & Co.) $375,000
Lewis (Tillie) Foods, Inc. ____ Debentures
(Van Alstyne, Noel & Co.) $2,250,000
Sperti Products, Inc. ____ Common
(Blair & Co.) $230,000 shares
Traileurop, Inc. ____ Common
(Kordan & Co., Inc.) $750,000

December 11 (Tuesday)
Gulf Atlantic Utilities, Inc. ____ Common
(Pierce, Carrison, Wulbern, Inc.) 90,000 shares
Missouri Pacific RR. ____ Equip. Trust Ctfs.
(Bids 12 noon CST) $3,750,000
Southern New England Telephone Co. ____ Debens.
(Bids to be received) $45,000,000

December 12 (Wednesday)
Arkansas Valley Industries, Inc. ____ Cap. Stk.
(A. G. Edwards & Sons and A. C. Allyn & Co.) 25,000 shares
Arkansas Valley Industries, Inc. ____ Debentures
(A. G. Edwards & Sons and A. C. Allyn & Co.) $2,000,000

December 17 (Monday)
Ampeg Co., Inc. ____ Units
(John R. Boland & Co., Inc.) $299,880
Hallandale Rock & Sand Co. ____ Units
(Mutch, Khanbegian, Flynn & Green, Inc.) $450,000)
Optech, Inc. ____ Common
(Stone, Ackerman & Co., Inc. and Heritage Equity Corp.) $300,000
Red-O-Lier Corp. ____ Class A
(Crosse & Co.) $525,000
White Photo Offset, Inc. ____ Common
(K-Pac Securities Corp.) $350,000

December 18 (Tuesday)
Northern Pacific Ry. ____ Equip. Trust Ctfs.
(Bids 12 noon EST) $6,500,000

December 19 (Wednesday)
First American Israel Mutual Fund ____ Ben. Int.
(Paine, Webber, Jackson & Curtis) 2,750,000 shares
Forst (Alex.) & Sons, Inc. ____ Common
(McDonnell & Co.) 125,000 shares

February 6, 1963 (Wednesday)
Laclede Gas Co. ____ Debentures
(Bids to be received) $10,000,000
Laclede Gas Co. ____ Preferred
(Lehman Brothers; Merrill Lynch, Pierce, Fenner & Smith Inc.; and Reinholdt & Gardner) 200,000 shares

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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 50,000 are to be offered by company and 100,000 by stockholders. **Price**—By amendment (max. $7). **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. (12/11)
July 30, 1962 filed 90,000 common. **Price**—By amendment (max. $10). **Business** — A management and operating company for subsidiaries which own water treatment and sewerage disposal plants, and water distribution and sewage collections systems. **Proceeds**—For debt repayment, expansion and working capital. **Office**—2738 Malinda Blvd., Jacksonville, Fla. **Underwriter**—Pierce, Carrison, Wulbern, Inc., Jacksonville.

● Hallandale Rock & Sand Co. (12/17-21)
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, Khanbegian, 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.

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. (12/3-7)
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.

Hek Manufacturing Co., Inc.
Aug. 7, 1962 ("Reg. A") 75,000 common, of which 69,000 shares are to be offered for the account of the company and 6,000 shares for the underwriter. **Price**—$2. **Business**—Manufacture of dental equipment. **Proceeds**—For debt repayment, advetrising, research and development and working capital. **Office**—2176 Palou, San Francisco. **Underwriter**—L. H. Wright Co., Inc., N. Y.

Helix Land Co., Inc.
April 27, 1962 filed 586,000 capital shares. **Price**—By amendment (max. $5). **Business**—General real estate. **Proceeds**—For general corporate purposes. **Office**—4265 Summit Dr., La Mesa, Calif. **Underwriter**—None.

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.

Hunsaker Corp.
March 30, 1962 filed $1,600,000 of convertible subordinated debentures due 1977 and 250,000 common shares. **Price** — By amendment (max. $6 per common share). **Business**—Construction of homes and apartments on land which company has acquired in Southern Calif. **Proceeds**—For debt repayment and other corporate purposes. **Office**—15855 Edna Pl., Irwindale, Calif. **Underwriter**—Bateman, Eichler & Co., Los Angeles.

Hydro-Swarf, Inc.
March 30, 1962 filed 97,000 common, of which 80,000 will be sold by company and 17,000 by certain stockholders. **Price**—$5. **Business**—Manufacture, assembly and sale of aircraft and missile components on a sub-contract basis. **Proceeds**—For debt repayment and working capital. **Office**—7050 Valley View St., Buena Park, Calif. **Underwriter**—Raymond Moore & Co., Los Angeles.

ICOA Life Insurance Co.
Oct. 25, 1962 filed 1,130,000 common to be offered for subscription by stockholders on a share-for-share basis. **Price**—$4. **Business**—Sale of ordinary life, individual health and disability, and group credit life and disability insurance. **Proceeds**—For expansion, and investment. **Office**—250 Liberty St., S. E. Salem, Ore. **Underwriter**—Oregon Underwriters, Inc., Salem.

● I. P. D. Financial Corp. (12/10-14)
Aug. 23, 1962 filed 300,000 common. **Price**—$4. **Business**—Company plans to furnish equity capital to business concerns, make loans and assist in arranging mergers and corporate financing. **Proceeds**—For working capital and other corporate purposes. **Office**—200 W. 57th St., N. Y. **Underwriters**—J. J. LeCort Associates, Inc. and Harris, Clare & Co., Inc., N. Y.

Ideal Toy Corp.
May 1, 1962 filed 490,000 common, of which 250,000 will be offered by company and 240,000 by stockholders. **Price**—By amendment (max. $20). **Business**—Manufacture of toys and related products. **Proceeds** — For debt repayment and general corporate purposes. **Office** — 184-10 Jamaica Ave., Hollis, Long Island, N. Y. **Underwriter**—White, Weld & Co., Inc., N. Y. **Offering** — Indefinitely postponed.

Indian Trail Ranch, Inc.
Aug. 31, 1962 filed 54,238 common to be offered for subscription by stockholders on the basis of one new share for each four shares held. **Price**—$15. **Business**—Ownership of real estate, leases principally for farming and grazing. **Proceeds**—For debt repayment, working capital and other corporate purposes. **Office**—Southern Blvd., West Palm Beach, Fla. **Underwriter**—None.

Industry Capital Corp.
Dec. 26, 1961 filed 500,000 common. **Price**—$15. **Business**—A small business investment company. **Proceeds**—For general corporate purposes. **Office**—208 S. La Salle St., Chicago. **Underwriter**—A. C. Allyn & Co., Chicago. **Note**—This registration will be withdrawn.

Industrial Development Bank of Israel Ltd. (11/26-30)
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.

Infotronics Corp.
Oct. 23, 1962 filed 100,000 common. **Price**—$5. **Business**—Research, engineering, manufacturing and marketing in the field of electronic information handling and automation systems. **Proceeds**—For new products, inventory, new plant and working capital. **Office**—1401 S. Post Oak Rd., Houston. **Underwriter**—None.

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.

Instron Engineering Corp.
March 26, 1962 filed 120,000 common. **Price**—By amendment (max. $14). **Business**—Development and production of equipment for use in testing the physical characteristics of various materials. **Proceeds**—For selling stockholders. **Office**—2500 Washington St., Canton, Mass. **Underwriter**—None.

Instrument Components, Inc.
June 11, 1962 ("Reg. A") 135,000 common. **Price** — $1. **Business** — Manufacture and distribution of electromechanical rotating devices. **Proceeds**—For debt repayment, sales promotion and other corporate purposes. **Office**—312 Mt. Pleasant Ave., Newark, N. J. **Underwriter**—Gold-Slovin Co., Inc., N. Y.

● International Data Systems, Inc. (11/20)
Sept. 28, 1962 filed 100,000 common. **Price**—$3.25. **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 Systems Research Corp.
March 30, 1962 filed 110,000 class A common and 9-month warrants to purchase 110,000 class A shares at $4 per share, to be offered in units, each consisting of one share and one warrant. **Price**—$4 per unit. **Business**—Design, development and manufacture of mechanical, electromechanical and electronic equipment for government agencies and the military. **Proceeds**—For equipment, debt repayment and working capital. **Office**—Engineer's Hill, Plainview, L. I., N. Y. **Underwriter**—International Services Corp., Clifton, N. J.

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.

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**—Indefinite.

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. (11/26-29)
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. (12/3-7)
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. (12/10-14)
Sept. 7, 1962 filed $375,000 of 6½% subord. conv. debentures due 1972. **Price**—At par. **Business**—Design, development and manufacture of electronic equipment. **Proceeds**—For debt repayment and working capital. **Office**—Main & Cotton Sts., Philadelphia. **Underwriter**—Weil & Co., Washington, D. C.

(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., Gainsville, Ga. **Underwriters**—Crow, Brourman & Chatkin, Inc., and Pistell, Inc., N. Y.

Kaiser-Nelson Corp. (11/26-30)
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.

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

Kay Foods Corp.
Dec. 29, 1961 filed 88,000 class A common shares, of which 44,000 are to be offered by the company and 44,000 by stockholders. **Price**—$7. **Business**—Packing and sale of fruit juice products. **Proceeds**—For general corporate purposes. **Office**—241 N. Franklintown Rd., Baltimore. **Underwriter** — Auchincloss, Parker & Redpath, Washington, D. C. **Offering**—Indefinitely postponed.

● **Keene Packaging Associates (11/28-30)**
April 2, 1962 filed 150,000 common, of which 75,000 are to be offered by company and 75,000 by stockholders. **Price**—$4. **Business**—Design and manufacture of semi-rigid vinyl plastic cases and containers for packaging. **Proceeds** — For debt repayment, working capital and other corporate purposes. **Office** — 947 Newark Ave., Elizabeth, N. J. **Underwriter**—Hardy & Co., N. Y.

Kenner Products Co.
March 30, 1962 filed 542,000 common, of which 205,000 are to be offered by company and 317,000 by stockholders. **Price**—By amendment (max. $24). **Business**—Manufacture, design, and distribution of plastic toys. **Proceeds**—For general corporate purposes. **Office**—912 Sycamore St., Cincinnati, Ohio. **Underwriter**—Kuhn, Loeb & Co., New York.

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

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 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.

Las Vegas Properties Trust
Oct. 29, 1962 filed 500,000 shares of beneficial interest. **Price**—$10. **Business**—A real estate investment trust. **Proceeds**—For investment. **Office**—4933 Paradise Rd., Las Vegas. **Underwriter**—Securities Co. of Nevada (same address).

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.

● **Lewis (Tillie) Foods, Inc. (12/10-14)**
April 9, 1962 filed $2,250,000 of 5½% convertible subordinated debentures due 1982. **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.

Litho-Web, Inc.
Oct. 26, 1962 ("Reg. A") 150,000 common. **Price**—$2. **Business**—Manufacture of various types of business and data processing forms. **Proceeds**—For debt repayment and working capital. **Address**—P. O. Box 168, Leaksville, N. C. **Underwriter**—Smith, Clanton & Co., Inc., Greensboro, N. C.

Livestock Financial Corp. (11/21)
Feb. 23, 1962 filed 130,000 common. **Price**—$10. **Business**—An insurance holding company whose subsidiaries insure the lives of all types of animals. **Proceeds**—To form new subsidiaries. **Office**—26 Platt St., N. Y. **Underwriter**—Shearson, Hammill & Co., N. Y.

● **Lockfast Mfg. Co.**
Jan. 11, 1962 ("Reg. A") 85,000 common. **Price** — $3.50. **Business** — Manufacture of furniture hardware for sale to furniture manufacturers. **Proceeds**—For debt repayment, steel inventories and plant expansion. **Office**—3006 Boarman Ave., Baltimore. **Underwriter**—R. & D. Investors Corp., Port Washington, N. Y. **Note** — This letter was withdrawn.

Logos Options, Ltd. (11/26-29)
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.

● **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., New York. **Offering**—Indefinitely postponed.

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

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).

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.

Massachusetts General Life Insurance Co.
Oct. 30, 1962 filed 330,000 capital shares. **Price**—By amendment (max. $13). **Business**—Writing of life, accident and health insurance, and annuities. **Proceeds**—For expansion. **Office**—22 Batterymarch, Boston. **Underwriter**—Kidder, Peabody & Co., Inc., Boston. **Note**—This stock is not expected to be offered in New York State.

● **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. **Note**—This registration will be withdrawn.

● **McGrath (John W.) Corp. (11/26-30)**
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.

Merco Enterprises, Inc.
Nov. 5, 1962 filed 104,000 common, of which 33,000 are to be offered by company and 71,000 by stockholders. **Price**—By amendment (max. $5.50). **Business**—Sale of phonograph records to, and the providing of merchandising services to retail record department. **Proceeds**—For general corporate purposes. **Office**—750 Stewart Ave., Garden City, L. I., N. Y. **Underwriter**—J. R. Williston & Beane, N. Y.

Mercury Books, Inc.
Feb. 14, 1962 filed 55,000 common. **Price**—$4.50. **Business**—Publishing of newly written popular biographies. **Proceeds**—For working capital. **Office**—1512 Walnut St., Philadelphia. **Underwriter**—To be named. **Offering**—Temporarily postponed.

● **Met Food Corp. (11/26-30)**
March 30, 1962 filed $1,000,000 of convertible subordinated debentures due Nov. 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.

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.

Montana-Dakota Utilities Co. (12/5)
Oct. 30, 1962 filed $10,000,000 of first mortgage bonds due 1987 and $5,000,000 of first mortgage serial bonds due Dec. 1, 1963-82. **Proceeds**—for loan repayment and construction. **Office**—831 Second Ave., S. Minneapolis. **Underwriters**—(Competitive). Probable bidders: Eastman Dillon, Union Securities & Co.; Blyth & Co., Inc.—Merrill Lynch, Pierce, Fenner & Smith, Inc. (jointly); Halsey, Stuart & Co. Inc.; Equitable Securities Corp. **Bids**—Dec. 5 (11 a.m. EST). **Information Meeting**—Dec. 3 (11 a.m. EST) at 20 Pine St., New York.

Montebello Liquors, Inc.
April 5, 1962 filed 160,000 common. **Price**—By amendment (max. $5). **Business**—Blending, bottling and marketing of alcoholic beverages. **Proceeds**—For equipment, inventories, advertising and working capital. **Office**—Bank St. & Central Ave., Baltimore. **Underwriters**—Street & Co., and Morris Cohon & Co., N. Y. **Offering**—Temporarily postponed.

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, equip-

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ment, 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 $15,000,000 (15,000 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 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. **Note**—This registration will be withdrawn.

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.

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. **Underwriter**—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**—None. **Note**—This registration will be withdrawn.

National Union Life Insurance Co. of Pittsburgh
Sept. 10, 1962 filed 100,000 capital shares, being 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. Rights will expire Nov. 29. **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.

• Nevada Northern Gas Co. (11/20-21)
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** — $10.50 per share. **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.

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 England Power Co. (12/4)
Oct. 29, 1962 filed $12,000,000 of first mortgage bonds, series J, due Dec. 1, 1992. **Proceeds**—For repayment of short-term notes. **Office**—441 Stuart St., Boston. **Underwriters**—(Competitive). Probable bidders: Halsey, Stuart & Co. Inc.; Kidder, Peabody & Co.-White, Weld & Co. (jointly); Merrill Lynch, Pierce, Fenner & Smith Inc.-Lehman Brothers-Equitable Securities Corp. (jointly); First Boston Corp.; Kuhn, Loeb & Co. **Bids**—Dec. 4 (11 a.m. EST) at company's office.

New England Power Co. (12/4)
Oct. 29, 1962 filed 100,000 shares of cum. preferred ($100 par). **Proceeds**—To redeem a like amount of outstanding 5.52% cum. 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**—Dec. 4, 1962 (12 noon EST).

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 March.

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.

North Atlantic Life Insurance Co. of America
Aug. 31, 1962 filed 600,000 common being offered for subscription by stockholders on the basis of two new shares for each common share held of record Aug. 27, 1962, with rights to expire Dec. 4. **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. (11/23)
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 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. (12/17-21)
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. (11/26-30)
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 Gas & Electric Co. (11/27)
Nov. 2, 1962 filed $65,000,000 of first and refunding mortgage bonds due 1995. **Proceeds**—For construction. **Office**—245 Market St., San Francisco. **Underwriters**—(Competitive). Probable bidders: Halsey, Stuart & Co. Inc.; Blyth & Co. Inc.; First Boston Corp. **Bids**—Nov. 27 (8 a.m. PCT) at above address.

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 5⅜% bonds due Jan. 1, 1987 and $20,000 of outstanding 5¾% 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.

Pak-Well Paper Industries, Inc. (11/26-30)
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. **Note**—This registration will be withdrawn.

Peerless Radio Corp.
March 22, 1962 filed 120,000 common, of which 100,000 are to be offered by the company and 20,000 by stockholders. **Price** — $4. **Business** — Distribution of electric parts and components to industrial customers. **Proceeds**—For debt repayment, inventory and working capital. **Office**—19 Wilbur St., Lynbrook, N. Y. **Underwriter**—Kordan & Co., Inc., N. Y.

Pellegrino Aggregate Technico, Inc.
Aug. 10, 1961 filed 130,000 class A common shares. **Price**—$5. **Business**—The manufacture of building materials. **Proceeds**—For payment of income taxes and loans and for working capital. **Office**—Woodbridge-Carteret Road, Port Reading, N. J. **Underwriter**—Mortimer B. Burnside & Co., Inc., N. Y. **Offering**—Temporarily postponed.

• Perma-Bilt Enterprises, Inc.
May 28, 1962 filed 230,000 common. **Price**—By amendment (max. $8). **Business**—Merchandising, sale and construction of homes. **Proceeds**—For acquisition and development of land, and other corporate purposes. **Office**—319 MacArthur Blvd., San Leandro, Calif. **Underwriter**—Robert A. Martin Associates, Inc., N. Y. **Note**—This registration will be withdrawn.

Permeator Corp. (11/20-21)
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. **Underwriter**—Irving Weis & Co., New York.

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

Playboy Clubs International, Inc.
May 28, 1962 filed 270,000 common. **Price**—By amendment. (max. $7). **Business**—Company is engaged in the ownership and franchising of Playboy Clubs. **Proceeds**—For debt repayment and general corporate purposes. **Office**—232 E. Ohio St., Chicago. **Underwriter**—Divine & Fishman, Inc., Chicago.

Polequity Corp.
Aug. 29, 1962 ("Reg. A") 60,000 common. **Price**—$5. **Business**—Company through its subsidiaries engages in the sale of life, accident and health, and group and disability benefits insurance; trading in over-the-counter market; underwriting of new security issues and sale of mutual funds. **Proceeds**—For expansion, advertising, and working capital. **Office**—150 Broadway, N. Y. **Underwriter**—J. B. Coburn Associates, Inc., N. Y.

Potomac Real Estate Investment Trust
July 6, 1962 filed 1,000,000 shares of beneficial interest. **Price**—By amendment (max. $5). **Business**—A real estate investment trust. **Proceeds**—For investment. **Office**—880 Bonifant St., Silver Spring, Md. **Underwriter**—None.

Poulsen Insurance Co. of America
Aug. 27, 1962 filed 100,000 common. **Price**—By amendment (max. $10). **Business**—Writing of group and franchise forms of accident, sickness and life insurance in the Midwest. **Proceeds**—For debt repayment and expansion. **Office**—Executive Plaza, Park Ridge, Ill. **Underwriter**—A. C. Allyn & Co., Chicago. **Note**—This stock will not be offered for sale in New York State. **Offering**—Indefinitely postponed.

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**—To be named.

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.

Prosperity Cleaners & Laundries, Inc.
May 15, 1962 filed 100,000 common. **Price** — By amendment (max. $5.50). **Business**—Operation of a chain of dry-cleaning and laundry stores. **Proceeds**—For selling stockholders. **Office** — 48-12 25th St., Astoria, N. Y. **Underwriter**—Edwards & Hanly, Hempstead, L. I., N. Y. **Note**—This registration will be withdrawn.

Publishers Co., Inc.
Aug. 29, 1962 filed $3,500,000 of 6% subord conv. debentures due 1977 to be offered by the company and 25,000 outstanding common shares to be sold by stockholders. **Price**—For debentures, par; for stock—by amendment (max. $10). **Business**—Book publishing. **Proceeds**—Company will use its proceeds for the purchase of two printing firms; to redeem outstanding 6% notes; for working capital, and other corporate purposes. **Office**—1106 Connecticut Ave., Washington, D. C. **Underwriter**—Roth & Co., Inc., Philadelphia.

Putnam Management Co., Inc.
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. **Offering**—Indefinite.

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**—Litle Falls, Passaic County, N. J. **Underwriter**—To be named.

• Radar Relay, Inc.
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., New York. **Offering**—Indefinite.

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 refiled.

Red-O-Lier Corp. (12/17-21)
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. Lomasney & Co., N. Y. **Note**—This registration will be withdrawn and then refiled.

Resin Research Laboratories, Inc.
Feb. 27, 1962 filed 105,000 common. **Price**—$3.50. **Business** — Operation of a laboratory for contractual research, development and engineering in the chemical field. **Proceeds**—For expansion of facilities, debt repayment and working capital. **Office**—396-406 Adams St., Newark, N. J. **Underwriter**—Keene & Co., Inc., N. Y.

• Richard Gray & Co., Inc. (11/27-29)
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 Manufacturing & Leasing 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. **Note** — This company formerly was named Roadcraft Corp.

Rona Lee Corp. (12/3-7)
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.

Russell Mills, Inc.
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. **Offering**—Expected sometime in January.

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.
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. **Offering**—Indefinite.

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.

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 being offered for subscription by stockholders on the basis of one new share for each 5 held of record Oct. 1, with rights to expire Dec. 31 (period may be extended). **Price**—$9.25. **Business**—Writing of life, accident and health insurance. **Proceeds**—For purchase of a building, debt repayment, reserves, and other corporate purposes. **Office**—1451 N. Bayshore Dr., Miami. **Underwriter**—None.

Security Aluminum Corp.
Jan. 26, 1962 filed 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. **Offering**—Expected in January.

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.
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. **Offering**—Imminent.

Shaker Properties
Oct. 19, 1962 filed 215,000 shares of beneficial interest. **Price**—$15. **Business** — A real estate investment trust. **Proceeds**—For investment and working capital. **Office**—1956 Union Commerce Bldg., Cleveland, Ohio. **Underwriter**—McDonald & Co., Cleveland.

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.

Southern Electric Generating Co. (11/28)
Nov. 1, 1962 filed $7,500,000 of first mortgage bonds due June 1, 1992. **Proceeds**—For construction. **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 at 250 Park Ave., N. Y. **Information Meeting**—Nov. 26 (3 p.m. EST) at 55 Wall St. (5th floor), N. Y.

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.

Sperti Products, Inc. (12/10-14)
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., New York.

Standard Security Life Insurance Co. of New York (11/26-30)
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.

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 Fund, Inc.
March 20, 1962 filed 500,000 common. **Price**—$20. **Business**—A new mutual fund which plans to offer investors the opportunity of exchanging their individual securities for shares of the Fund without incurring Federal income tax liability. **Office**—15 William St., New York. **Dealer-Manager**—J. R. Williston & Beane, N. Y. **Note**

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—This company formerly was named Stratton Realty & Construction Fund, Inc.

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. (11/26-29)
March 29, 1962 ("Reg. A") 125,000 common. **Price**—$2. **Business**—Manufacture and sale of women's wear. **Proceeds**—For debt repayment, leasehold improvements and expansion. **Office**—217 E. Eight St., Los Angeles, Calif. **Underwriter** — Costello, Russotto & Co., 9301 Wilshire Blvd., Beverly Hills, Calif.

Tactair Fluid Controls, Corp.
March 29, 1962 filed 90,000 common. **Price**—By amendment (max. $7.50). **Business**—Manufacture of fluid control equipment used in missiles, helicopters and aircraft. **Proceeds**—For selling stockholders **Address**—Bridgeport, Conn. **Underwriters**—Stroud & Co., Inc. and Penington, Colket & Co., Philadelphia.

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.

Tennessee Gas Transmission Co.
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. **Offering**—Expected sometime in January.

Texas Plastics, Inc.
July 27, 1962 filed 313,108 common. **Price**—$3.50. **Business**—Operation of a plant producing plastic film and packaging products. **Proceeds**—For working capital. **Address**—Elsa, Texas. **Underwriter**—Crow, Brourman & Chatkin, Inc., N. Y.

Todd Industries, Inc.
Oct. 25, 1962 ("Reg. A") 60,000 common. **Price**—$3.50. **Business**—Sale and installation of building insulating products. **Proceeds**—For debt repayment, expansion and working capital. **Office**—407 Lincoln Rd., Miami Beach, Fla. **Underwriters**—Ruffer Ballan & Co., Inc., N. Y., and J. C. Roberts & Co., Inc., Miami Beach, Fla.

Top Dollar Stores, Inc. (11/26-30)
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 corporae 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.

Town & Country Associates
Nov. 5, 1962 filed 64½ limited partnership interests and $506,325 of 5% subordinated promissory notes due 1973 to be offered in units of one interest and $7,850 of notes. **Price**—$8,750 per unit. **Business**—A limited partnership which plans to construct a shopping center, an office building and related facilities at Springfield, Ill. **Proceeds**—For general corporate purposes. **Office**—59 E. Van Buren St., Chicago. **Underwriter**—None.

● **Traileurop, Inc. (12/10-14)**
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.

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.

● **United Markets Inc. (11/27)**
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, New Jersey.

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.

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

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.

Venride Inc.
Nov. 5, 1962 filed 150,000 common. **Price**—$3. **Business**—Operation of coin-operated children's rides. **Proceeds**—For debt repayment, equipment and working capital. **Office**—241 Church St., N. Y. **Underwriter**—Leonard B. Stern & Co., 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., Bayside, N. Y. **Underwriter**—First Philadelphia Corp., N. Y. **Note**—This registration was withdrawn.

Wellington Electronics, Inc.
Oct. 29, 1962 filed 50,000 common, of which 37,500 are to be offered by company and 12,500 by a stockholder. **Price**—$10. **Business**—Manufacture of etched aluminum foil; the company also produces and leases automatic winding machines used in the manufacture of capacitators. **Proceeds**—For loan repayment, equipment, plant expansion and working capital. **Office**—65 Honeck St., Englewood, N. J. **Underwriter**—Hemphill, Noyes & Co., New York.

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., Auroca, Colo. **Underwriter**—Westco Corp., Aurora, Colo.

Western Travel, Inc.
Oct. 29, 1962 ("Reg. A") 175,000 common. **Price**—$1. **Business**—Operation of motels, hotels, restaurants and related businesses. **Proceeds**—For completion of a motel and working capital. **Office**—290 N. University Ave., Provo, Utah. **Underwriter**—Western Securities, Inc., Provo, Utah.

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. (12/17-21)**
July 13, 1962 filed 100,000 common. **Price**—$3.50. **Business**—Photo-offset printing. **Proceeds** — For debt repayment, equipment and working capital. **Office**—142 W. 26th St., N. Y. **Underwriter** — K-Pac Securities Corp., New York.

Widman (L. F.), Inc.
Oct. 27, 1961 filed 162,000 common, of which 102,000 are to be offered by the company and 60,000 by stockholders. **Price**—$3. **Business**—Operates a chain of retail drug stores. **Proceeds**—Expansion, equipment and working capital. **Office**—738 Bellefonte Ave., Lock Haven, Pa. **Underwriter**—Godfrey, Hamilton, Taylor & Co., N. Y.

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.

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 120,000 common, of which 50,000 shares are to be offered by company and 70,000 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. **Offering**—Imminent.

Workman Electronic Products, Inc.
Oct. 25, 1962 filed 140,000 common. **Price**—$3. **Business**—Manufacture, development and assembling of precise electronic replacement components for radio, TV and industrial use. **Proceeds**—For debt repayment, inventory, research, and other corporate purposes. **Office**—Packinghouse Rd., Sarasota, Fla. **Underwriter**—Hensberry & Co., St. Petersburg, Fla.

Zero Mountain, Inc. (11/29)
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.

Issues Filed With SEC This Week

★ **Amvay Sales Corp.**
Nov. 2, 1962 ("Reg. A") $100,000 of 6% debentures due Aug. 31, 1969. **Price**—$10 each. **Business**—Sale of various household products. **Proceeds**—For working capital. **Address**—Ada, Mich. **Underwriter**—None.

★ Consolidated Bottling Co.
Nov. 8, 1962 filed 100,000 common and $750,000 of 6½% subord. s. f. debentures, due 1977 (with attached warrants). **Price**—By amendment (max. $5 per share for stock). **Business**—Manufacture, bottling, and distribution of carbonated beverages under the franchised trade names "No-Cal" and "Squirt"; and other private brand names in the Philadelphia area. **Proceeds**—For a new plant, equipment, debt repayment, and working capital. **Office**—605-617 N. American St., Philadelphia. **Underwriter**—Suplee, Yeatman, Mosley Co., Inc., Philadelphia.

★ Consolidated Edison Co. of New York, Inc. (12/5)
Nov. 9, 1962 filed $60,000,000 of first and refunding mortgage bonds, series X, due Dec. 1, 1992. **Proceeds**—To repay bank loans. **Office**—4 Irving Place, New York. **Underwriters**—(Competitive). Probable bidders: First Boston Corp.-Halsey, Stuart & Co. Inc. (jointly); Morgan Stanley & Co. **Bids**—Dec. 5 (11 a.m. EST) at above address.

★ Dane Engineering & Manufacturing, Inc.
Oct. 31, 1962 ("Reg. A") 16,829 class B shares. **Price**—$10. **Business**—Manufacture and distribution of jalousie and awning windows, aluminum siding, etc. **Proceeds**—For debt repayment, inventory, and working capital. **Office**—Canston Rd., Beloit, Wis. **Underwriter**—None.

★ De Kalb-Ogle Telephone Co.
Nov. 5, 1962 ("Reg. A") 14,489 common to be offered for subscription by stockholders on the basis of one new share for each 21 held of record Oct. 20, with rights to expire Dec. 27, 1962. **Price**—$10. **Proceeds**—For expansion. **Office**—112 W. Elm St., Sycamore, Ill. **Underwriter**—None.

★ Fisher (Thomas J.) & Co., Inc.
Nov. 2, 1962 ("Reg. A") 30,000 preferred to be offered for subscription by stockholders on the basis of one preferred for each 10 common shares held. **Price**—$5. **Business**—General real estate. **Proceeds**—For loan repayment. **Office**—738 15th St., N. W., Washington, D. C. **Underwriter**—None.

★ International Terrazzo Co., Inc.
Nov. 8, 1962 ("Reg. A") 75,000 common. **Price**—$2. **Business**—Manufacture and installation of terrazzo, and the installation of marble and tile. **Proceeds**—For debt repayment, equipment, working capital and other corporate purposes. **Office**—826 82nd St., Brooklyn, N. Y. **Underwriter**—Jay Gould & Co., Inc., N. Y.

★ Modern Laboratories, Inc.
Oct. 29, 1962 ("Reg. A") 97,000 common. **Price**—$3. **Business** — Manufacture of cosmetics. **Proceeds** — For equipment. **Office**—837 W. North Ave., Pittsburgh. **Underwriter**—A. J. Davis Co., Pittsburgh.

★ Telephone Employees Life Insurance Co.
Nov. 9, 1962 filed 110,292 capital shares, to be offered for subscription by stockholders of Telephone Employees Insurance Co., affiliate, on a 1-for-4 basis. **Price**—$25. **Business**—Company plans to write ordinary life, credit life and group life insurance. **Proceeds**—For capital and surplus, and investment. **Address**—Redwood & Light Streets, Baltimore, Md. **Underwriter**—Eastman Dillon, Union Securities & Co., Baltimore.

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."

Albert Einstein College of Medicine and University Hospital of Yeshiva University
$10,700,000 of 5%-6% first mortgage serial bonds, due July 1, 1965 to Oct. 1, 1982, offered at 100 to 101.17 and accrued interest to yield 5.90% by B. C. Ziegler & Co., West Bend, Wis. (Issue was not registered with SEC.)

Birtcher Corp.
286,009 capital shares being offered for subscription by stockholders at $2.80 per share on the basis of one new share for each two held of record Nov. 13, with rights to expire Dec. 3. No underwriting is involved.

Country Set, Inc.
150,000 common shares offered at $6 per share by Goodbody & Co., New York.

Gamma Leather Goods Corp.
75,000 common and 75,000 five-year warrants offered in units of one share and one warrant at $4.75 per unit by Hampstead Investing Corp., New York.

Household Finance Corp.
$60,000,000 of 4⅜% debentures, due 1987, offered at 99.622% and accrued interest to yield approximately 4.40% by Lee Higginson Corp., White, Weld & Co., New York, and William Blair & Co., Chicago.

Louisville & Nashville RR.
$25,000,000 of 4⅞% collateral trust bonds due Dec. 1, 1987 offered at par by Morgan Stanley & Co., New York. (Issue was not registered with SEC.)

Marin County Financial Corp.
102,050 capital shares offered at $14 per share, without underwriting.

Russ Togs, Inc.
159,254 class A shares offered at $12 per share by Shearson, Hammill & Co., New York.

Russell Stover Candies, Inc.
120,000 common shares offered at $20 per share by Harriman Ripley & Co. Inc., New York, and Stern Brothers & Co., Kansas City, Mo.

Stainless Steel Products Inc.
100,000 shares of capital stock offered at $8 per share through Dempsey-Tegeler & Co., Inc., St. Louis, First California Co., Inc., San Francisco, Gregory & Sons, New York, and Straus, Blosser & McDowell, Chicago.

West Penn Power Co.
$14,000,000 of 4¾% first mortgage bonds, series T, due Nov. 1, 1992 offered at 102.623% and accrued interest to yield 4.22% by Halsey, Stuart & Co. Inc., New York.

Wiegand (Edwin L.) Co.
280,000 common shares offered at $23 per share through Eastman Dillon, Union Securities & Co., New York; Reinholdt & Gardner, St. Louis, and Moore, Leonard & Lynch, Pittsburgh.

Prospective Offerings

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.

California Electric Power Co.
Oct. 29, 1962 it was reported that this company plans to raise new money in the third or fourth quarter of 1963. A spokesman for the company stated that the utility is thinking of selling 380,000 common shares, although a final decision has not been made. **Office**—2885 Foothill Blvd., San Bernardino. **Underwriter** — Merrill Lynch, Pierce, Fenner & Smith Inc., New York.

Central Illinois Light Co.
Nov. 5, 1962 it was reported that this company plans to sell about $9,400,000 of first mortgage bonds in the first quarter of 1963. **Proceeds**—To redeem a like amount of 3¼% bonds maturing April 1, 1963. **Office**—300 Liberty St., Peoria, Ill. **Underwriters**—To be named. The last issue of bonds on March 14, 1960 was won at competitive bidding by Halsey, Stuart & Co. Inc. Other bidders were: First Boston Corp.; Kidder, Peabody & Co.; Eastman Dillon, Union Securities & Co.; Merrill Lynch, Pierce, Fenner & Smith Inc.-Stone & Webster Securities Corp. (jointly).

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).

Community Public Service Co.
Oct. 29, 1962 it was reported that this company plans to issue about $5,000,000 of first mortgage bonds in June 1963. **Office**—408 W. 7th St., Fort Worth, Tex. **Underwriters** — (Competitive). Probable bidders: Halsey, Stuart & Co. Inc.; Salomon Brothers & Hutzler; Stone & Webster Securities Corp.

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.

General Aniline & Film Corp.
On Oct. 22, 1962, President Kennedy signed a bill authorizing the Government to sell its holdings of 540,894 class A and 2,050,000 class B shares, representing 98% of the voting control of the company. The stock, now held by the Attorney General, was seized in 1942 as a German asset. No date has been set for the offering which need not be registered with the SEC. Proceeds from the sale will be used to reimburse American citizens for losses of life and property during World War II. **Business**—Company is a leading domestic producer of dyestuffs, chemicals and photographic materials. **Office**—111 W. 50th St., New York. **Underwriters**—(Competitive). Probable bidders: Bache & Co.; Blyth & Co.-First Boston Corp. (jointly); Lehman Brothers-Kuhn, Loeb & Co.-Glore, Forgan & Co. (jointly).

★ Genesco Inc.
Nov. 14, 1962 it was reported that stockholders are to vote Dec. 3 on authorizing the company to create 300,000 new convertible preferred shares. A majority of the stock would be sold to raise $12,000,000 for working capital and $6,624,000 to repay long-term notes of subsidiaries. It has not yet been decided whether the preferred would be sold publicly or privately. **Business**—Manufacture of various types of shoes and apparel. **Office**—111 Seventh Ave., North, Nashville, Tenn. **Underwriter**—To be named. The last issue of preferred was sold privately in October, 1956; the last common in March 1960 by Blyth & Co., Inc., New York.

Gulf States Utilities Co.
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. **Offering**—Temporarily postponed.

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).

Illinois Terminal RR (11/19)
Oct. 31, 1962 it was reported that this company plans to sell $8,750,000 of first mortgage sinking fund bonds due Dec. 1, 1987. **Proceeds**—To repay note loans of $8,500,000 and increase working capital. **Office**—710 North Twelfth Blvd., St. Louis. **Underwriters**—(Competitive). Probable bidders: Halsey, Stuart & Co. Inc.; First Boston Corp.; Kidder, Peabody & Co.-Merrill Lynch, Pierce, Fenner & Smith Inc. (jointly). **Bids**—Nov. 19 (12 noon CST) at company's office.

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.

Iowa Public Service Co.
Nov. 5, 1962 it was reported that this company plans to sell $16,000,000 of bonds in the third quarter of 1963. **Address**—Orpheum-Electric Bldg., Sioux City, Iowa. **Un-**

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derwriters—(Competitive). Probable bidders: Kidder, Peabody & Co.-Blyth & Co. Inc. (jointly); Eastman Dillon, Union Securities & Co.; Equitable Securities Corp.; White, Weld & Co.; First Boston Corp.

Jamaica Water Supply Co.
March 20, 1962 it was reported that this utility plans to sell $3,000,000 of mortgage bonds and $2,000,000 of preferred and common stocks. **Proceeds**—For debt repayment, and construction. **Office** — 161-20 89th Ave., Jamaica, N. Y. **Underwriters**—To be named. The last sale of bonds on May 3, 1956 was made by Blyth & Co. Other bidders were: Halsey, Stuart & Co. Inc.; Kidder, Peabody & Co.; White, Weld & Co. The last several issues of preferred were sold privately. The last sale of common on May 9, 1956 was made through Blyth & Co., Inc.

Japan Development Bank
July 3, 1962 it was reported that the Japanese Finance Ministry has authorized the bank to issue an additional $22,500,000 of bonds in the U. S. It is expected that a major portion of this financing will be completed by March 31, 1963. **Business**—The bank was incorporated to 1951 as a Japanese Government financial institution to supply long-term funds to Japanese industry for the promotion of economic reconstruction and industrial development. **Office**—Tokyo, Japan. **Underwriters** — First Boston Corp.; Dillon, Read & Co. Inc.; Smith, Barney & Co., Inc., N. Y.

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).

Laclede Gas Co. (2/6/63)
Nov. 1, 1963 the company announced plans to sell 200,000 shares of preferred stock (par $25). **Proceeds**—To repay bank loans. **Office**—1017 Olive Street, St. Louis. **Underwriters**—Lehman Brothers; Merrill Lynch, Pierce, Fenner & Smith Inc., New York, and Reinholdt & Gardner, St. Louis.

Laclede Gas Co. (2/6/63)
Nov. 1, 1962 the company announced plans to sell $10,000,000 of 20-year sinking fund debentures. **Proceeds**—To repay bank loans. **Office**—1017 Olive Street, St. Louis. **Underwriters**—(Competitive). Probable bidders: Halsey, Stuart & Co. Inc.; Lehman Brothers; Merrill Lynch, Pierce, Fenner & Smith Inc.-Reinholdt & Gardner (jointly); Stone & Webster Securities Corp.; First Boston Corp.; Eastman Dillon, Union Securities & Co. **Bids**—Expected Feb. 6, 1963.

Michigan Consolidated Gas Co.
On Oct. 24, 1962 it was reported that this company plans to sell about $22,000,000 of first mortgage bonds in the third quarter of 1963. **Proceeds**—For construction. **Office**—415 Clifford St., Detroit. **Underwriters**—(Competitive). Probable bidders: Halsey, Stuart & Co. Inc.; Blyth & Co., Inc.; White, Weld & Co.-Lehman Brothers (jointly).

Michigan Wisconsin Pipe Line Co.
Oct. 24, 1962 it was reported that this company plans to sell about $22,000,000 of first mortgage bonds in the third quarter of 1963. **Proceeds**—For construction. **Office**—500 Griswold St., Detroit. **Underwriters**—(Competitive). Probable bidders: Halsey, Stuart & Co. Inc.; First Boston Corp.; Blyth & Co., Inc.

Missouri Pacific RR. (12/11)
Nov. 5, 1962 it was reported that this road plans to sell $3,750,000 of equipment trust certificates in December. **Address**—Missouri Pacific Bldg., St. Louis. **Underwriters**—(Competitive). Probable bidders: Halsey, Stuart & Co. Inc.; Salomon Brothers & Hutzler. **Bids**—Dec. 11 (12 noon CST) at above address.

Mitsubishi Electric Mfg. Co.
Oct. 24, 1962 it was reported that the Japanese Finance Ministry had authorized the company to sell $10,000,000 of convertible bonds in the United States in 1962. It is expected that the bonds would mature in 15 years and bear interest of 6.5%. No decision has yet been made as to whether the issue will be sold publicly or privately. **Business**—Production of electric machinery. **Proceeds**—For expansion. **Office**—Tokyo, Japan. **Underwriter**—Kidder, Peabody & Co., New York.

Natural Gas Pipeline Co. of America
June 12, 1962 it was reported that this subsidiary of Peoples Gas Light & Coke Co., plans to sell $35,000,000 of senior securities later this year. **Business**—Operation of two natural gas pipeline systems extending from Texas to the Chicago metropolitan area. **Proceeds**—For expansion. **Office** — 122 So. Michigan Ave., Chicago. **Underwriter**—Dillon, Read & Co. Inc., New York City.

Northern Illinois Gas Co.
Feb. 28, 1962 it was reported that the company expects to raise $125,000,000 to finance its 1962-66 construction program. About $25,000,000 of this, in the form of a debt issue, will be sold in the second half of 1962. **Office**—615 Eastern Ave., Bellwood, Ill. **Underwriters**—To be named. The last sale of bonds on July 14, 1960, was handled by First Boston Corp. Other bidders were: Halsey, Stuart & Co., Inc.; Blyth & Co., Inc-Equitable Securities Corp. (jointly); Glore, Forgan & Co.

Northern Natural Gas Co.
Feb. 28, 1962 it was reported that the company's 1962 expansion program will require about $40,000,000 of external financing to be obtained entirely from long or short term borrowing. **Office**—2223 Dodge St., Omaha, Neb. **Underwriter**—To be named. The last sale of debentures on Nov. 16, 1960 was handled on a negotiated basis by Blyth & Co., Inc., N. Y.

Northern Pacific Ry. (12/18)
Nov. 5, 1962 it was reported that this road plans to sell $6,500,000 of equipment trust certificates in December. **Office**—120 Broadway, New York. **Underwriters**—(Competitive). Probable bidders; Salomon Brothers & Hutzler; Halsey, Stuart & Co. Inc. **Bids**—Dec. 18 (12 noon EST) at company's office.

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.

Pennsylvania Power & Light Co.
Feb. 20, 1962. Jack K. Busby, President and C. E. Oakes, Chairman, stated that the company will require about $93,000,000 in debt financing in the period 1962 to 1970. **Proceeds**—For construction and the retirement of $17,000,000 of maturing bonds. **Office**—9th and Hamilton Sts., Allentown, Pa. **Underwriters**—To be named. The last sale of bonds on Nov. 29, 1961 was won at competitive bidding by White, Weld & Co., and Kidder, Peabody & Co. Other bidders were Halsey, Stuart & Co. Inc.; First Boston Corp.-Drexel & Co. (jointly).

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.

Southwestern Electric Power Co.
Nov. 5, 1962 it was reported that this company plans to sell $16,000,000 of first mortgage bonds in the fall of 1963. **Office**—428 Travis St., Shreveport, La. **Underwriters**—(Competitive). Probable bidders: Merrill Lynch, Pierce, Fenner & Smith Inc.-Eastman Dillon, Union Securities & Co. (jointly); Kuhn, Loeb & Co.-Blyth & Co. Inc.-Salomon Brothers & Hutzler (jointly); Halsey, Stuart & Co. Inc.

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 repay 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.

Southern Union Gas Co.
Aug. 15, 1962 it was reported that this utility plans a rights offering of $10,000,000 of convertible preferred stock in the first quarter of 1963. **Office**—1507 Pacific Ave., Dallas. **Underwriters** — To be named. The last rights offering of preferred stock in April 1959 was handled by Snow, Sweeny & Co., Inc., N. Y., and A. C. Allyn & Co., Chicago.

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.

Tokyo Shibaura Electric Co., Ltd.
Nov. 5, 1962 it was reported that this company plans to issue $25,000,000 of 15-year convertible dollar bonds in the U. S. in late 1962 to early 1963. A formal decision on the matter will be announced at the annual meeting of stockholders on Nov. 29. **Business**—Company manufactures a broad line of electrical and electronic equipment and components. **Office**—Tokyo, Japan. **Underwriters**—To be named. The last U. S. financing by this company in February was handled by Smith, Barney & Co., Inc., and The Nomura Securities Co. Ltd., N. Y.

Toledo Edison Co.
Nov. 5, 1962 it was reported that this company plans to sell about $7,000,000 of common stock in May, 1963. **Address**—Toledo, O. **Underwriters**—First Boston Corp., and Collin, Norton & Co., Toledo.

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.

Businessman's BOOKSHELF

Agricultural Situation in 1962—In the Soviet Union and Other Eastern European Countries — U. S. Department of Agriculture, Regional Analysis Division, Washington 25, D. C. (paper).

Albany County, N. Y.—Journal of the Board of Supervisors for the Year 1961—Board of Supervisors, Albany, N. Y. (cloth).

Antidiscrimination Provisions in Major Contracts, 1961—U. S. Department of Labor, Bureau of Labor Statistics — Superintendent of Documents, U. S. Government Printing Office, Washington 25, D. C. (paper), 20¢.

Brookings Institution—Annual Report—The Brookings Institution, Washington 7, D. C. (paper).

Central Africa Intelligence Report — A weekly newsletter containing information on economic and political trends in the Federation of Rhodesia and Nyasaland —C. A. I. R., P. O. Box 1254, Salisbury, Southern Rhodesia, $70 (U. S.) per year.

Estate Planning Quick Reference Outline—William R. Spinney—10th Edition—Commerce Clearing House, Inc., 4025 West Peterson Avenue, Chicago 46, Ill., $1.50.

49 Years of Service—Booklet describing the functions and services of the Mortgage Bankers Association of America—Mortgage Bankers Association of America, 111 West Washington Street, Chicago 2, Ill. (paper).

Export and Import Procedures—Guide—Morgan Guaranty Trust Company of New York, 140 Broadway, New York 15, N. Y. (paper).

Finland — Bulletin on Financial Developments—Bank of Finland, Helsinki, Finland (paper).

Foreign Business Investments in the United States—Superintendent of Documents, U. S. Government Printing Office, Washington 25, D. C., 40¢.

Fundamentals of Voluntary Health Care — Edited by George B. de Huszar—Caxton Printers Limited, Caldwell, Idaho (cloth), $6.00.

Investigation and Study of the Federal Home Loan Bank Board, Clovis, N. Mex.— Superintendent of Documents, U. S. Government Printing Office, Washington 25, D. C. (paper).

Iowa Municipal Finances: Statistics of Cities and Towns of Iowa —State Auditor's Department, Des Moines, Iowa (cloth).

Key Policies for Full Employment —Conference on Economic Progress, 1001 Connecticut Avenue, N. W., Washington 6, D. C. (paper), 50c (quantity price on request).

J. K. Lasser Tax Aid Record and Appointment Book for 1963—J. K. Lasser Business Reports, Inc., 1 West Avenue, Larchmont, N. Y., $5.06.

Life Insurance Medical Research Fund—17th Annual Report—Life Insurance Medical Research Fund, 1030 East Lancaster Avenue, Rosemont, Pa. (paper).

Ohlman's Manual on Mutual Fund Management Companies 1962 Edition—Laird, Bisssell & Meeds, 120 Broadway, New York 5, N. Y. (cloth), $50.

Ontario, Canada—Annual Report of Municipal Statistics, 1961—Department of Municipal Affairs, 801 Bay Street, Toronto 5, Ont., Canada.

Opportunity Unlimited: Friendly Atoms in Industry—28½ minute color motion picture surveying the use of radio isotopes by industry—Prints may be purchased from Byron Inc., 1226 Wisconsin Avenue, N. W., Washington 7, D. C., at $81.77. Queries on loan or sale may be directed to the Audio-Visual Branch, Division of Public Information, U. S. Atomic Energy Commission, Washington 25, D. C.

Space Industry—America's Newest Giant—By the editors of "Fortune"—A comprehensive study describing the how and why of our commitment to probe the unknown; space men in business; businessmen in space, and life and death in space — Prentice-Hall, Inc., Englewood Cliffs, N. J. (cloth), $4.95.

Traffic in Opium and Other Dangerous Drugs—Report by the Government of the United States of America—Superintendent of Documents, U. S. Government Printing Office, Washington 25, D. C. (paper), 40¢.

Who Should See a CPA?—Booklet showing the reader how he can benefit by letting a C. P. A. figure his income tax, regardless of the reader's income—Advertising and Public Relations Department, Public National Bank of Dallas, P. O. Box 5961, Dallas 22, Texas (on request).

Why Distinguished Educators Favor Voluntary Unionism—Chamber of Commerce of the United States, Washington 6, D. C. (paper), 75¢ (quantity prices on request).

Indications of Current Business Activity

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

		Latest Week	Previous Week	Month Ago	Year Ago
AMERICAN IRON & STEEL INSTITUTE:					
Steel ingots and castings (net tons)	Nov. 10	1,804,000	1,778,000	1,746,000	2,044,000
Index of production based on average weekly production for 1957-1959	Nov. 10	96.8	95.4	93.7	109.8
Unofficial indicated steel operations (per cent capacity). The American Iron & Steel Institute discontinued issuing this data late in 1960	Nov. 10	61.5	61.0	58.5	70.0
AMERICAN PETROLEUM INSTITUTE:					
Crude oil and condensate output—daily average (bbls. of 42 gallons each)	Nov. 2	7,313,960	7,341,260	7,344,560	7,138,160
Crude runs to stills—daily average (bbls.)	Nov. 2	8,326,000	8,227,000	8,372,000	7,834,000
Gasoline output (bbls.)	Nov. 2	29,913,000	30,146,000	29,671,000	28,116,000
Kerosene output (bbls.)	Nov. 2	2,961,000	3,425,000	2,927,000	2,800,000
Distillate fuel oil output (bbls.)	Nov. 2	13,219,000	13,881,000	13,369,000	13,504,000
Residual fuel oil output (bbls.)	Nov. 2	5,366,000	4,887,000	5,521,000	5,499,000
Stocks at refineries, bulk terminals, in transit, in pipe lines					
Finished gasoline (bbls.) at	Nov. 2	176,256,000	*177,149,000	177,241,000	171,570,000
Kerosene (bbls.) at	Nov. 2	37,326,000	38,168,000	35,845,000	37,049,000
Distillate fuel oil (bbls.) at	Nov. 2	180,762,000	180,830,000	174,097,000	179,000,000
Residual fuel oil (bbls.) at	Nov. 2	53,152,000	54,790,000	54,705,000	48,702,000
Unfinished Oils (bbls.) at	Nov. 2	84,679,000	84,706,000	------	85,707,000
ASSOCIATION OF AMERICAN RAILROADS:					
Revenue freight loaded (number of cars)	Nov. 3	608,614	614,632	594,722	619,435
Revenue freight received from connections (no. of cars)	Nov. 3	528,485	512,580	527,953	536,903
CIVIL ENGINEERING CONSTRUCTION—ENGINEERING NEWS-RECORD:					
Total U. S. construction	Nov. 8	$447,800,000	$414,000,000	$504,700,000	$255,400,000
Private construction	Nov. 8	264,800,000	192,700,000	231,100,000	146,600,000
Public construction	Nov. 8	183,000,000	221,300,000	273,600,000	108,800,000
State and municipal	Nov. 8	168,200,000	134,600,000	195,800,000	85,400,000
Federal	Nov. 8	14,800,000	86,700,000	77,800,000	23,400,000
COAL OUTPUT (U. S. BUREAU OF MINES):					
Bituminous coal and lignite (tons)	Nov. 3	8,785,000	8,690,000	8,820,000	8,892,000
Pennsylvania anthracite (tons)	Nov. 3	313,000	350,000	344,000	314,000
DEPARTMENT STORE SALES INDEX—FEDERAL RESERVE SYSTEM—1957-59 AVERAGE=100	Nov. 3	117	*116	118	111
EDISON ELECTRIC INSTITUTE:					
Electric output (in 000 kwh.)	Nov. 10	16,491,000	16,247,000	16,317,000	15,520,000
FAILURES (COMMERCIAL AND INDUSTRIAL) — DUN & BRADSTREET, INC.	Nov. 8	295	320	298	336
IRON AGE COMPOSITE PRICES:					
Finished steel (per lb.)	Nov. 5	6.196c	6.196c	6.196c	6.196c
Pig iron (per gross ton)	Nov. 5	$66.35	$66.33	$66.33	$66.44
Scrap steel (per gross ton)	Nov. 5	$23.50	$23.50	$24.17	$32.83
METAL PRICES (E. & M. J. QUOTATIONS):					
Electrolytic copper—					
Domestic refinery at	Nov. 7	30.600c	30.600c	30.600c	30.600c
Export refinery at	Nov. 7	28.500c	28.525c	28.550c	28.125c
Lead (New York) at	Nov. 7	10.000c	9.500c	9.500c	10.500c
Lead (St. Louis) at	Nov. 7	9.800c	9.300c	9.300c	10.300c
‡Zinc (delivered) at	Nov. 7	12.000c	12.000c	12.000c	12.000c
Zinc (East St. Louis) at	Nov. 7	11.500c	11.500c	11.500c	11.500c
Aluminum (primary pig, 99.5%) at	Nov. 7	24.000c	24.000c	24.000c	24.000c
Straits tin (New York) at	Nov. 7	110.125c	111.125c	108.125c	123.125c
MOODY'S BOND PRICES DAILY AVERAGES:					
U. S. Government Bonds	Nov. 13	90.13	90.21	89.38	87.06
Average corporate	Nov. 13	88.13	87.99	87.86	86.11
Aaa	Nov. 13	92.35	92.20	92.06	90.34
Aa	Nov. 13	90.20	90.20	90.06	88.27
A	Nov. 13	87.45	87.45	87.32	85.46
Baa	Nov. 13	82.77	82.52	82.27	80.93
Railroad Group	Nov. 13	84.17	84.04	84.04	83.66
Public Utilities Group	Nov. 13	89.92	89.92	89.37	87.05
Industrials Group	Nov. 13	90.20	90.34	90.20	87.86
MOODY'S BOND YIELD DAILY AVERAGES:					
U. S. Government Bonds	Nov. 13	3.69	3.69	3.78	3.98
Average corporate	Nov. 13	4.55	4.56	4.57	4.70
Aaa	Nov. 13	4.25	4.26	4.27	4.39
Aa	Nov. 13	4.40	4.40	4.41	4.54
A	Nov. 13	4.60	4.60	4.61	4.75
Baa	Nov. 13	4.96	4.98	5.00	5.11
Railroad Group	Nov. 13	4.85	4.86	4.86	4.89
Public Utilities Group	Nov. 13	4.42	4.42	4.46	4.63
Industrials Group	Nov. 13	4.40	4.39	4.40	4.57
MOODY'S COMMODITY INDEX	Nov. 13	363.3	363.5	361.4	365.5
NATIONAL PAPERBOARD ASSOCIATION:					
Orders received (tons)	Nov. 3	392,349	350,817	406,017	388,044
Production (tons)	Nov. 3	353,962	360,702	355,086	352,866
Percentage of activity	Nov. 3	96	97	97	97
Unfilled orders (tons) at end of period	Nov. 3	492,527	453,263	536,369	557,378
OIL, PAINT AND DRUG REPORTER PRICE INDEX—1949 AVERAGE=100	Nov. 9	118.12	116.73	115.94	113.95
ROUND-LOT TRANSACTIONS FOR ACCOUNT OF MEMBERS, EXCEPT ODD-LOT DEALERS AND SPECIALISTS					
Transactions of specialists in stocks in which registered—					
Total purchases	Oct. 19	1,945,700	1,530,570	2,233,010	2,520,160
Short sales	Oct. 19	466,160	337,970	453,710	486,980
Other sales	Oct. 19	1,623,250	1,209,950	1,794,120	2,041,260
Total sales	Oct. 19	2,089,410	1,547,920	2,247,830	2,528,240
Other transactions initiated off the floor—					
Total purchases	Oct. 19	452,570	352,200	382,570	331,360
Short sales	Oct. 19	86,400	48,200	81,800	13,300
Other sales	Oct. 19	423,820	289,010	423,450	308,950
Total sales	Oct. 19	510,220	337,210	505,250	322,250
Other transactions initiated on the floor—					
Total purchases	Oct. 19	973,254	576,543	796,043	945,466
Short sales	Oct. 19	112,614	112,942	167,250	77,800
Other sales	Oct. 19	732,285	518,638	818,918	708,523
Total sales	Oct. 19	844,899	631,580	986,168	786,323
Total round-lot transactions for account of members—					
Total purchases	Oct. 19	3,371,524	2,459,313	3,411,623	3,796,986
Short sales	Oct. 19	665,174	499,112	702,760	578,080
Other sales	Oct. 19	2,779,355	2,017,598	3,036,485	3,058,733
Total sales	Oct. 19	3,444,529	2,516,710	3,739,248	3,636,813
STOCK TRANSACTIONS FOR ODD-LOT ACCOUNT OF ODD-LOT DEALERS AND SPECIALISTS ON N. Y. STOCK EXCHANGE — SECURITIES EXCHANGE COMMISSION					
Odd-lot sales by dealers (customers' purchases)—†					
Number of shares	Oct. 19	1,309,378	1,000,188	1,335,747	1,749,296
Dollar value	Oct. 19	$56,032,113	$45,526,094	$64,030,756	$99,677,032
Odd-lot purchases by dealers (customers' sales)—					
Number of orders—customers' total sales	Oct. 19	1,552,559	1,148,194	1,527,926	1,796,413
Customers' short sales	Oct. 19	83,210	56,038	41,429	15,235
Customers' other sales	Oct. 19	1,469,349	1,092,156	1,486,497	1,781,178
Dollar value	Oct. 19	$67,152,202	$52,275,401	$74,172,809	$91,588,443
Round-lot sales by dealers—					
Number of shares—Total sales	Oct. 19	616,890	411,050	557,990	579,720
Short sales	Oct. 19	------	------	------	------
Other sales	Oct. 19	616,890	411,050	557,990	579,720
Round-lot purchases by dealers—Number of shares	Oct. 19	322,980	259,830	320,530	515,990
TOTAL ROUND-LOT STOCK SALES ON THE N. Y. STOCK EXCHANGE AND ROUND-LOT STOCK TRANSACTIONS FOR ACCOUNT OF MEMBERS (SHARES):					
Total round-lot sales—					
Short sales	Oct. 19	1,478,240	1,029,020	1,103,830	723,060
Other sales	Oct. 19	16,035,510	11,223,050	17,189,970	16,823,540
Total sales	Oct. 19	17,513,750	12,252,070	18,293,800	17,546,600
WHOLESALE PRICES, NEW SERIES — U. S. DEPT. OF LABOR — (1947-49=100):					
Commodity Group—					
All commodities	Nov. 6	100.7	100.8	100.6	Not avail.
Farm products	Nov. 6	98.1	98.8	97.9	Not avail.
Processed foods	Nov. 6	101.9	102.0	101.6	Not avail.
Meats	Nov. 6	99.9	100.4	100.5	Not avail.
All commodities other than farm and foods	Nov. 6	100.7	*100.7	100.7	Not avail.

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

	Latest Month	Previous Month	Year Ago
AMERICAN ZINC INSTITUTE, INC.—Month of October:			
Slab zinc smelter output all grades (tons of 2,000 pounds)	77,939	74,512	81,402
Shipments (tons of 2,000 pounds)	87,434	73,426	96,383
Stocks at end of period (tons)	159,448	168,943	150,083
BUILDING PERMIT VALUATION — DUN & BRADSTREET, INC.—217 CITIES—Month of September:			
New England	$33,459,125	$27,078,008	$26,946,167
Middle Atlantic	109,609,808	100,911,439	395,159,989
South Atlantic	55,387,001	58,368,879	49,168,140
East Central	108,534,437	120,143,792	129,046,399
South Central	93,661,985	112,699,836	126,627,632
West Central	52,046,217	50,419,246	49,477,300
Mountain	32,541,076	30,998,251	27,954,047
Pacific	109,173,027	161,218,186	124,380,469
Total United States	$594,412,676	$661,837,637	$928,760,143
New York City	60,160,084	40,091,160	328,755,642
Total outside New York City	$534,252,592	$621,746,477	$600,004,501
CIVIL ENGINEERING CONSTRUCTION—ENGINEERING NEWS RECORD — Month of October (000's omitted):			
Total U. S. construction	$1,608,000	$1,621,000	$1,869,000
Private construction	720,000	775,000	990,000
Public construction	888,000	846,000	879,000
State and municipal	628,000	707,000	761,000
Federal	260,000	139,000	118,000
COKE (BUREAU OF MINES)—Month of Sept.:			
Production (net tons)	3,741,503	*3,740,405	4,631,400
Oven coke (net tons)	3,691,279	3,692,013	4,558,400
Beehive coke (net tons)	50,224	48,392	73,000
Oven coke stocks at end of month (net tons)	4,171,800	4,065,051	4,101,114
CONSUMER CREDIT OUTSTANDING—BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM—REVISED SERIES—Estimated short and intermediate term credit in millions as of September 30:			
Total consumer credit	$59,236	$59,146	$54,757
Instalment credit	45,621	45,514	42,039
Automobile	18,467	18,530	16,902
Other consumer credit	11,698	11,648	11,006
Repairs and modernization loans	3,233	3,216	3,180
Personal loans	12,223	12,120	10,951
Noninstalment credit	13,615	13,632	12,718
Single payment loans	5,288	5,274	4,832
Charge accounts	4,623	4,638	4,423
Service credit	3,704	3,720	3,463
COTTON AND LINTERS — DEPARTMENT OF COMMERCE—RUNNING BALES:			
Consumed, month of September	660,594	692,589	847,459
In consuming establishments as of Sept. 30	1,171,074	1,269,306	1,636,263
In public storage as of Sept. 30	8,712,678	6,677,586	4,938,570
Linters—Consumed month of September	100,767	105,177	126,033
Stocks—Sept. 30	538,269	523,945	356,989
Cotton spindles active as of Sept. 30	16,543,000	16,731,000	17,344,000
COTTON SEED AND COTTON SEED PRODUCTS—DEPT. OF COMMERCE—Month of September:			
Cotton Seed—			
Received at mills (tons)	1,042,700	407,300	591,600
Crushed (tons)	508,900	228,000	334,200
Stocks (tons) Sept. 30	993,600	459,800	479,300
Cake and Meal—			
Stocks (tons) Sept. 30	99,100	94,200	73,300
Produced (tons)	236,000	103,200	149,600
Shipped (tons)	231,100	142,900	165,700
Hulls—			
Stocks (tons) Sept. 30	67,600	67,500	86,100
Produced (tons)	114,700	58,900	74,600
Shipped (tons)	114,600	75,200	68,800
Linters—			
Stocks (bales) Sept. 30	106,400	91,800	109,300
Produced (bales)	155,800	69,000	105,000
Shipped (bales)	141,200	72,800	93,800
MANUFACTURERS' INVENTORIES & SALES—Month of September (millions of dollars):			
Inventories—			
Durables	$32,690	*$32,690	$31,100
Nondurables	24,450	24,280	23,340
Total	$57,130	*$56,970	$54,440
Sales	33,680	*33,290	31,360
MOTOR VEHICLE FACTORY SALES FROM PLANTS IN U. S. AUTOMOBILE MANUFACTURERS' ASSN.—Month of October:			
Total number of vehicles	848,510	556,492	652,406
Number of passenger cars	724,273	471,170	557,809
Number of trucks and motor coaches	124,237	85,322	94,597
RUBBER MANUFACTURING ASSOCIATION INC.—Month of September:			
Passenger & Motorcycle Tires (Number of)—			
Shipments	9,874,626	8,830,030	8,774,003
Production	9,425,559	9,493,422	8,774,289
Inventory	22,616,647	22,963,530	20,768,533
Tractor Implement Tires (Number of)—			
Shipments	277,648	310,617	248,513
Production	275,690	297,758	229,711
Inventory	978,667	976,860	921,710
Passenger, Motorcycle, Truck and Bus Inner Tubes (Number of)—			
Shipments	2,973,849	3,209,728	2,856,060
Production	3,107,962	3,025,768	3,081,032
Inventory	8,963,366	8,772,352	8,889,916
Tread Rubber (Camelback)—			
Shipments (pounds)	44,436,000	43,332,000	42,953,000
Production (pounds)	44,537,000	42,895,000	42,092,000
Inventory (pounds)	16,002,000	16,030,000	18,321,000
Truck and Bus Tires (Number of)—			
Shipments (pounds)	1,333,097	1,371,657	1,214,374
Production	1,225,591	1,228,093	1,118,853
Inventory	3,462,776	3,569,687	3,327,569
U. S. GOVT. STATUTORY DEBT LIMITATION As of Oct. 31 (000's omitted):			
Total face amount that may be outstanding at any time	$308,000,000	$308,000,000	$298,000,000
Outstanding—			
Total gross public debt	302,067,039	299,498,292	295,660,371
Guaranteed obligations not owned by the Treasury	486,387	487,334	298,864
Total gross public debt & guaranteed obligations	$302,553,426	$299,985,627	$295,959,236
Deduct—Other outstanding public debt obligations not subject to debt limitation	372,483	373,498	439,667
Grand total outstanding	$302,180,942	$299,612,128	$295,519,568
Balance face amount of obligations issuable under above authority	5,819,057	8,387,871	2,480,431
UNITED STATES GROSS DEBT DIRECT AND GUARANTEED—(000's omitted):			
As of Oct. 31	$302,553,426	$299,985,627	$295,959,236
General funds balance	6,518,017	9,268,346	6,197,078
Net debt	$296,035,409	$290,717,283	$289,762,158
Computed annual average	3.277%	3.285%	3.098%

The State of TRADE and INDUSTRY

Continued from page 4

the 1.8 million tons that *Steel* estimated were made last week. Output then was 1.2% above the previous week's.

Steel's scrap price composite on No. 1 heavy melting grade dropped last week to $24 a ton, down 33 cents. It is now at the lowest point since 1949.

Silver Market Price Reaching Mint Price

The price of silver could hit the monetary ceiling of $1.29 an ounce late this year or early next, *Steel* reported. Silvermen feel last week's drop was temporary.

That means the price could reach the level at which silver certificates (dollar bills) can be cashed in at the U. S. Treasury for metal. While it is doubtful there will be a rush to cash in dollar bills, conceivably, if the process carried far enough, it would result in a small bills shortage. The only other paper currency—Federal Reserve notes—is in denominations of $5 and above.

Although pig iron prices have been cut $3 a ton by domestic producers, the reduction may not be large enough to stem the rising tide of imported metal. Even after cutting its price by $3, a Pittsburgh area producer is quoting $12 a ton more than the Pittsburgh delivered price of pig iron from Norway.

Steel price reductions are affecting West Coast import orders. A Japanese steelmaker told *Steel* in Tokyo last week that orders for Japanese flat rolled products have declined significantly. "Inquiries are still high—but many U. S. customers are holding off orders, thinking Japanese import prices eventually will be reduced."

Earnings Climb Found Insufficient

The price fighting problem will continue in 1963, a *Steel* survey of 7,500 metalworking managers indicates. Some 92% of respondents cite the profit squeeze, price fighting, and excessive union demands as the top problems their companies would face next year.

While nine-month metalworking business reports indicate both sales and earnings are at a record or near record pace, managers say profit margins (currently about 4.6% of sales) will not finance the plant and equipment modernization and other efforts needed to effectively compete in domestic and world markets.

Steel Hikes Capital Spending Sudden Auto Steel Demand

A surge of capital spending is building up in the steel industry, *The Iron Age* reported.

If current trends are sustained, the steel industry will spend over $1.4 billion on new plants and equipment in 1963, the magazine said. This is based on preliminary figures on third quarter appropriations plus an analysis of company projects planned or under construction.

The magazine points out that the new projects are not aimed at increasing production. Instead, they are aimed at cutting costs and improving products and efficiency.

Probably more than ever before, the industry is using technical advances to get the maximum effect from spending. It is clear that the new technology is being put to work at an accelerating rate.

This tends to produce greater cost reductions per investment dollar. It also tends to reduce the investment dollars needed to meet a given cost or capacity target.

The *Iron Age* said the new spending is one way out of the steel industry's capital squeeze. This is the corner the industry is in:

It needs higher profits to apply new processes. It needs new processes to increase profit margins. The industry's latest round of spending projects indicates an all-out effort is being made to resolve this quandary.

Steelmakers are not generating any more capital dollars. But they are developing ways to get more mileage out of available funds.

All projects announced in the past six weeks involve new processes or major changes to existing ones. They underscore a pattern that has been developing all year. Of the 45 major projects reported since Jan. 1 of this year, more than half have employed new processes.

The latest burst indicates this trend is gaining momentum, the magazine stated.

As an indication of how the new projects are expected to show economies, *The Iron Age* cited plans of one company spending around $15 million for a basic oxygen shop that will make about 1.5 million ingot tons a year.

If the company were modernizing with openhearth furnaces, which constitute the vast bulk of current steelmaking capacity, the same capacity would have cost $35 to $40 million. Moreover, it is indicated that an operating saving of from $5 to $8 a ton will result from the oxygen steelmaking process.

There is still a question whether new processes will come on stream fast enough to reverse unfavorable trends in earnings and cash flow.

But since price relief cannot be counted on, and no great improvement in sales is in sight, this leaves technology as the one big hope of the steel industry.

Referring to the current steel market, *The Iron Age* said an undercurrent of optimism is apparent. It is principally due to a sudden uptrend in orders for steel from automakers and their suppliers.

Steel Output Increases Three Weeks in a Row But is Off 11.8% From Last Year

According to data compiled by the American Iron and Steel Institute, production for the week ended Nov. 10, 1962, was 1,804,000 tons (*96.8%), as against 1,778,000 tons (*95.4%) in the week ending Nov. 3.

Data for the latest week ended Nov. 10, 1962, shows a production decline of 11.8% compared to last year's week output of 2,045,000 tons (*109.7%).

Production this year through Nov. 10 amounted to 85,363,000 tons (*101.8%), or 3.1% above the Jan. 1-Nov. 11, 1961, period.

The Institute concludes with Index of Ingot Production by Districts for week ended Nov. 10, 1962, as follows:

	*Index of Ingot Production for Week Ended Nov. 10, 1962
North East Coast	84
Buffalo	97
Pittsburgh	83
Youngstown	87
Cleveland	103
Detroit	152
Chicago	107
Cincinnati	104
St. Louis	118
Southern	92
Western	90
Total	96.8

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

Auto Industry Ups Demand For Steel

The automakers came into the market quite strongly in the last days of October. On the basis of high auto sales in October, the auto industry has upped its fourth quarter scheduling.

Since most forecasts were based on a lower auto output for the quarter, it is likely that steel stocks will return to a normal level and automotive steel buying will reflect production rates before the year is out.

Any sizable improvement in the market is based on a continued high rate of auto sales, however. Most of the improvement noted so far is attributed to gains in the auto steel demand. Except for the added stimulus from Detroit, the steel market remains on a plateau with little change other than seasonal factors.

Record Weekly Auto Output Scheduled

Reacting quickly to record new car sales, U. S. auto makers scheduled passenger car production this week above the level achieved in any October week, *Ward's Automotive Reports* reported.

The statistical agency said entire November also will reflect a higher rate of assembly than was attained in October, although absolute volume will reflect two fewer regular work days in November.

Scheduled this week are 164,931 cars, a rise of 1.3% from 162,787 assemblies last week. In the corresponding week of a year ago, 152,286 cars were made.

The step-up in output required Saturday overtime sessions in 24 of the industry's 47 assembly plants.

Production of 1963 model cars reached an estimated 1,473,000 units by the end of last week, outpacing 1962 model making to the same date by 13%.

Electric Output Up 6.3% Over Last Year

The amount of electric energy distributed by the electric light and power industry for the week ended Saturday, Nov. 10, was estimated at 16,491,000,000 kwh., according to the Edison Electric Institute. Output was 244,000,000 kwh. above that of the previous week's total of 16,247,000,000 kwh., and 971,000,000 kwh., or 6.3% above the total output of the comparable 1961 week.

Rail Freight Loadings Below 1961 Level

Loading of revenue freight in the week ended Nov. 3 totaled 608,614 cars, the Association of American Railroads announced. This was a decrease of 6,018 cars or 1.0% below the preceding week.

The loadings represented a decrease of 10,821 cars or 1.7% below the corresponding week in 1961, but an increase of 9,059 cars or 1.5% above the corresponding week in 1960.

There were 15,128 cars reported loaded with one or more revenue highway trailers or highway containers (piggyback) in the week ended Oct. 27, 1962, (which were included in that week's over-all total). This was an increase of 1,679 cars or 12.5% above the corresponding week of 1961 and 3,542 cars or 30.6% above the 1960 week.

Cumulative piggyback loadings for the first 43 weeks of 1962 totaled 583,302 cars or an increase of 98,394 cars or 20.3% above the corresponding period of 1961, and 121,457 cars or 26.3% above the corresponding period in 1960. There were 61 class I U. S. railroads systems originating this type traffic in this year's week compared with 59 one year ago and 54 in the corresponding week in 1960.

Intercity Trucking 4.3% Above Last Year

Intercity truck tonnage in the week ended Nov. 3 was 0.5% ahead of the volume in the corresponding week of 1961, the American Trucking Associations announced. Truck tonnage was 4.3% above that of the previous week of this year.

While the weekly survey shows only a marginal gain over 1961, the year-to-year increase is particularly gratifying in light of the unusually strong upturn in traffic in the Fall of 1961. The week-to-week findings are also more favorable than those reflected in the seasonal pattern of previous years.

These findings are based on the weekly survey of 34 metropolitan areas conducted by the ATA Department of Research and Transport Economics. The report reflects tonnage handled at more than 400 truck terminals of common carriers of general freight throughout the country.

The terminal survey for last week showed increased tonnage from a year ago at 19 localities, with 15 points reflecting decreases from the 1961 level. Trucking centers at Dallas-Ft. Worth, Salt Lake City, and Birmingham registered gains of 13.6, 12.5, and 11.0%, respectively. Only one point, Albuquerque reflected a decrease of more than 10%.

Compared with the immediately preceding week, 30 metropolitan areas reflected increased tonnage, while only four areas showed decreases.

Lumber Output Is 6.2% Above 1961 Rate

Lumber production in the United States in the week ended Nov. 3, totaled 232,220,000 board feet compared with 227,158,000 in the prior week, according to reports from regional associations. A year ago the figure was 218,-699,000 board feet.

Compared with 1961 levels, output rose 6.2%, shipments advanced 0.8% and new orders fell 5.6%.

Following are the figures in thousands of board feet for the weeks indicated:

	Nov. 3 1962	Oct. 27 1962	Nov. 4 1961
Output	232,220	227,158	218,699
Shipments	227,624	213,252	225,739
New orders	231,485	218,995	231,485

Business Failures Down During Election Week

Commercial and industrial failures took a downturn to 295 in the week ended Nov. 8 from 320 in the preceding week, reported Dun & Bradstreet, Inc. While casualties were off appreciably from the 336 occurring in the comparable week a year ago, they were about even with the 1960 toll of 298. As well, current business mortality exceeded by almost 10% the pre-war level of 269 in the similar week of 1939.

Failures involving liabilities of $100,000 or more dipped to 39 from 43 a week earlier but held close to the 40 of this size last year. There was a decline among smaller casualties, with losses under $100,000, to 256 from 277 in the prior week and 296 in 1961.

Most of the Election week's downswing centered in retailing where the toll was off to 141 from 153 and in construction where casualties fell to 44 from 61. In contrast, failures among manufacturers rose to 54 from 47, and changes were fractional in commercial service with 24 as against 23 and in wholesale trade with 32 as against 36. No industry or trade group had as many casualties as last year, although wholesale and service businesses came close to equalling their comparable 1961 tolls.

In five of the major geographic regions, failures dipped lower during the week. The Middle Atlantic States reported the strongest decline, to 70 from 92. Meanwhile, there was little change in the East North Central States where casualties stood at 68 or in the South Atlantic States with 29. On the other hand, contrasting increases prevailed in the New England and Pacific States, with the toll in the latter region climbing to 72 from 47 a week earlier. In all except three geographic areas, failing concerns equalled or exceeded year-ago levels; only the Middle and South Atlantic and East South Central had fewer failures than last year.

Wholesale Commodity Price Index Inches Up From 17-Month Low

After dropping last Thursday to 269.23, the lowest since June 22, 1961, the general wholesale commodity price level edged a little higher this Monday, reported Dun & Bradstreet, Inc. Nevertheless, it remained below comparable month-ago and year-ago levels. Much of the decline late last week reflected substantially lower quotations at wholesale for steers, hogs and wheat. These commodities increased again this Monday, however.

The Daily Wholesale Commodity Price Index inched up to 270.03 (1930-32=100) on Monday, Nov. 12, from 269.71 on the similar day last week, but it continued considerably below the 271.25 registered a year ago.

Wholesale Food Price Index Up Considerably This Week

Reaching the highest level in seven weeks, the Wholesale Food Price Index, compiled by Dun & Bradstreet, Inc., rose 1.5% to $5.97 on November 13. Not only was it above the $5.88 last week, but it also edged 0.8% above the comparable year-ago level of $5.92 on the similar day.

Beef, hams, bellies, eggs and raisins were priced substantially higher at wholesale markets this week and moderate increases were chalked up for oats, barley, lard, butter, sugar, cocoa, potatoes and steers. Lower prices were rare, occurring only in wheat, cottonseed oil, beans and hogs.

The Dun & Bradstreet, Inc. Wholesale Food Price Index represents the sum total of the price per pound of 31 raw foodstuffs and meats in general use. It is not a cost-of-living index. Its chief function is to show the general trend of food prices at the whole-sale level.

Election Day and Weather Boost Retail Purchases

Consumer buying surged ahead in the reporting week ended Nov. 7, solidly bolstered by Election Day promotions and cooler temperatures. Purchases of men's clothing made the best showing in weeks, with seasonal weather stimulating interest. Women's and children's apparel also moved at a lively pace. After spotty activity a week ago, strong gains were registered in home furnishings, hardware, and home improvement supplies. While new car sales continued their spectacular climb above year-ago levels, there were also signs that the used car market is on the verge of reviving.

The total dollar volume of retail trade in the week ended a week ago this Wednesday ranged from 4 to 8% 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; Pacific —3 to +1; Mountain —2 to +2; New England +1 to +5; East South Central +2 to +6; West North Central and West South Central +3 to +7; East North Central +5 to +9; Middle Atlantic and South Atlantic +6 to +10.

Nationwide Department Store Sales Rise 5.0% Above 1961's Week

Department store sales on a country-wide basis as taken from the Federal Reserve Board's index reported an overall advance of 5.0% for the week ended Nov. 3 compared with the like period in 1961. In the four-week period ended Nov. 3, 1962, sales advanced 2% over the corresponding period in 1961.

According to the Federal Reserve System, department store sales in New York City for the week ended Nov. 3, were 7% below the same period in 1961.

Arrange Yeshiva Bond Financing

B. C. Ziegler and Company, West Bend, Wisc., underwriter of institutional bond issues, on Nov. 12 offered $10,700,000 First Mortgage Serial Bonds for the Albert Einstein College of Medicine of Yeshiva University. Shown at the recent closing session in N. Y. City: Seated, left to right: Dr. Samuel Belkin, President of Yeshiva University; Delbert J. Kenny, President of B. C. Ziegler & Company, underwriters of the issue. Standing, left to right: Albert Parker, Vice-Chairman of the Board of Overseers, Albert Einstein College of Medicine; Richard L. Guiterman, Assistant Secretary of the Chemical Bank New York Trust Company, trustee of the issue.

B. C. Ziegler & Co., West Bend, Wis., is offering publicly $10,700,000 Albert Einstein College of Medicine and University Hospital of Yeshiva University, first mortgage serial bonds dated Oct. 1, 1962 and due serially July 1, 1965 to Oct. 1, 1982. The bonds bear interest at the rate of 5% to 6% and are priced at par and accrued interest for issues maturing on or before Oct. 1, 1974 and at from 100.88 to 101.17 for those due Jan. 1, 1975 to Oct. 1, 1982.

Net proceeds, together with other funds, will be used to complete major additions and improvements to the college's facilities, including the new 250-bed University Hospital, Diagnostic and Rehabilitation Centers and the new Research Building, and to redeem approximately $2,210,000 of outstanding bonds.

Yeshiva University, located at 500 W. 186th Street, New York, is a private, nonsectarian institution operated under Jewish sponsorship. It is chartered by the Board of Regents of the State of New York, and is accredited by the Middle States Association of Colleges and Secondary Schools. It offers undergraduate, graduate and professional programs of study leading to degrees in various fields of learning.

The Albert Einstein College of Medicine is a division of the University, located at Morris Park Avenue, and Eastchester Road, Bronx, New York. The College, which admitted its first students in September, 1955, has a three-fold mission, namely, the education of physicians and scientists; the search for new knowledge through research; and the care of the sick.

How "People's Capitalism" Was Achieved in Japan

Continued from page 5

tions, as utilities companies and the railroads.

Public Relations Centers

As a further service to stimulate investor appetite, for the past three years we have operated seven "Public Relations Centers" throughout Japan. These centers are basically small public libraries disseminating information to investors.

They include research books on securities and investment, newspaper clippings on business, the semi-annual reports of companies, stock prospectuses and related investment material.

Our center in the downtown business section of Tokyo is open daily from shortly before noon until 6 p.m. It averages 1,300 visitors daily. We make a strenuous effort to keep all our materials up-to-date. The National Diet Library, which can be compared to the American Library of Congress, relies on our PR centers for specialized information and the latest securities data.

At the centers, we offer our own pamphlets and brochures, plus other materials which can only be read and studied on the spot. We do not operate a lending service. Nor do we conduct any actual business at these centers. Their function is to supply information from published sources only. But when a visitor wishes to make an investment, the office staff introduces him to a salesman at one of our nearby offices.

From a survey of visitors to the Public Relations Center in Tokyo last May 31, we learned that 70% are seeking information on individual stocks and 30% want information on an industry. Nearly half the visitors reported that they had visited that particular center up to 20 times. They spend on an average, an hour on each visit.

Branching Out to the Customers

All these activities and services, varied and intensive as they may be, have only one object—to bring the customer to the point-of-sale.

Adopting an old American retailer's device of taking the stores to where the customers are, we have, as I mentioned, opened branch sales offices in railroad terminals, subway stations, department stores, and amusement and shopping centers.

At Isetan, one of Tokyo's largest department stores, we have a ground floor branch office. Appropriately enough it's near the men's wear department. And make no mistake, this is a well-accepted service. One department store branch averages 400-odd investor customers daily.

The development of brokerage offices in such — by American standards—unusual locations has done much to remove the aura of mystery and aloofness from investment. Many Japanese today can be said to look on their securities purchases as just another merchandise transaction.

Nikko opened its New York office in 1959. Unlike Nikko Kasai, our San Francisco affiliate, we do not sell to individual investors. Our New York office at present exists for the sole purpose of serving major American institutional investors and American brokers and dealers. We carry on an extensive information program here including a monthly Japanese Financial Newsletter.

Japan has had the highest growth rate of any nation in the world for the past 10 years. In fact, about 15 months ago, the growth rate became so hectic that our government was obliged to take steps to suppress this rapid expansion, in the interest of a balanced economic development.

As our economy has matured, however, we have increasingly started to take our place among the world's industrial leaders. Just recently we liberalized about 90% of our imports—an important consideration when you recall that Japan has few of the raw material resources on which modern industry is based.

We have, three months ago, eased our regulations on the repatriation of foreign capital. We hope this forward step will have an important bearing on American and other foreign interest in our industry.

Last year, foreign investment in Japanese industry—through direct stock market purchases—reached $116,000,000. When I speak of foreign investment in Japan, I mean principally American investment, although there are increasing signs of interest from Great Britain, plus Switzerland, Germany and other European nations.

And New England's institutional investors are among those American financial leaders who have recognized the enormous potential of Japan's industry.

This year we expect American investment in Japan—again measured by direct securities purchases on the stock exchanges—to reach $150,000,000. Within the next five years, we hope to build this flow of long-term foreign investor capital to $300,000,000 annually.

We do not come to the American investment community cap in hand. Japan needs stable, long-term foreign capital. So did the United States not too many decades ago. We are building on an already broadly-based industrialized economy. There are many genuine investment opportunities in Japan.

We look on foreign capital as a partnership arrangement, firmly believing we have something to offer the alert, sophisticated investor.

At the same time we are looking forward to that day, some years hence, when trading in Japanese securities here will no longer be considered "exotic" but as accepted as trading in British, Dutch, Italian and other shares.

*From a talk by Mr. Hasebe before the Boston Conference on Distribution sponsored by the Graduate Business Schools of Harvard University, Boston College, Boston University, MIT, Northeastern Univ. and the Retail Trade Board of Greater Boston Chamber of Commerce, at Boston, Mass., October 10, 1962.

Household Finance Corp. Debens. Offered

Lee Higginson Corp., White, Weld & Co., New York, and William Blair & Co., Chicago, are managers of an underwriting group which is offering publicly $60,000,000 of Household Finance Corp. 4⅜% debentures due 1987, at 99.622% and accrued interest to yield approximately 4.40%.

The debentures are not redeemable prior to 1971, except under special circumstances. Beginning in 1971 they are redeemable at prices ranging from 102.6% to the principal amount.

Proceeds will be used to reduce short-term bank and other loans made to provide additional funds for lending to customers in the usual course of business.

Household Finance is one of the largest organizations engaged in the consumer finance business. The company provides its services through 1,215 branch offices located in the United States and Canada. Its head office is in the Prudential Plaza, Chicago.

Louisville & Nashville RR. Bonds Offered

Morgan Stanley & Co., New York heads an underwriting group offering for public sale today (Nov. 15) a new issue of $25,000,000 Louisville & Nashville Railroad Co., collateral trust 4⅞% bonds due 1987. The bonds are priced at 100% and accrued interest to yield 4.875% to maturity.

The issue was awarded to the Morgan Stanley group at a competitive sale Nov. 14 on its bid of 98.97% which named the 4⅞% coupon.

The bonds will not be redeemable, except through operation of a sinking fund, prior to Dec. 1, 1967. Thereafter regular redemption prices will range from 104.90% to the principal amount. The sinking fund, commencing in 1964, fixes redemption prices ranging from 100.50 to the principal amount.

The bonds will be initially secured by a pledge of $30,000,000 principal amount of L. & N. first and refunding mortgage bonds, series K, dated Dec. 1, 1962 and due April 1, 2003. Following the sale of the new bonds L. & N. will offer to retire $15,270,000 of outstanding bonds of two subsidiary companies in advance of maturity. The remainder of the proceeds will be added to working capital for general corporate purposes.

L. & N. operates 5,656 miles of road, serving the mid-South between the Ohio River and the Gulf of Mexico, including all of the larger cities rated as important commercial and industrial centers, and five major Gulf ports.

Chicago Analysts Meet

CHICAGO, Ill.—Harry M. Nordberg, president, and John O. Nicklis, executive vice-president, of Pitney-Bowes, will be guest speakers at the luncheon meeting of the Investment Analysts Society of Chicago being held today at the Illinois Room of the La Salle Hotel.

With Alex. Brown

TOWSON, Md.—**Alex. Brown & Sons**, members of the New York Stock Exchange and other leading exchanges, announce that Donald F. Nesbitt, Jr. is now associated with their Towson, office, 19 West Pennsylvania Avenue, as a registered representative.

Outlook for Capital Formation in 1963

Continued from page 11

nomics Advisers in projecting a $56 billion pretax profits year; but many of us did expect profits to fall in the $52-$54 billion range. This is now out of the question.

Manufacturers' profits are still being squeezed between stable, if not declining, prices and rising unit labor costs. Thus profit margins have been particularly disappointing. Missing out on their profit expectations for 1962 has resulted in only a very small increase in investment by manufacturers.

I should point out that corporations are still generating record cash flow, made up of retained earnings and depreciation. As a matter of fact, corporate cash flow is considerably higher than corporate expenditures for new plants and equipment. The outlook for cash flow in 1963 is still bright, despite expectations of a lower volume of profits. The reason for this bright outlook is because depreciation allowances will be increasing rapidly. Thus the potential source of funds for investment purposes will be high enough next year to easily finance the level of investment that is now planned.

Modernization and Replacement

For years, we at McGraw-Hill have been talking about the need to modernize our industrial facilities. Industry has been stressing the updating of its facilities. But according to our spring survey, about 40% of our industrial capacity is over 11 years old. In my book this means that this portion of our facilities belongs in an antique shop. Overseas facilities of American corporations are considerably more modern. Our annual survey of Overseas Operations of American Companies revealed that only one fourth of their capacity abroad is of that vintage. The pressure of international competition and rising costs at home will result in a continuation of great emphasis by U. S. business on modernization and replacement expenditures next year.

Furthermore, the combined effect of two relatively new developments, the liberalized depreciation rules and the 7% tax credit, which I understand really figures out to be a 3½% credit, may result in even higher capital expenditures than are now planned. Many probably noticed the recent advertisement of American Electric Power Company which indicated that this utility company was planning to add an additional $9 million to its investment for the period ahead because of the tax credit. Obviously this was a particular case, but if a large percentage of companies make use of either of these developments, capital expenditures could go higher than plans now indicate.

Inventories continue to fluctuate markedly—perhaps not as widely as in earlier periods. But the lack of inflationary pressures, the excess of industrial capacity and the general acceptance and use of computers in inventory control have not been able to prevent an inventory build-up in the early part of this year. But the build-up has abated. As a matter of record, it even reversed itself in August. From an annual rate of $6.7 billion in the first quarter of this year, inventory accumulation dropped to a rate of $1.5 billion in the third quarter. It is probably somewhat higher this quarter with some build-up in auto stocks.

Inventories will clearly be a negative factor next year. This year despite the lower level in the second-half than in the first-half, business increased inventories for the year about $3.6 billion. For 1963 we expect zero change in the change in business inventories. Thus the year to year change in capital formation terms is a $3.6 billion decline.

Why do we anticipate zero change in inventories in 1963? It is true that there hasn't been much speculation in inventories this year. And current inventory-sales ratios and inventory-new orders ratios are relatively low when compared with previous periods of high level business activity. However, with some falling off of auto sales early in 1963, and the possibility of a mild dip in capital spending some time during the year ahead, there is a chance that businessmen may cut their inventories modestly in 1963. However, we feel certain that there is no danger of a sharp run-off of stocks any time during 1963.

Another Good Housing Year

Although I am aware that good residential building years, like good automobile years, do not frequently come back to back, I nevertheless, feel that 1963 will be another good one for the housing construction sector of capital formation. Residential building dollar volume, which I now expect will reach the $23.4 billion mark for 1962, will run above that level in 1963 reaching $23.7 billion. I look particularly for increased emphasis on repair and alterations of existing housing in 1963 to account for the increase in overall residential construction because this year that segment of residential construction proved to be relatively small. The volume of new private nonfarm housing units started in both 1962 and 1963 will be under 1.4 million units. The chances are that this year will now be 1.39 million units and next year about 1.35 million units. Both this and next year's level of activity adds up to a rather impressive performance by the home-building industry.

It seems to me that we are moving into a period of easier money unless the Cuban-Berlin situation gets a lot worse. Slightly lower interest rates should make many potential home buyers actual purchasers in 1963.

I make the prediction of a drop of less than 3% in private nonfarm starts in full knowledge of the gloomy prophecies that some recent housing developments have produced. The higher number of mortgage foreclosures in recent years is providing a gourmet's delight for those with an appetite for particularly pessimistic occurrences. Likewise, the hectic apartment building pace in the U. S. within recent years has produced visions of the kind of serious overbuilding that plagued speculative apartment ventures in the 1920s.

Surely, developments such as those are not to be totally ignored. But they must be kept in perspective. My information suggests that a considerable portion of recent residential mortgage foreclosures is the result of economic hardship caused by shifting of defense production in certain areas. Another contributing factor, of course, has been the relatively high rate of long-term unemployment in some areas. But with the economy as a whole in fairly good health, those isolated circumstances do not spell doom for the residential building business — although, of course, they must be dealt with.

Turning to apartment building, I feel that here, too, storm warnings have been raised a bit prematurely. Vacancy rates have not skyrocketed despite the overbuilding of overpriced apartments in New York City. Our well-publicized postwar baby crop will begin to come to maturity next year, and as it sets up households of its own, apartment demand will get a substantial lift. Most of the apartment construction now underway will find takers upon its completion. But I must add the cautionary note that I applied to commercial building: not all builders everywhere are insured a handsome return on their investment.

Rising Land Costs

I do not mean to indicate that residential building is without problems. Of course, it has many. One is the steadily rising cost of land. This is, of course, a problem that affects other types of building as well.

The price of a single lot for an FHA-insured home, for example, has shot upward from about $1000 in 1950 to more than $2500 more recently. As a proportion of the cost of a new house, site costs have risen from 12% in 1950 to more than 17% more recently. This, quite apart from rising material and labor costs, rising costs of building sites pose a considerable problem for builders.

The reasons for this rise in land prices are quickly apparent. During the 1950s the number of inhabitants in the nation's urbanized areas grew from 69 million to about 96 million, an increase of some 38%. At the same time, the space taken up by such areas grew from 12.9 thousand to 25.5 thousand square miles, nearly a 100% increase, and more than 2½ times as great as the population increase during that interval. That relatively sharp rise in demand for new land, naturally, sent prices for acreage shooting skyward.

But experts in matters of urban planning tell us that even this problem of land prices is becoming one of more manageable proportions. For one thing, the backlogs in construction we faced at the end of World War II have been drastically reduced. Pressures on existing available land thus are being reduced, too, and price rises can be expected to be less sharp as a result.

In addition, new building acreage is being opened up at a rapid pace by the vast programs of highway construction underway throughout the country. Whole new communities are springing up as a result of improved highway transportation in once-remote areas.

These new supplies of land will act to relieve upward pressures on land prices. Thus this aspect of the long-run construction outlook is taking a more favorable turn. But I don't think I need to caution economists about the need for more careful attention to land utilization in the future. Until the moon's real estate proves exploitable, land will remain a scarce resource on our own planet. We had better learn to treat it as such.

Remaining Category

Now I will turn to the final segment — the catch-all group of "all other" capital formation. I anticipate that expenditures of this group will hold steady in 1963. Gross income of farmers is slightly higher this year than last. Nevertheless, 1962 investment by farmers in machinery, vehicles and buildings is markedly higher than last year. Production of farm machinery rose 13% this year and our informants tell us that agricultural equipment dealers have been selling the equipment. They have not been building up their stocks. Even farm construction appears to be heading for a new record high this year. After such a sizable gain in investment this year, and with farmers' incomes not expected to change significantly next year, we anticipate a small dip in farmers' capital expenditures in 1963.

On the other hand, private institutional investment in buildings and equipment will continue to edge upward in the year ahead. One obvious reason for this expectation is that each year we keep adding to the rolls of students going to private schools. Their education will entail more new construction and new equipment each year.

Outlays by professional men and women for the tools of their professions and outlays by business firms—mostly auto and oil companies — for certain durable items charged to current account —fluctuate year to year. This year they are up. But next year, with little growth expected for over-all business, and with an offset expected from increased investment by auto companies and decreased investment by oil companies, there is a good chance that this segment of "other" capital formation will hold about even.

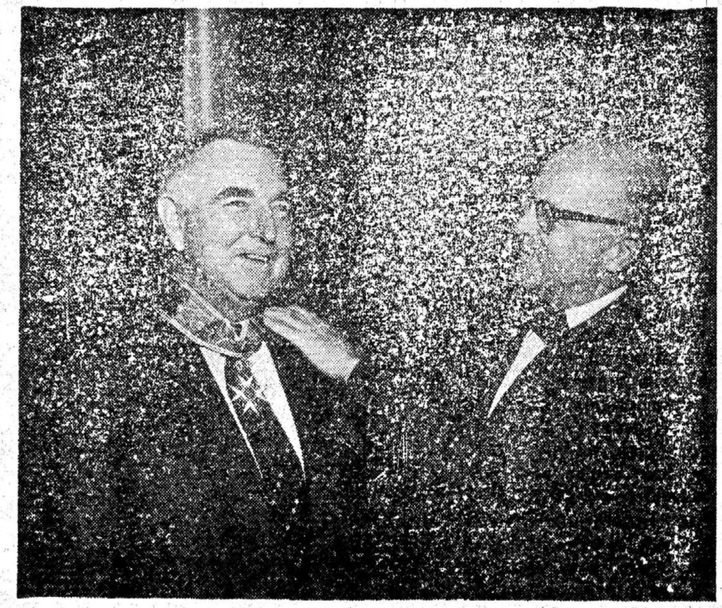
To sum up, the outlook is for a decline in capital formation as a whole, but with the decline centered in inventories. As I indicated earlier, total capital formation will drop to $74.9 billion next year compared with $77.3 billion this year.

Here is a detailed breakdown of my estimates:

	Billions of Dollars 1962	1963
Plant and equipment	$37.2	$38.2
Inventories	3.6	---
All other capital formation	13.1	13.1
Residential construction	23.4	23.6
Total	$77.3	$74.9

*An address by Mr. Greenwald at the Conference on the Economic Outlook, University of Michigan, Ann Arbor, Mich., November 15, 1962.

Helm Honored by King of Norway



Harold H. Helm, Chairman of Chemical Bank New York Trust Company, recently was honored by the King of Norway, Olav V, who conferred upon him the decoration of Commander of the Royal Order of St. Olav. This is one of the highest honors that the King of Norway can bestow upon any person.

Mr. Helm was presented this tribute by Hon. Knut Thommessen, Consul General of Norway, at a luncheon in New York City, in recognition of the "great contribution Chemical New York has made in helping to rebuild Norway's economy after World War II —particularly its shipping industry."

Advance-Decline Line And the Outlook for the Stock Market

Continued from page 7

important short-term base if it can break through 40. Westinghouse Electric will be in a similar position if it can penetrate the resistance that exists at 30. However, considering the position of the overall market, we suggest that any long positions in trading accounts be protected with stop-loss orders, particularly the mental kind. In conclusion, we see no overwhelming technical evidence to suggest that the majority of stocks have reached an important base area. Rallies within this sort of market will, of course, develop from time to time and are likely to be just as explosive and dynamic as that which has been witnessed during the past two weeks. However, until the majority of stocks goes through a long period of accumulation and building, short term rallies cannot be considered as marking the end of the major decline.

*An address by Mr. Wyetzner before the Association of Customer's Brokers, New York City, Nov. 7, 1962.

As We See It

Continued from page 1

satisfaction, however, to take note of the fact that not all the current discussion is so disposed to New Deal notions or so careless of the terms being employed.

Hence, the First National City Bank in its November "Letter" makes it clear enough that it is well aware that there are "tax cuts" and "tax cuts," and that some of them are not the same as others. Says that widely read and highly respected publication:

"Walter W. Heller, Chairman of the President's Council of Economic Advisers, in recent speeches has attributed the failure of the economy to advance more strongly to the caution of businessmen in building inventories and enlarging capital spending plans. He has suggested that the first part of 1963 will be a testing period and has expressed the hope that expansion may get its 'second wind.' It most certainly can, if income tax rate reductions are enacted with the particular purpose of strengthening incentives for undertaking of new business ventures."

This influential bank then proceeds to explain in detail how the present tax structure is a drag on business and indicates in general the type of change that is desirable—desirable even if some increase in the deficit is temporarily one of the results.

Some of the recent headlines have given the impression—falsely, we are sure—that Per Jacobsson, that influential thinker for many years in Europe and now become a financial executive with many international responsibilities, had fallen into line with the New Frontiersmen and would have this country forsake the paths that time has tested and found good. Mr. Jacobsson has long been primarily a monetary economist, hence, interested in matters that have to do with fiscal and credit matters. He now shows clearly enough—as he has done in the past—that he is well aware of factors which do not fall within that area, or at least not directly so. Long given to looking into the future, he now has begun to wonder about the danger of what is known as deflation. He recognizes the fact that monetary and credit policies play a role in such things, but is fully aware that other causes can, contrary to popular notions, bring about such a trend. Says he:

Other Causes

"Deflation can undoubtedly be brought about by mistaken monetary policies, but in the present situation it is well to remember that it can also result from the effects of continuous cost increases. In the postwar era, when prices could be raised without any significant reduction in sales, or even with an upturn in sales, cost increases were not really a source of worry but became rather an accepted part of the inflationary process. But when prices can no longer be increased because of intense competition, cost increases may have a very different effect. They will tend to reduce profit margins—and the lower profit margins may slow up the rate of investment, with the result that savings may not be fully invested, idle funds may accumulate, and a deflationary process may be set off. So, if profit margins are reduced by cost increases, they may give rise not to inflation but to deflation." The economist believes that an "expansionist policy" should be followed by this country in the months ahead. He would include in that policy a sensible reduction in the excessive income tax rates now applying to the higher brackets, and some not specified procedures in the field of credit management. We must hope — particularly in light of the record of Mr. Jacobsson — that he will not lend his voice in support of some of the supposed plans of the New Frontiersmen. [Ed. Note: Full text of the address by Dr. Jacobsson to which we refer appeared in our issue of November 8.]

But there can be no question about where some of the influential elements in the population stand — notably the major labor unions which, of course, are chiefly responsible for those rising costs against which Mr. Jacobsson warns. What they have wanted all along, and are now urging with all the vehemence they can muster is first a tax cut chiefly if not solely in the rates paid in the lower brackets and, of course, more and more spending on the part of the Federal Government. In fine, they are playing the New Deal ideas to the hilt. And it must be recognized that they can and do make a plausible sounding defense of their notions, a defense which all too often appeals to the unthinking.

Time for Serious Thought

We have reached a point now at which we must make some very careful decisions, and those decisions should not lead us further into the treacherous fields propounded by Keynes and his followers. We have, of course, already pumped up our monetary and credits system to the point where further steps in that direction could be and probably would be very damaging. Private industry is tough, tough almost to the point of disbelief. It has stood more than could reasonably be asked of it. To proceed further is to risk asking more than it can bear and retain its normal health. Unfortunately, we failed in the elections to show any real perception of our position. It can only be hoped that we shall come to our senses and see to it that our elected officials proceed with more regard for the realities than we ourselves showed at the polls.

$33 Million Bonds Of California Unit Marketed

Bank of America N. T. & S. A. is manager of an underwriting group which on Nov. 14 purchased $33,000,000 East Bay Municipal Utility District (Alameda and Contra Costa Counties, Calif.), Water Development Project Bonds, Series D, due Dec. 1, 1963 to 1992, inclusive. The group bid 100.025 for coupons of 4%, 3.60%, 2.60%, 2¾%, 2.80%, 2.90%, 3%, 3.10% and 2%, setting a 2.9221% net interest cost to the District.

The bonds are being reoffered at prices scaled to yield from 1.50% to 3.55%, according to maturity.

Other members of the underwriting group are: First National City Bank, New York; The Chase Manhattan Bank; Bankers Trust Company; The First National Bank of Chicago; Blyth & Co., Inc.; The First Boston Corporation; Harriman Ripley & Co. Incorporated; Harris Trust and Savings Bank; Smith, Barney & Co.; Kuhn, Loeb & Co.

Wells Fargo Bank; United California Bank; Drexel & Co.; Chemical Bank New York Trust Company; Continental Illinois National Bank and Trust Company of Chicago; The Northern Trust Company; Glore, Forgan & Co.; Crocker-Anglo National Bank; R. H. Moulton & Company; Kidder, Peabody & Co.

Eastman Dillon, Union Securities & Co.; Merrill Lynch, Pierce, Fenner & Smith Incorporated; Dean Witter & Co.; Weeden & Co. Incorporated; The First National Bank of Oregon; The Philadelphia National Bank; Seattle-First National Bank; Mellon National Bank and Trust Company; Equitable Securities Corporation.

Salomon Brothers & Hutzler; R. W. Pressprich & Co.; Reynolds & Co., Inc.; J. Barth & Co.; Ladenburg, Thalmann & Co.; William R. Staats & Co.; E. F. Hutton & Company, Inc.; Shearson, Hammill & Co.; Hayden, Stone & Co. Incorporated; Paribas Corporation.

Why Blue Chip Issues Should Be Favored at This Time

Continued from page 3

search was for the exotic and unusual, and the growth stock theory reached the height of its popularity. The theory of paying a premium for growth stocks is basically a very sound one if it is applied to the right stocks. Unfortunately, there aren't very many real growth stocks. In 1961, there were far too many issues that were classified as growth stocks and did not deserve the title. The growth theory in stocks is comparable to the bikini in the swimsuit field. A bikini looks awfully good on the right girl, but, unfortunately, there aren't too many girls that look good in a bikini. In stock market terms, too many stocks were getting growth multiples in 1961. Probably a more conservative fashion will be popular over the next several years.

We believe that the stock market reached a major top in 1961 and a major bottom in 1962, and the sequel will be a long and lengthy consolidation and accumulation area in, roughly, the 700-500 range. This is similar to the pattern formed in the 1946-1949 period which laid the base for the 1949-1961 advance. Once that advanced started, the leaders of the first phase of the advance from 1949 to 1956 were big, strong blue chip issues. It is our belief that issues of this type will also be the leaders of the next broad advance.

Favors Blue Chip Issues

One reason we tend to favor new buying in blue chip issues at this time is the simple one that they are cheap—cheaper than they have been in some time. The following table shows price-earnings ratios at their bull market highs, currently, and at recent lows for America's 35 largest publicly held Industrial companies. Thirty-three of the 35 companies are now selling below their peak ratios, indicating that the bear market adjustment has been, as much as anything else, a change in investor confidence rather than a change in the fundamentals. It is interesting to note that at their highs, four of the companies were selling above 40 times earnings, eight above 30 times earnings and 17 above 20 times earnings. Only nine of the companies could have been bought at their peaks, at less than a 15 multiple. Now, on the other hand, 24 of America's 35 largest industrial companies can be bought under 15 times earnings with only five of the stocks above a 20 P/E and only one selling at more than 30 times earnings.

Unlike the market averages, which reached their highs in November, 1961, many of these blue chip issues reached their highs in 1956 to 1959 and have done little marketwise since that time. The leaders of the latter phase of the 1949-1961 period were largely in the consumer goods field. The last important capital goods boom was in the 1956-1957 period. By 1965, the need for capital spending will be more apparent and the leaders of the advance in the market will probably include the kind of company, such as General Electric, which benefits from a high-volume, durable goods economy. Accompanying such a rise will, of course, be the good, sound growth companies, but the number will be smaller than in the recent past.

*From a talk by Mr. Tabell at the Association of Customers Brokers, New York City, Nov. 7, 1962.

	Price	High	Date	High P/E Ratio	1962 Low	P/E Ratio At Low	P/E Ratio Now
General Motors	55	59	1959	19.3	40*	11.9	12.2
Stand. Oil of N. J	53	69	1957	17.4	38*	11.9	13.9
Ford Motor	42	59	1961	15.9	36	8.5	9.8
General Electric	68	100	1959	31.5	54	18.0	22.6
Socony Mobil Oil	52	66	1956	11.6	35*	9.3	10.9
U. S. Steel	42	109	1959	25.6	38	13.8	15.2
Texaco	54	60	1961	17.2	45	12.0	14.4
Gulf Oil	34	44	1962	14.7	31	10.3	11.3
Swift & Co.	34	52	1955	13.4	32	11.6	12.3
DuPont, DeNemours	220	279	1959	31.3	165	17.9	23.9
Chrysler Corp.	62	102	1955	8.9	39	7.8	12.4
General Dynamics	25	69	1957	14.4	20	4.4	5.6
Stand. Oil of Calif.	57	62	1959	15.5	40*	9.5	12.4
Bethlehem Steel	29	59	1959	24.2	27	13.5	14.5
Stand. Oil of Ind.	41	65	1956	15.4	35*	8.6	9.3
Westinghouse Elec.	28	65	1960	29.3	25	16.7	18.7
Shell Oil	32	47	1961	20.3	29	11.4	12.5
Boeing Co	38	65	1956	13.5	23*	7.5	12.4
National Dairy	52	79	1961	22.5	46	12.4	14.0
Armour & Co.	34	57	1962	21.5	32	12.1	12.8
Intern'l Bus. Mach.	352	607	1961	66.1	300	28.6	33.5
Intern'l Harvester	46	57	1959	10.1	38*	11.2	11.5
Union Carbide	96	151	1959	26.5	83	15.8	18.3
Proctor & Gamble	63	102	1961	40.0	56	20.4	22.9
Radio Corp.	50	78	1960	40.4	39	14.2	18.2
Goodyear Tire & R	29	50	1959	21.8	25	11.4	13.2
Lockheed Aircraft	49	53	1962	11.8	35	7.8	10.9
No. Amer. Aviation	64	72	1962	17.6	38	9.3	15.6
General Tel & Elec.	20	34	1960	33.3	18	15.7	17.4
Phillips Petroleum	43	65	1961	19.6	42	12.5	12.8
Sinclair Oil Corp.	30	73	1956	12.2	29	11.2	11.5
Firestone Tire & R	28	51	1961	22.1	25	11.1	12.4
Sperry Rand	11	35	1961	43.2	10	11.8	12.9
General Foods	69	108	1961	37.2	58	19.0	22.6
Continental Can	42	60	1958	17.1	31*	14.0	12.7

* 1960 Low

Tax-Exempt Bond Market

Continued from page 6

interest cost was made by White, Weld & Co. and associates.

Other members of the winning syndicate include Ira Haupt & Co., First Western Bank & Trust Co., Seattle Trust & Savings Bank, Fitzpatrick, Sullivan & Co., Shelby Collum Davis & Co., and McLean & Co., Inc. Scaled to yield from 1.65% to 2.45% for various coupons, the present balance is $1,925,000.

Edison Township, New Jersey, sold $2,074,000 general improvement (1963-1978) bonds to *Halsey, Stuart & Co. Inc.*, and associates at 2.80s naming a dollar price of 100.0898. This compared very favorably with the runner-up bid of 100.05 also for a 2.80% coupon which was made by the Kidder, Peabody & Co. account.

Other members of the Halsey, Stuart & Co. Inc. group are Smith, Barney & Co., White, Weld & Co., Herbert J. Sims & Co., Inc., Park, Ryan, Inc. and Hutchinson, Shockey & Co. Reoffered to yield from 1.70% to 3.20%, initial investor demand has been moderate with current balance being $1,119,000.

Thursday's final sale of note involved $2,000,000 Port of Portland, Oregon general obligation (1963-1982) bonds which were bought by the *Harris Trust & Savings Bank* group at a net interest cost of 2.6185%. The runner-up bid of a 2.632% net interest cost was made by the First National Bank of Chicago account.

Other members of the successful group include Chase Manhattan Bank, Bankers Trust Co., Barr Brothers & Co., and National City Bank of Cleveland. The bonds were offered to yield from 1.40% to 2.85% and today's balance amounts to $1,165,000.

Friday morning saw the offering of $6,750,000 Nashville, Tennessee various purpose (1963-1993) bonds by the syndicate managed jointly by *Halsey, Stuart & Co. Inc.*, and *Phelps, Fenn & Co.* The bonds were awarded to this syndicate Thursday evening on its bid of a 2.733% net interest cost. The second bid of a 2.741% net interest cost came from the Chase Manhattan Bank group.

Other members of the winning syndicate include R. S. Dickson & Co., Blair & Co., Inc., Dean Witter & Co., F. S. Smithers & Co., First of Michigan Corp., Roosevelt & Cross, Inc., George B. Gibbons & Co., Adams, McEntee & Co., Inc., Tripp & Co., and Stern Brothers & Co. Scale to yield from 1.50% in 1963 to 3.05% in 1987, initial demand has been slow with the present balance being $3,295,000. The 1988 to 1993 maturities carried a one-tenth of 1% coupon and were sold pre-sale.

Present Week's Business

Monday, due to the Veterans Day holiday, was void of any new issues and Tuesday saw only one issue of note offered for public bidding. The *Chase Manhattan Bank* and associates submitted the high bid for $5,796,000 Town of Hempstead, New York (1963-1981) bonds, offering a dollar price of 100.3399 for a 2.70% coupon. The runner-up bid of 100.219, also for a 2.70% coupon, was made by the C. J. Devine & Co. account.

Other major members of the winning syndicate include Bankers Trust Co., Harris Trust and Savings Bank, Francis I. du Pont & Co., Bacon, Stevenson & Co., Roosevelt & Cross, Inc., F. S. Smithers & Co., R. D. White & Co., John Small & Co. and Tilney & Co. Reoffered to yield from 1.50% to 3.00%, demand has been moderate with the present balance $3,035,000.

Wednesday was a banner day with over $160,000,000 of bonds offered for competitive bidding. The largest loan of the week, $48,000,000 State of Connecticut, Highway System (1967 - 1983) bonds, was awarded to the group headed by the *First Boston Corp.* at a 2.5571% net interest cost. Two other bids, one of a 2.5642% net interest cost was made by the First National City Bank account and one of a 2.565% net interest cost came from the syndicate managed jointly by Bankers Trust Co. and Chase Manhattan Bank.

Other major members of the winning group include Bank of America N. T. & S. A., Mellon National Bank & Trust Co., Detroit National Bank and Connecticut Bank & Trust Co. The bonds were offered to yield from 1.90% to 2.90% for a variety of coupons and initial orders are estimated to have amounted to $28,000,000.

Lincoln, Nebraska, an infrequent borrower, and whose bonds carry a high credit rating, sold $12,000,000 School District (1964-1982) bonds to the syndicate headed by *Bankers Trust Co.* at a net interest cost of 2.78356%. The runner-up bid, designating a 2.802% net interest cost came from the First National Bank of Chicago and associates.

Other major members of the winning syndicate include Morgan Guaranty Trust Co., First of Boston, Smith, Barney & Co., Blyth & Co., Inc., Seattle First National Bank and Hartford National Bank. Scaled to yield from 1.60% to 2.85%, bank portfolio buying was instant with all of the bonds maturing from 1964 to 1972 sold immediately. As we go to press, a balance of $6,730,000 remains in account.

The account headed by *Harriman Ripley & Co., Inc.* submitted the best bid for $14,000,000 Water System revenue (1963 - 1996) bonds of Houston, Texas naming an annual net interest cost of 3.298%. The runner-up bid of a 3.30% net interest cost was made by the Halsey, Stuart & Co., Inc. group.

Associated with Harriman Ripley & Co., Inc. as major members of the winning account are Smith, Barney, First Boston Corp., Blyth & Co., Inc., Goldman, Sachs & Co., John Nuveen & Co. and R. W. Pressprich & Co. The securities are offered to yield 1.50% in 1963 to 3.40% in 1995 and first day orders have amounted to $7,000,000. The bonds due 1996 carried a 2% coupon and were offered at a 3.70% yield.

Big Secondary

The *Chase Manhattan Bank*, bidding alone, submitted the best bid for a secondary offering of $41,564,000 short maturity New York City bonds put up for sale by the New York City Retirement Systems and Pension Funds. The Bank bid a premium of $586,896 for the bonds which carry 2½%, 2¾%, 3%, 3¼%, 3½% and 3¾% coupons.

A spokesman for the bank said there would be no reoffering of the securities which fall due July 1, 1963 to March 14, 1964.

California Unit Sells Large Issue

A nationwide underwriting group headed by the *Bank of America N. T. & S. A.* submitted the best bid for $33,000,000 East Bay Municipal Utility District, California (1963 - 1992) bonds, naming a net interest cost of 2.2921%. The second best bid for the bonds offering a 2.97% net interest cost came from the group led by Halsey, Stuart & Co., Inc.

The bonds are offered to yield from 1.50% in 1963 to 3.15% in 1983 and due to the late hour of the sale and time differentials between here and the coast, no balance is presently available. The 1990 to 1992 maturities carried a 2% coupon and were offered at a 3.55% yield.

Toll Bonds Soften

Long-term revenue bond issues have given ground during the past week. Some of the toll road bonds are off as much as 1½ points. *The Commercial and Financial Chronicle's* revenue bond Index (toll road, toll bridge, public utility revenue and other authority obligations) average out at a 3.591% yield. A week ago the Index was 3.558%. On an average, this category of bonds has lost about one-half of a point. All of these issues are quoted in dollars and are more sensitive to market change than are those quoted in terms of yield or basis.

October revenues figures for toll road and bridge projects are beginning to be received. Improvement is consistent yet varied. The popular Ohio Pike reported a 1.2% gain in toll revenues; the struggling West Virginia Pike showed a 4.9% gain; the heavily trafficked Mississippi River Bridge at New Orleans reported a traffic gain of 14.7% but a revenue decline of 2.0% due to a recent cut in tolls.

In the realm of revenue issues, there are at least two purposes of issue that appear more frequently on the calendar. More cities of all sizes are selling issues for the construction of parking buildings. To a less frequent extent, yet inevitably, industrial plant revenue issues are reaching the market.

ABA To Hold Credit Conference

Comptroller of the Currency James J. Saxon and American Bankers Association President M. Monroe Kimbrel will address the ABA's 15th National Credit Conference to be held at the Sheraton-Chicago Hotel in Chicago next January 21-22.

Preliminary plans for the annual meeting of credit leaders of commercial banks were announced by Chairman J. Howard Laeri of the ABA's Credit Policy Committee. Mr. Laeri is Executive Vice-President of First National City Bank, New York.

Among other speakers will be John E. Horne, Administrator, Small Business Administration, Washington, D. C.; William C. White, President, Consolidated Freightways, Inc., Menlo Park, Calif.; and John K. Langum, President, Business Economics, Inc., Chicago.

The complete Conference program will be announced shortly, Mr. Laeri said.

More than 900 bank officers throughout the country attended the 1962 Conference last January.

PUBLIC UTILITY SECURITIES

BY OWEN ELY

Public Service Company of Indiana, Inc.

Public Service of Indiana serves electricity (only) to portions of Indiana with a population of over $900,000, including the cities of Terre Haute, Kokomo, Lafayette and New Albany. The company has revenues of over $100 million a year, residential sales contributing 38% of revenues, commercial 20%, industrial 26% and wholesale and other 11%. Principal industries in the area include coal mining, automobile accessories and parts, aluminum and other metal products, chemicals, cement, stone quarrying, rubber products, petroleum, paper products, glass, furniture, ceramics and dairy products.

The company in 1961 marked its 20th year of corporate history and completion of a 10-year program of major plant expansion. It is now in excellent financial condition, with long-term debt at 50% of total capital, preferred stock 12% and common stock equity of 38%.

Generating capability at the end of 1961 was 1,640,000 kw as compared with 589,000 a decade earlier; peak load in 1961 was 1,101,000, indicating a very susbtantial reserve. The company's distribution system has been largely converted to higher voltages. As a result, construction expenditures over the next few years will be reduced, requiring no additional financing. They are estimated as follows:

1962	$15,000,000
1963	21,000,000
1964	36,000,000
1965	42,000,000
	$114,000,000

The interest credit this year is very small and next year may approximate 2c a share, in 1964 5c and in 1965 15c a share, according to President Blanchar. Long-term construction programs include the completion in 1966 of an 81,000 kw hydro-electric plant on the Ohio River at Markland, Ind., to cost some $25 million; this will be followed by a 300,000 kw steam unit in 1967.

In June, this year, the 4.80% preferred stock was called for redemption, forcing conversion of almost the entire issue into common stock. Reflecting such conversion and the two-for-one split of the common stock in April, there are now 10,923,000 shares outstanding.

The company estimates that cash generated internally, can take care of financing requirements up to 1966; cash assets at the end of 1962 are estimated at $26 million. While financing will probably be required in 1966, it is considered unlikely that the company will decide to sell common stock at that time, since the common equity is expected to approximate 40%.

The earned rate of return (on year-end net plant) for Public Service of Indiana declined from 5.9% in 1952 to 5.1% in 1959-60. Indiana is a "fair value" state for rate-making purposes, and the return would have been still lower on a fair value basis. Hence, in January, 1961, the company was able to obtain a rate increase of about $5 million (22c a share on the present number of shares) reflecting a 5.6% return on the rate base, or an indicated return of over 6% on original ost. The state commission did not require the company to adopt "flow through" of tax savings resulting from the use of liberalized depreciation.

A potentially adverse development is the effort of the Rural Electrification Administration at Washington to finance a 198,000 kw generating plant together with 1,552 miles of transmission line and related facilities. A $60 million loan was authorized to the Hoosier Cooperative Energy Inc. representing a group of 16 Indiana REAs. Due to intensive opposition and the possible difficulty of obtaining the necessary approval for the project from the Indiana Public Service Commission the loan authorization was transferred in April this year to the Indiana Statewide Rural Electric Cooperative, Inc. (Statewide), which had obtained a certificate of convenience and necessity 27 years ago from the state commision. Public Service of Indiana, Indianapolis Power & Light and Southern Indiana Gas & Electric have filed suits in the courts opposing this move. Public Service's revenues from the sale of electricity to these REAs is less than 4% of its total revenues.

Despite the virtual disappearance of the credit for interest on construction, earnings for the 12 months ended Sept. 30, 1962, were $1.59 on the split shares representing a gain of 15% over last year. President Blanchar has estimated that by 1965 earnings per share should approximate $2 which would approximate the rate of return authorized by the Public Service Commission last year. While the record of share earnings over the past decade has been mediocre, the excellent gain for 1962 and the anticipated increase over the next three years (which would average nearly 8% per annum) should give the stock an improved growth rating.

The stock has been selling recently around 32 compared with the approximate 1962 range of 35-24. The yield based on the $1.20 dividend rate of 3.8% and the P-E ratio 20.

NSTA NOTES

BALTIMORE SECURITY TRADERS ASSOCIATION

The Baltimore Security Traders Association will hold its 28th Annual Midwinter Dinner, Jan. 18, at the Southern Hotel.

Current News in the Field

These items are supplemental to similar notices appearing elsewhere in this issue

NEW FIRMS

BOSTON, Mass.—**John V. Thompson & Co.,** 7 Water Street. John V. Thompson is a principal.

CEDAR RAPIDS, Iowa—**Financial Consultants, Inc.,** 408 First Avenue Building. E. P. Eustice, Sr. is a principal of the firm.

CLEVELAND, Ohio—**Midwestern Equities, Inc.,** Superior Building. Officers are Raphael D. Silver, President and Treasurer; Richard J. Barris, Vice-President, and Jordan C. Band, Secretary.

GAINESVILLE, Fla.—**T. H. Cummings Investment Company,** 526 Northwest 19th Avenue. Theo H. Cummings is a principal.

GREAT NECK, N. Y.—**Enby Syndications, Inc.,** 286 Northern Boulevard has been formed as successor to the investment business of Nelson Broms.

HOUSTON, Texas—**Bromley Agency,** 2625 Richmond Avenue. Herbert L. Bromley is proprietor. He was formerly an officer of Southwestern Securities & Investment Co.

LAKE OSWEGO, Oreg.—**First Western Securities Co.,** 1800 Ridge Crest Lane. George Geist is sole proprietor. Mr. Geist was formerly an officer of Zilka, Smither & Co., Inc.

LAS VEGAS, Nev.—**Universal Securities Corporation,** 3327 Las Vegas Boulevard. Officers are Howard R. Weisberger, President and Treasurer; H. E. Weisberger and E. V. Weisberger, Vice-Presidents, and B. T. Stern, Secretary.

LOS ANGELES, Calif.—**Noble, Tulk, Inc.,** 618 South Spring Street. The firm's name was formerly Noble, Tulk, Marsh & Jefferies, Inc.

LOS ANGELES, Calif.—**Harry C. Polonitza & Co.,** 639 South Spring Street. Harry Polonitza is principal.

NEW YORK CITY, N. Y.—**Laren and Grimm, Incorporated,** 26 Broadway. The firm is successor to Laren Company.

NEW YORK CITY, N. Y.—**Broadway Securities, Inc.,** 26 Broadway. Arnold N. Mahler is President, Secretary and Treasurer of the firm.

NEW YORK CITY, N. Y.—**Galluppi & Co., Inc.,** 6 Harrison Street. Officers are Bernardino F. Galluppi, President; Rocco G. Canellare, Secretary and Treasurer.

TEMPLE, Texas—**First City Securities Corp.,** 5 West Avenue A. Officers are Harry O. Blanding, Jr., President; Wayne H. Chipman, Vice-President, and William F. Floyd, Secretary and Treasurer. Officers were all formerly with Parker, Ford & Co. Inc.

NEW BRANCHES

ASHLAND, Ohio—**Merrill, Turben & Co., Inc.,** Colonial Building. Everett M. Myers is registered representative in charge.

CHARLOTTE, N. C.—**Powell, Kistler & Co.,** Liberty Life Building. Henry C. Covington is registered representative in charge.

CHICAGO, Ill.—**Straus, Blosser & McDowell,** 2753 West Devon Avenue. Alexander Kleine is resident manager.

LOS ANGELES, Cal.—**Schweickart & Co.,** 639 South Spring. William Finerman, recently admitted to partnership in the firm, is in charge.

MITCHELL, S. Dak.—**Harvey J. Shaw Investment Company,** 114 East Third Avenue. Harold Grant is in charge.

NEW YORK CITY, N. Y.—**T. H. Fitzgerald & Co.,** 79 Wall Street. Thomas H. Fitzgerald, Jr. is resident manager.

OSHKOSH, Wis.—**The Milwaukee Company,** First National Bank Building. Leon K. Kitz is resident manager.

REDLANDS, Calif.—**William R. Staats & Co.,** 125 Orange Street, David P. Murphy is resident manager.

SPRING VALLEY, N. Y. —**Alpha Planning Corporation,** 39 South Main Street. Vincent L. Wilker is resident manager.

PERSONNEL

COLORADO SPRINGS, Colo. — Clarence J. Hale has joined the staff of **Amos C. Sudler & Co.,** 12 East Boulder.

COLUMBUS, Ohio — David W. Faircloth has become connected with **Vercoe & Co.,** Huntington Bank Building, members of the New York Stock Exchange.

DAYTON, Ohio—Robert D. Nash is now affiliated with **McDonald & Company,** Third National Building. He was formerly with Merrill Turben & Co., Inc.

MILWAUKEE, Wis.—Donald Miller is now connected with the **Milwaukee Company,** 207 East Michigan Street.

MILWAUKEE, Wis.—Russell Raettig and Donald Stifter have joined the staff of **Straus, Blosser & McDowell,** 111 East Wisconsin Avenue.

WILMINGTON, N. C.—George C. Atkinson, Jr. has become associated with **Vaughan and Company,** 106 North Second Street.

Why the Newsprint Industry Should Grow and Prosper

Continued from page 15

to utilize native raw materials which many of them possess in such abundance.

Implications for Canada

The meaning of this for our Canadian industry is, I think, that our future rests largely with the markets of the Northern Hemisphere, and specifically with those in North America and Western Europe. Thus the major new developments in these areas are of the utmost importance, and of these the most significant in recent years has been the sharp increase in Western European newsprint consumption.

Between 1951 and 1960 the growth in Western Europe was actually greater than it was in North America. In all likelihood, this will not be the case during the next decade, for the European economies have expanded at a rate faster than they can maintain, and in fact faster than they have been experiencing in recent months. Nevertheless, it does appear that their share of the growth in newsprint demand in years to come will be only slightly below that of North America. Between them, moreover, these two regions will account for more than 60% of the total increase in world demand that we expect to occur by 1975.

I am confident that we have the ability to preserve our traditional share of the United States market, and this in itself will provide impetus for the continued expansion of our newsprint production. Obviously, however, it is of vital concern to our future prospects of growth, that we also supply a portion of the rising needs of Europe. And this is why the policy of the European Common Market on imports of newsprint, and the current negotiations looking towards Britain joining the Market, are of such consequence just now.

It now appears that Britain will join this group, and several other nations of Western Europe are seeking either membership or some form of association short of membership.

Concerned About ECM's Tariff

The significance of the Market is that its members have agreed to eliminate all tariffs amongst themselves, and to erect a common tariff against the rest of the world. The level of this common tariff has been set at 7% for newsprint, and it is this which causes us concern.

As you know, our newsprint industry has reached its present size and importance because it has been accorded duty-free entry to the major markets of the world. This principle has been of overwhelming importance and thus, naturally, we are seeking to have it preserved.

That it be preserved is of immediate importance owing to the fact that Britain, our second largest customer for newsprint may enter the Common Market. And it will be of longer-term significance in any attempts to increase our newsprint trade with the continental countries. Whether we shall be successful in preserving the principle, no one can yet foresee. If not, then we shall hope for a system of liberal duty-free quotas, while at the same time working for a change of trade policy at some time in the future.

In spite of such problems and uncertainties as these, I think it is wise to remember that, essentially, ours is a healthy and dynamic industry, utilizing basic natural resources to fill a fundamental human need. As such, granted continued use of sound judgment [by men of good will], I have no doubt that it will continue to grow and prosper.

*An address by Mr. Minard before the 425th meeting of the National Industrial Conference Board, New York City.

WASHINGTON AND YOU

BEHIND-THE-SCENES INTERPRETATIONS FROM THE NATION'S CAPITAL

WASHINGTON, D. C.—There is always a series of important things taking place in the Nation's Capital that affect the welfare of all the people, either favorably or unfavorably. It is no different now.

Things that do not always make page one are of great importance. Every large department, agency and bureau of the Federal Government are doing things that affect the economy.

Then there are many things that take place in the Capital outside the official circles of the United States Government that indirectly affect all parts of the country.

The general election results in California promptly brought politicians in the Capital speculating profusely about the 1964 Presidential race. As of now, there is general agreement that one-half of the ticket of the two major parties will be John F. Kennedy and Lyndon B. Johnson for the Democrats, and most guessers as of now believe that Gov. Nelson Rockefeller of New York will become the Republican Presidential nominee.

Assuming it would be President Kennedy and Governor Rockefeller, the question arises: Which of the two men would be the more conservative?

Traditionally, the Republican party is regarded as more conservative than the Democratic leadership, particularly in the executive branch of the government.

Unsolid South

The election results proved that the Republican party is gaining strength in the South as far as national officials are concerned. Indicative of this is the fact that Texas, Florida, North Carolina, and Virginia are all sending two United States Representatives to the next Congress, and Tennessee, which has had two Republicans for years, is sending one additional or a total of three.

In Old Virginia there were only a total of 500 votes separating two additional Republican seats. In other words, two incumbent Virginia conservative Democrats, like Senator Lister Hill of Alabama, came within a thin margin of losing their seats in Congress.

There has been a great deal of speculation across the nation that the increased strength rolled up in Congress by the Democrats will mean smoother sailing for President Kennedy and some of his New Frontier legislation.

Committee Chairmanships

Most of the Senate and House committee chairmanships are still controlled by Southern members of Congress. And in all probability dozens of Southerners who have been inclined to go along on some proposals advanced by the New Frontier are likely to take another look in view of what happened in Dixie recently.

Certainly Senator Hill, a liberal in many of his votes, got the scare of his political life of nearly 40 years. However, it should be borne in mind that unquestionably many thousands of votes cast for his Republican rival, James Martin, a businessman, was an anti-Kennedy protest vote as the result of the use of Federal troops at the University of Mississippi.

Goldwater's Prospects

At this point, it should be noted flatly that there is every indication that nearly all Southern Republican leaders and many Southern Democrats are hoping that some political miracle will happen in 1964 and Senator Barry Goldwater will get the Republican Presidential nomination.

It would take a political miracle so it would seem for the Arizona conservative to get the nomination. Meantime, Senator Goldwater, who is opposed to Governor Rockefeller for the nomination, insists that he (Goldwater), is not a candidate for the nomination.

At the same time, Senator Goldwater is filing numerous speaking engagements all over the South. He is scheduled, for instance, to speak soon at a $100-a-plate dinner at Jackson, Miss. He will get a warm reception in Mississippi.

Pre-Merger Legislation

What looms ahead in Washington? A number of proposals affecting business and industry will be introduced in the new Congress and will have the blessing of the Kennedy Administration.

These will include proposals that will require pre-merger notification, more government controls over business practices, standby power for the President to cut taxes, mass transportation assistance, patent protection, and stiffer employment and unemployment rules.

The Department of Justice will press for the pre-merger notification in the new session. The Federal Trade Commission will renew its bid for more business controls. It is also probable that a tax reform bill will be presented by the Administration early in the session.

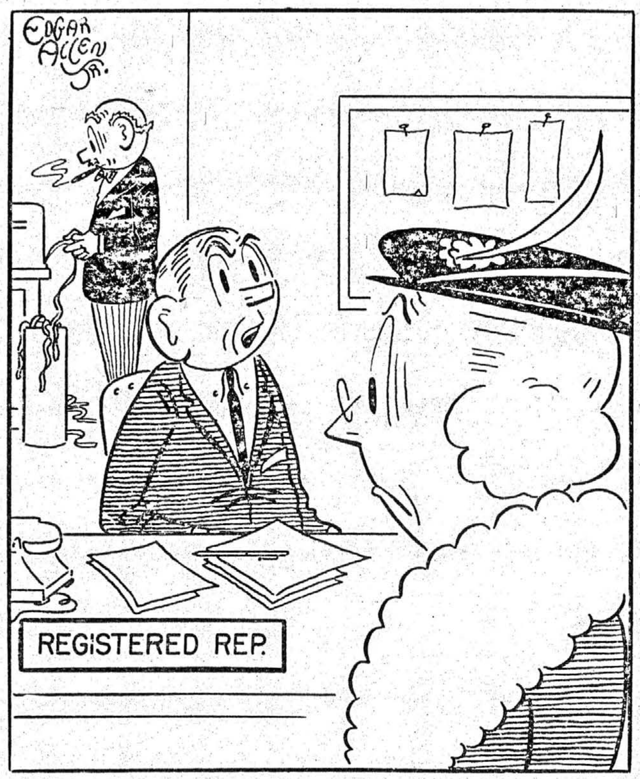
The Administration-backed plan to create a Department of Urban Affairs would bring under one Federal agency roof, highway, housing and other related programs.

In the Federal Government there is always some move in every Department perhaps to reorganize. This highway and housing proposals kicked up some controversy in the last session. It appears unlikely it will gain any popularity in the next session.

Highway Speed-Up Urged

Federal Highway Administrator Rex M. Whitten has sent out another appeal to the various states to accelerate their construction program of the Interstate Highway System. Mr. Whitten contends that at the present rate of construction it will be 1981 instead of 1972 when the 41,000-mile divided, multi-laned expressways are finished.

To meet the goal 10 years from now, the Administrator said we must average 7.8 miles of the stop-light free highways a day.



"No, Madam, we're NOT mixing politics with business —it doesn't mean Registered Republican!"

For the past two or three years completion has averaged 4.6 miles a day, but more than 12,000 miles of the great highway system are now open to traffic.

"Monkey Business"

During the 1962 session, Senator Harry F. Byrd of Virginia, Chairman of the Senate Finance Committee, and the "Watchdog" of Federal Government expenditures, disclosed that the 1962 budget provides a substantial amount of funds for a study of the affections of a mother monkey for her baby monkey.

A study of the budget of the United States Government cites certain studies, which to the best of our knowledge, have not been disclosed before.

The student of the budget, who declined use of his name, insists that in addition to the approval by Congress of the six-year monkey study calling for an expenditure of $1,201,925, Congress approved these things:

For studies of silent thinking $26,565; for a tour of United States defense plants by Polish officials, $10,000; to study the social role of the aging horse $8,305.

Thus it is apparent that the increase in the Federal budget in recent years has not all been due to the increase in the programs of the Defense Department.

Stockpiling Continues

Earlier this year there was a lot of hullabaloo raised in Congress and in the White House about the big spending during the Eisenhower Administration in connection with the national stockpile program. One of Mr. Eisenhower's cabinet officers was called before a Senate committee. His firm was accused of making a big profit from the stockpiling program, which was vehemently denied.

Sen. Byrd says the facts are the stockpile has increased by more than $50,000,000 worth of commodities in the past few years.

The government is getting started on its first national transportation census. Congress approved $175,000 to begin the census, which eventually will cost $2,000,000. Four projects are planned. The major project will be the survey of the commodity transportation, involving shipping patterns of 150 items by 10,000 manufacturers. Results will show what was shipped, from what place, by what mode, and in what volume.

[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.]

Form Lane, Sterling Co.

RICHMOND, Va.—**Lane, Sterling & Company**, 1004 North Thompson Street. Partners are Benjamin R. Lane, Jr. and Russell W. Sterling. Mr. Lane was formerly proprietor of Lane Co., with which Mr. Sterling was also associated.

COMING EVENTS

IN INVESTMENT FIELD

Nov. 17, 1962 (Philadelphia, Pa.)
Investment Traders Association of Philadelphia Annual Dinner Dance at the Germantown Cricket 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.

Nov. 29, 1962 (Chicago, Ill.)
Investment Analysts Society of Chicago luncheon meeting. Speaker: Herbert R. Silverman, President, James Talcott & Co.

Dec. 7, 1962 (New York City)
Security Traders Association of New York annual meeting at the Harbor View Club.

Jan. 18, 1963 (Baltimore, Md.)
Baltimore Security Traders Association 28th Annual Midwinter Dinner at the Southern Hotel.

Jan. 21, 1963 (Chicago, Ill.)
Security Traders Association of Chicago annual winter dinner at the Drake Hotel.

April 3-4-5, 1963 (Dallas, Tex.)
Texas Group Investment Bankers Association Convention at the Statler Hilton Hotel.

April 17-21, 1963 (Syracuse, N. Y.)
American Bar Association Regional Meeting.

April 27 - May 1, 1963 (Boston, Mass.)
National Association of Mutual Savings Banks 43rd annual conference at the Hotel Statler.

May 12-15, 1963 (Chicago, Ill.)
Financial Analysts Federation annual convention at the Palmer House.